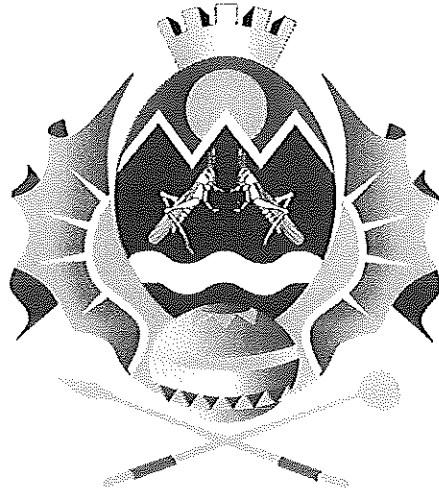


DR JS MOROKA LOCAL MUNICIPALITY



dr.jsmlm

Dr JS Moroka Local Municipality

FINAL ANNUAL BUDGET

2014/2015

‘WE DEVELOP AS WE GROW’

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1. EXECUTIVE MAYOR'S FOREWORD

The 2014/2015 budget is presented and approved in terms of section 24(1) of the Municipal Finance management Act no. 56 of 2003 which prescribes that " the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget".

This budget is a final product of a lengthy and rigorous community and stakeholder's consultation through the IDP process and we can proudly pronounce that it has been enriched by the community inputs and comments. The community will definitely have no doubt that this budget surely belongs to them. Public participation process to the municipality is not a choice but a legal obligation which is imposed by Chapter 4 of the Municipal Systems Act 32 of 2000. In line with provision of sec 16 of the same Act the following Budget consultative meeting were held.

DATE	TIME	VENUE	WARDS
14 May 2014	14:00	Mthambothini, King Cluster	1,2,3,4,5,6,7,8,9,10,11,12, 13, 14
16 JUNE 2014	14H00	Lefiso open space	15,16, 17,18, 19,20,21,22,23,24,25
20 June 2014	14H00	Nokaneng cluster hall	26,27,28,28,30,31

The 2014/2015 budget has maintained an approach of prioritizing the water services and 90% of the budget is reserved for it. The bulk of the water services budget has been reserved for the provision of bulk water infrastructure within different areas of the municipality with the main aim of reducing the bulk infrastructure backlog.

The provision of water by the municipality for it to be sustained, it must equally so go hand and hand with the payment of service for such a provision. The appointment of a debt collector and subsequent appointment of debt recovery lawyers will surely strengthen the efforts of the municipality in cost recovery. The quality of water as a commodity must be maintained so as to ensure safe and clean drinking water , however this cannot be achieved if the there is no sufficient funds to maintain and also improve the standard of our water and other services that are provided by the municipality.

As we celebrate 20 years of democracy local government remains the focus point of the expectation of all our communities for the improvement of their livelihood , therefore this budget tries to achieve the basic service delivery expectations in relation to water and sanitation, roads and local economic development, community development and social cohesion.

At the current moment the 2014/2015 budget is however still not sufficient to cover all the infrastructure backlog ,it is therefore imperative that extraordinary initiatives need to be designed to ensure that the municipality is able to raise sufficient revenue so as cover all areas that need attention. All stakeholders must play their part in ensuring that revenue of the municipality is increased.

However despite our financial limitations we are still determined to attain our mission of bettering the lives of all our community through sustainable service delivery, job creation opportunities and public participation.

**EXECUTIVE MAYOR
CLLR G T MTHIMUNYE**

2. RESOLUTIONS

2.1 THAT Council approve the final annual budget for 2014/2015 – 2016-2017 financial year and appropriation of amounts for the different votes and for single year and multiyear capital expenditure

2.2 THAT Council approve the tariff structure for services provided by the municipality as contained in the tariff policy.

2.3 That Council approve the draft measurable performance objectives for the annual budget

2.4 That Council approve all budget related policies and the amendments thereof.

2.4.1 Investment policy

2.4.2 Indigent policy

2.4.3 Supply Chain Management Policy

2.4.4 Tariff policy

2.4.5 Assets Management policy

2.4.6 Credit Control & Debt Collection Policy

2.4.7 Budget Policy

2.4.8 Property Rates Policy

2.5 That Council be exempted from the implementation and compliance to 5.6 CPI as reflected in National Treasury Circular No. 70

2.6 That Council approve adjustment of 7.5% Household, 8,5% Government, 9.5% Business

3. EXECUTIVE SUMMARY

Honorable Speaker this final budget is as a result of the following budget process schedule as approved by Council in terms of section 21 of the MFMA.

It should further be noted that the following are the legislative requirements;

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.

Honorable Speaker, it came to light that 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 2014/15 tariff adjustments are not at 5.7 CPI as guided by the national treasury circular number 72. Instead they are adjusted as follows;

A house hold increased by 7.5%
Business increased by 9.5%
Government increased by 8.5%

In view of the above, honorable Speaker 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 2014/15 budget:

- The 2013/14 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 abovementioned, the following table is a consolidated overview of the 2014/15 Revenue and Expenditure budget

Table 1:

REVENUE & EXPENDITURE SUMMARY	BUDGET		
	2014/2015	2015/2016	2016/2017
REVENUE	479 647 873	532 065 051	542 642 028
OPERATIONAL EXPENDITURE	(346 842 849)	(386 979 841)	(413 294 470)
CAPITAL EXPENDITURE	(124 604 982)	(136 952 000)	(127 000 000)
SURPLUS/(DEFICIT)	8 200 042	8 133 210	2 347 558

Total projected revenue for 2014/2015 financial year is at R479,947,873 and the total operating expenditure for the 2014/15 financial year has been appropriated at R346,342,849 which makes 72% of the total budget.

The capital budget is 26 per cent of the total 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 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 2014/17 MTREF (classified by own revenue source):

OWN REVENUE BY SOURCE	BUDGET		
	2014/2015	2015/2016	2016/2017
PROPERTY RATES	(6 862 253)	(7 298 954)	(7 787 112)
WATER & SANITATION	(31 203 435)	(33 044 438)	(34 994 059)
WASTE	(2 700 556)	(2 859 889)	(3 028 622)
CEMETERY	(187 443)	(198 502)	(210 214)
FACILITIES	(172 363)	(182 532)	(193 302)
INTEREST ON INVESTMENT	(14 161 000)	(14 996 499)	(15 881 292)
INTEREST ON OUTSTANDING DEBTS	(9 450 000)	(10 007 550)	(10 597 995)
TRAFFIC FINES	(195 915)	(207 474)	(219 715)
MOTOR LICENSING	(3 633 959)	(3 848 363)	(4 075 416)
TRADING LICENCES	(95 000)	(100 320)	(105 938)
APPLIC FOR TRADING LICENCE	(15 750)	(16 632)	(17 563)
SUNDRY INCOME	(174 800)	(184 589)	(194 926)
APPLICATION FOR TENDER DEPOSIT	(1 000 000)	(1 063 850)	(1 131 300)
INTEREST ON TRADING LICENSE	(4 500)	(4 752)	(5 018)
UNALLOCATED DEPOSITS	(90 000)	(95 040)	(100 362)
ADVERTISING PREMEDIA	(55 750)	(58 872)	(62 169)
SALES OF STANDS	(422 400)	(446 054)	(471 033)
BUILDING PLAN FEES	(105 600)	(111 514)	(117 758)
PHOTO COPY	(30 000)	(31 680)	(33 454)
CLEARANCE CERTIFICATE	(2 000)	(2 112)	(2 230)
RENTAL OF SITES	(434 949)	(459 306)	(485 027)
REGISTRATION PROPERTY TRANSFER	(9 450)	(9 979)	(10 538)
RENATAL OF STALLS	(15 750)	(16 632)	(17 563)
TOTAL	(71 022 873)	(75 245 533)	(79 742 609)

The total funding or the expected revenue of the 2014/2015 annual budget is R 479,947,873 which is 85% of total grants and subsidies and 15% of own revenue projected.

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

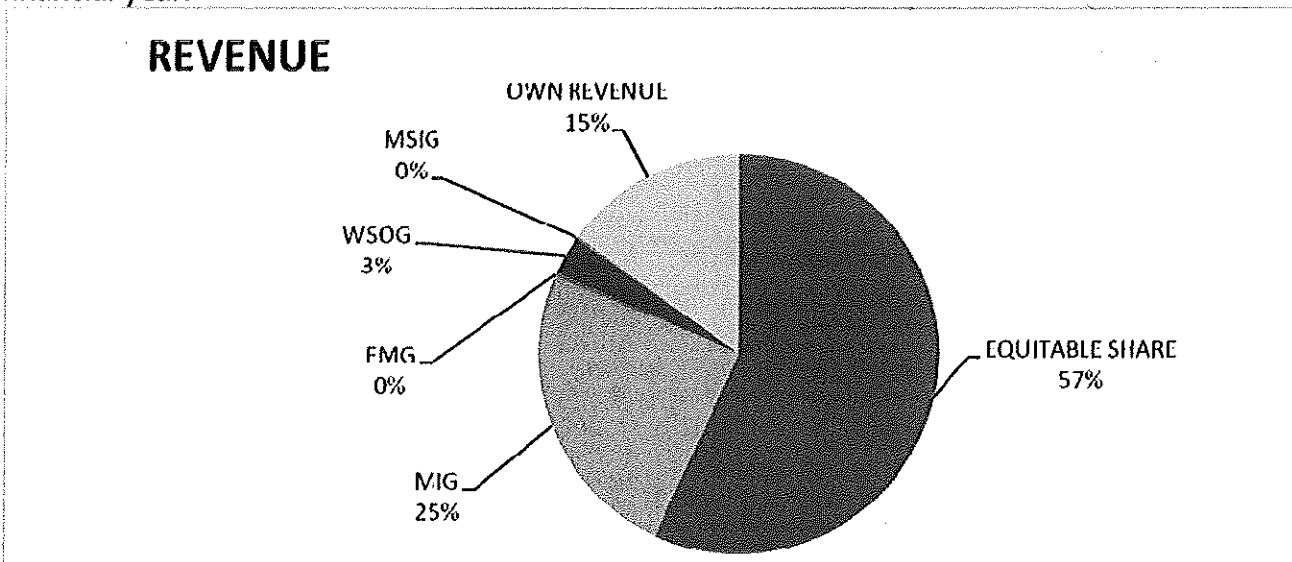
Table 3: the following table illustrates the Grant Receipts

GRANT	BUDGET 2014/2015	2015/2016	2016/2017
FINANCE MANAGEMENT GRANT	1 600 000	1 650 000	1 700 000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	934 000	967 000	1 018 000
EXPANDED PUBLIC WORKS PROGRAMME	3 406 000	-	-
WATER SERVICE OPERATING SUBSIDY GRANT	15 000 000	10 000 000	-
MUNICIPAL INFRASTRUCTURE GRANT	116 875 000	121 952 000	127 594 000
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME	-	7 000 000	10 000 000
EQUITABLE SHARE	270 810 000	314 851 000	322 068 000
TOTAL	408 625 000	456 420 000	462 380 000

Grants and transfers comprise 85% and 8% growth in Equitable Share allocation from R248,190,000 to R270,810,000 is reflected.

4.3% OF Municipal Infrastructure Grant (MIG) has been allocated to the operational budget (Budget Financial Performance) that is directly related to the planning and management of infrastructure projects as guided by circular 59 of the MFMA

The following graph gives a breakdown of the main revenue categories for 2014/2015 financial year.

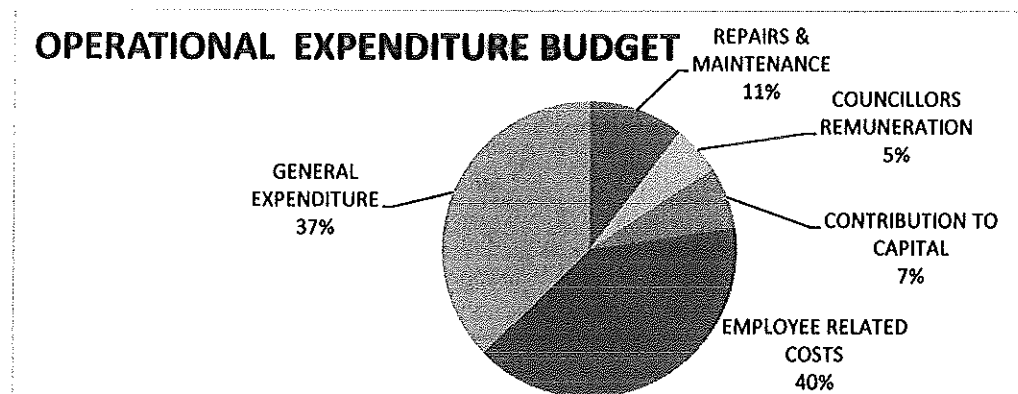


3.2 OPERATING EXPENDITURE FRAMEWORK

The following table is a high level summary of the 2014/15 annual budget (classified per main type of operating expenditure):

Table 4: Summary of operating expenditure by type

OPERATING EXPENDITURE BY TYPE	BUDGET		
	2014/2015	2015/2016	2016/2017
EMPLOYEE RELATED COSTS	138 682 000	148 112 376	158 184 018
COUNCILLORS REMUNERATION	18 583 255	19 512 418	20 488 039
GENERAL EXPENSES	129 650 894	136 911 344	144 578 379
CONTRIBUTION TO CAPITAL	23 651 000	24 975 456	26 374 082
REPAIRS & MAINTENANCE	36 275 700	38 307 139	40 452 339
TOTAL	346 842 849	367 818 733	390 076 856



The operating expenditure is at R346,842,849 and provision for bad debts that amounts to R35,700,000 and provision for depreciation that amounts to R140,000,000 has been made.

Major contribution factors to the expenditure budget are the vacant position that are intended to be filled in 2014/2015 financial year and other resources that will enable the municipality to deliver the service to the community.

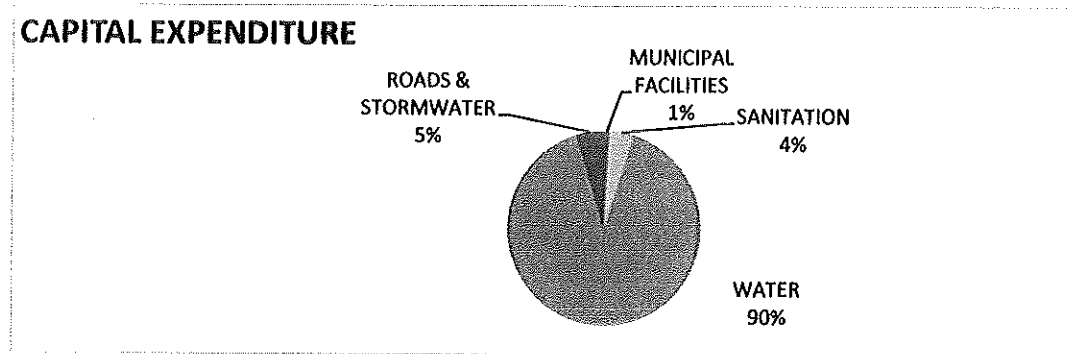
3.3 CAPITAL EXPENDITURE

The Capital budget is financed both internally and externally through MIG and Council funds. The total capital budget for 2014/2015 financial year is R124,604,982

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

CAPITAL EXPENDITURE BY TYPE	BUDGET		
	2014/2015	2015/2016	2016/2017
WATER	112 483 910	45 000 000	29 000 000
LED	-	-	9 000 000
SANITATION	5 200 000	42 000 000	63 000 000
ROADS & STORMWATER	5 921 072	32 500 000	33 000 000
FACILITIES	1 000 000	25 952 000	-
TOTAL	124 604 982	145 452 000	134 000 000

Below chart illustrates the capital expenditure



The capital budget complies with the Municipal Structures Act and MFMA as its aligns with the IDP as adopted by Council

The budgetary allocations for 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.

4. BUDGET TABLES

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

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	2 010	3 555	5 559	6 099	6 099	6 099	4 629	6 862	7 299	7 787
Service charges	20 960	62 857	29 097	58 240	29 057	29 057	22 775	34 091	36 102	38 232
Investment revenue	11 579	10 206	8 814	12 400	10 400	10 400	13 823	14 161	14 996	15 881
Transfers recognised - operational	282 325	274 095	341 101	273 625	273 625	273 625	273 625	296 778	333 966	331 686
Other own revenue	19 071	42 651	38 553	22 588	16 659	16 659	15 213	15 908	16 847	17 841
Total Revenue (excluding capital transfers and contributions)	335 945	393 364	423 124	370 950	335 840	335 840	330 085	367 798	409 210	411 427
Employee costs	79 183	83 649	104 523	107 851	123 260	123 260	116 155	138 682	165 114	176 342
Remuneration of councillors	14 502	14 651	16 394	15 604	16 094	16 094	15 284	18 583	18 048	19 275
Depreciation & asset impairment	38 582	-	113 580	-	140 000	-	-	140 000	-	-
Finance charges	167	915	326	-	300	300	248	350	370	390
Materials and bulk purchases	-	91 619	24 124	21 325	24 800	24 800	20 763	38 278	38 743	41 377
Transfers and grants	-	-	-	45 473	58 013	58 013	40 430	5 465	5 837	6 234
Other expenditure	100 804	43 098	165 035	142 330	193 672	159 672	152 902	183 187	158 835	169 641
Total Expenditure	233 238	233 932	423 981	332 583	554 139	380 139	345 763	522 543	388 947	413 259
Surplus/(Deficit)	102 706	159 433	(857)	38 367	(218 299)	(44 299)	(15 698)	(154 745)	22 264	(1 832)
Transfers recognised - capital	-	-	-	110 100	158 900	-	158 900	111 849	122 854	131 214
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	102 706	159 433	(857)	148 467	(61 399)	(44 299)	141 202	(42 896)	145 118	129 382
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	102 706	159 433	(857)	148 467	(61 399)	(44 299)	141 202	(42 896)	145 118	129 382
Capital expenditure & funds sources										
Capital expenditure	-	-	-	129 880	190 985	190 985	144 411	124 605	136 952	127 000
Transfers recognised - capital	-	-	-	318 181	117 077	117 077	117 077	112 405	121 952	127 000
Public contributions & donations	-	-	-	3 930	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	58 850	75 740	75 740	27 334	12 200	15 000	-
Total sources of capital funds	-	-	-	380 961	192 817	192 817	144 411	124 605	136 952	127 000
Financial position										
Total current assets	156 207	187 243	228 719	402 184	402 184	402 184	540 686	348 687	384 231	1 882 443
Total non current assets	1 193 726	1 911 845	1 889 100	359 896	-	-	87 220	3 023 383	1 479 650	1 553 632
Total current liabilities	53 679	94 382	152 965	129 236	-	-	20	139 685	142 022	140 887
Total non current liabilities	9 666	11 439	-	-	-	-	-	-	-	-
Community wealth/Equity	1 286 588	1 993 267	1 984 532	272 948	-	-	627 886	3 230 605	1 701 860	3 295 188
Cash flows										
Net cash from (used) operating	108 932	138 945	132 805	148 572	112 600	112 600	127 634	124 605	144 747	128 992
Net cash from (used) investing	(71 297)	(109 984)	(102 353)	(129 880)	(192 817)	-	(144 411)	(124 605)	(136 952)	(127)
Net cash from (used) financing	(3 327)	664	(1 201)	20	-	-	9	50	55	60
Cash/cash equivalents at the year end	90 702	120 346	149 598	168 147	87 930	112 600	151 380	87 980	95 830	224 755
Cash backing/surplus reconciliation										
Cash and investments available	122 385	151 274	182 397	520 645	220 645	220 645	359 147	315 030	330 782	1 847 321
Application of cash and investments	39 732	83 884	125 175	(120 282)	(159 575)	(159 575)	(137 697)	3 008	(1 482)	(9 819)
Balance - surplus (shortfall)	82 653	67 290	57 222	840 927	380 220	380 220	496 844	312 022	332 264	1 857 140
Asset management										
Asset register summary (WDV)	-	-	87 098	-	-	-	2 926 941	2 926 941	91 581	96 160
Depreciation & asset impairment	38 582	-	113 580	-	140 000	-	140 000	140 000	-	-
Renewal of Existing Assets	-	52 295	-	28 090	44 017	-	-	70 807	32 500	33 000
Repairs and Maintenance	-	-	-	21 325	-	-	38 278	36 278	38 743	41 378
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	10 473	-	-	5 840	5 840	5 427	5 747
Households below minimum service level										
Water:	-	-	-	14	-	-	14	14	14	15
Sanitation/sewerage:	-	-	-	0	-	-	0	0	0	0
Energy:	-	-	-	2	-	-	2	2	2	2
Refuse:	-	-	-	0	-	-	0	0	0	0

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

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
<i>Governance and administration</i>		-	-	378 272	413 931	446 821	446 821	434 992	484 425	492 134
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	378 272	413 931	446 821	446 821	434 992	484 425	492 134
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	1 918	380	345	345	360	381	404
Community and social services		-	-	1 918	380	345	345	360	381	404
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	13 837	4 893	5 044	5 044	10 496	11 147	11 863
Planning and development		-	-	620	3 641	2 300	2 300	6 862	7 299	7 787
Road transport		-	-	13 217	1 242	2 744	2 744	3 634	3 848	4 075
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	29 097	61 711	40 280	40 280	33 903	35 904	38 023
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	25 923	54 408	29 920	29 920	31 203	33 044	34 994
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	3 175	7 303	10 360	10 360	2 700	2 860	3 029
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	-	423 123	480 905	492 490	492 490	479 751	531 858	542 423
Expenditure - Standard										
<i>Governance and administration</i>		-	-	267 913	138 083	306 605	306 605	315 372	151 394	161 689
Executive and council		-	-	145 078	30 664	177 222	177 222	39 082	42 252	45 125
Budget and treasury office		-	-	96 290	76 765	96 552	96 552	234 547	63 781	68 118
Corporate services		-	-	26 544	30 654	32 831	32 831	41 744	45 362	48 446
<i>Community and public safety</i>		-	-	40 992	63 697	83 589	83 589	81 159	86 998	92 914
Community and social services		-	-	24 933	24 158	28 143	28 143	30 496	32 572	34 787
Sport and recreation		-	-	910	2 336	1 869	1 869	1 849	2 296	2 452
Public safety		-	-	15 148	37 010	53 577	53 577	48 599	51 904	55 433
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	192	-	-	213	227	243
<i>Economic and environmental services</i>		-	-	20 810	16 690	21 045	21 045	35 952	39 887	42 599
Planning and development		-	-	16 288	11 617	15 124	15 124	27 247	28 423	30 356
Road transport		-	-	4 522	5 073	5 921	5 921	8 705	11 464	12 243
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	94 267	114 114	142 900	90 118	90 059	108 669	116 058
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	66 137	51 618	55 100	55 100	58 275	75 043	80 146
Waste water management		-	-	18 397	50 091	69 847	17 065	20 165	21 536	23 000
Waste management		-	-	9 733	12 405	17 953	17 953	11 620	12 089	12 911
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	-	423 981	332 584	554 139	501 357	522 543	386 948	413 260
Surplus/(Deficit) for the year		-	-	(658)	148 321	(61 649)	(6 867)	(42 791)	144 910	129 162

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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMIN		-	-	378 272	413 931	446 821	446 821	434 992	484 425	492 134
Vote 3 - COMMUNITY AND SOCIAL SERVICE		-	-	1 918	380	345	345	360	381	404
Vote 4 - PLANNING AND DEVELOPMENT		-	-	620	3 641	2 300	2 300	6 862	7 299	7 787
Vote 5 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-
Vote 6 - ROADS TRANSPORT		-	-	13 217	1 242	2 744	2 744	3 634	3 848	4 075
Vote 7 - WASTE MANAGEMENT		-	-	3 175	7 303	10 360	10 360	2 700	2 860	3 029
Vote 8 - WASTE WATER MANAGEMENT		-	-	25 923	54 408	29 920	29 920	31 203	33 044	34 994
Vote 9 - PUBLIC SAFETY		-	-	-	250	250	250	196	207	220
Vote 10 - ELECTRICITY		-	-	-	-	-	-	-	-	-
Vote 11 - WATER		-	-	-	-	-	-	-	-	-
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	481 155	492 740	492 740	479 947	532 065	542 642
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	145 078	30 664	177 222	177 222	39 082	42 252	45 125
Vote 2 - FINANCE AND ADMIN		-	-	122 835	107 419	129 383	129 383	276 290	109 142	116 564
Vote 3 - COMMUNITY AND SOCIAL SERVICE		-	-	24 933	24 350	28 341	28 341	30 711	32 799	35 030
Vote 4 - PLANNING AND DEVELOPMENT		-	-	16 288	11 617	15 124	15 124	27 247	28 423	30 356
Vote 5 - SPORTS AND RECREATION		-	-	910	2 336	1 869	1 869	1 849	2 296	2 452
Vote 6 - ROADS TRANSPORT		-	-	4 522	5 073	5 921	5 921	8 705	11 464	12 243
Vote 7 - WASTE MANAGEMENT		-	-	9 733	12 405	17 953	17 953	11 620	12 089	12 911
Vote 8 - WASTE WATER MANAGEMENT		-	-	84 534	101 709	124 748	124 748	78 439	96 579	103 147
Vote 9 - PUBLIC SAFETY		-	-	14 491	17 124	19 058	19 058	23 460	25 055	26 759
Vote 10 - ELECTRICITY		-	-	657	19 886	34 519	34 519	25 139	26 848	28 674
Vote 11 - WATER		-	-	-	-	-	-	-	-	-
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	332 584	554 138	554 138	522 543	386 948	413 260
Surplus/(Deficit) for the year	2	-	-	(858)	148 571	(61 398)	(61 398)	(42 595)	145 117	129 382

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Revenue By Source											
Property rates	2	2 010	3 555	5 559	6 099	6 099	6 099	4 629	6 862	7 299	7 787
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	18 199	59 993	22 915	51 415	22 977	22 977	19 628	28 657	30 370	32 186
Service charges - sanitation revenue	2	108	8	3 007	2 050	3 600	3 600	1 125	2 547	2 674	2 808
Service charges - refuse revenue	2	2 653	2 856	3 175	2 565	2 300	2 300	1 900	2 700	2 860	3 029
Service charges - other					210	180	180	122	187	199	210
Rental of facilities and equipment		1 190	1 557	1 918	210	165	165	118	172	183	193
Interest earned - external investments		11 579	10 206	8 814	12 400	10 400	10 400	13 823	14 161	14 996	15 881
Interest earned - outstanding debtors		7 850	12 180	13 217	9 000	9 000	9 000	8 826	9 450	10 008	10 598
Dividends received											
Fines					250	250	250	139	196	207	220
Licences and permits		2 824	2 759	2 898	900	2 404	2 404	2 522	2 652	3 848	4 075
Agency services					342	340	340	616	982		
Transfers recognised - operational		282 325	274 095	341 101	273 625	273 625	273 625	273 625	296 776	333 966	331 686
Other revenue	2	6 302	25 806	20 521	11 884	4 500	4 500	2 992	2 456	2 601	2 755
Gains on disposal of PPE		905	349								
Total Revenue (excluding capital transfers and contributions)		335 945	393 364	423 124	370 950	335 840	335 840	330 065	367 798	409 210	411 427
Expenditure By Type											
Employee related costs	2	79 183	83 649	104 523	107 851	123 260	123 260	116 155	138 682	165 114	176 342
Remuneration of councillors		14 502	14 651	16 394	15 604	16 094	16 094	15 264	18 583	18 048	19 275
Debt impairment	3	19 123	43 098	20 982	34 000	34 000			35 700		
Depreciation & asset impairment	2	38 582	-	113 580	-	140 000	-	-	140 000	-	-
Finance charges		167	915	326		300	300	248	350	370	390
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8		91 619	24 124	21 325	24 800	24 800	20 763	36 276	38 743	41 377
Contracted services		-	-	-	13 340	23 129	23 129	17 498	24 220	25 739	27 288
Transfers and grants		-	-	-	45 473	56 013	56 013	40 430	5 465	5 837	6 234
Other expenditure	4, 5	81 681	-	144 053	94 990	138 543	138 543	136 404	123 267	133 096	142 353
Loss on disposal of PPE											
Total Expenditure		233 238	233 932	423 981	332 583	554 139	390 139	345 763	522 543	386 947	413 259
Surplus/(Deficit)		102 706	159 433	(857)	38 367	(218 299)	(44 299)	(15 698)	(154 745)	22 264	(1 832)
Transfers recognised - capital					110 100	156 900		156 900	111 849	122 854	131 214
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		102 706	159 433	(857)	148 467	(61 399)	(44 299)	141 202	(42 896)	145 118	129 382
Taxation											
Surplus/(Deficit) after taxation		102 706	159 433	(857)	148 467	(61 399)	(44 299)	141 202	(42 896)	145 118	129 382
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		102 706	159 433	(857)	148 467	(61 399)	(44 299)	141 202	(42 896)	145 118	129 382
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		102 706	159 433	(857)	148 467	(61 399)	(44 299)	141 202	(42 896)	145 118	129 382

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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
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		-	-	-	16 000	22 150	22 150	17 000	1 000	25 952	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	1 000	4 448	4 448	3 500	-	-	-
Vote 5 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 6 - ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 7 - WASTE MANAGEMENT		-	-	-	3 930	-	-	-	-	-	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	44 248	70 227	70 227	59 200	11 121	65 000	96 000
Vote 9 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 10 - ELECTRICITY		-	-	-	3 900	4 301	4 301	4 000	-	-	-
Vote 11 - WATER		-	-	-	60 802	89 858	89 858	60 711	112 484	46 000	31 000
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	-	-	-	129 880	190 985	190 985	144 411	124 606	136 952	127 000
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		-	-	-	-	-	-	-	-	-	-
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		-	-	-	129 880	190 985	190 985	144 411	124 606	136 952	127 000
Capital Expenditure - Standard											
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	16 000	22 150	22 150	17 000	1 000	-	-
Community and social services		-	-	-	16 000	22 150	22 150	17 000	1 000	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	1 000	4 448	4 448	3 500	-	-	-
Planning and development		-	-	-	1 000	4 448	4 448	3 500	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	112 880	164 387	164 387	123 911	123 606	136 952	127 000
Electricity		-	-	-	3 900	4 301	4 301	4 000	-	-	-
Water		-	-	-	60 802	89 858	89 858	60 711	112 484	46 000	31 000
Waste water management		-	-	-	44 248	70 227	70 227	59 200	11 121	65 000	96 000
Waste management		-	-	-	3 930	-	-	-	-	25 952	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	-	-	-	129 880	190 985	190 985	144 411	124 606	136 952	127 000
Funded by:											
National Government					106 200	102 252	102 252	102 252	112 406	121 952	127 000
Provincial Government						3 900	3 900	3 900			
District Municipality					24 800	-	-	-			
Other transfers and grants					187 181	10 925	10 925	10 925			
Transfers recognised - capital	4	-	-	-	318 181	117 077	117 077	117 077	112 406	121 952	127 000
Public contributions & donations	5				3 930	-	-	-			
Borrowing	6										
Internally generated funds					58 850	75 740	75 740	27 334	12 200	15 000	
Total Capital Funding	7	-	-	-	380 961	192 817	192 817	144 411	124 606	136 952	127 000

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Current assets											
Cash		90 540	120 184	149 435	29 645	29 645	29 645	168 147	149 435	156 907	1 664 752
Call investment deposits	1	31 845	31 090	32 962	191 000	191 000	191 000	191 000	165 595	173 875	182 568
Consumer debtors	1	7 154	25 684	33 684	181 539	181 539	181 539	181 539	9 798	10 288	10 802
Other debtors		16 294	1 783	5 068					4 812	5 053	5 306
Current portion of long-term receivables		4 423	443	2 305					10 352	10 870	11 413
Inventory	2	5 950	8 058	5 265					6 895	7 240	7 602
Total current assets		156 207	187 243	228 719	402 184	402 184	402 184	540 686	346 887	364 231	1 882 443
Non current assets											
Long-term receivables					59 896				149 222	156 683	164 517
Investments					300 000						
Investment property				86 969				86 969	86 969	91 317	95 883
Investment in Associate											
Property, plant and equipment	3	1 193 726	1 911 845	1 802 002	-	-	-	-	2 788 941	1 231 386	1 292 955
Agricultural											
Biological											
Intangible				129				251	251	264	277
Other non-current assets											
Total non current assets		1 193 726	1 911 845	1 802 002	359 896	-	-	87 220	3 023 383	1 479 650	1 553 632
TOTAL ASSETS		1 349 933	2 099 088	2 117 819	762 080	402 184	402 184	627 906	3 370 270	1 843 881	3 436 076
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits					20			20	50	53	55
Trade and other payables	4	53 679	94 382	138 850	129 216	-	-	-	139 615	141 969	140 832
Provisions				14 114							
Total current liabilities		53 679	94 382	152 965	129 236	-	-	20	139 665	142 022	140 887
Non current liabilities											
Borrowing		788	1 051	-	-	-	-	-	-	-	-
Provisions		8 879	10 388	-	-	-	-	-	-	-	-
Total non current liabilities		9 666	11 439	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		63 345	105 821	152 965	129 236	-	-	20	139 665	142 022	140 887
NET ASSETS	5	1 286 588	1 993 267	1 964 855	632 844	402 184	402 184	627 886	3 230 605	1 701 860	3 295 188
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 286 588	1 993 267	1 964 532	272 948			627 886	3 230 605	1 701 860	3 295 188
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	1 286 588	1 993 267	1 964 532	272 948	-	-	627 886	3 230 605	1 701 860	3 295 188

MP316 Dr J.S. Moroka - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		24 467	41 156	25 836	87 761	45 546	45 546	32 325	47 412	50 241	53 263
Government - operating	1	297 688	232 343	234 124	265 850	265 850	265 850	265 850	297 076	333 966	331 686
Government - capital	1		91 325	127 526	115 144	161 944	161 944	161 400	111 849	122 854	131 214
Interest		11 579	10 206	8 814	12 400	19 400	19 400	13 823	23 611	25 004	26 479
Dividends											
Payments											
Suppliers and employees		(224 843)	(225 590)	(263 355)	(279 110)	(323 826)	(323 826)	(305 065)	(349 528)	(381 111)	(407 026)
Finance charges		42	(160)	(139)		(300)	(300)	(248)	(350)	(370)	(390)
Transfers and Grants	1		(10 335)		(53 473)	(56 014)	(56 014)	(40 430)	(5 465)	(5 837)	(6 234)
NET CASH FROM(USED) OPERATING ACTIVITIES		108 932	138 945	132 805	148 572	112 600	112 600	127 634	124 605	144 747	128 992
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				(102 353)							
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(71 297)	(109 964)		(129 880)	(192 817)		(144 411)	(124 605)	(136 952)	(127)
NET CASH FROM(USED) INVESTING ACTIVITIES		(71 297)	(109 964)	(102 353)	(129 880)	(192 817)	-	(144 411)	(124 605)	(136 952)	(127)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing				(1 201)							
Increase (decrease) in consumer deposits					20			9	50	55	60
Payments											
Repayment of borrowing		(3 327)	664								
NET CASH FROM(USED) FINANCING ACTIVITIES		(3 327)	664	(1 201)	20	-	-	9	50	55	60
NET INCREASE/(DECREASE) IN CASH HELD		34 308	29 645	29 251	18 712	(80 217)	112 600	(16 767)	50	7 850	128 925
Cash/cash equivalents at the year begin:	2	56 394	90 702	120 346	149 435	168 147	168 147	168 147	87 930	87 990	95 830
Cash/cash equivalents at the year end:	2	90 702	120 346	149 598	168 147	87 930	112 600	151 380	87 980	95 830	224 755

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 used to integrate the review of the IDP and preparation of the budget
4. 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. The budget steering committee meeting which comprises of both administration and political wing was also held on the 5th of March 2014 prior to the tabling of the budget for adoption to comment and make input on the draft annual budget.

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

The following time schedule of key deadlines for the preparation of the budget for the 2014/2015 medium term period was tabled to Council in August 2013 which 10 months before the start of the budget year.

Target Date	Activities	Responsible Party
31 July 2013	<p>Planning begins for the next three year budget in accordance with co-ordination role of budget process</p> <p>MFMA sec 53</p> <p>Co-ordinate the annual revision of the Integrated Development Plan in terms of Section 34 of the Municipal Systems Act and the preparation of the annual budget.</p>	<p>Executive Mayor</p> <p>Executive Mayor</p>
31 August 2013	<p>Tabling of the IDP/Budget Process Plan to Council before the start of the budget year which will outline key deadline for:</p> <ul style="list-style-type: none"> • Preparation, tabling and approval of annual budget and IDP. • Annual review of the IDP 	Executive Mayor

	<ul style="list-style-type: none"> • Annual review of the budget related policies • Tabling and adoption of any amendments to IDP and budget related policies • Consultative <p>MFMA sec 21 MSA sec 34</p> <p>Establishment of committees and consultation forums for the Budget processes</p> <p>Submission of the 2012/2013 Annual financial statements to the Auditor General</p> <p>MFMA sec 126</p>	<p>Executive Mayor</p> <p>Accounting Officer</p>
30 September 2013	Council through the IDP review processes determines strategic objectives for service delivery and development for next three year budgets	
30 November 2013	Final submission of Departmental Adjustment Budgets to Finance Department	HOD's
31 January 2014	<p>Submission of the Mid-Year Adjustment Budget to Council for approval and service delivery performance take into account the service delivery targets and performance indicators as set in the SDBIP</p> <p>MFMA sec 28, 72</p> <p>Consolidation and preparation of proposed 2014/2015 budget and plans for next financial year taking into account previous year's performance</p> <p>MFMA sec 36</p> <p>Submission of the 2012/2013 Annual report to Council for approval</p> <p>MFMA sec 121</p>	<p>Executive Mayor</p> <p>Accounting Officer</p> <p>Accounting Officer</p>
31 January 2014	Final submission of Departmental Budgets 2014/15 to Finance Department	HOD's

29 February 2014	Finalization of Tariff policies and other budget related policies for the next financial year 2014/2015 MFMA	Accounting Officer
31 March 2014	Tabling of Draft Annual Budget and reviewing of the IDP and Budget related policies to Council MFMA sec 21 Publication of the Budget for the invitation of public comments	Executive Mayor Accounting Officer
30 April 2014	Consultation processes on tabled Budget for 2014/2015 MFMA sec 23 and Chapter 4 of MSA	Executive Mayor
31 May 2014	Tabling of the final annual budget to the Council at least 30 days before the start of the financial year MFMA sec 24	Executive Mayor
30 June 2014	Approval of Service Delivery and Budget Implementation Plan (SDBIP) within 28 days after the approval of the budget Finalize performance contracts and delegations MFMA sec 53	Executive Mayor Accounting Officer

5.3 Overview of alignment of 2014/2015 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 2014/2015 annual budget. The 2014/2015 budget documentation provides a good high-level overview of the IDP and reference is being made to the detailed IDP documentation. **(ANNEXURE)**

The following information obtained from the IDP is included in the budget document for ease of reference.

VISION

“An effective, efficient public institution delivering quality, sustainable services to better the lives of people”

MISSION

“Bettering the lives of its communities through: sustainable service delivery Provision of sustainable job, creation opportunities and public participation”

The IDP Steering Committee consisting of key political office bearers and senior management ensured that issues relating to the IDP and budget preparation are managed and dealt through an integrated and holistic approach. All IDP related matters having an impact on resource allocations and the budget in general are therefore handled more appropriately by the Steering Committee.

5.4 Process for tabling of budget and community consultation

The executive mayor tabled the draft annual budget to Council within 90 days before the start of the budget year as per section 16(2) of the MFMA .

After tabling the Draft Annual Budget to council the following the Municipality underwent a process of community consultation on the draft annual budget through its length and breadth, and a programme was started on the 14 May 2014 to 20 May 2014 as follows:

DATE	VENUE	TIME
14 th May 2014	King Cluster	14H00
16 th May 2014	Lefiso Open Space	14H00
20 th May 2014	Nokaneng Cluster Hall	14H00

6. OVERVIEW OF BUDGET RELATED POLICIES

The following budget related policies are attached as **ANNEXURE**:

- ✓ Credit Control and Debt Collection Policy
- ✓ Indigent Policy
- ✓ Tariff Policy
- ✓ Property Rates Policy
- ✓ Budget Policy
- ✓ Investment Policy
- ✓ Transport Policy
- ✓ Asset Management Policy

A tariff policy of Dr J S Moroka Municipality is compiled in terms of Section 74 of the Local Government: Municipal Systems Act 2000, it covers, among other things, the levying of fees for municipal services provided by the municipality.

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

- Tariffs must conform to acceptable policy principles;
- Municipal services must be sustainable;
- Tariffs must comply with the applicable legislation; and
- Tariffs should take indigent consumers into consideration

The tariff increase for the financial year 2014/2015 to be effective by 1 July 2014 is as follows:

Households	7.5%
Government	8.5%
Businesses	9.5%

7. Overview of Budget Assumptions

7.1 Expenditure

Salaries and Allowances

Salaries are increased by 6.8% and the councilor's remuneration increase will be approved by the Minister of Finance during 2014/2015 financial year.

General expenditure

It is assumed that costs for services and fuel will increase above the current inflation target of 5.6 %. It is also assumed that the capital projects for 2014/15 will be completed during the financial year.

Repairs and Maintenance

The total repairs and maintenance is 2% of the total infrastructure assets. It is assumed that municipal infrastructure and assets will be maintained as per previous years.

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 2014/2015 will increase

Grants

It is assumed that the National and Provincial grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2014/15 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.

8. 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

The following table illustrates the Operating Transfers and Grant Allocations

GRANT	BUDGET		
	2014/2015	2015/2016	2016/2017
FINANCE MANAGEMENT GRANT	1 600 000	1 650 000	1 700 000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	934 000	967 000	1 018 000
EXPANDED PUBLIC WORKS PROGRAMME	3 406 000	-	-
WATER SERVICE OPERATING SUBSIDY GRANT	15 000 000	10 000 000	-
MUNICIPAL INFRASTRUCTURE GRANT	116 875 000	121 952 000	127 594 000
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME	-	7 000 000	10 000 000
EQUITABLE SHARE	270 810 000	314 851 000	322 068 000
TOTAL	408 625 000	456 420 000	462 380 000

9. 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	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		14 502	14 651		10 105	10 700	10 700	12 919	11 999	12 815
Pension and UIF Contributions					1 500	1 368	1 368	1 437	1 635	1 639
Medical Aid Contributions					480	404	404	425	454	485
Motor Vehicle Allowance					3 519	3 622	3 622	3 803	4 062	4 338
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors	1	14 502	14 651	-	16 604	16 094	16 094	18 583	18 049	19 277
% Increase	4		1.0%	(100.0%)	--	3.1%	--	15.5%	(2.9%)	6.8%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 330	2 886		1 184	3 364	3 364	3 625	4 911	5 245
Pension and UIF Contributions		185			350	573	573	1 105	1 180	1 260
Medical Aid Contributions					200	100	100	256	274	292
Overtime					1	6	6	15	16	17
Performance Bonus					90	321	321	400	428	457
Motor Vehicle Allowance					120	309	309	309	330	353
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3	310			60	12	12	4		
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality	2	2 828	2 886	-	2 006	4 685	4 685	5 714	7 139	7 624
% Increase	4		2.1%	(100.0%)	--	133.5%	--	22.0%	24.9%	6.8%
Other Municipal Staff										
Basic Salaries and Wages		52 875	52 430		68 687	79 466	79 466	84 852	97 506	104 136
Pension and UIF Contributions		9 696	10 098		16 500	17 169	17 169	21 728	32 281	34 476
Medical Aid Contributions		2 815	3 094		4 123	4 995	4 995	7 555	8 069	8 618
Overtime		3 823	3 682		4 200	5 762	5 762	4 136	4 417	4 717
Performance Bonus		3 773	7 267		6 100	7 669	7 669	9 552	10 202	10 496
Motor Vehicle Allowance		1 548	2 109		1 500	1 909	1 909	1 840	1 966	2 099
Cellphone Allowance	3				--			79	84	90
Housing Allowances	3	1 430	1 441		1 735	1 267	1 267	1 024	1 094	1 169
Other benefits and allowances	3	280	642		3 000	338	338	2 203	2 355	2 916
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff	3	78 240	80 763	-	105 845	118 575	118 575	132 968	157 974	168 717
% Increase	4		5.9%	(100.0%)	--	12.0%	--	12.1%	18.8%	6.8%
Total Parent Municipality		93 568	98 300	--	123 455	139 354	139 354	157 265	183 162	195 618
			5.1%	(100.0%)	--	12.9%	--	12.9%	16.5%	6.8%

10. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MP316 Dr J.S. Moroka - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Revenue by Vote																	
Vote 1 - EXECUTIVE AND COUNCIL		36 249	36 249	36 249	36 249	36 249	36 249	36 249	36 249	36 249	36 249	36 249	36 249	36 249	484 992	482 134	-
Vote 2 - FINANCE AND ADMIN		30	30	30	30	30	30	30	30	30	30	30	30	30	360	381	404
Vote 3 - COMMUNITY AND SOCIAL SERVICE		572	572	572	572	572	572	572	572	572	572	572	572	572	6 862	7 289	7 787
Vote 4 - PLANNING AND DEVELOPMENT		303	303	303	303	303	303	303	303	303	303	303	303	303	-	-	-
Vote 5 - SPORTS AND RECREATION		225	225	225	225	225	225	225	225	225	225	225	225	225	3 684	3 848	4 075
Vote 6 - ROADS TRANSPORT		2 600	2 600	2 600	2 600	2 600	2 600	2 600	2 600	2 600	2 600	2 600	2 600	2 600	2 700	2 860	3 029
Vote 7 - WASTE MANAGEMENT		16	16	16	16	16	16	16	16	16	16	16	16	16	31 203	33 044	34 994
Vote 8 - WASTE WATER MANAGEMENT															196	207	220
Vote 9 - PUBLIC SAFETY															-	-	-
Vote 10 - ELECTRICITY															-	-	-
Vote 11 - WATER															-	-	-
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		39 996	39 996	39 996	39 996	39 996	39 996	39 996	39 996	39 996	39 996	39 996	39 996	39 996	479 947	532 065	542 642
Expenditure by Vote to be appropriated																	
Vote 1 - EXECUTIVE AND COUNCIL		3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	39 082	42 252	45 125
Vote 2 - FINANCE AND ADMIN		23 059	23 059	23 059	23 059	23 059	23 059	23 059	23 059	23 059	23 059	23 059	23 059	23 059	276 290	109 142	116 564
Vote 3 - COMMUNITY AND SOCIAL SERVICE		2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	30 711	32 799	35 030
Vote 4 - PLANNING AND DEVELOPMENT		2 291	2 291	2 291	2 291	2 291	2 291	2 291	2 291	2 291	2 291	2 291	2 291	2 291	27 247	28 423	30 356
Vote 5 - SPORTS AND RECREATION		179	179	179	179	179	179	179	179	179	179	179	179	179	1 849	2 296	2 452
Vote 6 - ROADS TRANSPORT		895	895	895	895	895	895	895	895	895	895	895	895	895	8 705	11 464	12 243
Vote 7 - WASTE MANAGEMENT		972	972	972	972	972	972	972	972	972	972	972	972	972	11 620	12 089	12 911
Vote 8 - WASTE WATER MANAGEMENT		7 536	7 536	7 536	7 536	7 536	7 536	7 536	7 536	7 536	7 536	7 536	7 536	7 536	78 439	96 579	103 147
Vote 9 - PUBLIC SAFETY		1 955	1 955	1 955	1 955	1 955	1 955	1 955	1 955	1 955	1 955	1 955	1 955	1 955	23 460	25 055	26 759
Vote 10 - ELECTRICITY		2 095	2 095	2 095	2 095	2 095	2 095	2 095	2 095	2 095	2 095	2 095	2 095	2 095	25 139	26 848	28 674
Vote 11 - WATER															-	-	-
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		44 837	44 837	44 837	44 837	44 837	44 837	44 837	44 837	44 837	44 837	44 837	44 837	44 837	522 543	396 948	413 260
Surplus/(Deficit) before assoc.		(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(42 595)	145 117	129 382
Taxation															-	-	-
Attributable to minorities															-	-	-
Share of surplus/ (deficit) of associate															-	-	-
Surplus/(Deficit)	1	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(4 841)	(42 595)	145 117	129 382

11. LEGISLATION COMPLIANCE STATUS

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

11.1 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

11.2 Internship programme

Dr JS Moroka Local municipality is participating in the Municipal Financial Management Internship programme, currently employed five 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 seventeen interns through this programme.

11.3 Budget and Treasury Office

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

11.4 Audit Committee

An Audit Committee has been established and is functional.

11.5 Service Delivery and Implementation Plan

The detail SDBIP will be finalised after approval of the 2014/15 Budget in June 2014 directly aligned and informed by the Reviewed IDP and 2014/15 MTREF.

11.6 Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

12. DETAIL CAPITAL PLAN

DETAIL CAPITAL PLAN	AREA	SOURCE OF FUNDING	BUDGET 2014/2015	BUDGET 2015/2016	BUDGET 2016/2017
WATER					
Water Demand Management and Conversation	DRJSMLM	Council	6,000,000	-	-
Ukukhanya Bulk Water Supply and Reticulation	Ward 19	Council	-	2,000,000.00	-
Mkhombo Libangeni Bulk Water Supply Provision	Ward 16/17	Council	-	6,000,000.00	-
Mmamethake Water Reticulation, Borehole equipping and storage tank	Ward 29	MIG	-	7,000,000.00	8,000,000.00
Waikraal Reservoir to V3 Reservoir Bulk Water Supply	DRJSMLM	MIG	40,398,246	-	-
Upgrading of Digwale Bulkline from 250mm AC to 400mm uPVC pipe	Ward 15,16,17 & 18	MIG	28,800,000	-	-
Fixing and Re-instating of Bloedfontein Bulk Line System		MIG	36,085,664	-	-
Maphotla Bulk & Water Reticulation	Ward 14	MIG	1,200,000	-	-
Madubaduba Bulk Line Supply	Ward 19	MIG	-	5,000,000	-
Senotlelo Water Reticulation	Ward 20	MIG	-	5,000,000	-
Phake Water Reticulation	Ward 30	MIG	-	-	-
Ramantsho Water Reticulation Borehole equipping & storage tank	Ward 26	MIG	-	-	-
Ga-Maria, Lefiso and Lefisoane Water	Ward 22	MIG	-	10,000,000	10,000,000.00
Seabe Water Reticulation	Ward 25	MIG	-	4,000,000	-
Sehoko Water Reticulation	Ward 26	MIG	-	4,000,000	4,000,000.00
Masobe Water Reticulation	Ward 31	MIG	-	2,000,000	-
Ga-Mogashwa Water Reticulation	Ward 26	MIG	-	4,000,000	4,000,000.00
Molejije Water Reticulation	Ward 26	MIG	-	5,000,000	5,000,000.00
Replacement of asbestos pipes at Siyabuswa A	Ward 3 & 4	Council	-	6,000,000	6,000,000.00
Sub-Total			R 112,483,909.57	45,000,000	29,000,000

DETAIL CAPITAL PLAN	AREA	SOURCE OF FUNDING	BUDGET 2014/2015	BUDGET 2015/2016	BUDGET 2016/2017
SANITATION					
Construction of VIP toilets at Matshiding	Ward 12	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Nokaneng	Ward 28	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Katjibane	Ward 27	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Makopanong	Ward 2	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Maphotla	Ward 14	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Makometsane	Ward 19	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Lefisoane	Ward 22	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Libangeni	Ward 16	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Lefiso	Ward 22	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Mbhongo	Ward 17	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Maphanga	Ward 18	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Mmetsemadiba	Ward 10	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Ramokgetlsane	Ward 7	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Senotielo	Ward 20	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Ga-Makola	Ward 11	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Mabusabusela	Ward 11	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Mmamethlake	Ward 29	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Marapyane	Ward 23	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Ga-Morwe	Ward 9 & 10	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Seabe	Ward 25	MIG	-	2,000,000	3,000,000.00
Construction of VIP toilets at Masobe	Ward 31	MIG	-	2,000,000	3,000,000.00
Sewer Reticulation at Siyabuswa D	Ward 1	Council	5,200,000	-	-
Sub-Total			5,200,000	42,000,000	63,000,000

DETAIL CAPITAL PLAN	AREA	SOURCE OF FUNDING	BUDGET 2014/2015	BUDGET 2015/2016	BUDGET 2016/2017
ROADS & STOMWATER					
Upgrading of Makometsane Bus and taxi Route	Ward 19	MIG	-	6,000,000	12,000,000.00
Libangeni Storm Water Drainage	Ward 16/17	MIG	-	4,000,000	6,000,000.00
Upgrading of Marapyane Bus and Taxi Route	Ward 23	MIG	5,921,072	10,000,000	15,000,000.00
Mabyeni Bus & Taxi Route	Ward 6	MIG	-	1,000,000	
Upgrading of Siyabuswa C Bus and Taxi Route	Ward 2	Council	-	3,500,000	
Upgrading of Siyabuswa B Bus and Taxi Route	Ward 5	Council	-	4,000,000	
Upgrading of phaahlamohlaka Bus and Taxi Route	Ward 1	Council	-	2,000,000	
Upgrading of Maphothla Bus and Taxi Route	Ward 14	MIG	-	2,000,000	
Sub-Total			5,921,072	32,500,000	33,000,000

DETAIL CAPITAL PLAN	AREA	SOURCE OF FUNDING	BUDGET 2014/2015	BUDGET 2015/2016	BUDGET 2016/2017
FACILITIES					
Construction of Mathanjana Unit Office	DRJSMLM	Council	1,000,000	-	
Construction of fencing around Municipalities Cemeteries in the Eastern Cluster Villages	DRJSMLM	MIG	-	4,000,000	
Construction of fencing around Municipalities Cemeteries in the Western Cluster Villages	DRJSMLM	MIG	-	2,000,000	
Construction of Municipal Offices Complex	DRJSMLM	Council	-	15,000,000	
Upgrading of Ga-Morwe (Phase 5)	Ward 10	MIG	-	4,952,000.00	
Sub-Total			1,000,000.00	25,952,000.00	

13. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

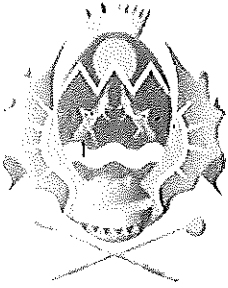
I B.S Mahlangu, Municipal Manager of Dr JS Moroka Local Municipality, hereby certify that the final annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents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

Print Name Benny Stanley Mahlangu

Municipal manager of Dr JS Moroka Local Municipality (MP316)


Signature

12/06/2014
Date



dr.jsmlm

Dr JS Moroka Local Municipality

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Siyabuswa 0472

Tel (013) 973 1390/1101
Fax (013) 973 2463/0974
admin@moroka.gov.za

Enq: Monkoe MF

02 June 2014

ALL MANAGERS

1. You are hereby informed that Council at its 1st (2014) Ordinary Sitting held on the 30 May 2014 resolved as follows:

R296.05.2014 ND

FINAL ANNUAL BUDGET 2014/15 – 2016/17 MTERF

RESOLVED

- 1.1. **THAT** Council approve the final annual budget for 2014/2015 – 2016-2017 financial year and appropriation of amounts for the different votes and for single year and multiyear capital expenditure
 - 1.2. **THAT** Council approve the draft tariff structure for services provided by the municipality as contained in the tariff policy.
 - 1.3. **THAT** Council approve the draft measurable performance objectives for the annual budget
 - 1.4. **That** Council approve the following budget related policies and the amendments thereof.
 - 1.4.1. Investment policy
 - 1.4.2. Indigent policy
 - 1.4.3. Supply Chain Management Policy
 - 1.4.4. Tariff policy
 - 1.4.5. Assets Management policy
 - 1.4.6. Credit Control & Debt Collection Policy
 - 1.4.7. Budget Policy
 - 1.4.8. Property Rates Policy
 - 1.5. **THAT** Council be exempted from the implementation and compliance to 5.6 CPI as reflected in National Treasury Circular No. 70
 - 1.6. **THAT** Council approve adjustment of 7.5% Household, 8,5% Government, 9.5% Business.
2. Please ensure that the above resolution of Council is dealt with.

.....
MAHLANGU B S
MUNICIPAL MANAGER

All correspondence should be addressed to The Municipal Manager

W e d e v e l o p a s w e g r o w