

# MASILONYANA LOCAL MUNICIPALITY



## BUDGET 2010 – 2013

31 MAY 2010

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## **2. MAYORAL SPEECH ON THE BUDGET**

(To be distributed at Council meeting)

### **3. BUDGET RELATED RESOLUTIONS**

#### **Budget for 2010/11**

3.1 Council resolves that the draft multi-year annual budget of capital and operating expenditure for 2010/2011 and the indicated two outer years of 2011/2012 and 2012/2013 which was tabled for public scrutiny and input on 26 March 2010 as set out by the following amended tables:

Table A1 :	Budget summary
Table A2 :	Budgeted financial performance (revenue and expenditure by standard classification)
Table A3 :	Budgeted financial performance (revenue and expenditure by municipal vote)
Table A4 :	Budget financial performance (revenue and expenditure)
Table A5 :	Budgeted capital expenditure by vote and funding
Table A6 :	Budgeted financial position
Table A7 :	Budgeted cash flows
Table A8 :	Cash backed reserves / accumulate surplus reconciliation
Table A9 :	Asset management

Table SA 36 : Budgeted capital expenditure by programme name

#### **Multi-year Capital Budget**

3.2 Council resolves that multi-year capital appropriations by vote and associated funding reflected in Schedule 3 be approved.

#### **Property Rates and other Municipal Tax**

3.3 Council resolves that, in terms of section 24 of the Local Government Municipal Property Rates Act, Act 6 of 2004, rates differentiating among the different categories of properties, determined by the actual use, for property tax be levied on market value of all rateable properties within the municipal area for the financial year 1 July 2010 to 30 June 2011, provided that rebates, as indicated, on application be allowed.

#### **Tariffs and Charges**

3.4 Council resolves that the following general increases be applied:

- Electricity tariffs to increase by 19% on consumption only;
- Water tariffs to increase by 25%;
- Refuse removal tariffs to increase by 7%;
- All other sundry tariffs i.e. cemetery fees, caravan park, pound fees, dog licenses, halls, clearance certificates to increase by 7%;
- Sewerage tariffs to increase by 25%;
- No increase in Property rates tariffs due to the additional revenue raised from the phase in of newly rateable properties

3.4.1 Council resolves that the individual tariffs and charges in the Tariff Schedule, attached as Annexure B, be applied.

#### **Measurable Performance Objectives**

3.5 Council resolves that the measurable performance objectives for revenue from each source and for each vote reflect the budget.

#### **Integrated Development Plan**

3.6 Council resolves to approve the implementation of the Integrated Development Plan.

#### **Budget Related Policies**

3.7 Council resolves that the following Budget policies be approved.

- Indigent Policy for 2010/2011
- Property Rates Policy for 2009/2010 unchanged
- Property Rates By-law for 2009/2010 unchanged
- Credit Control Policy for 2010/2011
- Credit Control By-law for 2010/2011
- Write Off Policy for 2010/2011

3.8 Council notes that the review of other financial policies is subject to a project to be launched by CoGTA Free State Province whereby the Municipality will receive generic policies to be tailor-made for the implementation by the Municipality in the new financial year.

## 4. THE BUDGET

This section contains an Executive Summary of the budget, highlighting the processes and assumptions which guided the compilation of the budget.

### 4.1 Executive Summary

#### Overview

The budget process is governed by the Municipal Finance Management Act 56 of 2003 and the Municipal Systems Act 32 of 2000. The objective process is to ensure good governance and accountability and enables the municipality to involve residents and other stakeholders in the budgeting process.

In terms of Section 24 (1) and (2) of the Municipal Finance Management Act (MFMA) No 56, 2003:

*“(1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.*

*(2) An annual budget –*

*(a) must be approved before the start of the budget year;*

*(b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and*

*(c) must be approved together with the adoption of resolutions 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.”*

#### 4.1.1 Strategic Focus Areas and Municipal Priority Issues

The following strategic focus areas remain for the 2010/11 financial year:-

- Growth
- Inclusiveness and public participation
- Sustainability
- Empowerment
- Political stability
- Administrative efficiency

Council has reconfirmed these strategic priorities. However the top priority for the next three financial years will be the restoration of the financial viability of the Municipality.

This annual budget is in the approved format outlined in National Treasury Circular No 28 and has the following features:-

- A balanced operating budget containing expenditure details and realistically anticipated revenue;
- A balanced budget for capital expenditure that is within realistic funding already secured, together with the projected future financial implications of such capital expenditure;
- Details of borrowing and other liabilities that will increase the Municipality's debt;
- Actual results for the previous year; and
- Projected budget outcomes for the current financial year, the next year's budget and the outer two years.

Within the available resources the budget reflects the Council's IDP and details the methods of funding.

An in-depth review of revenue has taken place and the level of spending is limited by the availability of realistically anticipated revenue based on current and projected payment levels. In addition the ability of consumers to pay the revised tariffs has been taken into consideration.

The operating budget is a balanced one and totals R147,6 million, which funds the continued provision of services provided by the municipality.

Services:	52%;
Grant and Subsidies:	46%; and
Interest:	2%.

The major expenditure items for which for which the funds are applied are:

Staff costs	27%;
Councilor remuneration	3%;
Repairs and maintenance	4%;
General expenses	25%;
Bulk purchases	15%; and
Provision for bad debts	22%.

Due to the low payment levels a number of issues such as maintenance backlogs, inadequate provisions, staffing requirements etc. are not fully covered. However planning and development of strategies to address these issues are part of the continuing financial recovery programme. It is trusted that the expected significant improvement in this area will result in more funding becoming available in the adjustments budget during Feb 2011.

The capital budget is balanced and totals R29.1 million funded through transfers from National Government Grants 87% and internally funded 13%.

#### 4.1.2 Key assumptions

4.1.2.1 National Treasury provided guidance through MFMA Circular No. 51 issued in terms of Municipal Finance Management Act No. 56 of 2003 regarding inflation:-

<b>Fiscal year</b>	<b>2008/09 Actual</b>	<b>2009/10 Estimate</b>	<b>2010/11</b>	<b>2011/12 Forecast</b>	<b>2012/13</b>
Headline CPI Inflation	9.9%	6.7%	5.7%	6.2%	5.9%

4.1.2.2 The inflation rate to be used for calculating wage increases

According to the *SALGA Salary and Wage Collective Agreement 2009/10 to 2011/2012*, the inflation rate to be used for calculating wage increases is the average CPI percentage for the period 1 February 2009 until 31 January 2010, plus 1.5 per cent. According to Statistics South Africa the historical CPI for this period is set at 6.2 per cent year-on-year as at end January 2010.

Historical CPI (January 2010)	6.2%
SALGA addition	1.5%
<b>NT benchmark as per Circular 51</b>	<b>7.7%</b>

Subsequently, National Treasury suggests that municipalities use 7.7 % as a benchmark for determining wage increase for the 2010/11 financial year. It should be noted that Municipal Managers and those employees appointed as managers directly accountable to the Municipal Managers in terms of Section 57(6) if the Municipal Systems Act 32 of 2000 are excluded from the collective agreement.

4.1.2.3 For the period 1 July 2010 to 30 June 2011, Eskom will increase the municipal tariff rates for bulk electricity by 28.9 per cent. For 2011/12 and 2012/13, municipalities should budget for increases in the bulk price of electricity of 25.8 per cent and 25.9 per cent respectively. However it should be noted that these increases may change in future.

#### 4.1.3 National Treasury guide lines in terms of allocations

An extract from MFMA Circular No. 51 reads as follow:

##### **4.2 Mayor's discretionary funds and similar discretionary budget allocations**

*It has been observed that many municipal budgets contain sub-votes or allocations to "Mayoral Discretionary Funds", "Special Projects", "Special Events" or similar discretionary type funds.*

- *National Treasury regards these types of allocations as a bad practice because:*
- *It is not clear how they are aligned to the constitutional requirement that municipalities structure their budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community (see section 153(a) of the Constitution);*

- *They do not provide for the appropriation of funds for the purposes of a department or functional area of the municipality (see the definition of 'vote' in section 1 of the*
- *MFMA);*
- *They undermine the budget consultation processes since the intended use of the*
- *funds is not transparently reflected in the tabled budget; and*
- *There is a risk that they may be abused for personal gain or to improperly benefit*
- *another person or organisation.*

*Therefore National Treasury discourages allocations of this nature. Good budget practice requires that a municipal budget should transparently indicate the purposes and areas where municipal funds (i.e. public funds) are to be allocated.*

Further key issues to be noted in MFMA Circular No. 51 attached as **ANNEXURE A**.

## 4.2 BUDGET SCHEDULES

### 4.2.1 Table A1 : Budget summary

FS181 Masilonyana - Table A1 Budget Summary

Description	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Financial Performance</b>										
Property rates	-	-	-	13,604	13,604	10,493	10,493	14,556	15,459	16,371
Service charges	-	-	-	50,807	50,741	54,895	54,895	63,969	72,118	81,573
Investment revenue	-	-	-	18	18	0	0	21	22	23
Transfers recognised - operational	-	-	-	55,511	66,604	66,531	66,531	69,939	76,674	84,163
Other own revenue	-	-	-	3,056	2,923	3,113	3,113	3,518	3,736	3,956
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	-	-	122,996	133,890	135,032	135,032	152,003	168,008	186,086
Employee costs	-	-	-	38,226	40,056	38,226	38,226	41,588	44,166	46,772
Remuneration of councillors	-	-	-	4,454	4,454	4,454	4,454	4,544	4,826	5,110
Depreciation & asset impairment	-	-	-	400	400	400	-	400	425	450
Finance charges	-	-	-	706	706	1,007	1,007	1,006	1,069	1,132
Materials and bulk purchases	-	-	-	17,070	12,290	15,650	9,604	22,098	27,422	34,116
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	61,109	74,408	71,399	71,399	77,948	83,944	90,342
<b>Total Expenditure</b>	-	-	-	121,965	132,314	131,135	124,690	147,584	161,851	177,922
<b>Surplus/(Deficit)</b>	-	-	-	1,031	1,576	3,897	10,342	4,418	6,157	8,164
Transfers recognised - capital	-	-	-	27,578	27,578	27,578	27,578	33,211	40,322	46,868
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	28,609	29,154	31,475	37,920	37,629	46,479	55,032
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	-	-	28,609	29,154	31,475	37,920	37,629	46,479	55,032
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	28,738	27,878	27,878	27,878	37,061	44,411	51,198
Transfers recognised - capital	-	-	-	27,578	27,578	27,578	27,578	33,211	40,322	46,868
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	1,160	300	300	300	3,850	4,089	4,330
<b>Total sources of capital funds</b>	-	-	-	28,738	27,878	27,878	27,878	37,061	44,411	51,198
<b>Financial position</b>										
Total current assets	-	-	-	20,092	20,092	18,091	18,091	16,904	18,360	21,804
Total non current assets	-	-	-	35,594	35,594	34,734	34,734	71,395	115,381	166,129
Total current liabilities	-	-	-	68,767	68,767	63,586	63,586	61,431	60,394	59,554
Total non current liabilities	-	-	-	4,552	4,552	4,552	4,552	4,552	4,552	4,552
Community wealth/Equity	-	-	-	(17,633)	(17,633)	(15,313)	(15,313)	22,316	68,795	123,827
<b>Cash flows</b>										
Net cash from (used) operating	-	-	-	29,878	29,878	32,199	32,199	38,579	47,488	56,101
Net cash from (used) investing	-	-	-	(28,738)	(28,738)	(27,878)	(27,878)	(37,061)	(44,411)	(51,198)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	-	-	-	(4,085)	(4,085)	(905)	(905)	613	3,691	8,593
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	-	-	-	(784)	(784)	2,397	2,397	3,915	6,992	11,894
Application of cash and investments	-	-	-	45,217	45,182	44,338	44,338	41,244	40,732	40,658
<b>Balance - surplus (shortfall)</b>	-	-	-	(46,001)	(45,966)	(41,941)	(41,941)	(37,329)	(33,741)	(28,763)
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	32,293	32,293	31,433	68,094	68,094	112,080	162,828
Depreciation & asset impairment	-	-	-	400	400	400	400	400	425	450
Renewal of Existing Assets	-	-	-	-	-	-	29,511	29,511	44,411	51,198
Repairs and Maintenance	-	-	-	4,582	4,582	6,110	6,076	6,076	6,453	6,833
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	4,074	4,074	4,074	12,400	12,400	13,169	13,946
Revenue cost of free services provided	-	-	-	23,082	23,082	23,082	22,249	22,249	21,416	20,583
<b>Households below minimum service level</b>										
Water:	-	-	-	22,919	22,919	22,919	22,919	22,919	22,919	22,919
Sanitation/sew erage:	-	-	-	11,677	11,677	11,677	10,934	10,934	10,934	7,962
Energy:	-	-	-	4,936	4,936	4,936	4,936	4,936	4,936	4,936
Refuse:	-	-	-	11,673	11,673	11,673	11,673	11,673	11,673	11,673

## 4.2.2 Table A2 : Budgeted financial performance (revenue and expenditure by standard classification)

FS181 Masilonyana - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue - Standard</b>	1									
<i>Governance and administration</i>		-	-	-	42,339	53,432	51,922	57,263	63,639	70,551
Executive and council		-	-	-	22,453	33,546	33,546	35,689	42,670	48,455
Budget and treasury office		-	-	-	6,282	6,282	6,364	7,018	5,510	5,725
Corporate services		-	-	-	13,604	13,604	12,013	14,556	15,459	16,371
<i>Community and public safety</i>		-	-	-	614	486	611	628	667	707
Community and social services		-	-	-	366	371	460	433	460	488
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	198	65	64	100	106	112
Housing		-	-	-	50	50	87	95	101	107
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	12	12	52	34	36	38
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	12	12	52	34	36	38
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	80,031	79,960	82,447	94,077	103,665	114,790
Electricity		-	-	-	26,777	26,704	29,730	33,633	39,804	47,308
Water		-	-	-	24,955	24,958	23,458	23,375	24,698	26,098
Waste water management		-	-	-	16,259	16,259	15,979	19,759	20,914	22,117
Waste management		-	-	-	12,040	12,040	13,279	17,310	18,250	19,267
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	-	-	-	122,996	133,890	135,032	152,003	168,008	186,086
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		-	-	-	36,089	44,681	41,498	38,353	40,731	43,134
Executive and council		-	-	-	16,299	17,426	18,811	14,358	15,248	16,148
Budget and treasury office		-	-	-	8,955	15,072	10,328	12,977	13,781	14,594
Corporate services		-	-	-	10,835	12,183	12,358	11,018	11,701	12,391
<i>Community and public safety</i>		-	-	-	9,147	9,517	9,259	10,938	11,617	12,302
Community and social services		-	-	-	5,369	5,609	5,543	6,559	6,965	7,376
Sport and recreation		-	-	-	2,758	2,878	2,764	2,757	2,928	3,101
Public safety		-	-	-	493	503	442	741	787	833
Housing		-	-	-	527	527	510	882	937	992
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	10,495	14,753	10,889	11,086	11,773	12,467
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	10,495	14,753	10,889	11,086	11,773	12,467
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	66,234	63,362	69,490	87,208	97,731	110,019
Electricity		-	-	-	25,527	26,870	29,939	33,290	40,471	49,379
Water		-	-	-	20,980	16,769	19,624	21,858	23,213	24,583
Waste water management		-	-	-	11,651	11,628	12,009	18,467	19,612	20,769
Waste management		-	-	-	8,076	8,096	7,917	13,593	14,435	15,287
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	-	-	-	121,965	132,314	131,135	147,584	161,851	177,922
<b>Surplus/(Deficit) for the year</b>		-	-	-	1,031	1,576	3,897	4,418	6,157	8,164

## 4.2.3 Table A3 : Budgeted financial performance (revenue and expenditure by municipal vote)

FS181 Masilonyana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue by Vote</b>	1									
Executive & Council		-	-	-	22,453	33,546	33,546	35,689	42,670	48,455
Finance & Admin		-	-	-	19,938	19,938	18,484	21,848	21,260	22,404
Community Facilities		-	-	-	314	319	353	159	169	179
Housing		-	-	-	50	50	87	95	101	107
Public Safety		-	-	-	198	65	64	100	106	112
Sports & Recreation		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	12,040	12,040	13,279	17,310	18,250	19,267
Waste Water Management		-	-	-	16,259	16,259	15,979	19,759	20,914	22,117
Road Transport		-	-	-	12	12	52	34	36	38
Water		-	-	-	24,955	24,958	23,458	23,375	24,698	26,098
Electricity		-	-	-	26,777	26,704	29,730	33,633	39,804	47,308
Example 12 - Vote12		-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	-	-	-	122,996	133,890	135,032	152,003	168,008	186,086
<b>Expenditure by Vote to be appropriated</b>	1									
Executive & Council		-	-	-	20,984	22,609	23,756	19,866	21,098	22,343
Finance & Admin		-	-	-	17,084	24,051	19,574	20,568	21,843	23,132
Community Facilities		-	-	-	3,390	3,630	3,710	4,477	4,755	5,035
Housing		-	-	-	527	527	510	882	937	992
Public Safety		-	-	-	493	503	442	741	787	833
Sports & Recreation		-	-	-	2,758	2,878	2,764	2,757	2,928	3,101
Waste Management		-	-	-	8,076	8,096	7,917	13,593	14,435	15,287
Waste Water Management		-	-	-	11,651	11,628	12,009	18,467	19,612	20,769
Road Transport		-	-	-	10,495	14,753	10,889	11,086	11,773	12,467
Water		-	-	-	20,980	16,769	19,624	21,858	23,213	24,583
Electricity		-	-	-	25,527	26,870	29,939	33,290	40,471	49,379
Example 12 - Vote12		-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	-	-	-	121,965	132,314	131,135	147,584	161,851	177,922
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	1,031	1,576	3,897	4,418	6,157	8,164

## 4.2.4 Table A4 : Budget financial performance (revenue and expenditure)

FS181 Masilonyana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue By Source</b>											
Property rates	2	-	-	-	13,604	13,604	10,493	10,493	14,556	15,459	16,371
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	17,704	17,704	20,730	20,730	26,633	32,468	39,583
Service charges - water revenue	2	-	-	-	16,456	16,458	14,958	14,958	14,375	15,266	16,166
Service charges - sanitation revenue	2	-	-	-	10,259	10,259	9,979	9,979	14,759	15,674	16,599
Service charges - refuse revenue	2	-	-	-	6,040	6,040	7,279	7,279	7,810	8,294	8,783
Service charges - other					349	281	1,948	1,948	392	417	441
Rental of facilities and equipment					99	99	166	166	189	201	213
Interest earned - external investments					18	18	0	0	21	22	23
Interest earned - outstanding debtors					2,394	2,394	2,802	2,802	2,998	3,184	3,372
Dividends received					21	21	10	10	26	28	29
Fines					198	65	64	64	100	107	113
Licences and permits											
Agency services											
Transfers recognised - operational					55,511	66,604	66,531	66,531	69,939	76,674	84,163
Other revenue	2	-	-	-	343	343	71	71	205	217	230
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	122,996	133,890	135,032	135,032	152,003	168,008	186,086
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	38,226	40,056	38,226	38,226	41,588	44,166	46,772
Remuneration of councillors					4,454	4,454	4,454	4,454	4,544	4,826	5,110
Debt impairment	3	-	-	-	31,905	31,905	31,905	31,905	34,115	37,393	41,045
Depreciation & asset impairment	2	-	-	-	400	400	400	400	400	425	450
Finance charges					706	706	1,007	1,007	1,006	1,069	1,132
Bulk purchases	2	-	-	-	17,070	12,290	15,650	9,604	22,098	27,422	34,116
Other materials	8	-	-	-							
Contracted services											
Transfers and grants											
Other expenditure	4, 5	-	-	-	29,204	42,503	39,494	39,494	43,834	46,551	49,298
Loss on disposal of PPE											
<b>Total Expenditure</b>		-	-	-	121,965	132,314	131,135	124,690	147,584	161,851	177,922
<b>Surplus/(Deficit)</b>		-	-	-	1,031	1,576	3,897	10,342	4,418	6,157	8,164
Transfers recognised - capital					27,578	27,578	27,578	27,578	33,211	40,322	46,868
Contributions recognised - capital	6	-	-	-							
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	-	-	28,609	29,154	31,475	37,920	37,629	46,479	55,032
Taxation											
<b>Surplus/(Deficit) after taxation</b>		-	-	-	28,609	29,154	31,475	37,920	37,629	46,479	55,032
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		-	-	-	28,609	29,154	31,475	37,920	37,629	46,479	55,032
Share of surplus/ (deficit) of associate	7	-	-	-							
<b>Surplus/(Deficit) for the year</b>		-	-	-	28,609	29,154	31,475	37,920	37,629	46,479	55,032

## 4.2.5 Table A5 : Budgeted capital expenditure by vote and funding

FS181 Masilonyana - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Executive & Council		-	-	-	-	-	-	-	100	-	-
Finance & Admin		-	-	-	300	300	300	300	-	4,089	4,330
Community Facilities		-	-	-	860	-	-	-	1,650	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Public Safety		-	-	-	-	-	-	-	-	-	-
Sports & Recreation		-	-	-	-	-	-	-	3,800	-	-
Waste Management		-	-	-	-	-	-	-	2,100	-	-
Waste Water Management		-	-	-	27,578	27,578	27,578	27,578	9,238	-	36,868
Road Transport		-	-	-	-	-	-	-	12,591	10,000	10,000
Water		-	-	-	-	-	-	-	7,582	30,322	-
Electricity		-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	28,738	27,878	27,878	27,878	37,061	44,411	51,198
<b>Single-year expenditure to be appropriated</b>	2										
Executive & Council		-	-	-	-	-	-	-	-	-	-
Finance & Admin		-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Public Safety		-	-	-	-	-	-	-	-	-	-
Sports & Recreation		-	-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-	-
Waste Water Management		-	-	-	-	-	-	-	-	-	-
Road Transport		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		-	-	-	28,738	27,878	27,878	27,878	37,061	44,411	51,198
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>											
Executive and council		-	-	-	300	300	300	300	100	4,089	4,330
Budget and treasury office		-	-	-	300	300	300	300	100	4,089	4,330
Corporate services		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>											
Community and social services		-	-	-	860	-	-	-	5,450	-	-
Sport and recreation		-	-	-	860	-	-	-	1,650	-	-
Public safety		-	-	-	-	-	-	-	3,800	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>											
Planning and development		-	-	-	-	-	-	-	12,591	10,000	10,000
Road transport		-	-	-	-	-	-	-	12,591	10,000	10,000
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>											
Electricity		-	-	-	27,578	27,578	27,578	27,578	18,920	30,322	36,868
Water		-	-	-	-	-	-	-	7,582	30,322	-
Waste water management		-	-	-	27,578	27,578	27,578	27,578	9,238	-	36,868
Waste management		-	-	-	-	-	-	-	2,100	-	-
<b>Other</b>											
<b>Total Capital Expenditure - Standard</b>	3	-	-	-	28,738	27,878	27,878	27,878	37,061	44,411	51,198
<b>Funded by:</b>											
National Government		-	-	-	22,578	22,578	22,578	22,578	25,211	30,322	36,868
Provincial Government		-	-	-	5,000	5,000	5,000	5,000	8,000	10,000	10,000
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	-	-	-	27,578	27,578	27,578	27,578	33,211	40,322	46,868
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>											
Electricity		-	-	-	1,160	300	300	300	3,850	4,089	4,330
<b>Total Capital Funding</b>	7	-	-	-	28,738	27,878	27,878	27,878	37,061	44,411	51,198

## 4.2.6 Table A6 : Budgeted financial position

FS181 Masilonyana - Table A6 Budgeted Financial Position

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash									613	3,691	8,593
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	-	-	-	20,008	20,008	18,007	18,007	16,206	14,586	13,127
Other debtors											
Current portion of long-term receivables											
Inventory	2				84	84	84	84	84	84	84
<b>Total current assets</b>		-	-	-	20,092	20,092	18,091	18,091	16,904	18,360	21,804
<b>Non current assets</b>											
Long-term receivables											
Investments					3,301	3,301	3,301	3,301	3,301	3,301	3,301
Investment property											
Investment in Associate											
Property, plant and equipment	3	-	-	-	32,293	32,293	31,433	31,433	68,094	112,080	162,828
Agricultural											
Biological											
Intangible											
Other non-current assets											
<b>Total non current assets</b>		-	-	-	35,594	35,594	34,734	34,734	71,395	115,381	166,129
<b>TOTAL ASSETS</b>		-	-	-	55,686	55,686	52,825	52,825	88,299	133,742	187,934
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1				4,085	4,085	905	905			
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits					841	841	841	841	841	841	841
Trade and other payables	4	-	-	-	60,472	60,472	58,471	58,471	56,670	55,049	53,591
Provisions					3,369	3,369	3,369	3,369	3,919	4,503	5,122
<b>Total current liabilities</b>		-	-	-	68,767	68,767	63,586	63,586	61,431	60,394	59,554
<b>Non current liabilities</b>											
Borrowing					4,552	4,552	4,552	4,552	4,552	4,552	4,552
Provisions					-	-	-	-	-	-	-
<b>Total non current liabilities</b>		-	-	-	4,552	4,552	4,552	4,552	4,552	4,552	4,552
<b>TOTAL LIABILITIES</b>		-	-	-	73,319	73,319	68,138	68,138	65,983	64,947	64,107
<b>NET ASSETS</b>	5	-	-	-	(17,633)	(17,633)	(15,313)	(15,313)	22,316	68,795	123,827
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)					(17,633)	(17,633)	(15,313)	(15,313)	22,316	68,795	123,827
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	-	-	-	(17,633)	(17,633)	(15,313)	(15,313)	22,316	68,795	123,827

## 4.2.7 Table A7 : Budgeted cash flows

FS181 Masilonyana - Table A7 Budgeted Cash Flows

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other					64,853	64,853	65,689	65,689	79,019	88,101	98,499
Government - operating	1				66,604	66,604	66,531	66,531	69,939	76,674	84,163
Government - capital	1				27,578	27,578	27,578	27,578	33,211	40,322	46,868
Interest					2,433	2,433	2,812	2,812	3,044	3,233	3,424
Dividends											
<b>Payments</b>											
Suppliers and employees					(130,884)	(130,884)	(129,404)	(129,404)	(145,628)	(159,774)	(175,722)
Finance charges					(706)	(706)	(1,007)	(1,007)	(1,006)	(1,069)	(1,132)
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	-	29,878	29,878	32,199	32,199	38,579	47,488	56,101
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
<b>Payments</b>											
Capital assets					(28,738)	(28,738)	(27,878)	(27,878)	(37,061)	(44,411)	(51,198)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	(28,738)	(28,738)	(27,878)	(27,878)	(37,061)	(44,411)	(51,198)
<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											
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	-	-	1,140	1,140	4,321	4,321	1,518	3,077	4,903
Cash/cash equivalents at the year begin:	2				(5,226)	(5,226)	(5,226)	(5,226)	(905)	613	3,691
Cash/cash equivalents at the year end:	2				(4,085)	(4,085)	(905)	(905)	613	3,691	8,593

## 4.2.8 Table A8 : Cash backed reserves / accumulate surplus reconciliation

FS181 Masilonyana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	(4,085)	(4,085)	(905)	(905)	613	3,691	8,593
Other current investments > 90 days		-	-	-	-	-	-	-	-	(0)	(0)
Non current assets - Investments	1	-	-	-	3,301	3,301	3,301	3,301	3,301	3,301	3,301
<b>Cash and investments available:</b>		-	-	-	<b>(784)</b>	<b>(784)</b>	<b>2,397</b>	<b>2,397</b>	<b>3,915</b>	<b>6,992</b>	<b>11,894</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	45,217	45,182	44,338	44,338	41,244	40,732	40,658
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		-	-	-	<b>45,217</b>	<b>45,182</b>	<b>44,338</b>	<b>44,338</b>	<b>41,244</b>	<b>40,732</b>	<b>40,658</b>
<b>Surplus(shortfall)</b>		-	-	-	<b>(46,001)</b>	<b>(45,966)</b>	<b>(41,941)</b>	<b>(41,941)</b>	<b>(37,329)</b>	<b>(33,741)</b>	<b>(28,763)</b>

#### 4.2.9 Table A9 : Asset management

FS181 Masilonyana - Table A9 Asset Management

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	-	-	-	-	-	-	7,550	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	2,100	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	2,700	-	-
Community		-	-	-	-	-	-	5,450	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	29,511	44,411	51,198
Infrastructure - Road transport		-	-	-	-	-	-	12,591	10,000	10,000
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	7,582	30,322	-
Infrastructure - Sanitation		-	-	-	-	-	-	9,238	-	36,868
Infrastructure - Other		-	-	-	-	-	-	-	4,089	4,330
Infrastructure		-	-	-	-	-	-	29,411	44,411	51,198
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	100	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	31,511	44,411	51,198
Infrastructure - Road transport		-	-	-	-	-	-	12,591	10,000	10,000
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	7,582	30,322	-
Infrastructure - Sanitation		-	-	-	-	-	-	11,338	-	36,868
Infrastructure - Other		-	-	-	-	-	-	-	4,089	4,330
Infrastructure		-	-	-	-	-	-	31,511	44,411	51,198
Community		-	-	-	-	-	-	5,450	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	100	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	-	-	-	-	-	-	37,061	44,411	51,198
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport								12,591	22,591	32,591
Infrastructure - Electricity								-	-	-
Infrastructure - Water								7,582	37,904	37,904
Infrastructure - Sanitation					27,578	27,578	27,578	38,916	38,916	75,784
Infrastructure - Other					300	300	300	300	4,389	8,719
Infrastructure					27,878	27,878	27,878	59,389	103,800	154,998
Community					860	860		5,450	5,450	5,450
Heritage assets					-	-	-	-	-	-
Investment properties					-	-	-	-	-	-
Other assets					3,555	3,555	3,555	3,255	2,830	2,380
Agricultural Assets					-	-	-	-	-	-
Biological assets					-	-	-	-	-	-
Intangibles					-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5				32,293	32,293	31,433	68,094	112,080	162,828
<b>EXPENDITURE OTHER ITEMS</b>										
Depreciation & asset impairment					400	400	400	400	425	450
Repairs and Maintenance by Asset Class	3				4,582	4,582	6,110	6,076	6,453	6,833
Infrastructure - Road transport					147	147	52	2,288	2,430	2,573
Infrastructure - Electricity					719	719	1,020	850	903	956
Infrastructure - Water					1,723	1,723	2,886	1,640	1,742	1,844
Infrastructure - Sanitation					-	-	-	-	-	-
Infrastructure - Other					220	220	110	55	58	62
Infrastructure					2,809	2,809	4,069	4,833	5,733	5,735
Community					219	219	311	286	304	322
Heritage assets					-	-	-	-	-	-
Investment properties					-	-	-	-	-	-
Other assets	6, 7				1,554	1,554	1,730	957	1,016	1,076
<b>TOTAL EXPENDITURE OTHER ITEMS</b>					4,982	4,982	6,510	6,476	6,878	7,283
<b>% of capital exp on renewal of assets</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	390.9%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7377.8%	10454.6%	11380.8%
<b>R&amp;M as a % of PPE</b>		0.0%	0.0%	0.0%	14.2%	14.2%	19.4%	8.9%	5.8%	4.2%
<b>Renewal and R&amp;M as a % of PPE</b>		0.0%	0.0%	0.0%	14.0%	14.0%	19.0%	52.0%	45.0%	36.0%

## 4.2.10 Table SA36 : Capital Budget

FS181 Maslonyana - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Prior year outcomes		2010/11 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2008/9	Current Year 2009/10 Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>														
	5				<i>Examples</i>	<i>Examples</i>								
<b>Executive &amp; Council</b>					<i>Other Assets</i>	<i>Motor vehicles</i>				100				
Community Facilities		Improvement of Cemeteries			Community Assets	Cemeteries			1,650					
Sports & Recreation		Improvement of Sport Facilities			Community Assets	Sports Fields			3,800					
<b>Waste Management</b>					Infrastructure	Sanitation			2,100					
Water		Upgrading of facilities			Infrastructure	Water			7,582	30,322				
Road Transport		Replacing of asbestos pipes			Infrastructure	Road Transport			12,591	10,000		10,000		
Waste Water Management		Upgrade sanitation and eradication of bucket			Infrastructure	Sanitation			9,238				36,868	
<b>Finance &amp; Admin</b>					Infrastructure	Other					4,089		4,330	
<b>Total Capital expenditure</b>	1									37,061	44,411		51,198	
Entities: <i>List all capital projects grouped by Entity</i>														
<b>Entity A</b>														
Water project A														
<b>Entity B</b>														
Electricity project B														
<b>Total Capital expenditure</b>	2									-	-		-	

## 5 Budget Process Overview

### 5.1 Background

Integrated Development Planning is a process through which municipalities prepare a strategic development plan which extends over a five-year period. The Integrated Development Plan (IDP) is a product of the IDP process. The Masilonyana Local Municipality (MLM) IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in the municipality. Through Integrated Development Planning which necessitates the involvement of all relevant stakeholders, a municipality:

- Identifies its key development priorities;
- Formulates a clear vision, mission and values;
- Formulates appropriate strategies;
- Develops the appropriate organisational structure and systems to realise the vision and mission; and
- Aligns resources with the developmental priorities.

In terms of the Municipal Systems Act, all municipalities have to undertake an IDP process to produce IDPs. As the IDP is a legislative requirement it has a legal status and supersedes all other plans that guide development at local government level.

In a nutshell, the IDP process entails an assessment of the existing level of development and the identification of key development priorities. The vision and mission statements for the long-term development flow from the aforesaid, with specific reference to critical developmental and internal transformational needs. The development strategies and objectives will be directed at bridging the gap between the existing level of development and the vision and mission. A very critical phase of the IDP process is to link planning to the municipal budget (i.e. allocation of internal or external funding to the identified projects); because this will ensure that the IDP directs the development and implementation of projects.

During the past nine years we have made definite progress in enabling the people of this region to enjoy the fruits of liberation and democracy. We have seen substantial improvements made in providing healthcare, building houses and providing sanitation and the bucket system has been eradicated. We have laid a solid foundation and are on course to improving the lives of our communities. As we celebrate the change in our communities, we are also aware of the many challenges we still face. Our fight against poverty and underdevelopment will be further intensified. Our responsibility as a sphere of government is to ensure that the quality of life of all who live and work in Masilonyana is improved. We will continue to engage in both progressive and meaningful discussions with our communities to shape a clear path from which governance and development will draw guidance and direction. The council will continue to pursue and encourage community participation programmes, to ensure that our plans are in line with community needs.

We have a responsibility to contribute to the process of transforming the lives of our people from the conditions of abject poverty and underdevelopment. In our fight against poverty and underdevelopment, we are committed to ensuring that equitable

service delivery becomes the norm in Masilonyana. For this reason MLM has to focus inter alia, on the following:

- Build sustainable communities by paying special attention to health education, service delivery, human settlements, environment and safety;
- Develop infrastructure to equalise services upgrade and ensure accessibility and unity in Masilonyana;
- Grow the economy to be linked with the national and provincial economies, empower the people of the region and build required skills; and
- Developing and implementing integrated plans and strategies for economic and social development; service delivery; infrastructure development; provision of basic services; human development; safety and security; participatory governance; youth development; women empowerment; building integrated and sustainable communities and protection of the environment.

## **REVIEW OF THE BUDGET PROCESS**

- Council approved the budget timetable September 09
- Budget Timetable not 100% followed throughout.
- Draft budget not submitted in the prescribed format. Also a challenge to comply with budget formats due to submitted GRAP not yet implemented.
- Key target dates met:-
  - Draft Budget and Draft IDP submitted to Council on 31 March 2010 - Draft IDP referred back – Draft Budget approved
  - Process of community consultation in progress - additional community meetings to be held on 26 April 2010
  - Final budget will be submitted on 31 May 2010

## **Public Consultation and Planning**

The MLM is striving to deepen the democratic process of governance in Masilonyana. Community-Based Planning (CBP) is one of the initiatives identified to achieve this objective. CBP is a planning and implementation process that provides a platform for the communities to engage in interactive participation in planning and decision-making for implementation in their wards.

The municipal planning system, as elaborated in the Municipal Systems Act, 2000, has been formulated to play a critical role in determining how resources are allocated, especially the budgets of the municipality. Our experience over the past few years has clearly demonstrated that unless the community, especially the poor, can influence these budgets, the ability to promote sustainability, a key priority of our IDP, will be limited, as will be the impact of our local democracy.

## **6 Alignment of Budget with Integrated Development Plan**

The IDP contains information on developmental needs submitted by the community that may not be covered in the Budget. There should not be an expectation that everything contained in the IDP is funded. There are numerous needs submitted that are not the responsibility of the MLM, but that of either the National or Provincial governments. However, these inputs will be analysed and discussed with stakeholders such as government departments, ward committees, CDW NGO's and private sector to refine what can be implemented. The funding process is based on the priorities identified in the IDP, as shown in the relevant tables in this document.

## **7 Budget Related Policies Overview and Amendments**

One of the reasons for the municipality struggling to collect revenue is that the current credit control and debt collection policy and by-law is not in accordance with prevailing legislation. This result in the municipality not being able to vigorously implement the revenue enhancement strategy and not being able to disconnect defaulters without having to face being challenged in court. This policy and by-law has now been comprehensively reviewed and after promulgation it is envisaged that the municipality will make significant progress with debt collection from July 2010 onwards.

Section 18 of the Municipal Finance Management Act (MFMA) states that the Budget can only be funded by realistically anticipated revenue to be collected, and cash-backed accumulated funds from previous years, which was not committed for other purposes. Furthermore, National Treasury Circular 42 stipulates that the Budget be managed in a full accrual manner reflecting a transparent budget and accounting system approach. The MFMA further requires the municipality to adopt and implement a tariff policy. Council has approved for public participation policies for main services provided by the municipality, which are attached as annexures to this document. Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source as per the requirements of the MFMA (Chapter 4, 17 (1) (a) and (3) (b)).

The policies attached are the following:

- Indigent Policy for 2010/2011
- Property Rates Policy for 2009/2010 unchanged
- Property Rates By-law for 2009/2010 unchanged
- Credit Control Policy for 2010/2011
- Credit Control By-law for 2010/2011
- Write Off Policy for 2010/2011

Council notes that the review of other financial policies is subject to a project to be launched CoGTA whereby the Municipality will receive generic policies to be tailor-made for the implementation by the Municipality in the new financial year.

## 8 Budget Assumptions

8.1 National Treasury provided guidance in MFMA Circular No. 51 issued in terms of Municipal Finance Management Act No. 56 of 2003 regarding inflation:-

<b>Fiscal year</b>	<b>2008/09 Actual</b>	<b>2009/10 Estimate</b>	<b>2010/11</b>	<b>2011/12 Forecast</b>	<b>2012/13</b>
Headline CPI Inflation	9.9%	6.7%	5.7%	6.2%	5.9%

8.2 The inflation rate to be used for calculating wage increases

According to the *SALGA Salary and Wage Collective Agreement 2009/10 to 2011/2012*, the inflation rate to be used for calculating wage increases is the average CPI percentage for the period 1 February 2009 until 31 January 2010, plus 1.5 per cent. According to Statistics South Africa the historical CPI for this period is set at 6.2 per cent year-on-year as at end January 2010.

Historical CPI (January 2010)	6.2%
SALGA addition	1.5%
<b>NT benchmark as per Circular 51</b>	<b>7.7%</b>

Consequently, National Treasury suggests that municipalities use 7.7 per cent as a benchmark for determining wage increase for the 2010/11 financial year. Note that Municipal Managers and those employees appointed as managers directly accountable to the Municipal Managers in terms of Section 57(6) if the Municipal Systems Act 32 of 2000 are excluded from the collective agreement.

8.3 For the period 1 July 2010 to 30 June 2011, Eskom will increase the municipal tariff rates for bulk electricity by 28.9 per cent. For 2011/12 and 2012/13, municipalities should budget for increases in the bulk price of electricity of 25.8 per cent and 25.9 per cent respectively. Note, however, that these increases may change in future.

8.4 Electricity tariff increase

During the 2009/2010 financial year the municipality implemented a 34% tariff increase on all electricity tariffs although the actual increase on bulk purchases only was 31%. The NERSA guideline letter indicates that the guideline calculation for the 2010/2011 financial year included a claw-back that is only intended to apply to those municipalities that increased their entire tariff by 34 percent (and not just the bulk electricity component of their costs), which would have resulted in an over-recovery of costs of about 9 per cent by those particular municipalities. This clawback is based on the premise that the unreasonable over-recovery of electricity costs by a municipality is unfair towards customers and therefore needs to be phased out over the next three years.

The guideline increase for the 2010/2011 financial year is 22%. Taking into the account the phasing in of the over-recovery of costs of 3% per year the proposed increase for 2010/2011 is set at 19%. In addition, the tariff on the

basic charge will not be increased for the 2010/2011 financial year due to the excessive increase in 2009/2010. The proposed increase of 19% will therefore only be applicable to the consumption charge.

#### 8.5 Collection rates

In accordance with relevant legislation and national directives, revenue recovery rates are based on realistic and sustainable trends. Masilonyana's collection rate is set at an average of 57% and is based on a combination of actual rates achieved to date and estimated outcomes of the current financial period.

## **9 Funding the Budget (including fiscal overview and sources of funding)**

### **9.1 FUNDING OF THE CAPITAL BUDGET**

The 2010/2011 capital budget amounts to approximately R29.1million. External grants of R25.8 million as well as R3.9 million generated internally from the operating budget funds the Capital Budget.

### **9.2 FUNDING OF THE OPERATING BUDGET**

The Operating Budget is funded from the following main sources:

- Assessment Rates;
- Tariffs levied for Services, i.e. Electricity, Water, Sewerage and Refuse Collection; and
- Operating Grants and Subsidies.

#### **Assessment Rates.**

During the 2008/2009 financial year the municipality completed the process to implement a valuation roll compiled in accordance with the MPRA with effect from 1 July 2009. This included completing the valuation of all properties, including agricultural and the mines, developing and publishing a property rates policy and by-law and approving a new tariff. However, the municipality experienced administrative issues with the actual levying of the new tariffs. The municipality continued to levy the old valuation roll which was contrary to the MPRA. In order to correct the situation the municipality sought advice from CoGTA as well as legal counsel on the matter. We are left with the following two options:

- Implement the current Valuation roll before 30 June 2010 to ensure the legality thereof. This implies that the property rates levies in accordance with the new valuation roll will be implemented retrospectively as from 1 July 2009 including the newly rated properties such as agricultural properties. Current levies done in accordance with the old valuation roll will be reversed accordingly. Any property owner left with a balance on the rates account will be afforded the opportunity to make an arrangement with Council to pay it off without any interest levied.
- Second option is to restart the process of compiling a valuation roll and get it implemented at the earliest 1 July 2011. This has associated cost implications to redo a new valuation roll with a new valuation date and new values. Property owners may also be faced with possible higher property values as the new date of valuation will be fixed at 1 September 2010.

Due to the phase in applicable on newly rateable properties from 25% to 50% of the promulgated tariff there will be no tariff increase on property rates for the 2010/2011 financial year as the expected increase in revenue from these properties will be sufficient.

#### **Electricity**

Guidelines for the bulk electricity tariff increase to be implemented by municipalities was issued by National Treasury in Circular 51 as being 28.9%. This increase, together with increases in expenditure on Salaries and Wages, Repairs and

Maintenance, contributions to the Rate Account require the electricity tariffs to increase by an average of 19% on consumption only.

### **Water**

The Masilonyana water tariffs are not rendered cost efficiently. As part of a three year strategy tariffs will be increased by 25% during the 2010/2011 financial year.

### **Sundry tariffs**

Sundry tariffs which include, cemetery fees, caravan park, pound fees, dog licenses, halls, clearance certificates will be increased by 7%.

### **Refuse**

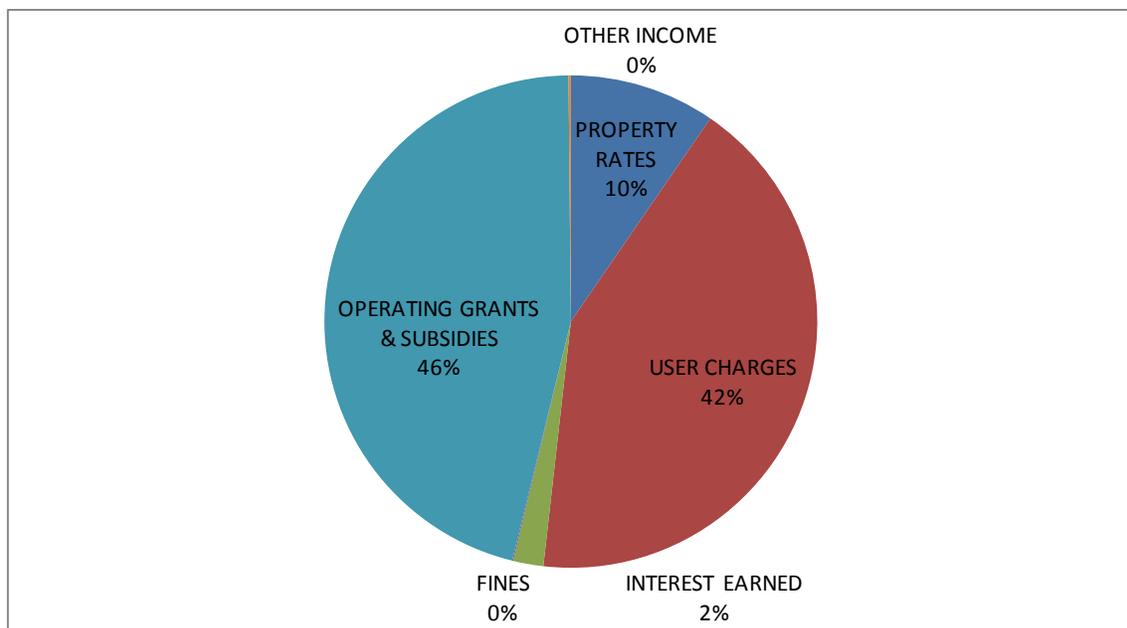
Refuse tariffs to increase by 7%.

### **Sewer**

Sewerage tariffs to increase with 25% as the delivering of a sewerage services is reliant on water consumption and therefore be increased in line with the water tariffs.

### **Operating Grants and Subsidies**

National Government allocates grants to the Municipality to subsidise operational activities. The revenue received in the form of the Equitable Share Grant has increased significantly over the past year from R 53,046,000 to R 66,189,000. The Financial Management Grant also increased from R2,750,000 to R3,000,000 and the Municipal Systems Improvement Grant from R735,000 to R750,000. A breakdown of main revenue sources is set out below.



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

In terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing its delivery of municipal services and its annual budget, and which must indicate the following –

- (a) Monthly projections of –
  - (i) Revenue to be collected, by source, and
  - (ii) Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed.

The Honourable Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the Budget. In addition, the Honourable Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

The SDBIP gives effect to the Integrated Development Plan and the Budget of the municipality. It is an expression of the objectives of the Council in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2010 to 30 June 2011 (the financial year). It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of financial and non-financial performance of the municipality, and allows the Municipal Manager to monitor the performance of the Section 57 Managers, the Mayor/Council to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Council.

The SDBIP for the 2010/2011 financial year will be approved by the Mayor before 30 June 2010 following approval of the Budget.

## 11 Disclosure on Salaries, allowances and benefits

FS181 Masilonyana - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No. 10	Salary	Contrib. 1.	Allowances	Performance Bonuses	In-kind benefits 2.	Total Package 3.
<b>Rand per annum</b>								
<b>Councillors</b>	4							
Speaker	5		282,543	46,683	125,773			455,000
Chief Whip			-	24,071	201,716			225,786
Executive Mayor			376,484	58,353	154,162			589,000
Deputy Executive Mayor			-	-	-			-
Executive Committee			-	24,071	427,882			451,953
Total for all other councillors			-	229,811	2,592,451			2,822,262
<b>Total Councillors</b>	9	-	659,027	382,989	3,501,985			4,544,000
<b>Senior Managers of the Municipality</b>	6							
Municipal Manager (MM)			400,167	-	324,773	-	-	724,940
Chief Finance Officer			433,909	-	180,693	-	-	614,602
Deputy City Manager - Governance			-	-	-	-	-	-
Deputy City Manager - Procurement & Infrastructure			451,437	-	105,546	-	-	556,983
Deputy City Manager - Health, Safety & Social Issues			451,437	-	105,546	-	-	556,983
Deputy City Manager - Corporate & Human Resources			308,569	-	248,414	-	-	556,983
<i>List of each official with packages &gt;= senior manager</i>								
Head: Internal Audit & Performance Management								-
Head: Geographical Information & Policy								-
Head Office of Intergovernmental & Governance Relations								-
<b>Total Senior Managers of the Municipality</b>	9	-	2,045,518	-	964,971	-	-	3,010,490
<b>A Heading for Each Entity</b>	7, 8							
List each member of board by designation								
Chief Executive Officer (CEO)								-
								-
<b>Total for municipal entities</b>	9	-	-	-	-	-	-	-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>		-	2,704,545	382,989	4,466,956	-	-	7,554,490

FS181 Masilonyana - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Salary								2,799	2,973	3,148
Pension Contributions								423	449	475
Medical Aid Contributions								-	-	-
Motor vehicle allowance								1,058	1,123	1,189
Cell phone allowance								229	243	257
Housing allowance								-	-	-
Other benefits or allowances								36	38	40
In-kind benefits								-	-	-
<b>Sub Total - Councillors</b>								<b>4,544</b>	<b>4,825</b>	<b>5,110</b>
% increase	4							-	6.2%	5.9%
<b>Senior Managers of the Municipality</b>	2									
Salary								2,135	2,267	2,401
Pension Contributions								-	-	-
Medical Aid Contributions								-	-	-
Motor vehicle allowance								857	910	964
Cell phone allowance								4	4	5
Housing allowance								-	-	-
Performance Bonus								-	-	-
Other benefits or allowances								14	15	16
In-kind benefits								-	-	-
<b>Sub Total - Senior Managers of Municipality</b>								<b>3,010</b>	<b>3,197</b>	<b>3,386</b>
% increase	4							-	6.2%	5.9%
<b>Other Municipal Staff</b>	4									
Basic Salaries and Wages								26,480	28,122	29,781
Pension Contributions								4,232	4,495	4,760
Medical Aid Contributions								1,631	1,732	1,834
Motor vehicle allowance								706	749	793
Cell phone allowance								36	38	40
Housing allowance								84	90	95
Overtime								1,597	1,696	1,796
Performance Bonus								2,320	2,464	2,609
Other benefits or allowances								1,491	1,583	1,676
In-kind benefits								-	-	-
<b>Sub Total - Other Municipal Staff</b>								<b>38,577</b>	<b>40,969</b>	<b>43,386</b>
% increase	4							-	6.2%	5.9%
<b>Total Parent Municipality</b>								<b>46,131</b>	<b>48,992</b>	<b>51,882</b>
								-	6.2%	5.9%
<b>Board Members of Entities</b>										
Salary										
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowances										
Housing allowance										
Board Fees										
Other benefits and allowances										
In-kind benefits										
<b>Sub Total - Board Members of Entities</b>										
% increase	4									
<b>Senior Managers of Entities</b>										
Salary										
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowances										
Housing allowance										
Performance Bonus										
Other benefits or allowances										
In-kind benefits										
<b>Sub Total - Senior Managers of Entities</b>										
% increase	4									
<b>Other Staff of Entities</b>										
Basic Salaries and Wages										
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowances										
Housing allowance										
Overtime										
Performance Bonus										
Other benefits or allowances										
In-kind benefits										
<b>Sub Total - Other Staff of Entities</b>										
% increase	4									
<b>Total Municipal Entities</b>										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>								<b>46,131</b>	<b>48,992</b>	<b>51,882</b>
% increase	4							-	6.2%	5.9%
<b>TOTAL MANAGERS AND STAFF</b>	5							<b>41,588</b>	<b>44,166</b>	<b>46,772</b>

FS181 Masilonyana - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2008/9			Current Year 2009/10			Budget Year 2010/11		
Number	1		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)	3								20	2	18
Board Members of municipal entities	4										
<b>Municipal employees</b>											
Municipal Manager and Senior Managers	2								1		1
Other Managers	6								4		4
Professionals			-	-	-	-	-	-	280	264	16
<i>Finance</i>									41	25	16
<i>Spatial/town planning</i>									1	1	
<i>Information Technology</i>									1	1	
<i>Roads</i>									67	67	
<i>Electricity</i>									10	10	
<i>Water</i>									39	39	
<i>Sanitation</i>									57	57	
<i>Refuse</i>									64	64	
<i>Other</i>									90	90	
Technicians			-	-	-	-	-	-	-	-	-
<i>Finance</i>											
<i>Spatial/town planning</i>											
<i>Information Technology</i>											
<i>Roads</i>											
<i>Electricity</i>											
<i>Water</i>											
<i>Sanitation</i>											
<i>Refuse</i>											
<i>Other</i>											
Clerks (Clerical and administrative)											
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators											
Elementary Occupations											
<b>TOTAL PERSONNEL NUMBERS</b>			-	-	-	-	-	-	395	356	39
% increase			-	-	-	-	-	-	-	(9.9%)	(89.0%)
<b>Total municipal employees headcount</b>	5								395	356	39
Finance personnel headcount	7								41	25	16
Human Resources personnel headcount	7								7	7	-

## 12 Monthly Cash flows by Source

FS181 Masilonyana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue By Source</b>																
Property rates		1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	14,556	15,459	16,371
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	2,219	26,633	32,468	39,583
Service charges - water revenue		1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	14,375	15,266	16,166
Service charges - sanitation revenue		1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	14,759	15,674	16,599
Service charges - refuse revenue		651	651	651	651	651	651	651	651	651	651	651	651	7,810	8,294	8,783
Service charges - other		33	33	33	33	33	33	33	33	33	33	33	33	392	417	441
Rental of facilities and equipment		16	16	16	16	16	16	16	16	16	16	16	16	189	201	213
Interest earned - external investments		2	2	2	2	2	2	2	2	2	2	2	2	21	22	23
Interest earned - outstanding debtors		250	250	250	250	250	250	250	250	250	250	250	250	2,998	3,184	3,372
Dividends received		2	2	2	2	2	2	2	2	2	2	2	2	26	28	29
Fines		8	8	8	8	8	8	8	8	8	8	8	8	100	107	113
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		25,813	-	-	22,063	-	-	-	22,063	-	-	-	-	69,939	76,674	84,163
Other revenue		17	17	17	17	17	17	17	17	17	17	17	17	205	217	230
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont</b>		<b>32,652</b>	<b>6,839</b>	<b>6,839</b>	<b>28,902</b>	<b>6,839</b>	<b>6,839</b>	<b>6,839</b>	<b>28,902</b>	<b>6,839</b>	<b>6,839</b>	<b>6,839</b>	<b>6,839</b>	<b>152,003</b>	<b>168,008</b>	<b>186,086</b>
<b>Expenditure By Type</b>																
Employee related costs		3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	41,588	44,166	46,772
Remuneration of councillors		379	379	379	379	379	379	379	379	379	379	379	379	4,544	4,826	5,110
Debt Impairment		2,843	2,843	2,843	2,843	2,843	2,843	2,843	2,843	2,843	2,843	2,843	2,843	34,115	37,393	41,045
Depreciation & asset impairment		33	33	33	33	33	33	33	33	33	33	33	33	400	425	450
Finance charges		84	84	84	84	84	84	84	84	84	84	84	84	1,006	1,069	1,132
Bulk purchases		1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	22,098	27,422	34,116
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653	43,834	46,551	49,298
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>147,584</b>	<b>161,851</b>	<b>177,922</b>
<b>Surplus/(Deficit)</b>		<b>20,353</b>	<b>(5,460)</b>	<b>(5,460)</b>	<b>16,603</b>	<b>(5,460)</b>	<b>(5,460)</b>	<b>(5,460)</b>	<b>16,603</b>	<b>(5,460)</b>	<b>(5,460)</b>	<b>(5,460)</b>	<b>(5,460)</b>	<b>4,418</b>	<b>6,157</b>	<b>8,164</b>
Transfers recognised - capital		2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	33,211	40,322	46,868
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>23,121</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>19,371</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>19,371</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>37,629</b>	<b>46,479</b>	<b>55,032</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>23,121</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>19,371</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>19,371</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>37,629</b>	<b>46,479</b>	<b>55,032</b>

FS181 Masilonyana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Revenue by Vote</b>																
Executive & Council		2,974	2,974	2,974	2,974	2,974	2,974	2,974	2,974	2,974	2,974	2,974	2,974	35,689	42,670	48,455
Finance & Admin		5,258	1,508	1,508	1,508	1,508	1,508	1,508	1,508	1,508	1,508	1,508	1,508	21,848	21,260	22,404
Community Facilities		13	13	13	13	13	13	13	13	13	13	13	13	159	169	179
Housing		8	8	8	8	8	8	8	8	8	8	8	8	95	101	107
Public Safety		8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Sports & Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management		3,817	651	651	3,817	651	651	651	3,817	651	651	651	651	17,310	18,250	19,267
Waste Water Management		2,897	1,230	1,230	2,897	1,230	1,230	2,897	1,230	1,230	1,230	1,230	1,230	19,759	20,914	22,117
Road Transport		3	3	3	3	3	3	3	3	3	3	3	3	34	36	38
Water		4,198	1,198	1,198	4,198	1,198	1,198	4,198	1,198	1,198	1,198	1,198	1,198	23,375	24,698	26,098
Electricity		4,553	2,219	2,219	4,553	2,219	2,219	4,553	2,219	2,219	2,219	2,219	2,219	33,633	39,804	47,308
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>23,729</b>	<b>9,813</b>	<b>9,813</b>	<b>19,979</b>	<b>9,813</b>	<b>9,813</b>	<b>19,979</b>	<b>9,813</b>	<b>9,813</b>	<b>9,813</b>	<b>9,813</b>	<b>9,813</b>	<b>152,003</b>	<b>168,008</b>	<b>186,086</b>
<b>Expenditure by Vote to be appropriated</b>																
Executive & Council		1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	19,866	21,098	22,343
Finance & Admin		1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	20,568	21,843	23,132
Community Facilities		373	373	373	373	373	373	373	373	373	373	373	373	4,477	4,755	5,035
Housing		73	73	73	73	73	73	73	73	73	73	73	73	882	937	992
Public Safety		62	62	62	62	62	62	62	62	62	62	62	62	741	787	833
Sports & Recreation		230	230	230	230	230	230	230	230	230	230	230	230	2,757	2,928	3,101
Waste Management		1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	13,593	14,435	15,287
Waste Water Management		1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539	18,467	19,612	20,769
Road Transport		924	924	924	924	924	924	924	924	924	924	924	924	11,086	11,773	12,467
Water		1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	21,858	23,213	24,583
Electricity		2,774	2,774	2,774	2,774	2,774	2,774	2,774	2,774	2,774	2,774	2,774	2,774	33,290	40,471	49,379
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>12,299</b>	<b>147,584</b>	<b>161,851</b>	<b>177,922</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>11,431</b>	<b>(2,486)</b>	<b>(2,486)</b>	<b>7,681</b>	<b>(2,486)</b>	<b>(2,486)</b>	<b>(2,486)</b>	<b>7,681</b>	<b>(2,486)</b>	<b>(2,486)</b>	<b>(2,486)</b>	<b>(2,486)</b>	<b>4,418&lt;/</b>		

### 13 Measurable Performance Objectives (revenue source and Vote)

FS181 Masilonyana - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept)

Description	Ref	Executive & Council	Finance & Admin	Community Facilities	Housing	Public Safety	Sports & Recreation	Waste Management	Waste Water Management	Road Transport	Water	Electricity	Example 12 - Vote12	Example 13 - Vote13	Example 14 - Vote14	Example 15 - Vote15	Total
<b>R thousand</b>																	
<b>Revenue By Source</b>																	
Priority rates			14,556														14,556
Property rates - penalties & collection charges																	-
Service charges - electricity revenue												26,633					26,633
Service charges - water revenue											14,375						14,375
Service charges - sanitation revenue							7,810	14,759									14,759
Service charges - refuse revenue																	7,810
Service charges - other			392														392
Rental of facilities and equipment			94		95												189
Interest earned - external investments			21														21
Interest earned - outstanding debtors			2,998														2,998
Dividends received			26														26
Fines						100											100
Licences and permits																	-
Agency services																	-
Other revenue			12	159						34							205
Transfers recognised - operational		35,689	3,750					9,500	5,000		9,000	7,000					69,939
Gains on disposal of PPE																	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>35,689</b>	<b>21,848</b>	<b>159</b>	<b>95</b>	<b>100</b>	<b>-</b>	<b>17,310</b>	<b>19,759</b>	<b>34</b>	<b>23,375</b>	<b>33,633</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,003</b>
<b>Expenditure By Type</b>																	
Employee related costs		8,500	6,878	3,287	781	481	2,284	4,578	4,776	5,536	3,014	1,473					41,588
Remuneration of councillors		4,544															4,544
Debt impairment			4,510					5,359	8,036		8,850	7,361					34,115
Depreciation & asset impairment									100	100	100	100					400
Finance charges			50				20		161		493	272					1,006
Bulk purchases											1,926	20,172					22,098
Other materials																	-
Contacted services			1,600														1,600
Transfers and grants																	-
Other expenditure		7,372	6,980	1,191	101	260	453	3,655	5,395	5,439	7,476	3,913					42,234
Loss on disposal of PPE																	-
<b>Total Expenditure</b>		<b>20,416</b>	<b>20,019</b>	<b>4,477</b>	<b>882</b>	<b>741</b>	<b>2,757</b>	<b>13,593</b>	<b>18,467</b>	<b>11,086</b>	<b>21,858</b>	<b>33,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,585</b>
<b>Surplus/(Deficit)</b>																	
Transfers recognised - capital		15,273	1,830	(4,318)	(787)	(641)	(2,757)	3,717	1,292	(11,052)	1,516	344					4,417
Contributions recognised - capital																	-
Contributed assets		(100)		(1,650)				(2,100)									(3,850)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>15,173</b>	<b>1,830</b>	<b>(5,966)</b>	<b>(787)</b>	<b>(641)</b>	<b>(2,757)</b>	<b>1,617</b>	<b>1,292</b>	<b>(11,052)</b>	<b>1,516</b>	<b>344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>567</b>

## 14 Municipal Manager's Quality Certification

I, **Mr. B.C. Mokokela**, Administrator of the Masilonyana Local Municipality hereby certify that the draft budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act 56 of 2003 and the regulations made under the Act, and that the adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Signature

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Mr. B.C. Mokokela  
Administrator  
Masilonyana Local Municipality (FS181)

Date

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## **Annexure A**

### **Summary of key issues – MFMA Circular 51**

**Given that the 2010 FIFA Soccer World Cup starts on 11 June 2010, municipalities are advised to finalise and adopt their 2010/11 Budgets and MTREF before this date.**

#### **National priorities – doing more with existing resources**

1. The challenge for each municipality is to do more within its existing resource envelope.
2. In the run-up to the local government elections, Mayors and councils need to remain focused on the effective delivery of core municipal services, and steer away from seeking to buy political support through patronage.
3. Each municipality must explore how it can contribute to job creation when revising their IDPs and preparing their 2010/11 budgets.
4. Government is taking active steps to uproot the problem of corruption in all three spheres of government, particularly in the tender system. Municipalities must play their part.
5. Municipalities are advised that National Treasury's supply chain compliance unit will also be focusing on municipal procurement processes.

#### **Headline inflation forecasts**

6. The headline inflation forecast for 2010/11 is 5.7 per cent. Municipalities must take this into consideration when preparing their budgets.
7. Municipalities should also take into account the wage agreement SALGA concluded with municipal workers unions on 31 July 2009.

#### **Revising rates, tariffs and other charges**

8. Municipalities must explore imaginative ways of structuring the tariffs for utility services to encourage more efficient use of these services and to generate the resources required to maintain, renew and expand infrastructure.
9. NERSA is expected to announce the electricity bulk tariff increase on 24 February 2010. In the interim, National Treasury advises municipalities to use 35 per cent.
10. All municipalities should aim to have appropriately structured, cost-reflective water tariffs in place by 2014.
11. Municipalities must note that COGTA is in the process of prescribing a ratio with respect to public benefit organisations relative to residential properties.
12. The verification of existing municipal taxes in terms of section 12 of the Municipal Fiscal Powers and Functions Act continues.

#### **Funding choices and management issues**

13. Municipal revenues and cash flows are expected to remain under pressure in 2010/11 and so municipalities should adopt a conservative approach when projecting their expected revenues and cash receipts
14. Municipalities must pay special attention to controlling unnecessary spending on nice-to-have items and non-essential activities, such as foreign travel, councillor and staff perks, advertising and public relations activities.
15. Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services and the refurbishment of existing network services.

16. Municipalities must include a section on 'Drinking water quality and waste water management' in their 2010/11 budget document supporting information
17. Allocations to "Mayoral Discretionary Funds", "Special Projects", "Special Events" or similar discretionary type funds are discouraged.
18. Municipalities are urged to allocate all Ward Allocations in tabled and approved budgets.
19. Municipalities are discouraged from starting projects to build or renovate office buildings, but rather to prioritise service delivery infrastructure.
20. Municipalities are allowed to use future conditional transfers as security for bridging finance to facilitate the implementation of capital projects financed by conditional grants, but only after getting approval from National Treasury.
21. Each municipality must put in place a council approved virements policy, which should provide clear guidance to managers of when they may shift funds between items, projects, programmes and votes.

#### **Conditional transfers to municipalities**

22. To bring legal certainty to the process of managing unspent conditional grant funds, section 20 of the 2010 Division of Revenue Bill regulates the process.
23. Municipalities may not rollover unspent conditional grant spending in terms of section 28(2)(e) of the MFMA. Written permission to spend these rolled over funds will be given by National Treasury.

#### **The Municipal Budget and Reporting Regulations**

24. All municipalities must prepare budgets, adjustments budgets and in-year reports for the 2010/11 financial year in accordance with the Municipal Budget and Reporting
  - Regulations. In this regard, municipalities must comply with both:
    - The formats set out in Schedules A, B and C; and
    - The relevant attachments to each of the Schedules (the Excel Formats).
25. All municipalities must do a funding compliance assessment of their 2010/11 budgets in
  - accordance with the guidance given in MFMA Circular 42 and the MFMA Funding
  - Compliance Guideline before tabling their budget, and where necessary rework their
  - budget to comply so that they table a properly funded budget.

#### **Budget process and submissions for the 2010/11 MTREF**

26. The deadline for the submission of tabled budgets is Friday, 9 April 2010.
27. The deadline for the submission of approved budgets is ten working days after the council approves the annual budget.

# Annexure B

## TARRIF SCHEDULE FOR 2010/2011

	2007/2008 RAND	2008/2009 RAND	2009/2010 RAND	2010/2011 RAND
<b>1 PROPERTY RATES</b>				
<b><u>WINBURG</u></b>				
Property	0.32	0.34	0.012	0.012
Site Rent/Minimum charges	28.99	30.88	33.040	-
<b><u>SOUTPAN</u></b>				
Property			0.012	0.012
Site Rent/Minimum charges			33.040	-
<b><u>VERKEERDEVLEI</u></b>				
Property	0.11	0.11	0.012	0.012
Site / Minimum charge	28.99	30.88	33.040	-
<b><u>THEUNISSEN</u></b>				
Property	0.14	0.15	0.012	0.012
Site rent/Minimum charge	28.99	30.88	33.040	-
<b><u>BRANDFORT</u></b>				
Property	0.08	0.09	0.012	0.012
Site rent/Minimum charge	28.99	30.88	33.040	-
<b><u>STATE ( ALL TOWNS)</u></b>			0.024	0.026
<b><u>BUSINESS ( ALL TOWNS)</u></b>			0.024	0.026
<b><u>AGRICULTURE ( rate ratio of 1:0.25)</u></b>				
Phase in			0.003 25%	0.003 50%
<b>2 SEWERAGE TARIFFS</b>				
Buckets	52.66	56.08	60.73	75.91
Households	52.66	56.08	60.73	75.91
Business	184.33	196.32	212.61	265.76
Schools with septic tanks	658.32	701.11	759.31	949.13
Schools with sewerage	637.25	678.67	735.00	918.75
Post Office	639.88	681.47	738.03	922.54
SAPS	639.88	681.47	738.03	922.54
Correctional Services	6 945.25	7 396.69	8010.61	10013.27
Hostels	190.91	203.31	220.19	275.24
Dept of Justice	215.93	229.97		
			249.06	311.32
SAPS Quarters and Hostels	1 217.90	1 297.06		
			1 404.72	1 755.90
Hospitals	9 407.36	10 018.84		
			10 850.40	13 563.01
Traffic Department	217.25	231.37		
			250.57	313.21
Old age homes	434.49	462.74		
			501.14	626.43
Households with Septic Tanks	77.68	82.73		
			89.59	111.99
Business with Septic Tanks	169.11	180.10		
			195.05	243.82
Opening of a blocked drain	181.19	192.96		
			208.98	261.22

	2007/2008 RAND	2008/2009 RAND	2009/2010 RAND	2010/2011 RAND
<b>3</b>	<b><u>REFUSE REMOVAL</u></b>			
Households	36.24	38.60	41.80	44.73
Businesses	44.70	47.61	51.56	55.17
Garden refuse removal		150	162.45	173.82
Building material removal 6 cubic metre			160.50	171.74
<b>4</b>	<b><u>WATER CONSUMPTION</u></b>			
Minimum charge	25.97	32.27	40.34	50.43
0-10 Kiloliter	<b>Free Basic</b>	<b>Free Basic</b>	<b>Free basic to indigents</b>	<b>Free basic to indigents</b>
0-10 Kiloliter	<b>Free Basic</b>	<b>Free Basic</b>	3.75	4.69
10-12 Kiloliter	2.42	3.00	4.98	6.23
12+ Kiloliter	2.65	3.29	5.46	6.83
<b><u>REPAIR WORK</u></b>				
Actual cost plus 10%				
<b><u>RECONNECTION FEES</u></b>				
Reconnection	90.74	112.51	186.77	233.46
<b>5</b>	<b><u>ELECTRICITY</u></b>			
<b><u>DOMESTIC</u></b>				
Minimum	23.05	31.24	41.86	41.86
Indigents 50 Kwh free	<b>Free Basic</b>	<b>Free Basic</b>	<b>Free basic to indigents</b>	<b>Free basic to indigents</b>
Per kwh	0.41	0.56	0.75	0.89
<b><u>BUSINESS</u></b>				
Minimum	57.45	77.85	104.32	104.32
Per kwh	0.48	0.64	0.86	1.02
<b><u>BULK CONSUMERS</u></b>				
Minimum	70.92	96.11	128.79	128.79
Per kwh	0.23	0.31	0.42	0.49
<b><u>DEPARTMENTAL USAGE</u></b>				
All users	0.44	0.60	0.80	0.96
<b><u>REPAIR WORK</u></b>				
Actual cost plus 20%				
<b><u>RECONNECTION FEES</u></b>				
As stated in the Credit Control Policy	169.49	189.83	254.37	279.8
<b><u>EXTENTION / LATE PAYMENT ARRANGEMENT</u></b>				
1-10 days outstanding amount	10%	10%	10%	10%
10-15 days outstanding amount	20%	20%	20%	20%
15-60 days outstanding amount	30%	30%	30%	30%
<b><u>REMINDER FEES</u></b>				
Reminder to pay account	22.60	30.61	41.02	48.81
<b><u>DEPOSIT</u></b>				
Households and flats	550.00	550.00	600.00	650.00
Businesses	950.00	950.00	1000.00	1050.00
Connection fee	150.00	150.00	237.28	289.48

	2007/2008 RAND	2008/2009 RAND	2009/2010 RAND	2010/2011 RAND
<b><u>TESTING OF ELECTRICITY METER</u></b>				
Actual cost	84.74	114.95	154.03	183.30
<b><u>SPECIAL METER READING</u></b>				
All consumers	28.25	38.72	51.88	61.74
<b>6 <u>TREASURER</u></b>				
Clearance certificate	56.50	60.50	65.52	70.11
Valuation certificate	39.55	42.50	46.03	49.25
Exceeding fees	22.60	24.00	25.99	27.81
Photostats A4	2.26	2.50	2.70	2.89
Photostats A3	3.39	3.60	3.90	4.17
Faxed received	3.39	3.60	3.90	4.17
Faxed send	5.65	6.00	6.50	6.95
<b>7 <u>BUILDING PLAN FEES</u></b>				
New Building	147.45	157.00	170.04	181.94
Alterations to existing buildings	34.03	36.50	39.53	42.29
<b>8 <u>POUND FEES</u></b>				
Pound fees	56.71	61.00	66.06	70.68
Grazing fees				
Cows, bulls and horses	11.34	12.50	13.54	14.48
Sheep and goats	5.67	6.00	6.50	6.95
Herding fees - per kilometre	2.27	2.50	2.70	2.89
Admin cost	10%	10%	10%	10%
<b>9 <u>CARAVAN PARK</u></b>				
1 -4 Persons per day	113.42	121.00	131.05	140.22
More than 4 persons - per person per day	28.36	30.50	33.03	35.34
<b>10 <u>CEMETERY</u></b>				
Theunissen, Brandfort, Winburg, Verkeerdevlei and Soutpan				
Residents	283.55	302.00	327.07	349.96
Non-residents	453.68	485.00	525.25	562.02
Reservation of a grave (36 months)	255.20	272.00	294.58	315.20
Masilo, Majwemasoeu, Ikgomotseng, Tshepong and Makelekella				
Residents	113.42	121.00	131.05	140.22
Non-residents	170.13	182.00	197.10	210.90
Digging of own grave	56.71	60.50	65.52	70.10
Reservation of a grave (36 months)	170.13	182.00	197.10	210.90
Burial in case of grave already purchased	198.49	212.00	229.59	245.66
Burial of cremated corpses	96.41	103.00	111.55	119.36
Two people to be buried in one grave (additional)	226.84	242.00	262.09	280.44
Erection of tombstone				
Closing of graves by Municipal Staff and equipment	340.26	363.00	393.13	420.64
for burial on Saturdays, Sundays and any public holiday as well as after 15h00 on any working day				
<b>11 <u>DOG LICENSES</u></b>				
First dog	22.68	24.50	26.53	28.39
Next two dogs	11.34	12.50	13.54	14.48
Maximum of 3 dogs per erf will be allowed				

	2007/2008 RAND	2008/2009 RAND	2009/2010 RAND	2010/2011 RAND
<b>12 HALLS</b>				
Town Hall (Main)	283.55	302.00	327.07	349.96
Deposit( Activities in general)	250.00	250.00	270.00	288.90
Deposit(Indemnity for high risk activities)	250.00	250.00	270.00	288.90
Town Hall (Side)	170.13	182.00	197.10	210.90
Deposit	113.42	121.00	131.05	140.22
Kitchen	113.42	121.00	131.05	140.22
Community Hall	226.84	242.00	262.09	280.44
Deposit	170.13	182.00	197.10	210.90
Library Hall	170.13	182.00	197.10	210.90
Deposit	113.42	121.00	131.05	140.22
Rental Showgrounds and sport fields			350.00	370.00
Deposit Showgrounds and sport fields			300.00	320.00
Rental Theunissen Squash Court		Month		25.00
Rental Theunissen Squash Court		Year		300.00

**13 INDIGENCY DISCOUNTS**

Category	Income	Procedure	To pay	Subsidy
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**14 SELLING OF ERVEN**

The evaluation price will be the selling price, if not evaluated, the following will be applicable:

Undeveloped residential sites	R1.13 per sq meter	R1.20 per sq meter	R1.28 per sq meter	R1.37 per sq meter
Developed residential sites	R1.71 per sq meter	R1.82 per sq meter	R1.95 per sq meter	R2.09 per sq meter
Undeveloped business sites	R2.84 per sq meter	R3.00 per sq meter	R3.21 per sq meter	R3.43 per sq meter
Developed business sites	R4.54 per sq meter	R4.85 per sq meter	R5.20 per sq meter	R5.57 per sq meter
Sale of land for social housing	R7.00 per sq meter	R7.46 per sq meter	R7.98 per sq meter	R8.54 per sq meter

**15 SELLING OF SCRAP METAL / MATERIAL**

To be identified by the Municipal Manager and sold on auction.

**16 SUNDRY TARIFFS**

Bush Cutter	rate per hour		60.00	64.20
TLB	rate per hour		220.00	235.40
Tipper Truck	rate per hour		160.00	171.20
Tractor	rate per hour		150.00	160.50
Brush Cutter	rate per hour		45.00	48.15
Trailer	rate per hour		40.00	42.80
Chain Saw	rate per hour		45.00	48.15
Compressor	rate per hour		90.00	96.30
Grader	rate per hour		280.00	299.60

**17 COMMONAGE TARIFFS**

Per month per head for cattle			40.00	42.80
Per month per head for sheep			30.00	32.10
Per month per head for pigs			30.00	32.10
Per month per head for horses			60.00	64.20
Rent of creaches	R5.00 per sq meter			
	Minimum charge	Minimum charge	Minimum charge	Minimum charge
	340	340	340	340
	maximum	maximum	maximum	maximum
	454	454	454	454

	<b>2007/2008</b>	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>
	<b>RAND</b>	<b>RAND</b>	<b>RAND</b>	<b>RAND</b>
Containers on Municipal Properties	200.00 / month	213.00 / month	213.00 / month	230.00 / month
Transfer of sites from one person to another in the township	34.00	36.50	36.82	39.40
Sale of gravel	340	363	393	421
Sale of soil	227	242	262	280
Erection of advertisements Temporary	R 1.5 per day per poster			
Erection of advertisements Permanent	<0.75 sq meter R500,00	<0.75 sq meter R500,00	<0.75 sq meter R500,00	<0.75 sq meter R500,00
	0.75 -1.5 sq meter R750,00			
	1.5 -2.25 sq meter R1000,00			