

# **DR JS MOROKA LOCAL MUNICIPALITY**



## **FINAL ANNUAL BUDGET**

### **2013/2014**

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## **1. MAYOR'S REPORT**

The 2013/2014 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 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. Community 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.

The 2013/2014 proposes a paradigm shift from the old way ways of doing things where water infrastructure is constructed but few months down the line such infrastructure cannot produce water as the source has dried out. 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 following infrastructure projects are definitely going to ensure that sustainability of the water provision within our community without any interruption is achieved:-

- Bulk water provision from Ruste Winter Dam
- Upgrading of Digwale bulk water
- Ga-Mmakola bulk water
- Ukukhanya bulk Water
- Libangeni Mkhombo bulk water provision
- Waalkraal reservoir to V3 water supply

The provision of water by the municipality for it to be sustained, it must equally 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.

Major focus this administration in this financial year is also going to be on the LED sector. The municipality of Dr J S Moroka is a sleeping giant in the area of Local Economic Development, the potential of growth in this field is huge and all means to resuscitate the tourism sector which will be centralised around Mkhombo Dam and the Mkholwane lodge will surely be a spring board for other LED initiatives that will ensure that the unemployment level is reduced. The role of the municipality in all this will be that of the facilitator and ensuring that the environment is conducive for LED initiatives. The role of the municipality will not only remain that of a facilitator but LED projects will also be implemented.

While ensuring that access to basic services and the improvement of the quality of life by our community is achieved the municipality will have to continue ensuring that there is compliance with all the legislative prescripts.

## **2. RESOLUTION: R160.05.2013ND**

### **COUNCIL RESOLVED**

**2.1 THAT** the final draft budget of capital and operating expenditure for 2013/2014 and the indicated two outer years of 2014/15 and 2015/16 as set out by the attached tables in A1 Schedule (**See annexure attached**) be approved.

**2.2 THAT** tariffs for the 2013/14 financial year be adjusted and increased as follows:

Residential	7.5%
Government	8.5%
Business	9.5%

**2.3 THAT** the headline inflation forecast which is based on CPI inflation of 5.6% in terms of MFMA Circular 67 not be applied when adjusting the tariffs because during the current year it has been discovered that municipal tariffs are not cost reflective.

**2.4 THAT** for all indigents and pensioner consumers enlisted as indigents in terms of council's indigent policy, their levies in full be recovered from the proportional equitable share payable to the municipality by the national Treasury.

**2.5 THAT** the inputs received and proposed amendments to the tabled budget be noted.

**2.6 THAT** bulk water supply tariff to Sekhukhune District Municipality and Thembisile Hani Local Municipality be adjusted from R3.83 per Kilo Liter to R4.90 per Kilo Liter.

**2.7 THAT** the budget be approved with any changes on the Integrated Development Plan in terms of Section 24 (2) (v) of the MFMA.

**2.8 THAT** the following budget related policies as indicated as annexure in the budget be approved and be effective from 1<sup>st</sup> July 2013:

1. Credit Control and Debt Collection Policy
2. Indigent Policy
3. Tariff Policy
4. Property Rates Policy
5. Writing off of Irrecoverable Debts Policy
6. Investment Policy
7. Asset Management Policy
8. Budget Policy
9. SCM Policy

**2.9 THAT** the proposed organizational Structure submitted in terms of Section 66 of Municipal Systems Act, 2000 as amended be approved.

### **3. EXECUTIVE SUMMARY**

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

In terms of section 16 of the Municipal Finance Management Act, Act 56 of 2003, the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

In order to comply with the above subsection, the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

In section 17 it further said that the budget must be a schedule in the prescribed format-

- a) Setting out realistically anticipated revenue for the budget year from each revenue source;
- b) Appropriating expenditure for the budget year under the different votes of the municipality;
- c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year
- d) Setting out estimated revenue and expenditure by vote for the current year; and
- e) Actual revenue and expenditure by vote for the financial year preceding the current year.

Any further proposed amendment to the municipality's Integrated Development Plan following the annual review of the Integrated Development Plan in terms of section 34 of the Municipal Systems Act.

In terms of section 24 of MFMA the municipal council must at least 30 days before the start of the budget year consider the approval of the annual budget.

The section further says that: an annual budget-

- (a) must be approved before the start of the budget year; is approved by the adoption by the council of a resolution referred to in section 17 (3) (a) (i); and
- (b) must be approved together with the adoption of resolution as may be necessary-
  - (i) imposing any municipal tax for the budget year;
  - (ii) setting any municipal tariffs for the budget year;
  - (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;
  - (iv) approving any changes to the municipality's integrated development plan; and
  - (v) approving any changes to the municipality's budget-related policies.

Local government operations are based on legislation, with reference to the budgetary process, the Municipal Finance Management Act, Act 56 of 2003 is the key piece of legislation. Section 52 of the said Act provides as follows:

52 General responsibilities – The Mayor of a Municipality:-

- a) Must provide political guidance over the fiscal and financial affairs of the municipality;
- b) In providing political guidance, may monitor and to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- c) Must take all responsible steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the Municipality's approved budget;

Must within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality

To this end, it is hereby confirmed that the Mayor and Municipal Council have complied with all legal prescripts regulations on the tabling and approval of the budget.

#### **4. EXPLANTORY NOTES TO THE 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 and the 2013/2014 budget has been structured such that it addresses developmental aspects

of the Municipality, and impacts on the backlogs faced in dealing with service delivery. Due to funding constraints projects were prioritized in order to ensure that the municipality is investing in high priority projects as informed by the IDP.

## **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:

The manner in which the strategic planning process is integrated; the input of policy directions; and consultation with the community and other stakeholders, as summarized below:

### **5.1 Political oversight of the budget process**

The Council and Senior 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 30<sup>th</sup> April 2013 prior to the tabling of the budget for approval to comment and make input on the 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 2013/2014 medium term period was tabled to Council in August 2012. The key deadline where adhered to as the IDP and the Draft Annual Budget was adopted by Council 90 days before the start of the financial year.

### **5.3 Consultation process**

It is by virtue of the Municipal Finance Management Act, Act 56 of 2003 that the Council is required to make public the budget and relevant documentation, and also invite public representations thereof. As has been highlighted, 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 09 April 2013 to 11 April 2013 as follows:

<b>DATE</b>	<b>WARDS</b>	<b>VILLAGES</b>	<b>VENUE</b>	<b>TIME</b>
09 April 2013	29, 30, 31	<ul style="list-style-type: none"> <li>• Mmametlhake, Phake(Thabeng, Rankaila, Rebone, Ratlhagane), Masobye</li> <li>•</li> </ul>	Mmametlhake Open Space	14H00

10 April 2013	20, 21, 22, 26 and 28	<ul style="list-style-type: none"> <li>• Senotlelo, GaMaria, Kabete, Mate mpule, Dihekeng, Lefiso, Lefisoane, Ramantsho, Loding, Sehoko, Semohlase, Nokaneng, Dierefeng, Terateng</li> <li>•</li> </ul>	Senotlelo	14H00
11 April 2013	1, 2, 3, 4, 5, 6, 7	<ul style="list-style-type: none"> <li>• Kwa-Phaahla, Siyabuswa A, B, C, D &amp; E, Makopanong, Toitskraal, Mrhononweni, Mabuyeni, Thabana, Ramokgeletsane</li> </ul>	Ga-makola Open Space	14H00

In compliance to Chapter 4 of the MFMA, the submission on the tabled budget must be considered and where necessary be revised for consideration by council.

In view of the above no written inputs on the tabled budget were received from residents, inputs were only received from Provincial treasury and National treasury and those from provincial treasury were taken into consideration.

#### **5.4 Minor inputs or changes by municipal departments**

- 2012/13 sanitation projects has been rolled over and re-in fenced until the legal matter is finalized.
- Mansory product factory be rolled over.
- All Projects that won't be completed by 30 June 2013 have been rolled over to 2013/14 financial year.

#### **6. ALIGNMENT OF BUDGET WITH IDP**

The budget and the IDP is planned having taken into consideration of the content of the letter from the MEC in terms of Section 32(2) of the Local Government Municipal Systems Act, Act 32 of 2000

On this basis of the above Council resolved in terms of Council resolution number R159.05.2013 ND Inter-alia:

THAT, the basis for the adjustment or amendment of the annual plan, that is changing a VIP sanitation project to Convertible water Borne toilets or sanitation system and water reticulation system be accepted with a view that a comprehensive sanitation feasibility study be prioritised for 2013/14 financial year.

THAT Council delegate the Municipal Manager and the Executive Mayor to deal with ant matter incidental thereof.

In view of the above, it is then suggested that the budget should be approved with the changes in the IDP which came as a result of the Council rolled over projects amounting to R 18 637 693.00 which were originally not included in the 2013/14 Integrated Development Plan ( IDP) of the municipality.



It is further suggested that all the conditional grant rolled over projects be ring fenced and application for approval for rolling them over to the 2013/14 financial year be lodged urgently with the relevant authorities.

## **7. BUDGET RELATED POLICIES**

This section provides an overview of the budget related policies framework and highlight the amended policies to be approved by council resolution.

The following indicates the names of the existing budget related policies:

- Credit Control and Debt Collection Policy
- Indigent Policy
- Tariff Policy
- Property Rates Policy
- Writing off of Irrecoverable Debts
- Investment Policy
- Asset Policy
- Budget Policy
- SCM Policy

In terms of section 3 (1) of the Municipal Property rates Act the Council of a municipality must adopt a policy consistent with this Act on the levying of rates on rateable property in the municipality.

The above mentioned budget related policies must be reviewed annually and must accompanied the municipality's budget for the financial year concerned when the budget is tabled in the municipal council in terms of section 16 (2) of the Municipal Finance Management Act.

**The tariff increase for the financial year 2013/2014 is proposed as follows:**

<b>Residential</b>	<b>: 7.5%</b>
<b>Government</b>	<b>: 8.5%</b>
<b>Business</b>	<b>: 9.5%</b>

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 tariffs are uniformly and fairly applied throughout the municipality. They are aimed to recover the expenses associated with the rendering of services 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

**Factors taken into considered when determining the tariff structure:**

- Financial Factors  
Tariffs for the major services rendered by the municipality, e.g. water, refuse sewer, should as far as possible recover the expenses associated with the rendering of each service concerned.
- Changes in Consumer Price Index (CPIX)
- Socio-economic Factors
- Inflation rate
- Minimum service level
- Multi Year budget

**8. Overview of Budget Assumptions**

**8.1 Expenditure**

Salaries and Allowances

Wage negotiations were finalized between the Unions and the South African Local Government Association and a salary increase of 6.5 % will be implemented from 01 July 2013 and it is budgeted accordingly.

The Minister of Finance will approve increases of councillors during the 2013/14 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 2013/14 will be completed during the financial year.

Repairs and Maintenance

It is assumed that municipal infrastructure and assets will be maintained as per previous years.

**8.2 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 2013/2014 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 2013/14 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**

### **9.1 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. In setting its annual tariffs the municipality has taken cognizance of the impact which its own tariffs may have on local economic development. The tariffs are uniformly and fairly applied throughout the municipality. They are aimed to recover the expenses associated with the rendering of services.

### **PROJECTED REVENUE FOR 2013/2014 FINANCIAL YEAR AMOUNTS TO R 481,155,000**

<b>SOURCE OF FUND</b>	<b>2011/2012</b>	<b>Actual</b>	<b>2013/2014</b>
Equitable share	R 205,518,000	R 205,518,000	R 248,190,000
Municipal Infrastructure Grant	R 91,300,000	R 42, 485,693	R 111,244,000
Expanded Public Works Programme	R 0	R 0	R 3,096 000
Kooronfontein Mine	R 0	R 0	R 3,930,000
Financial Management grant	R 1,250,000	R 1,246,458	R 1,550,000
Integrated Electrification Programme	R 0	R 0	R 3,900,000
Water Service Operating Subsidy Grant	R 28,785,000	R 24,285,000	R 10,925,000
Municipal System Improvement Grant	R 790,000	R 568,118	R 890,000
Own Funding	R 74,860,400	R 119,268,596	R 97,430,000
<b>TOTAL</b>	<b>R 402,503,400</b>	<b>R 393,363,865</b>	<b>R 481,155,000</b>



**The following are the sources of own revenue projections:**



**FINES & LICENSING  
R 1,492,000**



**WATER & SANITATION  
R 53,464,680**



**WASTE REMOVAL  
R 2,565,000**



**PROPERTY RATES  
R 6,099,005**



**OTHER SOURCES  
R 33,809,315**

<b>REVENUE BY SOURCE</b>	<b>ADJUSTMENT BUDGET 2012/2013</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
PROPERTY RATES	1,490,000	6,099,005	6,708,906	7,379,796
WATER	30,236,000	53,464,680	58,811,148	64,692,263
REFUSE	3,793,000	2,565,000	2,821,500	3,103,650
CEMETRY	170,000	210,000	231,000	254,100
FACILITIES	136,000	210,000	231,000	254,100
INTEREST ON INVESTMENT	3,600,000	12,400,000	13,640,000	15,004,000
INTEREST ON OUTSTANDING DEBTORS	11,000,000	9,000,000	9,900,000	10,890,000
TRAFFIC FINES	300,000	250,000	275,000	302,500
MOTOR LICENSING	1,242,000	1,242,000	1,366,200	1,502,820
GRANTS	416,815,000	383,725,000	405,158,000	462,139,000
OTHER REVENUE	3,610,000	11,989,315	11,902,000	13,092,200
<b>TOTAL REVENUE BY SOURCE</b>	<b>472,392,000</b>	<b>481,155,000</b>	<b>511,044,754</b>	<b>578,614,429</b>

### **SUMMARY OF 2013/2014 FINAL REVENUE AND EXPENDITURE PROJECTIONS**

<b>DESCRIPTION</b>	<b>BUDGET</b>
Revenue	R 481,155,000
Operating Expenditure	(R 297,583,586)
Capital Expenditure	(R 164,880,000)
Council Funded Rolled Over Projects	(R 18,691,414)
<b>Surplus/ (Deficit)</b>	<b>0</b>

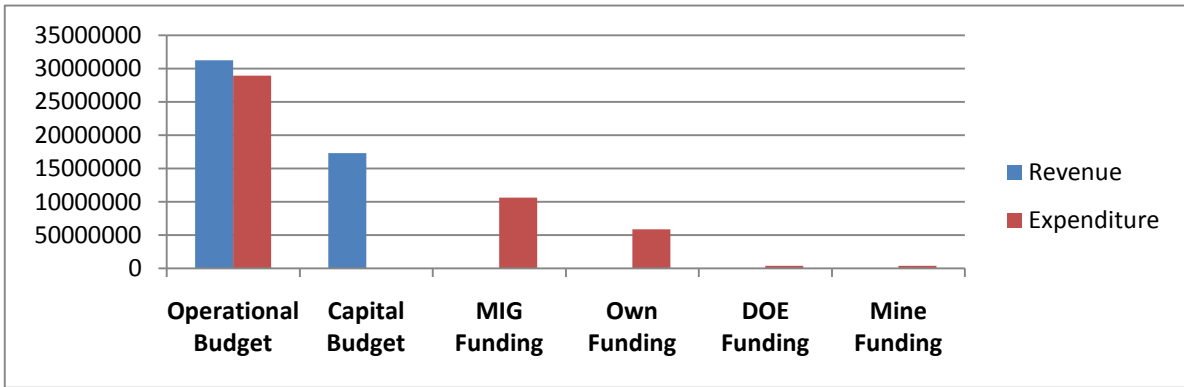
Total revenue has increased by 2 per cent or R 8,763,000 for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. Total operating expenditure for the 2013/14 financial year has been appropriated at R 297,583,586.

The capital budget is 15 per cent less when compared to the 2012/13 Adjustments Budget. The capital programme decreases to R 164,880,000 in the 2013/14 financial year.

The major contributing factors are:

The constrain of available funding sources and that the expenditure of the current years (2012/2013) projects is low therefore projects might not be completed.

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.



## 9.2 EXPENDITURE

### **OPERATIONAL EXPENDITURE BUDGET BY VOTE AND TYPE AS PER GFS CLASSIFICATION**

The total Operational expenditure is at R 297,583,586 and provision for bad debts that amounts to R34,000,000 has been made.

Major contribution factors to the expenditure budget are the items that were budgeted for but not been implemented. 8.5% of the total Employee related Costs which amounts to R 10,551,017 is budgeted for the following Vacancies:

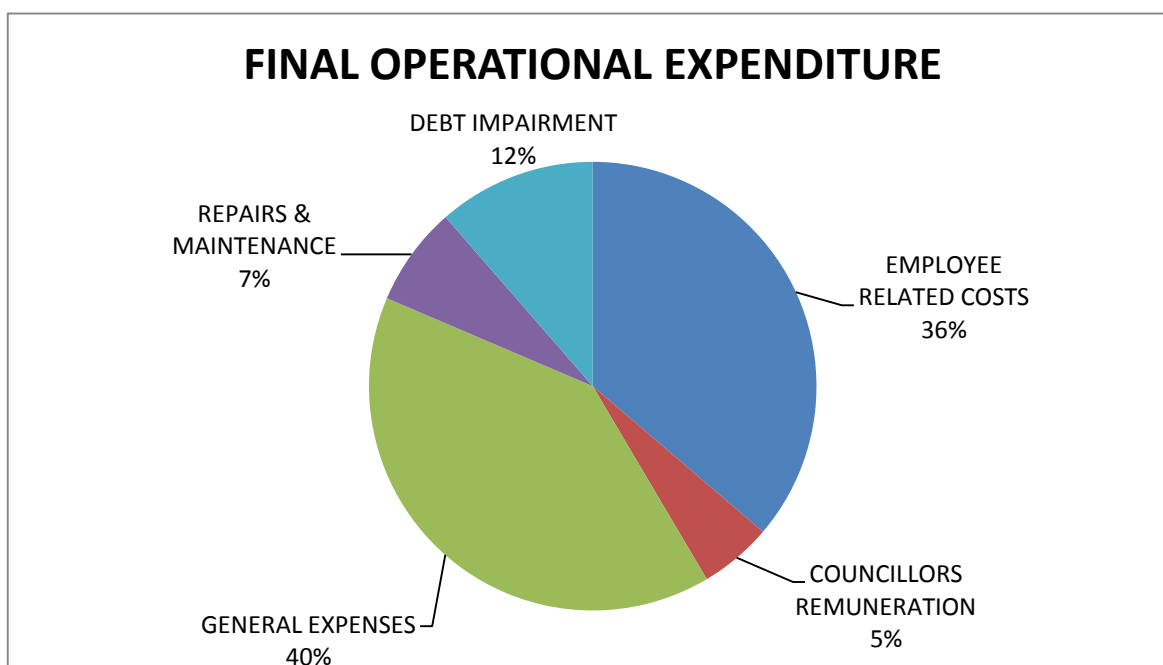
<b>HUMAN RESOURCES</b>	<b>MUNICIPAL MANAGER</b>
OHS Officer	Ward Committee Coordinator
<b>TRAFFIC SECTION</b>	<b>ADMINISTRATION &amp; CORPORATE</b>
5x Traffic Officers	Senior Registry Clerk
	Records Clerk
<b>MOTOR LICENCING AND REGISTRATION</b>	<b>BUDGET MANAEMENT</b>
3X Licensing Officer	2X Accountant Financial Statement & Reporting
3 X Learner Examiners	
<b>EXPENDITURE MANAGEMENT</b>	<b>ROADS AND STORMWATER</b>
2X Meter Readers	Snr Technician: Operations
Snr Accountant Expenditure	Grader/Plant Operator
	Technician Planning
<b>FINANCIAL SERVICES</b>	<b>WATER SERVICES</b>
Deputy CFO Asset, Fleet & SCM	Artisan Boreholes
	Plant Operators X5
	Snr Water Care Technician
	Snr Technician Retail
	Chief Technician: Unit Offices
	Chief Plant Sup- Water Treat
	Chief Technician: Mdutjane
	Snr Water Care Technician

**Below is the detailed Operating expenditure by type**

OPERATIONAL EXPENDITURE 2013/2014					
GFS					
	SALARIES	GENERAL	REPAIRS	PROVISION	TOATLS
<b>Community and Social Services</b>					
Transversal	901,900	650,000	0		1,551,900
Youth Development	1,077,052	1,605,000	0		2,682,052
Library	188,800	416,000	0		604,800
Health & Social Services	191,382	500	0		191,882
Cemetery	734,620	1,070,500	0		1,805,120
Facilities	13,509,320	1,505,000	2,500,000		17,514,320
<b>TOTAL</b>	<b>16,603,074</b>	<b>5,247,000</b>	<b>2,500,000</b>		<b>24,350,074</b>
<b>Executive and Council</b>					
Council and General	15,604,380	7,320,000	0		22,924,380
Municipal Manager	2,368,374	980,000	0		3,348,374
Executive Costs	2,006,383	190,000	0		2,196,383
Internal Auditing	787,589	920,000	0		1,707,589
Risk Management	385,600	101,500	0		487,100
<b>TOTAL</b>	<b>21,152,326</b>	<b>9,511,500</b>	<b>0</b>		<b>30,663,826</b>
<b>Finance and Admin</b>					
Human Recources	1,446,203	4,164,500	20,000		5,630,703
Admin & Corporate	2,689,927	9,715,000	100,000		12,504,927
Mathanjana Unit	1,219,190	635,000	25,000		1,879,190
Mbibane Unit	845,430	580,000	0		1,425,430
Fleet Management	1,443,824	6,492,000	600,000		8,535,824
Expenditure Management	1,033,312	7,860,000	0		8,893,312
Budget & Asset Management	1,502,783	85,000	0		1,587,783
Supply Chain Management	2,510,312	4,970,000	0		7,480,312
ICT	1,553,272	7,660,000	0		9,213,272
Revenue	10,616,023	5,652,000	0	34,000,000	50,268,023
<b>TOTAL</b>	<b>24,860,276</b>	<b>47,813,500</b>	<b>745,000</b>	<b>34,000,000</b>	<b>107,418,776</b>
<b>GFS</b>					
	<b>SALARIES</b>	<b>GENERAL</b>	<b>REPAIRS</b>		<b>TOATLS</b>
<b>Planning and Development</b>					
Intergarated Development Plan	1,260,980	2,375,000	0		3,635,980
Building Housing & Town Plan	2,654,508	1,540,000	0		4,194,508
Business Licensing	439,844	1,500	0		441,344
Project Management Unit	3,205,516	140,000	0		3,345,516
<b>TOTAL</b>	<b>7,560,848</b>	<b>4,056,500</b>	<b>0</b>		<b>11,617,348</b>
<b>Road Transport</b>					
Motor Licensing	4,942,869	60,000	70,000		5,072,869
<b>TOTAL</b>	<b>4,942,869</b>	<b>60,000</b>	<b>70,000</b>		<b>5,072,869</b>



	SALARIES	GENERAL	REPAIRS		TOATLS
<b>Sports and Recreation</b>					
Sports, Arts & Culture & Recreation	136,360	2,200,000			2,336,360
<b>TOTAL</b>	<b>136,360</b>	<b>2,200,000</b>	<b>0</b>		<b>2,336,360</b>
<b>Waste Management</b>					
Refuse	3,588,910	8,816,000	0		12,404,910
<b>TOTAL</b>	<b>3,588,910</b>	<b>8,816,000</b>	<b>0</b>		<b>12,404,910</b>
<b>Waste Water Management</b>					
Roads & Stormwater	3,581,024	3,760,000	7,750,000		15,091,024
Water & Sanitation	35,362,451	9,155,524	7,100,000		51,617,975
<b>TOTAL</b>	<b>38,943,475</b>	<b>12,915,524</b>	<b>14,850,000</b>		<b>66,708,999</b>
<b>Public Safety</b>					
Disaster Management	168,600	1,075,000	60,000		1,303,600
Traffic	5,212,541	10,608,000	0		15,820,541
<b>TOTAL</b>	<b>5,381,141</b>	<b>11,683,000</b>	<b>60,000</b>		<b>17,124,141</b>
<b>Electricity</b>					
Electricity	286,283	16,500,000	3,100,000		19,886,283
<b>TOTAL</b>	<b>286,283</b>	<b>16,500,000</b>	<b>3,100,000</b>		<b>19,886,283</b>
<b>GRAND TOTAL</b>	<b>123,455,562</b>	<b>118,803,024</b>	<b>21,325,000</b>		<b>297,583,586</b>



### **9.3 CAPITAL BUDGET**

The Final Capital budget is financed both internally and externally through Conditional Grants and Council funds. The total final capital budget for 2013/2014 financial year is R164,880,000

**WATER– R60, 801,549**



**FACILITIES- R 16,000,000**



**SANITATION-R 50,000,000**



**ROADS & STORMWATER  
R 29,248,451**



**ELECTRICITY- R 3,900,000**

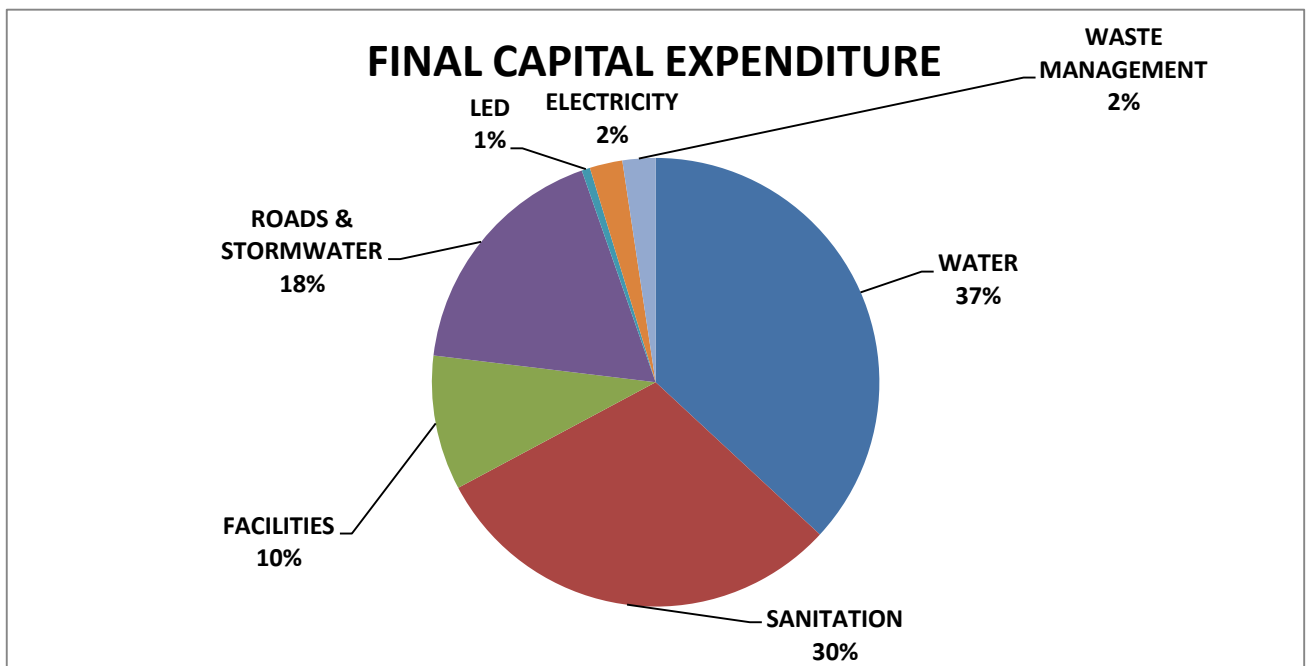


**LED- R1,000,000**



**WASTE MANAGEMENT  
R 3,930,000**

<b>SUMMARY OF CAPITAL EXPENDITURE BY TYPE</b>				
<b>DESCRIPTION</b>	<b>ADJUSTMENT BUDGET 2012/2013</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
FACILITIES	38,531,145	16,000,000	23,736,751	24,000,000
WATER	60,639,000	60,801,549	66,101,549	-
ROADS	21,258,224	29,248,451	4,550,000	-
ELECTRICITY	40,338,060	3,900,000	-	-
LED	8,865,000	1,000,000	-	5,000,000
WASTE MANAGEMENT	-	3,930,000	3,930,000	-
SANITATION	32,077,228	50,000,000	57,000,000	52,500,000
<b>TOTAL CAPEX BY TYPE</b>	<b>201,708,657</b>	<b>164,880,000</b>	<b>155,318,300</b>	<b>81,500,000</b>



**10. ALLOCATION OR GRANTS MADE BY THE MUNICIPALITY**

**NONE**

**11. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS**

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

Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		8,307	14,502	14,651	8,928	9,160	9,160	10,105	10,766	11,648
Pension and UIF Contributions			-		500	1,400	1,400	1,500	1,575	1,605
Medical Aid Contributions					200	450	450	480	504	514
Motor Vehicle Allowance					2,500	3,637	3,637	3,519	3,695	3,765
Cellphone Allowance					500					-
Housing Allowances										-
Other benefits and allowances		-	-			5	5			-
<b>Sub Total - Councillors</b>		<b>8,307</b>	<b>14,502</b>	<b>14,651</b>	<b>12,628</b>	<b>14,652</b>	<b>14,652</b>	<b>15,604</b>	<b>16,540</b>	<b>17,532</b>
<b>% increase</b>	4		<b>74.6%</b>	<b>1.0%</b>	<b>(13.8%)</b>	<b>16.0%</b>	<b>-</b>	<b>6.5%</b>	<b>6.0%</b>	<b>6.0%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		2,522	2,330	2,886	1,400	1,455	1,455	1,184	1,244	1,267
Pension and UIF Contributions			185		1,950	335	335	350	368	375
Medical Aid Contributions					60	141	141	200	210	214
Overtime					1	1	1	1	1	1
Performance Bonus					20	219	219	90	95	96
Motor Vehicle Allowance	3				160	284	284	120	126	128
Cellphone Allowance	3				5	-	-	-	-	-
Housing Allowances	3					-	-	-	-	-
Other benefits and allowances	3	399	310		250	424	424	60	63	65
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>		<b>2,921</b>	<b>2,826</b>	<b>2,886</b>	<b>3,846</b>	<b>2,859</b>	<b>2,859</b>	<b>2,006</b>	<b>2,106</b>	<b>2,146</b>
<b>% increase</b>	4		<b>(3.3%)</b>	<b>2.1%</b>	<b>33.3%</b>	<b>(25.7%)</b>	<b>-</b>	<b>(29.8%)</b>	<b>5.0%</b>	<b>1.9%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		41,532	52,875	52,430	55,434	70,499	70,499	68,687	81,540	84,515
Pension and UIF Contributions		9,065	9,696	10,098	10,878	16,193	16,193	16,500	17,325	17,655
Medical Aid Contributions		3,329	2,815	3,094	3,384	3,955	3,955	4,123	4,329	4,412
Overtime		3,282	3,823	3,682	4,058	4,101	4,101	4,200	4,410	4,494
Performance Bonus		3,007	3,773	7,267	6,831	5,868	5,868	6,100	6,405	6,527
Motor Vehicle Allowance	3	4,352	1,548	2,109	1,661	1,686	1,686	1,500	1,575	1,605
Cellphone Allowance	3				1,540	-	-	-	-	-
Housing Allowances	3	1,100	1,430	1,441	6,620	1,567	1,567	1,735	1,822	1,856
Other benefits and allowances	3	964	280	642	12,628	5,753	5,753	3,000	3,150	3,210
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>		<b>66,631</b>	<b>76,240</b>	<b>80,763</b>	<b>103,034</b>	<b>109,622</b>	<b>109,622</b>	<b>105,845</b>	<b>120,556</b>	<b>124,274</b>
<b>% increase</b>	4		<b>14.4%</b>	<b>5.9%</b>	<b>27.6%</b>	<b>6.4%</b>	<b>-</b>	<b>(3.4%)</b>	<b>13.9%</b>	<b>3.1%</b>
<b>Total Parent Municipality</b>		<b>77,859</b>	<b>93,568</b>	<b>98,300</b>	<b>119,508</b>	<b>127,133</b>	<b>127,133</b>	<b>123,455</b>	<b>139,202</b>	<b>143,952</b>
			<b>20.2%</b>	<b>5.1%</b>	<b>21.6%</b>	<b>6.4%</b>	<b>-</b>	<b>(2.9%)</b>	<b>12.8%</b>	<b>3.4%</b>

## 12. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

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

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		33,302	24,467	41,156	45,512	42,305	42,305	42,305	87,761	96,537	106,191
Government - operating	1	252,502	297,688	232,343	237,788	252,628	252,628	252,628	265,850	288,202	337,234
Government - capital	1			91,325	115,487	164,187	164,187	164,187	115,144	116,956	124,905
Interest		7,235	11,579	10,206	3,600	3,600	3,600	3,600	12,400	13,640	15,004
Dividends											
<b>Payments</b>											
Suppliers and employees		(208,290)	(182,774)	(225,590)	(258,175)	(290,140)	(290,140)	(290,140)	(279,110)	(353,900)	(359,659)
Finance charges		(137)	167	(160)		(250)	(250)	(250)			
Transfers and Grants	1	(4,887)	(6,238)	(10,335)		(10,047)	(10,047)	(10,047)	(53,473)	(12,133)	(13,347)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>79,725</b>	<b>144,889</b>	<b>138,945</b>	<b>144,212</b>	<b>162,283</b>	<b>162,283</b>	<b>162,283</b>	<b>148,572</b>	<b>149,302</b>	<b>210,328</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE				(109,964)							
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
<b>Payments</b>											
Capital assets		(59,438)	(68,972)		(143,487)	(169,131)	(169,131)	(169,131)	(129,880)	(98,318)	(29,000)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(59,438)</b>	<b>(68,972)</b>	<b>(109,964)</b>	<b>(143,487)</b>	<b>(169,131)</b>	<b>(169,131)</b>	<b>(169,131)</b>	<b>(129,880)</b>	<b>(98,318)</b>	<b>(29,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
<b>Payments</b>											
Repayment of borrowing		(87)	(3,327)								
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(87)</b>	<b>(3,327)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>20,200</b>	<b>72,590</b>	<b>28,981</b>	<b>726</b>	<b>(6,848)</b>	<b>(6,848)</b>	<b>(6,848)</b>	<b>18,692</b>	<b>50,984</b>	<b>181,328</b>
Cash/cash equivalents at the year begin:	2	36,701	56,901	129,491	90,540	91,954	85,106	91,954	85,106	103,798	154,782
Cash/cash equivalents at the year end:	2	56,901	129,491	158,472	91,265	85,106	78,258	85,106	103,798	154,782	336,110

### 13. Provision of Free Basic Services:

Amount in rand value of each of the free basic services:

SERVICE	BUDGET
Water (Basic charges)	R 952,000
Property Rates	R 801,246
Refuse	R 820,000
Sewerage	R 900,000
Electricity	R 7,000,000
<b>TOTAL</b>	<b>R 10,473,246</b>

Level of service to be provided Indigents will receive 50 kWh of electricity and 6 kilolitre of water per month while their basic charges for water, refuse and sewerage will be subsidized.

### 14. BELOW IS THE DETAILED CAPITAL PLAN

# **DETAILED CAPITAL PLAN**

<b>DETAIL CAPITAL PLAN</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>WATER</b>					
Water Demand Management and Conservation	DRJSMLM	Council	6,000,000	6,000,000	-
Mkhombo-Libangeni Bulk Water	Ward 16/17	Council	1,000,000	0	-
Ukukhanya Bulk Water Supply and Reticulation	Ward 19	Council	2,000,000	0	-
Mmamethlake Water Reticulation, Borehole equiping and Storage Tank	Ward 29	MIG	2,000,000	5,000,000	-
Bulk Water line from Spitplunt to Ga-Mogashwa	DRJSMLM	MIG	7,000,000	15,000,000	-
Walkraal Reservoir to V3 Reservoir Bulk Water Supply	DRJSMLM	MIG	5,700,000	10,000,000	-
Upgrading of Digwale Bulkline from 250 mmAC to 400 PVC	DRJSMLM	MIG	8,950,000	0	-
Ga-Mmakola Bulk Water Supply	DRJSMLM	MIG	5,000,000	3,000,000	-
Bulk Water Provision from Rust de Venter Dam to Mathanjana Area	DRJSMLM	MIG	23,151,549	27,101,549	-
<b>Sub-Total</b>			<b>60,801,549</b>	<b>66,101,549</b>	<b>0</b>

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>FACILITIES</b>					
Upgrading of Nokaneng Stadium	Ward 28	Council	4,000,000	4,000,000	4,000,000
Upgrading of Lefiswane Stadium	Ward 22	Council	3,500,000	0	-
Construction of Weigh Bridge	Ward 2	Council	1,500,000	10,000,000	10,000,000
Upgrading of Libangeni Stadium	Ward 17	MIG	3,000,000	4,736,751	5,000,000
Upgrading of Ga-Morwe Stadium	Ward 10	MIG	4,000,000	5,000,000	5,000,000
<b>Sub-Total</b>			<b>16,000,000</b>	<b>23,736,751</b>	<b>24,000,000</b>
<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>ROADS &amp; STORMWATER</b>					
Upgrading of Siyabuswa B Bus & Taxi Route	Ward 5	Council	3,500,000	0	-
Upgradin of Katjibana Bus & Taxi Route	Ward 27	Council	4,550,000	4,550,000	-
Upgrading of Ukukhanya Bus and Taxi Route	Ward 19	MIG	5,298,451	0	-
Upgrading of Loding Bus & Taxi Route	Ward 26	MIG	4,600,000	0	-
Construction of Libangeni Stormwater Drainage	Ward 16/17	MIG	1,500,000	0	-
Upgrading of Marapyane Bus & taxi route	Ward 23	Council	9,800,000	0	-
<b>Sub-Total</b>			<b>29,248,451</b>	<b>4,550,000</b>	<b>0</b>



<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>ELECTRICITY</b>					
Electrical Reticulation and Post Connection at Moripe Garden and Siyabuswa D	Ward 1 & 19	DOE	3,900,000	0	-
<b>Total (DOE Funding)</b>			<b>3,900,000</b>	<b>0</b>	<b>0</b>
<b>WASTE MANAGEMENT</b>					
Development of Libangeni/Mametlhake Landfill Sites	Ward 17/29	Kooronfontein Mines	3,930,000	3,930,000	-
<b>Total (Mine Funding)</b>			<b>3,930,000</b>	<b>3,930,000</b>	<b>0</b>
<b>LED</b>					
<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
Moroka masonry product factory	Dr JSMLM	MIG	0	5,000,000	-
Dr JS Moroka Fresh Produce Market	Ward 13	MIG	1,000,000	0	-
<b>Sub Total</b>			<b>1,000,000</b>	<b>5,000,000</b>	<b>-</b>

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>SANITATION</b>					
Sewer Reticulation System at Siyabuswa-D	Ward 1	Council	7,500,000	7,500,000	-
Sewer Reticulation System at Siyabuswa-C	Ward 6	Council	7,500,000	7,500,000	-
Construction of CWB toilets at Matshiding	Ward 12	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Nokaneng	Ward 28 & 25	MIG	2,500,000	2,000,000	2,500,000
Construction of CWB toilets at Katjibane	Ward 27	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Makopanong	Ward 2	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Maphotla	Ward 14	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Makometsane	Ward 19	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Lefiswane	Ward 22	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Libangeni	Ward 16	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Lefiso	Ward 22	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilet at Mbhongo	Ward 17	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Maphanga	Ward 18	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Mmetseemadiba	Ward 10	MIG	1,500,000	2,000,000	2,500,000

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
Construction of CWB toilets at Senotlelo	Ward 20	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Ga-Makola	Ward 11	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Mthambothini	Ward 8	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Mabusabesala	Ward 11	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Ramokgeletsane	Ward 7	MIG	1,500,000	0	-
Construction of CWB toilets at Mmametlhake	Ward 29	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Marapyane	Ward 23 & 24	MIG	2,500,000	2,000,000	2,500,000
Construction of CWB toilets at Ga-Morwe	Ward 9 & 10	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Seabe	Ward 25	MIG	1,500,000	2,000,000	2,500,000
Construction of CWB toilets at Masobe	Ward 31	MIG	1,500,000	2,000,000	2,500,000
			<b>50,000,000</b>	<b>57,000,000</b>	<b>52,500,000</b>
<b>TOTAL CAPITAL BUDGET</b>			<b>164,880,000</b>	<b>160,318,300</b>	<b>76,500,000</b>

**15. The following are the projects that are intended to be rolled over to the 2013/14 financial year**

<b>DETAIL CAPITAL PLAN</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2012/2013</b>	<b>ADJUSTMENT BUDGET 2012/2013</b>	<b>AVAILABLE AS AT 30 APRIL 2013</b>	<b>ROLLED TO 2013/2014</b>
<b>MUNICIPAL FACILITIES</b>						
Construction of Municipal Office Complex	Dr JSMLM	Council	2,500,000	2,500,000	908,998	908,998
Construction of Weigh Bridge	Dr JSMLM	Council	2,000,000	3,000,000	3,000,000	2,000,000
Refurbishment of Municipal facilities	Dr JSMLM	Council	2,500,000	10,000,000	10,000,000	-
Construction of Mathanjana Unit Office	Dr JSMLM	Council	1,500,000	1,500,000	1,500,000	1,500,000
Upgrading of Technical Services (Parking Bay)	Dr JSMLM	Council	1,000,000	1,000,000	999,400	-
Upgrading of licensing & testing centre (Parking Bay)	Dr JSMLM	Council	1,000,000	1,000,000	1,000,000	-
Upgrading of Council Chamber (Parking Bay)	Dr JSMLM	Council	100,000	100,000	100,000	-
Construction of fencing around Municipalities Cemeteries in the Eastern Cluster Villages	Dr JSMLM	MIG	1,950,000	3,950,000	3,515,453	3,463,099
Upgrading of Nokaneng Stadium	Ward 28	MIG	1,500,000	3,077,892	355,434	2,939,347
Upgrading of Ga-Morwe Stadium (Phase 3)	Ward 10	MIG	5,700,000	8,403,253	5,362,614	1,227,640
Upgrading of Ga-Morwe Stadium (Phase 4)						2,851,499
<b>Sub-Total</b>			<b>19,750,000</b>	<b>34,531,145</b>	<b>26,741,899</b>	<b>14,890,583</b>

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2012/2013</b>	<b>ADJUSTMENT BUDGET 2012/13</b>	<b>AVAILABLE AS AT 30 APRIL 2013</b>	<b>ROLLED TO 2013/2014</b>
Ga-Morwe Water Reticulation (Mabuyeni part)	Ward 6	MIG	1,950,000	3,629,504	3,629,504	1,428,276
Maphotla Bulk & Water Reticulation	Ward 14	MIG	3,800,000	4,877,737	3,618,176	1,724,791
Digwale Water Reticulation	Ward 15	MIG	2,920,000	3,490,373	842,146	-
Phake Water Reticulation	Ward 30	MIG	2,450,000	2,608,741	2,419,967	1,493,906
Mantlole/Rankaile Borehole Equiping and Water Reticulation	Ward 30	MIG	2,920,000	3,402,314	2,402,033	471,803
Mmamethlake Water Reticulation, Borehole equiping and Storage Tank	Ward 29	MIG	2,920,000	4,232,285	3,706,499	2,189,650
Loding Water Reticulation, Borehole equiping and Storage tank	Ward 26	MIG	1,000,000	2,440,480	1,535,542	400,557
Ramantsho Water Reticulation, Borehole equiping and Storage tank	Ward 26	MIG	2,430,000	3,336,390	3,052,961	709,692
Ga-Maria, Lefiso and Lefisoane Water Reticulation	Ward 22	MIG	3,890,000	4,046,313	3,006,375	-
Seabe Water Reticulation	Ward 25	MIG	1,000,000	2,879,395	2,484,960	1,453,994
Ukukhanya Bulk Water Supply, Reticulation and Concrete Reservoir	Ward 19	MIG	1,000,000	2,272,751	851,775	-
Madubaduba (Moripe Gardens) Water Reticulation	Ward 19	MIG	1,950,000	1,950,000	1,950,000	800,000
Sehokho Water Reticulation	Ward 26	MIG	1,450,000	1,452,984	996,643	5,172,336
Masobe Water Reticulation	Ward 31	MIG	1,950,000	2,585,916	2,585,916	2,056,530
Ga-mogwasha Water Reticulation	Ward 26	MIG	1,950,000	2,031,601	874,232	1,509,126
Moletji Water Reticulation	Ward 26	MIG	1,450,000	2,001,925	1,568,801	1,105,000
Mkhombo Libangeni Bulk Water Supply Provision	Ward 16 & 17	WSOG	4,500,000	4,500,000	4,500,000	4,500,000
Upgrading of Digwale Bulkline from 250 mmAC to 400 PVC	Ward 15,16,17 & 18	Council	3,400,000	4,400,000	3,921,178	2,825,820
Replacement of asbestos pipes in Siyabuswa	ward 3 & 4	Council	3,500,000	4,500,000	4,500,000	3,159,101.00
<b>Sub-Total</b>			<b>46,430,000</b>	<b>60,638,709</b>	<b>48,446,708</b>	<b>31,000,583</b>

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2012/2013</b>	<b>ADJUSTMENT BUDGET 2012/13</b>	<b>AVAILABLE AS AT 30 APRIL 2013</b>	<b>ROLLED TO 2013/2014</b>
<b>SANITATION</b>						
Construction of VIP toilets at Matshiding	Ward 12	MIG	1,215,250	1,961,768	1,937,539	1,937,539
Construction of VIP toilets at Nokaneng	Ward 28	MIG	1,215,250	2,027,097	2,027,097	2,027,097
Construction of VIP toilets at Katjibane	Ward 27	MIG	1,215,250	2,032,338	2,032,338	2,032,338
Construction of VIP toilets at Makopanong	Ward 2	MIG	1,215,250	1,352,098	1,272,965	1,272,965
Construction of VIP toilets at Maphotla	Ward 14	MIG	1,215,250	1,671,955	1,592,822	1,592,822
Construction of VIP toilets at Makometsane	Ward 19	MIG	1,215,250	2,099,530	2,082,002	2,082,002
Construction of VIP toilets at Ramokgeletsane	Ward 7	MIG	1,215,250	2,606,387	2,518,873	2,518,873
Construction of VIP toilets at Senotlelo	Ward 20	MIG	1,215,250	2,043,432	2,024,283	2,024,283
Construction of VIP toilets at Ga-Makola	Ward 11	MIG	1,215,250	2,098,366	2,080,838	2,080,838
Construction of VIP toilets at Mabusabesala	Ward 11	MIG	1,215,250	2,206,408	2,187,259	2,187,259
Construction of VIP toilets at Mmametlhake	Ward 29	MIG	1,215,250	2,531,079	2,471,045	2,471,045
Construction of VIP toilets at Marapyane	Ward 23	MIG	1,215,250	2,210,589	2,199,864	2,199,864
Construction of VIP toilets at Ga-Morwe	Ward 9 & 10	MIG	1,215,250	2,188,935	2,065,178	2,065,178
Construction of VIP toilets at Seabe	Ward 25	MIG	1,215,250	1,831,996	1,831,996	1,831,996
Construction of VIP toilets at Masobe	Ward 31	MIG	1,215,250	1,215,250	1,076,994	1,076,994
Sewer Reticulation System at Siyabuswa-C	Ward 6	COUNCIL	2,000,000	2,000,000	2,000,000	2,000,000
			<b>20,228,750</b>	<b>32,077,228</b>	<b>31,401,093</b>	<b>31,401,093</b>

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2012/2013</b>	<b>ADJUSTMENT BUDGET 2012/13</b>	<b>AVAILABLE AS AT 30 APRIL 2013</b>	<b>ROLLED TO 2013/2014</b>
<b>ROADS &amp; STORMWATER</b>						
Upgrading of Katjibane Bus & Taxi Route	Ward 27	MIG	1,990,000	2,240,192	2,240,192	300,000
Construction of Marothobolong River Bridge	Ward 12	Council	3,500,000	3,500,000	3,500,000	3,500,000
Upgrading of Ukukhanyana Bus and Taxi Route	Ward 19	Council	2,500,000	3,021,859	237,774	237,774
Upgrading of Marapyane Bus & taxi route	Ward 23	Council	2,500,000	4,973,752	4,848,752	2,500,000
Upgrading of Roads and Storm water Drainage System in the vicinity of Ubuhlebethu High School at Siyabuswa B	Ward 5	MIG	1,460,000	1,967,421	1,967,421	576,106
Upgrading of Kabete Bus & Taxi Route	Ward 21	MIG	2,920,000	2,920,000	1,585,427	1,110,474
Upgrading of Nokaneng Bus & Taxi Route	Ward 28	MIG	2,920,000	2,760,000	311,739	-
Mabuyeni Bus & Taxi Route	Ward 6	MIG	0	1,185,156	1,005,722	-
Upgr of Roads & Stormwater drainage SEABE	Ward 25	MIG	0	1,367,832	1,097,422	-
Construction of Bridge Mogononong	Ward 6	MIG	0	3,812,083	2,574,718	2,574,718
			<b>17,790,000</b>	<b>27,748,295</b>	<b>19,369,167</b>	<b>10,799,072</b>

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2012/2013</b>	<b>ADJUSTMENT BUDGET 2012/13</b>	<b>AVAILABLE AS AT 30 APRIL 2013</b>	<b>ROLLED TO 2013/2014</b>
<b>ELECTRICITY</b>						
Construction of High Mast Lighting at Mmamethlake, Phake and Masobye	Ward 29,30&31	MIG	3,400,000	6,117,325	5,034,672	-
High mast light Lodung, Ramantsiso, Kabete, Ga-Mogashwa, Ga-Maria, Makometsane, Ukukhanya, Senotlelo & Ramonabela	Ward 19,20,21,22& 26	MIG	5,000,000	6,500,000	3,096,529	-
High mast light Thabana, Ramokgeletsane, Meetsemadiba, Mthambothini, & Ga-Morwe	ward 7,8,9,10	MIG	5,000,000	5,000,000	-21,526	-
Construction of High Mast Lighting at Digwale, Libangeni, Mbongo and Allemansdrift C	ward 15,16,17,18	MIG	1,950,000	3,390,735	3,045,169	-
Higmast light for Siyabuswa, Ga-phaahla, Makopanong, and Toitskraal	Ward 1,2,3,4,5, & 6	MIG	2,430,000	5,430,000	3,076,156	-
Highmast lighting at Matshiding, Mabusabesala & Marothobolong	Ward 11 & 12	MIG	3,650,000	3,650,000	458,559	-
Highmast lighting at Borolo, Madlayedwa, Dithabaneng & Maphotla	Ward 13 & 14	MIG	3,650,000	3,650,000	964,800	-
Construction of Highmast light at Lefiso, Lefisoane, Marapyane, Seabe, Katjibane and Nokaneng	Ward 22,23,24,25,27 & 28	MIG	3,600,000	6,600,000	6,003,896	-
			<b>28,680,000</b>	<b>40,338,060</b>	<b>21,658,255</b>	<b>0</b>



<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2012/2013</b>	<b>ADJUSTMENT BUDGET 2012/13</b>	<b>AVAILABLE AS AT 30 APRIL 2013</b>	<b>ROLLED TO 2013/2014</b>
LED						
Moroka mansory product factory	Dr JSMLM	MIG	0	1,500,000	1,500,000	1,500,000
LED Feasibility study	Dr JSMLM	IDC	0	500,000	500,000	-
Siyabuswa F industrial Fresh Produce	Ward 1	MIG	4,865,000	6,865,000	6,165,043	5,800,944
<b>Sub Total</b>			<b>4,865,000</b>	<b>8,865,000</b>	<b>8,165,043</b>	<b>7,300,944</b>
<b>TOTAL</b>			<b>137,743,750</b>	<b>208,198,437</b>	<b>159,550,644</b>	<b>96,397,998</b>

**PROJECTS FUNDED  
BY SECTOR  
DEPARTMENTS  
& DISTRICT**

**DETAILED CAPITAL PROJECTS FUNDED BY DISTRICT AND SECTOR DEPARTMENTS**

<b>DETAIL CAPITAL PLAN</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>WATER</b>					
10 Borholes drilled, tested and equipped and Water Reticulated to 50 Households	Ward 20,25 & 26	DARDLA	2,500,000	0	-
Walkraal Reservoir to V3 Reservoir Bulk Water Supply	DRJSMLM	NDM	7,000,000	0	-
<b>Sub-Total</b>			<b>9,500,000</b>	-	-
<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>FACILITIES</b>					
Community Hall	Ward 7	NDM	1,000,000	0	-
Taxi Rank	Ward 31	NDM	1,000,000	0	-
Procurement of Fire Station	Ward 16	NDM	7,000,000	0	-
<b>Sub-Total</b>			<b>9,000,000</b>	<b>0</b>	<b>0</b>

<b>Sub-Total</b>			<b>9,000,000</b>	<b>0</b>	<b>0</b>
<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>ROADS &amp; STORMWATER</b>					
Digwale Bus & Taxi Route	Ward 15	NDM	2,200,000	0	-
Roads Ward 15	Ward 15	NDM	2,200,000	0	-
Marothobolong Bus & Taxi Route	Ward 12	NDM	4,000,000	0	-
Pedestrian Bridge	Ward 11	NDM	2,000,000	0	-
Stormwater Control	Ward 19	NDM	500,000	0	-
Road Gravelling	Ward 22 & 24	DPWRT	5,567,143	0	-
Road Upgrading		DPWRT	1,000,000	0	-
Design: Upgradin of road D2908 between Pieterskraal and Madubaduba Rd (Via Matjakaneng, near Kwamhlanga)	Ward 13 & 19	DPWRT	2,500,000	0	-
Construction of Katjibane, Mmakola, Mogononong, Lefiso Bus Shelters (4)	Ward 27,11 & 6	DPWRT	5,500,000		
Regravelling/grading of road D2910 Between D2907 Junction (Via Thulasizwe Lower Primary) and Paved end		DPWRT	1,440,000	0	-

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>LED</b>					
Plowghing, Planting and Harvesting Provision	All Wards	DARDLA	11,915,787	0	-
Mdala Community Centre		DEDET	1,000,000	0	-
Fresh Produce Market		DARDLA	5,000,000	0	-
Nature Reserves Mkhombo Dam		MTPA	2,000,000	0	-
Arejeng Bakery and Confectionery	Ward 22	DARDLA	1,000,000	0	-
Creation and Sustaining 875 jobs through CWP	Ward 11 & 18	COGTA	133,750,000	0	-
Senotlelo Cattle Project	Ward 20	DARDLA	1,100,000	0	-
Mashiding irrigation Phase 2	Ward 12	DARDLA	800,000	0	-
Kodoesport Cooperative ririgation	Ward 21	DARDLA	1,100,000	0	-
Ga-Maria irrigation project	Ward 21	DARDLA	1,000,000	0	-

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>ELECTRICITY</b>					
Electrical Reticulation and Post Connections at Siyabuswa D	Ward 1 & 19	DOE	3,900,000	0	-
Electrical Reticulation and Post Connections at Maphotla	Ward 14	DOE	450,000		
Electrical Reticulation and Post Connections at Loding, Gamogashwa, Matempule	Ward 26	DOE	208,000		
Electrical Reticulation with no Community or Street Lighting	DRJSMLM	NDM	4,400,000	0	-

<b>DETAILS</b>	<b>AREA</b>	<b>SOURCE OF FUND</b>	<b>BUDGET 2013/2014</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>
<b>SANITATION</b>					
Construction of VIP Toilets	Ward 8,13,21,22 & 28	NDM	5,000,000	0	-
			<b>5,000,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL BUDGET</b>			<b>218,030,930</b>	<b>0</b>	<b>0</b>

## **16. LEGISLATION COMPLIANCE STATUS**

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

### **16.1 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

### **16.2 Internship programme**

Dr JS Moroka Local municipality is participating in the Municipal Financial Management Internship programme, currently employed 5 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 eighteen interns through this programme.

### **16.3 Budget and Treasury Office**

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

### **16.4 Audit Committee**

An Audit Committee has been established and is fully functional.

### **16.5 Service Delivery and Implementation Plan**

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2013/14 Annual Budget in June 2013 directly aligned and informed by the 2012/13 MTREF.

### **16.6 Policies**

Budget related policies were reviewed together with the annual budget as required by Section 24 of the Municipal Finance Management.

## **17. SUMMARY OF ANNUAL BUDGET TABLES**

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

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	1,844	2,010	3,555	1,490	1,490	1,490	1,490	6,099	6,709	7,380
Service charges	19,544	20,960	62,857	29,018	24,527	24,527	24,527	56,240	61,864	68,050
Investment revenue	7,235	11,579	10,206	3,600	3,600	3,600	3,600	12,400	13,640	15,004
Transfers recognised - operational	266,948	282,325	274,095	237,789	252,332	252,332	252,332	273,625	288,202	462,139
Other own revenue	12,189	19,071	42,651	15,004	16,288	16,288	16,288	22,691	23,675	26,042
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>307,760</b>	<b>335,945</b>	<b>393,364</b>	<b>286,901</b>	<b>298,237</b>	<b>298,237</b>	<b>298,237</b>	<b>371,055</b>	<b>394,089</b>	<b>578,615</b>
Employee costs	66,631	79,183	83,649	106,880	112,481	112,481	112,481	107,851	117,517	115,401
Remuneration of councillors	8,307	14,502	14,651	12,628	14,652	14,652	14,652	15,604	16,540	17,532
Depreciation & asset impairment	48,046	38,582	-	-	-	-	-	-	-	-
Finance charges	137	167	915	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	91,619	19,806	19,748	19,740	19,740	21,325	35,516	36,193
Transfers and grants	-	-	-	-	-	-	-	45,473	61,000	57,500
Other expenditure	125,361	100,804	43,098	118,861	162,179	162,179	162,179	142,330	138,705	155,942
<b>Total Expenditure</b>	<b>248,482</b>	<b>233,238</b>	<b>233,931</b>	<b>258,175</b>	<b>309,060</b>	<b>309,052</b>	<b>309,052</b>	<b>332,583</b>	<b>369,278</b>	<b>382,568</b>
<b>Surplus/(Deficit)</b>	<b>59,278</b>	<b>102,706</b>	<b>159,433</b>	<b>28,726</b>	<b>(10,823)</b>	<b>(10,815)</b>	<b>(10,815)</b>	<b>38,472</b>	<b>24,811</b>	<b>196,047</b>
Transfers recognised - capital	-	-	-	115,487	164,483	-	-	110,100	116,956	124,905
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>59,278</b>	<b>102,706</b>	<b>159,433</b>	<b>144,213</b>	<b>153,660</b>	<b>(10,815)</b>	<b>(10,815)</b>	<b>148,572</b>	<b>141,767</b>	<b>320,952</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>59,278</b>	<b>102,706</b>	<b>159,433</b>	<b>144,213</b>	<b>153,660</b>	<b>(10,815)</b>	<b>(10,815)</b>	<b>148,572</b>	<b>141,767</b>	<b>320,952</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>-</b>	<b>-</b>	<b>47,327</b>	<b>143,486</b>	<b>175,496</b>	<b>175,496</b>	<b>175,496</b>	<b>129,880</b>	<b>98,318</b>	<b>29,000</b>
Transfers recognised - capital	65,005	60,570	128,427	115,487	164,483	164,483	164,483	318,181	115,768	67,500
Public contributions & donations	-	-	-	-	-	-	-	3,930	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	52,790	86,867	45,642	28,000	41,211	41,211	41,211	58,850	25,550	-
<b>Total sources of capital funds</b>	<b>117,795</b>	<b>147,437</b>	<b>174,069</b>	<b>143,487</b>	<b>205,694</b>	<b>205,694</b>	<b>205,694</b>	<b>380,961</b>	<b>141,318</b>	<b>67,500</b>
<b>Financial position</b>										
Total current assets	91,070	156,207	190,954	180,924	351,942	154,648	351,942	402,184	386,593	393,956
Total non current assets	1,415,500	1,649,067	1,261,623	523,798	1,261,623	-	1,261,623	-	-	-
Total current liabilities	30,679	55,751	81,585	-	-	-	-	129,236	135,343	137,925
Total non current liabilities	13,415	9,667	11,439	-	-	-	-	-	-	-
Community wealth/Equity	1,462,623	1,739,856	1,359,553	704,722	1,613,565	154,648	1,561,623	264,948	251,250	256,031
<b>Cash flows</b>										
Net cash from (used) operating	79,725	144,889	138,945	144,212	162,283	162,283	162,283	148,572	149,302	210,328
Net cash from (used) investing	(59,438)	(68,972)	(109,964)	(143,487)	(169,131)	(169,131)	(169,131)	(129,880)	(98,318)	(29,000)
Net cash from (used) financing	(87)	(3,327)	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>56,901</b>	<b>129,491</b>	<b>158,472</b>	<b>91,265</b>	<b>85,106</b>	<b>78,258</b>	<b>85,106</b>	<b>103,798</b>	<b>154,782</b>	<b>336,110</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	58,029	122,385	151,274	422,295	256,028	64,993	256,028	220,645	231,677	236,090
Application of cash and investments	1,272	38,673	63,880	(120,646)	(58,130)	(51,871)	(58,130)	(58,154)	(26,802)	(27,313)
<b>Balance - surplus (shortfall)</b>	<b>56,757</b>	<b>83,712</b>	<b>87,394</b>	<b>542,941</b>	<b>314,158</b>	<b>116,864</b>	<b>314,158</b>	<b>278,799</b>	<b>258,479</b>	<b>263,403</b>
<b>Asset management</b>										
Asset register summary (WDV)	0	457,666	-	-	-	-	-	-	-	-
Depreciation & asset impairment	48,046	38,582	-	-	-	-	-	-	-	-
Renewal of Existing Assets	-	-	52,295	26,090	44,017	-	-	51,198	18,287	14,000
Repairs and Maintenance	-	-	9,660	19,789	1,265	6,066	21,325	21,325	39,804	43,636
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	1,219	1,591	2,601	1,206	-	-	10,473	10,473	13,085	14,094
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	14	14	-	-
Sanitation/sewerage:	-	-	-	-	-	-	0	0	-	-
Energy:	-	-	-	-	-	-	2	2	-	-
Refuse:	-	-	-	-	-	-	0	0	-	-



**18. Conclusion**

**The following aspect in the budget should be noted:**

**That the budget is at a breakeven point**

**Debt Impairment**

It should be noted that debt impairment and depreciation are non cash expenditure items or transaction however in terms of MFMA circular number 66 they have to be provided for in the budget.

A further note should be taken that only the debt impairment has been provided for in the budget in the exclusion of depreciation which will be catered for in during budget adjustment due to the outstanding unbundling matter.

The above mentioned expenses which culminate to a budget deficit do not have a direct impact on the budget.

**19. MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

I Z.W Mcineka, Acting 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  Z.W Mcineka

Acting Municipal manager of Dr JS Moroka Local Municipality (MP316)

Signature  Signed

Date  13/06/2013