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**2010/11  
Annual  
Budget**

**MUNICIPALITY**

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# 1. INTRODUCTION

## 1.1. Mossel Bay Municipality Overview

### VISION

We strive to be a trend-setting, dynamic Municipality delivering quality services responsive to the demands and challenges of the community and our constitutional mandate, in which all stakeholders can participate in harmony and dignity.

### MISSION

Mossel Bay Municipality's mission for the past present and future, is:

- \* To render cost-effective and sustainable services to the entire community with diligence and empathy,
- \* To create mutual trust and understanding between the municipality and the community,
- \* To have a motivated and representative municipal workforce with high ethical standards, which is empowered to render optimal services to the community, and
- \* To apply good and transparent corporate governance in order to promote community prosperity.

### VALUES

The community is our inspiration and our workforce is our strength in the quest for community development and service delivery. We therefore value:

- \* Work pride,
- \* Service excellence,
- \* Integrity,
- \* Loyalty, and
- \* Accountability.



## 1.2. Municipal Budget

### DEFINITION OF A MUNICIPAL BUDGET

A municipal budget is generally a projection of future revenues and expenditure. A budget is used to control financial transactions and should also be used as a management and planning tool.



It is also the tool for implementing the service delivery objectives of the Municipality as set out in their Integrated Development Plan (IDP).

A municipal budget also provides for greater transparency, accountability, flexibility, and predictability within the municipality.

### A Municipal budget is divided into a Capital and an Operating Budget:

- a) A capital budget is an estimate of the expenses that will be incurred during that financial year to create future benefits, and the sources of finance from which these expenses will be funded. The municipality spends money either to buy fixed assets or to add to the value of an existing fixed asset with a useful life that extends beyond one year. Fixed assets include, inter alia, land and buildings, motor vehicles, furniture, computers, office equipment and machinery.
- b) An operating budget is an estimate of the operating revenues which will accrue to the municipality through its normal service delivery and the expenditure that will be incurred through the day to day operations of the municipality over the financial year.

**Example:** The purchase of a photocopier is a capital expenditure and is budgeted for under the capital budget, but the maintenance and other expenses such as the paper and toner for the photocopier is budgeted for under the operating budget.

### OBJECTIVE OF A MUNICIPAL BUDGET

The main objective of a municipal budget is to sensibly allocate realistically expected resources to the municipality's service delivery goals or performance objectives identified as priorities in the approved IDP.

The municipal budget is a tool through which the total level of revenue and expenditure are adequately controlled, public resources are appropriately allocated among sectors and programs, and ensure that departments operate as efficiently as possible within the municipality.

## 2. MAYORAL SPEECH (As at 30 March 2010)

Mr Speaker, Aldermen, Councillors, Municipal Manager and Directors, members of the public and staff members.

It is again my privilege to table this Integrated Development Plan as well as the Budget, together with related documents, for the 2010/2011 financial year and the two outer years as prescribed in terms of Section 16 of the Municipal Finance Management Act.

As in previous years the Budget and the IDP are the culmination of a detailed and extensive planning process over several months. The process again included a series of consultative meetings in every ward to identify the needs of the communities. This process enabled Council to get a broad overview of the most important needs in the different wards and how they should be prioritised in 2010/2011 as it is inevitable that priorities change from year to year.

As in the past, Council's objective with the Budget is very clear. Although you may have heard them in previous years when I tabled the budget, they were as fundamental to the budget process this year as then and I am repeating them for your convenience again this year.

They are to:

- \* Ensure that every citizen of Mossel Bay shares in the services that this Municipality provides.
- \* Provide cost-effective and efficient services to the community as a whole.
- \* Improve the standard of services.
- \* Provide for the maintenance of existing infrastructure.
- \* Provide and plan for new infrastructure and new bulk services due to the growing needs of the town. In this regard, we wish to build capacity for long-term growth.
- \* Protect the poor by subsidising various rates and tariffs from the equitable share paid by the State as well as from rate payers funds, and to
- \* Maintain financial discipline, thereby ensuring that the finances of this Council are kept on a sound basis.

Before I get into the details of the 2010/2011 Budget, I believe it is important to sketch some of the background against which this year's budget had to be formulated.

Although the tight economic conditions, which were experienced over the past number of years, appear to have eased somewhat, we are by no means close to the favourable conditions experienced in the first half of the decade. The Municipality therefore continues to feel the negative impact on its traditional sources of income as well as the economic growth of the town, the latter to its detriment from the point of view of broadening its income base.

The current drought situation, the worst in 132 years in our area, is serving as a stark reminder of our dependence on nature and that it can impact on the Municipality's financial situation too. As a result of the water restrictions that had to be introduced, the Municipality's income from water sales declined and emergency water tariffs had to be introduced for the period from March to June 2010 to make good the shortfall from this source of income.

The Municipalities in the Eden District, including Mossel Bay, which has been declared a disaster area last year, will have to reduce their reliance on rain water and diversify their sources of potable water. In effect this means that more will have to be spent on developing additional sources of water, such as boreholes, desalination of sea water and the purification of effluent water, over the next couple of years. This in turn will impact on the Municipality's ability to embark on other much needed capital projects.

**MAYORAL SPEECH (As at 30 March 2010) Continues:**

The increases in the price of electricity over the past few years have been drastic and are resulting in consumers cutting back on their electricity consumption, again with a negative effect on the Municipality's income from this source. However, as you will note we have endeavoured to cushion the blow somewhat by proposing a much lower increase in electricity than what was approved by NERSA and by not increasing the monthly basic charge for electricity in respect of domestic consumers.

As far as water is concerned, the Municipality continues to provide 6 kilolitres of free water per month to all consumers, in contrast to the neighbouring municipalities. This is of particular importance with regard to the indigent and the poor in our community. The water tariffs for the 2010/2011 financial year will also be lower than the emergency tariffs in force at present.

The sewerage tariff will also remain unchanged for the second year in succession.

Budgets have in the past, mainly for reasons of political expedience, been criticised based on the direct capital expenditure per ward per financial year.

It is of course nonsensical for many reasons to make such comparisons, inter alia because of the vastly different circumstances in each ward, the fact that a capital project carried out in one ward may also be beneficial to the residents of other wards and because capital budgets are prepared in three-year cycles.

It is nevertheless important to note that of the R38 896 400 that has been allocated to individual wards in 2010/2011, an amount of R21 734 700, or 55.9%, will be spent in wards where the backlogs are the highest. Capital projects in these wards include the tarring or upgrading of several streets as well as improvements to drainage and storm water systems. It is also interesting to note that R20 179 000 will be spent in Ward 12 over the next three years, by far the most of any ward. Although it includes the tarring of streets, most of it relates to the Asazani/Izinyoka housing project.

The total budget for 2010/2011 amounts to R731 401 534 and consists of a Capital Budget of R138 645 630 and an Operating Budget of R592 755 904. The Capital Budget amounts to 18.96 per cent of the total budget and the Operating Budget to 81.04 per cent.

The total budget compares with the initial budget of R707 734 375 approved for the 2009/2010 financial year, an increase thus of only 3,3 per cent. This is indicative of responsible budgeting as well as Council's empathy with our ratepayers in the difficult economic conditions prevailing at present.

The Operational Budget also includes departmental and non-cash transactions to a value of R85 718 672. If this is subtracted, the operational cash budget for 2010/2011 is decreased to R507 037 232.

The Municipality will also receive grants of R62,3 million in total from the National Government and R19,7 million in total from the Western Cape provincial government towards its capital as well as operating budgets for the 2010/2011 financial year.

The national grants include the Integrated National Electrification Programme Grant of R7,5 million, Municipal Infrastructural Grants of R11,8 million, an Electricity Demand Side Management Grant of R6 million and Equitable Share Indigent Subsidies in the amount of R32,9 million.

### **MAYORAL SPEECH (As at 30 March 2010) Continues:**

The provincial funding will include Integrated Housing and Human Settlement and Development Grants of R5,3 million towards the capital budget and R13, 4 million towards the operating budget. It will also include smaller grants toward the maintenance of proclaimed roads, ie R50 000, an amount of R801 000 for library services and a community development workers operations support grant of R125 000.

The bulk of the Capital Budget for 2010/2011 is devoted to infrastructure improvements in the following services:

Streets and Storm Water	R20,4 million.
Sewerage	R17,5 million.
Water	R45,5 million.
Cleansing	R3,2 million.
Public Safety and Rescue Services	R3,3 million.
Electricity Distribution	R31,2 million.
Sport and Recreation	R6,9 million.
Housing	R5,3 million.

The details of all these capital projects can be found in the project list, which is included in annexure C to the budget report.

The funding of the capital budget in the short and medium term has been analysed in detail, and it has become clear that the present levels of financing of capital budgets from the Capital Replacement Reserve (CRR) will be impossible to sustain over the longer term. Based on current projections of contributions to the CRR and capital budgets the CRR funds will be totally depleted during the 2011/2012 financial year. This will result in a situation whereby all future capital projects will have to be financed by way of external loans. It is, however, appropriate to start looking at this source of financing projects now given the low interest rates at present.

In view of the above situation it is also recommended that the proposed levels of capital funding from the CRR are not exceeded and that any proposed additions to the draft capital budgets be prioritised against other projects which already appear on the capital budgets. Following a strategic session, a decision has been taken already that the capital budget to be financed from the CRR should not exceed R85 million and that it should be reconsidered on an annual basis.

The Operational Budget, as in previous years, again focuses on the maintenance of existing infrastructure and improvement of service delivery to the community. Council remains committed to a clean environment. This priority also figures in the operational budget.

Details of the operational budget are provided in the budget document. Councillors are, however, urged to peruse through these details and consult with Directors if any clarification is required. As in the past, Council will have to continue to exercise strict financial discipline to prevent excessive burdens being placed on the community by way of excessive tariff increases.

It will be noted that the plight of the poor has again received attention. It is proposed that the household subsidies for indigent households are increased from R268,11, plus VAT, to R315,53, plus VAT, and those for poor households from R180, plus VAT, to R230, plus VAT. The total monthly income limit of a husband and wife at which pensioners will become eligible for a discount of fifty per cent on their property rates will be increased from R3 000 per month to R5 000 per month.

## MAYORAL SPEECH (As at 30 March 2010) Continues:

Pensioners with a total monthly income exceeding R5 000 but not more than R8 000 per month will qualify for a discount of thirty per cent. The current upper limit is R5 000 per month.

The proposed tariffs for the 2010/2011 financial year are listed in the annexures to this document but I would like to highlight the following:

### Electricity

The draft budget for 2010/2011 makes provision for the following tariff increases:

* Prepaid tariffs for indigent households	12%
* Basic electricity tariffs for households	0%
* Other consumer tariffs	22.03%

It will be noted that Council's electricity tariff increase is much lower than the Eskom increase of 28.9%, which has been approved by NERSA.

Certain changes to the existing electricity tariff structure are, however, proposed, namely:

- \* All domestic consumers who are on the one-part prepaid tariff of 84,2 cents, plus VAT, per unit for prepaid meters will be transferred to the two-part tariff, which consists of a monthly basic charge of R148,54, plus VAT, and a unit charge of 63,7 cents, plus VAT, per unit. In this regard I would like to emphasise that the monthly basic charge for electricity in respect of domestic consumers, i.e. R148,54, plus VAT, is not increased for 2010/2011.
- \* Consumers will be able to apply to remain on the one-part tariff on the following conditions :
  - Proof of monthly household income of not more than R10 000 must be supplied.
  - Applicant must be a permanent resident at that address for at least 9 months of the year.
  - The average monthly purchase for the previous 4 months must not have exceeded 600 kWh.

This structural change will create additional income, which has already been provided for in the budget. A proper communication campaign will, however, be of the utmost importance to inform the more than 10 000 electricity consumers who can be affected by this change in the tariff policy.

### Water

The water tariff increases vary and Councillors are referred to the tariff listing as per annexure A, specifically pages 8 to 12 in this regard. Although an increase of 9 percent in the basic charge is recommended, it has been necessary to recommend substantial increases for metered consumption for the 2010/2011 financial year.

The following aspects are also highlighted:

- \* The consumption intervals on each tariff have changed, i.e. the intervals are smaller than in the present tariff structure with higher tariffs on each interval.



### **MAYORAL SPEECH (As at 30 March 2010) Continues:**

- \* The definitions of the tariff categories are changed to provide for specific problems, which were identified with the present tariff categories. For example the category “Domestic Consumers” is changed to “Single Residential, Flats, Other Residential Complexes” with business and residential combined (up to 4 consumers with one joint meter)”. These consumers (flats, etcetera) that were previously dealt with separately are now combined into one tariff structure.
- \* A new tariff was created for the following categories:
  - Consumers with connections up to 25mm: Flats, Other Residential and Business Complexes with more than 4 consumers and with one joint meter.
  - Consumers with connections larger than 25mm: Medium connections with more than nine (9) consumers and with one joint meter using less than 1000kl per month.

In the above cases a separate basic charge will be levied for each consumer who is connected on the joint meters. The abovementioned structural changes will again affect many consumers and a proper communication campaign will also be necessary in this regard.

The total net profit on the water account for 2010/2011 is R24 425 957 and represents a 25.6% profit on total income.

The expenditure increased by R21,5 million of which R5 million can be attributed to the new reverse osmosis plant. It must, however be stressed that the budgeted expenditure, income and tariffs do not provide for any expenditure with regard to new additions or extensions to these plants.

#### **Refuse Removal**

The service is categorised as an economic service, which means that it is supposed to pay for itself from service fees or even show a small profit.

It is recommended that the refuse removal tariffs be increased by 15%.

This service is expected to show a total net surplus of R4 575 799 in the 2010/2011 financial year.

#### **Sewerage**

The sewerage service is classified as an economic service. This service must therefore be self-sufficient and is supposed to break even or show a small profit at most. This service, however, still runs at a huge annual profit and it is therefore recommended that the tariff remains unchanged again. Council should also refrain from increasing the sewerage tariff over the next few financial years.

#### **Property Rates**

Property rates are levied in terms of the Property Rates Act and the income generated from this source is used to balance the budget. Property rates are not derived from any service provided by Council as the case is with other service tariffs.

A structural change is recommended whereby the ratio between the two main categories, i.e. industry/commercial and residential is reduced. The present ratio is 42.4 : 100.

### **MAYORAL SPEECH (As at 30 March 2010) Continues:**

The minimum ratio should, however, not exceed 50 : 100. It is therefore recommended that this ratio be phased in over 2 years, with a ratio of 46.2:100 in the 2010/2011 financial year.

Over and above, and additional to the structural increase as mentioned, a further increase of 8 per cent is recommended on the revised property rates structure.

Thus the total net increase recommended in the property rates tariffs is as follows:

Residential	-	17,64%
Agricultural	-	17,46%
Vleesbaai	-	19,39%
Industry/Commercial	-	8%
State Infrastructure	-	17,46%
Accommodation Establishments	-	78,22%

Accommodation Establishments represent a new category which is defined in the Tariff Policy of Council. The substantial increase in this category is due to the fact that these properties were previously levied on the same tariff as residential properties, while they were actually used mainly for business purposes.

The abovementioned increases in property rates will generate a net additional income of R9,1 million.

It must again be stressed that the changes to the property rates structure will need to be communicated properly with the rate payers.

Finally, it must be mentioned that the recommended increases in tariffs do not generate enough income to balance this budget. It was therefore necessary to provide for the following cash contributions from the accumulated surplus to balance this budget over the next 3 years:

2010/2011	-	R6 200 000.
2011/2012	-	R7 200 000.
2012/2013	-	R5 000 000.

In conclusion, I would like to thank all who were involved in the IDP and budget process thus far and for the hard and diligent work that clearly went into it.

As this is a draft budget there is obviously still some more work to do but I have no doubt that together we have the dedication and resolve to table a final budget that will enable Mossel Bay to sustain its reputation as one of the more financially responsible Municipalities in South Africa.

**ALDERLADY M FERREIRA**  
**EXECUTIVE MAYOR**

### 3. BUDGET RELATED RESOLUTIONS

The MFMA stipulates that the Mayor must table the annual budget at a council meeting at least 90 days before the start of the budget year and the Mayor must take all reasonable steps to ensure that the municipality approves its annual budget before the start of the budget year.

The following resolutions were taken by Council with the approval of the 2010/11 Budget on the 28<sup>th</sup> of May 2010:

**Council Resolution E59-05/2010: Adjustments of Draft Budget for 2010/2011 Financial year**

1. That the proposed amendments to the operational budget for 2010/2011 as shown on the annexures be approved.
2. (a) That the capital budget be amended to provide for the full cost of the desalination plant by adding R100 million under "Other – External Loans" in respect of this project.
  - (b) That the contribution to the Capital Replacement Reserve (C.R.R.) be reduced with the amount of the interest and redemption with a corresponding reduction in the total capital budget when an external loan is taken up to finance capital expenditure.
  - (c) That the I.D.P. also be amended with the value of this capital project.
  - (d) That the amended Chapter 5 of the Integrated Development Plan as submitted to Council on 28 May 2010 be adopted.
3. That the sundry tariff charges as per annexure be approved.
4. (a) That the free water that is included in the following tariff categories be amended as follows:
  1. Tariff 3.1: Single residential flats, other residential complexes with business and residential combined (up to 4 consumers with one joint meter):
 

- Metered consumption 0-6kl	R4.00 plus VAT
-----------------------------	----------------
  2. Tariff 3.7: Other special water tariffs (per kiloliter):
 

- Searle Slood	0-50kl	R4.00 plus VAT
- Buffalo Farming	0-27kl	R4.00 plus VAT
- Point Hotel	0-80kl	R4.00 plus VAT
  3. Tariff 3.9: Other consumers – (Special arrangements):
 

- Hartenrus, Santos Haven I and Santos Haven II (per household)	0-
0-6kl	R4.00 plus VAT
- Supply of water in rural areas R300 plus VAT (6 kl per month per registered user)	
  4. That indigent consumers still qualify for the 6kl free water.
- (b) That the free water for consumers on the abovementioned tariffs be re-instated with effect from the month following the date on which the level of the Wolwedans Dam exceeds 60%.
- (c) That the Tariff List and the Tariff Policy of Council be amended accordingly with effect from 1 July 2010.

5. That the Capital Budget in respect of Land and Housing Infrastructure be reduced with the following amounts which must be transferred to the Operational Budgets in respect of top structures:
- 2010/2011 – R5 300 000
  - 2011/2012 – R8 000 000
  - 2012/2013 – R9 000 000

**Council Resolution E60-05/2010: Annual Budget: LGMTEC report from Provincial Treasury**

That Council takes cognisance of the report of Provincial Government together with the comments of Executive Management shown in the report.

**Council Resolution E61-05/2010: 2010/2011 Annual Budget**

6. That Council approves the Annual Budget of the Municipality for the financial year 2010/11 and indicative for the two projected outer years 2011/12 and 2012/13 and the multi-year and single year capital appropriations as set out in the following schedules and as amended:
- 6.1. Budgeted Financial Performance (revenue and expenditure by standard classification) reflected in section 6.2,
  - 6.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as reflected in section 6.3,
  - 6.3. Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source as reflected in section 6.5,
  - 6.4. Capital detailed budget reflected in Annexure C.
7. That Council approves that the property rates reflected in the 2010/11 Tariff list (Annexure A) and any other municipal tax reflected in the 2010/11 Tariff list and as amended per the above resolutions is imposed for the budget year 2010/11.
8. That Council approves the tariffs and charges reflected in the 2010/11 Tariff list (Annexure A) and as amended per the above resolutions to be implemented for the budget year 2010/11.
9. That Council approves that the measurable performance objectives for revenue from each source and for each vote reflected in section 7.13 of this document and as amended per the above resolutions to be implemented for the budget year 2010/11.
10. That Council approves the amended Integrated Development Plan (IDP) and as amended per the above resolutions.
11. That Council approves that the amended budget related policies reflected in Annexure B and as amended per the above resolutions be implemented for the budget year 2010/11.
12. That Council approves the filling of the vacant and new posts as identified by the Executive Management and as shown in section 7.8 of this document and as amended per the above resolutions.
13. That Council approves the subsidies in respect of indigent and poor households as follows with effect from 1 July 2010:
- Indigent households                      R315,53 (VAT excluded)
  - Poor households                              R230,00 (VAT excluded)

#### 4. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, Dr M.R. Gratz, municipal manager of Mossel Bay Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

DR MR GRATZ

MUNICIPAL MANAGER OF MOSSEL BAY MUNICIPALITY (WC043)

*m.r. Gratz*  
.....  
SIGNATURE

*23/03/2010*  
.....  
DATE

## 5. EXECUTIVE SUMMARY

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the approved IDP.

The budget was made possible through continuous consultation with the local community, the relevant government departments and the internal departments of the Municipality to ensure that the priorities are properly aligned and addressed.

All municipalities must prepare their budgets, adjustment budgets and in-year reports for the 2010/11 financial year in accordance with the Municipal Budget and Reporting Regulations. This implies major changes in the budget formats and attachments which are distributed as part of this document. Each municipality must also do a funding compliance assessment of the budget to prove that the budget is properly funded. This budget program runs over a three-year period and each year the municipality must ensure that the budget is properly funded.

It is each Council's responsibility to ensure that its budget complies with the following three criteria, i.e.:

- \* Sustainability, to ensure that the municipality has sufficient revenue and adequate corporate and financial stability to fund and deliver on its budget.
- \* Credibility, to ensure that the municipality, with its ability and capacity to spend, deliver in terms of its budget.
- \* Governance, that the Municipality has appropriate capacity and stability to ensure the long term sustainability of service delivery.

In the State of the Nation address, the President signalled that the Government intends doing the following:

- \* Deliver more and better services in a caring and efficient manner;
- \* Hold political office bearers and public servants accountable;
- \* Shift resources to new priorities;
- \* Move from debate to effective implementation and decisive action; and
- \* Work in partnership with communities, labour and business to achieve our shared objectives.

The National Budget review for 2010 also highlighted that Government must deliver more services, more efficiently with fewer resources available.

These are all very noble goals to which this Council and its senior management also need to align themselves. We need to strive to do more with fewer resources. It is of the utmost importance that the Council prioritises its most important projects over a 3-year period to ensure that funding sources are available over the longer term.

National Treasury also stresses that municipalities must take the inflation forecasts into consideration when preparing their budgets for 2010/2011. The headline C.P.I. inflation for this period is forecast as follows:

- \* 2010/11 5.7%
- \* 2011/12 6.2%
- \* 2012/13 5.9%

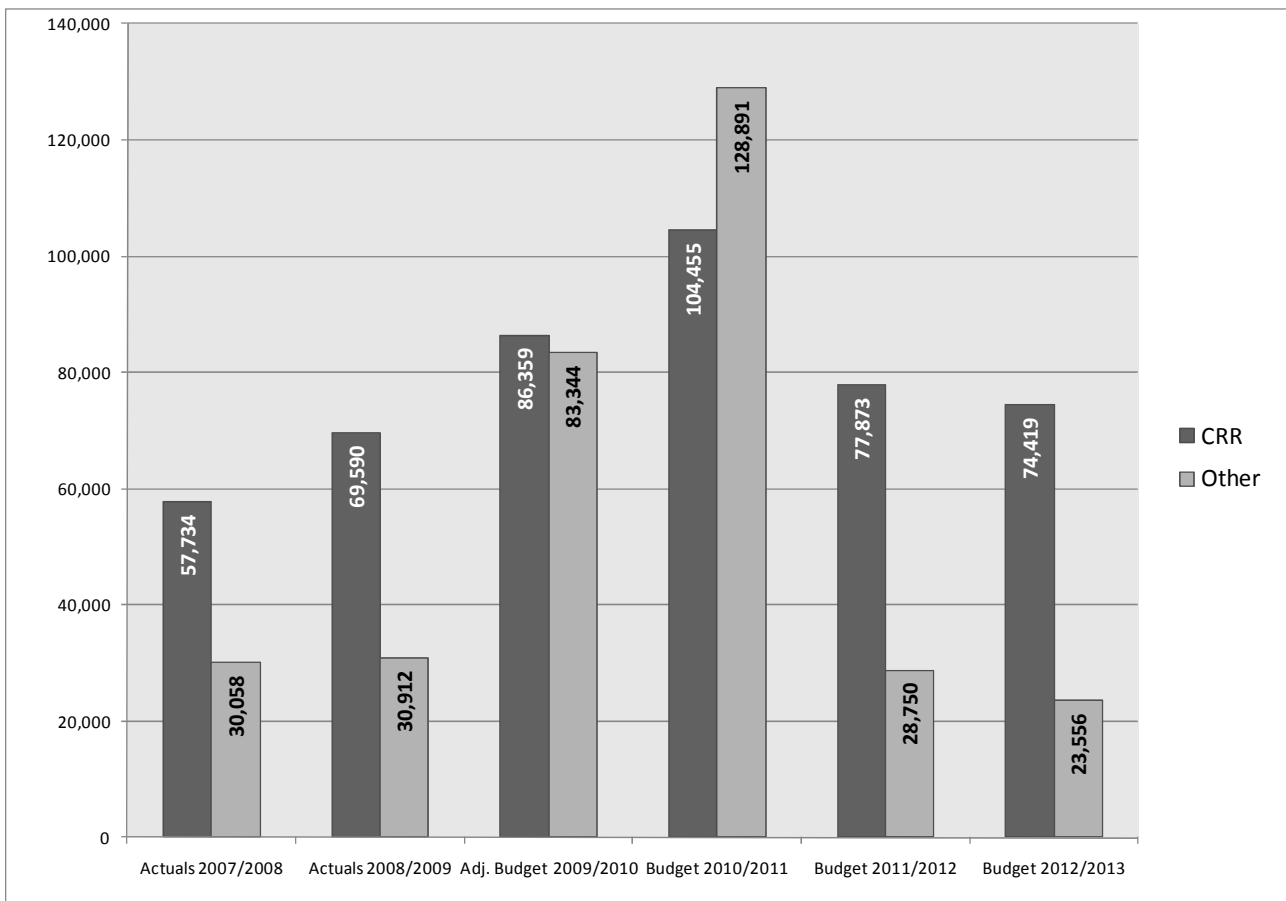
**FINANCIAL SUMMARY ON 2010/11 BUDGET**

The total 2010/11 budget amounts to R830 270 681. This consists of a capital budget of R233 345 630 or 28.1% of the total budget and an operating budget of R596 925 051 or 71.9% of the total budget. The operational budget, however, includes departmental and non-cash transactions to a value of R86 518 672. If this is subtracted the operational cash budget for 2010/2011 is decreased to R510 406 379.

**Capital Expenditure Budget:**

The following graph shows the capital budget (actual expenditure) for the 2007/08 and 2008/09 financial years as well as the revised budget for 2009/10 and proposed budgets for 2010/11 to 2012/13 financial year. It differentiates between the following sources of finance:

- \* Internal funds i.e. Capital Replacement Reserve
- \* External funds i.e. Grants from Provincial and National Governments.



The capital budget for 2010/2011 shows a reduction in the total budgeted amount compared to the revised capital budget for 2009/2010. This is mainly due to the additional external funding sources which were obtained for 2009/2010 in respect of the reverse osmosis water purification plant.

The detailed capital projects are shown in annexure C of this document. Also attached to this annexure is a summary showing the total amount per vote. It is clear from this summary that the capital expenditure for 2010/11 will mainly be allocated to Civil Services (R183,6 million), Electrical Services (R31,2 million) and Community Services (R15,1 million). The biggest portion of the capital budget in respect of Civil Services is focused on streets and stormwater (R20,4 million), sewerage (R17,5 million) and water (R145,5 million). The detail of all these projects can be seen on the abovementioned annexure.

#### Financing of Capital Budget

The following table gives a breakdown of the sources of finance of the 3-year capital budget from 2010/11 to 2012/13:

<b>Funding Source</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Capital Replacement Reserve (Internal)	R104 454 630	R77 872 500	R74 419 000
Municipal Infrastructure Grant	R11 759 000	R14 143 000	R17 196 000
Expanded Public Works Programme	R1 037 000	0	0
Recoverable Developer	R2 120 000	R2 350 000	R2 550 000
Energy Efficiency & Demand Side Management	R6 000 000	R8 000 000	0
National Electrification Programme	R7 500 000	R4 007 000	R2 010 000
External Loans	R100 475 000	R250 000	R1 800 000
<b>TOTAL</b>	<b>R 233 345 630</b>	<b>R106 622 500</b>	<b>R 97 975 000</b>

From the above it is clear that the main source of funding will be the internal funds (Capital Replacement Reserve).

During the strategic session which was held during November 2009 certain assumptions were made on the future capital budgets and the financial sustainability of the Capital Replacement Reserve. Given the amendments from the revised budget at the end of February 2010 and the budget which is tabled for the next 3 financial years, it is important to revise these calculations. The following table analyses the projected transactions of the C.R.R. from 01 July 2009 to 30 June 2013, based on the capital and operational budgets attached hereto:

#### **CAPITAL REPLACEMENT RESERVE**

**BALANCE AS AT 30 JUNE 2009: R 101 808 566**

<b>2009/10</b>	
CONTRIBUTIONS:	
- Revenue	R 36 200 000
- Land Sales	R 5 000 000
- Bulk Services Contributions	R 4 500 000
FINANCING REVISED CAPITAL BUDGET	(R 86 358 621)

**BALANCE AS AT 30 JUNE 2010: R 61 149 945**



**BALANCE AS AT 30 JUNE 2010: R 61 149 945**

<b>2010/11</b>	
CONTRIBUTIONS:	
- Revenue	R 37 075 000
- Land Sales	R 12 567 000
- Bulk Services Contributions	R 5 000 000
FINANCING PROJECTED CAPITAL BUDGET	(R 104 454 630)

**BALANCE AS AT 30 JUNE 2011: R 11 337 315**

<b>2011/12</b>	
CONTRIBUTIONS:	
- Revenue	R 42 400 000
- Land Sales	R 11 310 000
- Bulk Services Contributions	R 5 250 000
FINANCING PROJECTED CAPITAL BUDGET	(R 77 872 500)

**BALANCE AS AT 30 JUNE 2012: (R 7 575 815)**

<b>2012/13</b>	
CONTRIBUTIONS:	
- Revenue	R 49 000 000
- Land Sales	R 9 953 000
- Bulk Services Contributions	R 5 617 500
FINANCING PROJECTED CAPITAL BUDGET	(R 74 419 000)

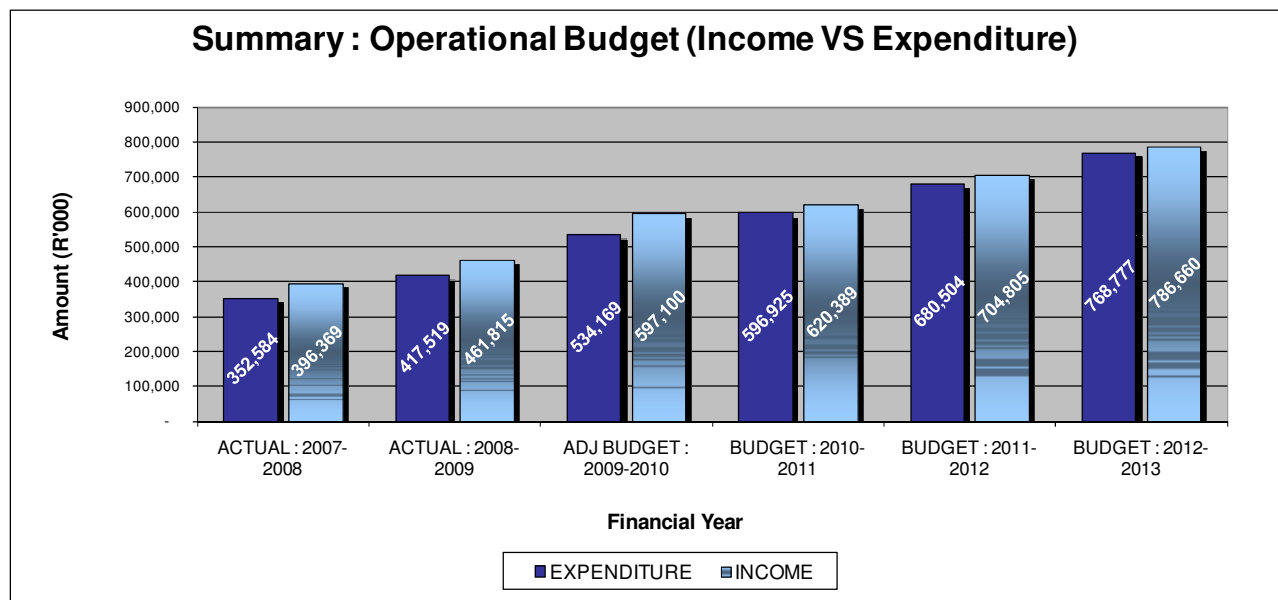
**BALANCE AS AT 30 JUNE 2013: (R 17 423 685)**

It is thus clear from the above that the present levels of financing of capital budgets from the C.R.R. will be impossible to sustain over the longer term. Based on the abovementioned projections of contributions to the C.R.R. and capital budgets the C.R.R. funds will be totally depleted during the 2011/2012 financial year. This will result in a situation whereby all future capital projects will have to be financed by way of external loans. It is however appropriate to already consider the financing of certain capital projects now by way of external loans, given the low interest rates which is prevalent at this stage.

In view of the above situation it is recommended that the proposed levels of capital funding from the C.R.R. not be exceeded and that any proposed additions to the capital budgets be prioritised against other projects which already appear on the capital budgets. This recommendation was already confirmed in the strategic session with Council where a decision was taken that the capital budget to be financed from the C.R.R. does not exceed R85 million and that it be reconsidered on an annual basis.

**Operating Expenditure Budget:**

The following graph shows the operating budget income and expenditure separately for the 2007/2008 and 2008/2009 (actuals) financial year and the budgeted figures for 2009/2010 to 2012/2013 financial years.



The total operating budget for 2010/2011 amounts to R596 925 051, which is 11.7% more than the previous year's revised budget. There are certain expenditure items to the value of R86 518 672, which represents non-cash and internal departmental charges. If those items are subtracted from the total operating figure, the cash budget will amount to R510 406 379.

The following table gives a breakdown per category of expenditure of the cash budget for the 2010/2011 financial year.

<b>Category of Expenditure</b>	<b>Amount</b>	<b>% of Total Expenditure Budget</b>
Employee-related Costs	R 160 105 686	31.4%
Less Employee Costs Capitalised	R (124 000)	0%
Remuneration of Councillors	R 6 590 986	1.3%
Collection Costs	R 5 915 000	1.2%
General Expenses – Bulk Purchases	R 147 213 203	28.8%
General Expenses – Contracted Services	R 23 437 220	4.6%
General Expenses – Grants & Subsidies	R 997 765	0.2%
General Expenses - Other	R 86 407 617	16.9%
Repairs & Maintenance – Municipal Assets	R 35 865 338	7.0%
Depreciation – Property, Plant & Equipment	R 32 371 896	6.3%
Depreciation – Leased Property, Plant & Equipment	R 1 279 671	0.3%
Amortisation – Intangible Assets	R 123 550	0%
Interest Expense – External Borrowings	R 542 507	0.1%
Contributions to/from Provisions & Reserves	R 9 733 293	1.9%
Interdepartmental Charges and Recoveries	R (53 353)	0%
<b>TOTAL</b>	<b>R 510 406 379</b>	<b>100%</b>

The following deductions can be made on some of these figures:

- \* The employee related costs are 1.4% above the national norm of 30%. I also refer you to section 7.8 on pages 93 to 95, which shows a list of vacant and new posts.
- \* The repairs and maintenance cost is only 7% of the total expenditure. It must, however, be kept in mind that a big portion of actual maintenance costs is already included in the employee cost category.

You are also referred to section 6.11 (Operating Budget per Item) on pages 42 to 49 of this document where the total income and expenditure per individual item is shown.

The following table gives a comparative efficiency in operational expenditure of Mossel Bay Municipality versus Western Cape Municipalities and National Municipalities of similar size:

	<i>Mossel Bay</i>	<i>Western Cape</i>	<i>National</i>
Employee related cost	31.4%	32%	30%
Repairs and maintenance	7.0%	8%	6%
Bulk purchases	28.8%	19%	22%
Depreciation	6.6%	8%	6%
Finance charges	0.1%	2%	2%
Bad debts	2.7%	3%	7%
Other	23.4%	28%	27%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Operating Revenue Budget:**

The operating revenue budget amounts to R620 389 499. This includes capital transfers and other non-cash and departmental income. If these items are excluded the total operating cash revenue amounts to R510 565 212. The table below gives a list of all sources of revenue:

<i>Source of Revenue</i>	<i>Amount</i>	<i>% of Total Revenue Budget</i>
Property Rates	R 64 762 677	12.7%
Penalties Imposed and Collection Charges	R 1 650 000	0.3%
Service Charges	R 346 684 707	67.9%
Rent of Facilities and Equipment	R 4 397 867	0.9%
Interest Earned – External Investments	R 14 381 310	2.8%
Interest Earned – Outstanding Debtors	R 292 829	0.1%
Fines	R 5 063 600	1.0%
Licences and Permits	R 4 325 500	0.8%
Grants & Subsidies Received - Operating	R 59 467 158	11.6%
Grants & Subsidies Received - Capital	-	0%
Other Revenue	R 9 539 564	1.9%
<b>TOTAL</b>	<b>R 510 565 212</b>	<b>100%</b>

It is clear from the above table that Mossel Bay Municipality, compared to other similar sized municipalities in the Western Cape, is depending a lot on service charges to balance its budget. The service charges consist mainly of the following:

Electricity	R217 367 529
Water	R 83 609 257
Sewerage	R 47 248 248
Availability Charges	R 14 763 066
Refuse Removal	R 31 478 149

The following table gives a breakdown of sources of income of similar size municipalities:

	<i>Mossel Bay</i>	<i>Western Cape</i>	<i>National</i>
Property Rates	12.7%	18%	17%
Service Charges	67.9%	51%	44%
Grants and Subsidies	11.6%	14%	25%
Other	7.8%	17%	14%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**EXTERNAL FUNDING SOURCES**

The following sources of funding were made available from National and Provincial Government for the 2010/11 financial year:

**National Funding:**

<i>Grant</i>	<i>CAPITAL budget funding</i>	<i>OPERATING budget funding</i>
<b>Integrated National Electrification Programme Grant</b>	R 7 500 000	
<b>Municipal Infrastructure Grant</b>	R 11 759 000	
<b>Electricity Demand Side Management Grant</b>	R 6 000 000	
<b>Expanded Public Works Programme Incentive Grant</b>	R 1 037 000	
<b>Finance Management Grant</b>		R 1 000 000
<b>Municipal Systems Improvement Grant</b>		R 750 000
<b>Contribution toward Council Remuneration</b>		R 1 278 000
<b>Equitable Share Indigent Subs</b>		R 32 954 000
<b>TOTAL</b>	<b>R 26 296 000</b>	<b>R 35 982 000</b>

**Provincial Funding:**

<i>Grant</i>	<i>CAPITAL budget funding</i>	<i>OPERATING budget funding</i>
<b>Integrated Housing and Human Settlement &amp; Development Grant</b>		R18 708 000
<b>Maintenance of Proclaimed Roads</b>		R 50 000
<b>Library Services</b>		R 801 000
<b>Community Development Worker Operations Support Grant</b>		R 125 000
<b>TOTAL</b>	<b>R NIL</b>	<b>R 19 684 000</b>

## PROPOSED RATES AND TARIFFS FOR 2010/11

Attached hereto is a list of all the tariffs of the Council (Annexure A). The annexure shows the tariffs for the present financial year as well as the tariffs and proposed increases for the 2010/2011 financial year.

The following tariff increases are discussed below:

### Electricity Tariff:

The budget for 2010/2011 makes provision for the following tariff increases:

- \* Eskom tariff increase in respect of purchase of electricity : 28.9%
- \* Municipal electricity tariff increases on sales
  - o Prepaid tariffs for indigent households : 15%
  - o Basic electricity tariffs for households : 0%
  - o Other consumer tariffs : 22.03%

It is thus clear that the Council's electricity tariff increase is much lower than the 28.9% which has been approved by NERSA.

The following is a summary of the revenue and expenditure in respect of the electricity account:

	<i>Budget 2009/10</i>	<i>Budget 2010/11</i>
Total Sales of Electricity	R 177 311 114	R217 367 529
Total Purchases of Electricity	R106 449 343	R137 213 203
<b>GROSS PROFIT</b>	<b>R 70 861 771</b>	<b>R 80 154 326</b>
Percentage Gross Profit	<b>39.9%</b>	<b>36.9%</b>

It is clear from the above that Council already realises a considerable gross profit on the sale of electricity. This profit is allocated towards payment for other electrical projects as well as the subsidising of property rates and other service charges.

A very important aspect as far as the electricity tariff structure is concerned, is the following:

- \* All domestic consumers who are on the one-part prepaid tariff of 84,2c + VAT per unit for prepaid meters will be transferred to the two-part tariff, which consists of a monthly basic charge of R148,54 plus VAT, and a unit charge of 63,7 cents plus VAT, per unit.
- \* It must again be stressed that the monthly basic charge for electricity in respect of domestic consumers, i.e. R148,54, plus VAT, is not increased for 2010/2011.
- \* However, all household consumers on the one part tariff for electricity (pre-paid meters) who use an average of 400 kwh or less units per month, based on the average use of the past four months will be transferred to the two-part tariff for household consumers, if:
  - o an indigent or poor household consumer as defined in the credit control policy of Council,
  - o identified as permanent inhabitant for at least nine months. To be identified as such a consumer has to hand in a sworn affidavit from any Commissioner of Oath.

**Water Tariffs:**

The water tariff increases differ from tariff to tariff. You are referred to the tariff listing as per annexure A and specifically pages 8 to 12 in this regard.

The basic charge is increased by 12%. The charges in respect of metered consumption, however, show a drastic increase for 2010/2011.

The following aspects are also of importance:

- \* The consumption intervals on each tariff have changed i.e. the intervals are smaller than in the present tariff structure with higher tariffs on each interval.
- \* The free water for consumers will not be applicable during the drought period, however the free water will be re-instated with effect from the month following the date on which the level of the Wolwedans Dam exceeds 60%.
- \* Indigent consumers will still qualify for the 6 kl free water.
- \* The definitions of the tariff categories change to provide for specific problems, which were identified with the present tariff categories, for example: "Domestic Consumers" changed to "Single Residential, Flats, Other Residential Complexes with business and residential combined (up to 4 consumers with one joint meter)". These consumers (flats, etc.) that were previous dealt with separately are now combined into one tariff structure.
- \* A new tariff was created for the following categories:
  - o Consumers with connections up to 25mm: Flats, Other Residential and Business Complexes with more than 4 consumers and with one joint meter.
  - o Consumers with connections bigger than 25mm: Medium connections with more than nine (9) consumers and with one joint meter using less than 1000kl per month.

In the above cases a separate basic charge will be levied for each consumer who is connected on the joint meters. The abovementioned structural changes will again affect many consumers and is it necessary to launch a proper communication campaign in this regard.

The revenue and expenditure for the water account is as follows:

	<i>Budget 2009/10</i>	<i>Budget 2010/11</i>
Total Revenue	R 107 499 991	R103 848 600
Less: Capital Grants, etc.	(R 41 358 240)	(R 5 669 000)
<b>TOTAL</b>	<b>R 66 141 751</b>	<b>R 98 179 600</b>
Total Expenditure	R 60 367 191	R 74 446 072
<b>NETT PROFIT</b>	<b>R 5 774 560</b>	<b>R 23 733 528</b>

The total nett profit on the water account for 2010/2011 is R23 733 528 and represents a 24.2% profit on total income.

The expenditure increased by R14,1 million of which R5 million can be attributed to the new reverse osmosis plant. It must, however be stressed that the budgeted expenditure, income and tariffs do not provide for any expenditure with regard to new additions or extensions to these plants.

**Refuse Removal Tariffs:**

The service is categorised as an economic service, which means that it is supposed to pay for itself from service fees or even making a small profit.

It is recommended that the refuse removal tariffs be increased by 15%.

The revenue and expenditure of this service can be summarised as follows:

	<i>Budget 2009/10</i>	<i>Budget 2010/11</i>
Revenue	R33 502 983	R38 848 721
Expenditure	R29 535 521	R33 759 780
<b>NETT SURPLUS</b>	<b>R3 967 462</b>	<b>R5 088 941</b>

From the above it is clear that the nett surplus increased with an amount of R1 121 479 to a total net surplus of R5 088 941 in respect of 2010/2011.

**Sewerage Fees:**

The following is a summary of the income and expenditure of the sewerage service:

	<i>Budget 2009/10</i>	<i>Budget 2010/11</i>
Revenue	R62 995 021	R64 650 405
Expenditure	R38 334 150	R43 942 200
<b>NETT SURPLUS</b>	<b>R24 660 871</b>	<b>R20 708 205</b>

The sewerage service is classified as an economic service. This service must therefore be financed fully by its own tariffs and is supposed to break even or only run on a small profit. It is, however, clear from the above summary that this service shows a huge annual profit and therefore it is recommended that no tariff increase be implemented on it. It is again stressed that Council should refrain from increasing the sewerage tariffs for the next few financial years.

**Property Rates:**

Property rates are levied in terms of the Property Rates Act and the income generated from this source is used to balance the budget. Property rates do not buy any service from Council as the case is with other service tariffs.

The increase in the property rates tariff can be attributed mainly to the following:

- (A) A structural change whereby the ratio difference between the two main categories, i.e. industry/commercial and residential is reduced. The ratio is presently 42.4 : 100,0. The minimum ratio should not exceed 50 : 100. It is therefore recommended that this ratio be phased in over 2 years, with a ratio of 46.2 : 100,00 in the 2010/2011 financial year.



The following rates tariff structure will apply for the 2010/2011 financial year:

<b>TARIFF TYPE</b>		<b>STRUCTURE</b>
Residential	% of Ind./Comm.	46.2%
Agricultural	% of Residential	25%
Vleesbaai	% of Residential	30%
Industry/Commercial	BASIS TARIFF	100%
Accommodation	% of Ind./Comm.	70%
Agricultural used as business	% of Ind./Comm.	70%
Public service Infrastructure	% of Residential	25%
Public benefit Infrastructure	% of Residential	25%

The following rates tariff structure will apply as from the 2011/2012 financial year:

<b>TARIFF TYPE</b>		<b>STRUCTURE</b>
Residential	% of Ind./Comm.	50%
Agricultural	% of Residential	25%
Vleesbaai	% of Residential	30%
Industry/Commercial	BASIS TARIFF	100%
Accommodation	% of Ind./Comm.	70%
Agricultural used as business	% of Ind./Comm.	70%
Public service Infrastructure	% of Residential	25%
Public benefit Infrastructure	% of Residential	25%

The effect of this tariff increase due to this ratio change can be seen in the table below.  
(New Property Rates Structure and Tariff Increase)

**NEW PROPERTY RATES STRUCTURE AND TARIFF INCREASE**

**A. 2009/2010 -- Existing Tariff Structure**

TARIFF TYPE	TARIFF	EXISTING STRUCTURE	VALUATIONS	RATES INCOME
Residential	0.001763	42.4%	24,673,796,933	43,499,904
Agriculture	0.000441	10.6%	1,287,321,300	567,709
Vleesbaai	0.000521	12.5%	472,845,200	246,352
Industry/Commercial	0.004156	100.0%	2,913,749,440	12,109,543
Accommodation **	0.001763	42.4%	202,954,000	357,808
State Infrastructure ***	0.000441	10.6%		
			29,550,666,873	56,781,316

\*\* - Accommodation refers to Accommodation Establishments as defined in the tariff policy of Council.  
 \*\*\* - State Infrastructure refers to Public service Infrastructure and Public benefit Infrastructure

**B. 2009/2010 -- Proposed Tariff Structure**

TARIFF TYPE	1. PROPOSED TARIFF (5/3)	2. PROPOSED STRUCTURE	3. VALUATIONS	5. RATES INCOME (Total prop. to 7)
Residential % of Ind./Comm.	0.001920	46.2%	24,673,796,933	47,373,690
Agriculture % of Residential	0.000480	25.00%	1,287,321,300	617,914
Vleesbaai % of Residential	0.000576	30.00%	472,845,200	272,359
Industry/Commercial BASIS TARIFF	0.004156	100.0%	2,913,749,440	12,109,543
Accommodation % of Ind./Comm.	0.002909	70.0%	202,954,000	590,393
State Infrastructure % of Residential	0.000480	25.0%	1	0
				60,963,899

RATES INCREASE FROM STRUCTURE CHANGE.	TARIFF INCREASE DUE TO STRUCTURE CHANGE
R 3,873,786	8.91%
R 50,206	8.84%
R 26,006	10.56%
R 0	0.00%
R 232,585	65.00%
	8.84%
<b>R 4,182,583</b>	

**C. 2010/2011 -- Proposed Tariff Structure and Tariff Increase**

**PROPOSED INCREASE AFTER RESTRUCTURING :** 9.00%

TARIFF TYPE	1. TARIFF (EXCL. PROPOSED INCREASE)	3. VALUATIONS INCL. GROWTH	5. RATES INCOME (INCLUDING normal growth)	1. TARIFF (INCL. PROPOSED INCREASE)	5. RATES INCOME (INCLUDING growth and proposed INCREASE)	RATES INCREASE FROM PROPOSED TARIFF INCREASE	EFFECTIVE TARIFF INCREASE TO 2009/2010
Residential	0.001920	24,933,796,933	47,872,890	0.002093	52,186,437	R 4,313,547	18.72%
Agriculture	0.000480	1,287,321,300	617,914	0.000523	673,269	R 55,355	18.59%
Vleesbaai	0.000576	472,845,200	272,359	0.000628	296,947	R 24,588	20.54%
Industry/Commercial	0.004156	2,913,749,440	12,109,543	0.004530	13,199,285	R 1,089,742	9.00%
Accommodation	0.002909	202,954,000	590,393	0.003171	643,567	R 53,174	79.86%
State Infrastructure	0.000480	1	0	0.000523	0	R 0	18.59%
						<b>R 5,536,406</b>	
		29,810,666,874	61,463,099		66,999,505		

**TOTAL INCREASE IN RATES INCOME R 9,718,989**

(B) Over and above and additional to the structural increase mentioned in (A) above, a further increase of 9.0% is recommended on the revised property rates structure mentioned in (a) above. Thus the total nett increase recommended in the property rates tariffs is as follows :

Residential	-	18.72%
Agricultural	-	18.59%
Vleesbaai	-	20.54%
Industry/Commercial	-	9.0%
State Infrastructure	-	18.59%
(State infrastructure refers to public service infrastructure and public benefit infrastructure.)		
Accommodation Establishments	-	79.86%

This is a new category which is defined in the Tariff Policy of Council. The extraordinary increase is due to the fact that these properties were previously levied on the same tariff as residential properties while they were actually used mainly for business purposes.

The abovementioned increases in property rates will generate a nett additional income of R9,7 million.

## BUDGET RELATED POLICIES OF COUNCIL

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

- \* Cash Management and Investment Policy
- \* Rates Policy
- \* Tariff Policy
- \* Credit Control and Debt Collection and Indigent Policy
- \* Supply Chain Management policy

In terms of the Budget and Reporting Regulations, the following policies are also submitted as part of the documentation:

- \* Virement Policy
- \* Funding and Reserve Policy
- \* Asset Management Policy

A summary of the key amendments to the policy document are shown on page 76 of this document.

### Tariff Policy

One of the most important amendments in this policy is the adding of a definition for Accommodation Establishments. The main reason for this amendment is to provide for a new category in which services rates and taxes will be levied.

Paragraph 10 (11) of the policy specifically clarifies the tariff to be levied in cases where the zoning and consent use differs. It also stipulates the rates tariff structure which will be in place for Mossel Bay Municipality.

Paragraph 12 specifies the conditions where the one-part electricity tariff will be applicable. This is a major change as many consumers will be transferred from this single tariff to the two part tariff where a monthly basic charge will be payable. Communication with all these consumers will be of the utmost importance.

Paragraph 13 of the water tariffs gives new classifications of water consumers. This new definition will create new category of users of which some will be more affected than others. Again it must be mentioned that proper communication with all the affected consumers is of the utmost importance.

Paragraph 14 for refuse removal tariffs define that Accommodation establishments will pay for 3 units compared to 2 units by a normal household.

As far as paragraph 15 for sewerage tariffs are concerned, the accommodation establishments are also defined as a separate category.

### Rates Policy

The only amendment in this policy is in paragraph 4 (4) where Accommodation Establishments is shown as a separate category in the differentiation of rates.

H F BOTHA  
CHIEF FINANCIAL OFFICER

## 6. ANNUAL BUDGET TABLES

### 6.1. Budget summary

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	37,634	41,569	46,378	56,690	56,456	56,456	66,602	76,959	89,532
Service charges	223,412	249,873	289,276	341,714	328,400	328,400	406,052	472,766	548,454
Investment revenue	16,665	23,718	26,878	20,948	20,948	20,948	14,381	15,642	14,246
Transfers recognised - operational	27,545	32,695	43,824	43,342	55,863	55,863	59,467	64,640	66,994
Other own revenue	42,073	27,510	28,034	56,471	52,907	52,907	47,591	48,647	48,228
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>347,330</b>	<b>375,365</b>	<b>434,390</b>	<b>519,165</b>	<b>514,574</b>	<b>514,574</b>	<b>594,093</b>	<b>678,655</b>	<b>767,454</b>
Employee costs	147,239	101,684	127,640	146,484	149,366	148,709	173,990	198,985	222,165
Remuneration of councillors	4,547	4,896	5,427	6,069	6,069	6,069	6,591	7,340	8,082
Depreciation & asset impairment	23,142	34,847	23,068	6,230	30,003	30,003	33,775	38,970	45,613
Finance charges	601	654	787	660	660	660	543	536	403
Materials and bulk purchases	62,653	62,396	102,755	130,260	125,178	125,086	158,321	195,806	241,493
Transfers and grants	4,083	2,959	3,010	4,752	2,843	2,843	4,104	4,474	4,849
Other expenditure	114,501	145,148	154,832	260,823	220,050	220,799	219,602	234,394	246,173
<b>Total Expenditure</b>	<b>356,765</b>	<b>352,584</b>	<b>417,519</b>	<b>555,278</b>	<b>534,169</b>	<b>534,169</b>	<b>596,925</b>	<b>680,504</b>	<b>768,777</b>
<b>Surplus/(Deficit)</b>	<b>(9,435)</b>	<b>22,781</b>	<b>16,870</b>	<b>(36,113)</b>	<b>(19,595)</b>	<b>(19,595)</b>	<b>(2,832)</b>	<b>(1,850)</b>	<b>(1,323)</b>
Transfers recognised - capital	28,842	21,004	27,425	36,192	81,976	81,976	26,296	26,150	19,206
Contributions recognised - capital & contributed	-	-	-	-	550	550	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>19,407</b>	<b>43,786</b>	<b>44,296</b>	<b>78</b>	<b>62,930</b>	<b>62,930</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>19,407</b>	<b>43,786</b>	<b>44,296</b>	<b>78</b>	<b>62,930</b>	<b>62,930</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>80,326</b>	<b>87,792</b>	<b>100,502</b>	<b>152,456</b>	<b>169,703</b>	<b>169,703</b>	<b>233,346</b>	<b>106,623</b>	<b>97,975</b>
Transfers recognised - capital	26,727	3,350	26,919	36,192	57,727	57,727	26,296	26,150	19,206
Public contributions & donations	5,983	1	64	3,300	25,229	25,229	2,120	2,350	2,550
Borrowing	-	26,707	3,929	640	388	388	100,475	250	1,800
Internally generated funds	47,616	57,734	69,590	112,325	86,359	86,359	104,455	77,873	74,419
<b>Total sources of capital funds</b>	<b>80,326</b>	<b>87,792</b>	<b>100,502</b>	<b>152,456</b>	<b>169,703</b>	<b>169,703</b>	<b>233,346</b>	<b>106,623</b>	<b>97,975</b>
<b>Financial position</b>									
Total current assets	258,697	263,670	270,144	282,161	282,161	282,161	278,927	271,645	289,488
Total non current assets	448,294	1,189,668	1,364,560	1,461,737	1,461,737	1,461,737	1,549,546	1,534,630	1,514,750
Total current liabilities	82,954	53,319	80,195	78,346	78,346	78,346	75,395	77,426	84,669
Total non current liabilities	71,834	68,029	72,269	71,871	71,871	71,871	179,159	181,957	186,394
Community wealth/Equity	552,203	1,331,990	1,482,240	1,593,680	1,593,680	1,593,680	1,573,918	1,546,892	1,533,175
<b>Cash flows</b>									
Net cash from (used) operating	120,269	75,460	94,759	68,890	68,890	68,890	28,324	28,499	32,055
Net cash from (used) investing	(129,950)	147,975	(96,876)	(53,708)	(53,708)	(53,708)	(36,947)	(48,452)	(26,047)
Net cash from (used) financing	100	1,238	476	(53)	(53)	(53)	5,124	4,931	5,838
<b>Cash/cash equivalents at the year end</b>	<b>(21,117)</b>	<b>203,556</b>	<b>201,915</b>	<b>217,044</b>	<b>217,044</b>	<b>217,044</b>	<b>213,544</b>	<b>198,523</b>	<b>210,368</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	185,883	203,556	201,915	217,044	217,044	217,044	213,544	198,523	210,368
Application of cash and investments	124,450	133,617	171,612	130,706	129,984	129,984	70,341	47,611	43,657
<b>Balance - surplus (shortfall)</b>	<b>61,433</b>	<b>69,939</b>	<b>30,303</b>	<b>86,338</b>	<b>87,060</b>	<b>87,060</b>	<b>143,204</b>	<b>150,911</b>	<b>166,712</b>
<b>Asset management</b>									
Asset register summary (WDV)	445,484	1,188,108	1,363,339	1,460,359	1,460,359	1,460,359	1,548,461	1,533,713	1,514,016
Depreciation & asset impairment	23,142	34,847	23,068	6,230	30,003	30,003	33,775	38,970	45,613
Renewal of Existing Assets	9,334	19,825	13,535	26,915	29,930	29,930	14,496	16,305	13,255
Repairs and Maintenance	30,545	30,707	34,033	35,397	34,503	34,171	35,865	38,573	41,168
<b>Free services</b>									
Cost of Free Basic Services provided	2,227	2,248	3,838	2,209	2,209	2,209	2,517	2,825	3,199
Revenue cost of free services provided	10,932	9,979	14,555	17,250	17,250	17,250	17,723	17,830	17,919
<b>Households below minimum service level</b>									
Water:	520	520	520	520	520	520	520	460	450
Sanitation/sew erage:	600	600	600	600	600	600	550	500	450
Energy:	480	480	480	480	480	480	480	480	480
Refuse:	90	99	100	158	158	158	158	180	210

### 6.2. Budgeted financial performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue - Standard</b>	1									
<b>Governance and administration</b>		81,395	82,581	88,345	118,050	115,101	115,101	113,517	126,516	135,472
Executive and council		39,974	37,326	38,279	56,942	53,957	53,957	42,207	43,996	39,933
Budget and treasury office		3,299	2,838	3,005	3,411	3,397	3,397	3,548	4,298	4,616
Corporate services		38,123	42,418	47,060	57,697	57,747	57,747	67,761	78,222	90,923
<b>Community and public safety</b>		32,733	27,144	35,899	43,686	48,131	48,131	46,990	48,371	49,573
Community and social services		358	1,427	1,089	1,244	1,357	1,357	1,400	1,519	747
Sport and recreation		7,434	5,669	6,702	8,003	7,656	7,656	7,886	8,746	10,017
Public safety		10,424	7,186	9,320	9,069	7,401	7,401	9,497	10,426	11,492
Housing		10,436	12,580	18,788	25,370	31,717	31,717	28,207	27,680	27,317
Health		4,081	282	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		12,158	8,831	12,826	6,658	8,547	8,547	10,870	5,986	9,470
Planning and development		5,174	7,539	4,649	6,066	5,995	5,995	4,566	4,939	5,419
Road transport		6,984	1,292	8,177	592	2,552	2,552	6,304	1,047	4,051
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		249,886	277,814	324,746	386,962	425,320	425,320	449,013	523,932	592,145
Electricity		119,504	126,821	156,190	207,448	206,338	206,338	241,665	293,488	343,029
Water		54,229	66,255	69,161	74,063	107,500	107,500	103,849	119,531	129,361
Waste water management		56,389	57,182	70,266	72,661	77,979	77,979	64,650	66,098	68,318
Waste management		19,763	27,557	29,128	32,791	33,503	33,503	38,849	44,815	51,438
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	376,172	396,369	461,815	555,356	597,100	597,100	620,389	704,805	786,660
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		101,005	73,021	63,847	120,527	116,145	116,044	105,597	114,585	121,026
Executive and council		77,123	40,641	33,417	84,907	78,030	78,018	63,124	66,769	70,731
Budget and treasury office		11,004	13,525	11,716	13,476	13,983	13,983	15,475	17,060	18,508
Corporate services		12,877	18,855	18,714	22,143	24,131	24,043	26,998	30,756	31,786
<b>Community and public safety</b>		56,316	59,841	77,521	93,967	98,495	98,481	104,279	112,692	121,263
Community and social services		6,124	6,865	8,750	9,985	10,530	10,537	11,975	13,498	15,078
Sport and recreation		20,262	19,328	29,006	33,500	31,978	31,955	35,458	39,458	43,489
Public safety		16,436	18,468	22,584	25,112	24,256	24,271	28,987	32,458	35,828
Housing		10,477	14,915	17,180	25,370	31,732	31,717	27,859	27,279	26,867
Health		3,017	265	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		30,399	35,017	37,611	38,902	42,427	42,738	48,653	54,959	59,776
Planning and development		7,013	9,691	13,843	15,863	17,710	17,768	21,175	24,846	26,858
Road transport		23,386	25,326	23,769	23,040	24,717	24,971	27,478	30,112	32,918
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		167,013	184,705	238,539	301,882	277,101	276,904	338,396	398,269	466,713
Electricity		75,721	80,601	118,117	164,081	144,875	144,877	180,927	221,042	270,067
Water		41,956	44,885	51,161	56,872	60,367	60,096	74,446	84,749	94,599
Waste water management		28,729	32,227	38,871	50,879	42,324	42,396	49,263	54,632	60,417
Waste management		20,606	26,992	30,390	30,050	29,536	29,536	33,760	37,845	41,629
<b>Other</b>	4	2,033	-	1	-	1	1	-	-	-
<b>Total Expenditure - Standard</b>	3	356,765	352,584	417,519	555,278	534,169	534,169	596,925	680,504	768,777
<b>Surplus/(Deficit) for the year</b>		19,407	43,786	44,296	78	62,930	62,930	23,464	24,300	17,883

**6.3. Budgeted financial performance (revenue and expenditure by municipal vote)**

Vote Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue by Vote</b>									
- MUNICIPAL MANAGER	39,974	37,326	38,279	56,942	53,957	53,957	42,207	43,996	39,933
- CORPORATE SERVICES	392	741	827	2,602	2,875	2,875	1,230	1,325	1,449
- FINANCIAL SERVICES	41,029	44,536	49,449	60,206	59,971	59,971	70,280	81,395	94,290
- CIVIL SERVICES	117,603	124,729	147,605	147,315	188,031	188,031	174,803	186,676	201,729
- COMMUNITY SERVICES	42,060	42,120	46,239	51,107	49,917	49,917	57,632	65,506	73,694
- ELECTRO-MECHANICAL SERVICES	119,504	126,821	156,190	207,448	206,338	206,338	241,665	293,488	343,029
- DEVELOPMENT PLANNING & HOUSING	15,610	20,096	23,225	29,736	36,010	36,010	32,573	32,419	32,536
<b>Total Revenue by Vote</b>	<b>376,172</b>	<b>396,369</b>	<b>461,815</b>	<b>555,356</b>	<b>597,100</b>	<b>597,100</b>	<b>620,389</b>	<b>704,805</b>	<b>786,660</b>
<b>Expenditure by Vote to be appropriated</b>									
- MUNICIPAL MANAGER	79,156	40,641	33,419	84,907	78,032	78,020	63,124	66,769	70,731
- CORPORATE SERVICES	9,137	15,561	15,503	19,137	19,695	19,707	21,190	23,399	25,655
- FINANCIAL SERVICES	14,001	17,653	16,653	20,408	20,379	20,379	24,323	27,908	28,441
- CIVIL SERVICES	94,815	103,545	114,151	131,379	128,404	128,404	151,780	170,032	188,532
- COMMUNITY SERVICES	66,445	71,917	90,730	98,647	96,299	96,299	110,180	123,259	136,026
- ELECTRO-MECHANICAL SERVICES	75,721	80,601	118,117	164,081	145,074	145,074	181,617	221,837	270,958
- DEVELOPMENT PLANNING & HOUSING	17,491	22,665	28,947	36,719	46,285	46,285	44,710	47,302	48,434
<b>Total Expenditure by Vote</b>	<b>356,765</b>	<b>352,584</b>	<b>417,519</b>	<b>555,278</b>	<b>534,169</b>	<b>534,169</b>	<b>596,925</b>	<b>680,504</b>	<b>768,777</b>
<b>Surplus/(Deficit) for the year</b>	<b>19,407</b>	<b>43,786</b>	<b>44,296</b>	<b>78</b>	<b>62,930</b>	<b>62,930</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>

### 6.4. Budgeted financial performance (revenue and expenditure)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue By Source</b>										
Property rates	2	35,767	39,413	44,294	54,490	54,886	54,886	64,952	75,227	87,678
Property rates - penalties & collection charges		1,867	2,156	2,084	2,200	1,570	1,570	1,650	1,733	1,854
Service charges - electricity revenue	2	110,956	117,958	145,593	180,461	177,311	177,311	217,368	269,653	328,039
Service charges - water revenue	2	42,877	48,072	54,924	61,113	54,000	54,000	83,609	90,000	98,000
Service charges - sanitation revenue	2	32,669	37,233	42,325	46,529	46,422	46,422	47,248	47,746	48,251
Service charges - refuse revenue	2	17,188	21,154	24,006	26,826	27,170	27,170	31,478	36,468	42,246
Service charges - other		19,722	25,456	22,428	26,785	23,497	23,497	26,349	28,900	31,918
Rental of facilities and equipment		4,706	3,357	3,893	4,055	4,163	4,163	4,398	4,905	5,595
Interest earned - external investments		16,665	23,718	26,878	20,948	20,948	20,948	14,381	15,642	14,246
Interest earned - outstanding debtors		605	522	414	552	362	362	293	319	306
Dividends received		-	-	-	-	-	-	-	-	-
Fines		5,943	2,758	4,910	4,779	3,069	3,069	5,064	5,569	6,070
Licences and permits		4,287	4,257	4,242	4,182	4,233	4,233	4,326	4,743	5,300
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		27,545	32,695	43,824	43,342	55,863	55,863	59,467	64,640	66,994
Other revenue	2	26,369	15,420	14,448	32,832	36,010	36,010	20,935	21,789	20,989
Gains on disposal of PPE		163	1,197	126	10,070	5,070	5,070	12,577	11,322	9,968
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>347,330</b>	<b>375,365</b>	<b>434,390</b>	<b>519,165</b>	<b>514,574</b>	<b>514,574</b>	<b>594,093</b>	<b>678,655</b>	<b>767,454</b>
<b>Expenditure By Type</b>										
Employee related costs	2	147,239	101,684	127,640	146,484	149,366	148,709	173,990	198,985	222,165
Remuneration of councillors		4,547	4,896	5,427	6,069	6,069	6,069	6,591	7,340	8,082
Debt impairment	3	5,720	6,580	12,333	13,036	13,036	13,036	13,795	14,899	16,091
Depreciation & asset impairment	2	23,142	34,847	23,068	6,230	30,003	30,003	33,775	38,970	45,613
Finance charges		601	654	787	660	660	660	543	536	403
Bulk purchases	2	58,490	57,157	92,789	121,338	114,904	114,949	147,213	183,017	226,896
Other materials	8	4,162	5,239	9,966	8,923	10,274	10,137	11,108	12,789	14,597
Contracted services		13,964	17,295	19,230	21,210	20,895	20,792	23,437	26,049	28,514
Transfers and grants		4,083	2,959	3,010	4,752	2,843	2,843	4,104	4,474	4,849
Other expenditure	4, 5	94,782	107,091	122,882	226,527	186,068	186,921	182,319	193,396	201,518
Loss on disposal of PPE		35	14,183	387	50	50	50	50	50	50
<b>Total Expenditure</b>		<b>356,765</b>	<b>352,584</b>	<b>417,519</b>	<b>555,278</b>	<b>534,169</b>	<b>534,169</b>	<b>596,925</b>	<b>680,504</b>	<b>768,777</b>
<b>Surplus/(Deficit)</b>		<b>(9,435)</b>	<b>22,781</b>	<b>16,870</b>	<b>(36,113)</b>	<b>(19,595)</b>	<b>(19,595)</b>	<b>(2,832)</b>	<b>(1,850)</b>	<b>(1,323)</b>
Transfers recognised - capital		28,842	21,004	27,425	36,192	81,976	81,976	26,296	26,150	19,206
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	550	550	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>19,407</b>	<b>43,786</b>	<b>44,296</b>	<b>78</b>	<b>62,930</b>	<b>62,930</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>		<b>19,407</b>	<b>43,786</b>	<b>44,296</b>	<b>78</b>	<b>62,930</b>	<b>62,930</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>19,407</b>	<b>43,786</b>	<b>44,296</b>	<b>78</b>	<b>62,930</b>	<b>62,930</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>
Share of surplus/ (deficit) of associate	7									
<b>Surplus/(Deficit) for the year</b>		<b>19,407</b>	<b>43,786</b>	<b>44,296</b>	<b>78</b>	<b>62,930</b>	<b>62,930</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>



## 6.5. Budgeted capital expenditure by vote, standard classification and funding

Vote Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	2									
- MUNICIPAL MANAGER		846	70	72	57	94	94	-	-	-
- CORPORATE SERVICES		565	259	605	53	1,598	1,598	-	-	-
- FINANCIAL SERVICES		2,364	1,986	1,942	331	439	439	505	272	1,823
- CIVIL SERVICES		50,296	54,493	33,460	23,871	19,263	19,263	23,376	49,145	40,671
- COMMUNITY SERVICES		5,124	1,658	1,368	8,041	5,926	5,926	7,345	4,996	4,391
- ELECTRO-MECHANICAL SERVICES		11,635	6,444	12,315	25,800	25,964	25,964	23,190	31,207	17,260
- DEVELOPMENT PLANNING & HOUSING		9,495	9,565	2,424	610	7,524	7,524	90	60	70
<b>Capital multi-year expenditure sub-total</b>	7	<b>80,326</b>	<b>74,475</b>	<b>52,186</b>	<b>58,762</b>	<b>60,808</b>	<b>60,808</b>	<b>54,506</b>	<b>85,680</b>	<b>64,215</b>
<b>Single-year expenditure to be appropriated</b>	2									
- MUNICIPAL MANAGER		-	45	8	200	163	163	1,400	-	600
- CORPORATE SERVICES		-	104	23	2,935	1,435	1,435	785	630	-
- FINANCIAL SERVICES		-	317	150	115	295	295	200	335	-
- CIVIL SERVICES		-	5,500	36,803	42,122	93,595	93,595	160,207	15,258	21,750
- COMMUNITY SERVICES		-	4,360	4,509	7,663	5,989	5,989	7,782	4,100	2,910
- ELECTRO-MECHANICAL SERVICES		-	2,670	6,353	10,500	7,086	7,086	7,970	620	8,500
- DEVELOPMENT PLANNING & HOUSING		-	321	470	30,160	333	333	495	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>13,317</b>	<b>48,316</b>	<b>93,695</b>	<b>108,895</b>	<b>108,895</b>	<b>178,839</b>	<b>20,943</b>	<b>33,760</b>
<b>Total Capital Expenditure - Vote</b>		<b>80,326</b>	<b>87,792</b>	<b>100,502</b>	<b>152,456</b>	<b>169,703</b>	<b>169,703</b>	<b>233,346</b>	<b>106,623</b>	<b>97,975</b>
<b>Capital Expenditure - Standard</b>										
<b>Governance and administration</b>		<b>3,775</b>	<b>3,410</b>	<b>3,227</b>	<b>3,690</b>	<b>4,023</b>	<b>4,023</b>	<b>2,891</b>	<b>1,237</b>	<b>2,423</b>
Executive and council		846	130	80	257	257	257	1,400	-	600
Budget and treasury office		2,364	2,303	2,092	446	734	734	706	607	1,823
Corporate services		565	977	1,055	2,988	3,033	3,033	785	630	-
<b>Community and public safety</b>		<b>14,139</b>	<b>13,664</b>	<b>8,149</b>	<b>14,629</b>	<b>14,168</b>	<b>14,168</b>	<b>11,943</b>	<b>7,146</b>	<b>5,301</b>
Community and social services		1,021	1,763	950	6,773	918	918	1,216	1,701	981
Sport and recreation		1,036	1,793	3,339	5,286	5,804	5,804	7,405	3,825	3,085
Public safety		2,967	910	1,538	1,910	3,600	3,600	3,322	1,620	1,235
Housing		9,015	9,197	2,323	660	3,847	3,847	-	-	-
Health		100	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>10,800</b>	<b>5,595</b>	<b>13,238</b>	<b>58,172</b>	<b>30,083</b>	<b>30,083</b>	<b>19,883</b>	<b>12,095</b>	<b>8,170</b>
Planning and development		480	59	144	30,110	4,010	4,010	585	60	70
Road transport		10,319	5,536	13,094	28,062	26,073	26,073	19,298	12,035	8,100
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>51,612</b>	<b>64,993</b>	<b>75,878</b>	<b>75,966</b>	<b>121,425</b>	<b>121,425</b>	<b>198,499</b>	<b>86,135</b>	<b>82,071</b>
Electricity		11,635	9,114	18,668	36,300	33,050	33,050	31,160	31,827	25,760
Water		22,037	28,032	27,100	14,351	61,601	61,601	145,470	26,213	30,121
Waste water management		17,939	26,296	30,059	23,580	25,181	25,181	18,685	26,145	24,190
Waste management		-	1,552	51	1,735	1,594	1,594	3,184	1,950	2,000
<b>Other</b>		<b>-</b>	<b>130</b>	<b>10</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>130</b>	<b>10</b>	<b>10</b>
<b>Total Capital Expenditure - Standard</b>	3	<b>80,326</b>	<b>87,792</b>	<b>100,502</b>	<b>152,456</b>	<b>169,703</b>	<b>169,703</b>	<b>233,346</b>	<b>106,623</b>	<b>97,975</b>
<b>Funded by:</b>										
National Government		13,161	3,172	22,333	29,398	52,630	52,630	26,296	26,150	19,206
Provincial Government		10,542	55	4,586	6,794	5,097	5,097	-	-	-
District Municipality		3,024	123	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>26,727</b>	<b>3,350</b>	<b>26,919</b>	<b>36,192</b>	<b>57,727</b>	<b>57,727</b>	<b>26,296</b>	<b>26,150</b>	<b>19,206</b>
<b>Public contributions &amp; donations</b>	5	<b>5,983</b>	<b>1</b>	<b>64</b>	<b>3,300</b>	<b>25,229</b>	<b>25,229</b>	<b>2,120</b>	<b>2,350</b>	<b>2,550</b>
<b>Borrowing</b>	6		<b>26,707</b>	<b>3,929</b>	<b>640</b>	<b>388</b>	<b>388</b>	<b>100,475</b>	<b>250</b>	<b>1,800</b>
<b>Internally generated funds</b>		<b>47,616</b>	<b>57,734</b>	<b>69,590</b>	<b>112,325</b>	<b>86,359</b>	<b>86,359</b>	<b>104,455</b>	<b>77,873</b>	<b>74,419</b>
<b>Total Capital Funding</b>	7	<b>80,326</b>	<b>87,792</b>	<b>100,502</b>	<b>152,456</b>	<b>169,703</b>	<b>169,703</b>	<b>233,346</b>	<b>106,623</b>	<b>97,975</b>

## 6.6. Budgeted Financial Position

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>ASSETS</b>										
<b>Current assets</b>										
Cash		9	7,556	14	3,044	3,044	3,044	5,544	4,523	5,368
Call investment deposits	1	207,000	196,000	203,000	214,000	214,000	214,000	208,000	194,000	205,000
Consumer debtors	1	23,632	26,262	29,783	26,871	26,871	26,871	24,025	26,775	26,191
Other debtors		13,041	20,642	25,510	25,212	25,212	25,212	29,402	35,278	41,907
Current portion of long-term receivables		1,210	1,306	631	520	520	520	423	290	221
Inventory	2	13,805	11,904	11,207	12,514	12,514	12,514	11,532	10,779	10,802
<b>Total current assets</b>		<b>258,697</b>	<b>263,670</b>	<b>270,144</b>	<b>282,161</b>	<b>282,161</b>	<b>282,161</b>	<b>278,927</b>	<b>271,645</b>	<b>289,488</b>
<b>Non current assets</b>										
Long-term receivables		2,810	1,560	1,221	1,378	1,378	1,378	1,085	916	734
Investments		-	-	-	-	-	-	-	-	-
Investment property		-	514,640	503,158	494,089	494,089	494,089	491,009	505,918	507,813
Investment in Associate		-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	440,890	672,872	859,740	965,705	965,705	965,705	1,056,756	1,026,963	1,005,227
Agricultural		-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-
Intangible		4,594	596	442	566	566	566	696	832	976
Other non-current assets		-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>448,294</b>	<b>1,189,668</b>	<b>1,364,560</b>	<b>1,461,737</b>	<b>1,461,737</b>	<b>1,461,737</b>	<b>1,549,546</b>	<b>1,534,630</b>	<b>1,514,750</b>
<b>TOTAL ASSETS</b>		<b>706,991</b>	<b>1,453,338</b>	<b>1,634,704</b>	<b>1,743,898</b>	<b>1,743,898</b>	<b>1,743,898</b>	<b>1,828,473</b>	<b>1,806,275</b>	<b>1,804,239</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft	1	21,126	-	1,099	-	-	-	-	-	-
Borrowing	4	1,131	1,943	1,905	1,572	1,572	1,572	1,388	980	1,445
Consumer deposits		7,671	8,165	2,750	3,030	3,030	3,030	3,338	3,677	4,049
Trade and other payables	4	44,765	39,233	69,770	68,918	68,918	68,918	65,810	67,532	73,314
Provisions		8,261	3,978	4,672	4,827	4,827	4,827	4,860	5,237	5,861
<b>Total current liabilities</b>		<b>82,954</b>	<b>53,319</b>	<b>80,195</b>	<b>78,346</b>	<b>78,346</b>	<b>78,346</b>	<b>75,395</b>	<b>77,426</b>	<b>84,669</b>
<b>Non current liabilities</b>										
Borrowing		2,966	2,780	2,995	2,346	2,346	2,346	102,364	96,916	92,192
Provisions		68,869	65,249	69,274	69,525	69,525	69,525	76,795	85,040	94,202
<b>Total non current liabilities</b>		<b>71,834</b>	<b>68,029</b>	<b>72,269</b>	<b>71,871</b>	<b>71,871</b>	<b>71,871</b>	<b>179,159</b>	<b>181,957</b>	<b>186,394</b>
<b>TOTAL LIABILITIES</b>		<b>154,789</b>	<b>121,348</b>	<b>152,464</b>	<b>150,218</b>	<b>150,218</b>	<b>150,218</b>	<b>254,554</b>	<b>259,383</b>	<b>271,064</b>
<b>NET ASSETS</b>	5	<b>552,203</b>	<b>1,331,990</b>	<b>1,482,240</b>	<b>1,593,680</b>	<b>1,593,680</b>	<b>1,593,680</b>	<b>1,573,918</b>	<b>1,546,892</b>	<b>1,533,175</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)		216,610	962,389	1,370,577	1,524,166	1,524,166	1,524,166	1,555,675	1,547,561	1,543,692
Reserves	4	335,592	369,601	111,663	69,514	69,514	69,514	18,244	(669)	(10,517)
Minorities' interests		-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>552,203</b>	<b>1,331,990</b>	<b>1,482,240</b>	<b>1,593,680</b>	<b>1,593,680</b>	<b>1,593,680</b>	<b>1,573,918</b>	<b>1,546,892</b>	<b>1,533,175</b>

**6.7. Budgeted Cash flows**

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		301,967	312,375	341,480	436,124	436,124	436,124	506,059	578,131	669,921
Government - operating	1	23,693	26,605	51,427	57,154	57,154	57,154	54,976	62,657	67,098
Government - capital	1	15,994	17,959	31,227	82,837	82,837	82,837	23,302	24,828	19,276
Interest		17,270	24,240	27,291	21,309	21,309	21,309	14,674	15,962	14,552
Dividends										
<b>Payments</b>										
Suppliers and employees		(180,579)	(216,408)	(266,849)	(335,640)	(335,640)	(335,640)	(390,143)	(458,749)	(533,594)
Finance charges		(601)	(654)	(787)	(660)	(660)	(660)	(543)	(536)	(403)
OTHER	1	(57,474)	(88,657)	(89,031)	(192,234)	(192,234)	(192,234)	(180,001)	(193,793)	(204,794)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>120,269</b>	<b>75,460</b>	<b>94,759</b>	<b>68,890</b>	<b>68,890</b>	<b>68,890</b>	<b>28,324</b>	<b>28,499</b>	<b>32,055</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		115	1,197	758	5,020	5,020	5,020	12,527	11,272	9,918
Decrease (Increase) in non-current debtors										
Decrease (increase) other non-current receivables		1,183	1,269	1,057	838	838	838	644	496	417
Decrease (increase) in non-current investments		(52,000)	207,000							
<b>Payments</b>										
Capital assets		(79,247)	(61,490)	(98,691)	(59,566)	(59,566)	(59,566)	(50,118)	(60,220)	(36,382)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(129,950)</b>	<b>147,975</b>	<b>(96,876)</b>	<b>(53,708)</b>	<b>(53,708)</b>	<b>(53,708)</b>	<b>(36,947)</b>	<b>(48,452)</b>	<b>(26,047)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing		(677)	1,112	111	(333)	(333)	(333)	(184)	(408)	465
Increase (decrease) in consumer deposits		777	125	365	280	280	280	308	339	373
<b>Payments</b>										
Repayment of borrowing								5,000	5,000	5,000
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>100</b>	<b>1,238</b>	<b>476</b>	<b>(53)</b>	<b>(53)</b>	<b>(53)</b>	<b>5,124</b>	<b>4,931</b>	<b>5,838</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(9,581)</b>	<b>224,673</b>	<b>(1,641)</b>	<b>15,129</b>	<b>15,129</b>	<b>15,129</b>	<b>(3,500)</b>	<b>(15,022)</b>	<b>11,846</b>
Cash/cash equivalents at the year begin:	2	(11,536)	(21,117)	203,556	201,915	201,915	201,915	217,044	213,544	198,523
Cash/cash equivalents at the year end:	2	(21,117)	203,556	201,915	217,044	217,044	217,044	213,544	198,523	210,368

**6.8. Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>										
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	1	(21,117)	203,556	201,915	217,044	217,044	217,044	213,544	198,523	210,368
Other current investments > 90 days		207,000	(0)	(0)	0	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>185,883</b>	<b>203,556</b>	<b>201,915</b>	<b>217,044</b>	<b>217,044</b>	<b>217,044</b>	<b>213,544</b>	<b>198,523</b>	<b>210,368</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers		12,051	2,915	14,321	16,473	16,473	16,473	8,988	5,683	5,858
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2	8,002	2,571	2,952	3,247	3,247	3,247	3,519	3,853	4,241
Other working capital requirements	3	16,743	5,835	32,118	32,645	31,923	31,923	30,131	27,407	30,814
Other provisions		8,261	3,978	10,558	8,827	8,827	8,827	9,460	11,337	13,261
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	79,392	118,318	111,663	69,514	69,514	69,514	18,244	(669)	(10,517)
<b>Total Application of cash and investments:</b>		<b>124,450</b>	<b>133,617</b>	<b>171,612</b>	<b>130,706</b>	<b>129,984</b>	<b>129,984</b>	<b>70,341</b>	<b>47,611</b>	<b>43,657</b>
<b>Surplus(shortfall)</b>		<b>61,433</b>	<b>69,939</b>	<b>30,303</b>	<b>86,338</b>	<b>87,060</b>	<b>87,060</b>	<b>143,204</b>	<b>150,911</b>	<b>166,712</b>

## 6.9. Asset management

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	70,992	67,967	86,967	125,541	139,773	139,773	218,850	90,318	84,720
Infrastructure - Road transport	17,867	17,880	22,268	18,202	16,871	16,871	13,238	7,650	9,000
Infrastructure - Electricity	9,512	7,299	17,511	30,840	27,641	27,641	28,440	30,027	23,960
Infrastructure - Water	20,231	28,032	25,626	13,296	60,546	60,546	146,104	25,933	28,591
Infrastructure - Sanitation	3,201	2,235	10,366	14,130	11,657	11,657	14,245	16,970	14,490
Infrastructure - Other	-	1,552	60	1,335	1,197	1,197	3,014	1,460	1,510
Infrastructure	50,812	56,997	75,830	77,803	117,912	117,912	205,041	82,040	77,551
Community	5,774	4,126	5,444	8,085	9,982	9,982	10,453	6,996	4,676
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	12,143	6,844	5,693	39,654	11,879	11,879	3,356	1,282	2,493
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	2,263	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	9,334	19,825	13,535	26,915	29,930	29,930	14,496	16,305	13,255
Infrastructure - Road transport	3,923	7,662	8,884	16,880	20,296	20,296	7,200	11,960	7,650
Infrastructure - Electricity	1,900	1,839	1,157	5,450	5,409	5,409	2,720	1,800	1,800
Infrastructure - Water	1,806	-	1,475	1,055	1,055	1,055	500	780	2,030
Infrastructure - Sanitation	1,020	4,055	1,637	2,430	2,430	2,430	2,166	1,100	650
Infrastructure - Other	-	-	-	400	400	400	300	500	500
Infrastructure	8,650	13,556	13,152	26,275	29,590	29,590	12,886	16,140	12,630
Community	138	576	382	700	340	340	1,490	150	625
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	546	5,693	-	-	-	-	120	15	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	80,326	87,792	100,502	152,456	169,703	169,703	233,346	106,623	97,975
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	70,430	86,946	86,776	97,951	97,951	97,951	97,178	92,509	92,217
Infrastructure - Electricity	50,881	55,308	89,064	99,402	99,402	99,402	93,582	94,948	94,648
Infrastructure - Water	69,000	90,281	106,700	122,076	122,076	122,076	245,113	243,749	243,390
Infrastructure - Sanitation	54,970	57,757	65,311	72,959	72,959	72,959	68,625	69,626	69,406
Infrastructure - Other	-	19,813	30,727	34,914	34,914	34,914	32,286	32,757	32,654
Infrastructure	245,281	310,705	378,578	427,302	427,302	427,302	536,785	533,589	532,315
Community	15,792	57,518	55,865	62,840	62,840	62,840	53,399	46,473	40,477
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	514,640	503,158	494,089	494,089	494,089	491,009	505,918	507,813
Other assets	179,817	305,249	425,297	475,563	475,563	475,563	466,572	446,902	432,436
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	4,594	596	442	566	566	566	696	832	976
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	445,484	1,188,108	1,363,339	1,460,359	1,460,359	1,460,359	1,548,461	1,533,713	1,514,016
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	23,142	34,847	23,068	6,230	30,003	30,003	33,775	38,970	45,613
<b>Repairs and Maintenance by Asset Class</b>	30,545	30,707	34,033	35,397	34,503	34,171	35,865	38,573	41,168
Infrastructure - Road transport	15,819	13,866	14,002	13,375	12,232	12,539	12,747	13,622	14,400
Infrastructure - Electricity	2,225	2,849	3,475	3,421	3,645	3,422	3,513	3,785	4,065
Infrastructure - Water	1,922	2,800	3,541	3,083	3,353	3,333	3,575	3,814	4,056
Infrastructure - Sanitation	323	425	801	840	794	875	900	969	1,033
Infrastructure - Other	571	692	533	784	606	595	819	893	965
Infrastructure	20,860	20,632	22,352	21,503	20,630	20,765	21,554	23,083	24,519
Community	2,807	3,297	4,250	4,996	4,290	4,497	5,031	5,484	5,946
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	6,878	6,778	7,431	8,898	9,583	8,909	9,281	10,006	10,703
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	53,686	65,553	57,101	41,627	64,506	64,174	69,640	77,543	86,781
<b>% of capital exp on renewal of assets</b>	13.1%	29.2%	15.6%	21.4%	21.4%	21.4%	6.6%	18.1%	15.6%
<b>Renewal of Existing Assets as % of deprecn</b>	40.3%	56.9%	58.7%	432.0%	99.8%	99.8%	42.9%	41.8%	29.1%
<b>R&amp;M as a % of PPE</b>	6.9%	4.6%	4.0%	3.7%	3.6%	3.5%	3.4%	3.8%	4.1%
<b>Renewal and R&amp;M as a % of PPE</b>	9.0%	4.0%	3.0%	4.0%	4.0%	4.0%	3.0%	4.0%	4.0%

## 6.10. Basic service delivery measurement

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Household service targets (000)</b>									
<b>Water:</b>									
Piped water inside dwelling	24	25	26	26	26	26	26	27	27
Piped water inside yard (but not in dwelling)	6	6	6	6	6	6	6	6	5
Using public tap (at least min.service level)	1	1	1	1	1	1	1	1	1
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	30	32	33	32	32	32	33	33	33
Using public tap (< min.service level)	0	0	0	0	0	0	0	0	0
Other water supply (< min.service level)	0	0	0	0	0	0	0	0	0
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	1	1	1	1	1	1	1	0	0
<b>Total number of households</b>	<b>31</b>	<b>32</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>34</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	17	17	19	22	22	22	22	23	23
Flush toilet (with septic tank)	5	6	6	6	6	6	6	6	6
Chemical toilet	0	0	0	0	0	0	-	-	-
Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	22	23	25	27	27	27	28	29	29
Bucket toilet	1	1	1	1	1	1	1	1	0
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	1	1	1	1	1	1	1	1	0
<b>Total number of households</b>	<b>22</b>	<b>23</b>	<b>25</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>29</b>	<b>30</b>
<b>Energy:</b>									
Electricity (at least min.service level)	7	7	7	7	7	7	7	7	7
Electricity - prepaid (min.service level)	21	22	23	23	23	23	24	24	24
<i>Minimum Service Level and Above sub-total</i>	28	29	30	30	30	30	31	31	31
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	0	0	0	0	0	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0	0	0	0	0	0	0
<b>Total number of households</b>	<b>29</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>Refuse:</b>									
Removed at least once a week	25	26	27	23	23	23	28	28	28
<i>Minimum Service Level and Above sub-total</i>	25	26	27	23	23	23	28	28	28
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	0	0	0	0	0	0	0	0	0
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	0	0	0	0	0	0	0	0	0
<b>Total number of households</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>28</b>	<b>28</b>	<b>28</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	25	25	26	36	36	36	36	37	38
Sanitation (free minimum level service)	6	6	8	8	8	8	8	8	8
Electricity/other energy (50kw h per household per month)	24	24	25	26	26	26	29	29	30
Refuse (removed at least once a week)	8	8	8	10	10	10	10	10	10
<b>Cost of Free Basic Services provided (R'000)</b>									
Water (6 kilolitres per household per month)	493	503	519	557	557	557	602	662	728
Sanitation (free sanitation service)	978	997	910	239	239	239	263	272	299
Electricity/other energy (50kw h per household per month)	119	122	1,524	403	403	403	491	614	768
Refuse (removed once a week)	638	626	885	1,009	1,009	1,009	1,161	1,277	1,405
<b>Total cost of FBS provided (minimum social package)</b>	<b>2,227</b>	<b>2,248</b>	<b>3,838</b>	<b>2,209</b>	<b>2,209</b>	<b>2,209</b>	<b>2,517</b>	<b>2,825</b>	<b>3,199</b>
<b>Highest level of free service provided</b>									
Property rates (R'000 value threshold)	15	15	50	50	50	50	50	50	50
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)	110	117	146	146	146	146	146	180	190
Electricity (kw h per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	38	38	61	61	61	61	78	85	94
<b>Revenue cost of free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)	1,763	2,017	1,442	1,719	1,719	1,719	1,727	1,736	1,745
Property rates (other exemptions, reductions and rebates)	311	315	3,492	4,139	4,139	4,139	4,160	4,181	4,201
Water	5,529	5,433	5,497	5,106	5,106	5,106	5,131	5,157	5,183
Sanitation	1,347	865	945	1,434	1,434	1,434	1,441	1,448	1,456
Electricity/other energy	621	634	2,355	4,361	4,361	4,361	4,382	4,404	4,426
Refuse	365	251	441	491	491	491	494	496	499
Municipal Housing - rental rebates	995	463	384	-	-	-	388	407	409
Housing - top structure subsidies									
Other									
<b>Total revenue cost of free services provided (total social package)</b>	<b>10,932</b>	<b>9,979</b>	<b>14,555</b>	<b>17,250</b>	<b>17,250</b>	<b>17,250</b>	<b>17,723</b>	<b>17,830</b>	<b>17,919</b>

## 6.11. Other supporting tables / graphs

## CASH BUDGET

The following schedule shows the Cash Budget of the operating revenue per source and expenditure per type for the 2010/11 budget year:

TYPE CODE	TYPE	TOTAL	% of total income/exp budget	NON-CASH Transactions	Departmental Costs	Transfers out (Contra)	TOTAL CASH BUDGET	% of total income/exp budget
<b>2010/2011</b>								
<b>INCOME</b>								
56	Property Rates	(67,243,125)	10.8%		188,860	2,291,588	(64,762,677)	12.7%
58	Penalties Imposed And Collection Charges	(1,650,000)	0.3%				(1,650,000)	0.3%
62	Service Charges	(406,052,054)	65.5%		15,605,629	43,761,718	(346,684,707)	67.9%
66	Rent of Facilities and Equipment	(4,397,867)	0.7%				(4,397,867)	0.9%
68	Interest Earned - External Investments	(14,381,310)	2.3%	-			(14,381,310)	2.8%
72	Interest Earned - Outstanding Debtors	(292,829)	0.0%				(292,829)	0.1%
76	Fines	(5,063,600)	0.8%				(5,063,600)	1.0%
78	Licenses and Permits	(4,325,500)	0.7%				(4,325,500)	0.8%
82	Grants & Subsidies Received - Operating	(59,467,158)	9.6%				(59,467,158)	11.6%
83	Grants & Subsidies Received - Capital	(26,296,000)	4.2%	26,296,000			-	0.0%
84	Other Revenue	(20,934,644)	3.4%	4,642,508		6,752,572	(9,539,564)	1.9%
85	Public Contr & Donated Property, Plant & E	-	0.0%				-	0.0%
86	Gains on Disposal Of Property, Plant & E	(12,577,000)	2.0%	10,000		12,567,000	-	0.0%
<b>OPERATING INCOME GENERATED</b>		(622,681,087)		30,948,508	15,794,489	65,372,878	(510,565,212)	
88	Less Revenue Foregone	2,291,588	-0.4%			(2,291,588)	-	0.0%
<b>TOTAL OPERATING INCOME</b>		<b>(620,389,499)</b>	<b>100.0%</b>	<b>30,948,508</b>	<b>15,794,489</b>	<b>63,081,290</b>	<b>(510,565,212)</b>	<b>100.0%</b>
<b>EXPENDITURE</b>								
2	Employee Related Costs	160,105,686	26.8%		-		160,105,686	31.4%
4	Less Employee Costs Capitalised	(124,000)	0.0%				(124,000)	0.0%
6	Less Empl Costs Alloc To Other Operating	-	0.0%				-	0.0%
8	Remuneration Of Councillors	6,590,986	1.1%				6,590,986	1.3%
10	Bad Debts	-	0.0%				-	0.0%
12	Collection Costs	5,915,000	1.0%				5,915,000	1.2%
14	General Expenses - Bulk Purchases	147,213,203	24.7%				147,213,203	28.8%
16	General Expenses - Contracted Services	23,437,220	3.9%				23,437,220	4.6%
18	General Expenses - Grants & Subsidies Pa	4,104,115	0.7%			(3,106,350)	997,765	0.2%
20	General Expenses - Other	103,677,698	17.4%	(18,020)	(15,794,489)	(1,457,572)	86,407,617	16.9%
22	Repairs & Maintenance - Municipal Assets	35,865,338	6.0%				35,865,338	7.0%
24	Depreciation - Property, Plant & Equip	32,371,896	5.4%				32,371,896	6.3%
26	Depreciation - Leased Property Plant & E	1,279,671	0.2%				1,279,671	0.3%
27	Amortisation - Intangible Assets	123,550	0.0%				123,550	0.0%
28	Interest Expense - External Borrowings	542,507	0.1%				542,507	0.1%
30	Disposal Of Property, Plant & Equipment	50,000	0.0%	(50,000)			-	0.0%
32	Contributions From Operating To Capital	-	0.0%				-	0.0%
34	Contributions To / From Provisions & Res	31,103,318	5.2%	(7,574,873)		(13,795,152)	9,733,293	1.9%
44	Interdepartmental Charges And Recoveries	(53,353)	0.0%				(53,353)	0.0%
48	Other Adjustments & Transfers [Appropria	44,722,216	7.5%			(44,722,216)	-	0.0%
<b>DIRECT OPERATING EXPENDITURE</b>		<b>596,925,051</b>		<b>(7,642,893)</b>	<b>(15,794,489)</b>	<b>(63,081,290)</b>	<b>510,406,379</b>	
<b>INTERNAL CHARGES</b>								
	Admin-Internal Charges (DR)	21,478,589	3.6%				21,478,589	4.2%
	Admin-Internal Recovery (CR)	(21,478,589)	-3.6%				(21,478,589)	-4.2%
<b>TOTAL OPERATING EXPENDITURE</b>		<b>596,925,051</b>	<b>100.0%</b>	<b>(7,642,893)</b>	<b>(15,794,489)</b>	<b>(63,081,290)</b>	<b>510,406,379</b>	<b>100.0%</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>		<b>(23,464,448)</b>		<b>23,305,615</b>	<b>-</b>	<b>-</b>	<b>(158,833)</b>	

The following schedule shows the Cash Budget of the operating revenue per source and expenditure per type for the 2011/12 projected budget year:

TYPE CODE	TYPE	TOTAL	% of total income/exp budget	NON-CASH Transactions	Departmental Costs	Transfers out (Contra)	TOTAL CASH BUDGET	% of total income/exp budget
<b>2011/2012</b>								
<b>INCOME</b>								
56	Property Rates	(77,828,901)	11.0%		215,300	2,602,050	(75,011,551)	12.7%
58	Penalties Imposed And Collection Charges	(1,732,500)	0.2%				(1,732,500)	0.3%
62	Service Charges	(472,766,150)	67.1%		17,593,064	47,066,764	(408,106,322)	69.0%
66	Rent of Facilities and Equipment	(4,905,020)	0.7%				(4,905,020)	0.8%
68	Interest Earned - External Investments	(15,642,441)	2.2%	-			(15,642,441)	2.6%
72	Interest Earned - Outstanding Debtors	(319,146)	0.0%				(319,146)	0.1%
76	Fines	(5,568,852)	0.8%				(5,568,852)	0.9%
78	Licenses and Permits	(4,742,740)	0.7%				(4,742,740)	0.8%
82	Grants & Subsidies Received - Operating	(64,639,536)	9.2%				(64,639,536)	10.9%
83	Grants & Subsidies Received - Capital	(26,150,000)	3.7%	26,150,000			-	0.0%
84	Other Revenue	(21,789,041)	3.1%	5,348,559		5,574,500	(10,865,982)	1.8%
85	Public Contr & Donated Property, Plant & E	-	0.0%				-	0.0%
86	Gains on Disposal Of Property, Plant & E	(11,322,300)	1.6%	12,000		11,310,300	-	0.0%
<b>OPERATING INCOME GENERATED</b>		<b>(707,406,629)</b>		<b>31,510,559</b>	<b>17,808,365</b>	<b>66,553,614</b>	<b>(591,534,091)</b>	
88	Less Revenue Foregone	2,602,050	-0.4%			(2,602,050)	-	0.0%
<b>TOTAL OPERATING INCOME</b>		<b>(704,804,579)</b>	<b>100.0%</b>	<b>31,510,559</b>	<b>17,808,365</b>	<b>63,951,564</b>	<b>(591,534,091)</b>	<b>100.0%</b>
<b>EXPENDITURE</b>								
2	Employee Related Costs	183,459,046	27.0%		-		183,459,046	31.0%
4	Less Employee Costs Capitalised	(134,540)	0.0%				(134,540)	0.0%
6	Less Empl Costs Alloc To Other Operating	-	0.0%				-	0.0%
8	Remuneration Of Councillors	7,339,722	1.1%				7,339,722	1.2%
10	Bad Debts	-	0.0%				-	0.0%
12	Collection Costs	6,269,900	0.9%				6,269,900	1.1%
14	General Expenses - Bulk Purchases	183,016,503	26.9%				183,016,503	31.0%
16	General Expenses - Contracted Services	26,048,917	3.8%				26,048,917	4.4%
18	General Expenses - Grants & Subsidies Pa	4,473,903	0.7%			(3,410,000)	1,063,903	0.2%
20	General Expenses - Other	112,261,826	16.5%	(19,101)	(17,808,365)	-	94,434,360	16.0%
22	Repairs & Maintenance - Municipal Assets	38,573,364	5.7%				38,573,364	6.5%
24	Depreciation - Property, Plant & Equip	37,777,850	5.6%				37,777,850	6.4%
26	Depreciation - Leased Property Plant & E	1,102,384	0.2%				1,102,384	0.2%
27	Amortisation - Intangible Assets	89,584	0.0%				89,584	0.0%
28	Interest Expense - External Borrowings	535,990	0.1%				535,990	0.1%
30	Disposal Of Property, Plant & Equipment	50,000	0.0%	(50,000)			-	0.0%
32	Contributions From Operating To Capital	-	0.0%				-	0.0%
34	Contributions To / From Provisions & Res	34,057,757	5.0%	(7,507,704)		(14,898,764)	11,651,289	2.0%
44	Interdepartmental Charges And Recoveries	(60,822)	0.0%				(60,822)	0.0%
48	Other Adjustments & Transfers [Appropria	45,642,800	6.7%			(45,642,800)	-	0.0%
<b>DIRECT OPERATING EXPENDITURE</b>		<b>680,504,183</b>		<b>(7,576,805)</b>	<b>(17,808,365)</b>	<b>(63,951,564)</b>	<b>591,167,449</b>	
<b>INTERNAL CHARGES</b>								
	Admin-Internal Charges (DR)	24,378,199	3.6%				24,378,199	4.1%
	Admin-Internal Recovery (CR)	(24,378,199)	-3.6%				(24,378,199)	-4.1%
<b>TOTAL OPERATING EXPENDITURE</b>		<b>680,504,183</b>	<b>100.0%</b>	<b>(7,576,805)</b>	<b>(17,808,365)</b>	<b>(63,951,564)</b>	<b>591,167,449</b>	<b>100.0%</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>		<b>(24,300,396)</b>		<b>23,933,754</b>	<b>-</b>	<b>-</b>	<b>(366,642)</b>	



The following schedule shows the Cash Budget of the operating revenue per source and expenditure per type for the 2012/13 projected budget year:

TYPE CODE	TYPE	TOTAL	% of total income/exp budget	NON-CASH Transactions	Departmental Costs	Transfers out (Contra)	TOTAL CASH BUDGET	% of total income/exp budget
<b>2012/2013</b>								
<b>INCOME</b>								
56	Property Rates	(90,030,650)	11.4%		241,136	2,352,420	(87,437,093)	13.0%
58	Penalties Imposed And Collection Charges	(1,853,775)	0.2%				(1,853,775)	0.3%
62	Service Charges	(548,454,130)	69.7%		19,822,242	50,629,305	(478,002,582)	70.8%
66	Rent of Facilities and Equipment	(5,595,419)	0.7%				(5,595,419)	0.8%
68	Interest Earned - External Investments	(14,245,831)	1.8%	-			(14,245,831)	2.1%
72	Interest Earned - Outstanding Debtors	(306,421)	0.0%				(306,421)	0.0%
76	Fines	(6,069,791)	0.8%				(6,069,791)	0.9%
78	Licenses and Permits	(5,299,927)	0.7%				(5,299,927)	0.8%
82	Grants & Subsidies Received - Operating	(66,993,763)	8.5%				(66,993,763)	9.9%
83	Grants & Subsidies Received - Capital	(19,206,000)	2.4%	19,206,000			-	0.0%
84	Other Revenue	(20,988,627)	2.7%	5,980,426		5,967,135	(9,041,066)	1.3%
85	Public Contr & Donated Property, Plant &	-	0.0%				-	0.0%
86	Gains on Disposal Of Property, Plant & E	(9,968,064)	1.3%	15,000		9,953,064	-	0.0%
<b>OPERATING INCOME GENERATED</b>		<b>(789,012,398)</b>		<b>25,201,426</b>	<b>20,063,378</b>	<b>68,901,925</b>	<b>(674,845,669)</b>	
88	Less Revenue Foregone	2,352,420	-0.3%			(2,352,420)	-	0.0%
<b>TOTAL OPERATING INCOME</b>		<b>(786,659,978)</b>	<b>100.0%</b>	<b>25,201,426</b>	<b>20,063,378</b>	<b>66,549,504</b>	<b>(674,845,669)</b>	<b>100.0%</b>
<b>EXPENDITURE</b>								
2	Employee Related Costs	204,847,678	26.6%		-		204,847,678	30.4%
4	Less Employee Costs Capitalised	(143,958)	0.0%				(143,958)	0.0%
6	Less Empl Costs Alloc To Other Operating	-	0.0%				-	0.0%
8	Remuneration Of Councillors	8,081,947	1.1%				8,081,947	1.2%
10	Bad Debts	-	0.0%				-	0.0%
12	Collection Costs	6,583,395	0.9%				6,583,395	1.0%
14	General Expenses - Bulk Purchases	226,895,629	29.5%				226,895,629	33.6%
16	General Expenses - Contracted Services	28,514,053	3.7%				28,514,053	4.2%
18	General Expenses - Grants & Subsidies Pa	4,849,016	0.6%			(3,700,000)	1,149,016	0.2%
20	General Expenses - Other	117,857,136	15.3%	(20,056)	(20,063,378)	-	97,773,702	14.5%
22	Repairs & Maintenance - Municipal Assets	41,168,101	5.4%				41,168,101	6.1%
24	Depreciation - Property, Plant & Equip	44,035,166	5.7%				44,035,166	6.5%
26	Depreciation - Leased Property Plant & E	1,574,824	0.2%				1,574,824	0.2%
27	Amortisation - Intangible Assets	2,578	0.0%				2,578	0.0%
28	Interest Expense - External Borrowings	403,366	0.1%				403,366	0.1%
30	Disposal Of Property, Plant & Equipment	50,000	0.0%	(50,000)			-	0.0%
32	Contributions From Operating To Capital	-	0.0%				-	0.0%
34	Contributions To / From Provisions & Res	37,364,270	4.9%	(7,720,036)		(16,090,665)	13,553,569	2.0%
44	Interdepartmental Charges And Recoveries	(65,080)	0.0%				(65,080)	0.0%
48	Other Adjustments & Transfers [Appropria	46,758,839	6.1%			(46,758,839)	-	0.0%
<b>DIRECT OPERATING EXPENDITURE</b>		<b>768,776,960</b>		<b>(7,790,092)</b>	<b>(20,063,378)</b>	<b>(66,549,504)</b>	<b>674,373,985</b>	
<b>INTERNAL CHARGES</b>								
	Admin-Internal Charges (DR)	26,816,018	3.5%				26,816,018	4.0%
	Admin-Internal Recovery (CR)	(26,816,018)	-3.5%				(26,816,018)	-4.0%
<b>TOTAL OPERATING EXPENDITURE</b>		<b>768,776,960</b>	<b>100.0%</b>	<b>(7,790,092)</b>	<b>(20,063,378)</b>	<b>(66,549,504)</b>	<b>674,373,985</b>	<b>100.0%</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>		<b>(17,883,018)</b>		<b>17,411,334</b>	<b>-</b>	<b>-</b>	<b>(471,684)</b>	

**OPERATING BUDGET PER ITEM**

The following schedule shows the operating revenue and expenditure per item for current financial year as well as the 2010/11 MTREF period:

ITEM CODE	ITEM	2009-10			2010-2011 BUDGET	2011-2012 BUDGET	2012-2013 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
<b>2 Employee Related Costs</b>							
10	Allowance-Acting	335,000	640,482	620,482	455,000	482,300	516,061
20	Allowance-Cashiers	24,900	25,600	25,600	25,275	26,539	28,131
30	Allowance - Entertainment	-	-	-	-	-	-
40	Allowance-Housing Subsidy	1,355,741	1,335,560	1,335,560	1,237,082	1,317,492	1,409,717
43	Allowance-Locomotion-Bus	252,912	249,056	249,056	238,464	250,387	265,410
44	Allowance-Locomotion-Claims	640,215	710,482	725,482	568,183	606,251	642,626
45	Allowance-Locomotion-Fixed	2,566,554	2,666,045	2,666,045	2,482,435	2,606,557	2,762,950
50	Allowance-Other	1,387,963	1,536,168	1,536,168	1,496,729	1,579,049	1,658,002
125	Bonuses	6,933,701	6,796,451	6,796,451	8,055,508	9,465,222	10,695,701
250	Contract Workers	672,000	666,000	666,000	921,000	1,123,620	1,359,580
260	Contributions-Med. Aid Fund	7,942,844	7,925,123	7,975,123	9,056,541	10,324,457	11,563,392
265	Contributions-Pension Fund	11,315,179	11,160,159	11,240,159	13,024,149	15,108,013	17,223,135
270	Contributions-Provident Fund	2,321,748	2,302,655	2,302,655	3,793,122	4,551,746	4,915,886
290	Ex Gratia Pensions	-	-	-	-	-	-
295	Executive Packages	6,579,908	6,824,124	6,824,124	7,663,685	8,583,327	9,441,660
330	Group Life Insurance	1,911,459	1,873,601	1,883,601	2,343,445	2,694,962	2,964,458
380	Leave Pay	-	-	-	-	-	-
381	Long Service Bonus	-	-	-	-	-	-
405	Overtime Pay	5,699,700	6,252,151	5,999,271	5,958,611	6,405,507	7,046,058
420	Protective Clothing & Uniforms	685,715	737,400	695,950	735,258	779,373	833,930
430	Salaries	83,679,628	82,879,948	82,979,948	96,669,626	111,653,418	125,051,828
445	Standby	681,645	1,624,061	1,624,061	2,101,797	2,406,558	2,695,344
460	Temporary/Casual Staff	1,149,200	2,100,120	1,501,712	1,431,500	1,503,075	1,623,321
465	Unemployment Insurance Fund	801,368	801,386	801,386	864,140	926,358	1,000,467
480	Wages	-	-	-	-	-	-
485	Workman's Compensation	852,804	839,392	839,392	984,136	1,064,835	1,150,022
<b>SUB-TOTAL</b>		<b>137,790,184</b>	<b>139,945,964</b>	<b>139,288,226</b>	<b>160,105,686</b>	<b>183,459,046</b>	<b>204,847,678</b>
<b>4 Less Employee Costs Capitalised</b>							
530	Empl Cost to Capital-Salaries	(1,135,400)	(550,000)	(550,000)	(124,000)	(134,540)	(143,958)
535	Empl Cost to Capital-Wages	(140,800)	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>(1,276,200)</b>	<b>(550,000)</b>	<b>(550,000)</b>	<b>(124,000)</b>	<b>(134,540)</b>	<b>(143,958)</b>
<b>6 Less Employee Costs Alloc to Other Operating</b>							
543	Empl Cost to OperDept-Salaries	-	-	-	-	-	-
545	Empl Cost to Oper Dept-Wages	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8 Remuneration Of Councillors</b>							
550	Councillors Remun-Allowances	5,677,122	5,677,122	5,677,122	6,218,206	6,927,081	7,619,790
551	Council Remun-Office Allow.	-	-	-	-	-	-
552	Council Remun-Pension Fund	-	-	-	-	-	-
553	Council Remun-Travel Allow.	100,000	100,000	100,000	50,000	55,000	61,600
554	Council Remun-Telephone Allow	291,970	291,970	291,970	322,780	357,640	400,557
556	Council Remun-Housing Allow	-	-	-	-	-	-
558	Council Remun-Med. Aid Fund	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>6,069,092</b>	<b>6,069,092</b>	<b>6,069,092</b>	<b>6,590,986</b>	<b>7,339,722</b>	<b>8,081,947</b>
<b>10 Bad Debts</b>							
560	Bad Debt	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12 Collection Costs</b>							
570	Collection Costs	5,620,000	3,260,000	3,350,000	5,915,000	6,269,900	6,583,395
<b>SUB-TOTAL</b>		<b>5,620,000</b>	<b>3,260,000</b>	<b>3,350,000</b>	<b>5,915,000</b>	<b>6,269,900</b>	<b>6,583,395</b>
<b>14 General Expenses - Bulk Purchases</b>							
580	Bulk Purchases-Electricity	111,337,517	106,449,343	106,449,343	137,213,203	171,516,503	214,395,629
585	Bulk Purchases-Water	10,000,000	8,455,000	8,500,000	10,000,000	11,500,000	12,500,000
<b>SUB-TOTAL</b>		<b>121,337,517</b>	<b>114,904,343</b>	<b>114,949,343</b>	<b>147,213,203</b>	<b>183,016,503</b>	<b>226,895,629</b>
<b>16 General Expenses - Contracted Services</b>							
610	Agency Paym-Account Print	400,000	360,000	360,000	410,000	442,800	487,080
611	AMR System	350,000	346,000	350,000	360,000	378,000	400,680
615	Agency Payments-Cleansing Serv	2,380,000	2,370,267	2,380,775	3,045,000	3,654,000	4,202,100
616	Agency Payment-Cut of Grass	5,313,000	4,510,000	4,510,000	5,112,000	5,623,200	6,073,056
620	Agency Payments-Gardening Serv	200,000	73,100	150,000	220,000	247,720	282,401
622	Agency Paym-Info Sys Maint	302,800	302,800	302,800	300,000	318,000	340,260
625	Agency Paym-Internal Auditors	681,812	681,812	681,812	875,000	1,028,125	1,151,500
626	Agency Payments-life Saving	800,000	876,000	850,000	860,000	963,200	1,078,784
630	Agency Paym-Meter Readings	950,000	699,268	699,268	903,000	993,300	1,082,697
635	Agency Paym-Prepaid System	3,469,137	4,339,137	4,339,137	4,500,000	4,770,000	5,103,900
640	Agency Paym-Refuse Recycling	116,600	81,600	101,600	128,260	138,906	151,407
645	Agency Paym-Refuse Removal	2,500,000	2,707,792	2,587,792	2,875,000	3,220,000	3,445,400





ITEM CODE	ITEM	2009-10			2010-2011 BUDGET	2011-2012 BUDGET	2012-2013 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
1510	Pumps Mechanical	950,000	559,000	699,000	1,014,500	1,055,080	1,118,385
1512	Pumpstation	340,000	337,000	350,000	350,000	374,500	396,970
1515	Pipeline Mains	570,000	600,000	600,000	590,000	637,200	688,176
1520	Railway Lines	-	-	-	-	-	-
1525	Refuse Bins	14,000	1,000	14,000	14,400	15,840	17,266
1535	Sewerage Infrastructure	500,000	457,000	525,000	550,000	594,000	635,580
1540	Streets-General Repairs	2,787,410	2,474,070	2,781,910	3,084,850	3,239,093	3,401,047
1545	Rehabilitation River Mouths	-	-	-	-	-	-
1550	Streets-Resealing	9,337,500	9,037,500	9,037,500	8,262,500	8,815,000	9,211,675
1555	Stormwater Drains	1,250,000	720,000	720,000	1,400,000	1,568,000	1,787,520
1560	Telecommunication	45,100	36,200	36,200	39,800	42,188	45,141
1565	Telemetric System	204,000	277,000	212,000	243,000	252,720	270,410
1570	Traffic Lights & Signs	500,000	279,400	411,600	550,000	588,500	623,810
1575	Signs & Signboards	150,300	151,800	151,800	150,500	164,045	168,966
1580	Vehicles	2,145,220	2,174,075	2,037,575	2,325,588	2,558,147	2,686,054
1585	Water Infrastructure	950,000	1,370,000	1,200,000	1,060,000	1,144,800	1,190,592
1586	Water Leakages	-	221,741	221,741	300,000	318,000	340,260
1590	Water Reservoirs & Dams	600,000	590,000	600,000	600,000	648,000	706,320
1591	Flood Damage:Cleansing-Beaches	-	-	-	-	-	-
1592	Flood Damage:Elect.Infrastruc.	-	-	-	-	-	-
1593	Flood Damage:Housing-Lett.Sche	-	-	-	-	-	-
1594	Flood Damage:Mun.Buildings	-	-	-	-	-	-
1595	Flood Damage:Road Infrastruc.	-	-	-	-	-	-
1596	Flood Damage:Sew.Infrastruct.	-	-	-	-	-	-
1597	Flood Damage:Sportfields	-	-	-	-	-	-
1598	Flood Damage:Stormwater Drains	-	-	-	-	-	-
1599	Flood Damage:S/Water-Fill Dong	-	-	-	-	-	-
1600	Flood Damage:Water Infrastruc	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>35,396,770</b>	<b>34,503,425</b>	<b>34,171,045</b>	<b>35,865,338</b>	<b>38,573,364</b>	<b>41,168,101</b>

24 Depreciation - Property, Plant & Equip							
1655	Deprec.-Infrastructure Assets	-	-	-	-	-	-
1660	Deprec.-Community Assets	-	-	-	-	-	-
1670	Deprec.-Other Assets	105,311,718	28,452,899	28,452,899	32,371,896	37,777,850	44,035,166
1675	Deprec-Specialised Vehicles	-	-	-	-	-	-
1686	Depreciation Offset-CRR(Cr)	(91,520,000)	-	-	-	-	-
1687	Depreciation Offset-GGR(Cr)	(4,300,827)	-	-	-	-	-
1688	Depreciation Offset-DON.(Cr)	(4,026,654)	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>5,464,237</b>	<b>28,452,899</b>	<b>28,452,899</b>	<b>32,371,896</b>	<b>37,777,850</b>	<b>44,035,166</b>

26 Depreciation - Leased Property Plant & E							
1705	Depreciation - Leased Infrastr	-	-	-	-	-	-
1730	Depreciation - Leased Other As	606,619	1,390,662	1,390,662	1,279,671	1,102,384	1,574,824
<b>SUB-TOTAL</b>		<b>606,619</b>	<b>1,390,662</b>	<b>1,390,662</b>	<b>1,279,671</b>	<b>1,102,384</b>	<b>1,574,824</b>

27 Amortisation - Intangible Assets							
1750	Amortisation - Intangible Asse	159,153	159,153	159,153	123,550	89,584	2,578
1755	Amortisation Offset-CRR(Cr)	-	-	-	-	-	-
1760	Amortisation Offset-GGR(Cr)	-	-	-	-	-	-
1765	Amortisation Offset-DON.(Cr)	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>159,153</b>	<b>159,153</b>	<b>159,153</b>	<b>123,550</b>	<b>89,584</b>	<b>2,578</b>

28 Interest Expense - External Borrowings							
1775	Interest-External Borrowings	645,238	645,238	645,238	528,292	521,064	387,545
1780	Interest on Internal Funds	14,763	14,763	14,763	14,215	14,926	15,821
<b>SUB-TOTAL</b>		<b>660,001</b>	<b>660,001</b>	<b>660,001</b>	<b>542,507</b>	<b>535,990</b>	<b>403,366</b>

30 Disposal Of Property, Plant & Equipment							
1810	Loss on Disposal of P,P&E	50,000	50,000	50,000	50,000	50,000	50,000
1815	Loss on Disposal of Land	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

32 Contributions From Operating To Capital							
1820	Fixed Assets (New Connections)	-	-	-	-	-	-
1830	Loose Assets(Plant, Mach&Equip)	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

34 Contributions To / From Provisions & Res							
1854	Alien Vegetation Provision	1,865,403	200,000	200,000	-	-	-
1855	Capital Replacement Reserve	36,200,000	36,200,000	36,200,000	3,300,000	3,498,000	3,812,820
1857	Bad Debt Provision	13,036,328	13,036,328	13,036,328	13,795,152	14,898,764	16,090,665
1859	External Financing Fund	-	-	-	-	-	-
1862	Illegal Dumping Provision	-	-	-	-	-	-
1863	Insurance Reserve	-	-	-	-	-	-
1864	Landfill Tip Sites	-	50,000	50,000	-	-	-





ITEM CODE	ITEM	2009-10			2010-2011 BUDGET	2011-2012 BUDGET	2012-2013 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
<b>76 Fines</b>							
2545	Library Penalties	(54,400)	(49,151)	(49,151)	(58,600)	(62,702)	(67,718)
2553	Town Plan-Contravention Levy	(25,000)	(20,000)	(20,000)	(5,000)	(6,150)	(7,073)
2555	Traffic Fines	(4,700,000)	(3,000,000)	(3,000,000)	(5,000,000)	(5,500,000)	(5,995,000)
<b>SUB-TOTAL</b>		<b>(4,779,400)</b>	<b>(3,069,151)</b>	<b>(3,069,151)</b>	<b>(5,063,600)</b>	<b>(5,568,852)</b>	<b>(6,069,791)</b>

<b>78 Licenses and Permits</b>							
2565	Business Licence Fees	(1,200)	(2,887)	(2,887)	(1,500)	(1,830)	(2,159)
2570	Card Licences-Applications	(380,000)	(366,786)	(366,786)	(380,000)	(418,000)	(451,440)
2575	Drivers Licence-Learner Fees	(160,000)	(168,480)	(168,480)	(155,000)	(168,950)	(184,156)
2580	Drivers Licence-Test Fees	(560,000)	(600,000)	(600,000)	(600,000)	(648,000)	(706,320)
2585	Licence Fees-Boats	(1,000)	(3,359)	(3,359)	(4,000)	(4,160)	(4,326)
2590	Motor Vehicle Registrations	(3,000,000)	(3,000,000)	(3,000,000)	(3,100,000)	(3,410,000)	(3,853,300)
2595	Public Driving Permits	(80,000)	(89,834)	(89,834)	(85,000)	(91,800)	(98,226)
2600	Roadworthy Certificates	-	-	-	-	-	-
2605	Parking Meters	-	(1,200)	(1,200)	-	-	-
2610	Parking Bays-Buy Out	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>(4,182,200)</b>	<b>(4,232,546)</b>	<b>(4,232,546)</b>	<b>(4,325,500)</b>	<b>(4,742,740)</b>	<b>(5,299,927)</b>

<b>82 Grants &amp; Subsidies Received - Operating</b>							
2625	Subsidy-District Municipality	-	-	-	-	-	-
2626	Subsidy-Housing Trust Fund	(4,000,000)	(1,200,000)	(1,200,000)	(2,800,000)	-	-
2629	Subsidy-Province	(672,000)	(799,000)	(799,000)	(926,000)	(973,000)	(135,000)
2630	Subsidy-Province:Main Roads	(30,000)	(30,000)	(30,000)	(50,000)	-	-
2631	Subsidy:Province:Newsletters	(13,890)	(21,507)	(21,507)	(16,158)	(20,036)	(24,243)
2632	Subsidy:Prov.-Top Structures	(10,440,400)	(24,131,212)	(24,131,212)	(18,708,000)	(21,672,000)	(20,717,000)
2633	Subsidy Equitable Share	(26,117,000)	(26,678,317)	(26,678,317)	(34,232,000)	(38,851,000)	(42,854,000)
2635	Subs-State:Hlth Com.Serv.Clin.	-	-	-	-	-	-
2638	Subs-State:H/Primary Health	-	-	-	-	-	-
2639	Subs-State:H/Pew Feeding Sch.	-	-	-	-	-	-
2640	Subsidy-Other	(880,000)	(1,220,804)	(1,220,804)	(985,000)	(1,083,500)	(1,213,520)
2641	Subsidy-State:Transformation	(96,000)	-	-	-	-	-
2642	Subsidy-State:DORA	(1,093,000)	(1,782,148)	(1,782,148)	(1,750,000)	(2,040,000)	(2,050,000)
2645	Subsidy-State:H/Comprehensv	-	-	-	-	-	-
2650	Subsidy-State:H/Environment	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>(43,342,290)</b>	<b>(55,862,988)</b>	<b>(55,862,988)</b>	<b>(59,467,158)</b>	<b>(64,639,536)</b>	<b>(66,993,763)</b>

<b>83 Grants &amp; Subsidies Received - Capital</b>							
2655	Capital Grants-District Mun	-	-	-	-	-	-
2660	Capital Grants-Provincial	(17,451,600)	(17,727,259)	(17,727,259)	-	-	-
2665	Capital Grants-State	(18,740,000)	(41,748,435)	(41,748,435)	(26,296,000)	(26,150,000)	(19,206,000)
2670	Capital Grants-Other	-	(22,500,000)	(22,500,000)	-	-	-
<b>SUB-TOTAL</b>		<b>(36,191,600)</b>	<b>(81,975,694)</b>	<b>(81,975,694)</b>	<b>(26,296,000)</b>	<b>(26,150,000)</b>	<b>(19,206,000)</b>

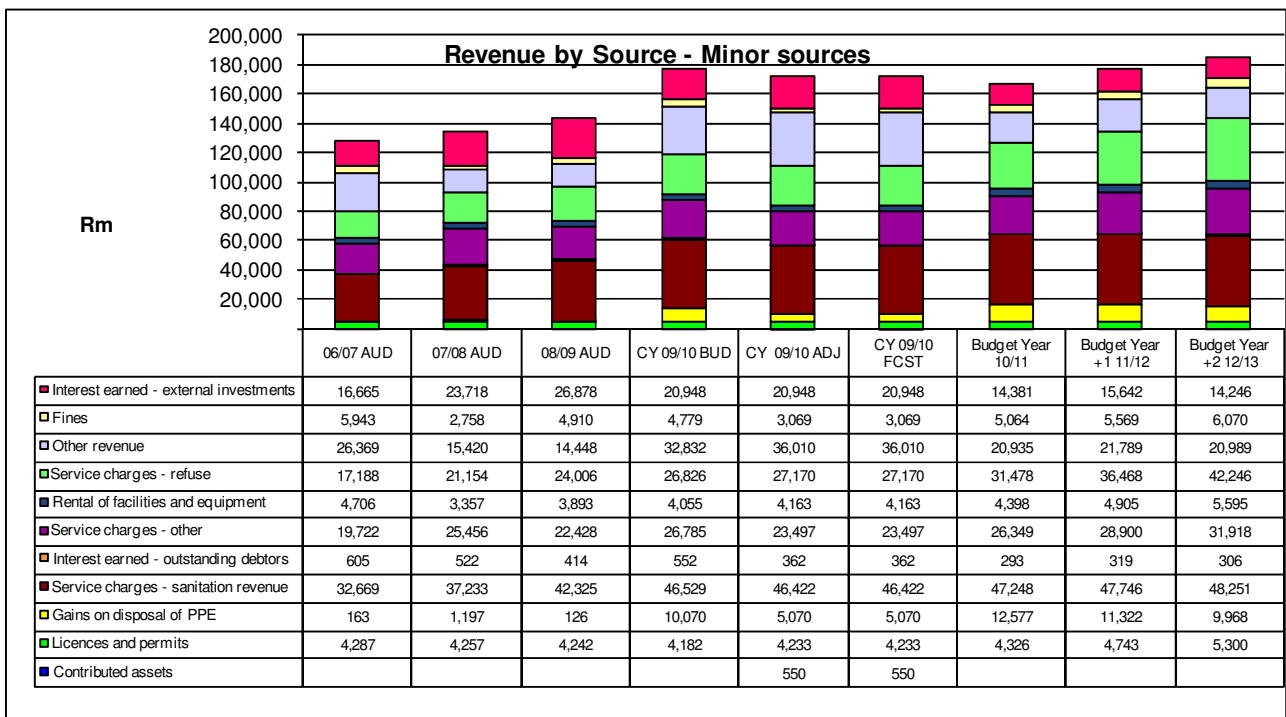
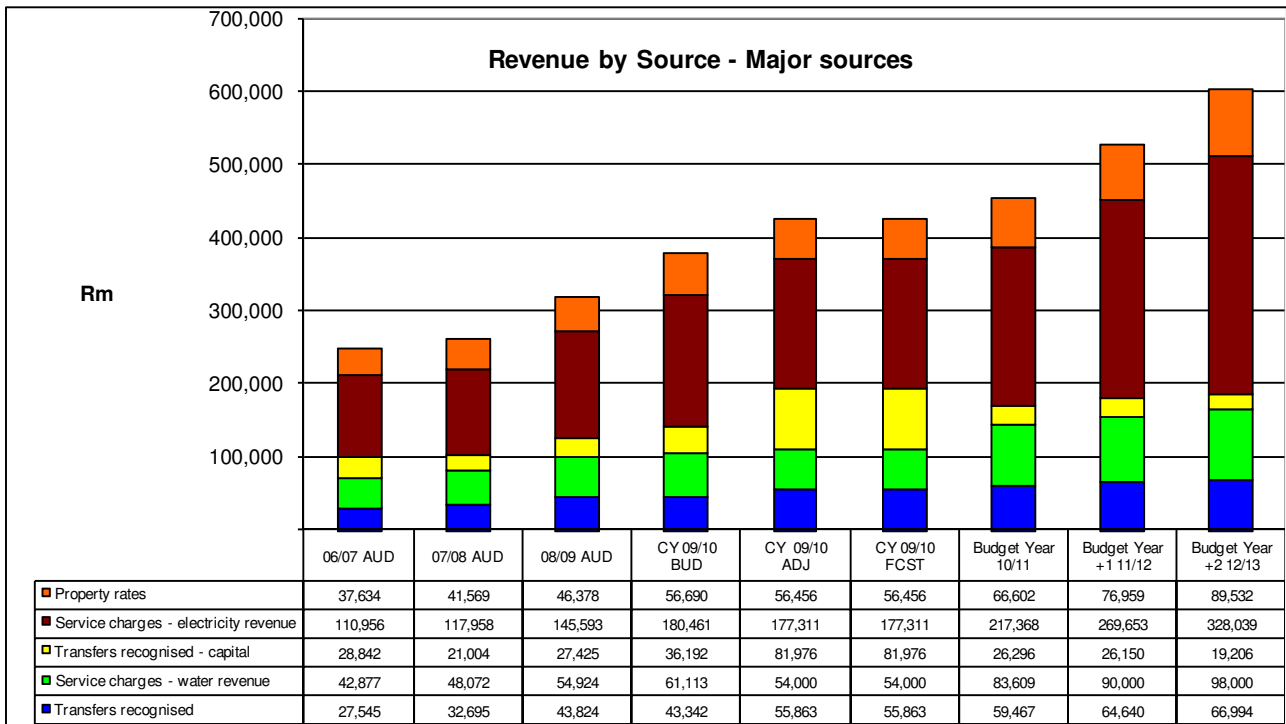
<b>84 Other Revenue</b>							
2680	Access Provision - Bad debts	-	-	-	(220,000)	(242,000)	(261,360)
2681	Access Provision	-	-	-	-	-	-
2682	Actuarial Gains	-	-	-	-	-	-
2685	Admin Costs Recovered	(67,000)	(101,755)	(101,755)	(80,600)	(88,660)	(99,299)
2686	Contr from Surplus (Non-cash)	(12,313,043)	(12,313,043)	(12,313,043)	-	-	-
2687	Collection Costs Recovered	(2,200,000)	(2,000,000)	(2,000,000)	(2,200,000)	(2,420,000)	(2,686,200)
2688	Contr.from Transfer Even(HDF)	(4,688,782)	(5,445,852)	(5,445,852)	(6,039,108)	(5,283,929)	(5,910,625)
2689	Cont.from Ext. Serv (CRR)	(7,500,000)	(4,500,000)	(4,500,000)	(5,000,000)	(5,250,000)	(5,617,500)
2691	Contr. from Land Sales (CRR)	-	-	-	-	-	-
2692	Contribution From LGW SETA	-	-	-	-	-	-
2693	Contr from Surplus (cash)	(5,000,000)	(10,000,000)	(10,000,000)	(6,200,000)	(7,200,000)	(5,000,000)
2694	Contr. From Reserve Fund	-	-	-	-	-	-
2695	Commission-Insurance Collect	(67,000)	(70,922)	(70,922)	(68,000)	(82,960)	(95,404)
2696	Housing Rental(Hous Dev Fund)	(22,593)	(22,549)	(22,549)	(22,560)	(26,621)	(30,082)
2697	Housing Instalments(Hous Dev)	-	(11,342)	(11,342)	(11,354)	(12,489)	(13,613)
2698	Parking Bays-Buy Out(CRR)	(50,000)	-	-	(75,000)	(82,500)	(88,275)
2699	Public Contributions	-	-	-	-	-	-
2700	Fair Value Adjustment	-	-	-	-	-	-
2705	Discount on Purchases	-	-	-	-	-	-
2706	Insurance Claims	(368,350)	(659,730)	(659,730)	(363,050)	(384,833)	(404,075)
2707	Milk Powder	-	-	-	-	-	-
2708	Legal Costs	-	(8,772)	(8,772)	-	-	-
2709	Outdoor Advertising	(25,000)	(17,000)	(17,000)	(35,000)	(56,000)	(84,000)
2710	Tender Deposits Forfeited	(500)	(500)	(500)	-	-	-
2715	Extension Costs-Waterworks	(232,800)	(232,800)	(232,800)	(232,800)	(232,800)	(232,800)
2716	Recoverable Income	-	(1,000)	(1,000)	-	-	-
2717	Retention monies-Unclaimed	(5,000)	(5,000)	(5,000)	-	-	-
2720	Sale of Reduntant Inventory	-	-	-	-	-	-
2725	Sundries	(25,000)	(285,247)	(285,247)	(51,000)	(57,120)	(63,403)
2730	Surplus Cash	(5,000)	(10,000)	(10,000)	(5,000)	(5,875)	(6,639)
2734	Payments received:WCA	(8,500)	(50,948)	(50,948)	(9,000)	(10,080)	(11,189)

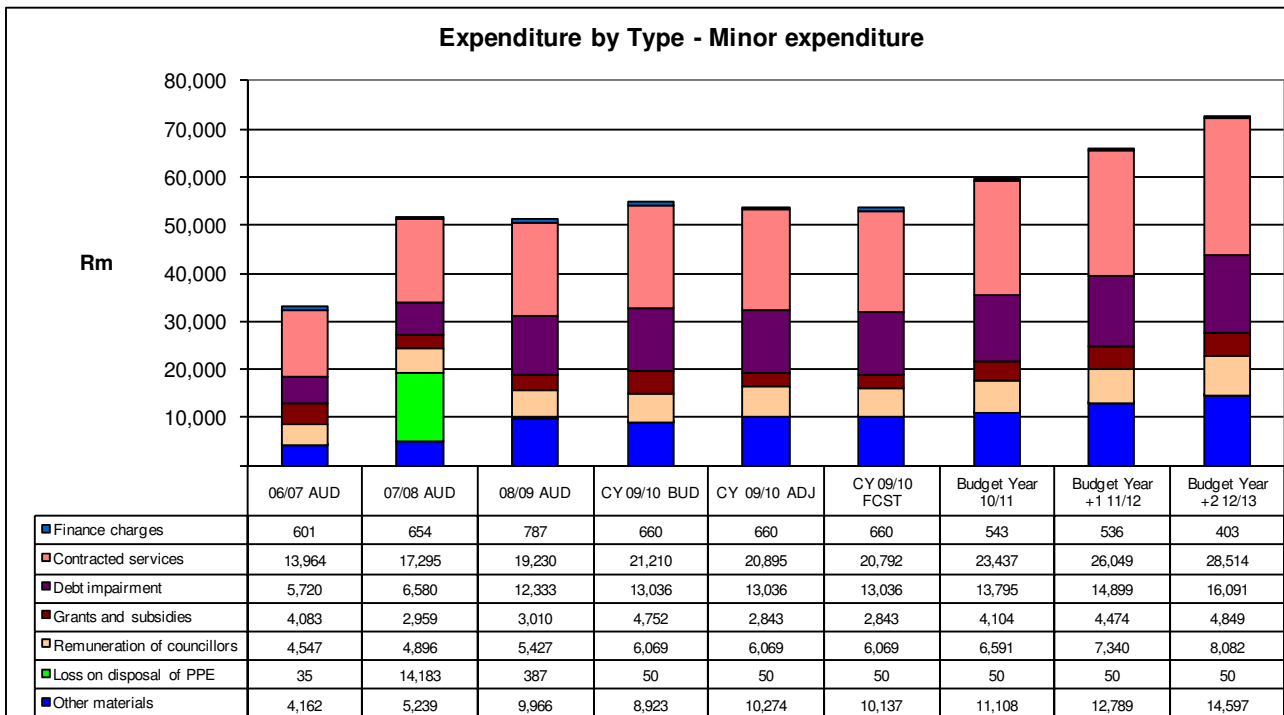
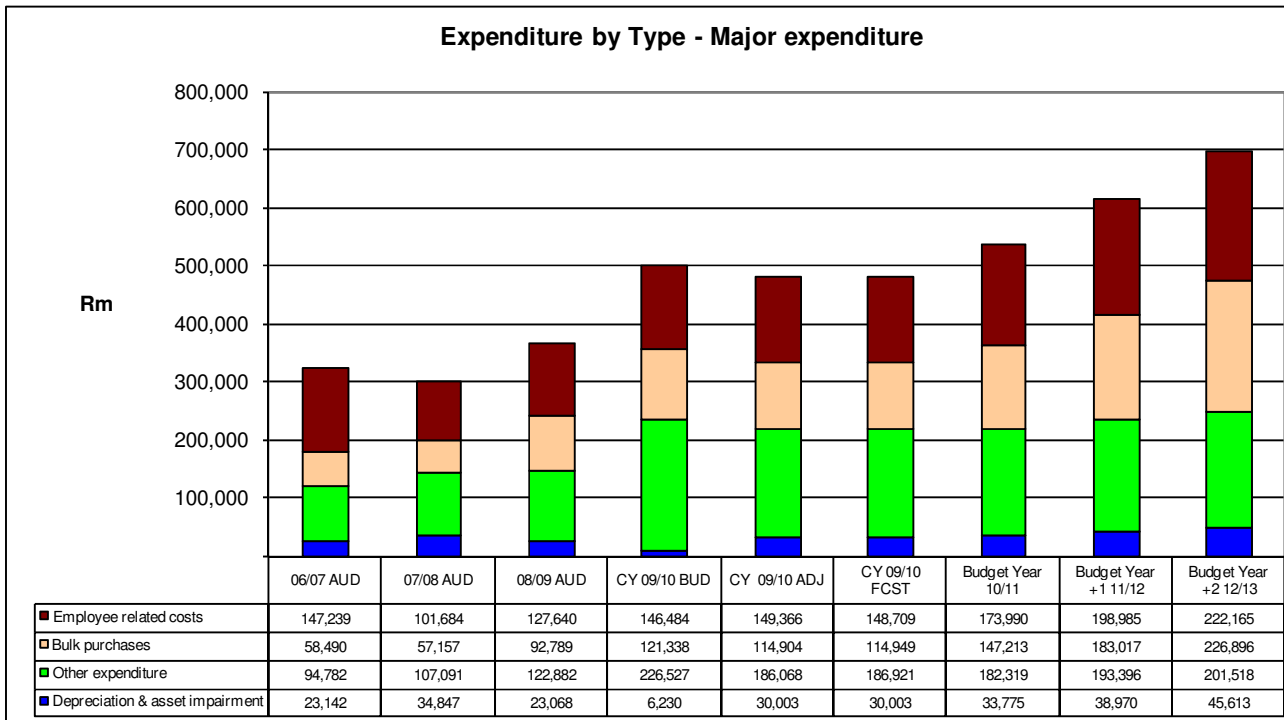


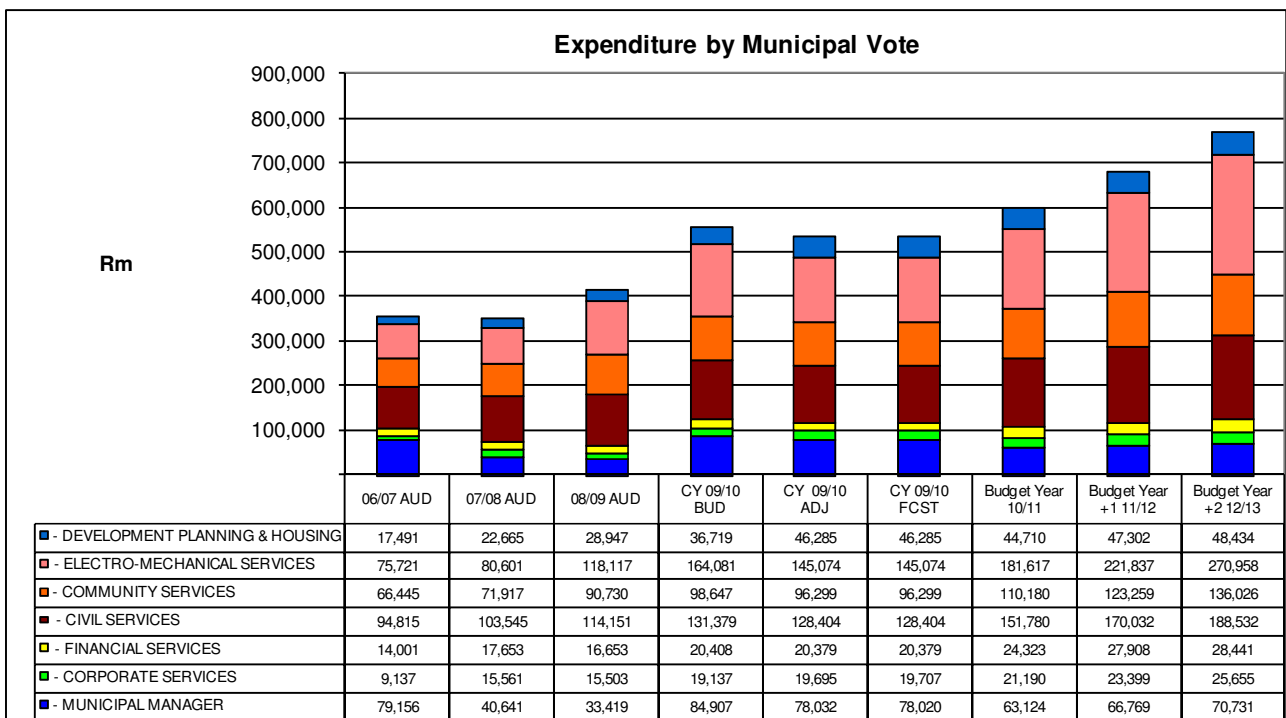
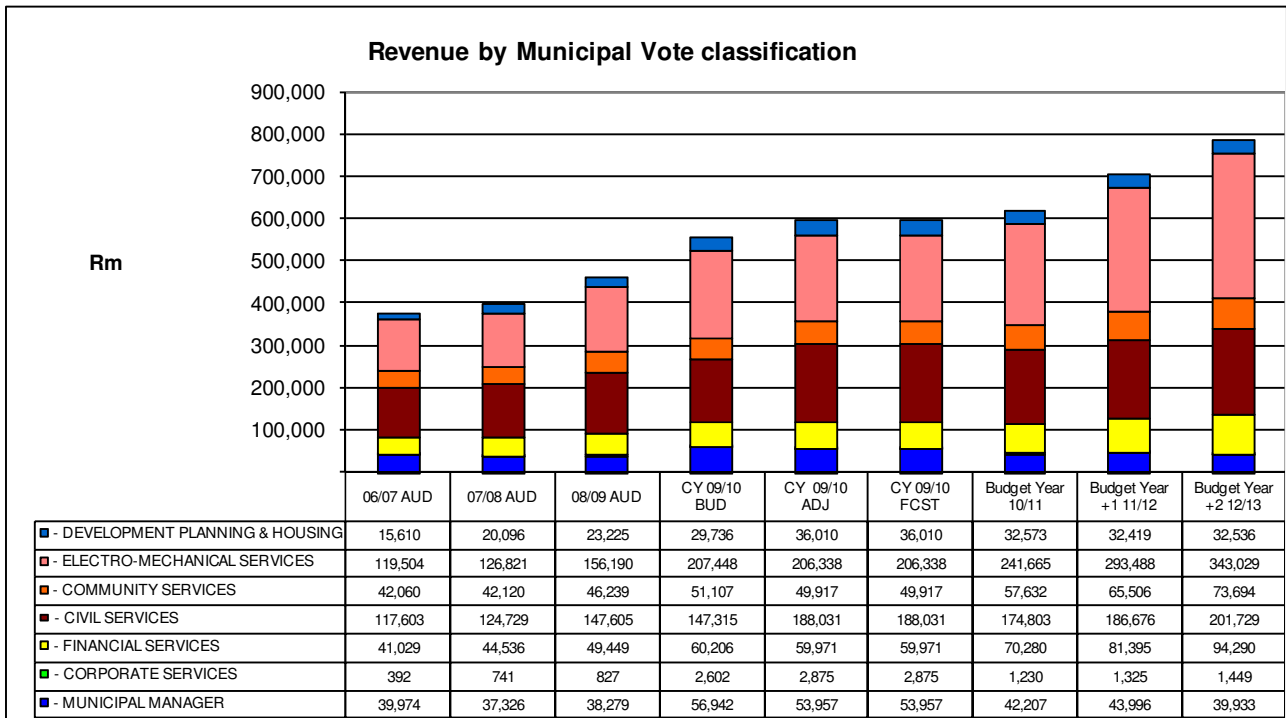
ITEM CODE	ITEM	2009-10			2010-2011 BUDGET	2011-2012 BUDGET	2012-2013 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
2735	Stale Cheque	(50,000)	(42,962)	(42,962)	(50,000)	(56,000)	(62,720)
2736	Unidentified Deposits	(50,000)	(50,000)	(50,000)	(200,000)	(220,000)	(237,600)
2737	X-Rays	-	-	-	-	-	-
2739	Unamortised Discount of Stock loans	(136,511)	(133,880)	(133,880)	(9,360)	(9,922)	(10,715)
2740	Unamortised Discount of Stock debtors	-	-	-	(51,612)	(54,709)	(59,085)
2741	Uncovering of meters	(500)	(500)	(500)	(600)	(672)	(746)
2742	Tampering with installation	(16,500)	(16,500)	(16,500)	(10,600)	(11,872)	(13,297)
2744	Unclaimed-Service Charges	-	(30,000)	(30,000)	-	-	-
2745	Unamortised Discount on Consumer Depo	-	-	-	-	-	-
2746	Penalties	-	-	-	-	-	-
2764	Payment received:WCA	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>(32,832,079)</b>	<b>(36,010,302)</b>	<b>(36,010,302)</b>	<b>(20,934,644)</b>	<b>(21,789,041)</b>	<b>(20,988,627)</b>
<b>85 Public Contr &amp; Donated Property, Plant &amp; Equipment</b>							
2743	Public Contributions	-	(550,000)	(550,000)	-	-	-
<b>SUB-TOTAL</b>		<b>-</b>	<b>(550,000)</b>	<b>(550,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>86 Gains on Disposal Of Property, Plant &amp; Equipment</b>							
2755	Gain on Disposal of P, P & E	(70,000)	(70,000)	(70,000)	(10,000)	(12,000)	(15,000)
2756	Gain On Disposal of Land	(10,000,000)	(5,000,000)	(5,000,000)	(12,567,000)	(11,310,300)	(9,953,064)
<b>SUB-TOTAL</b>		<b>(10,070,000)</b>	<b>(5,070,000)</b>	<b>(5,070,000)</b>	<b>(12,577,000)</b>	<b>(11,322,300)</b>	<b>(9,968,064)</b>
<b>88 Less Revenue Foregone</b>							
2770	Rates Rebate-Pensioners 50%	-	-	-	-	-	-
2775	Rates Rebate-Pensioners 30%	-	-	-	-	-	-
2780	Rates Rebates-Sect.17(1)(H)	1,743,726	1,715,035	1,715,035	2,161,588	2,463,210	2,210,220
2785	Rates Rebates-Other	-	128,693	128,693	130,000	138,840	142,200
<b>SUB-TOTAL</b>		<b>1,743,726</b>	<b>1,843,728</b>	<b>1,843,728</b>	<b>2,291,588</b>	<b>2,602,050</b>	<b>2,352,420</b>
<b>TOTALS</b>							
TOTAL EXPENDITURE		555,277,955	534,169,271	534,169,271	596,925,051	680,504,183	768,776,960
TOTAL INCOME		(555,356,437)	(597,099,739)	(597,099,739)	(620,389,499)	(704,804,579)	(786,659,978)
<b>GRAND TOTAL</b>		<b>(78,482)</b>	<b>(62,930,468)</b>	<b>(62,930,468)</b>	<b>(23,464,448)</b>	<b>(24,300,396)</b>	<b>(17,883,018)</b>

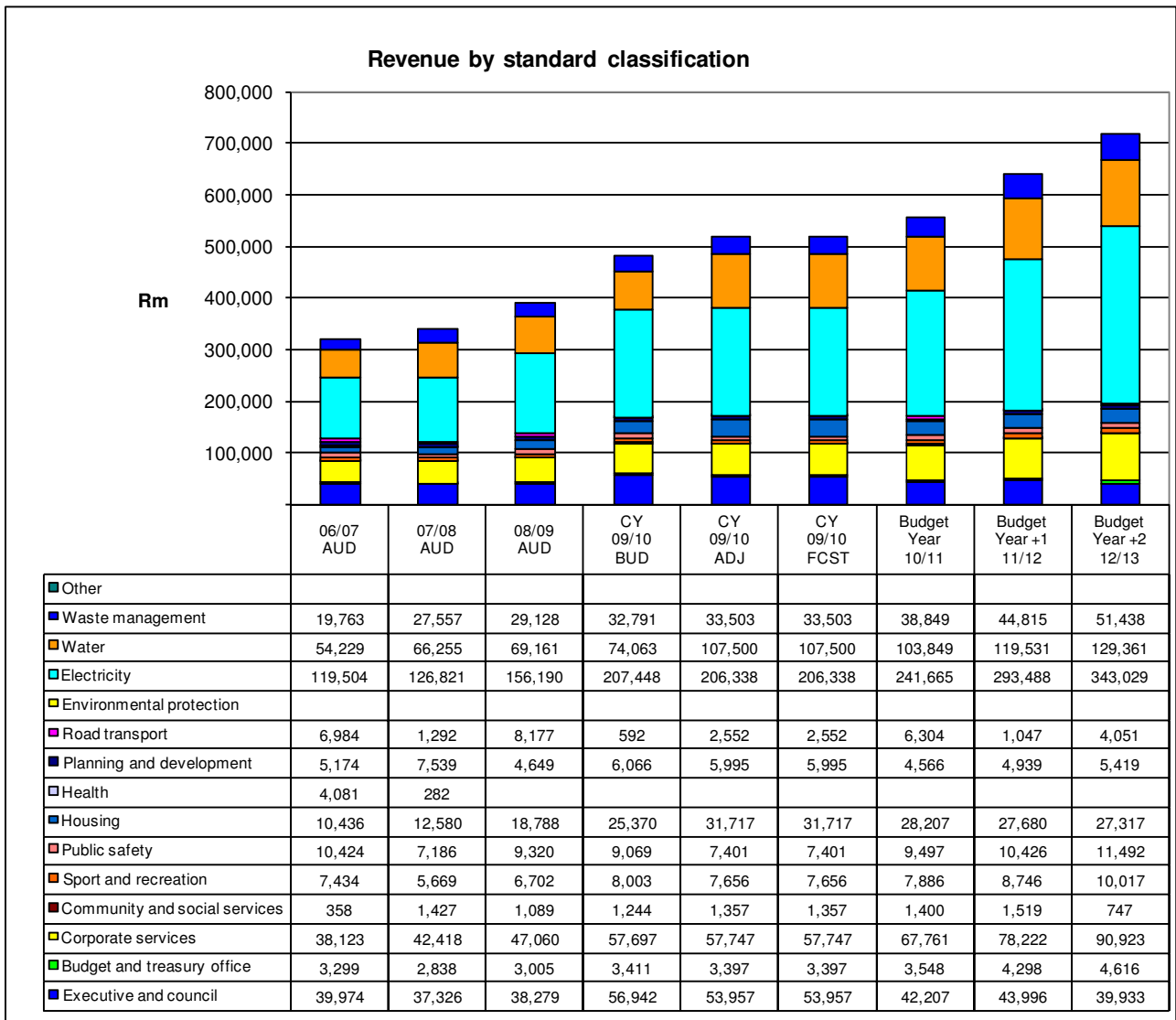
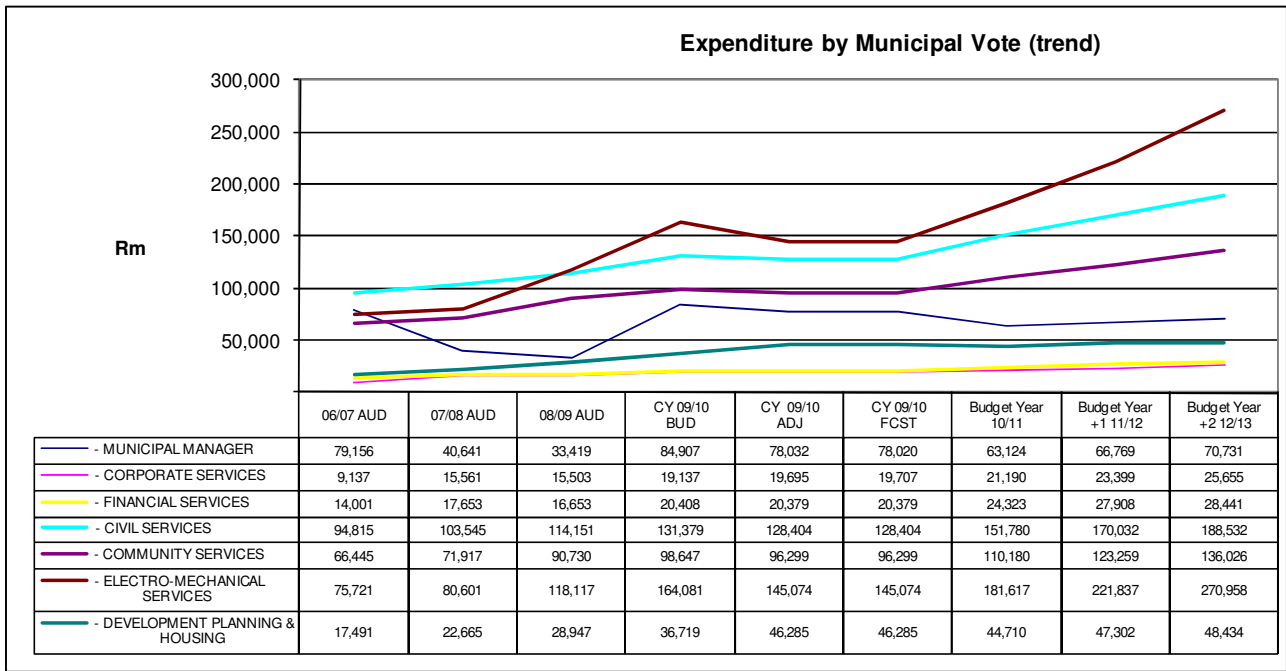
**BUDGET RELATED CHARTS / GRAPHS**

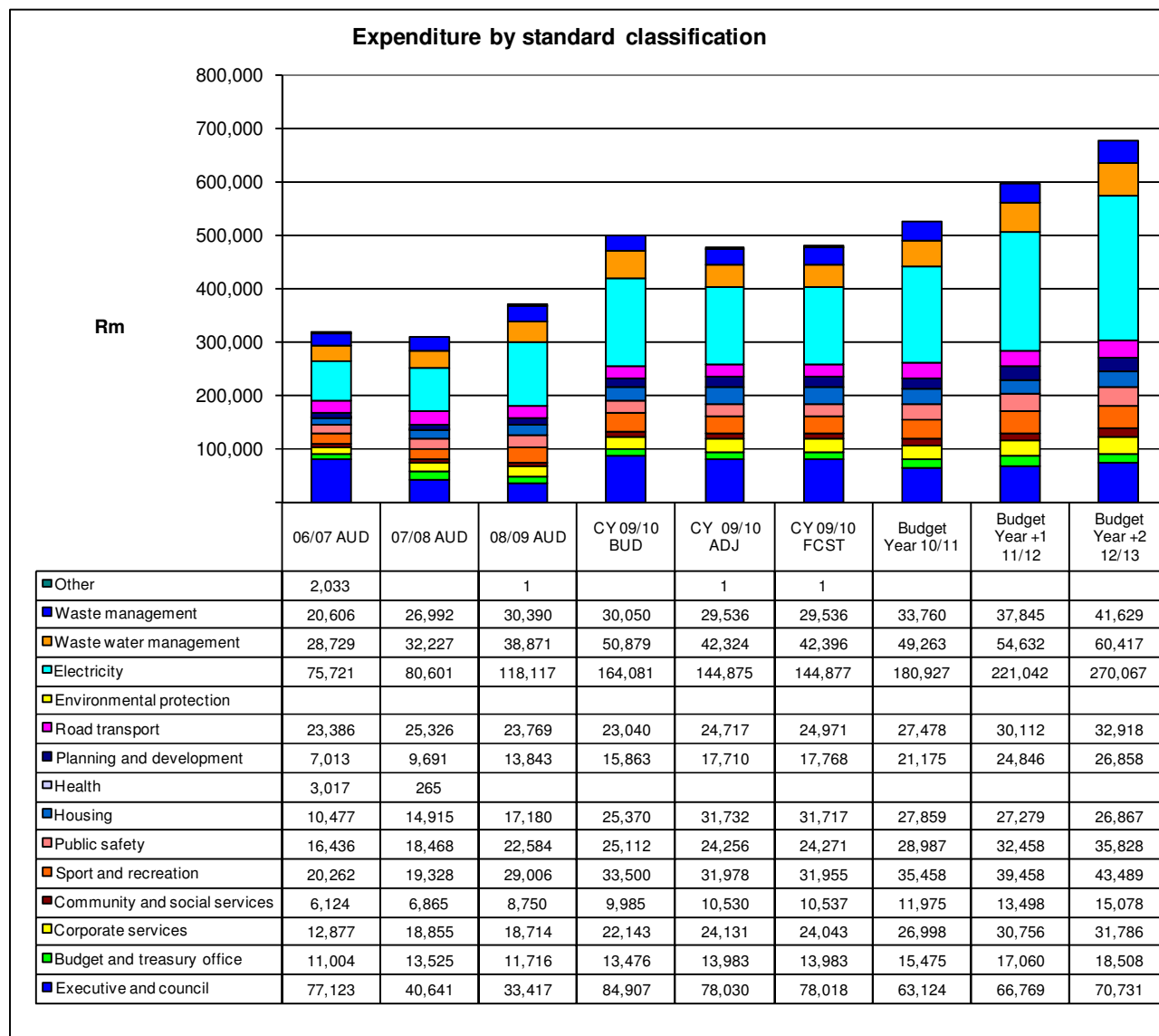
The following shows various charts and graphs on the Operating budget of the Municipality:



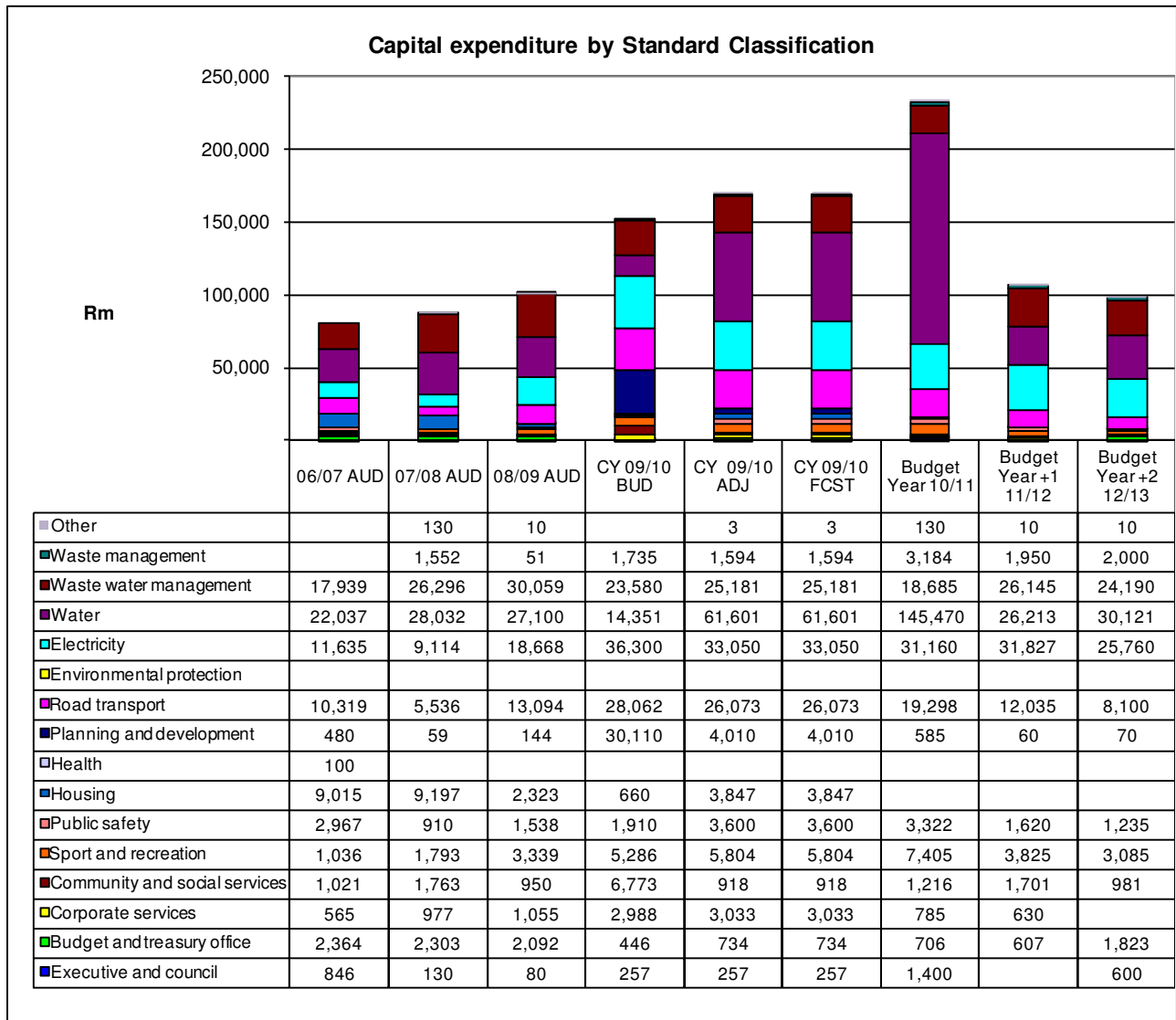


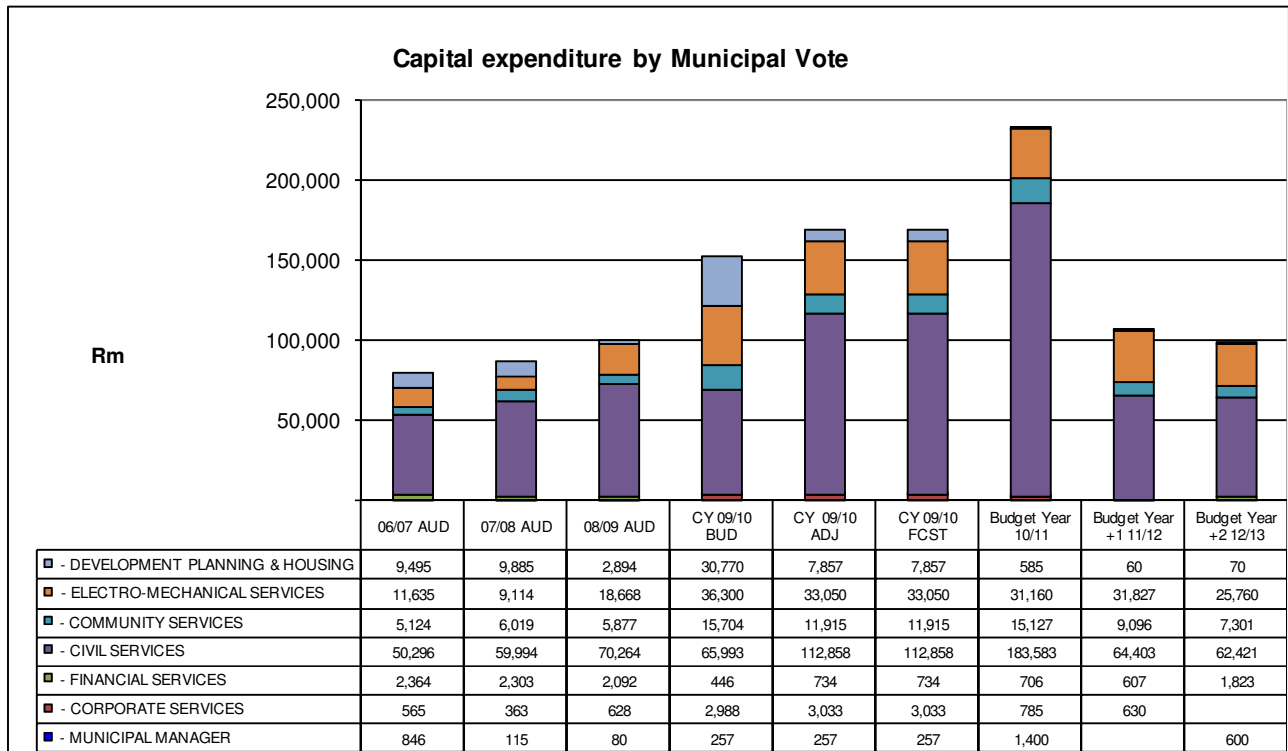




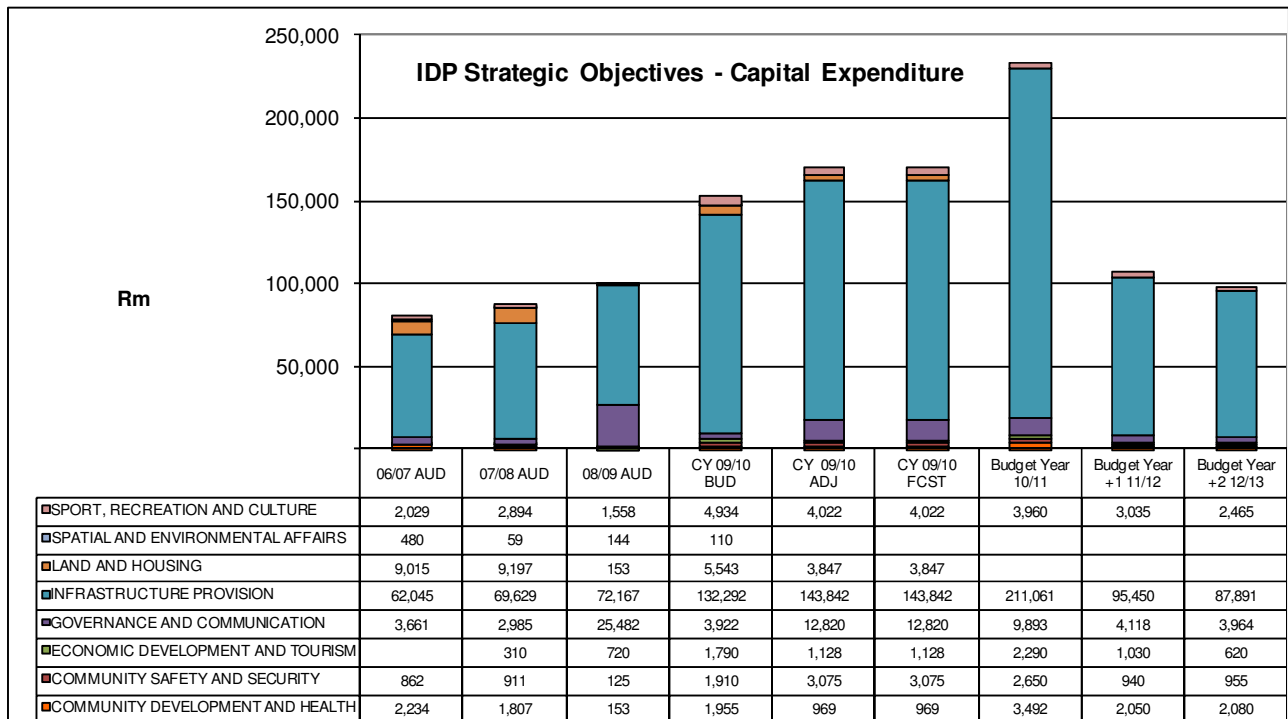


The following shows various charts and graphs on the Capital budget of the Municipality:

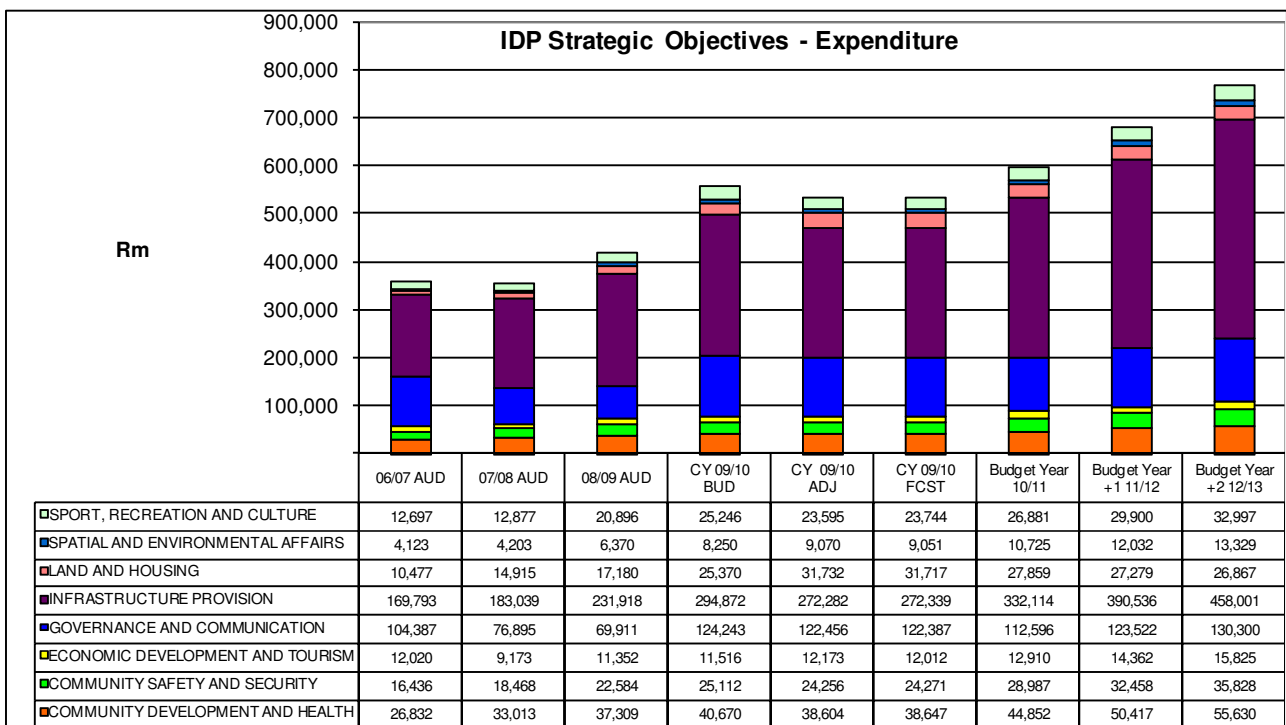
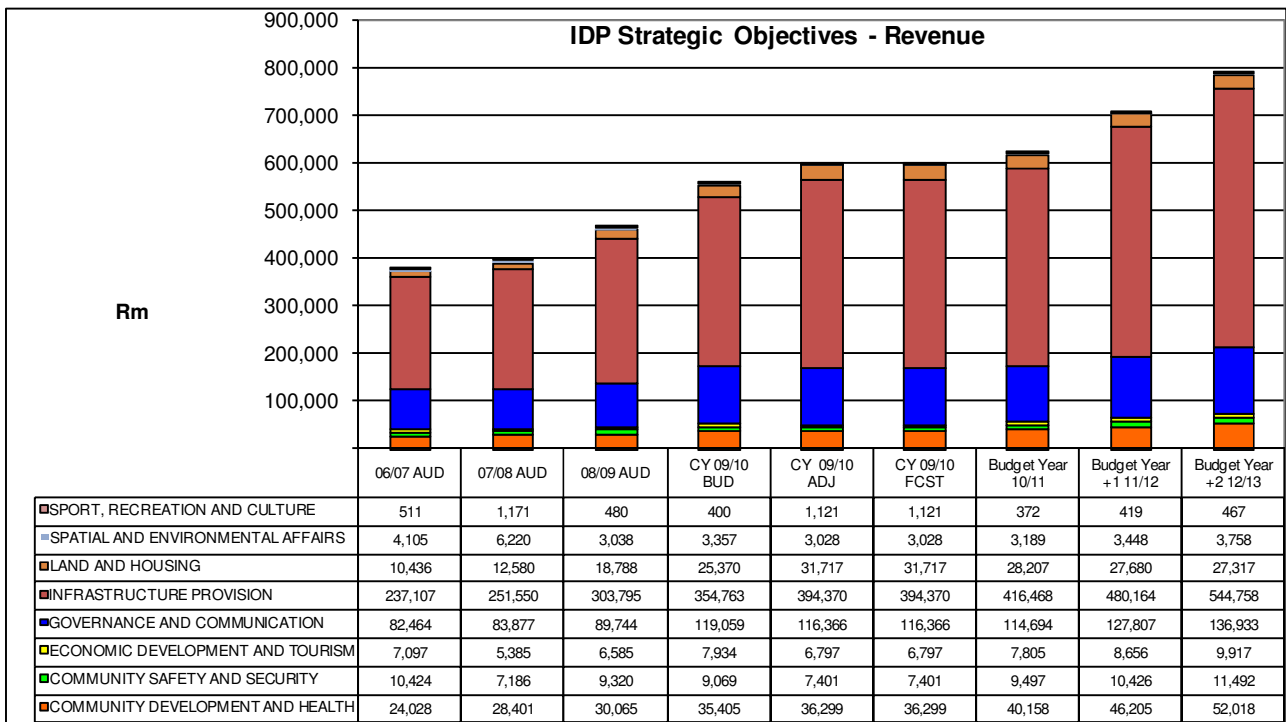




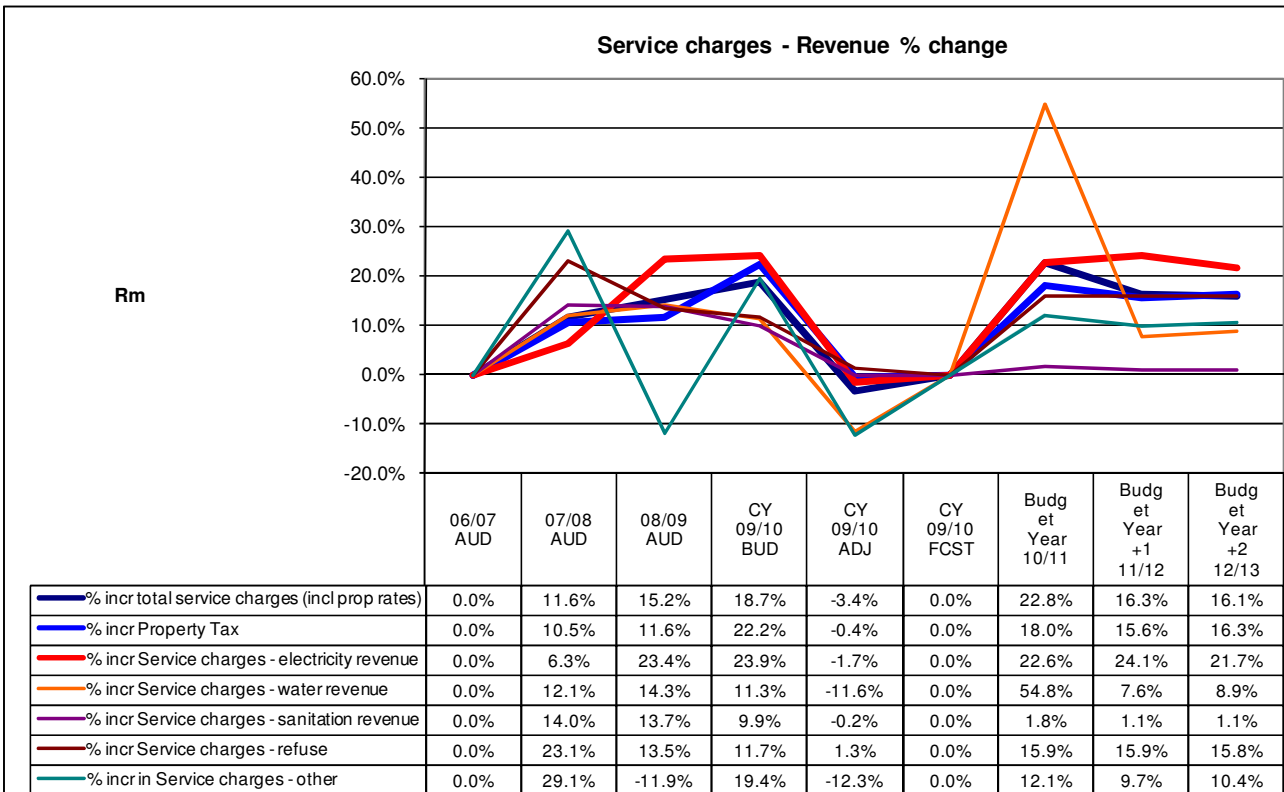
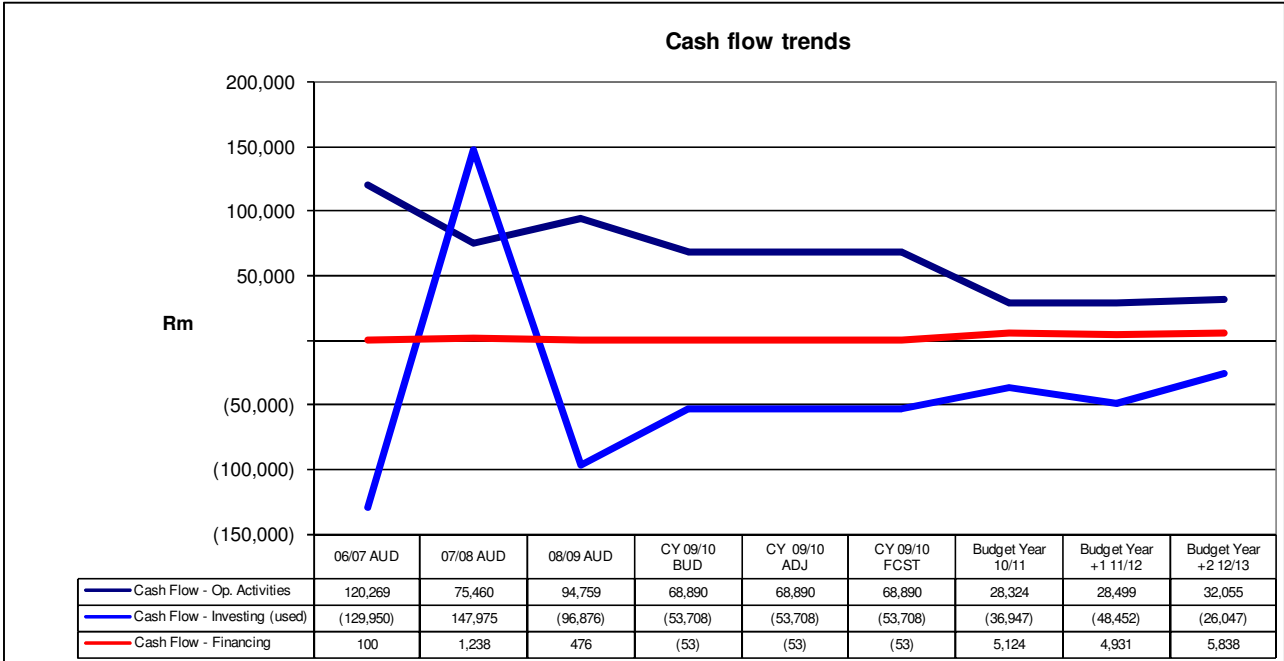
The following shows various charts and graphs on the link between the Integrated Development Plan (IDP) and the municipal Budget:

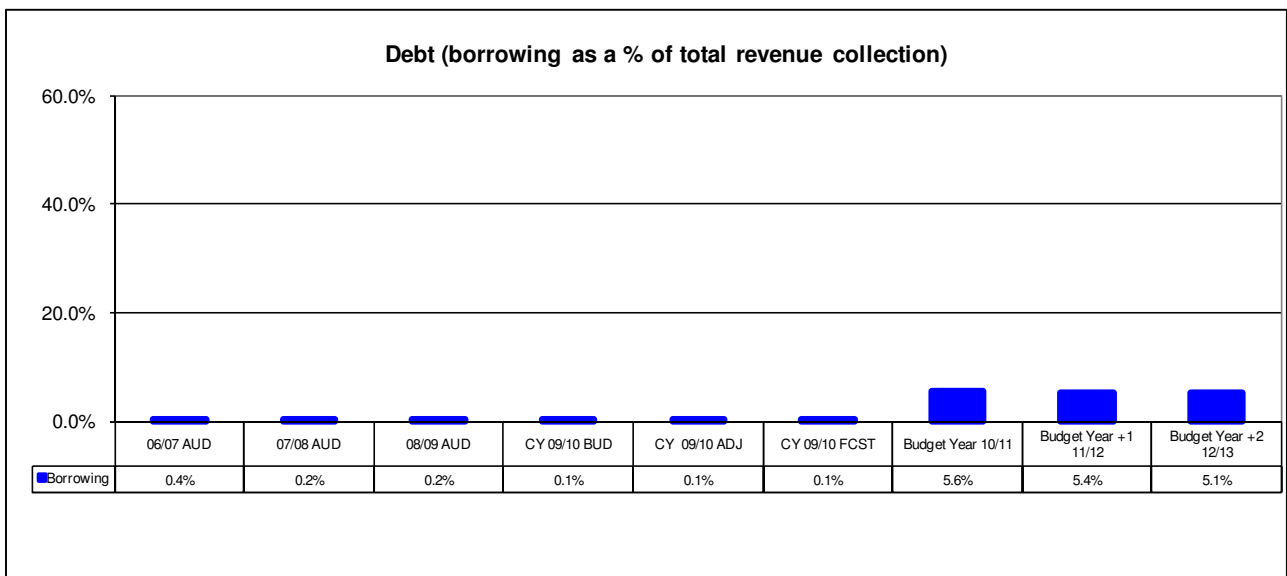
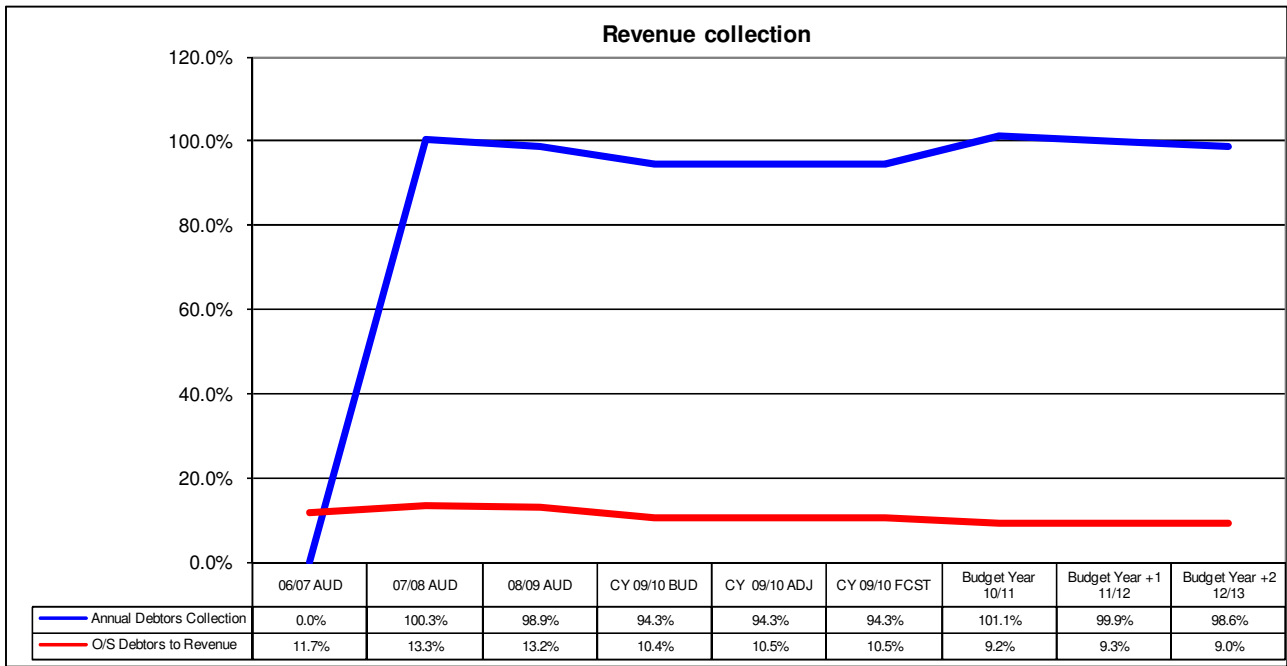


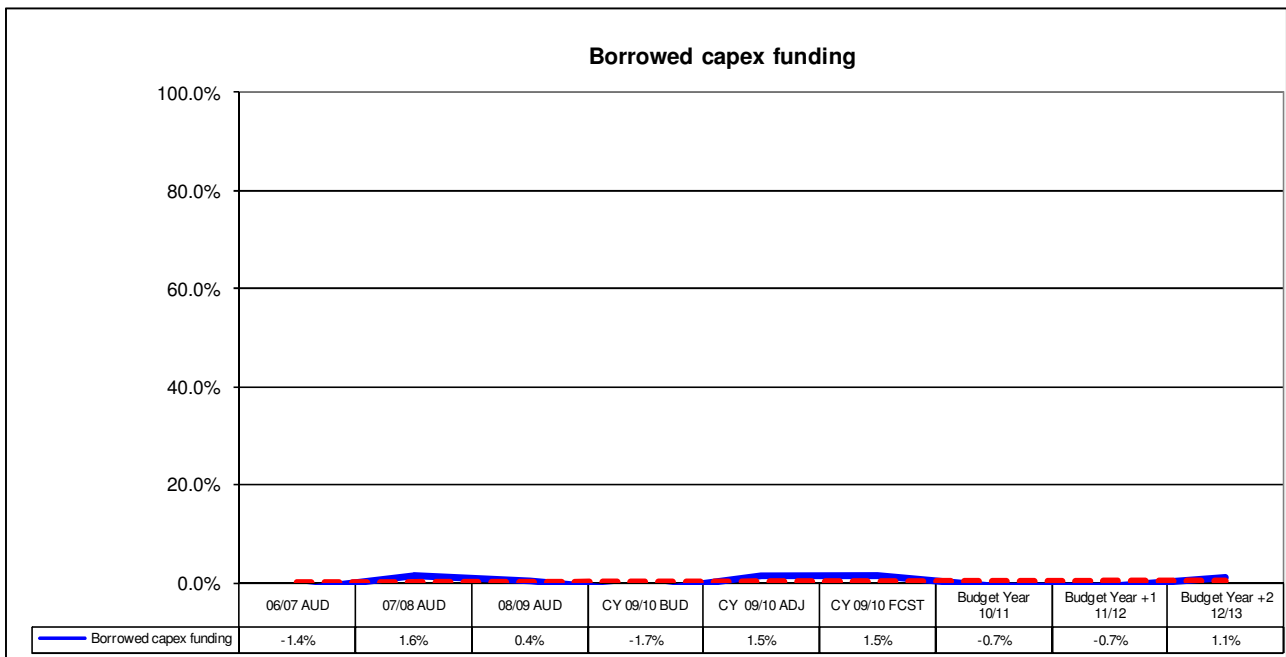
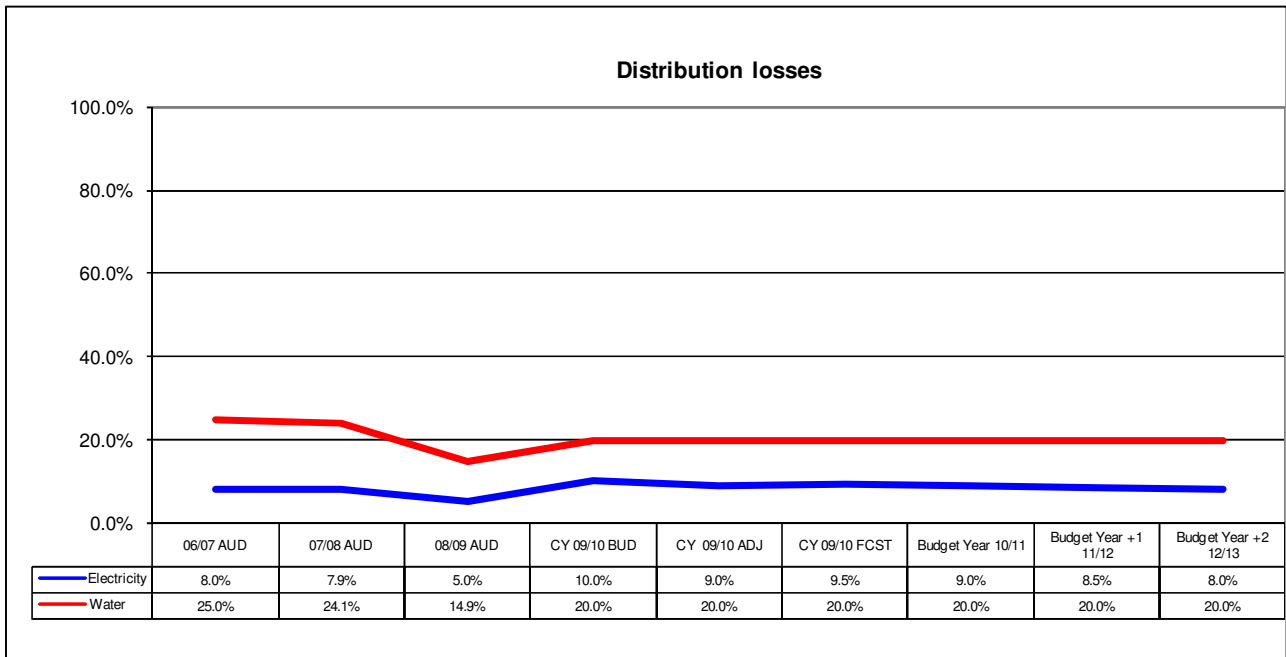


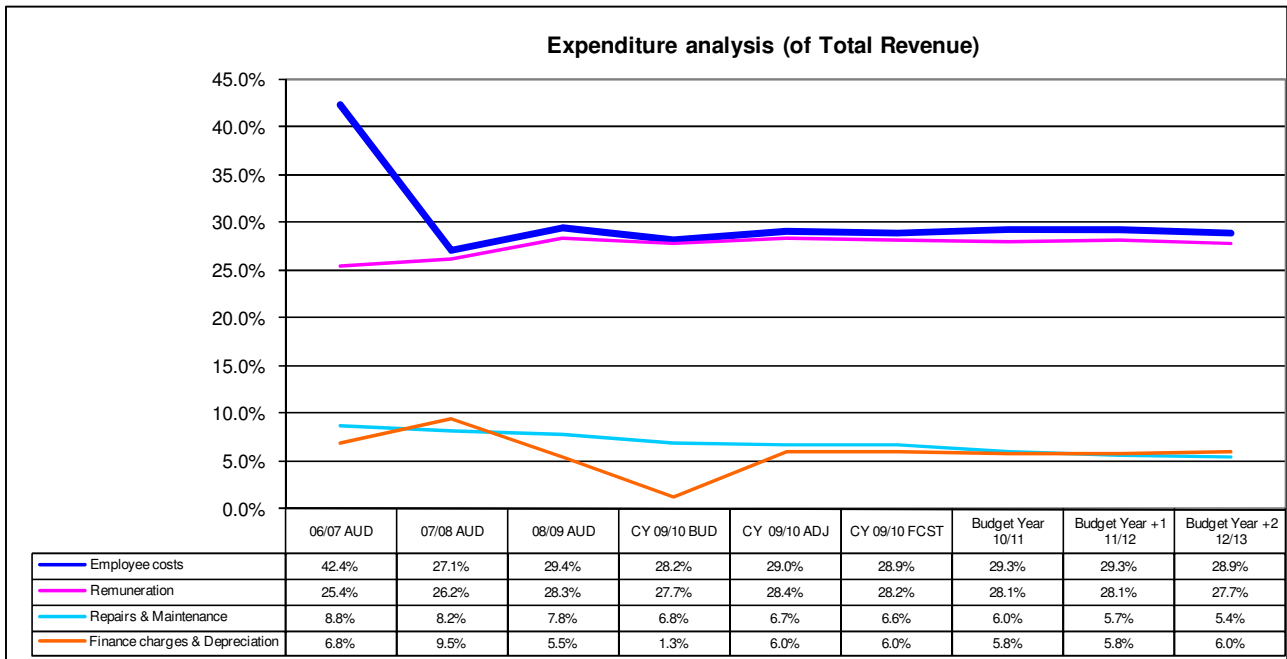


The following shows various charts and graphs on Cash flow trends, Distribution losses, Debt collection, etc:









## 7. SUPPORTING DOCUMENTATION

### 7.1. Budget process overview

#### POLITICAL OVERSIGHT OF THE BUDGET PROCESS

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans. The mayoral committee is one of the key elements in accomplishing the linkage between the IDP and the Budget of a municipality.

#### SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP and budget-related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP, in council on the 29<sup>th</sup> of July 2009.

The approved schedule is set out below:

<b>BUDGET AND IDP PROCESS</b> <b>2010/2011 to 2014/2015</b> <b>(WORKPLAN/TIME SCHEDULE IN TERMS OF SECTION 21 (1) (b) OF M F M A)</b>		
ACTIVITIES RELATING TO NEW BUDGET AND IDP FOR YEARS 2010/2011-2014/2015	REMARKS	COMPLETION DATE
JULY 2009	JULY 2009	JULY 2009
1 Assess the IDP and Budget processes followed for years 2010/2011 budget preparation and adapt the process to address deficiencies, develop improvements and ensure integrated and alignment of processes for the 2010/2011 - 2014/2015 budgets.	Assessment and evaluation of IDP process and development of improvements for the new cycle.	July 2009
AUGUST 2009	AUGUST 2009	AUGUST 2009
1 Establish forum and teams including Budget Steering Committee for consultation on IDP Budget preparation.		August 2009
2 Time Schedule to be tabled by Mayor to the Council outlining key deadlines. Council to approve time schedule and decide on dates and venues of consultation meetings with public.	Council	22 August 2009
3 Advertise the budget process and dates of IDP meetings.	Manager of IDP Process	August 2009
4 Finalise the logistic processes in respect of each of the I D P meetings and table a business plan to the Executive Management in this regard.	Manager of I D P process	August 2009
5 Consultation meetings with community on any proposed new priorities for service delivery which will affect the IDP and Budget.	IDP manager, Executive Management, Budget Steering Committee and Councillors	24 August - 7 September 2009
6 Operational Budget : Salary/Wages schedules to Directors for scrutinising and corrections	Chief Expenditure and Directors	29 August 2009

**Budget and IDP process (continued)**

<b>SEPTEMBER 2009</b>		<b>SEPTEMBER 2009</b>	<b>SEPTEMBER 2009</b>
1	Operational Budget : Salary/Wages schedules with corrections and recommendations to be returned to Finance Department.	Directorates and Chief Expenditure	16 September 2009
2	Operational Budget : Income/Expenditure schedules to be supplied to Directorates.	Chief Finance and Directors	15 September 2009
3	The Directors determine the future priority areas and departmental projects for the municipality to guide the budget allocations and IDP for the next 3 years.	Executive Management	16 September 2009
4	Obtain report from IDP Manager on needs/priorities identified in community meetings	IDP Manager	16 September 2009
<b>OCTOBER 2009</b>		<b>OCTOBER 2009</b>	<b>OCTOBER 2009</b>
1	Operational Budget : Income/Expenditure inputs and statistics to be returned to Budget Office.	Directorates	16 October 2009
2	Executive Management articulates outcomes, objectives, priorities and outputs desired for next three years and submit capital budget projects for draft IDP document to Budget Office	Executive Management	12 October 2009
3	Based on financial statements of 2008/2009 determine the financial position of the Municipality and assess its financial capacity and available funding for next three years	Chief Financial Officer	31 October 2009
<b>NOVEMBER 2009</b>		<b>NOVEMBER 2009</b>	<b>NOVEMBER 2009</b>
1	Operational Budget : Finalise Salary budget for 2010/2011	Municipal Manager	16 November 2009
2	Executive finalise the Draft IDP and hand over to Mayor	Municipal Manager	21 November 2009
3	Directors start to prioritise the draft capital projects in the IDP plan for the next three years.	Budget Steering Committee and Executive Management	10 November to 30 November 2009
4	Corporate Services finalise the Draft IDP (With X-reference to capital budget)	IDP Manager	30 November 2009
<b>DECEMBER 2009</b>		<b>DECEMBER 2009</b>	<b>DECEMBER 2009</b>
1	Operational Budget : Finalise Income/Expenditure estimates for next 3 financial years	Budget Office in conjunction with Departments	15 December 2009
<b>JANUARY 2010</b>		<b>JANUARY 2010</b>	<b>JANUARY 2010</b>
1	Mayor tables the Draft IDP document in Council	Executive Mayor	14 January 2010
2	Finalise draft capital budget for 2010/2011 to 2012/2013	Budget Steering Committee	25 January 2010
3	Operational Budget : Discussions on Income and expenditure budget for next 3 years	Executive Management	30 January 2010
4	Review all budget related policies	Chief Financial Officer	30 January 2010

**Budget and IDP process (continued)**

<b>FEBRUARY 2010</b>		<b>FEBRUARY 2010</b>	<b>FEBRUARY 2010</b>
1	<b>ADJUSTMENT BUDGET</b> : Review Capital and Operational Budgets for savings, additional funds and virements between votes and finalise inputs with Budget Office.	DEPARTMENTS and Budget office	15 February 2010
2	<b>ADJUSTMENT BUDGET</b> : Tabled to Council.	Departments	25 February 2010
3	<b>ADJUSTMENT BUDGET</b> : Adjust IDP, SDBIP, KPI's and Performance agreements in accordance with approved Adjustment Budget.	All Directors, Budget office, IDP office	27 February 2010
4	Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget, eg. Grants etc.	Executive Management	27 February 2010
5	Review tariffs and charges and determine new tariffs to balance the budget.	Executive Management	28 February 2010
<b>MARCH 2010</b>		<b>MARCH 2010</b>	<b>MARCH 2010</b>
1	Council workshop draft IDP and draft Capital Program	Council and Directors	01 - 12 March 2010
2	Council workshop draft operational budget and related matters	Council and Directors	8 - 17 March 2010
3	<b>ADJUSTMENT BUDGET</b> : Forward approved Adjustment Budget to National and Provincial Treasury within 10 working days after approval. (Budget Regulation 27)	Budget Office	11 March 2010
4	<b>ADJUSTMENT BUDGET</b> : Publication of Approved Adjustment Budget within 10 working days after approval. (Budget Regulation 26)	Budget Office	11 March 2010
5	Submit draft SDBIP to CFO for inclusion in budget documentation.	Directors and Municipal Manager	19 March 2010
6	IDP, Budget and related documents tabled in Council before or on 31 March 2010	Mayor	31 March 2010
<b>APRIL 2010</b>		<b>APRIL 2010</b>	<b>APRIL 2010</b>
1	Forward Draft budget, IDP, SDBIP and all other related documents to National and Provincial Treasury.	Department of Finance	05 April 2010
2	Council determine community consultation process to be followed on draft budget.	Council	14 April 2010
3	Advertising and publication of draft budget and IDP during April.	Corporate Services	23 April 2010
<b>MAY 2010</b>		<b>MAY 2010</b>	<b>MAY 2010</b>
1	Undertake consultation processes on budget and updated IDP to the end of April and during May 2010.	Manager IDP	12 May 2010
2	Receive and analyse additional inputs from Community and National and Provincial Governments.	Manager IDP and Executive Management	15 May 2010
3	Council discusses the feedback from community and national and provincial governments and if required revise the budget and IDP updates tabled in Council during March.	Council	25 May 2010
4	Mayor tables IDP, budget and other related documents to Council - for approval before or on 31 May 2010.	Mayor	31 May 2010



**Budget and IDP process (continued)**

JUNE 2010		JUNE 2010	JUNE 2010
1	Forward copy of approved budget and all other related documents to National and Provincial Government.	Budget Office	07 June 2010
2	Publication of Approved Budget and supporting documentation within 10 working days after approval of the Annual Budget. (Budget Regulation 18)	Budget Office	07 June 2010
3	Submit draft SDBIP to Mayor within 14 days after approval of budget. (Sect. 69 (3))	Municipal Manager and Directors	June 2010
4	The Mayor approves the municipality's SDBIP within 28 days after the approval of the budget. (Sect. 53 (1) ( c ) )	Mayor	June 2010
JULY 2010		JULY 2010	JULY 2010
1	The Mayor ensures that the performance agreements of officials are submitted to Council and sent to MEC in province within the time limits as prescribed by the performance regulations.	Mayor	July 2010

## FLOWCHART ON THE BUDGET PROCESS

There are basically three different processes in the budgeting cycle running at the same time:

5. Reporting on Previous year budget,
6. Current year budget implementation, and
7. Preparation of the new financial year's budget (including the two following financial year estimates).

### 1. Reporting on Previous year budget:

This is mainly done through the compilation of the Annual Financial Statements of the previous financial year, including the Auditor-General's Audit Report. Another example is the different reporting formats to National and Provincial government on the previous year's budget and financial performance.

### 2. Current year budget implementation:

Implementation of the budget starts once the budget has been approved. An important document in the implementation of the budget is the Service Delivery and Budget Implementation Plan (SDBIP), which sets out the service delivery targets and performance indicators for the financial year. The SDBIP must be approved within 28 days after the approval of the budget.

Another important aspect is the monitoring and reporting on the current year budget. According to Section 71 of the MFMA, the accounting officer must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the state of the municipality's budget. This will enable the mayor to check if the approved budget is implemented in accordance with the SDBIP, consider revisions to the approved budget and identify any financial problems facing the municipality.

### 3. Preparation of the new financial year's budget:

There are six distinct steps to the preparation of the new financial year's budget:

- \* Planning  
Schedule key dates; establish consultation forums; review previous processes.
- \* Strategic  
Review IDP; internal and external consultations; set service delivery objectives for the next 3 years; consult on tariffs, indigent, credit control, free basic services, etc.; consider local, provincial and national issues; consult previous year's performance and current economic and demographic trends.
- \* Preparation  
Prepare revenue and expenditure projections; draft budget policies; consult and consider local, provincial and national priorities; measurement of past and current performance against the budget.
- \* Tabling  
Table complete proposed budget, IDP revisions and budget related policies no later than 1 April (90 days before the start of the new budget year) before council; make public the budget as soon as it has been tabled (via website, hard copies and electronic copies); consult with and consider formal local, provincial and national inputs or responses.

\* Approving

After the Mayor has responded to recommendations and where necessary made revisions to the tabled budget, full council must meet no later than 31 May (30 days before the start of the new budget year) to consider the budget for approval. Council approves the budget and related policies before 1 July. Should the municipality fail to approve a budget before the start of the budget year, the mayor must inform the MEC for Finance immediately.

\* Finalisation

Publish and approve SDBIP and annual performance agreements and indicators 28 days after the approval of the budget. A delegations policy of spending authority on budget votes is also critical for successful budget implementation and monitoring and evaluation.

## CONSULTATION PROCESS

Provision is made for the community to participate in the Budget and IDP process. Public meetings were held in each of the municipal wards, with a prior consultation with ward committees to ensure that the Budget and IDP process is fair and transparent and that the views of the community are taken into account when the final documents are developed. The following public meetings took place in preparation of the 2010/11 budget and IDP document:

Ward	Venue	Date	Attendance 2009/10	Attendance 2010/11
1	Kwa-Nonqaba Community Hall	24/08/09	33	112
2	Kwa-Nonqaba Community Hall(Elangeni, Khayelitsha, Asla park)	25/08/09	52	124
3	Asla Multi Purpose Centre	27/08/09	29	68
4	Friemersheim Great Brak Hall	27/08/09 03/09/09	30 24	39 53
5	Reebok Community Hall, Reebok, P/Town Area	07/09/09	39	40
6&8	Town Hall/Heiderand	31/08/09	29	53
7	Herbertsdale Church Hall (Herbertsdale and Buisplaas)	24/08/09	27	65
7	Brandwacht Community Hall	25/08/09	27	87
7	Boggomsbaai	01/09/09	14	
9	D'almeida Community Hall Town Hall (2 <sup>nd</sup> Meeting)	24/08/09 06/11/09	29	83 203
10	Hartenbos Library Hall (Hartenbos and Sonskynvallei)	01/09/09	33	35
11	Indoor Sport Centre (Ext 23)	25/08/09	11	
11	Danabaai Community Hall	07/09/09	11	44
12	Nativity Church Hall	27/08/09	16	24
12	Joe Slovo Community Hall	01/09/09	91	152

A second meeting was held for Ward 9 (D'Almeida) due to the fact that the meeting scheduled for 24 August 2009 was disrupted and no inputs / needs could be gathered from the residents. The second meeting took place on 6 November 2009 in the Town Hall, Marsh Street.

The following common issues were raised during the above mentioned meetings held:

- \* Proper street lights / Upgrading of Electricity,
- \* Upgrading of roads / Streets needs to be tarred,
- \* Acceleration of Housing projects,
  - Human Settlement – Informal settlements be provided with decent housing and sanitation
  - Upgrading of existing housing projects such as Khayelitsha and PHP in Joe Slovo.
- \* Bush clearing,
- \* Sports facilities / Youth development,
- \* Proper traffic signs,
- \* Play parks/grounds,
- \* Upgrading of sewerage networks to curb constant blockages,
- \* Speed bumps,
- \* Building of Multi-purpose centres and upgrading of community halls,
- \* Upgrading of storm water drainage systems,
- \* Graveyards,
- \* Upgrading and building of new libraries.
- \* Support for emerging farmers
- \* Economic Development
- \*

From the above information it is clear that the IDP process went smoothly and all community meetings were successful.

All phases of the IDP were completed within the stipulated timeframes and in general attendance of all meetings was satisfactory, however:

- \* Attendance of public participants remain a big challenge,
- \* Another challenge is education in terms of IDP awareness, and
- \* Also the financial constraint in terms of the IDP process.

## ***7.2. Alignment between Budget and the Integrated Development Plan (IDP)***

### **AMENDMENTS TO THE INTEGRATED DEVELOPMENT PLAN (IDP)**

- Revision of the lay-out of the document
- Revision of the Performance Management Chapter which was chapter 4 but now chapter 5 to effect the incorporation of TAS assessment.

Mossel Bay Municipality has a 5 year plan and the only changes were the sifting of the priorities that change from one year to another. For further reference you are referred to the IDP document, which contains the alignment of the IDP with the Capital Program.

**RECONCILIATION OF IDP & BUDGET: OPERATING REVENUE**

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>										
COMMUNITY DEVELOPMENT AND HEALTH	CEMETERIES	78	87	105	95	145	145	143	162	175
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: CLINICS	24	-	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: COMMUNITY SERVICE	1,582	282	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: GENERAL	-	-	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: PRIME CARE	2,475	-	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT AND HEALTH	LIBRARIES	105	453	622	819	949	949	967	1,028	205
COMMUNITY DEVELOPMENT AND HEALTH	SOCIO-ECON.PLANNING/DEVELOPM.	-	22	211	1,700	1,702	1,702	200	200	200
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : REFUSE REMOVAL SERV	19,762	27,557	29,128	32,791	33,146	33,146	38,643	44,599	51,215
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : STREET CLEANING	1	-	-	-	357	357	206	216	222
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : TRANSFER STATIONS	-	-	-	-	-	-	-	-	-
COMMUNITY SAFETY AND SECURITY	FIRE BRIGADE & RESCUE SERVICES	70	53	79	77	105	105	94	97	102
COMMUNITY SAFETY AND SECURITY	MUNICIPAL POLICE & TRAFFIC	10,354	7,133	9,242	8,992	7,296	7,296	9,403	10,329	11,391
COMMUNITY SAFETY AND SECURITY	SECURITY SERVICES	-	-	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT AND TOURISM	INDUSTRIAL & TOURISM MARKETING	-	-	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT AND TOURISM	BEACHES	194	11	41	12	25	25	29	30	32
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK : DIAS	242	-	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK : POINT	1,303	1,587	1,793	2,119	2,118	2,118	2,215	2,436	2,776
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK : SANTOS / BAKKE	1,920	1,700	2,437	3,003	2,511	2,511	3,003	3,303	3,765
ECONOMIC DEVELOPMENT AND TOURISM	CHALETS : DE BAKKE	2,678	2,087	2,314	2,800	2,142	2,142	2,558	2,887	3,343
ECONOMIC DEVELOPMENT AND TOURISM	CHALETS : DIASSTRAND	760	-	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	MUNICIPAL MANAGER : ADMIN	-	-	16	-	8	8	-	-	-
GOVERNANCE AND COMMUNICATION	COUNCIL : GENERAL EXPENSES	39,974	37,326	38,263	56,942	53,949	53,949	42,207	43,996	39,933
GOVERNANCE AND COMMUNICATION	MANAGER CORPORATE SERV : ADMIN	76	75	8	102	373	373	130	135	140
GOVERNANCE AND COMMUNICATION	CUSTOMER CARE	40	-	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	HUMAN RESOURCES	276	644	609	800	800	800	900	990	1,109
GOVERNANCE AND COMMUNICATION	MANAGER FINANCIAL SERV : ADMIN	3,299	2,838	3,005	3,411	3,397	3,397	3,548	4,298	4,616
GOVERNANCE AND COMMUNICATION	ASSESSMENT RATES	37,634	41,569	46,378	56,690	56,456	56,456	66,602	76,959	89,532
GOVERNANCE AND COMMUNICATION	COMPUTER CENTRE	96	33	0	15	1	1	-	-	-
GOVERNANCE AND COMMUNICATION	PAYROLL MANAGEMENT	-	-	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	SUPPLY CHAIN MANAGEMENT	-	97	65	90	117	117	130	138	142
GOVERNANCE AND COMMUNICATION	VALUATIONS	-	-	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	MANAGER TECHNICAL SERV : ADMIN	-	-	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	MANAGER COMMUNITY SERV : ADMIN	-	-	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	FLEET MANAGEMENT	-	-	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	MUNICIPAL BUILDINGS & LAND	1,069	1,296	1,399	1,009	1,265	1,265	1,177	1,291	1,461

**RECONCILIATION OF IDP & BUDGET: OPERATING REVENUE (Continued)**

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>										
INFRASTRUCTURE PROVISION	ELECTRICITY ADMINISTRATION	-	-	-	-	-	-	-	-	-
INFRASTRUCTURE PROVISION	ELECTRICITY DISTRIBUTION	119,504	126,821	156,190	207,448	206,338	206,338	241,665	293,488	343,029
INFRASTRUCTURE PROVISION	MAIN ROADS	1,552	725	811	30	30	30	50	-	-
INFRASTRUCTURE PROVISION	STORMWATER DRAINAGE	12,688	7,002	11,697	10,601	14,984	14,984	-	-	-
INFRASTRUCTURE PROVISION	STREETS	5,432	567	7,366	562	2,522	2,522	6,254	1,047	4,051
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - PINNACLE POINT	-	-	-	-	-	-	-	-	-
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - REGIONAL PL	3	22	3	2	2	2	3	3	3
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - GREAT BRAK	1,019	1,242	-	-	-	-	-	-	-
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - HERBERTSDAL	-	-	-	-	-	-	-	-	-
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - FRIEMERSHEIM	-	-	-	-	-	-	-	-	-
INFRASTRUCTURE PROVISION	SEW : RETIC SERV - EXTERNAL	-	320	3,025	5	1,988	1,988	919	3	3
INFRASTRUCTURE PROVISION	SEW : RETIC SERV - NETWORK	42,680	48,596	55,542	62,053	61,005	61,005	63,729	66,093	68,312
INFRASTRUCTURE PROVISION	WATER : PURIF WORKS - KLEIN BRAK	-	5,000	-	-	-	-	-	-	-
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - SANDHOOGTE	35	34	38	46	68	68	52	57	63
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - GREAT BRAK	-	2	0	-	-	-	5,352	2,000	2,540
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - FRIEMERSHEIM	-	-	-	-	-	-	-	-	-
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - HERBERTSDALE	-	-	-	-	-	-	-	-	-
INFRASTRUCTURE PROVISION	WATER : DISTRIBUTION SERVICES	53,034	59,468	68,599	73,784	66,217	66,217	98,211	113,763	124,525
INFRASTRUCTURE PROVISION	WATER : EXTERNAL SERVICES	1,161	1,751	524	233	41,215	41,215	233	3,711	2,233
LAND AND HOUSING	HOUSING ADMINISTRATION	10,436	12,580	18,788	25,370	31,717	31,717	28,207	27,680	27,317
SPATIAL AND ENVIRONMENTAL AFFAIRS	TOWN PLAN & BUILDING CONTROL	4,105	6,220	3,038	3,357	3,028	3,028	3,189	3,448	3,758
SPORT, RECREATION AND CULTURE	TOWN HALL & COMMUNITY HALLS	167	873	308	271	222	222	241	272	302
SPORT, RECREATION AND CULTURE	PLANTATIONS	8	14	54	60	40	40	50	58	64
SPORT, RECREATION AND CULTURE	PARKS: HARRY GIDDY PARK	-	-	-	-	10	10	6	7	7
SPORT, RECREATION AND CULTURE	PARKS & RECREATION	26	7	4	2	4	4	3	3	3
SPORT, RECREATION AND CULTURE	SPORT GROUNDS	310	277	113	68	845	845	73	80	89
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>376,172</b>	<b>396,369</b>	<b>461,815</b>	<b>555,356</b>	<b>597,100</b>	<b>597,100</b>	<b>620,389</b>	<b>704,805</b>	<b>786,660</b>

**RECONCILIATION OF IDP & BUDGET: OPERATING EXPENDITURE**

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>										
COMMUNITY DEVELOPMENT AND HEALTH	CEMETERIES	383	441	508	853	738	738	842	965	1,058
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: CLINICS	24	155	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: COMMUNITY SERVICE	1,582	110	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: GENERAL	-	-	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: PRIME CARE	1,410	-	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT AND HEALTH	LIBRARIES	2,827	3,373	4,335	5,253	5,174	5,174	5,926	6,782	7,652
COMMUNITY DEVELOPMENT AND HEALTH	SOCIO-ECON.PLANNING/DEVELOPM.	-	1,941	2,076	4,513	3,156	3,200	4,324	4,824	5,290
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : REFUSE REMOVAL SERV	18,290	24,465	27,730	27,098	26,325	26,318	30,053	33,687	37,081
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : STREET CLEANING	1,275	1,429	1,679	1,859	1,933	1,924	2,375	2,727	3,043
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : TRANSFER STATIONS	1,040	1,098	981	1,093	1,277	1,294	1,331	1,432	1,506
COMMUNITY SAFETY AND SECURITY	FIRE BRIGADE & RESCUE SERVICES	6,569	7,079	8,904	9,395	10,032	10,032	10,842	12,128	13,341
COMMUNITY SAFETY AND SECURITY	MUNICIPAL POLICE & TRAFFIC	9,868	11,389	13,679	15,717	14,225	14,240	18,146	20,330	22,488
COMMUNITY SAFETY AND SECURITY	SECURITY SERVICES	-	-	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT AND TOURISM	INDUSTRIAL & TOURISM MARKETING	2,033	-	1	-	1	1	-	-	-
ECONOMIC DEVELOPMENT AND TOURISM	BEACHES	2,689	2,814	4,379	4,032	4,397	4,235	4,446	5,035	5,606
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK :DIAS	107	14	16	-	21	21	-	-	-
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK :POINT	1,819	1,506	1,619	1,720	1,835	1,835	2,037	2,278	2,580
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK :SANTOS / BAKKE	1,493	1,284	1,578	1,898	1,564	1,757	1,833	2,024	2,213
ECONOMIC DEVELOPMENT AND TOURISM	CHALETS : DE BAKKE	3,171	3,246	3,535	3,488	4,310	4,116	4,594	5,025	5,425
ECONOMIC DEVELOPMENT AND TOURISM	CHALETS : DIASSTRAND	707	308	223	377	47	47	-	-	-
GOVERNANCE AND COMMUNICATION	MUNICIPAL MANAGER : ADMIN	1,744	1,572	1,685	1,132	1,380	1,373	1,629	1,769	1,950
GOVERNANCE AND COMMUNICATION	COUNCIL : GENERAL EXPENSES	75,379	39,069	31,732	83,775	76,651	76,646	61,496	65,000	68,781
GOVERNANCE AND COMMUNICATION	MANAGER CORPORATE SERV : ADMIN	5,400	8,433	8,303	7,323	10,396	10,228	10,432	11,400	12,414
GOVERNANCE AND COMMUNICATION	CUSTOMER CARE	1,472	1,393	1,355	2,107	514	1,058	508	545	580
GOVERNANCE AND COMMUNICATION	HUMAN RESOURCES	2,266	3,793	3,769	5,194	5,630	5,222	5,926	6,630	7,371
GOVERNANCE AND COMMUNICATION	MANAGER FINANCIAL SERV : ADMIN	11,004	13,525	11,716	13,476	13,983	13,983	15,475	17,060	18,508
GOVERNANCE AND COMMUNICATION	ASSESSMENT RATES	1	-	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	COMPUTER CENTRE	1,627	1,817	1,911	2,878	2,204	2,204	2,412	2,770	3,414
GOVERNANCE AND COMMUNICATION	PAYROLL MANAGEMENT	-	-	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	SUPPLY CHAIN MANAGEMENT	441	1,060	1,586	2,511	2,706	2,706	3,477	3,932	4,371
GOVERNANCE AND COMMUNICATION	VALUATIONS	927	1,251	1,440	1,543	1,486	1,486	2,959	4,146	2,148
GOVERNANCE AND COMMUNICATION	MANAGER TECHNICAL SERV : ADMIN	744	1,107	350	588	997	942	593	538	598
GOVERNANCE AND COMMUNICATION	MANAGER COMMUNITY SERV : ADMIN	492	328	667	617	828	826	873	946	1,036
GOVERNANCE AND COMMUNICATION	FLEET MANAGEMENT	-	-	-	-	199	197	690	795	891
GOVERNANCE AND COMMUNICATION	MUNICIPAL BUILDINGS & LAND	2,890	3,547	5,397	3,099	5,484	5,516	6,126	7,991	8,238

**RECONCILIATION OF IDP & BUDGET: OPERATING EXPENDITURE (Continued)**

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>										
INFRASTRUCTURE PROVISION	ELECTRICITY ADMINISTRATION	5,393	6,808	5,948	7,002	7,056	7,004	7,976	8,814	9,630
INFRASTRUCTURE PROVISION	ELECTRICITY DISTRIBUTION	70,328	73,793	112,169	157,079	137,819	137,873	172,951	212,227	260,437
INFRASTRUCTURE PROVISION	MAIN ROADS	1,761	906	889	38	38	38	63	-	-
INFRASTRUCTURE PROVISION	STORMWATER DRAINAGE	4,366	3,575	3,476	14,412	3,989	3,989	5,321	6,018	6,876
INFRASTRUCTURE PROVISION	STREETS	21,625	24,420	22,880	23,002	24,679	24,933	27,415	30,112	32,918
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - PINNACLE POINT	762	678	1,201	1,568	3,093	3,093	3,162	3,330	3,510
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - REGIONAL PL	3,766	4,353	5,722	6,243	7,793	7,738	8,706	9,712	11,088
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - GREAT BRAK	230	335	300	373	411	411	523	594	658
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - HERBERTSDAL	51	43	96	136	101	111	145	164	180
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - FRIEMERSHEIM	133	151	252	386	352	352	370	418	464
INFRASTRUCTURE PROVISION	SEW : RETIC SERV - EXTERNAL	7,162	7,676	6,212	5,051	5,293	5,372	6,507	7,843	8,978
INFRASTRUCTURE PROVISION	SEW : RETIC SERV - NETWORK	12,260	15,416	21,612	22,710	21,291	21,329	24,529	26,555	28,664
INFRASTRUCTURE PROVISION	WATER : PURIF WORKS - KLEIN BRAK	10,343	14,589	16,690	19,049	18,669	18,699	21,486	24,631	27,218
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - SANDHOOGTE	1,918	2,146	3,255	3,495	3,396	3,456	3,936	4,479	5,032
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - GREAT BRAK	1,531	1,470	1,991	2,232	2,594	2,594	2,940	3,534	4,131
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - FRIEMERSHEIM	159	231	337	389	328	328	375	426	474
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - HERBERTSDALE	54	66	80	126	106	106	146	165	183
INFRASTRUCTURE PROVISION	WATER : DISTRIBUTION SERVICES	18,134	14,282	20,063	23,041	25,700	25,412	26,550	29,770	33,310
INFRASTRUCTURE PROVISION	WATER : EXTERNAL SERVICES	9,817	12,101	8,744	8,539	9,575	9,501	19,013	21,744	24,252
LAND AND HOUSING	HOUSING ADMINISTRATION	10,477	14,915	17,180	25,370	31,732	31,717	27,859	27,279	26,867
SPATIAL AND ENVIRONMENTAL AFFAIRS	TOWN PLAN & BUILDING CONTROL	4,123	4,203	6,370	8,250	9,070	9,051	10,725	12,032	13,329
SPORT, RECREATION AND CULTURE	TOWN HALL & COMMUNITY HALLS	2,239	2,529	2,991	2,994	3,468	3,484	3,926	4,341	4,818
SPORT, RECREATION AND CULTURE	PLANTATIONS	183	194	249	268	322	315	408	464	515
SPORT, RECREATION AND CULTURE	PARKS: HARRY GIDDY PARK	-	-	-	759	757	757	971	1,101	1,224
SPORT, RECREATION AND CULTURE	PARKS & RECREATION	8,277	7,766	14,570	17,869	15,606	15,531	16,816	18,642	20,480
SPORT, RECREATION AND CULTURE	SPORT GROUNDS	1,998	2,388	3,086	3,356	3,443	3,657	4,760	5,353	5,960
		<b>356,765</b>	<b>352,584</b>	<b>417,519</b>	<b>555,278</b>	<b>534,169</b>	<b>534,169</b>	<b>596,925</b>	<b>680,504</b>	<b>768,777</b>



**RECONCILIATION OF IDP & BUDGET: CAPITAL EXPENDITURE**

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
COMMUNITY DEVELOPMENT AND HEALTH	CEMETERIES	29	255	153	220	88	88	320	100	80
SPORT, RECREATION AND CULTURE	TOWN HALL & COMMUNITY HALLS	992	1,433	20	1,027	493	493	410	1,245	500
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH	100	-	-	-	-	-	-	-	-
COMMUNITY SAFETY AND SECURITY	FIRE BRIGADE & RESCUE SERVICES	-	65	40	1,320	925	925	2,210	550	920
COMMUNITY SAFETY AND SECURITY	MUNICIPAL POLICE & TRAFFIC	862	846	85	590	2,150	2,150	440	390	35
COMMUNITY SAFETY AND SECURITY	SECURITY SERVICES	-	-	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT AND TOURISM	INDUSTRIAL & TOURISM MARKETING	-	-	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT AND TOURISM	BEACHES	-	236	445	1,380	788	788	1,990	950	520
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARKS	-	69	25	80	-	-	-	-	-
ECONOMIC DEVELOPMENT AND TOURISM	CHALETS	-	5	250	330	340	340	300	80	100
GOVERNANCE AND COMMUNICATION	MUNICIPAL MANAGER : ADMIN	-	26	11	-	37	37	-	-	-
GOVERNANCE AND COMMUNICATION	COUNCIL : GENERAL EXPENSES	846	89	69	257	220	220	1,400	-	600
GOVERNANCE AND COMMUNICATION	CUSTOMER CARE	-	15	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	MANAGER CORPORATE SERV : ADMIN	-	218	56	1,488	1,495	1,495	779	440	-
GOVERNANCE AND COMMUNICATION	HUMAN RESOURCES	450	35	53	-	38	38	6	190	-
GOVERNANCE AND COMMUNICATION	LIBRARIES	-	74	13	232	147	147	83	-	-
GOVERNANCE AND COMMUNICATION	LIBRARIES : ELLEN VAN RENSBURG	-	-	2	-	23	23	10	20	-
GOVERNANCE AND COMMUNICATION	LIBRARIES : HARTENBOS	-	-	6	-	16	16	2	-	-
GOVERNANCE AND COMMUNICATION	LIBRARIES : KWA-NONQABA	-	-	50	-	1	1	-	-	-
GOVERNANCE AND COMMUNICATION	SOCIO-ECON.PLANNING/DEVELOPM.	-	95	-	1,500	1,500	1,500	-	-	-
GOVERNANCE AND COMMUNICATION	MANAGER FINANCIAL SERV : ADMIN	2,365	221	129	40	134	134	143	20	20
GOVERNANCE AND COMMUNICATION	ASSESSMENT RATES	-	1,801	-	100	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	COMPUTER CENTRE	-	201	1,938	305	493	493	515	447	1,803
GOVERNANCE AND COMMUNICATION	PAYROLL MANAGEMENT	-	66	-	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	SUPPLY CHAIN MANAGEMENT	-	14	23	-	107	107	47	140	-
GOVERNANCE AND COMMUNICATION	VALUATIONS	-	-	2	-	-	-	-	-	-
GOVERNANCE AND COMMUNICATION	MANAGER CIVIL SERV : ADMIN	-	130	10	-	3	3	130	10	10
GOVERNANCE AND COMMUNICATION	MANAGER COMMUNITY SERV : ADMIN	-	-	-	-	-	-	286	-	-
GOVERNANCE AND COMMUNICATION	CLEANSING: REFUSE REMOVAL	-	-	51	-	627	627	12	-	-
GOVERNANCE AND COMMUNICATION	CLEANSING: TRANSFER STATIONS	-	-	25	-	86	86	-	-	-
GOVERNANCE AND COMMUNICATION	FIRE BRIGADE & RESCUE SERVICES	-	-	861	-	200	200	50	-	-
GOVERNANCE AND COMMUNICATION	ELECTRICITY DISTRIBUTION	-	-	18,651	-	954	954	820	100	-
GOVERNANCE AND COMMUNICATION	ELECTRICITY ADMINISTRATION	-	-	17	-	120	120	170	-	-
GOVERNANCE AND COMMUNICATION	MUNICIPAL BUILDINGS & LAND	-	-	23	-	3,900	3,900	495	-	-
GOVERNANCE AND COMMUNICATION	MUNICIPAL POLICE & TRAFFIC	-	-	677	-	325	325	622	680	280

**RECONCILIATION OF IDP & BUDGET: CAPITAL EXPENDITURE (Continued)**

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>										
GOVERNANCE AND COMMUNICATION	SPORT GROUNDS	-	-	-	-	200	200	220	-	-
GOVERNANCE AND COMMUNICATION	PARKS & RECREATION	-	-	1,094	-	876	876	1,145	805	300
GOVERNANCE AND COMMUNICATION	SEWERAGE : RETIC SERV-EXTERNAL	-	-	-	-	30	30	589	60	140
GOVERNANCE AND COMMUNICATION	STREETS	-	-	233	-	918	918	1,002	300	45
GOVERNANCE AND COMMUNICATION	TOWN HALL & COMMUNITY HALLS	-	-	776	-	150	150	105	336	401
GOVERNANCE AND COMMUNICATION	TOWN PLAN & BUILDING CONTROL	-	-	200	-	110	110	90	60	70
GOVERNANCE AND COMMUNICATION	WATER : EXTERNAL SERVICES	-	-	500	-	40	40	971	310	95
GOVERNANCE AND COMMUNICATION	CHALETS :DE BAKKE	-	-	12	-	70	70	200	200	200
INFRASTRUCTURE PROVISION	ELECTRICITY DISTRIBUTION	11,635	9,137	821	36,300	31,975	31,975	30,170	31,727	25,760
LAND AND HOUSING	HOUSING ADMINISTRATION	9,015	9,197	153	5,543	3,847	3,847	-	-	-
INFRASTRUCTURE PROVISION	MUNICIPAL BUILDINGS & LAND	115	629	560	30,000	-	-	-	-	-
INFRASTRUCTURE PROVISION	MAIN ROADS	-	-	533	-	-	-	-	-	-
INFRASTRUCTURE PROVISION	STORMWATER DRAINAGE	12,751	20,006	18,057	7,020	8,000	8,000	1,140	7,575	8,550
INFRASTRUCTURE PROVISION	STREETS	10,319	5,536	13,094	28,061	28,250	28,250	18,296	11,735	8,055
INFRASTRUCTURE PROVISION	SEWERAGE	5,188	6,289	12,002	16,560	14,056	14,056	16,956	18,510	15,500
INFRASTRUCTURE PROVISION	WATER	22,037	28,032	27,100	14,351	61,561	61,561	144,499	25,903	30,026
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING	2,105	1,552	-	1,735	-	-	-	-	-
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING :REFUSE REMOVAL SERV	-	-	-	-	840	840	2,972	1,950	2,000
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING :TRANSFER STATION	-	-	-	-	41	41	200	-	-
SPORT, RECREATION AND CULTURE	PLANTATIONS	-	2	-	-	-	-	-	-	-
SPATIAL AND ENVIRONMENTAL AFFAIRS	TOWN PLAN & BUILDING CONTROL	480	59	144	110	-	-	-	-	-
SPORT, RECREATION AND CULTURE	PARKS & RECREATION	494	536	-	465	208	208	510	340	40
SPORT, RECREATION AND CULTURE	PUBLIC CONVENIENCES	-	-	-	-	-	-	-	-	-
SPORT, RECREATION AND CULTURE	SPORT GROUNDS	543	923	1,538	3,442	3,321	3,321	3,040	1,450	1,925
		<b>80,326</b>	<b>87,792</b>	<b>100,502</b>	<b>152,456</b>	<b>169,703</b>	<b>169,703</b>	<b>233,346</b>	<b>106,623</b>	<b>97,975</b>

### 7.3. Budget-related Policies overview and amendments

#### OVERVIEW OF BUDGET-RELATED POLICIES

Proper budgets are prepared in accordance with approved policies. A budget-related policy is a municipal policy affecting or affected by the annual budget of the municipality. These policies are necessary for effective financial management and the achievement of priorities and strategic goals of the community. The budget-related policies are reviewed annually during the budget preparation process.

Below is a list of the budget-related policies, including the purpose, approval date of the policy and if any amendments need to be approved by council.

<b>Policy name</b>	<b>Purpose of Policy (what is included in the policy)</b>	<b>Last approved</b>	<b>Amendments to be approved (YES/NO)</b>
<b>Rates Policy</b>	Prescribes uniform rates structures to give effect to its strategic objectives in terms of the IDP and Budget requirements	28/05/09	YES
<b>Tariff Policy</b>	Prescribes uniform tariff structures on the levying of fees for municipal services provided	28/05/09	YES
<b>Customer care, Indigent, Credit control, Debt collection and Tampering policy</b>	Sets a revenue collection target and outlines how the municipality will act against defaulters ; Specifies the framework for providing relief from the burden of rates and tariffs to registered or otherwise identified indigents	28/05/09	YES
<b>Cash Management and Investments policy</b>	Deals with interest earned on investments and with raising both short and long-term debt	28/05/09	YES
<b>Asset management policy</b>	Includes capitalisation benchmarks, depreciation norms, and maintenance requirements		YES
<b>Funding and Reserve policy</b>	Includes policy on contributions to and withdrawals from funds and reserves, utilisation of unappropriated operating surpluses	New	YES
<b>Virement policy</b>	The process of transferring an approved budgetary provision from one operating cost element or capital project to another during a municipal financial year	New	YES
<b>Supply Chain Management Policy</b>	Demand, acquisition, disposal and logistics around the procurement of goods and services	28/05/09	YES

The above-mentioned approved policies are attached to the budget documentation as Annexure B.

## KEY AMENDMENTS TO BUDGET-RELATED POLICIES

The additions to the policies are in bold and underline whilst the deletion are in brackets on the specific policies in Annexure B.

The following highlights the key amendments to the budget-related policies:

\* Rates Policy

- Paragraph 4: Differential rates: Accommodation Establishments have been added as one of the municipality's different categories.

\* Tariff Policy

There are some administrative changes to the policy but there are also the following changes to the policy which should be debated in more detail:

- Paragraph 2: Definition of "Accommodation Establishments"
- Paragraph 2: Definition of "Additional residential units"
- Paragraph 11: Tariff structure change
- Paragraph 12(1)(a): Removal of "installed in holiday homes", therefore applicable to both credit and pre-paid meters
- Paragraph 12(1)(b): Added for permanent residents with applicable qualification criteria
- Paragraph 12(1)(c): Added for indigent households
- Paragraph 12(6): Removal of "Prepaid meters in holiday homes"
- Paragraph 13(2): Change in categories of consumers
- Paragraph 14(6,7,8): Refuse removal structure change
- Paragraph 14(1): Categories of consumers added
- Paragraph 15(2): Sewerage structure change
- Paragraph 16(1)(b): Accommodation Establishments added

\* Customer Care, Indigent and Credit Control and Debt Collection Policy

There are some administrative changes to the policy but there are also the following changes to the policy which should be debated in more detail:

- Paragraph 7(22): Payments dishonoured by the bank
- Paragraph 7(39): Water leakages municipal relieve
- Paragraph 7(45): Arrangement for settlements
- Paragraph 9(27): Minimum deposit
- Paragraph 10(24): Payments made at a third party
- Paragraph 10(30): Tenant accounts

\* Cash Management and Investment Policy

- Paragraph 8.6: Credit rating of institutions

\* Funding and Reserve Policy

New policy

\* Virement Policy

New policy

\* Asset Management Policy

- Paragraph 2: Objectives added
- Paragraph 4: Added statutory and regulatory framework
- Paragraph 8.1.3: Functions added for functional managers
- Paragraph 8.2.2: Contents of asset register
- Paragraph 8.3: Classification of assets
- Paragraph 8.4: Recognition of assets
- Paragraph 8.13: Disposal of assets
- Paragraph 8.14.1: Capitalisation criteria
- Paragraph 8.17.3: Insurance of assets
- Paragraph 8.18: Impairment of assets
- Paragraph 8.19: Acquisition of assets
- Paragraph 8.20: Purchase/Hire Of Immovable Property

\* Supply Chain Management Policy

Municipalities are compelled to use the model SCM Policy prescribed and are not permitted to deviate from national SCM and related policies, such as the Preferential Procurement Policy Framework Act, during policy revisions.

The changes that were made to this policy therefore only include the clarification or expansion of certain practical aspects where these were not provided or were vague or insufficient in the model policy, and which will not impact on the Municipality's responsibility to carry out national policy.

#### 7.4. Overview of Budget Assumptions

Certain broad assumptions are made to establish a basic foundation for building the following year's budget. These assumptions provide a framework for setting priorities, determining service levels and allocating limited financial resources. This section provides a summary of the assumptions used in preparing the budget for the 2010/11 MTREF period.

#### EXTERNAL FACTORS

It appears that the South African economy is gathering momentum. The momentum is expected by the capital markets to be sustained in the 2010 financial year. Despite the recovery, the payment trend of consumer debt might remain the same and could also still have an effect during the 2010 financial year.

The demand for credit remains weak, but there is already signs that credit extended to households have started to increase and rate of decline in building plans passed has eased. This could have a positive effect on the property market.

The increase in electricity tariffs and fuel prices could still have a negative effect toward the payment of service accounts.

The cuts in interest rates have impacted negatively on out net interest margins.

#### GENERAL INFLATION OUTLOOK

In the National Budget Speech of 2010 the headline CPI inflation is estimated as follows:

	2010/11	2011/12	2012/13
CPI inflation	5.7%	6.2%	5.9%

The targeted inflation rate is forecast to fall within the target range, after being outside the target range since 2007.

The average rate of increase of 25% per annum of electricity tariffs over the next three years, as well as the increase in fuel prices and the fuel levy will have an effect on the inflation rate.

The inflation rate of 6.2% for January 2010 was below the forecast of 6.5%. There is however the risk that it could rise outside the targeted range in 2011.

#### CREDIT RATING OUTLOOK

No credit rating was done by any credit rating company, but the financial position of the municipality and management of our financial affairs are sound. A good rating can be expected that will favour Council if they want any bids from the open market for funding of infrastructure assets. Credit rating can be asked at a later stage.

## INTEREST RATES FOR BORROWING AND INVESTMENTS

Investments made with various financial institutions are strictly in compliance with the Municipal Finance Management Act and the municipality's Cash Management and Investments Policy. The average rate of return on investments for the 2009/10 year is 7.8%, and is estimated to be 8% for the 2010/11 financial year. This was calculated by estimating that the Reserve Bank will increase the repo rate by 500bps by mid 2011.

## RATES, TARIFFS, CHARGES AND TIMING OF COLLECTION

The following table shows the average increases in rates and tariff charges over the 2010/11 MTREF period:

	2010/11	2011/12	2012/13
Property Rates*	9%	15%	15%
Electricity	22.03%	21%	21%
Water**	12%	10%	8%
Sewerage	0%	0%	0%
Refuse	15%	15%	15%

\* Property Rates increases vary as per structure (refer page 16 of Annexure A (Tariff List))

\*\* Water Basic increase with 12%, consumption and sundry tariffs increases as per pages 8-12 of Annexure A

The billing of the Property Rates is done on an annual basis during the month of July. All other tariff charges are billed on a monthly basis.

## COLLECTION RATES FOR EACH REVENUE SOURCE AND CUSTOMER TYPE

The average collection rate is the cash collected from consumers expressed as a percentage of the amount billed and is currently 95.5%.

The average monthly collection rate for 2009/10 and the projections for the 2010/11 year are as follows:

	2009/10	2010/11
Property Rates (Average % of Monthly and Annual payments)	93.0%	93.5%
Electricity – Domestic consumers	98.4%	98.5%
Water	95.1%	95.7%
Sewerage (Average % of Monthly and Annual payments)	88.4%	88.6%
Refuse	94.9%	95.2%

As a result of negotiations with government departments, a higher collection rate is experienced. Good progress has also been made with the collection of old outstanding debts.

## PRICE MOVEMENTS ON SPECIFICS

Purchase of bulk electricity from Eskom is budgeted to amount to R137 213 203 in the 2010/11 financial year, which is an estimated increase of 29%. Estimated growth for the 2011/12 year is 25% and 25% for the 2012/13 year.

The projected increase in bulk water purchases is estimated at 18% to a budget of R10 million in the 2010/11 financial year. Estimated growth for the 2011/12 year is 15% and 9% for the 2012/13 year.

### AVERAGE SALARY INCREASES

The personnel budget is calculated by reviewing the individual posts that is currently filled in the municipal organogram, as well as previous years' expenditure on the salary budget. Provision is also made for the filling of vacant posts during the 2010/11 financial year.

The following table indicates the average increase in personnel wages and salaries and councillor allowances for the 2010/11 MTREF:

	2010/11	2011/12	2012/13
Councillor allowances	10%	11%	10%
Senior managers	12%	12%	10%
Other personnel	17%	15%	12%

The percentage increase for other personnel is not only the increase in wages and salaries, but also includes the budget for new and vacant posts to be filled during the 2010/11 year. If the budget for new and vacant posts is excluded from the salaries budget, the actual increase in wages and salaries for the 2010/11 year is 8.48%.

### INDUSTRIAL RELATIONS CLIMATE AND CAPACITY BUILDING

The rendering of cost-effective and sustainable services to the entire community with diligence and empathy, is one of the municipality's mission statements. In order to render this effective and efficient service the municipality is committed to invest in the staff of the municipality.

The municipality has therefore made available an amount of R905 300 for training in the 2010/11 budget. Budgets to the amount of R996 000 and R1 115 000 has been made available for the 2011/12 and 2012/13 years respectively.

The municipality also participates in the Municipal Finance Management Internship Programme and has employed four interns undergoing training in various sections of the Finance directorate. The municipality has also advertised two more internship posts to be filled at the start of the budget year.

### CHANGING DEMAND CHARACTERISTICS (DEMAND FOR SERVICES AND FREE OR SUBSIDISED BASIC SERVICES)

The growth in Mossel Bay has slowed down during the 2009 and 2010 financial years in terms of business activities.

In the property market there was an ongoing drop in the building of new houses and developments, as a result of the economic climate. There is however signs that the demand for credit remains weak and that credit extended to households have started to increase.

Mossel Bay is home to a number of poor households which causes unending housing and socio-economic backlogs. This is caused by the general influx of people from neighbouring towns, provinces and farms to seek employment and change their livelihood.



Mossel Bay, as part of the Southern Cape Region, is currently experiencing the worst drought in 132 years and was declared a disaster area in November 2009 through the appropriate procedures as stipulated in the relevant legislation. Strict water restrictions were imposed on consumers that had lead to less water consumption and ultimately fewer revenue.

#### **ABILITY OF MUNICIPALITY TO SPEND AND DELIVER ON PROGRAMS**

Capital project expenditure has improved from 86.6% in 2007/08 to 93.5% of the 2008/09 capital budget. The capital spending is closely monitored by ways of monthly cash flows and monthly reporting to Council on capital expenditure. The projected capital spending for the 2009/10 financial year is 90%.

It is anticipated that 95% of the operating budget will be spent in the 2009/10 financial year.

### 7.5. Overview of Budget Funding

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

- \* Realistically anticipated revenue to be collected,
- \* Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and
- \* Borrowed funds, but only for the capital budget referred to in section 17(2).

Achievement of this requirement effectively means that Council must approve a balanced, credible and sustainable budget.

A Credible budget is a budget that:

- \* Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality,
- \* Is achievable in terms of agreed service delivery and performance targets,
- \* Contains revenue and expenditure projections that are consistent with current and past performance,
- \* Does not jeopardise the financial viability of the municipality, and
- \* Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A Sustainable budget is a budget which reflects sufficient revenue and adequate corporate stability in order to fund and deliver on service delivery and performance targets.

### FISCAL OVERVIEW

The following table shows the municipality's performance on the 2007/08 and the 2008/09 budgets:

<b>BUDGET</b>	<b>2007/08</b>			<b>2008/09</b>		
	<b>Budget R'000</b>	<b>Actual R'000</b>	<b>% perform</b>	<b>Budget R'000</b>	<b>Actual R'000</b>	<b>% perform</b>
Operating Revenue	R481 887	R459 682	95.4%	R472 322	R449 578	95.2%
Operating Expenditure	R478 584	R466 092	97.4%	R471 107	R405 020	86.0%
Capital Expenditure	R101 363	R87 792	86.6%	R107 447	R100 502	93.5%

The above table shows that the municipality collected 95,4% of its budgeted Revenue in the 2007/08 financial year and 95,2% during the 2008/09 financial year.

An amount of R27,4 million was budgeted for in the 2008/09 financial year for Contribution from Accumulated surplus for a transfer to the Capital Replacement Reserve. This transaction was not transferred through the Statement of Financial Performance but through the Statement of Changes in Net Assets. An amount of R38 million was budgeted for transfers for Capital grants, Land Sales and External contributions. If these transactions are taken into account, the expenditure performance for the 2008/09 operating budget is actually 99,8%.

The above table also shows that the operating expenditure budget is fully funded by the operating revenues, which include municipal revenues from rates and tariffs and grants and subsidies from national and provincial government.

The capital expenditure budget is mainly funded by own internal funds and grants and subsidies from national and provincial government.

The municipality prepared it's 2008/09 Annual Financial Statements in accordance with the applicable GRAP standards and received an unqualified opinion from the Auditor-General.

## FUNDING OF OPERATING AND CAPITAL EXPENDITURE

### Operating Budget:

The table below identifies the sources of funding for the 2010/11 cash operating budget:

<i>Source of Funding</i>	<i>Amount</i>	<i>% of Total Budget</i>
Property Rates (less revenue forgone)	R 64 762 677	12.7%
Penalties Imposed And Collection Charges	R 1 650 000	0.3%
Service Charges	R 346 684 707	67.9%
Rent of Facilities and Equipment	R 4 397 867	0.9%
Interest Earned - External Investments	R 14 381 310	2.8%
Fines, Licenses and Permits	R 9 389 100	1.8%
Grants & Subsidies Received - Operating	R 59 467 158	11.6%
Other Revenue	R 9 832 393	2.0%
<b>TOTAL</b>	<b>R 510 565 212</b>	<b>100%</b>

### Capital Budget:

The table below identifies the sources of funding for the 2010/11 capital budget:

<i>Source of Funding</i>	<i>Amount</i>	<i>% of Total Budget</i>
Capital Replacement Reserve (Internal)	R 104 454 630	44.8%
Municipal Infrastructure Grant	R 11 759 000	5.0%
Recoverable Developer	R 2 120 000	0.9%
Energy efficiency & Demand side management	R 6 000 000	2.6%
National electrification programme	R7 500 000	3.2%
Expanded Public Works Programme	R1 037 000	0.4%
External Loans	R 100 475 000	43.1%
<b>TOTAL</b>	<b>R 233 345 630</b>	<b>100.0%</b>

**CAPITAL REPLACEMENT RESERVE**

The 2010/11 capital budget is mainly funded from internal funds. The following tables show the breakdown of the Capital Replacement Reserve of the municipality for the 2010/11 MTREF period:

**CAPITAL REPLACEMENT RESERVE**

**BALANCE AS AT 30 JUNE 2009: R 101 808 566**

<b>2009/10</b>	
CONTRIBUTIONS:	
- Revenue	R 36 200 000
- Land Sales	R 5 000 000
- Bulk Services Contributions	R 4 500 000
FINANCING REVISED CAPITAL BUDGET	(R 86 358 621)

**BALANCE AS AT 30 JUNE 2010: R 61 149 945**

<b>2010/11</b>	
CONTRIBUTIONS:	
- Revenue	R 37 075 000
- Land Sales	R 12 567 000
- Bulk Services Contributions	R 5 000 000
FINANCING PROJECTED CAPITAL BUDGET	(R 104 454 630)

**BALANCE AS AT 30 JUNE 2011: R 11 337 315**

<b>2011/12</b>	
CONTRIBUTIONS:	
- Revenue	R 42 400 000
- Land Sales	R 11 310 000
- Bulk Services Contributions	R 5 250 000
FINANCING PROJECTED CAPITAL BUDGET	(R 77 872 500)

**BALANCE AS AT 30 JUNE 2012: (R 7 575 185)**

<b>2012/13</b>	
CONTRIBUTIONS:	
- Revenue	R 49 000 000
- Land Sales	R 9 953 000
- Bulk Services Contributions	R 5 617 500
FINANCING PROJECTED CAPITAL BUDGET	(R 74 419 000)

**BALANCE AS AT 30 JUNE 2013: (R 17 423 685)**

**CASH BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION**

The following table shows a breakdown of the Cash and investments available and the application of these funds for the 2010/11 MTREF period:

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	1	(21,117)	203,556	201,915	217,044	217,044	217,044	213,544	198,523	210,368
Other current investments > 90 days		207,000	(0)	(0)	0	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>185,883</b>	<b>203,556</b>	<b>201,915</b>	<b>217,044</b>	<b>217,044</b>	<b>217,044</b>	<b>213,544</b>	<b>198,523</b>	<b>210,368</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers		12,051	2,915	14,321	16,473	16,473	16,473	8,988	5,683	5,858
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2	8,002	2,571	2,952	3,247	3,247	3,247	3,519	3,853	4,241
Other working capital requirements	3	16,743	5,835	32,118	32,645	31,923	31,923	30,131	27,407	30,814
Other provisions		8,261	3,978	10,558	8,827	8,827	8,827	9,460	11,337	13,261
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	79,392	118,318	111,663	69,514	69,514	69,514	18,244	(669)	(10,517)
<b>Total Application of cash and investments:</b>		<b>124,450</b>	<b>133,617</b>	<b>171,612</b>	<b>130,706</b>	<b>129,984</b>	<b>129,984</b>	<b>70,341</b>	<b>47,611</b>	<b>43,657</b>
<b>Surplus(shortfall)</b>		<b>61,433</b>	<b>69,939</b>	<b>30,303</b>	<b>86,338</b>	<b>87,060</b>	<b>87,060</b>	<b>143,204</b>	<b>150,911</b>	<b>166,712</b>

The above table indicates clearly that the reserves and various other obligations of the municipality is fully cash backed.

The mentioned obligations include:

- Unspent conditional grants
- Current portion of Provisions
- Statutory requirements (E.g. Consumer deposits)
- Other working capital requirements (E.g. Creditors, debtors)

## SOURCES OF FUNDING

### Rates, tariffs and other charges

Please refer to Annexure A with the total Rates, Tariffs and other sundry charges for the 2010/11 financial year.

### New Borrowing

Borrowing - Categorised by type R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	1,437	797	576	485	485	485	100,444	95,345	90,323
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases	1,529	1,983	2,419	1,861	1,861	1,861	1,920	1,571	1,869
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Municipality sub-total</b>	<b>2,966</b>	<b>2,780</b>	<b>2,995</b>	<b>2,346</b>	<b>2,346</b>	<b>2,346</b>	<b>102,364</b>	<b>96,916</b>	<b>92,192</b>
<b>Total Borrowing</b>	<b>2,966</b>	<b>2,780</b>	<b>2,995</b>	<b>2,346</b>	<b>2,346</b>	<b>2,346</b>	<b>102,364</b>	<b>96,916</b>	<b>92,192</b>

### Investments

## INVESTMENTS BY TYPE

Investment type R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Parent municipality</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	207,000	196,000	203,000	214,000	214,000	214,000	208,000	194,000	205,000
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Municipal Bonds									
<b>Municipality sub-total</b>	<b>207,000</b>	<b>196,000</b>	<b>203,000</b>	<b>214,000</b>	<b>214,000</b>	<b>214,000</b>	<b>208,000</b>	<b>194,000</b>	<b>205,000</b>
<b>Consolidated total:</b>	<b>207,000</b>	<b>196,000</b>	<b>203,000</b>	<b>214,000</b>	<b>214,000</b>	<b>214,000</b>	<b>208,000</b>	<b>194,000</b>	<b>205,000</b>

**INVESTMENTS BY MATURITY**

Investments by Maturity	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	Yrs/Months			Rand thousand	
<b>Parent municipality</b>					
ABSA : Re-inv + 166977	12 months	Short-term	16.07.2010	5,000	182
ABSA : 167170/1	12 months	Short-term	23.07.2010	10,000	344
ABSA : New Investments	12 months	Short-term		30,000	2,415
FNB : 167354	12 months	Short-term	20.08.2010	5,000	158
FNB : 167371	12 months	Short-term	17.09.2010	5,000	153
FNB : 168544/5	12 months	Short-term	09.07.2010	10,000	161
FNB : New Investments	12 months	Short-term		20,000	1,544
NEDCOR : Re-investment	12 months	Short-term	16.07.2010	5,000	184
NEDCOR : Re-investment	12 months	Short-term	20.08.2010	10,000	320
NEDCOR : New Investments	12 months	Short-term		30,000	2,400
INVESTEC : 168542/3	12 months	Short-term	09.07.2010	10,000	160
INVESTEC : New Investments	12 months	Short-term		28,000	2,156
STANDARD BANK : 167372/3	12 months	Short-term	17.09.2010	10,000	307
STANDARD BANK : New Investments	12 months	Short-term		30,000	2,370
<b>Municipality sub-total</b>				<b>208,000</b>	<b>12,854</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>208,000</b>	<b>12,854</b>

Operating Grant allocations

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>20,665</b>	<b>17,956</b>	<b>24,490</b>	<b>27,210</b>	<b>28,340</b>	<b>28,340</b>	<b>35,982</b>	<b>40,891</b>	<b>44,904</b>
Equitable share	15,944	17,056	23,590	26,117	26,678	26,678	34,232	38,851	42,854
Finance Management	500	500	500	750	1,004	1,004	1,000	1,250	1,250
Municipal Systems Improvement	–	400	400	343	408	408	750	790	800
Flood Damage - MIG	3,787	–	–						
Alternative water supply plan	102	–	–						
Provincial Management Support Grant					250	250			
Master plan sewer networks	332	–	–						
<b>Provincial Government:</b>	<b>4,784</b>	<b>10,735</b>	<b>21,497</b>	<b>15,252</b>	<b>26,468</b>	<b>26,468</b>	<b>22,500</b>	<b>22,665</b>	<b>20,876</b>
Housing	192	10,012	19,804	10,440	24,131	24,131	18,708	21,672	20,717
Health subsidy	3,405	282	–						
Community Development Workers	–	–	–	96	120	120	125	130	135
Libraries	–	309	501	672	799	799	801	843	–
Proclaimed Roads	1,552	–	811	30	30	30	50	–	–
Subsidy - Housing Trust Fund				4,000	1,200	1,200	2,800	–	–
Subsidy - Airfield 263 Erven	1	–	–						
Subsidy - Contract Register	–	–	–						
Subsidy - Imbizo Office of Premier	40	–	–						
Subsidy - Mobility strategy projects	(539)	–	–						
Subsidy - Repair water leakages	–	–	371		166	166			
Subsidy - Rezoning scheme charts	125	–	–						
Subsidy - Spatial Planning	–	125	–						
Subsidy - New sletters	9	7	10	14	22	22	16	20	24
<b>District Municipality:</b>	<b>17</b>	<b>3,538</b>	<b>355</b>	<b>–</b>	<b>175</b>	<b>175</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>Eden District Municipality</i>	17	3,538	355		175	175			
<b>Other grant providers:</b>	<b>(8)</b>	<b>422</b>	<b>591</b>	<b>880</b>	<b>880</b>	<b>880</b>	<b>985</b>	<b>1,084</b>	<b>1,214</b>
SETA	395	239	452	800	800	800	900	990	1,109
Public Contributions	(403)	183	140	80	80	80	85	94	105
<b>Total Operating Transfers and Grants</b>	<b>25,458</b>	<b>32,651</b>	<b>46,934</b>	<b>43,342</b>	<b>55,863</b>	<b>55,863</b>	<b>59,467</b>	<b>64,640</b>	<b>66,994</b>



Capital Grant allocations

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b>RECEIPTS:</b>									
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>25,424</b>	<b>1,923</b>	<b>33,150</b>	<b>30,898</b>	<b>53,530</b>	<b>53,530</b>	<b>26,296</b>	<b>26,150</b>	<b>19,206</b>
Municipal Infrastructure (MIG)	20,151	1,923	28,822	10,601	17,333	17,333	11,759	14,143	17,196
Public Works				500	500	500	1,037	-	-
Water Affairs	2,093	-	2,828		-	-	-	-	-
Energy Efficiency & Demand Side Management					-	-	6,000	8,000	-
National Electrification Programme	1,600	-	-		-	-	7,500	4,007	2,010
Department of Mineral & Energy				18,240	17,640	17,640	-	-	-
Department of Social Services	-	-	1,500	1,500	1,500	1,500	-	-	-
Municipal Systems Improvement				57	57	57	-	-	-
Drought Relief Grant					16,500	16,500	-	-	-
Department of Transport	1,580	-	-				-	-	-
<b>Provincial Government:</b>	<b>9,657</b>	<b>2,807</b>	<b>2,410</b>	<b>5,294</b>	<b>5,946</b>	<b>5,946</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing	8,955	107	2,410	5,294	5,946	5,946	-	-	-
Other	703	2,700	-						
<b>District Municipality:</b>	<b>1,005</b>	<b>5,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Eden District Municipality	1,005	5,004	-						
<b>Other grant providers:</b>	<b>2,029</b>	<b>1,067</b>	<b>161</b>	<b>-</b>	<b>22,500</b>	<b>22,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public Contributions	2,029	979	161		22,500	22,500			
Masibambani	-	88	-						
<b>Total Capital Transfers and Grants</b>	<b>38,115</b>	<b>10,801</b>	<b>35,721</b>	<b>36,192</b>	<b>81,976</b>	<b>81,976</b>	<b>26,296</b>	<b>26,150</b>	<b>19,206</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>63,573</b>	<b>43,453</b>	<b>82,655</b>	<b>79,534</b>	<b>137,839</b>	<b>137,839</b>	<b>85,763</b>	<b>90,790</b>	<b>86,200</b>

## 7.6. Expenditure on allocations and grant programmes

### Operating Grant expenditure

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>20,352</b>	<b>17,849</b>	<b>25,020</b>	<b>27,210</b>	<b>28,340</b>	<b>28,340</b>	<b>35,982</b>	<b>40,891</b>	<b>44,904</b>
Equitable share	15,944	17,056	23,590	26,117	26,678	26,678	34,232	38,851	42,854
Finance Management	187	773	715	750	1,004	1,004	1,000	1,250	1,250
Municipal Systems Improvement	–	20	716	343	408	408	750	790	800
Flood Damage - MIG	3,787	–	–	–	–	–	–	–	–
Alternative water supply plan	102	–	–	–	–	–	–	–	–
Provincial Management Support Grant	–	–	–	–	250	250	–	–	–
Master plan sewer networks	332	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>	<b>6,665</b>	<b>10,227</b>	<b>18,043</b>	<b>15,252</b>	<b>26,468</b>	<b>26,468</b>	<b>22,500</b>	<b>22,665</b>	<b>20,876</b>
Housing	149	8,826	16,379	10,440	24,131	24,131	18,708	21,672	20,717
Health subsidy	4,041	282	–	–	–	–	–	–	–
Community Development Workers	–	–	–	96	120	120	125	130	135
Libraries	–	309	501	672	799	799	801	843	–
Proclaimed Roads	1,552	725	811	30	30	30	50	–	–
Subsidy - Housing Trust Fund	–	–	–	4,000	1,200	1,200	2,800	–	–
Subsidy - Airfield 263 Erven	62	–	–	–	–	–	–	–	–
Subsidy - Contract Register	75	–	–	–	–	–	–	–	–
Subsidy - Imbizo Office of Premier	40	–	–	–	–	–	–	–	–
Subsidy - Mobility strategy projects	465	–	–	–	–	–	–	–	–
Subsidy - Repair water leakages	115	–	291	–	166	166	–	–	–
Subsidy - Rezoning scheme charts	156	–	–	–	–	–	–	–	–
Subsidy - Spatial Planning	–	75	50	–	–	–	–	–	–
Subsidy - New sletters	9	11	10	14	22	22	16	20	24
<b>District Municipality:</b>	<b>171</b>	<b>3,818</b>	<b>393</b>	<b>–</b>	<b>175</b>	<b>175</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>Eden District Municipality</i>	171	3,818	393	–	175	175	–	–	–
<b>Other grant providers:</b>	<b>357</b>	<b>800</b>	<b>712</b>	<b>880</b>	<b>880</b>	<b>880</b>	<b>985</b>	<b>1,084</b>	<b>1,214</b>
<i>SETA</i>	276	644	606	800	800	800	900	990	1,109
<i>Public Contributions</i>	80	156	106	80	80	80	85	94	105
<b>Total operating expenditure of Transfers and Grants</b>	<b>27,545</b>	<b>32,695</b>	<b>44,168</b>	<b>43,342</b>	<b>55,863</b>	<b>55,863</b>	<b>59,467</b>	<b>64,640</b>	<b>66,994</b>

Capital Grant expenditure

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>16,239</b>	<b>11,487</b>	<b>25,162</b>	<b>30,898</b>	<b>53,530</b>	<b>53,530</b>	<b>26,296</b>	<b>26,150</b>	<b>19,206</b>
Municipal Infrastructure (MIG)	11,713	10,447	22,334	10,601	17,333	17,333	11,759	14,143	17,196
Public Works				500	500	500	1,037	-	-
Water Affairs	2,093	-	2,828		-	-	-	-	-
Energy Efficiency & Demand Side Management					-	-	6,000	8,000	-
National Electrification Programme	853	1,040	-		-	-	7,500	4,007	2,010
Department of Mineral & Energy				18,240	17,640	17,640	-	-	-
Department of Social Services	-	-	-	1,500	1,500	1,500	-	-	-
Municipal Systems Improvement				57	57	57	-	-	-
Drought Relief Grant					16,500	16,500			
Department of Transport	1,580	-	-						
<b>Provincial Government:</b>	<b>9,411</b>	<b>3,241</b>	<b>1,758</b>	<b>5,294</b>	<b>5,946</b>	<b>5,946</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing	8,647	414	1,758	5,294	5,946	5,946	-	-	-
Other	764	2,827	-						
<b>District Municipality:</b>	<b>1,076</b>	<b>5,008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Eden District Municipality	1,076	5,008	-						
<b>Other grant providers:</b>	<b>2,116</b>	<b>1,269</b>	<b>161</b>	<b>-</b>	<b>22,500</b>	<b>22,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public Contributions	2,116	1,180	161		22,500	22,500			
Masibambani	-	88	-						
<b>Total capital expenditure of Transfers and Grants</b>	<b>28,842</b>	<b>21,004</b>	<b>27,081</b>	<b>36,192</b>	<b>81,976</b>	<b>81,976</b>	<b>26,296</b>	<b>26,150</b>	<b>19,206</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANT</b>	<b>56,387</b>	<b>53,699</b>	<b>71,249</b>	<b>79,534</b>	<b>137,839</b>	<b>137,839</b>	<b>85,763</b>	<b>90,790</b>	<b>86,200</b>

### 7.7. Transfers and grants made by the municipality

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Transfers to other municipalities</b>										
<i>NIL</i>	1									
<b>TOTAL TRANSFERS TO MUNICIPALITIES:</b>		-	-	-	-	-	-	-	-	-
<b>Transfers to Entities/Other External Mechanisms</b>										
<i>NIL</i>	2									
<b>TOTAL TRANSFERS TO ENTITIES/EMs'</b>		-	-	-	-	-	-	-	-	-
<b>Transfers to other Organs of State</b>										
<i>NIL</i>	3									
<b>TOTAL TRANSFERS TO OTHER ORGANS OF STATE</b>		-	-	-	-	-	-	-	-	-
<b>Grants to other Organisations</b>										
<i>Grants &amp; Donations-Public</i>	4	209	397	286	550	550	550	650	699	755
<i>Industrial/Tourism-Sect.21 Co.</i>		2,011	2,185	2,349	2,512	2,512	2,512	2,665	2,851	3,065
<b>TOTAL GRANTS TO OTHER ORGANISATIONS:</b>		<b>2,220</b>	<b>2,582</b>	<b>2,634</b>	<b>3,062</b>	<b>3,062</b>	<b>3,062</b>	<b>3,315</b>	<b>3,550</b>	<b>3,820</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	5	<b>2,220</b>	<b>2,582</b>	<b>2,634</b>	<b>3,062</b>	<b>3,062</b>	<b>3,062</b>	<b>3,315</b>	<b>3,550</b>	<b>3,820</b>

## 7.8. Councillor allowances and employee benefits

## VACANT POSTS TO BE FILLED

<b>VACANT POSTS 2010/11 SALARIES M1</b>				
<b>VOTE NO.</b>	<b>Post Level</b>	<b>Vacant Position</b>	<b>Months Budgeted</b>	<b>Annual Salary Package (Council Contribution incl.)</b>
<b><u>MUNICIPAL MANAGER</u></b>				
11100	10	Junior Secretary	6 months	R 90,711.00
<b>TOTAL</b>				<b>R 90,711.00</b>
<b><u>DIRECTORATE : CORPORATE SERVICES</u></b>				
12200	6	Head : Change Management (Contract)	12 months	R 298,315.00
<b>TOTAL</b>				<b>R 298,315.00</b>
<b><u>DIRECTORATE : FINANCIAL SERVICES</u></b>				
13300	10	Clerk	12 months	R 181,422.00
<b>TOTAL</b>				<b>R 181,422.00</b>
<b><u>DIRECTORATE : CIVIL SERVICES</u></b>				
14464/8	12	Special Workman	12 months	R 133,703.00
14472	9	Senior Process Controller	12 months	R 223,662.00
14478	9	Special Workman	12 months	R 223,662.00
14478/88	11	General Foreman (Friemersheim)	12 months	R 144,365.00
14473	12	Learner Process Controller	12 months	R 133,703.00
14473	12	Learner Process Controller	12 months	R 133,703.00
<b>TOTAL</b>				<b>R 992,798.00</b>
<b><u>DIRECTORATE : COMMUNITY SERVICES</u></b>				
15544	10	Clerk (De Bakke)	12 months	181,422.00
15552	8	Foreman Sanitation	12 months	237,421.00
15585	5/8	Clerk	12 months	144,334.00
15585	10	Clerk	12 months	181,422.00
15585	10	Clerk/Cashier	12 months	181,422.00
15585	4	Assistant Head : Traffic	6 months	237,426.00
15585	11	Traffic Officer	6 months	72,182.00
15592	12	Special Workman	12 months	133,703.00
15592	7	Supervisor	9 months	197,184.00
<b>TOTAL</b>				<b>R 1,566,516.00</b>
<b><u>DIRECTORATE : ELECTRO-TECHNICAL SERVICES</u></b>				
16614	7	Electrician	12 months	R 262,912.00
16614	10	Clerk	12 months	R 181,422.00
<b>TOTAL</b>				<b>R 444,334.00</b>
<b><u>DIRECTORATE : TOWN AND URBAN PLANNING</u></b>				
17742	10	Clerk	12 months	R 181,422.00
17774	5	Head : Housing	0 months	R 0.00
<b>TOTAL</b>				<b>R 181,422.00</b>
<b>GRAND TOTAL</b>				<b>R 3,755,518.00</b>

<b>VACANT POSTS 2010/11 SALARIES M2</b>				
<b>Vote No.</b>	<b>Post Level</b>	<b>Vacant Post</b>	<b>Months Budgeted</b>	<b>Annual Salary</b>
				<b>(Including Council Contribution)</b>
<b>DIRECTOR : CIVIL SERVICES</b>				
14464/8	14	Special Worker	12 months	R 106,963.00
14464/8	16	Special Worker	12 months	R 99,029.00
14464/8	16	Special Worker	12 months	R 99,029.00
14468	15	Tractor Driver	12 months	R 98,141.00
<b>TOTAL</b>				<b>R 403,162.00</b>
<b>DIRECTORATE COMMUNITY SERVICES</b>				
15552	18	Worker	12 months	R 82,496.00
15583	17	Operator	12 months	R 91,647.00
15592	17	Machine Operator	12 months	R 91,647.00
15592	17	Machine Operator	12 months	R 91,647.00
15592	17	Machine Operator	12 months	R 91,647.00
15592	17	Machine Operator	12 months	R 91,647.00
<b>TOTAL</b>				<b>R 540,731.00</b>
<b>DIRECTORATE ELECTRO-TECHNICAL SERVICES</b>				
16614	17/16	Operator	0 months	R 0.00
<b>TOTAL</b>				<b>R 0.00</b>
<b>GRAND TOTAL</b>				<b>R 943,893.00</b>

## NEW POSTS

2010/2011				
NEW POSTS - M1 (Included in the Budget)				
VOTE NO.	Post Level	Vacant Posts	Months Budgeted	Annual Salary Package (Council Contribution incl.)
<b>DIRECTORATE : CORPORATE SERVICES</b>				
12222	8/9	HR EAP Practitioner	6 months	R 122,584.00
<b>TOTAL</b>				<b>R 122,584.00</b>
<b>DIRECTORATE : FINANCIAL SERVICES</b>				
13300	9	Senior Clerk : Income	10 months	R 182,480.00
13300	6	Accountant : Finance Section	6 months	R 147,171.00
<b>TOTAL</b>				<b>R 329,651.00</b>
<b>DIRECTORATE : CIVIL SERVICES</b>				
14482	12	Driver Process Controller	10 months	R 112,263.00
14483	7	Assistant Supervisor	6 months	R 134,273.00
14482	12	Learner Proces Controller	10 months	R 112,263.00
14482	12	Learner Proces Controller	10 months	R 112,263.00
14483	12	Learner Process Controller	10 months	R 112,263.00
14473	12	Learner Process Controller	10 months	R 112,263.00
<b>TOTAL</b>				<b>R 695,588.00</b>
<b>DIRECTORATE : COMMUNITY SERVICES</b>				
15552	6	Waste Management Officer	10 months	R 245,286.00
15585	12	Law Enforcement Officers x 9	10 months	R 1,010,370.00
<b>TOTAL</b>				<b>R 1,255,656.00</b>
<b>DIRECTORATE : TOWN PLANNING &amp; BUILDING CONTROL</b>				
17742	5	Technician (Outdoor Advertising)	6 months	R 165,272.00
<b>TOTAL</b>				<b>R 165,272.00</b>
<b>GRAND TOTAL</b>				<b>R 2,568,751.00</b>

2010/2011				
NEW POSTS - M2 (Included in the Budget)				
VOTE NO.	Post Level	Vacant Posts	Months Budgeted	Annual Salary Package (Council Contribution incl.)
<b>DIRECTORATE : CIVIL SERVICES</b>				
14468	18	Workers x 4	5 months	R 154,638.00
14473	17	Machine Operator	5 months	R 40,127.00
<b>TOTAL</b>				<b>R 194,765.00</b>
<b>GRAND TOTAL</b>				<b>R 194,765.00</b>

**BUDGET SCHEDULES****DISCLOSURE OF SALARIES, ALLOWANCES AND BENEFITS**

Disclosure of Salaries, Allowances & Benefits 1.	No. 10	Salary Total Package	Contrib. 1.	Allowances	Performance Bonuses	In-kind benefits 2.	Total Package 3.
<b>Rand per annum</b>							
<b>Councillors</b>							
Executive Mayor	1	619,308					619,308
Deputy Executive Mayor	1	499,146					499,146
Speaker	1	499,146					499,146
3 X Member of Executive Committee		1,407,320					1,407,320
20 X Part-time Councillor	20	3,516,066					3,516,066
Locomotion Claims		50,000					50,000
<b>Total Councillors</b>	<b>23</b>	<b>6,590,986</b>	<b>-</b>	<b>-</b>			<b>6,590,986</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	1	1,246,665			174,112		1,420,777
Chief Finance Officer	1	972,290			145,488		1,117,778
Director Electro-Mechanical Services	1	929,550			129,823		1,059,373
Director Corporate Services	1	843,621			117,822		961,443
Director Community Services	1	882,752			132,090		1,014,842
Director Development Planning & Housing	1	903,864			126,235		1,030,099
Director Civil Services	1	929,550			129,823		1,059,373
<b>Total Senior Managers of the Municipality</b>	<b>7</b>	<b>6,708,292</b>	<b>-</b>	<b>-</b>	<b>955,393</b>	<b>-</b>	<b>7,663,685</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>30</b>	<b>13,299,278</b>	<b>-</b>	<b>-</b>	<b>955,393</b>	<b>-</b>	<b>14,254,671</b>



**SUMMARY OF COUNCILLOR AND STAFF BENEFITS**

Summary of Employee and Councillor remuneration R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Salary Package	4,307	4,640	5,148	5,677	5,677	5,677	6,218	6,927	7,620
Pension Contributions									
Medical Aid Contributions									
Motor vehicle allowance									
Cell phone allowance									
Housing allowance									
Other benefits or allowances	241	256	279	392	392	392	373	413	462
Locomotion Claims									
<b>Sub Total - Councillors</b>	<b>4,548</b>	<b>4,896</b>	<b>5,427</b>	<b>6,069</b>	<b>6,069</b>	<b>6,069</b>	<b>6,591</b>	<b>7,340</b>	<b>8,082</b>
<b>% increase</b>		<b>7.7%</b>	<b>10.8%</b>	<b>11.8%</b>	<b>-</b>	<b>-</b>	<b>8.6%</b>	<b>11.4%</b>	<b>10.1%</b>
<b>Senior Managers of the Municipality</b>									
Salary Package	3,364	3,559	6,121	5,772	5,868	5,868	6,708	7,552	8,327
Pension Contributions									
Medical Aid Contributions									
Motor vehicle allowance									
Cell phone allowance									
Housing allowance									
Performance Bonus		599	610	808	956	956	955	1,032	1,114
Other benefits or allowances									
In-kind benefits									
<b>Sub Total - Senior Managers of Municipality</b>	<b>3,364</b>	<b>4,158</b>	<b>6,731</b>	<b>6,580</b>	<b>6,824</b>	<b>6,824</b>	<b>7,664</b>	<b>8,583</b>	<b>9,442</b>
<b>% increase</b>		<b>23.6%</b>	<b>61.9%</b>	<b>(2.2%)</b>	<b>3.7%</b>	<b>-</b>	<b>12.3%</b>	<b>12.0%</b>	<b>10.0%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	51,609	57,751	68,945	83,680	82,880	82,980	96,670	111,653	125,052
Pension Contributions	7,642	8,522	10,989	13,637	13,463	13,543	16,817	19,660	22,139
Medical Aid Contributions	4,060	4,976	6,565	7,943	7,925	7,975	9,057	10,324	11,563
Motor vehicle allowance									
Cell phone allowance									
Housing allowance	797	866	1,116	1,356	1,336	1,336	1,237	1,317	1,410
Overtime	4,782	5,222	6,529	5,700	6,252	5,999	5,959	6,406	7,046
Bonus	4,147	4,647	5,921	6,934	6,796	6,796	8,056	9,465	10,696
Cellphone, Other benefits and allowances	7,135	7,421	10,711	11,962	14,470	13,835	14,647	16,050	17,500
In-kind benefits									
<b>Sub Total - Other Municipal Staff</b>	<b>80,171</b>	<b>89,406</b>	<b>110,777</b>	<b>131,210</b>	<b>133,122</b>	<b>132,464</b>	<b>152,442</b>	<b>174,876</b>	<b>195,406</b>
<b>% increase</b>		<b>11.5%</b>	<b>23.9%</b>	<b>18.4%</b>	<b>1.5%</b>	<b>(0.5%)</b>	<b>15.1%</b>	<b>14.7%</b>	<b>11.7%</b>
<b>Total Parent Municipality</b>	<b>88,083</b>	<b>98,460</b>	<b>122,935</b>	<b>143,859</b>	<b>146,015</b>	<b>145,357</b>	<b>166,697</b>	<b>190,799</b>	<b>212,930</b>
		<b>11.8%</b>	<b>24.9%</b>	<b>17.0%</b>	<b>1.5%</b>	<b>(0.5%)</b>	<b>14.7%</b>	<b>14.5%</b>	<b>11.6%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>88,083</b>	<b>98,460</b>	<b>122,935</b>	<b>143,859</b>	<b>146,015</b>	<b>145,357</b>	<b>166,697</b>	<b>190,799</b>	<b>212,930</b>
<b>% increase</b>		<b>11.8%</b>	<b>24.9%</b>	<b>17.0%</b>	<b>1.5%</b>	<b>(0.5%)</b>	<b>14.7%</b>	<b>14.5%</b>	<b>11.6%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>83,535</b>	<b>93,564</b>	<b>117,508</b>	<b>137,790</b>	<b>139,946</b>	<b>139,288</b>	<b>160,106</b>	<b>183,459</b>	<b>204,848</b>

**SUMMARY OF PERSONNEL NUMBERS**

Summary of Personnel Numbers Number	2008/9			Current Year 2009/10			Budget Year 2010/11		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	23	23		23	23		23	23	
Board Members of municipal entities									
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	7		7	7	–	7	7	–	7
Other Managers	23	20	1	23	22	1	23	22	1
Professionals	32	31	–	37	32	5	38	33	5
<i>Finance</i>	14	14		19	14	5	20	15	5
<i>Spatial/town planning</i>	4	4		4	4		4	4	
<i>Information Technology</i>	3	2		3	3		3	3	
<i>Roads</i>	3	3		3	3		3	3	
<i>Electricity</i>	2	2		2	2		2	2	
<i>Water</i>	5	5		5	5		5	5	
<i>Sanitation</i>									
<i>Refuse</i>	1	1		1	1		1	1	
<i>Other</i>	21	19		23	23		23	23	
Technicians	54	50	–	54	50	–	60	57	–
<i>Finance</i>	9	5		9	5		11	8	
<i>Spatial/town planning</i>	10	10		10	10		11	11	
<i>Information Technology</i>	4	4		4	4		4	4	
<i>Roads</i>	5	5		5	5		5	5	
<i>Electricity</i>	23	23		23	23		23	23	
<i>Water</i>	2	2		2	2		4	4	
<i>Sanitation</i>									
<i>Refuse</i>	1	1		1	1		2	2	
<i>Other</i>	72	57	9	75	71	4	75	72	3
Clerks (Clerical and administrative)	193	175	10	199	185	11	202	187	15
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	26	24		26	24		30	28	
Elementary Occupations	422	389	25	422	400	19	432	418	9
<b>TOTAL PERSONNEL NUMBERS</b>	<b>873</b>	<b>788</b>	<b>52</b>	<b>889</b>	<b>830</b>	<b>47</b>	<b>913</b>	<b>863</b>	<b>40</b>
<b>% increase</b>				1.8%	5.3%	(9.6%)	2.7%	4.0%	(14.9%)
<b>Total municipal employees headcount</b>									
Finance personnel headcount	<b>76</b>	<b>76</b>		<b>81</b>	<b>76</b>	<b>5</b>	<b>83</b>	<b>78</b>	<b>5</b>
Human Resources personnel headcount	<b>11</b>	<b>10</b>		<b>11</b>	<b>10</b>	<b>1</b>	<b>12</b>	<b>12</b>	

## 7.9. Monthly targets for revenue, expenditure and cash flow

## BUDGETED MONTHLY REVENUE AND EXPENDITURE (MUNICIPAL VOTE)

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>															
<b>Revenue by Vote</b>															
- MUNICIPAL MANAGER	3,079	776	857	2,206	1,691	3,524	2,123	1,426	1,084	1,805	1,306	22,332	42,207	43,996	39,933
- CORPORATE SERVICES	0	0	135	27	0	206	15	8	8	211	255	363	1,230	1,325	1,449
- FINANCIAL SERVICES	62,157	1,046	621	500	1,738	414	751	471	446	429	1,329	377	70,280	81,395	94,290
- CIVIL SERVICES	60,015	9,097	9,744	7,886	6,700	11,151	14,937	9,287	7,705	8,133	11,654	18,495	174,803	186,676	201,729
- COMMUNITY SERVICES	3,718	5,934	6,721	3,907	3,797	5,417	6,112	4,243	4,786	4,425	5,367	3,203	57,632	65,506	73,694
- ELECTRO-MECHANICAL SERVICES	22,282	18,365	18,633	17,410	17,596	19,344	20,128	17,858	18,270	17,784	18,354	35,640	241,665	293,488	343,029
- DEVELOPMENT PLANNING & HOUSING	293	765	354	373	364	339	551	440	405	383	351	27,955	32,573	32,419	32,536
<b>Total Revenue by Vote</b>	<b>151,544</b>	<b>35,983</b>	<b>37,067</b>	<b>32,308</b>	<b>31,886</b>	<b>40,394</b>	<b>44,618</b>	<b>33,734</b>	<b>32,706</b>	<b>33,169</b>	<b>38,616</b>	<b>108,366</b>	<b>620,389</b>	<b>704,805</b>	<b>786,660</b>
<b>Expenditure by Vote to be appropriated</b>															
- MUNICIPAL MANAGER	2,176	1,472	1,396	2,245	1,833	1,625	2,776	1,795	1,691	1,694	1,893	42,529	63,124	66,769	70,731
- CORPORATE SERVICES	1,407	1,505	1,557	1,914	1,431	1,790	1,551	2,301	1,806	2,121	2,693	1,116	21,190	23,399	25,655
- FINANCIAL SERVICES	2,112	2,351	2,631	3,143	2,663	2,956	2,381	2,533	2,512	2,745	2,859	(4,561)	24,323	27,908	28,441
- CIVIL SERVICES	7,151	8,153	11,130	11,779	9,428	13,017	12,567	10,931	12,093	16,396	14,662	24,473	151,780	170,032	188,532
- COMMUNITY SERVICES	5,929	6,882	7,557	8,907	7,364	11,396	11,631	9,418	8,388	8,638	7,887	16,182	110,180	123,259	136,026
- ELECTRO-MECHANICAL SERVICES	5,260	19,281	19,518	12,662	12,275	12,895	13,581	12,482	11,728	12,880	12,208	36,847	181,617	221,837	270,958
- DEVELOPMENT PLANNING & HOUSING	927	932	1,104	1,424	1,245	2,116	1,520	5,575	1,488	1,916	3,300	23,164	44,710	47,302	48,434
<b>Total Expenditure by Vote</b>	<b>24,962</b>	<b>40,577</b>	<b>44,892</b>	<b>42,074</b>	<b>36,238</b>	<b>45,794</b>	<b>46,008</b>	<b>45,035</b>	<b>39,706</b>	<b>46,389</b>	<b>45,502</b>	<b>139,748</b>	<b>596,925</b>	<b>680,504</b>	<b>768,777</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>126,581</b>	<b>(4,593)</b>	<b>(7,825)</b>	<b>(9,766)</b>	<b>(4,352)</b>	<b>(5,400)</b>	<b>(1,390)</b>	<b>(11,300)</b>	<b>(7,000)</b>	<b>(13,220)</b>	<b>(6,887)</b>	<b>(31,383)</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>
Taxation													-	-	-
Attributable to minorities													-	-	-
Share of surplus/ (deficit) of associate													-	-	-
<b>Surplus/(Deficit)</b>	<b>126,581</b>	<b>(4,593)</b>	<b>(7,825)</b>	<b>(9,766)</b>	<b>(4,352)</b>	<b>(5,400)</b>	<b>(1,390)</b>	<b>(11,300)</b>	<b>(7,000)</b>	<b>(13,220)</b>	<b>(6,887)</b>	<b>(31,383)</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>



## BUDGETED MONTHLY REVENUE AND EXPENDITURE (PER SOURCE / PER TYPE)

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue By Source</b>															
Property rates	61,748	685	(29)	(20)	1,301	(0)	334	0	1	3	928	0	64,952	75,227	87,678
Property rates - penalties & collection charges	129	124	134	158	146	154	118	155	136	145	142	110	1,650	1,733	1,854
Service charges - electricity revenue	16,397	17,455	18,483	17,215	17,397	19,158	19,533	17,055	18,103	17,658	18,273	20,642	217,368	269,653	328,039
Service charges - water revenue	6,255	8,006	6,382	6,826	6,363	7,385	9,137	8,306	7,058	7,538	7,093	3,260	83,609	90,000	98,000
Service charges - sanitation revenue	44,742	974	232	260	226	177	85	182	91	106	75	100	47,248	47,746	48,251
Service charges - refuse revenue	2,660	3,543	2,682	2,688	2,711	2,727	2,720	2,733	2,729	2,745	2,744	796	31,478	36,468	42,246
Service charges - other	15,320	2,943	1,744	774	619	563	1,149	595	1,001	849	502	288	26,349	28,900	31,918
Rental of facilities and equipment	255	802	559	253	281	340	368	348	347	329	248	267	4,398	4,905	5,595
Interest earned - external investments	2,529	104	123	1,784	1,236	671	602	1,285	751	1,583	1,119	2,595	14,381	15,642	14,246
Interest earned - outstanding debtors	27	27	26	26	26	25	24	22	23	23	23	22	293	319	306
Dividends received															
Fines	297	7	871	290	285	673	363	461	679	482	498	157	5,064	5,569	6,070
Licences and permits	319	373	353	249	451	321	337	431	376	270	306	539	4,326	4,743	5,300
Agency services															
Transfers recognised - operational	87	22	4,485	1,039	77	7,567	9,388	1,746	795	907	6,235	27,121	59,467	64,640	66,994
Other revenue	779	920	1,023	766	767	634	458	414	616	531	432	13,594	20,935	21,789	20,989
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	12,577	12,577	11,322	9,968
<b>Total Revenue (excluding capital transfers and</b>	<b>151,544</b>	<b>35,983</b>	<b>37,067</b>	<b>32,308</b>	<b>31,886</b>	<b>40,394</b>	<b>44,618</b>	<b>33,734</b>	<b>32,706</b>	<b>33,169</b>	<b>38,616</b>	<b>82,070</b>	<b>594,093</b>	<b>678,655</b>	<b>767,454</b>
<b>Expenditure By Type</b>															
Employee related costs	11,541	11,403	11,576	12,578	11,947	15,595	13,147	12,923	12,723	13,132	14,092	33,331	173,990	198,985	222,165
Remuneration of councillors	399	604	466	465	464	491	670	633	702	526	528	643	6,591	7,340	8,082
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	13,795	13,795	14,899	16,091
Depreciation & asset impairment	165	165	165	5,277	165	4,486	898	3,064	927	5,825	926	11,712	33,775	38,970	45,613
Finance charges	-	-	33	-	2	37	3	65	-	-	42	361	543	536	403
Bulk purchases	3,640	17,368	18,473	9,611	10,268	9,357	12,553	10,543	10,077	11,048	11,556	22,719	147,213	183,017	226,896
Other materials	972	1,086	692	844	986	1,127	1,138	1,081	969	866	957	390	11,108	12,789	14,597
Contracted services	660	1,477	1,318	1,767	1,564	2,826	4,124	2,018	2,066	1,361	1,892	2,364	23,437	26,049	28,514
Transfers and grants	369	348	334	348	322	330	327	301	296	343	384	402	4,104	4,474	4,849
Other expenditure	7,215	8,126	11,836	11,184	10,518	11,545	13,105	14,406	11,946	13,289	15,125	54,025	182,319	193,396	201,518
Loss on disposal of PPE	-	-	-	-	-	-	44	-	-	-	-	6	50	50	50
<b>Total Expenditure</b>	<b>24,962</b>	<b>40,577</b>	<b>44,892</b>	<b>42,074</b>	<b>36,238</b>	<b>45,794</b>	<b>46,008</b>	<b>45,035</b>	<b>39,706</b>	<b>46,389</b>	<b>45,502</b>	<b>139,748</b>	<b>596,925</b>	<b>680,504</b>	<b>768,777</b>
<b>Surplus/(Deficit)</b>	<b>126,581</b>	<b>(4,593)</b>	<b>(7,825)</b>	<b>(9,766)</b>	<b>(4,352)</b>	<b>(5,400)</b>	<b>(1,390)</b>	<b>(11,300)</b>	<b>(7,000)</b>	<b>(13,220)</b>	<b>(6,887)</b>	<b>(57,679)</b>	<b>(2,832)</b>	<b>(1,850)</b>	<b>(1,323)</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	26,296	26,296	26,150	19,206
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>126,581</b>	<b>(4,593)</b>	<b>(7,825)</b>	<b>(9,766)</b>	<b>(4,352)</b>	<b>(5,400)</b>	<b>(1,390)</b>	<b>(11,300)</b>	<b>(7,000)</b>	<b>(13,220)</b>	<b>(6,887)</b>	<b>(31,383)</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>
Taxation															
Attributable to minorities															
Share of surplus/ (deficit) of associate															
<b>Surplus/(Deficit)</b>	<b>126,581</b>	<b>(4,593)</b>	<b>(7,825)</b>	<b>(9,766)</b>	<b>(4,352)</b>	<b>(5,400)</b>	<b>(1,390)</b>	<b>(11,300)</b>	<b>(7,000)</b>	<b>(13,220)</b>	<b>(6,887)</b>	<b>(31,383)</b>	<b>23,464</b>	<b>24,300</b>	<b>17,883</b>

**BUDGETED MONTHLY CAPITAL EXPENDITURE (MUNICIPAL VOTE)**

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Multi-year expenditure to be appropriated</b>															
- MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- FINANCIAL SERVICES	-	75	-	20	-	200	3	-	7	-	-	200	505	272	1,823
- CIVIL SERVICES	477	883	1,184	2,037	2,760	2,213	2,430	3,402	3,018	2,378	1,078	1,518	23,376	49,145	40,671
- COMMUNITY SERVICES	-	-	200	260	1,640	-	1,600	445	1,600	200	1,400	-	7,345	4,996	4,391
- ELECTRO-MECHANICAL SERVICES	125	155	155	3,275	3,775	2,955	2,675	2,925	3,915	2,255	855	125	23,190	31,207	17,260
- DEVELOPMENT PLANNING & HOUSING	-	-	-	-	-	90	-	-	-	-	-	-	90	60	70
<b>Capital multi-year expenditure sub-total</b>	<b>602</b>	<b>1,113</b>	<b>1,539</b>	<b>5,592</b>	<b>8,175</b>	<b>5,458</b>	<b>6,708</b>	<b>6,772</b>	<b>8,540</b>	<b>4,833</b>	<b>3,333</b>	<b>1,843</b>	<b>54,506</b>	<b>85,680</b>	<b>64,215</b>
<b>Single-year expenditure to be appropriated</b>															
- MUNICIPAL MANAGER	-	-	-	-	-	-	200	200	300	300	400	-	1,400	-	600
- CORPORATE SERVICES	10	407	362	-	-	6	-	-	-	-	-	-	785	630	-
- FINANCIAL SERVICES	15	11	-	129	-	3	-	10	25	-	7	-	200	335	-
- CIVIL SERVICES	12,400	22,426	45,450	48,270	17,270	2,780	3,338	2,472	2,212	1,769	1,250	(99,430)	60,207	15,258	21,750
- COMMUNITY SERVICES	-	12	195	755	1,963	150	2,278	1,739	290	200	200	-	7,782	4,100	2,910
- ELECTRO-MECHANICAL SERVICES	-	550	550	300	1,620	1,500	1,400	740	790	250	220	50	7,970	620	8,500
- DEVELOPMENT PLANNING & HOUSING	-	-	-	-	38	457	-	-	-	-	-	2,300	2,795	-	-
<b>Capital single-year expenditure sub-total</b>	<b>12,425</b>	<b>23,406</b>	<b>46,557</b>	<b>49,454</b>	<b>20,891</b>	<b>4,896</b>	<b>7,216</b>	<b>5,161</b>	<b>3,617</b>	<b>2,519</b>	<b>2,077</b>	<b>(97,080)</b>	<b>81,139</b>	<b>20,943</b>	<b>33,760</b>
<b>Total Capital Expenditure</b>	<b>13,027</b>	<b>24,519</b>	<b>48,096</b>	<b>55,045</b>	<b>29,066</b>	<b>10,354</b>	<b>13,924</b>	<b>11,933</b>	<b>12,157</b>	<b>7,352</b>	<b>5,410</b>	<b>(95,237)</b>	<b>135,646</b>	<b>106,623</b>	<b>97,975</b>

## BUDGETED MONTHLY CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Capital Expenditure - Standard</b>															
<i>Governance and administration</i>	25	493	362	149	-	209	203	210	332	300	407	200	2,891	1,237	2,423
Executive and council	-	-	-	-	-	-	200	200	300	300	400	-	1,400	-	600
Budget and treasury office	15	86	-	149	-	203	3	10	32	-	7	200	706	607	1,823
Corporate services	10	407	362	-	-	6	-	-	-	-	-	-	785	630	-
<i>Community and public safety</i>	-	-	395	1,015	3,303	150	2,708	2,082	1,590	400	300	-	11,943	7,146	5,301
Community and social services	-	-	165	90	466	-	180	315	-	-	-	-	1,216	1,701	981
Sport and recreation	-	-	230	760	1,280	150	928	1,767	1,590	400	300	-	7,405	3,825	3,085
Public safety	-	-	-	165	1,557	-	1,600	-	-	-	-	-	3,322	1,620	1,235
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	1,125	1,129	1,129	1,636	1,282	1,876	2,600	2,611	2,566	2,173	1,104	657	19,883	12,095	8,170
Planning and development	-	-	-	-	38	547	-	-	-	-	-	-	585	60	70
Road transport	1,125	1,129	1,129	1,636	1,244	1,329	2,600	2,611	2,566	2,173	1,104	657	19,298	12,035	8,100
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	11,877	22,896	46,210	52,245	24,480	8,057	8,412	7,029	7,670	4,480	3,600	1,546	198,499	86,135	82,071
Electricity	125	705	705	3,575	5,395	4,455	4,075	3,665	4,705	2,505	1,075	175	31,160	31,827	25,760
Water	10,692	20,866	44,030	46,119	16,085	1,350	1,447	1,580	1,160	1,200	720	221	145,470	26,213	30,121
Waste water management	1,060	1,313	1,475	2,551	2,700	2,252	1,720	1,682	1,505	775	505	1,150	18,685	26,145	24,190
Waste management	-	12	-	-	300	-	1,170	102	300	-	1,300	-	3,184	1,950	2,000
<i>Other</i>	-	1	1	1	2	62	2	1	-	-	-	60	130	10	10
<b>Total Capital Expenditure - Standard</b>	<b>13,027</b>	<b>24,519</b>	<b>48,096</b>	<b>55,045</b>	<b>29,066</b>	<b>10,354</b>	<b>13,924</b>	<b>11,933</b>	<b>12,157</b>	<b>7,352</b>	<b>5,410</b>	<b>2,463</b>	<b>233,346</b>	<b>106,623</b>	<b>97,975</b>

## BUDGETED MONTHLY CASH FLOWS

MONTHLY CASH FLOWS	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12
<b>Cash Receipts By Source</b>													1		
Property rates	13,348	9,331	8,958	5,835	2,246	4,214	4,091	3,928	3,719	3,600	2,763	2,731	64,763	75,012	87,437
Property rates - penalties & collection charges	129	124	134	158	146	154	118	155	136	145	142	110	1,650	1,733	1,854
Service charges - electricity revenue	16,514	17,385	16,754	16,589	15,569	18,403	17,525	16,033	17,124	16,930	17,655	16,291	202,773	253,135	309,371
Service charges - water revenue	5,675	6,666	5,268	6,027	5,642	7,637	3,158	8,511	7,359	7,087	7,311	1,506	71,846	77,246	84,112
Service charges - sanitation revenue	4,304	4,403	3,243	3,602	1,305	2,535	642	2,352	2,220	2,268	1,567	1,424	29,865	29,349	28,896
Service charges - refuse revenue	1,801	1,811	1,822	1,830	1,859	1,856	1,860	1,978	1,991	1,998	2,360	1,093	22,258	26,390	31,172
Service charges - other	8,552	681	1,794	379	3,929	873	732	411	1,496	78	352	666	19,943	21,986	24,452
Rental of facilities and equipment	255	802	559	253	281	340	368	348	347	329	248	267	4,398	4,905	5,595
Interest earned - external investments	2,529	104	123	1,784	1,236	671	602	1,285	751	1,583	1,119	2,595	14,381	15,642	14,246
Interest earned - outstanding debtors	27	27	26	26	26	25	24	22	23	23	23	22	293	319	306
Dividends received													-		
Fines	297	7	871	290	285	673	363	461	679	482	498	157	5,064	5,569	6,070
Licences and permits	319	373	353	249	451	321	337	431	376	270	306	539	4,326	4,743	5,300
Agency services													-		
Transfer receipts - operational	87	22	4,485	1,039	77	7,567	9,388	1,746	795	907	6,235	27,121	59,467	64,640	66,994
Other revenue	213	233	298	327	295	165	161	249	278	279	234	6,807	9,540	10,866	9,041
<b>Cash Receipts by Source</b>	<b>54,048</b>	<b>41,967</b>	<b>44,688</b>	<b>38,387</b>	<b>33,348</b>	<b>45,434</b>	<b>39,370</b>	<b>37,910</b>	<b>37,293</b>	<b>35,978</b>	<b>40,811</b>	<b>61,330</b>	<b>510,565</b>	<b>591,534</b>	<b>674,846</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	26,296	26,296	26,150	19,206
Contributions recognised - capital & Contributed a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE						6,264						6,264	12,527	11,272	9,918
Short term loans													-		
Borrowing long term/refinancing	(15)	(16)	(15)	(15)	(14)	(17)	(16)	(15)	(16)	(15)	(16)	(15)	(184)	(408)	465
Increase (decrease) in consumer deposits	24	29	23	26	24	33	14	36	32	30	31	6	308	339	373
Decrease (Increase) in non-current debtors													-		
Decrease (increase) other non-current receivable	52	52	53	53	54	54	54	57	58	58	68	32	644	496	417
Decrease (increase) in non-current investments													-		
<b>Total Cash Receipts by Source</b>	<b>54,110</b>	<b>42,032</b>	<b>44,748</b>	<b>38,451</b>	<b>33,411</b>	<b>51,767</b>	<b>39,422</b>	<b>37,989</b>	<b>37,367</b>	<b>36,051</b>	<b>40,894</b>	<b>93,913</b>	<b>550,156</b>	<b>629,383</b>	<b>705,225</b>



## BUDGETED MONTHLY CASH FLOWS (Continued)

MONTHLY CASH FLOWS	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Cash Payments by Type</b>																
Employee related costs	11,541	11,403	11,445	12,578	11,947	15,595	13,147	12,923	12,723	13,132	14,092	19,455	159,982	183,325	204,704	
Remuneration of councillors	399	604	466	465	464	491	670	633	702	526	528	643	6,591	7,340	8,082	
Collection costs	131	457	444	413	507	377	417	652	617	626	624	650	5,915	6,270	6,583	
Interest paid	-	-	33	-	2	37	3	65	-	-	42	361	543	536	403	
Bulk purchases - Electricity	3,640	17,368	17,012	9,383	9,828	9,357	10,970	10,235	9,155	9,914	9,755	20,597	137,213	171,517	214,396	
Bulk purchases - Water & Sewer	-	-	1,461	228	441	-	1,582	308	922	1,135	1,801	2,122	10,000	11,500	12,500	
Other materials	972	1,086	692	844	986	1,127	1,138	1,081	969	866	957	390	11,108	12,789	14,597	
Contracted services	660	1,477	1,318	1,767	1,564	2,826	4,124	2,018	2,066	1,361	1,892	2,364	23,437	26,049	28,514	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other	85	66	58	74	58	71	63	46	45	91	159	182	998	1,064	1,149	
General expenses	4,047	4,469	7,794	12,312	6,839	11,980	10,164	12,948	8,880	14,752	12,003	48,432	154,620	170,779	183,445	
<b>Cash Payments by Type</b>	<b>21,475</b>	<b>36,929</b>	<b>40,722</b>	<b>38,065</b>	<b>32,636</b>	<b>41,862</b>	<b>42,279</b>	<b>40,910</b>	<b>36,079</b>	<b>42,403</b>	<b>41,852</b>	<b>95,195</b>	<b>510,406</b>	<b>591,167</b>	<b>674,374</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	13,027	24,544	48,121	55,083	29,106	10,439	14,259	12,258	12,442	7,555	5,580	933	233,346	106,623	97,975	
Repayment of borrowing												-				
Other Cash Flows/Payments	(2,685)	(13,996)	(34,831)	(40,137)	(13,339)	(11,340)	(14,545)	(10,640)	(9,459)	(4,979)	(3,630)	(30,515)	(190,096)	(53,385)	(78,970)	
<b>Total Cash Payments by Type</b>	<b>31,818</b>	<b>47,476</b>	<b>54,012</b>	<b>53,011</b>	<b>48,403</b>	<b>40,961</b>	<b>41,994</b>	<b>42,527</b>	<b>39,061</b>	<b>44,978</b>	<b>43,802</b>	<b>65,612</b>	<b>553,656</b>	<b>644,405</b>	<b>693,379</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>22,292</b>	<b>(5,444)</b>	<b>(9,264)</b>	<b>(14,560)</b>	<b>(14,991)</b>	<b>10,807</b>	<b>(2,572)</b>	<b>(4,538)</b>	<b>(1,695)</b>	<b>(8,927)</b>	<b>(2,908)</b>	<b>28,301</b>	<b>(3,500)</b>	<b>(15,022)</b>	<b>11,846</b>	
Cash/cash equivalents at the month/year begin:	217,044	239,336	233,892	224,628	210,068	195,077	205,883	203,311	198,774	197,079	188,152	185,244	217,044	213,544	198,523	
Cash/cash equivalents at the month/year end:	239,336	233,892	224,628	210,068	195,077	205,883	203,311	198,774	197,079	188,152	185,244	213,544	213,544	198,523	210,368	

## 7.10. Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2009/10	2010/11 Medium Term Revenue & Expenditure Framework			Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Total Contract Value
				Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13								
<b>R thousand</b>	1,3	<b>Total</b>	<b>Original Budget</b>											<b>Estimate</b>
<b>Parent Municipality:</b>														
<b>Revenue Obligation By Contract</b>	2													
RO Water Reclamation to PetroSA														-
Bank Contract														-
Prepaid System			4,339	4,773	5,250	5,775	6,353							26,491
<b>Total Operating Revenue Implication</b>		-	<b>4,339</b>	<b>4,773</b>	<b>5,250</b>	<b>5,775</b>	<b>6,353</b>	-	-	-	-	-	-	26,491
<b>Expenditure Obligation By Contract</b>	2													
RO Water Reclamation to PetroSA		-	320	3,845	4,076	4,320	4,579	4,854	5,146	5,454	5,781	6,128	6,496	51,001
Bank Contract		3,157	1,715	1,930	2,123									8,925
Prepaid System														-
<b>Total Operating Expenditure Implication</b>		3,157	2,036	5,775	6,199	4,320	4,579	4,854	5,146	5,454	5,781	6,128	6,496	59,926
<b>Capital Expenditure Obligation By Contract</b>	2													
RO Water Reclamation to PetroSA		-	43,910	309	328	347	368	390	414	438	465	493	522	47,984
Bank Contract		-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid System														-
<b>Total Capital Expenditure Implication</b>		-	43,910	309	328	347	368	390	414	438	465	493	522	47,984
<b>Total Parent Expenditure Implication</b>		<b>3,157</b>	<b>45,946</b>	<b>6,084</b>	<b>6,526</b>	<b>4,668</b>	<b>4,948</b>	<b>5,244</b>	<b>5,559</b>	<b>5,893</b>	<b>6,246</b>	<b>6,621</b>	<b>7,018</b>	107,910

## 7.11. Annual budgets and service delivery agreements – other 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.
Name of organisation		Number			R thousand
Call Centre - Eden Distric Mun	12m	C440060	Radio Comm Network	31/01/2011	
Provicom Risk Solution	1m	C436356	Time and Attendance System	31/01/2010	170
Uhlula Consulting CC	12m	C435481	Conducting a survey	28/02/2010	35
Community Development Workers		C438901 (Item)	CDW		
CAPMAN	1m	C439086(P/O)	Leave system		28
Business Engineering/Eden Distric Council	12m	C118762	Collaborator	30 June 2011	131
Ignite Advisory Services		C246484(Item)	CPM		50
Thusong Centre		C400632(Item)	Community Services		5,000
Abet Training	1m	C435875	Adult Basic Education and Training programme	31/01/2010	205
Government Communication Care Network GCCN	36m	C320707	Rendering of GCCN Serices	31-03-2010	
SITA - Pals Hosting and Data Centre Services	36m	C255977	Pals Libraries	31-03-2011	
Abet Training	1m	C435875	Adult Basic Education and Training programme	31/01/2010	205
<b>OTHER:</b>					
Comwezi Security Services Ltd	36m	C378372	Security Services	30-06-2012	250
Fleet Africa (pty) Ltd	36m	C435870	Fleet Management	31-07-2012	
Nashua			Rental Various Photocopiers, fax machines, Service Agreement & Copies		
Minolta			Rental Various Photocopiers, fax machines, Service Agreement & Copies		
Rentokil			Various Hygine Services, Various buildings		
Cyber Cabling	12m	C436292	Network Cabling & Supply of network	30/06/2010	
Wispernet	36m	C436297	Radio Network Maintenance( R10 000.00 + VAT / m)	30/06/2011	194
SPCA	36	C429945	Providing pounding services	30/06/2012	88
Mossel Bay Tourism	36	C435875	Providing Tourism function	30/06/2012	1,982
Debtmanager (Pty) Ltd	36	C311769	Debt Recovery (R175 115.00 /m)	30/06/2011	2,101
Pals System Central Data Processing, Administration and infrastructure	36	C369591	Centralised Data Processing Service	31/03/2012	
Cab Holdings	36	C432590	Printing & Distribution of Monthly Service Acc (min R15 000.00 / m)	30/06/2011	75
Combo Sign Pty Ltd	48	C410252	Outdoor Media - Street Refuse Containers	31/12/2013	1,152
CCM Transport	12	C434447	Removal garden & Domestic Refuse Friemersheim & GBR (R1 021.00 / week)	31/12/2010	45
CCM Transport	12	C434449	Removal garden & Domestic Refuse Buysplaas & MB (R1 021.00 / week)	31/12/2010	45
CCM Transport	12	C335521	Removal garden & Domestic Refuse Kwa, Kleinberg, Bartelsfn, Brandwag, p/o Asla	30/06/2011	
CCM Transport	72	C043254	PetroSA - Refuse dump site	30/06/2010	
A J Boshoff	12	C433276	Removal garden & Domestic Refuse Island & GBR (5 500.00 / m)	30/06/2010	28
ACE Waste Removal	72	C043255	PetroSA - Refuse dump site	30/06/2010	
Nedbank	10	C433615	Bank - Overdraft facility	30/09/2010	9,900

### ***7.12. Annual budgets and service delivery and budget implementation plans –internal departments***

In terms of Section 53(1)(c)(ii) of the Municipal Finance Management Act (MFMA), the mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan (SDBIP) is approved by the Mayor within 28 days after the approval of the budget.

The Mayor must also ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the SDBIP, are made public no later than 14 days after the approval of the SDBIP.

Mossel Bay Municipality's SDBIP for the 2010/11 financial year will therefore be approved by the Mayor 28 days after the approval of the 2010/11 Annual Budget.

### 7.13. Measurable performance objectives and indicators

#### FINANCIAL INDICATORS

The following schedule shows various performance indicators and benchmarks:

Description of financial indicator	Basis of calculation	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Borrowing Management</b>										
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%	5.6%	5.4%	5.1%
Credit Rating		NO CREDIT RATING DONE								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	-0.7%	-0.7%	-0.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	-1.4%	1.6%	0.4%	-1.7%	1.5%	1.5%	-0.7%	-0.7%	1.1%
<b>Safety of Capital</b>										
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	28.0%	9.1%	10.3%	9.4%	9.4%	9.4%	16.2%	16.8%	17.7%
Gearing	Long Term Borrowing/ Funds & Reserves	0.9%	0.8%	2.7%	3.4%	3.4%	3.4%	561.1%	-14488.1%	-876.6%
<b>Liquidity</b>										
Current Ratio	Current assets/current liabilities	3.1	4.9	3.4	3.6	3.6	3.6	3.7	3.5	3.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.1	4.9	3.4	3.6	3.6	3.6	3.7	3.5	3.4
Liquidity Ratio	Monetary Assets/Current Liabilities	2.5	3.8	2.5	2.8	2.8	2.8	2.8	2.6	2.5
<b>Revenue Management</b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.3%	98.9%	94.3%	94.3%	94.3%	101.1%	99.9%	98.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.7%	13.3%	13.2%	10.4%	10.5%	10.5%	9.2%	9.3%	9.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	15.0%	19.0%	6.3%	5.2%	5.2%	5.2%	4.0%	4.6%	4.8%
<b>Creditors Management</b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Other Indicators</b>										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	8.0%	7.9%	5.0%	10.0%	9.0%	9.5%	9.0%	8.5%	8.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	25.0%	24.1%	14.9%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	42.4%	27.1%	29.4%	28.2%	29.0%	28.9%	29.3%	29.3%	28.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	25.4%	26.2%	28.3%	27.7%	28.4%	28.2%	28.1%	28.1%	27.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.8%	8.2%	7.8%	6.8%	6.7%	6.6%	6.0%	5.7%	5.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.8%	9.5%	5.5%	1.3%	6.0%	6.0%	5.8%	5.8%	6.0%
<b>IDP regulation financial viability indicators</b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	13.2	12.6	18.3	22.3	22.3	22.3	48.8	64.3	73.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	14.3%	16.4%	16.5%	13.1%	13.5%	13.5%	11.3%	11.2%	10.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.9)	9.4	7.1	5.7	6.1	6.1	5.3	4.3	4.0

## PROVIDING CLEAN WATER AND MANAGING WASTE WATER

- \* Name of the Water Service Authority in the area and name of the Water Service Provider, and who actually manages the provision of drinking water and waste water management (if outsourced).

Mossel Bay Municipality is the Water Service Authority as well as the Water Service Provider.

- \* The Blue Drop and Green Drop performance ratings (as determined by the Department of Water Affairs) applicable to all water and waste water services within the municipality, highlighting areas that require attention.

To date, the Mossel Bay municipality has not achieved the Blue or Green Drop status. The DWEA results from the latest evaluations will be made known in April, awaited in anticipation.

- \* The current status of the municipality's Water Safety Plan and measures to be taken in 2010/11 and over the MTREF to implement it.

An extensive draft Water Safety Plan was handed in. This document has to be refined and it is seen as work in progress, to be perfected over a few years. In order to remove the risk of pollution of the Great Brak raw water sources the channel used will be abandoned.

- \* A brief outline of problems that the municipality is experiencing with regards to the management of drinking water and sewerage.

The requirements/expectations from the Blue or Green Drop system are very high and several appointments will have to be done over the long run. Due to financial restraints the appointment of additional staff will obviously not be possible now, but the municipality intends to steadily move in that direction.

Additional Process controllers are needed at the following water treatment plants: Klein Brak Friemersheim and Herbertsdale. At the effluent treatment plants: Hartenbos Regional Plant and the Pinnacle Point works. The Pinnacle Point works needs to be manned around the clock and will require 2 new Process controllers. A total of 6 Process controllers are needed in this section.

At all the plants, only the minimum staff is employed leaving little room for absence/leave/sickness, increasing risks related to reduced quality of water as well as legal/safety risks where long hours are worked. One rotatable Process Controller will be ideal.

There is also need for middle level managerial assistance especially at the water purification section. The purification plants are spread over a vast area and it is difficult for one person to manage it properly. One Process Controller is required here.

In the Blue Drop, Green Drop, the laboratory plays an essential role. At the moment, it is manned by one person only. This person already has, between the 13 plants, full time commitments as per scheduled tests. The taking of samples for the laboratory also takes a lot of testing and administrative time and is normally done by unqualified staff. Any measured contamination of water requires re-sampling and re-testing. Any complains of water quality also needs unscheduled attention/time.

Should the laboratory scientist take monthly leave/become ill, no testing is taking place, for which the municipality has lost almost 30% of marks at the previous Blue Drop evaluation. One assistant scientist is required here. A new vehicle will be purchased for this function in the next budget.

Blue Drop, Green Drop expects extensive on-site testing equipment such as Ph meters, conductivity, turbidity and spectro-photo meters.

At the new water resource technology front, new staff needs in due time to be equipped to operate plant such plants with RO and UF equipment. However, this function will on the short term be filled by outside contracting specialists.

- \* An outline of the steps the municipality needs to take to address the problems noted.

The appointment of 8 additional Process controllers at post level 12 as well as an assistant laboratory scientist at post level 7 will need to be provided for in the future. The costs towards on-site testing equipment is estimated at R200 000.

- \* The 2010/11 budget and MTREF allocations proposed/made to fund the above measures.

A learner Process controller was approved and the vehicle for the laboratory is expected to be approved in the new budget.

## MEASURABLE PERFORMANCE OBJECTIVES

Mossel Bay Municipality uses the Scorecard Model of performance management, which is aimed to measure the performance of the municipality in accordance with the set objectives and key performance areas. The scorecard is reviewed on an annual basis and is populated on a high level objective point of view. These high level objectives are then cascaded into each department's individual Service Delivery and Budget Implementation Plan.

### MUNICIPAL SCORECARD - 2010-2011

Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Annual Target	Revised Target	Performance Targets											
								2010/11								2011/12	2012/13	2013/14	2014/15
								Qtr ending 30 Sep		Qtr ending 31 Dec		Qtr ending 31 March		Qtr ending 30 June		Annual Target	Annual Target	Annual Target	Annual Target
Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Annual Target	Annual Target	Annual Target	Annual Target								
Municipal Manager	Good Governance and Public participation	Governance and Communication	Effective functioning of council	No of council meetings	4	4			1		1		1		1	4	4	4	4
Municipal Manager	Good Governance and Public participation	Governance and Communication	Effective functioning of committee system	No of sec 79 committee meetings per committee per annum	11	11			3		3		3		2	11	11	11	11
Municipal Manager	Good Governance and Public participation	Governance and Communication	Approval of Main budget	Approval of Main budget before legislative deadline (May 2011)	1	1							1			1	1	1	1
Municipal Manager	Good Governance and Public participation	Governance and Communication	Approval of adjustments budget	Approval of adjustments budget before legislative deadline (Jan 2011)	1	1							1			1	1	1	1
Municipal Manager	Good Governance and Public participation	Governance and Communication	Approval of SDBIP	Approval of SDBIP before legislative deadline (June 2011)	1	1							1			1	1	1	1
Municipal Manager	Good Governance and Public participation	Governance and Communication	Municipality complying with all relevant legislation	% compliance with legislation	100%	100%			100%		100%		100%		100%		100%	100%	100%
Municipal Manager	Local Economic Development	Governance and Communication	Reviewed and aligned LED strategy	LED strategy reviewed by September Annually	1	1			1							1	1	1	1
Corporate Services; Community Services	Local Economic Development	Economic Development and Tourism	Employment through job creation schemes	No of temporary jobs created	400	400			250		50		50		50	400	400	400	400
Corporate Services; Community Services	Local Economic Development	Economic Development and Tourism	Employment through job creation schemes	No of permanent jobs created	5	5					5					5	5	5	5



Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Performance Targets													
						Annual Target	Revised Target	2010/11				2011/12	2012/13	2013/14	2014/15				
								Qtr ending 30 Sep	Qtr ending 31 Dec	Qtr ending 31 March	Qtr ending 30 June								
Projection	Actual	Projection	Actual	Projection	Actual	Annual Target	Annual Target	Annual Target	Annual Target										
Development Planning and Housing	Good Governance and Public participation	Spatial Development and Environment	Spatial development plan aligned with PSDF and PGDS	Annual updating of MSDF by means of report submitted in Committee cycle by 30 June	1	1							1			1	1	1	1
Municipal Manager	Good Governance and Public participation	Governance and Communication	IDP and sectoral plans aligned with Spatial development plan	% alignment	100%	100%					100%					100%	100%	100%	100%
Municipal Manager	Good Governance and Public participation	Governance and Communication	Reviewed IDP	IDP reviewed by March Annually	1	1					1					1	1	1	1
Municipal Manager	Good Governance and Public participation	Governance and Communication	IDP to include all required sectoral plans	No of required sectoral plans included	4	4					4					4	4	4	4
Municipal Manager	Good Governance and Public participation	Governance and Communication	IDP endorsed by community organisations and stakeholders as local social compacts	% of community organisations and stakeholders endorsing IDP	100%	100%				100%						100%	100%	100%	100%
Municipal Manager	Good Governance and Public participation	Governance and Communication	IDP endorsed by all wards	No of ward committees endorsing IDP	12	12			12							12	12	12	12
Municipal Manager	Good Governance and Public participation	Governance and Communication	Strengthen role of communities	Ward based development plan completed	1	1							1			1	1	1	1
Municipal Manager	Good Governance and Public participation	Governance and Communication	Effective communication with communities	Review of communication policy	100%	100%			25%		50%		75%		100%	100%	100%	100%	100%
Municipal Manager	Good Governance and Public participation	Governance and Communication	Effective functioning of ward committees	No of ward committee meetings per ward per annum	72	72			18		18		18		18	72	72	72	72
Municipal Manager	Good Governance and Public participation	Governance and Communication	Improved good governance	% Implementation of anti-corruption policy	100%	100%			100%		100%		100%		100%	100%	100%	100%	100%

Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Performance Targets														
						Annual Target	Revised Target	2010/11				2011/12	2012/13	2013/14	2014/15					
								Qtr ending 30 Sep	Qtr ending 31 Dec	Qtr ending 31 March	Qtr ending 30 June									
Projection	Actual	Projection	Actual	Projection	Actual	Annual Target	Annual Target	Annual Target	Annual Target											
Municipal Manager	Good Governance and Public participation	Governance and Communication	Citizen satisfaction survey conducted	Satisfaction survey conducted by May 2011	1	1							1							
Municipal Manager	Good Governance and Public participation	Governance and Communication	Institutional Performance management system in place	No of directors' performance agreements signed by end July Annually	100%	100%											100%	100%	100%	100%
Municipal Manager	Good Governance and Public participation	Governance and Communication	Institutional Performance management system in place	Individual performance management system implemented within required timeframe up to level 6 and planning and implementation to lower levels	95%	95%								95%			95%	95%	95%	100%
Municipal Manager	Good Governance and Public participation	Governance and Communication	Annual performance reporting	Annual report and oversight report of Council submitted before legislative deadline	1	1							1				1	1	1	1
Municipal Manager	Good Governance and Public participation	Governance and Communication	Functional performance audit committee	No of meetings of the performance audit committee	4	4		1		1			1		1		4	4	4	4
Municipal Manager	Good Governance and Public participation	Municipal Financial Viability and Management	Functional Internal Audit unit	Approved Risk based audit plan by June 2011	1	1								1			1	1	1	1
Corporate Services	Good Governance and Public participation	Municipal Financial Viability and Management	Reaching of employment equity targets	Number of appointments in terms of equity plan	90%	90%				90%		90%		90%			90%	90%	90%	90%
Corporate Services	Municipal Transformation and Institutional Development	Municipal Financial Viability and Management	Effective labour relations	No of meetings of the LLF	10	10		3			2	2		3			10	10	10	10
Corporate Services	Municipal Transformation and Institutional Development	Good Governance and Public participation	Effective and up to date HR policies	Revision of all HR policies annually by June 2011	4	4				1		1		1			4	4	4	4
Corporate Services	Municipal Transformation and Institutional Development	Good Governance and Public participation	Targeted skills development	% Implementation of skills development plan	100%	100%				25%		50%		75%			100%	100%	100%	100%

Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Performance Targets												
						2010/11								2011/12	2012/13	2013/14	2014/15	
						Annual Target	Revised Target	Qtr ending 30 Sep		Qtr ending 31 Dec		Qtr ending 31 March		Qtr ending 30 June		Annual Target	Annual Target	Annual Target
		Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Annual Target	Annual Target	Annual Target	Annual Target					
Corporate Services	Municipal Transformation and Institutional Development	Good Governance and Public participation	Targeted skills development	The percentage of budget spent on implementing its workplace skills plan	100%	100%		25%		50%		75%		100%	100%	100%	100%	
Development Planning and Housing	Municipal Transformation and Institutional Development	Spatial Development and Environment	Effective and up to date By laws	Development of at least one Pre-cinct Plan annually by means of report submitted in Committee cycle by 30 June	1	1							1		1	1	1	
Financial Services	Municipal Financial Viability and Management	Municipal Financial Viability and Management	Asset management	Maintained and updated asset register	95%	95%		95%		95%		95%		95%	95%	95%	95%	
Financial Services	Municipal Financial Viability and Management	Municipal Financial Viability and Management	Improved revenue collection	% Debt recovery rate	95%	95%		95%		95%		95%		95%	95%	95%	95%	
Financial Services	Municipal Financial Viability and Management	Municipal Financial Viability and Management	Updated indigent register for the provision of free basic services	Updated indigent register by February Annually	1	1						1			1	1	1	
Financial Services	Municipal Financial Viability and Management	Municipal Financial Viability and Management	Clean audit	% of Root causes of issues raised by AG in AG report addressed	100%	100%					100%				100%	100%	100%	
Financial Services	Municipal Financial Viability and Management	Municipal Financial Viability and Management	Preparation of financial statements	Financial statements submitted on time	1	1	1								1	1	1	
Financial Services	Municipal Financial Viability and Management	Municipal Financial Viability and Management	Effective SCM system	No of successful appeals against SCM process	0%	0%		0%		0%		0%		0%	0%	0%	0%	
Community Services	Basic Service Delivery	Sport, Recreation and Culture	Maintenance of recreational areas	Development and implementation of maintenance plan for recreational areas	100%	100%			100%						100%	100%	100%	
Community Services	Basic Service Delivery	Sport, Recreation and Culture	Maintenance of recreational areas	% of maintenance budget of recreational areas spent	100%	100%		25%		25%		25%		25%	100%	100%	100%	
Community Services	Basic Service Delivery	Sport, Recreation and Culture	Maintenance of grave yards	Development and implementation of maintenance plan for grave yards and cemeteries	100%	100%		25%		25%		25%		25%	100%	100%	100%	

Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Performance Targets														
						Annual Target	Revised Target	2010/11				2011/12	2012/13	2013/14	2014/15					
								Qtr ending 30 Sep	Qtr ending 31 Dec	Qtr ending 31 March	Qtr ending 30 June									
Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual							
Community Services	Basic Service Delivery	Sport, Recreation and Culture	Maintenance of grave yards	% of maintenance budget of grave yards spent	100%	100%				25%		25%		25%		100%	100%	100%	100%	
Community Services	Basic Service Delivery	Sport, Recreation and Culture	Maintenance of halls and facilities	Development and implementation of maintenance plan for halls and facilities	100%	100%				100%						100%	100%	100%	100%	
Community Services	Basic Service Delivery	Sport, Recreation and Culture	Maintenance of halls and facilities	% of maintenance budget of halls and facilities spent	100%	100%		25%		25%		25%		25%		100%	100%	100%	100%	
Development Planning and Housing	Basic Service Delivery	Land and Integrated Human Settlements	Implementation of Integrated Human Settlement Strategy	Updating of IHS Plan annually by means of report submitted in Committee cycle by 30 June	1	1								1		1	1	1	1	
Town Planning and Regional Development	Basic Service Delivery	Land and Integrated Human Settlements	Households that meet agreed standards (all existing informal settlements to be formalised with land use plans for economic and social facilities and with the provision of permanent basic services) - Informal areas	Percentage of annual DORA allocations spent by means of report submitted in Committee cycle by 30 June	1	1								1		1	1	1	1	
Community Services	Basic Service Delivery	Community Safety and Security	Reviewed Disaster Management Framework/ Plan	Disaster Management Framework/ Plan reviewed by June Annually	1	1								1		1	1	1	1	
Community Services	Basic Service Delivery	Community Safety and Security	Develop and implement a comprehensive law enforcement strategy	Number of Traffic law enforcement operations	4	4			1		1			1		4	4	4	4	
Community Services	Basic Service Delivery	Community Safety and Security	Effective fire brigade service	% of Fire Brigade service that meets agreed standards	2%	2%					1%			1%		2%	2%	2%	2%	
Community Services	Basic Service Delivery	Sport, Recreation and Culture	Provision of sport facilities	% of budget spent on maintenance of sport field	100%	100%					25%		25%		25%		100%	100%	100%	100%
Community Services	Basic Service Delivery	Sport, Recreation and Culture	Percentage of Households with no recreational areas	% of Households without/ No of Households without	3%	3%					1%		1%		1%		3%	3%	3%	3%

Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Performance Targets												
						Annual Target	Revised Target	2010/11				2011/12	2012/13	2013/14	2014/15			
								Qtr ending 30 Sep	Qtr ending 31 Dec	Qtr ending 31 March	Qtr ending 30 June							
Projection	Actual	Projection	Actual	Projection	Actual	Annual Target	Annual Target	Annual Target	Annual Target									
Community Services	Basic Service Delivery	Sport, Recreation and Culture	Effective functioning of sport forums	Establishment of Sport forum types.	0%	0%		0%		0%		0%		0%	100%	100%	100%	100%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households with no stormwater system - Formal areas	% of Households without/ No of Households without	6,02%	6,02%	6,0%	5,8%	5,6%	5,2%				4,0%	3,0%	2,0%	1,0%	
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households with no stormwater system - Informal areas	% of Households without/ No of Households without	82,0%		82,0%	81,5%	81,0%	80,5%				75%	70%	65%	60%	
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Effective capital spending	% spent of approved stormwater capital projects	98%	100%	10%	30%	60%	100%				100%	100%	100%	100%	
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of stormwater assets	% of approved maintenance plan executed	95%	100%	20%	40%	70%	100%				100%	100%	100%	100%	
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of stormwater assets	% of maintenance budget of stormwater spent	95%	100%	20%	40%	70%	100%				100%	100%	100%	100%	
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Improvement of sanitation system capacity	% improvement	5%	5%	0%	0%	2,5%	5%				5%	5%	5%	5%	
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households that meet agreed sanitation service standards (at least VIP on site) -Formal areas	% of Households without/ No of Households without minimum standard sanitation	98%	100%	98,1%	98,2%	98,35%	98,5%				99%	99,5%	99,75	100%	
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households that meet agreed sanitation service standards (at least VIP on site) -Informal areas	% of Households without/ No of Household that meet minimum standard sanitation	1020	1020	1020	1050	1100	1200				1800	1300	700	0	
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households receiving basic sanitation	% of Households / No of Households	100%	100%		100%	100%	100%			100%	100%	100%	100%	100%	
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Quality of waste water discharge	% water quality level of waste water discharge	92%	95%	92,5%	92,7%	92,9%	93%				94%	95%	95%	95%	

Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Performance Targets													
						2010/11								2011/12	2012/13	2013/14	2014/15		
						Annual Target	Revised Target	Qtr ending 30 Sep		Qtr ending 31 Dec		Qtr ending 31 March		Qtr ending 30 June		Annual Target	Annual Target	Annual Target	Annual Target
		Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual								
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Effective capital spending	% spent of approved waste water management capital projects	94%	100%		10%		30%		60%		100%		100%	100%	100%	100%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of sanitation assets	% of approved maintenance plan executed	95%	100%		20%		40%		70%		100%		100%	100%	100%	100%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of sanitation assets	% of maintenance budget of sanitation spent	95%	100%		20%		40%		70%		100%		100%	100%	100%	100%
Civil Services	Basic Service Delivery	Community Development, Education and Health	Improvement of refuse sites' capacity	% improvement	5%	5%		0%		0%		2,5%		5%		5%	5%	5%	5%
Civil Services	Basic Service Delivery	Community Development, Education and Health	Percentage/ No of Households that meet agreed sanitation service standards (at least once a week) -Formal areas	% of Households without/ No of Household that meet minimum standard sanitation	98%	100%		98,1%		98,2%		98,35%		98,5%		99%	99,5%	99,75%	100%
Civil Services	Basic Service Delivery	Community Development, Education and Health	Percentage/ No of Households that meet agreed sanitation service standards (at least once a week) -Formal areas	% of Households without/ No of Households that meet minimum standard sanitation	1020	1020		1020		1050		1100		1200		1800	1300	700	0
Community Services	Basic Service Delivery	Community Development, Education and Health	Percentage/ No of Households receiving free basic refuse removal	% of Households/ No of Households	100%	100%								100%					
Community Services	Basic Service Delivery	Community Development, Education and Health	Effective capital spending	% spent of approved waste management capital projects	90%	90%		10%		10%				80%					
Community Services	Basic Service Delivery	Community Development, Education and Health	Maintenance of refuse removal assets	% of approved maintenance plan executed	50%	50%		15%		15%		15%		5%					
Community Services	Basic Service Delivery	Community Development, Education and Health	Maintenance of refuse removal assets	% of maintenance budget of refuse removal spent	100%	100%		25%		25%		25%		25%					

Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Performance Targets																
						Annual Target	Revised Target	2010/11				2011/12	2012/13	2013/14	2014/15							
								Qtr ending 30 Sep	Qtr ending 31 Dec	Qtr ending 31 March	Qtr ending 30 June											
Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Annual Target	Annual Target	Annual Target	Annual Target											
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Km of new road for previously un-serviced areas	No of kilometres tarred	100%	100%		100%		100%		100%		100%		100%		100%				
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Effective capital spending	% spent of approved municipal roads capital projects	98%	100%		10%		30%		60%		100%		100%		100%				
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of municipal roads	Kms of roads patched and resealed according to approved maintenance plan	46	46		4		12		25		41		43		45		48		50
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of municipal roads	% of maintenance budget of municipal roads spent	95%	100%		15%		45%		70%		100%		100%		100%		100%		100%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Improvement of water purification system capacity	% improvement	100.00%	106.00%		100.00%		100.00%		103.00%		106.00%		100.00%		104.00%		100.00%		100.00%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	New water connections	No of new water connections	287	300		75		150		225		300		325		350		375		400
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households that meet agreed service standards (cleaned piped water 200m from household) - Formal areas	% of Households achieving agreed service standards/ No of Households	100%	100%		100%		100%		100%		100%		100%		100%		100%		100%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households that meet agreed service standards (cleaned piped water 200m from household) - Informal areas	% of Households achieving agreed service standards/ No of Households	96,9%	100%		97%		98%		99%		100%		100%		100%		100%		100%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage water losses	KL billed/ KL used by municipality	15%	15%		14,5%		14%		13,5%		13%		12%		11%		10%		10%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Quantum of free basic water received	Percentage of funds received from External sources for water spent												20%		40%		70%		100%

Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Performance Targets													
						Annual Target	Revised Target	2010/11				2011/12	2012/13	2013/14	2014/15				
								Qtr ending 30 Sep	Qtr ending 31 Dec	Qtr ending 31 March	Qtr ending 30 June	Annual Target	Annual Target	Annual Target	Annual Target				
Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual								
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Excellent water quality	% water quality level as per blue drop project	96,2%	90%		96%		96%		96%		96%		96,5%	96,5%	97%	97%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Effective capital spending	% spent of approved water capital projects	99%	100%		10%		30%		60%		100%		100%	100%	100%	100%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of water assets	% of approved maintenance plan executed	95%	100%		20%		40%		70%		100%		100%	100%	100%	100%
Civil Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of water assets	% of maintenance budget of water spent	95%	100%		20%		40%		70%		100%		100%	100%	100%	100%
Electro-Technical Services	Basic Service Delivery	Development of New Services and Infrastructure	Improvement of electricity distribution capacity	% improvement	3%	3%		0%		0%		1,5%		1,5%		3%	3%	3%	3%
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	New electricity connections	No of new electricity connections	400	400		100		100		100		100		400	400	400	400
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households that meet agreed service standards (connected to the national grid) -Formal areas	% of Households achieving agreed service standards/ No of Households	3%	3%		0%		0%		1,5%		1,5%		3%	3%	3%	3%
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households that meet agreed service standards (connected to the national grid) -Informal areas	% of Households achieving agreed service standards/ No of Households	70%	70%				70%		70%		70%		70%	70%	70%	70%
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage electricity losses	KW billed/ KW used by municipality	10%	10%				10%		10%		10%		10%	10%	10%	10%
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Percentage/ No of Households receiving free basic electricity	% of Households/ No of Households	70%	70%				70%		70%		70%		70%	70%	70%	70%



Department/ Directorate	National KPA	Municipal Key Performance Area (Not compulsory)	Key Performance Indicator	Unit of measurement	Base-line (31/12/09)	Performance Targets													
						2010/11								2011/12	2012/13	2013/14	2014/15		
						Annual Target	Revised Target	Qtr ending 30 Sep	Qtr ending 31 Dec	Qtr ending 31 March	Qtr ending 30 June	Annual Target	Annual Target	Annual Target	Annual Target				
		Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual										
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Effective capital spending	% spent of approved electricity capital projects	95%	95%		20%		40%		60%		95%		95%	95%	95%	95%
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of electricity assets	% of approved maintenance plan executed	75%	75%		75%		75%		75%		75%		75%	75%	75%	75%
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of electricity assets	% of maintenance budget of electricity spent	100%	100%		25%		50%		75%		95%		100%	100%	100%	100%
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Improvement of street lighting/security lighting	no.of new street lights installed	50	50		10		10		10		20		50	50	50	50
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Implementation of Energy Efficiency Measures	% of DOE Allocation Spent	100%	100%		20%		40%		60%		100%		100%	100%	100%	100%
Electro-Mechanical Services	Basic Service Delivery	Development of New Services and Infrastructure	Maintenance of pumpstations	% of approved maintenance plan executed	75	75%		75%		75%		75%		75%		75%	75%	75%	75%

#### **7.14. Legislation compliance status**

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

- *Budget and Treasury Office:* This office has been established in accordance with the MFMA.
- *Budgeting:* The annual budget is prepared in accordance with the MFMA and National Treasury regulations and requirements.
- *Financial reporting:* 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial Government and National Treasury.
- *Annual Financial Statements:* The financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance.
- *Annual report:* The annual report is prepared in accordance with the MFMA and National Treasury requirements.