

DR JS MOROKA LOCAL MUNICIPALITY



DRAFT ANNUAL BUDGET

2015/2016

“WE DEVELOP AS WE GROW”

	PART 1- ANNUAL BUDGET	PAGE
1	Executive Mayor's foreword	3
2	Draft Budget Resolution	4-5
3	Executive Summary	6-7
3.1	Draft operating revenue	7-9
3.2	Draft operating expenditure	10-12
3.3	Draft capital expenditure	12-16
4	Annual Budget Tables (Annexure)	16-22
	PART 2- SUPPORTING DOCUMENTATION	
5	Overview of annual budget process	23-24
6	Overview of alignment of annual budget with Integrated Development Plan	24
7	Overview of budget related policies	25-26
8	Overview of budget Assumption	26-27
9	Overview of budget funding	27-28
10	Councillors allowances and employee benefits	28-29
11	Monthly targets for revenue, expenditure and cash flow	29-30
12	Legislation compliance status	31
13	Municipal Manager's quality certification	31

1. EXECUTIVE MAYOR'S FOREWORD

The 2015/2016 draft budget is presented and tabled in terms of section 16(2) of the Municipal Finance management Act no. 56 of 2003 which prescribes that "the mayor of the municipality must table the annual budget at council municipal council must at least 90 days before the start of the budget year" The Act further provides that's the municipality must take into account the national and provincial budget, the DORA as well as any other agreement reached in the relevant budget forum.

This draft budget is a culmination of the process of community consultation wherein the 2011- 2016 strategic IDP document was reviewed. All necessary precaution have been followed that this budget is appropriately aligned to the reviewed IDP. The draft budget aims to satisfy the constitutional obligation of the municipality as contained in Part B of schedule 4 and 5 of ACT 108 OF 1996. The tabling and publication of this draft budget is also aimed at soliciting the public to comment so as to ensure that that the budget truly represents the needs of the community.

The 2015/2016 draft budget has maintained our resolute approach of prioritizing the bulk water services as well as sanitation. 93 % the total budget has allocated for bulk water provision and sanitation infrastructure within different areas of the municipality with the main aim of reducing the bulk infrastructure backlog.

The efforts of the municipality to extract itself from grant dependence will only be achieved if the municipality religiously implement all its revenue collection strategies and plans. The budget related policies which are simultaneously being tabled with the draft budget gives the municipality the necessary legal standing to enforce the collection of rates and taxes.

Therefore this 2015/2016 draft budget is presented for public comments and inputs.

EXECUTIVE MAYOR
CLLR G T MTHIMUNYE

2. R425.03.2015 ND DRAFT ANNUAL BUDGET RESOLUTION

RESOLVED

- 1.1. **THAT** Council approve the 2015/2016 2016/2017 to 2017/2018 Draft Medium Term Revenue and Expenditure budget.
- 1.2. **THAT** Council approves the tariff structure for services provided by the municipality as contained in the tariff policy
- 1.3. **THAT** the municipal SDBIP be submitted with the final draft budget in terms of Section 14 (2) of the Municipal Budget and Reporting Regulations, 2009.
- 1.4. **THAT** Council approve a down ward tariff adjustment for bulk water in terms of Water Services Act provisions which will be reviewed annually.
- 1.5. **THAT** Council approve an exemption from the compliance to tariff adjustment in terms of 5.8 CPI inflation across the board due to the tariff that are non-cost reflective.
- 1.6. **THAT** Council approve the tariff adjustment of different categories of consumers as follows:
 - ✓ Household 7,5%
 - ✓ Government Institutions 8.5%
 - ✓ Business Category 1 (Commercial and industrial) 9.5%
 - ✓ Business Category 2 (Spaza etc.) 8.5%
 - ✓ Registered NPO's 5.8%
- 1.7. **THAT** Council approve that the draft budget, the budget related policies be subjected to public participation in terms Section 21 of the MSA, 2000 read with Section 22 (ii) of the MFMA, 2003.
- 1.8. **THAT** the draft budget be submitted to National and Provincial Treasury in terms of Section 22(b) of the MFMA,2003.
- 1.9. **THAT** Council approve the proposed dates for Budget consultation process as follows:

DATE	WARDS	VILLAGES	VENUE OF THE EVENT	TIME FOR EVENT	TIME FOR BRIEFING
09th April 2015	23,24,25,27,28, 29,30 & 31	Mmametlhake, Phake(Thabeng, Rankaila, Rebone, Ratlhagane), Masobye, Nokaneng,Dierefeng, Terateng Marapyane, Mmaduma, Seabe, Katjibane	Phake Rankaila Open Space	14H00	11H00
14th April 2015	15,16,17,18,19, 20,21, 22 & 26	Senotlelo, GaMaria, Kabete, Matem pule, Dihekeng, Lefiso, Lefisoane, Ramantsho, Loding, Sehoko, Semohlas e, Digwale (Leeufontein), Molapoamogale (Kameelpoort), Rondehoog, Libangeni, Mbongo, Maphanga(Allemansdrift C & D, Madubaduba, Makometsane	Digwale Open Space	14H00	11H00
17th April 2015	1,2,3,4,5,6,7,8,9 ,10,11,12,13 & 14	Kwa-Phaahla, Siyabuswa A, B, C, D & E, Makopanong, Toitskraal, Mrhononweni, Mabuyeni, Thabana, Ramokgeletsane, Mthambothini, GaMorwe, Meetsimadiba, Mabusabesala, Mmakola, Mats hiding, Marothobolong, Skimming, Pieterskraal (Madlayedwa), Borolo, Mapotla	Matshiding Community Hall	14H00	11H00

3. EXECUTIVE SUMMARY

The 2015/2016 draft annual budget is as a result of the budget process schedule as approved by Council in terms of section 21 of the MFMA.

In terms of Section 21 of the Municipal Finance Management Act 56 of 2003 (MFMA), the mayor of a municipality

- a) must co-ordinate the processes for preparing the annual budget and reviewing the municipality's Integrated Development Plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget related policies are mutually consistent and credible

Section 53 of the MFMA requires the mayor to provide general political guidance over the budget process and the priorities that must guide the preparation of a budget

The municipality's service delivery priorities were reviewed in line with the legislative and regulatory frameworks prescribed by the Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA) and National Treasury Guidelines. Projects were prioritized in order to ensure that the municipality is investing in high priority projects as informed by the IDP.

The municipal tariffs are not cost reflective which means the cost incurred by the municipality in service rendering, are not recovered, in a bid to address that, the 2015/16 tariff adjustment are not at 5.8 CPI as guided by the national treasury circular number 75. Instead they are adjusted as follows;

CONSUMER CATEGORIES	2014/15	2015/16	DEVIATION FROM CPI
Residential House Households	7.5%	7.5%	1.7%
Government Institutions	8.5%	8.5%	2.7%
Businesses Category 1 (Commercial and Industrial)	9.5%	9.5%	3.7%
Non-Profit Organization	5.8%	5.8%	0.0%
Business Category 2	8.5%	8.5%	2.7%

In view of the above, it is suggested that Council approves the exemption in complying to the mentioned national treasury circular and also approve the implementation of the mentioned tariff adjustment which ideally seeks to achieve a situation whereby the municipality covers the cost incurred through the payment of services by the consumers.

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

- The 2014/15 Budget performance
- Tariff and property rate increases affordability and the fact that they should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water. In addition the fact that tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

In view of the above mentioned, the following table is a consolidated overview of the 2015/16 draft Revenue and Expenditure budget

Table 1:

REVENUE & EXPENDITURE SUMMARY	ADJUSTMENT BUDGET 2014/2015	DRAFT BUDGET 2015/2016	BUDGET 2016/2017	BUDGET 2017/2018
REVENUE	479,647,873	524,042,500	551,908,125	583,061,156
OPERATIONAL EXPENDITURE	-346,842,849	(401,859,123)	(425,166,952)	(449,826,635)
CAPITAL EXPENDITURE	-124,605,072	(122,051,000)	(125,746,000)	(133,234,000)
SURPLUS/(DEFICIT)	8,199,952	132,377	995,173	521

Total projected revenue for 2015/2016 financial year is at R 524,042,500 and the total operating expenditure for the 2015/16 financial year has been projected at R 401,859,123 which makes 77% of the operating draft budget and draft capital budget at 23% of the total draft budget.

National Division of Revenue Bill allocations reflect the appropriation of Grants such as MIG, while there are strict conditions and processes for municipalities to access and retain the funding. The municipality should therefore ensure that it strives by all means to meet the conditions of the grant in order to ensure that service delivery is not disadvantaged.

3.1 DRAFT OPERATING REVENUE

For the municipality to continue improving the quality of services provided to its community it needs to generate the required revenue. In these tough economic times strong revenue management is essential to the financial sustainability of every municipality. The reality is that the municipality is faced with development backlogs and poverty. The expenditure required to address these challenges will certainly always exceed

available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

Table 2: The following table is a summary of the 2015/16 MTREF (classified by own revenue source):

The total funding or the expected revenue of the draft annual budget is R 524,042,500 which is 87% of total grants and subsidies and 13% of own revenue projected. The increase in the Equitable Share and the declined in the conditional grants are expressed in the Circular No. 75 as part of Fiscal adjustment announced in the 2014 Medium Term Budget Policy Statement. The reduction in 2015/2016 ranges between 0.9% and 5.5% of the allocation for each grant with larger reductions on slow spending and none infrastructure grant.

The following tables illustrate the own revenue by source:

OWN REVENUE BY SOURCE	2015/2016	2016-2017	2017-2018
PROPERTY RATES	(12,500,000)	(15,625,000)	(19,531,250)
WATER & SANITATION	(30,000,000)	(37,500,000)	(46,875,000)
WASTE	(4,000,000)	(5,000,000)	(6,250,000)
CEMETERY	(300,000)	(375,000)	(468,750)
FACILITIES	(150,000)	(187,500)	(234,375)
INTEREST ON INVESTMENT	(7,500,000)	(9,375,000)	(11,718,750)
INTEREST ON OUTSTANDING DEBTS	(5,000,000)	(6,250,000)	(7,812,500)
TRAFFIC FINES	(200,000)	(250,000)	(312,500)
MOTOR LICENSING	(4,000,000)	(5,000,000)	(6,250,000)
TRADING LICENCES	(50,000)	(62,500)	(78,125)
APPLIC FOR TRADING LICENCE	(10,000)	(12,500)	(15,625)
SUNDRY INCOME	(250,000)	(312,500)	(390,625)
APPLICATION FOR TENDER DEPOSIT	(250,000)	(312,500)	(390,625)
INTEREST ON TRADING LICENSE	(10,000)	(12,500)	(15,625)
UNALLOCATED DEPOSITS	(50,000)	(62,500)	(78,125)
ADVERTISING PREMEDIA	(15,000)	(18,750)	(23,438)
SALES OF STANDS	(500,000)	(625,000)	(781,250)
BUILDING PLAN FEES	(50,000)	(62,500)	(78,125)
PHOTO COPY	(15,000)	(18,750)	(23,438)
CLEARANCE CERTIFICATE	(5,000)	(6,250)	(7,813)
RENTAL OF SITES	(550,000)	(687,500)	(859,375)
REGISTRATION PROPERTY TRANSFER	(15,000)	(18,750)	(23,438)
RENTAL OF STALLS	(2,500)	(3,125)	(3,906)
DEVELOPMENTAL LEVY	(1,500,000)	(1,875,000)	(2,343,750)
OTHER REVENUE	(1,500,000)	(1,875,000)	(2,343,750)
TOTAL	(68,422,500)	(85,528,125)	(106,910,156)

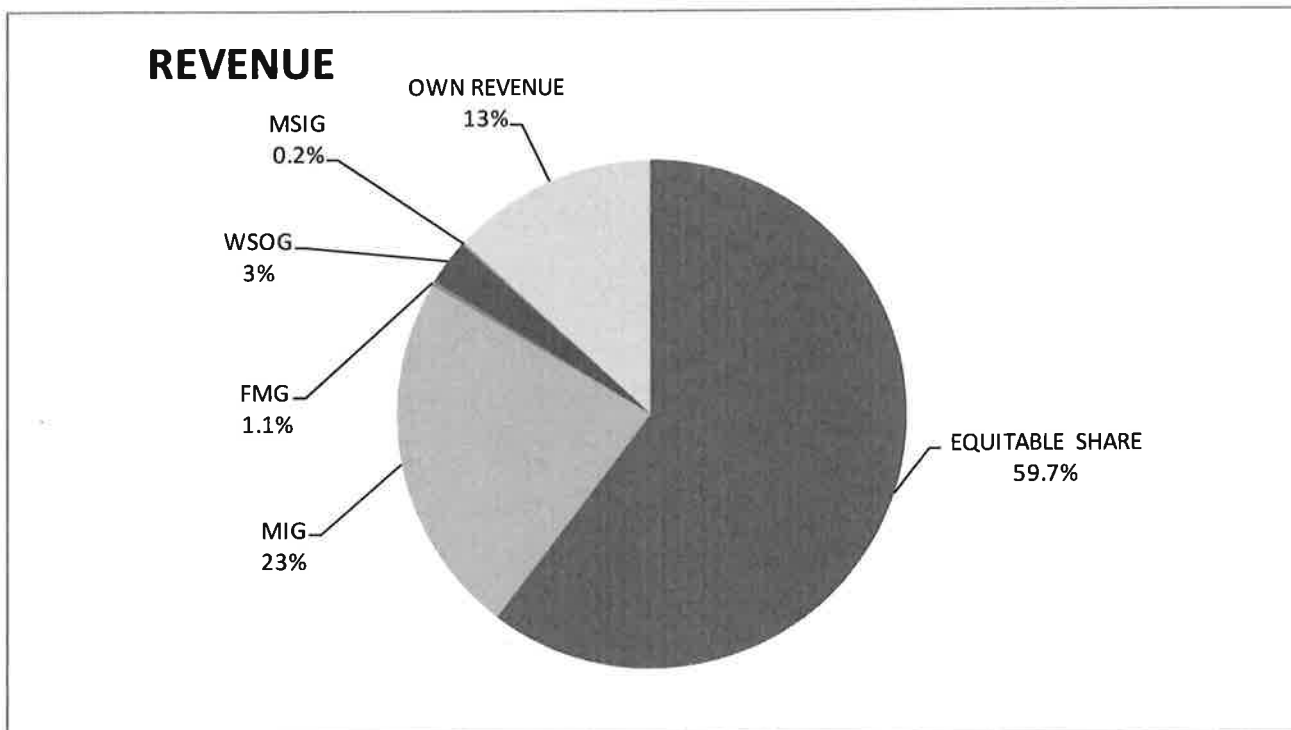
The following table gives a breakdown of the various grants and subsidies allocated to the municipality over the medium term

Table 3: the following table illustrates the Grant allocation

GRANT	2014/2015	2015/2016	2016/2017	2017-2018
FINANCE MANAGEMENT GRANT	1,600,000	1,600,000	1,625,000	1,700,000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	934,000	930,000	957,000	1,033,000
EXPANDED PUBLIC WORKS PROGRAMME	3,406,000	3,257,000	-	-
WATER SERVICE OPERATING SUBSIDY GRANT	15,000,000	15,000,000	15,000,000	15,000,000
MUNICIPAL INFRASTRUCTURE GRANT	116,875,000	120,751,000	125,746,000	133,234,000
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME	-	-	3,000,000	3,000,000
EQUITABLE SHARE	270,810,000	314,082,000	320,052,000	321,994,000
TOTAL	408,625,000	455,620,000	466,380,000	475,961,000

Overall grants and subsidies allocation has increased by 10% from 2014/2015 to 2015/2016, of which Equitable Share alone has increased by 14% and MIG by 3%.

The 13% that represents revenue should not be recognized as a decrease however it should be noted that there is a material increase on the conditional and unconditional grants, it should further be noted that a conservative approach has been employed in projecting revenue that is with an aim of ensuring the realistscity in our projections.



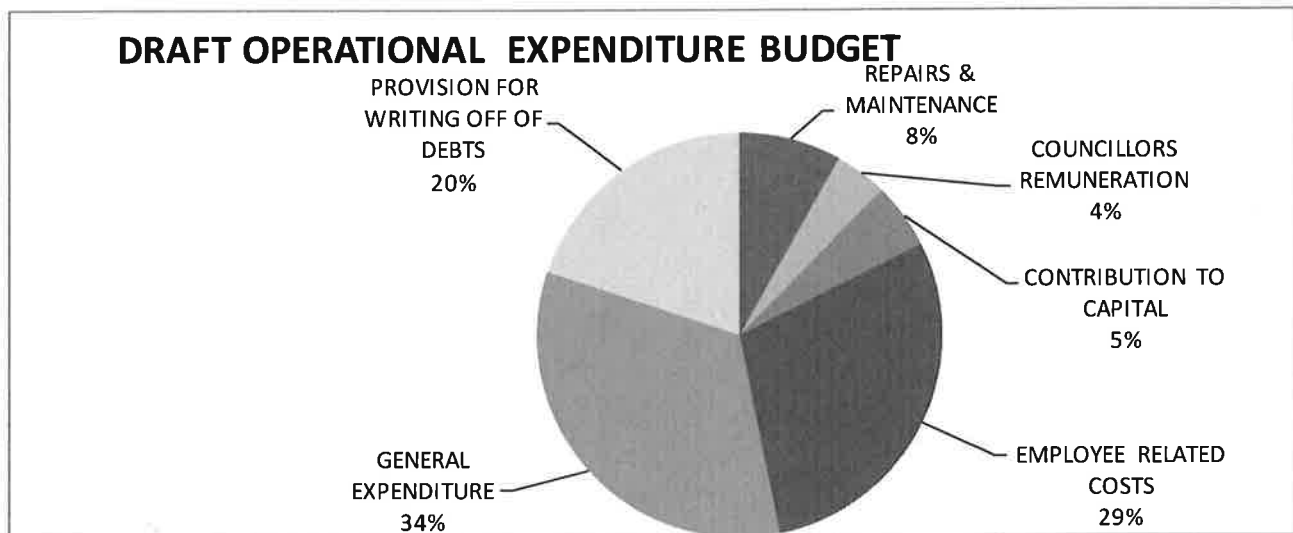
The above graph gives a breakdown of the main revenue categories for 2015/2016 financial year.

3.2 DRAFT OPERATING EXPENDITURE FRAMEWORK

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

Table 4: Summary of operating expenditure by type

OPERATING EXPENDITURE BY TYPE	ADJUSTMENT BUDGET 2014/2015	DRAFT BUDGET 2015/2016	BUDGET 2016/2017	BUDGET 2017-2018
EMPLOYEE COSTS	143,850,797	116,870,041	123,648,503	130,820,117
COUNCILLORS REMUNERATION	18,583,000	17,020,000	18,007,160	19,051,575
GENERAL EXPENSES	134,459,320	133,969,082	141,739,289	149,960,168
REPAIRS AND MAINTENANCE	3,930,318	32,800,000	34,702,400	36,715,139
CONTRIBUTION TO CAPITAL	9,953,164	21,200,000	22,429,600	23,730,517
PROVISIONS	35,700,000	80,000,000	84,640,000	89,549,120
TOTAL	346,476,599	401,859,123	425,166,952	449,826,635



The draft operating expenditure is at R 401,859,123 and provision that amounts to R 140,000,000 for depreciation which is a non-cash transaction has been made. Operational expenditure has increased by 14 per cent in the 2015/2016 adjustment budget and by 5.8 per cent for each of the respective outer years of the MTREF. Major contribution factors to the expenditure budget are the resources to be procured that will enable the municipality to deliver the service to the community.

3.3 DETAILED DRAFT OPERATING EXPENDITURE

GFS	VOTE	SALARIES	GENERAL EXPENSE	REPAIRS	CONTRIBUTION	PROVISION	TOTAL
		R,00		R,00	R,00	R,00	R,00
Community and Social Services							
Transversal	117	1,132,977	2,610,000				3,742,977
Youth Development	118	934,302	1,245,000		0		2,179,302
Library	230	393,283	165,000		0		558,283
Cemetary	505	826,113	500,000		0		1,326,113
Facilities	300	13,333,941	950,000	0	150,000		14,433,941
TOTAL		16,620,616	5,470,000	0	150,000	0	22,240,616
Executive and Council							
Council and General	100	17,020,000	11,330,000				28,350,000
Municipal Manager	120	4,246,255	2,050,000				6,296,255
Executive Costs	125	5,222,847	110,000				5,332,847
Internal Auditing	135	1,515,005	995,000				2,510,005
Risk Management	136	972,560	180,282				1,152,842
TOTAL		28,976,667	14,665,282	0	0	0	43,641,949
Finance and Admin							
Human Recources	115	5,842,174	4,230,000		1,000,000		11,072,174
Admin & Corporate	130	3,762,800	2,090,000		200,000		6,052,800
Mathanjana Unit	140	1,421,932	55,000		950,000		2,426,932
Mbibane Unit	150	1,211,677	90,000		250,000		1,551,677
Asset Management	163	1,240,476	5,760,000	0	0	140,000,000	147,000,476
Expenditure Management	200	4,212,780	11,960,800		300,000		16,473,580
Budget Management	201	1,895,051	180,000				2,075,051
Supply Chain Management	202	2,485,395	375,000				2,860,395
Revenue	203	5,864,249	6,455,000		1,000,000	80,000,000	93,319,249
TOTAL		27,936,534	31,195,800	0	3,700,000	220,000,000	282,832,334
Health							
Health & Social Services	114	187,817	2,000				189,817
TOTAL		187,817	2,000	0	0	0	189,817
Planning and Development							
Intergarated Development Plan	116	939,336	2,915,000				3,854,336
Building Housing & Town Plan	512	3,844,221	1,398,000	400,000			5,642,221
Business Licensing	165	456,661	2,000				458,661
Project Management Unit	500	4,665,238	70,000				4,735,238
Building	510	0	20,000	8,900,000	1,800,000		10,720,000
Planning		0	0				0
TOTAL		9,905,456	4,405,000	9,300,000	1,800,000	0	25,410,456

GFS	VOTE	SALARIES	GENERAL EXPENSE	REPAIRS	CONTRIBUTION	PROVISION	TOTAL
GIS & Information Technology	511	1,283,670	4,510,000	50,000	1,000,000	0	6,843,670
TOTAL		1,283,670	4,510,000	50,000	1,000,000	0	6,843,670
Road Transport							
Motor Licensing	164	5,017,019	420,000	30,000	800,000		6,267,019
TOTAL		5,017,019	420,000	30,000	800,000		6,267,019
Sports and Recreation							
Sports, Arts & Culture & Recreation	166	0	1,550,000			0	1,550,000
TOTAL		0	1,550,000	0	0	0	1,550,000
Waste Management							
Refuse	520	4,488,936	4,567,000		3,000,000		12,055,936
TOTAL		4,488,936	4,567,000	0	3,000,000		12,055,936
Waste Water Management							
Roads & Stormwater	503	7,792,371	2,875,000	6,700,000	1,200,000		18,567,371
Water	540	25,832,131	5,275,000	10,300,000	3,000,000		44,407,131
Sanitation	550		1,420,000	2,900,000	2,950,000		7,270,000
TOTAL		33,624,502	9,570,000	19,900,000	7,150,000		70,244,502
Public Safety							
Disaster Management	162	197,817	991,000	20,000			1,208,817
Traffic	160	4,680,412	16,843,000		2,600,000		24,123,412
TOTAL		4,878,229	17,834,000	20,000	2,600,000	0	25,332,229
Electricity							
Electricity, Mechanical & Fleet	513	970,595	39,780,000	3,500,000	1,000,000		45,250,595
TOTAL		970,595	39,780,000	3,500,000	1,000,000	0	45,250,595
GRAND TOTAL		133,890,041	133,969,082	32,800,000	21,200,000	220,000,000	541,859,123

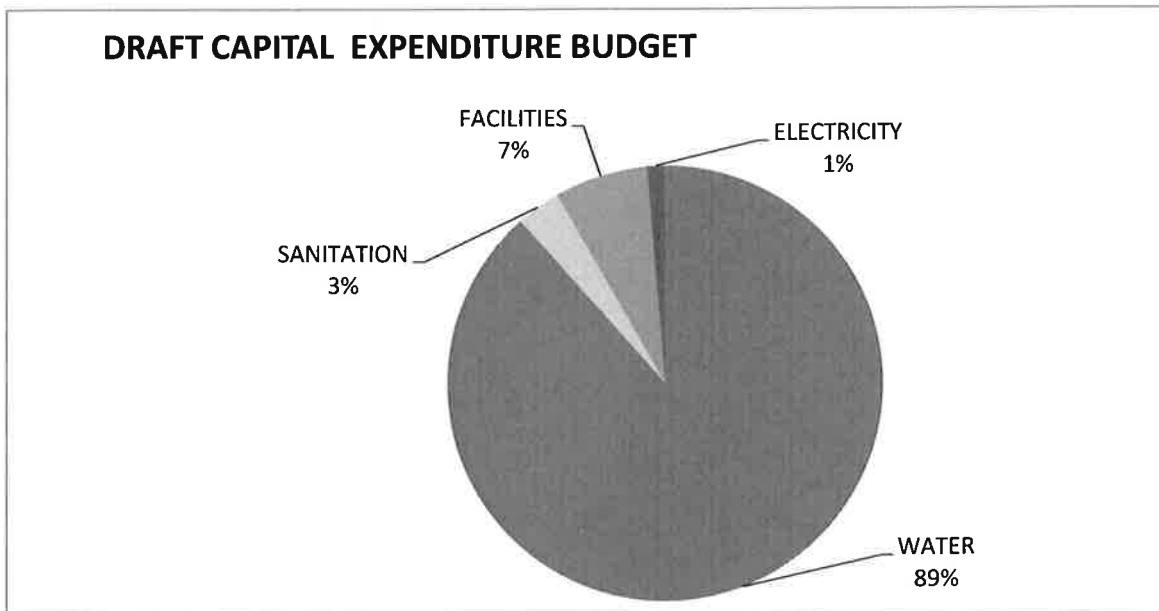
3.4 DRAFT CAPITAL EXPENDITURE

The Draft Capital budget is financed both internal external through MIG and Council funds. The total draft capital budget for 2015/2016 financial year amounts to R 122,051,000

Table 5: The following table illustrates the Draft Capital Expenditure by vote

CAPITAL EXPENDITURE BY VOTE	ADJUSTMENT BUDGET 2014/2015	DRAFT BUDGET 2015/2016	BUDGET 2016/2017	BUDGET 2017- 2018
WATER	112,483,910	107,906,181	32,500,000.00	13,600,000
SANITATION	5,200,000	4,000,000	10,000,000	22,000,000
FACILITIES	1,000,000	8,510,223	5,000,000	-
ROADS	5,921,002	-	-	-
ELECTRICITY	-	1,634,596	-	-
TOTAL	124,604,912	122,051,000	47,500,000	35,600,000

Below chart illustrates the draft capital expenditure



The draft capital budget complies with the Municipal Structures Act and MFMA as it aligns with the Draft IDP as adopted by Council.

The budgetary allocations for draft capital expenditure have been undertaken in a manner that will not only ensure that the IDP outcomes are achieved but also lead to the municipality's vision being realized.

DETAILED DRAFT CAPITAL PLAN

DETAILED CAPITAL PLAN	AREA	SOURCE OF FUNDING	BUDGET 2015/2016	BUDGET 2016/2017	BUDGET 2017/2018
WATER					
Fixing and Re-instating the Bloedfontein Bulk Supply System	DRJSMLM	MIG	22,340,559	-	-
Upgrading of the Digwale Bulk Line from 250mm AC to 400mm HDPE	DRJSMLM	MIG	41,237,395	15,000,000	-
Ga-Morwe Reservoir to V3 Reservoir Bulk Supply System	DRJSMLM	MIG	26,128,226	-	-
Mmamethlake Water Reticulation, Borehole equipping and Storage Tank	Ward 29	MIG	5,200,000	5,000,000	11,000,000
Review and Implementation of Water Sectorial Plan	DRJSMLM	MIG	8,000,000	8,000,000	
Phake Water Reticulation	Ward 30	MIG	5,000,000	4,500,000	5,600,000
Ukhukhanya Water Reticulation	Ward 19	MIG	-	5,000,000	-
Madubaduba Water Reticulation	ward 19	MIG	-	5,000,000	-
Senotlelo Water reticulation	Ward 20	MIG	-	4,500,000	6,000,000
Ga-Maria, Lefiso, Lefisoane Water Reticulation	Ward 22	MIG	-	9,746,000	10,000,000
Seabe Water Reticulation	Ward 25	MIG	-	4,000,000	
Sehoko Water Reticulation	Ward 26	MIG	-	4,000,000	4,000,000
Masobe Water reticulation	Ward 31	MIG	-	2,000,000	
Ga-Mogashwa Water Reticulation	Ward 26	MIG	-	4,000,000	4,000,000
Moletjie Water Reticulation	Ward 26	MIG	-	5,000,000	5,000,000
Replacement of Asbestos pipes in Siyabuswa A	Ward 3 & 4	MIG	-	6,000,000	6,000,000
TOTALS			107,906,181	81,746,000	51,600,000

SANITATION					
Construction of CWB Toilets in the Eastern Cluster Villages	Ward 19 & 20	MIG	4,000,000	10,000,000	22,000,000
Construction of CWB Toilets in the Western Cluster Villages	DRJSMLM	MIG	-	10,000,000	22,000,000
TOTALS			4,000,000	20,000,000	44,000,000
ROADS AND STORM WATER					
Upgrading of Makometsane Bus and Taxi Route	Ward 19	MIG	-	8,000,000	12,000,000
Libangeni Stormwater Drainage	Ward 16/17	MIG	-	4,000,000	5,000,000
Upgrading of Marapyane Bus and Taxi Route	Ward 23	MIG	-	12,000,000	15,000,000
Upgrading of Mapothla Bus and Taxi Route	Ward 14	MIG	-	4,000,000	-
Upgrading of Phaahlamohlaka Bus and Taxi Route	Ward 1	MIG	-	4,000,000	5,634,000
Mabuyeni Bus and Taxi Route	Ward 6	MIG	-	6,000,000	-
TOTALS			-	38,000,000	37,634,000
FACILITIES					
Dr JS Moroka Fresh Produce Market	DRJSMLM (Ward 19)	MIG	7,210,223	-	-
Upgrading of the Technical Department Stores Office	DRJSMLM	Council	1,300,000	5,000,000	-
Construction of Municipal Office Complex	DRJSMLM	Council	-	5,000,000	15,000,000
Construction of fences around the Municipal Cemeteries in the Easter Cluster Villages	DRJSMLM	MIG	-	4,000,000	-
Construction of fences around the Municipal Cemeteries in the Western Cluster Villages	DRJSMLM	MIG	-	2,000,000	-
TOTALS			8,510,223	16,000,000	15,000,000

ELECTRICITY							
HIGHMAST LIGHTS							
Highmast lights for Siyabuswa, Makopanong, Toitskraal and Ga-Phaahla		MIG	150,000	-	-	-	-
Highmats Lights at Mmamethlake, Phake and Masobe		MIG	200,000	-	-	-	-
Construction of Highmast lights at Digwale, Libangeni, Mbongo and Allemansdrift C		MIG	200,000	-	-	-	-
Construction of Highmast lights at Loding, Ramanthso, Kabete, Ga-Mogwashwa, Ga-		MIG	100,000	-	-	-	-
Construction of Highmast lights at Matshiding, Twoline, and Marothobolong		MIG	400,000	-	-	-	-
Ramokgeletsane, Meetsemadiba, Emthambothini, and Ga-Morwe		MIG	100,000	-	-	-	-
Construction of highmast lights at Borolo, Madlavedwa, Dithabaneng, and Mapothla		MIG	100,000	-	-	-	-
Lefiaosane, Marapyane, Seabe, Katjibane and Nokaneng		MIG	384,596	-	-	-	-
TOTALS			1,634,596	-	-	-	-

4. DRAFT BUDGET TABLES

MP316 Dr J.S. Moroka - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	3,555	5,559	6,168	6,862	9,649	9,649	-	12,500	15,625	19,531
Service charges	62,857	29,097	33,363	34,091	27,958	27,958	-	34,300	42,875	53,594
Investment revenue	10,206	8,814	6,168	14,161	6,415	6,415	-	7,500	9,375	11,719
Transfers recognised - operational	274,095	341,101	425,922	296,776	297,076	297,076	-	334,869	340,634	342,727
Other own revenue	16,496	39,692	58,091	15,908	18,233	18,233	-	14,123	17,653	22,257
Total Revenue (excluding capital transfers and contributions)	367,210	424,263	529,712	367,799	359,331	359,331	-	403,292	426,162	449,827
Employee costs	83,649	104,523	125,122	138,682	143,851	143,851	-	116,870	123,648	130,820
Remuneration of councillors	14,651	16,394	18,957	18,583	18,583	18,583	-	17,020	18,007	19,052
Depreciation & asset impairment	-	113,580	119,417	140,000	140,000	140,000	-	140,000	146,533	155,032
Finance charges	167	915	485	350	350	350	-	200	212	224
Materials and bulk purchases	87,271	24,124	23,657	36,276	39,930	39,930	-	32,800	34,702	36,715
Transfers and grants	-	7,979	3,210	5,465	5,465	-	-	4,610	10,645	22,683
Other expenditure	124,779	25,329	213,233	183,187	174,299	174,299	-	234,359	249,539	264,012
Total Expenditure	310,518	292,844	504,081	522,543	522,478	517,013	-	545,859	583,287	628,538
Surplus/(Deficit)	56,692	131,419	25,631	(154,744)	(163,147)	(157,682)	-	(142,567)	(157,125)	(178,710)
Transfers recognised - capital	-	-	-	111,849	111,849	111,849	-	120,751	125,746	133,234
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	56,692	131,419	25,631	(42,895)	(51,298)	(45,833)	-	(21,816)	(31,379)	(45,476)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	56,692	131,419	25,631	(42,895)	(51,298)	(45,833)	-	(21,816)	(31,379)	(45,476)
Capital expenditure & funds sources										
Capital expenditure				124,605	124,605	124,605	-	118,051	37,500	13,600
Transfers recognised - capital	-	-	-	112,405	112,405	112,405	-	109,541	32,500	13,600
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	12,200	12,200	12,200	-	8,510	5,000	-
Total sources of capital funds	-	-	-	124,605	124,605	124,605	-	118,051	37,500	13,600
Financial position										
Total current assets	187,243	228,719	143,771	346,887	274,620	274,620	-	165,697	175,317	853,739
Total non current assets	1,911,845	1,889,100	1,715,182	3,023,383	2,993,565	2,993,565	-	3,138,235	3,290,138	3,442,041
Total current liabilities	94,382	152,965	100,631	139,665	52,806	52,806	-	141,591	146,384	342,786
Total non current liabilities	11,439	-	11,752	-	-	-	-	-	-	-
Community wealth/Equity	1,993,267	1,964,854	1,746,570	3,230,605	3,215,379	3,215,379	-	3,162,341	3,319,071	3,952,994
Cash flows										
Net cash from (used) operating	138,945	132,805	57,815	124,605	113,065	113,065	-	208,184	157,223	(331,118)
Net cash from (used) investing	-	(102,353)	(156,746)	(124,605)	(124,605)	(124,605)	-	(118,051)	(37,500)	(13,600)
Net cash from (used) financing	-	(1,201)	2,073	50	50	50	-	-	-	-
Cash/cash equivalents at the year end	138,945	29,251	52,577	87,980	76,440	64,950	-	90,133	209,855	(134,863)
Cash backing/surplus reconciliation										
Cash and investments available	151,274	182,397	78,492	315,030	234,663	234,663	-	123,422	130,580	806,408
Application of cash and investments	80,747	125,384	71,209	3,010	12,053	12,053	-	102,733	133,183	332,979
Balance - surplus (shortfall)	70,527	57,013	7,283	312,020	222,610	222,610	-	20,689	(2,603)	473,429
Asset management										
Asset register summary (WDV)	-	87,098	100,269	87,220	103,422	103,422	1,067,133	1,067,133	1,058,060	1,236,282
Depreciation & asset impairment	-	113,580	119,417	140,000	140,000	140,000	140,000	140,000	146,533	155,032
Renewal of Existing Assets	-	-	-	70,807	32,500	33,000	33,000	71,578	23,000	-
Repairs and Maintenance	-	-	-	36,276	38,743	41,378	23,400	23,400	24,757	26,193
Free services										
Cost of Free Basic Services provided	37	65	-	-	-	-	-	-	-	-
Revenue cost of free services provided	4,880	4,641	-	5,840	-	-	3,090	3,090	3,259	3,459
Households below minimum service level										
Water:	0	0	-	14	14	-	0	0	0	0
Sanitation/sewerage:	-	-	-	0	0	-	0	0	0	0
Energy:	0	0	-	2	2	-	0	0	0	0
Refuse:	0	0	-	0	0	-	0	0	0	0

MP316 Dr J.S. Moroka - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		-	378,272	489,103	434,692	429,531	327,631	482,778	497,630	515,024
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	378,272	489,103	434,692	429,531	327,631	482,778	497,630	515,024
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	1,918	3,281	368	308	308	650	813	1,016
Community and social services		-	1,918	2,110	172	112	112	450	563	703
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	1,171	196	196	196	200	250	313
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	13,837	3,965	10,496	13,584	3,434	6,615	10,965	13,897
Planning and development		-	620	-	6,862	9,950	-	2,615	5,965	7,647
Road transport		-	13,217	3,965	3,634	3,634	3,434	4,000	5,000	6,250
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	29,097	33,363	33,903	27,708	27,708	34,000	42,500	53,125
Electricity		-	-	-	-	-	-	-	-	-
Water		-	25,923	29,293	31,203	24,070	24,070	30,000	37,500	46,875
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	3,175	4,070	2,700	3,638	3,638	4,000	5,000	6,250
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	423,123	529,712	479,459	471,131	359,081	524,043	551,908	583,061
Expenditure - Standard										
<i>Governance and administration</i>		-	267,913	300,411	315,372	320,316	320,316	333,318	352,651	373,105
Executive and council		-	145,078	169,091	39,082	39,129	39,129	43,642	46,173	48,851
Budget and treasury office		-	96,290	107,312	234,547	241,848	241,848	261,729	276,910	292,970
Corporate services		-	26,544	24,008	41,744	39,339	39,339	27,947	29,568	31,283
<i>Community and public safety</i>		-	40,992	70,192	81,159	84,633	84,633	94,563	100,048	105,851
Community and social services		-	24,933	32,254	30,498	30,888	30,888	22,241	23,531	24,895
Sport and recreation		-	910	173	1,849	1,708	1,708	1,550	1,640	1,735
Public safety		-	15,148	37,765	48,599	51,824	51,824	70,583	74,677	79,008
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	213	213	213	190	201	212
<i>Economic and environmental services</i>		-	20,810	26,714	35,952	28,794	28,794	31,677	33,515	35,458
Planning and development		-	16,288	18,232	27,247	21,400	21,400	25,410	26,884	28,443
Road transport		-	4,522	8,481	8,705	7,394	7,394	6,267	6,631	7,015
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	94,267	104,711	90,059	88,734	88,734	86,300	97,074	114,124
Electricity		-	-	-	-	-	-	-	-	-
Water		-	66,137	45,373	58,275	57,864	57,864	44,407	46,983	49,708
Waste water management		-	18,397	47,996	20,165	19,409	19,409	29,837	37,336	50,921
Waste management		-	9,733	11,342	11,620	11,461	11,461	12,056	12,755	13,495
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	423,981	502,027	522,543	522,477	522,477	545,859	583,287	628,538
Surplus/(Deficit) for the year		-	(858)	27,684	(43,083)	(51,346)	(163,396)	(21,817)	(31,379)	(45,476)

MP316 Dr J.S. Moroka - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMIN		-	378,272	489,103	434,692	429,531	327,631	482,778	497,630	515,024
Vote 3 - COMMUNITY AND SOCIAL SERVICE		-	1,918	2,110	359	362	112	450	563	703
Vote 4 - PLANNING AND DEVELOPMENT		-	620	-	6,862	9,950	-	2,615	5,965	7,647
Vote 5 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-
Vote 6 - ROADS TRANSPORT		-	13,217	3,965	3,634	3,634	3,434	4,000	5,000	6,250
Vote 7 - WASTE MANAGEMENT		-	3,175	4,070	2,700	3,638	3,638	4,000	5,000	6,250
Vote 8 - WASTE WATER MANAGEMENT		-	25,923	29,293	31,203	24,070	24,070	30,000	37,500	46,875
Vote 9 - PUBLIC SAFETY		-	-	1,171	196	196	196	200	250	313
Vote 10 - ELECTRICITY		-	-	-	-	-	-	-	-	-
Vote 11 - water and Sanitaion		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	423,123	529,712	479,646	471,381	359,081	524,043	551,908	583,061
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	145,078	169,091	39,082	39,129	39,129	43,642	46,173	48,851
Vote 2 - FINANCE AND ADMIN		-	122,835	131,320	276,290	281,187	281,187	289,676	306,478	324,253
Vote 3 - COMMUNITY AND SOCIAL SERVICE		-	24,933	32,254	30,711	31,101	31,101	22,430	23,731	25,108
Vote 4 - PLANNING AND DEVELOPMENT		-	16,288	18,232	27,247	21,400	21,400	25,410	26,884	28,443
Vote 5 - SPORTS AND RECREATION		-	910	173	1,849	1,708	1,708	1,550	1,640	1,735
Vote 6 - ROADS TRANSPORT		-	4,522	8,481	8,705	7,394	7,394	6,267	6,631	7,015
Vote 7 - WASTE MANAGEMENT		-	9,733	11,342	11,620	11,461	11,461	12,056	12,755	13,495
Vote 8 - WASTE WATER MANAGEMENT		-	84,534	93,369	78,439	77,273	77,273	74,245	84,319	100,629
Vote 9 - PUBLIC SAFETY		-	14,491	14,491	23,460	23,586	23,586	25,332	26,801	28,356
Vote 10 - ELECTRICITY		-	657	23,274	25,139	28,238	28,238	45,251	47,875	50,652
Vote 11 - water and Sanitaion		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	423,981	502,027	522,543	522,477	522,477	545,859	583,287	628,538
Surplus/(Deficit) for the year	2	-	(858)	27,685	(42,896)	(51,096)	(163,396)	(21,817)	(31,379)	(45,476)

MP316 Dr J.S. Moroka - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	3,555	5,559	6,168	6,862	9,649	9,649	-	12,500	15,625	19,531
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	59,993	22,915	25,669	28,657	20,760	20,760	-	27,400	37,000	46,311
Service charges - sanitation revenue	2	8	3,007	3,624	2,547	3,310	3,310	-	2,600	500	564
Service charges - refuse revenue	2	2,856	3,175	4,070	2,700	3,638	3,638	-	4,000	5,000	6,250
Service charges - other					187	250	250		300	375	469
Rental of facilities and equipment		1,557	1,918	2,110	172	112	112		150	188	234
Interest earned - external investments		10,206	8,814	6,168	14,161	6,415	6,415		7,500	9,375	11,719
Interest earned - outstanding debtors		12,180	13,217	17,016	9,450	9,450	9,450		5,000	6,250	7,813
Dividends received											
Fines			1,367	1,171	196	196	196		200	250	313
Licences and permits		2,759	2,898	3,965	2,652	3,434	3,434		4,000	5,000	6,250
Agency services					982						
Transfers recognised - operational		274,095	341,101	425,922	296,776	297,076	297,076		334,869	340,634	342,727
Other revenue	2	-	20,293	33,829	2,456	5,041	5,041	-	4,773	5,965	7,647
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		367,210	424,263	529,712	367,799	359,331	359,331	-	403,292	426,162	449,827
Expenditure By Type											
Employee related costs	2	83,649	104,523	125,122	138,682	143,851	143,851	-	116,870	123,648	130,820
Remuneration of councillors		14,651	16,394	18,957	18,583	18,583	18,583		17,020	18,007	19,052
Debt impairment	3	43,098	20,982	33,737	35,700	35,700	35,700		80,000	84,640	89,549
Depreciation & asset impairment	2	-	113,580	119,417	140,000	140,000	140,000	-	140,000	146,533	155,032
Finance charges		167	915	485	350	350	350		200	212	224
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	87,271	24,124	23,657	36,276	39,930	39,930		32,800	34,702	36,715
Contracted services		-	-	-	24,220	27,588	27,588		28,425	31,661	33,497
Transfers and grants		-	7,979	3,210	5,465	5,465	-		4,610	10,645	22,683
Other expenditure	4, 5	81,681	4,347	179,496	123,267	111,011	111,011	-	125,934	133,238	140,966
Loss on disposal of PPE											
Total Expenditure		310,518	292,844	504,081	522,543	522,478	517,013	-	545,859	583,267	628,538
Surplus/(Deficit)		56,692	131,419	25,631	(154,744)	(163,147)	(157,682)	-	(142,567)	(157,125)	(178,710)
Transfers recognised - capital					111,849	111,849	111,849		120,751	125,746	133,234
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		56,692	131,419	25,631	(42,895)	(51,298)	(45,833)	-	(21,816)	(31,379)	(45,476)
Taxation											
Surplus/(Deficit) after taxation		56,692	131,419	25,631	(42,895)	(51,298)	(45,833)	-	(21,816)	(31,379)	(45,476)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		56,692	131,419	25,631	(42,895)	(51,298)	(45,833)	-	(21,816)	(31,379)	(45,476)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		56,692	131,419	25,631	(42,895)	(51,298)	(45,833)	-	(21,816)	(31,379)	(45,476)

MP316 Dr J.S. Moroka - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMIN		-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICE		-	-	-	1,000	1,000	-	-	8,510	5,000	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 5 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 6 - ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 7 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	11,121	11,121	-	-	-	-	-
Vote 9 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 10 - ELECTRICITY		-	-	-	-	-	-	-	1,635	-	-
Vote 11 - water and Sanitaion		-	-	-	112,484	112,484	-	-	107,906	32,500	13,600
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	124,605	124,605	-	-	118,051	37,500	13,600
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMIN		-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 5 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 6 - ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 7 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 10 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 11 - water and Sanitaion		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		-	-	-	124,605	124,605	-	-	118,051	37,500	13,600
Capital Expenditure - Standard											
Governance and administration											
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-
Community and public safety											
Community and social services		-	-	-	1,000	1,000	1,000	-	8,510	5,000	-
Sport and recreation		-	-	-	1,000	1,000	1,000	-	8,510	5,000	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services											
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services											
Electricity		-	-	-	123,605	123,605	123,605	-	109,541	32,500	13,600
Water		-	-	-	11,121	11,121	11,121	-	1,635	-	-
Waste water management		-	-	-	112,484	112,484	112,484	-	107,906	32,500	13,600
Waste management		-	-	-	-	-	-	-	-	-	-
Other											
Total Capital Expenditure - Standard	3	-	-	-	124,605	124,605	124,605	-	118,051	37,500	13,600
Funded by:											
National Government		-	-	-	112,405	112,405	112,405	-	109,541	32,500	13,600
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	112,405	112,405	112,405	-	109,541	32,500	13,600
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		-	-	-	12,200	12,200	12,200	-	8,510	5,000	-
Total Capital Funding	7	-	-	-	124,605	124,605	124,605	-	118,051	37,500	13,600

MP316 Dr J.S. Moroka - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		120,184	149,435	54,270	149,435	54,663	54,663		13,422	14,200	15,024
Call investment deposits	1	31,090	32,962	25,914	165,595	180,000	180,000	-	110,000	116,380	791,384
Consumer debtors	1	25,684	33,684	32,479	9,798	32,479	32,479	-	34,363	36,356	38,464
Other debtors		1,783	5,068	16,922	4,812	7,478	7,478		7,912	8,380	8,866
Current portion of long-term receivables		443	2,305	4,408	10,352						
Inventory	2	8,058	5,265	9,776	6,895						
Total current assets		187,243	228,719	143,771	346,887	274,620	274,620	-	165,697	175,317	853,739
Non current assets											
Long-term receivables					149,222						
Investments											
Investment property			86,969	100,171	86,969	100,171	100,171		100,171	100,171	100,171
Investment in Associate											
Property, plant and equipment	3	1,911,845	1,802,002	1,614,913	2,786,941	2,890,143	2,890,143	-	3,034,650	3,186,383	3,338,115
Agricultural											
Biological											
Intangible			129	98	251	3,251	3,251		3,414	3,584	3,755
Other non-current assets											
Total non current assets		1,911,845	1,889,100	1,715,182	3,023,383	2,993,565	2,993,565	-	3,138,235	3,290,138	3,442,041
TOTAL ASSETS		2,099,088	2,117,819	1,858,953	3,370,270	3,268,185	3,268,185	-	3,303,932	3,465,455	4,295,780
LIABILITIES											
Current liabilities											
Bank overdraft	1			1,693							
Borrowing	4	-	-	1,336	-	-	-	-	-	-	-
Consumer deposits					50	50	50		53	56	59
Trade and other payables	4	94,382	138,850	86,762	139,615	52,756	52,756	-	141,538	146,328	342,727
Provisions			14,114	10,839							
Total current liabilities		94,382	152,965	100,631	139,665	52,806	52,806	-	141,591	146,384	342,786
Non current liabilities											
Borrowing		1,051	-	6,051	-	-	-	-	-	-	-
Provisions		10,388	-	5,701	-	-	-	-	-	-	-
Total non current liabilities		11,439	-	11,752	-	-	-	-	-	-	-
TOTAL LIABILITIES		105,821	152,965	112,383	139,665	52,806	52,806	-	141,591	146,384	342,786
NET ASSETS	5	1,993,267	1,964,854	1,746,570	3,230,605	3,215,379	3,215,379	-	3,162,341	3,319,071	3,952,994
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,993,267	1,964,854	1,746,570	3,230,605	3,215,379	3,215,379		3,162,341	3,319,071	3,952,994
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	1,993,267	1,964,854	1,746,570	3,230,605	3,215,379	3,215,379	-	3,162,341	3,319,071	3,952,994

PART 2 - SUPPORTING DOCUMENTATION

5. BUDGET PROCESS OVERVIEW

MFMA, Chapter 4, as well as Circular 59 provide guidance on the steps in the annual budget process. Critical to the development of a credible budget are:

Consultation with the community and other stakeholders, as summarized below:

1. Political oversight and management of the budget process
2. Time schedule relating to the budget process
3. Process for tabling of budget and community consultations

5.1 Political oversight of the budget process

The Council and Management convened various planning sessions to discuss political and strategic priorities that would inform the IDP/Budget review. Informal meetings were also convened with managers to discuss issues relevant to the budget.

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

The process schedule of key deadlines for the preparation of the budget for the 2015/2016 medium term budget was approved by Council in August 2014 which 10 months before the start of the budget year.

5.3 Process for tabling of budget and community consultation

In terms of section 23 of the MFMA, after the budget is tabled, the municipal council must consider any views of the local community, National Treasury, relevant provincial treasury and any provincial or national organ of state or municipalities which made submissions on the budget.

Below table indicates the proposed dates and venues for community consultation

DATE	WARDS	VILLAGES	VENUE OF THE EVENT	TIME FOR EVENT	TIME FOR BRIEFING
09 th April 2015	23,24,25,27,28, 29,30 & 31	Mmamethlake, Phake(Thabeng, Rankaila, Rebone, Ratlhagane), Masobye, Nokaneng,Dierefeng, Terateng Marapyane, Mmaduma,Seabe,Katjibane	Phake Rankaila Open Space	14H00	11H00
14 th April 2015	15,16,17,18,19, 20,21, 22 & 26	Senotlelo,GaMaria,Kabete,Matempule,Dihekeng,Lefiso,Lefisoane,Ramantsho,Loding,Sehoko,Semohlas e, Digwale (Leeufontein), Molapoamogale (Kameelpoort), Rondehoog, Libangeni, Mbongo, Maphanga(Allemansdrift C & D, Madubaduba, Makometsane	Digwale Open Space	14H00	11H00
17 th April 2015	1,2,3,4,5,6,7,8,9 ,10,11,12,13 & 14	Kwa-Phaahla, Siyabuswa A, B, C, D & E, Makopanong, Toitskraal, Mrhononweni, Mabuyeni, Thabana, Ramokgeletsane, Mthambothini,GaMorwe,Meetsimadiba,Mabusabesala,Mmakola,Matshiding,Marothobolong, Skimming, Pieterskraal (Madlayedwa), Borolo, Mapotla	Matshiding Community Hall	14H00	11H00

6. Overview of alignment of draft annual budget and Integrated Development Plan

The following is the process used to integrate the review of the IDP and preparation of the budget

This section provides a good understanding of what is contained in the IDP and how that guides the allocations in the draft budget. The draft budget documentation provides a high-level overview of the IDP and reference is being made to the detailed IDP documentation. **(ANNEXURE)**

7. OVERVIEW OF BUDGET RELATED POLICIES

The following budget related policies and by Laws are attached as **ANNEXURE**:

- ✓ Credit Control and Debt Collection Policy
- ✓ Free Basic and Indigent Support Policy
- ✓ Tariff Policy
- ✓ Property Rates Policy
- ✓ Budget Policy
- ✓ Cash Management and Investment Policy
- ✓ Asset Management Policy
- ✓ Debt Impairment and Write Off Policy
- ✓ Supply Chain Management Policy

- **Tariff policy** of Dr J S Moroka Municipality is compiled in terms of Section 74 of the Local Government: Municipal Systems Act 2000, its Purpose is to prescribe the accounting and administrative principles and procedures relating to the determination and levying Tariffs by Dr. JS Moroka Local Municipality.
- **The Property Rates Policy** is compiled in terms of Section 3(1) of the Municipal Property Rates Act, Act 6 of 2004. The policy guides the municipality in terms of categorization of consumers, rebates and properties that are exempted from paying rates. The rates that are levied for property rates are in terms of the Tariff policy and structure.
- **The Credit Control and Debt Collection policy** has been compiled as required in terms of section 97 of the Local Government: Municipal Systems Act, 32 of 2000 (hereinafter referred to as the Act) and is designed to provide credit control and debt collection procedures and mechanisms. It also aims to ensure that the municipality's approach to debt recovery is sensitive, transparent and is equitably applied throughout the municipality's geographic area.

The objective of this Tariff Policy is to ensure the following:

- ✓ Tariffs rates conform to acceptable policy principles;
- ✓ Municipal services are sustainable through charging of tariffs;
- ✓ Tariffs comply with the applicable legislation; and
- ✓ Tariffs should indigent consumers into consideration;

TARIFF SETTING FOR 2015/2016 FINANCIAL YEAR

The proposed tariff increase for the financial year 2015/2016 to be effective by 1 July 2015 on all services including property rates is recommended to be as follows:

CONSUMER CATEGORIES	2014/15	2015/16	DEVIATION FROM CPI
Residential House Households	7.5%	7.5%	1.7%
Government Institutions	8.5%	8.5%	2.7%
Businesses Category 1 (Commercial and Industrial)	9.5%	9.5%	3.7%
Non-Profit Organization	5.8%	5.8%	0.0%
Business Category 2	8.5%	8.5%	2.7%

The above mentioned tariff adjustments are not done in terms of CPI which is at 5.8 due to the reason that the municipal tariff structure has a history of not being cost reflective and making it cost reflective within one financial year has implication of putting burden on the shoulders of the municipal service consumers and that might result into a low payment rate compare to the current situation. It is then suggested that the above adjustments on the tariffs be implemented during 2015/2016 financial year.

It should be further be noted that during the previous financial year 2014/2015 the municipality was charging R10,50 per KL of water on Bulk supply and that has been contested by the bulk consumers such as Sekhukhune and Thembisile Hani Municipality as a result of that a down ward adjustment is necessary since the tariff was above the regulated tariff in terms of Water Services Act.

8. Overview of Budget Assumptions

7.1 Expenditure

Salaries and Allowances

Salaries are at 29% of the total operating budget and the councilor's remuneration at 4%.

General expenditure

It is assumed that costs for services and fuel will increase above the current inflation. %. It is also assumed that the capital projects for 2015/16 will be completed during the financial year.

Repairs and Maintenance

The total repairs and maintenance is 7% of the draft operating budget.

7.2 Revenue

Households

It is assumed that the total number of households in the municipal area (the tax base) will increase during the financial year.

Collection rate for municipal services

It is assumed that the collection rate for the financial year 2015/2016 will increase.

Grants

It is assumed that the National grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2015/16 financial year.

Indigents

It is assumed that the indigents will increase during the financial year as the municipality is busy with the process of data cleansing.

9. OVERVIEW OF BUDGET FUNDING

In terms of Section 18 of Municipal Finance Management Act, an annual budget may be funded from:

- ✓ Realistically anticipated revenues to be collected
- ✓ Cash backed accumulated funds from previous years surpluses not committed for other purposes
- ✓ Borrowed funds but only for the capital budget referred to in Section 17

On the basis of the above it should be noted that the municipal budget is funded mainly from:

- ✓ **Equitable Share** which is constitute 59.7% of revenue which is to fund the day to day running of the municipality and fund the services consumed by the indigent section of the community.

- ✓ **Conditional Grants** (MIG 23% and WSOG 3% FMG 1.1% MSIG 0.2% they constitute 26.3% and the grant is used to fund the infrastructure backlog as well as financing the maintenance and the refurbishment of water infrastructure, systems improvement and capacitate financial interns.
- ✓ **Own revenue** constitutes 13% of the budget. (Relates to realistically anticipated revenue to be collected) This portion of the budget depend on the municipal ability to raise and collect revenue so that it can be able to fund its operations

10. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

MP316 Dr J.S. Moroka - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		14,651			12,919	12,919		11,000	11,638	12,313
Pension and UIF Contributions					1,437	1,437		1,600	1,693	1,791
Medical Aid Contributions					425	425		420	444	470
Motor Vehicle Allowance					3,803	3,803		4,000	4,232	4,477
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		14,651	-	-	18,583	18,583	-	17,020	18,007	19,052
% increase	4		(100.0%)	-	-	-	(100.0%)	-	5.8%	5.8%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2,886		4,115	3,625	3,625		4,105	4,343	4,595
Pension and UIF Contributions					1,105	1,105		72	76	802
Medical Aid Contributions					256	256		10	11	12
Overtime					15	15		30	32	34
Performance Bonus					400	400		342	362	383
Motor Vehicle Allowance	3				309	309		630	667	705
Cellphone Allowance	3							31	33	35
Housing Allowances	3									
Other benefits and allowances	3				4	4		2	22	2
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		2,886	-	4,115	5,714	5,714	-	5,223	5,545	6,568
% increase	4		(100.0%)	-	38.9%	-	(100.0%)	-	6.2%	18.4%
Other Municipal Staff										
Basic Salaries and Wages		52,430			84,852	90,466		94,616	100,103	105,909
Pension and UIF Contributions		10,098			21,726	20,588		1,899	2,009	2,125
Medical Aid Contributions		3,094			7,555	7,074		1,212	1,282	1,356
Overtime		3,682			4,136	5,654		1,930	2,042	2,160
Performance Bonus		7,267			9,552	9,377		7,740	8,189	8,664
Motor Vehicle Allowance	3	2,109			1,840	1,728		1,858	1,966	2,080
Cellphone Allowance	3				79	218		154	162	172
Housing Allowances	3	1,441			1,024	1,063		112	118	125
Other benefits and allowances	3	642			2,203	1,969		2,128	2,252	2,382
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		80,763	-	-	132,968	138,137	-	111,647	118,123	124,974
% increase	4		(100.0%)	-	-	3.9%	(100.0%)	-	5.8%	5.8%
Total Parent Municipality		98,300	-	4,115	157,265	162,435	-	133,890	141,675	150,593

11. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

12. LEGISLATION COMPLIANCE STATUS

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

12.1 In year reporting

Reporting to National Treasury in electronic format was complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has been adhered to

12.2 Internship programme

Dr JS Moroka Local municipality is participating in the Municipal Financial Management Internship programme, currently employed four interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the municipality has successfully employed and trained 22 interns through this programme.

12.3 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

12.4 Audit Committee

An Audit Committee has been established and is functional.

13. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I B.S Mahlangu, Municipal Manager of Dr JS Moroka Local Municipality, hereby certify that the draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name BS Mahlangu

Municipal manager of Dr JS Moroka Local Municipality (MP316)


Signature

08/04/2015
Date