

THABAZIMBI LOCAL MUNICIPALITY (NP 361)



DRAFT BUDGET 2010/11-2012/2013

MARCH 2010

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<u>No</u>	<u>Description</u>
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Annexure 15	Ward allocation projects (capital and operating)
○ Annexure 16	National Treasury Circular 51 – Municipal Budget Circular for the 2010/11 MTREF

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Adjustments budget – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations- Money received from Provincial and National Treasury.

Budget- The financial plan of a municipality

Budget related policy- Policy of a municipality affecting or affected by the budget. Examples include tariff policy, rates policy and credit control and debt collection policy.

Budget Steering Committee – Committee established to provide technical assistance to the mayor in discharging the responsibilities set out in the section 53 of the MFMA.

Capital Expenditure – Spending on municipal assets such as land, buildings, and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash-flow statement- a statement showing when actual cash will be received and spent by the municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CPI- Domestic Consumer Price Index

DMTN- Domestic Medium Term Note

DORA- Division of Revenue Bill. Annual legislation which shows the allocations from national and provincial government.

Equitable share- a general grant paid to municipalities. It is pre-dominantly targeted to assist municipalities with the costs of free basic services.

GFS- Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.

IDP- Integrate Development Plan. The main strategic planning document of a municipality.

KPI- Key performance Indicators

MFMA- Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.

MTREF- Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and expenditure for the budget year plus two outer financial years to determine the affordability level thereof. It effectively represents a municipality's medium term financial plan.

MYPD- Multi Year Price Determination

NT- National Treasury

Operating expenditure- spending on the day to day expense of a municipality such as general expenses, salaries and wages and repairs and maintenance.

SDBIP- Service delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Vote- One of the main segments into which a budget is divided, usually at departmental level.

MINUTES

COUNCIL MEETING

31 MARCH 2010

ITEM 30

2010./2011 TABLED ANNUAL BUDGET (Finance Department)

RESOLVED

THAT

1. The draft budget be adopted as required by section 16 of the MFMA
2. The Tabled Budget be advertised for Public comments

The preparation of the 2010/2011 municipality's Medium Term Revenue and Expenditure Framework (MTREF) was an extremely challenging one as various factors, with considerable potential impacts on core service delivery cost and revenue components influenced the outcome of its MTREF.

The municipality took a conservative economic approach in the preparation for the 2010/2011 MTREF period. Factors supporting this included lower revenue collection, higher interest rates on long term Council debt repayments and lower interest rates on investments, resulting in reduced interest earnings.

The challenge to produce a sustainable, affordable budget necessitated reductions to certain budget provisions, such as particular anticipated capital projects as well as reduction in travelling and subsistence and purchases of furniture and other equipment.

The MTREF – based revenue and expenditure projections assumed inflation-linked annual adjustments of 6.5%; 6.5% and 7.8% respectively for the 3 –year budget period of 2010/11, 2011/12 and 2012/13.

Further key parameters applied to the municipality's financial framework included the following for 2010/11 financial year:

- Revenue/tariff increases

Rates	9%
Electricity	15.3%
Water	16.3%
Sanitation	9%
Refuse	9%
• Salaries and wages adjustments	8.5%
• General expenses	5.6%
• Repairs and maintenance	8.5%

Total revenue for the 2010/11 financial year amounts to R, which represents an increase of R, % over 2009/10.

Debt finance has been avoided for the 2010/11 financial year so as not to strain the rate payers from the effects of debt repayments and exorbitant interest rates prevailing and forecast. This implies that we have resorted rely on Capital Allocations from Government to fulfill over capital objectives.

Primary budget revenue and expenditure categories reflect budget increases:

- Assessment rates 29%

Percentage growth on revenue categories (year on year):

- Electricity 42%
- Water 57%
-
- Sanitation 46%
- Refuse 45%

Percentage growth on expenditure categories (year on year):

- Staff costs 16.5%
- General expenses 21%
- Repairs and maintenance 4.7%

The budget has been prepared in terms of guidelines from the Budget Steering Committee and further guidelines as contained in National Treasury Circular 51 (February 2010).

TABLE A 1 : BUDGET SUMMARY

Description	2006/07	2007/08	2008/09	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
Financial Performance										
Property rates	18	19	21	21	21	21	-	27	29	31
Service charges	34	35	39	55	55	55	-	90	96	104
Investment revenue	1	1	3	0	1	1	-	1	1	1
Transfers recognised	21	23	29	38	39	39	-	49	55	60
Other own revenue	8	6	17	34	23	23	-	12	13	14
Total Revenue	82	83	109	150	140	140	-	179	193	209
Employee costs	33	37	42	53	50	50	-	59	68	73
Remuneration of councillors	4	4	5	5	5	5	-	5	5	6
Depreciation & asset impairment	-	-	-	13	13	13	-	0	-	-
Finance charges	3	2	2	2	2	2	-	1	1	1
Materials and bulk purchases	17	20	23	30	30	30	-	32	34	36
Grants and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	30	33	50	71	65	65	-	116	124	134
Total Expenditure	86	98	121	176	166	166	-	213	232	249
Surplus/(Deficit)	(3)	(15)	(13)	(26)	(25)	(25)	-	(34)	(38)	(40)
Transfers recognised - capital	14	15	23	26	26	26	-	34	45	44
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	11	1	10	0	0	0	-	0	7	4
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	11	1	10	0	0	0	-	0	7	4
Capital expenditure & funds sources										
Capital expenditure	20	15	26	33	33,054	33	-	49	52	56
Capital transfers recognised	14	15	23	26,855	26,855	27	-	33,892	45	45
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	6	-	3	6,199	6,199	6	-	15	8	11
Total sources of capital funds	20	15	26	33,054	33,054	33	-	49,039	52	56
Financial position										
Total current assets	31	57	71	40	28	28	-	84	90	95
Total non current assets	38	16	13	61	67	67	-	79	104	132
Total current liabilities	23	37	27	20	14	14	-	17	17	17
Total non current liabilities	19	16	8	15	15	15	-	7	6	6
Community wealth	27	20	48	66	66	66	-	139	170	205
Cash flows										
Net cash from (used) operating	18	41	45	26	30	30	-	31	22	23
Net cash from (used) investing	(21)	(18)	(16)	(0)	(6)	(6)	-	(18)	(20)	(20)
Net cash from (used) financing	2	(1)	(8)	(1)	(1)	(1)	-	(2)	(2)	(2)
Cash/cash equivalents at the year end	(9)	13	10	16	15	15	(8)	12	13	14
Cash backing/surplus reconciliation										
Cash and investments available	14	15	15	21	20	20	-	17	18	19
Application of cash and investments	14	13	2	17	16	16	-	5	(1)	(2)
Balance - surplus (shortfall)	1	2	13	4	4	4	-	12	19	21
Asset management										
Asset register summary (WDV)	15	14	8	56	62	62	74	99	127	-
Depreciation & asset impairment	-	-	-	13	13	13	-	-	-	-
Renewal of existing assets	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	7	9	6	6	6	6	-	-	-	-
Basic services										
Cost of free basic services provided	-	-	-	-	-	-	-	-	-	-
Households < national min. service										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Table 1: Budget Summary (Table A1)

TABLE A2 : BUDGETED FINANCIAL PERFORMANCE (Revenue and Expenditure by Standard Classification)

Standard Classification Description	Ref	2006/07	2007/08	2008/09	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	1									
Revenue - Standard										
Executive & Council		45,106	48,830	44,241	43,580	56,189	56,189	71,469	76,115	82,052
Budget & Treasury Office		5,624	6,938	8,917	1,831	4,552	4,552	6,484	6,905	7,444
Corporate Services		1,086	646	590	1,520	1,465	1,465	2,127	2,265	2,442
Planning & Development		478	655	356	5,051	803	803	838	893	962
Health		-	-	-	-	-	-	-	-	-
Community & Social Services		234	247	190	5,845	297	297	433	462	498
Housing		-	-	-	-	-	-	-	-	-
Public Safety		3,839	2,943	18,485	10,843	2,370	2,370	3,960	4,218	4,546
Sport and Recreation		-	-	15	4,882	16	16	-	-	-
Environmental Protection		-	-	-	-	-	-	-	-	-
Waste Management		4,900	4,185	4,651	6,543	4,520	4,520	14,354	15,288	16,480
Waste Water Management		5,040	5,584	5,462	4,033	9,686	9,686	13,646	14,533	15,667
Road Transport		51	25	-	46,037	25,885	25,885	26,953	30,835	33,240
Water		10,395	9,057	25,459	19,667	25,947	25,947	30,903	32,911	35,478
Electricity		20,022	19,350	23,472	25,837	34,468	34,468	39,787	53,765	54,422
Total Revenue - Standard	2	96,774	98,459	131,838	175,668	166,198	166,198	212,955	238,189	253,231
Expenditure - Standard										
Executive & Council		30,920	33,738	35,862	93,798	22,153	22,153	41,825	44,544	48,018
Budget & Treasury Office		3,764	2,910	4,235	4,889	10,572	10,572	19,826	21,115	22,762
Corporate Services		(87)	391	5,697	1,463	13,908	13,908	17,812	18,970	20,450
Planning & Development		2,065	1,884	3,740	803	4,100	4,100	5,283	5,627	6,066
Health		1,078	-	-	-	-	-	-	-	-
Community & Social Services		2,090	2,754	3,351	199	3,384	3,384	4,512	4,805	5,180
Housing		-	-	-	-	-	-	-	-	-
Public Safety		5,361	5,984	9,732	2,844	8,053	8,053	14,391	15,326	16,522
Sport and Recreation		2,816	7,076	5,907	16	-	-	4,338	4,620	4,980
Environmental Protection		-	-	-	-	3,895	3,895	-	-	-
Waste Management		3,104	3,887	3,303	8,244	5,581	5,581	7,628	8,124	8,758
Waste Water Management		3,290	2,271	3,314	9,686	3,356	3,356	2,732	2,909	3,136
Road Transport		-	-	1,041	-	48,160	48,160	41,468	44,164	47,608
Water		16,510	19,294	25,355	19,268	18,206	18,206	19,346	20,603	22,210
Electricity		14,684	17,524	19,963	34,383	24,366	24,366	33,784	40,724	43,793
Total Expenditure - Standard	3	85,594	97,713	121,500	175,592	165,734	165,734	212,945	231,530	249,483
Surplus/(Deficit) for the year		11,181	746	10,338	76	464	464	10	6,658	3,749

Table 2: Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) (Table A2)

TABLE A3A : BUDGETED FINANCIAL PERFORMANCE (Revenue and Expenditure by Municipal Vote)

Vote Description	Ref	2006/07	2007/08	2008/09	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
Expenditure by Vote										
001 Political Office Bearers	1	20,784	21,209	18,174	31,463	29,082	29,082	34,480	36,722	39,586
101 Council General		20,784	21,209	18,174	28,588	26,888	26,888	30,831	32,835	35,396
102 Secretariat					897	753	753	2,183	2,324	2,506
103 Public Relations					1,979	1,440	1,440	1,467	1,562	1,684
002 Municipal Manager		(485)	-	2,297	2,500	3,159	3,159	7,345	7,822	8,432
201 Office : Municipal Manager		(485)		2,297	1,572	2,058	2,058	5,294	5,639	6,078
202 Internal Audit Unit					928	1,101	1,101	2,050	2,184	2,354
003 Budget and Treasury		3,764	2,910	4,235	3,562	10,572	10,572	19,826	21,115	22,762
301 Office : Chief Financial Officer		3,968	2,910	3,575	1,731	4,029	4,029	11,146	11,871	12,797
302 Supply Chain and Expenditure		(204)		660	540	2,196	2,196	3,825	4,074	4,391
303 Debtor's Management and Income					813	2,974	2,974	3,691	3,930	4,237
304 Financial Reporting					479	1,374	1,374	1,164	1,240	1,337
004 Planning and Development		2,065	1,884	3,740	6,435	4,094	4,094	5,283	5,627	6,066
401 Office :Planning and Development Manager				3,714	1,384	1,376	1,376	1,320	1,406	1,516
402 Town Planning		315	76	26	3,252	1,362	1,362	2,353	2,506	2,702
403 Local Economic Development		1,749	1,807	837	1,155	837	837	980	1,044	1,125
404 Game Reserve					644	519	519	630	671	723
005 Technical Services		45,105	51,618	65,195	99,338	94,970	94,970	97,371	108,444	116,903
501 Office : Technical Services Manager		6,453	7,176	29,035	3,840	4,274	4,274	2,745	2,924	3,152
502 Roads and Stormwater					45,223	44,137	44,137	38,063	45,281	48,813
503 Water		20,542	23,617	11,706	18,667	18,206	18,206	19,346	20,603	22,210
504 Waste Water Management		3,290	2,271	3,314	4,033	3,356	3,356	2,732	2,909	3,136
505 Electricity		14,684	17,524	20,098	25,762	24,367	24,367	33,826	36,024	38,834
506 Mechanical Workshop		136	1,030	1,041	814	629	629	660	703	758
006 Corporate Services		(87)	391	5,697	2,553	6,738	6,738	17,812	18,970	20,450
601 Office : Corporate Services Manager		(885)	-	5,271	1,033	1,971	1,971	11,397	12,138	13,085
602 Human Resource					426	1,693	1,693	2,738	2,916	3,144
603 Administration and Council Support					529	1,947	1,947	2,701	2,877	3,101
604 Legal Services		798	391	427	565	1,127	1,127	976	1,039	1,120
007 Community and Social Services		14,447	19,701	22,163	29,741	17,118	17,118	30,827	32,830	35,284
701 Office : Community & Social Manager		1,668	1,851	2,428	1,629	1,266	1,266	1,738	1,851	1,995
702 Protection Services		5,159	5,794	9,684	10,108	3,563	3,563	12,701	13,526	14,581
703 Fire Fighting and Preventing		202	190	49	735	695	695	1,690	1,800	1,940
704 Community Development Services		1,322	206	355	2,316	1,553	1,553	2,195	2,338	2,520
705 Waste Management		3,104	3,887	3,303	6,543	5,581	5,581	7,628	8,124	8,758
706 Parks; Sport and Recreation		2,816	7,076	5,907	4,882	3,895	3,895	4,338	4,620	4,980
707 Cemeteries		178	697	438	3,530	565	565	537	572	510
Total Expenditure by Vote	2	85,594	97,713	121,500	175,592	165,734	165,734	212,945	231,530	249,483
Surplus/(Deficit) for the year	2	11,181	746	10,338	76	464	464	10	6,658	3,749

Table 3: Budgeted Financial Performance (revenue and expenditure) by municipal vote)(Table A3)

TABLE A 3 : BUDGETED FINANCIAL PERFORMANCE (Revenue and Expenditure by Municipal Vote)

Vote Description	Ref	2006/07	2007/08	2008/09	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
Revenue by Vote	1									
001 Political Office Bearers		45,106	48,830	44,597	67,911	56,189	56,189	71,469	82,763	85,790
002 Municipal Manager		-	-	-	-	-	-	-	-	-
003 Budget and Treasury		5,624	6,938	8,917	4,889	4,552	4,552	6,484	6,905	7,444
004 Planning and Development		478	655	-	803	803	803	838	893	962
005 Technical Services		35,509	34,016	71,112	89,299	95,987	95,987	113,330	120,697	130,111
006 Corporate Services		1,086	646	590	1,465	1,465	1,465	2,127	2,265	2,442
007 Community and Social Services		8,972	7,375	6,622	11,303	7,203	7,203	18,707	24,666	26,482
Total Revenue by Vote	2	96,774	98,459	131,838	175,668	166,198	166,198	212,955	238,189	253,231
Expenditure by Vote to be appropriated	1									
001 Political Office Bearers		20,784	21,209	18,174	31,463	29,082	29,082	34,480	36,722	39,586
002 Municipal Manager		(485)	-	2,297	2,500	3,159	3,159	7,345	7,822	8,432
003 Budget and Treasury		3,764	2,910	4,235	3,562	10,572	10,572	19,826	21,115	22,762
004 Planning and Development		2,065	1,884	3,740	6,435	4,094	4,094	5,283	5,627	6,066
005 Technical Services		45,105	51,618	65,195	99,338	94,970	94,970	97,371	108,444	116,903
006 Corporate Services		(87)	391	5,697	2,553	6,738	6,738	17,812	18,970	20,450
007 Community and Social Services		14,447	19,701	22,163	29,741	17,118	17,118	30,827	32,830	35,284
Total Expenditure by Vote	2	85,594	97,713	121,500	175,592	165,734	165,734	212,945	231,530	249,483
Surplus/(Deficit) for the year	2	11,181	746	10,338	76	464	464	10	6,658	3,749

Table 3: Budgeted Financial Performance (revenue and expenditure) by municipal vote)(Table A3)

TABLE A4 : BUDGETED FINANCIAL PERFORMANCE (Revenue and Expenditure)

Description	Ref	2006/07	2007/08	2008/09	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
Revenue By Source											
Property rates		15,759	16,036	17,393	18,645	18,645	18,645		24,031	25,593	27,590
Property rates - penalties & collection charges		2,235	2,554	3,465	2,800	2,800	2,800		3,230	3,440	3,708
Service charges - electricity revenue		16,241	16,350	18,608	22,144	22,144	22,144		31,633	33,689	36,317
Service charges - water revenue		8,287	8,608	9,294	19,488	19,488	19,488		30,566	32,553	35,092
Service charges - sanitation revenue		5,040	5,584	6,462	9,366	9,366	9,366		13,646	14,533	15,667
Service charges - refuse	2	4,900	4,185	4,651	4,493	4,498	4,498		14,324	15,255	16,445
Service charges - other					-	-	-		-	-	-
Rental of facilities and equipment		590	646	1,681	1,518	1,518	1,518		1,787	1,903	2,051
Interest earned - external investments		1,112	1,294	2,801	380	1,082	1,082		804	856	923
Interest earned - outstanding debtors		1,700	1,780	4,050	3,800	3,800	3,800		4,800	5,112	5,511
Dividends received					-	-	-		-	-	-
Fines		167	154	166	132	157	157		234	249	268
Licences and permits		1,610	1,581	1,545	2,236	1,736	1,736		2,571	2,738	2,952
Agency services		257	295	286	265	265	265		300	320	344
Transfers recognised		21,162	22,875	28,575	38,145	38,913	38,913		48,850	54,763	59,985
Other revenue	2	3,301	1,067	9,746	26,263	15,813	15,813		2,087	2,223	2,396
Gains on disposal of PPE					130	130	130		200	213	230
Total Revenue		82,361	83,010	108,724	149,825	140,355	140,355		179,063	193,440	209,479
Expenditure By Type											
Employee related costs	2	32,634	37,473	41,508	53,352	50,385	50,385		58,681	67,683	72,963
Remuneration of councillors		4,183	4,288	4,645	5,389	5,389	5,389		4,872	5,188	5,593
Debt impairment	3	-	-	-	-	-	-		-	-	-
Depreciation & asset impairment	2	-	-	-	13,081	13,081	13,081		218	-	-
Finance charges		2,539	2,482	2,186	2,441	2,441	2,441		1,095	908	724
Bulk purchases	2	16,712	20,172	23,420	29,843	29,843	29,843		31,773	33,838	36,478
Other materials					-	-	-		-	-	-
Contracted services		292	1,144	1,357	8,600	9,110	9,110		2,500	2,663	2,870
Grants and subsidies	2	-	-	-	-	-	-		-	-	-
Other expenditure	4, 5	29,234	32,154	48,383	62,886	55,485	55,485		113,806	121,250	130,855
Loss on disposal of PPE		-	-	-	-	-	-		-	-	-
Total Expenditure		85,594	97,713	121,500	175,592	165,734	165,734		212,945	231,530	249,483
Surplus/(Deficit)		(3,232)	(14,703)	(12,776)	(25,767)	(25,379)	(25,379)		(33,882)	(38,091)	(40,003)
Transfers recognised - capital		14,413	15,449	23,114	25,843	25,843	25,843		33,892	44,749	43,752
Contributions	6	-	-	-	-	-	-		-	-	-
Contributed assets		-	-	-	-	-	-		-	-	-
		11,181	746	10,338	76	464	464		10	6,658	3,749
Surplus/(Deficit) after capital transfers & contributions											
Taxation		-	-	-	-	-	-		-	-	-
Surplus/(Deficit) after taxation		11,181	746	10,338	76	464	464		10	6,658	3,749
Attributable to minorities		-	-	-	-	-	-		-	-	-
Surplus/(Deficit) attributable to THABAZIMBI LOCAL MUNICIPALITY		11,181	746	10,338	76	464	464		10	6,658	3,749
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-		-	-	-
Surplus/(Deficit) for the year		11,181	746	10,338	76	464	464		10	6,658	3,749

Table 4: Budgeted Financial Performance (revenue and expenditure)(Table A4)

TABLE A5 : BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

Vote Description	Ref	2006/07	2007/08	2008/09	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
R thousand	1										
Capital expenditure - Municipal Vote											
Multi-Year expenditure to be appropriated	2										
001 Political Office Bearers		400	6	-	-	-	-	-	-	-	-
002 Municipal Manager		-	92	-	-	-	-	-	3,150	3,367	3,600
003 Budget and Treasury		-	48	-	-	-	-	-	150	160	171
004 Planning and Development		45	-	58	4,344	4,344	4,344	-	-	-	-
005 Technical Services		18,952	10,871	17,438	24,092	27,050,000	27,050	-	33,989	36,334	38,841
006 Corporate Services		151	105	790	800	800,000	800	-	2,500	2,673	2,857
007 Community and Social Services		604	4,326	7,554	3,818	860,000	860	-	9,250	9,888	10,571
Capital Multi-year expenditure sub-total	7	20,152	15,449	25,840	33,054	33,054	33,054	-	49,039	52,422	56,039
Single Year expenditure to be appropriated	2										
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	8	20,152	15,449	25,840	33,054	33,054	33,054	-	49,039	52,422	56,039
Capital Expenditure - Standard											
Executive & Council		400	98	-	-	-	-	-	3,150	3,367	3,600
Budget & Treasury Office		-	48	-	-	-	-	-	150	160	171
Corporate Services		151	105	790	800	800	800	-	3,250	3,474	3,714
Planning & Development		45	-	58	4,344	4,344	4,344	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Community & Social Services		604	4,326	7,554	3,818	860	860	-	7,400	7,911	8,456
Housing		-	-	-	-	-	-	-	-	-	-
Public Safety		-	-	-	-	-	-	-	-	-	-
Sport and Recreation		-	-	-	-	-	-	-	100	107	114
Environmental Protection		-	-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	2,500	2,673	2,857
Waste Water Management		3,625	-	884	-	-	-	-	-	-	-
Road Transport		4,204	10,715	13,296	24,092	27,050	27,050	-	21,815	23,320	24,929
Water		11,123	-	1,494	-	-	-	-	3,255	3,480	3,720
Electricity		-	156	1,763	-	-	-	-	7,419	7,930	8,478
Total Capital Expenditure - Standard	3	20,152	15,448	25,840	33,054	33,054	33,054	-	49,039	52,422	56,039
Funded by:											
National Government		12,703	14,661	20,464	25,855	25,855	25,855	-	28,892	34,749	42,252
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other Grants & Subsidies		1,710	788	2,650	1,000	1,000	1,000	-	5,000	10,000	3,000
Total Capital transfers recognised	4	14,413	15,449	23,114	26,855	26,855	26,855	-	33,892	44,749	45,252
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		5,739	-	2,726	6,199	6,199	6,199	-	15,147	7,673	10,787
Total Capital Funding	7	20,152	15,449	25,840	33,054	33,054	33,054	-	49,039	52,422	56,039

Table 5: Budgeted Capital Expenditure by vote, standard classification and funding (Table A5)

TABLE A6 : BUDGETED FINANCIAL POSITION

Description	Ref	2006/07	2007/08	2008/09	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
R thousand											
ASSETS											
Current assets											
Cash	1	22	293	-	1,450	(751)	(751)	-	1,526	1,625	1,730
Call investment deposits	1	-	24,775	14,595	14,711	15,413	15,413	-	10,835	11,539	12,289
Consumer debtors		27,375	26,777	49,686	22,267	11,800	11,800	-	65,129	69,362	73,871
Other debtors		2,109	3,523	2,710	-	-	-	-	2,710	2,886	3,074
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	1,459	1,540	3,620	1,500	1,500	1,500	-	3,856	4,106	4,373
Total current assets		30,965	56,908	70,612	39,928	27,962	27,962	-	84,055	89,518	95,337
Non current assets											
Long-term receivables		274	-	-	-	-	-	-	-	-	-
Investments		22,831	2,044	4,383	5,000	5,000	5,000	-	5,000	5,000	5,000
Investment property		-	-	-	-	-	-	-	15,905	15,905	15,905
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	14,682	13,967	8,408	55,796	61,841	61,841	-	58,023	82,961	110,763
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		37,788	16,032	12,791	60,796	66,841	66,841	-	78,928	103,865	131,667
TOTAL ASSETS		68,753	72,939	83,403	100,724	94,803	94,803	-	162,983	193,384	227,004
LIABILITIES											
Current liabilities											
Bank overdraft	1	8,566	11,665	4,109	-	-	-	-	-	-	-
Borrowing	4	-	1,948	8,148	2,800	2,800	2,800	-	1,435	1,320	1,254
Consumer deposits		2,624	2,649	2,145	3,600	3,600	3,600	-	2,284	2,433	2,591
Trade and other payables	4	7,991	15,198	7,266	8,382	2,461	2,461	-	7,760	5,703	6,167
Current portion of long-term liabilities		-	-	-	-	-	-	-	-	-	-
Provisions		3,904	5,056	5,056	5,500	5,500	5,500	-	5,908	6,292	6,701
Total current liabilities		23,085	36,716	26,745	20,282	14,361	14,361	-	17,387	16,748	16,713
Non current liabilities											
Borrowing		18,939	16,184	8,408	14,852	14,852	14,852	-	6,765	6,224	5,726
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		18,939	16,184	8,408	14,852	14,852	14,852	-	6,765	6,224	5,726
TOTAL LIABILITIES		42,024	52,900	35,153	35,134	29,213	29,213	-	24,152	22,972	22,439
NET ASSETS	5	26,729	20,039	48,250	65,590	65,590	65,590	-	138,831	170,412	204,566
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		18,759	12,334	37,232	58,578	58,578	58,578	-	132,450	139,108	142,857
Reserves	4	7,970	7,705	11,017	7,012	7,012	7,012	-	6,381	31,304	61,708
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	26,729	20,039	48,250	65,590	65,590	65,590	-	138,831	170,412	204,566

Table 6: Budgeted Financial Position (Table A6)

TABLE A7 : BUDGETED CASH FLOWS

Description	Ref	2006/07	2007/08	2008/09	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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		35,759	41,905	41,431	74,110	74,110	74,110		27,261	29,274	30,045
Government - operating	1	29,134	44,957	30,808	24,752	25,720	25,720		47,438	50,940	52,282
Government - capital	1			21,956	20,384	20,384	20,384		33,892	36,394	37,353
Interest		1,112	5,294	2,801	2,912	2,912	2,912		804	863	866
Dividends											
Payments											
Suppliers and employees		(45,315)	(48,945)	(50,306)	(93,854)	(90,185)	(90,185)		(76,926)	(94,054)	(96,501)
Finance charges		(2,482)	(2,539)	(1,576)	(2,600)	(2,600)	(2,600)		(1,095)	(1,176)	(1,207)
Transfers and Grants	1	-	-	-	-	-	-		-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		18,208	40,683	45,114	25,704	30,341	30,341	-	31,374	22,241	22,857
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-		-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-		-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-		-	-	-
Decrease (increase) in non-current investments		(939)	(2,992)	(2,338)	(116)	(116)	(116)		(12,000)	(12,886)	(13,225)
Payments											
Capital assets		(20,152)	(15,164)	(13,652)	-	(6,136)	(6,136)		(6,381)	(6,853)	(7,033)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(21,091)	(18,155)	(15,990)	(116)	(6,252)	(6,252)	-	(18,381)	(19,738)	(20,258)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans				-	-	-	-		-	-	-
Borrowing long term/refinancing				-	-	-	-		-	-	-
Increase in consumer deposits		245	25	(503)	26	26	26		27	29	30
Payments											
Repayment of borrowing		1,641	(806)	(7,776)	(1,508)	(1,508)	(1,508)		(1,568)	(1,684)	(1,728)
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,886	(782)	(8,280)	(1,482)	(1,482)	(1,482)	-	(1,541)	(1,655)	(1,699)
NET INCREASE/ (DECREASE) IN CASH HELD		(996)	21,746	20,844	24,106	22,607	22,607	-	11,451	848	900
Cash/cash equivalents at the year begin:	2	(7,547)	(8,543)	(10,358)	(7,945)	(7,945)	(7,945)	(7,945)	950	12,401	13,249
Cash/cash equivalents at the year end:	2	(8,543)	13,202	10,486	16,161	14,662	14,662	(7,945)	12,401	13,249	14,149

Table 7: Budgeted Cash Flows (Table A7)

TABLE A8 : CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION

R thousand	Description	Ref	2006/07		2007/08		2008/09		Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework				
			Audited Outcome	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				
	Cash and investments available																
	Cash/cash equivalents at the year end	1	(8,543)	13,202	10,486	16,161	14,662	14,662	(7,945)	12,401	13,249	14,149					
	Call investment deposits - >90 days		(0)	0	(0)	-	-	-	7,945	(41)	(85)	(131)					
	Non current assets - Investments	1	22,831	2,044	4,383	5,000	5,000	5,000	-	5,000	5,000	5,000					
	Cash and investments available:		14,288	15,247	14,868	21,161	19,662	19,662	-	17,360	18,164	19,018					
	Application of cash and investments																
	Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-					
	Unspent borrowing		-	-	-	-	-	-	-	-	-	-					
	Statutory requirements	2															
	Other working capital requirements	3	(5,388)	(4,811)	(14,701)	(739)	(1,640)	(1,640)	-	(3,092)	(8,561)	(9,338)					
	Other provisions																
	Long term investments committed	4	18,939	18,132	16,556	17,652	17,652	17,652	-	8,199	7,543	6,980					
	Reserves to be backed by cash/investments	5															
	Total Application of cash and investments:		13,550	13,321	1,855	16,913	16,012	16,012	-	5,107	(1,017)	(2,358)					
	Surplus (shortfall)		737	1,926	13,013	4,248	3,650	3,650	-	12,253	19,181	21,377					

Table 8: Cash backed reserves/accumulated surplus reconciliation (Table A8)

TABLE A9 : ASSET MANAGEMENT

Description	Ref	2006/07	2007/08	2008/09	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										
CAPITAL EXPENDITURE										
Capital Multi-year expenditure sub-total	2	20,152	15,449	25,840	33,054	33,054	33,054	49,039	52,422	56,039
Comprises:										
New assets		15,344	23,941	32,254	32,254	32,254	-	46,539	49,750	53,182
Infrastructure - Water & Sanitation	6	-	2,379	6,092	6,092	6,092	-	4,755	5,083	5,434
Infrastructure - Electricity	6	156	1,763	-	-	-	-	7,419	7,930	8,478
Infrastructure - Road Transport	6	10,715	12,188	18,000	20,958	20,958	-	21,615	23,320	24,929
Infrastructure - Other	6	-	-	-	-	-	-	-	-	-
Infrastructure		10,871	16,329	24,092	27,050	27,050	-	33,989	36,334	38,841
Community		4,326	7,554	3,818	860	860	-	9,250	9,888	10,571
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	5	147	58	4,344	4,344	4,344	-	3,300	3,528	3,771
Intangibles		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Renewal of existing assets		-	-	-	-	-	-	-	-	-
Infrastructure - Water & Sanitation	6	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	6	-	-	-	-	-	-	-	-	-
Infrastructure - Road Transport	6	-	-	-	-	-	-	-	-	-
Infrastructure - Other	6	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	5	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Total Capital expenditure by Asset Class/Sub-class										
Infrastructure - Water & Sanitation	6	-	2,379	6,092	6,092	6,092	-	4,755	5,083	5,434
Infrastructure - Electricity	6	156	1,763	-	-	-	-	7,419	7,930	8,478
Infrastructure - Road Transport	6	10,715	12,188	18,000	20,958	20,958	-	21,615	23,320	24,929
Infrastructure - Other	6	-	-	-	-	-	-	-	-	-
Infrastructure	3	10,871	16,329	24,092	27,050	27,050	-	33,989	36,334	38,841
Community	3	4,326	7,554	3,818	860	860	-	9,250	9,888	10,571
Heritage assets	3	-	-	-	-	-	-	-	-	-
Investment properties	3	-	-	-	-	-	-	-	-	-
Other assets	3,6	147	58	4,344	4,344	4,344	-	3,300	3,528	3,771
Intangibles		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
CAPITAL EXPENDITURE	3	15,344	23,941	32,254	32,254	32,254	-	46,539	49,750	53,182
ASSET REGISTER SUMMARY (WDV)	1									
Property, Plant & Equipment										
Infrastructure - Water & Sanitation	6	31,540	33,267	34,316	34,316	34,316	34,316	38,071	44,154	49,588
Infrastructure - Electricity	6	21,833	22,441	24,204	24,204	24,204	24,204	31,622	39,553	48,030
Infrastructure - Road Transport	6	68,406	77,749	80,207	104,299	107,257	107,257	129,072	152,392	177,322
Infrastructure - Other	6	(129,764)	(145,623)	(164,854)	(130,882)	(144,475)	(144,475)	(197,331)	(224,816)	(253,053)
Infrastructure	3	(7,994)	(12,146)	(26,127)	31,937	21,302	21,302	2,434	11,283	21,886
Community		6,157	7,343	14,897	18,715	15,757	15,757	25,007	34,895	45,466
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	15,905	15,905	15,905
Other assets	5	16,510	18,790	19,638	5,144	24,782	24,782	30,582	36,783	43,411
Intangibles		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
EXPENDITURE other items	4	14,682	13,987	8,408	55,796	61,841	61,841	73,928	98,865	126,657
Depreciation & asset impairment		-	-	-	13,081	13,081	13,081	-	-	-
Repairs and maintenance		7,303	8,961	5,793	6,169	6,169	6,169	-	-	-
REPAIRS & MAINTENANCE by Asset Category		7,303	8,961	5,793	6,169	6,169	6,169	-	-	-
Infrastructure - Water & Sanitation	6	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	6	-	-	-	-	-	-	-	-	-
Infrastructure - Road Transport	6	-	-	-	-	-	-	-	-	-
Infrastructure - Other	6	7,303	8,961	5,793	6,169	6,169	6,169	-	-	-
Infrastructure		7,303	8,961	5,793	6,169	6,169	6,169	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	5	-	-	-	-	-	-	-	-	-
Total repairs & maintenance		7,303	8,961	5,793	6,169	6,169	6,169	-	-	-
% of capital exp on renewal of assets		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of existing assets as % of deprecn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		49.7%	64.1%	68.9%	11.1%	10.0%	10.0%	0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE		50.0%	64.0%	69.0%	11.0%	10.0%	10.0%	0.0%	0.0%	0.0%

Table 9: Asset management (Table A9)

a. Budget process overview

In terms of Section 24 of the MFMA, council must at least 30 days before the start of the financial year consider approval of the annual budget. Section 53, requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the Mayor of a Municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

The budget process for the 2010/11 MTREF period commenced with Strategic Session of the Mayoral Committee and the Executive Management Team in August 2009. This session dealt with the past performance trends of the operating and capital budgets in recent years, identified budget realities going forward and set out the criteria and basis of the Municipality's Budget Prioritization Process, which methodology represents a continuation of the approach commenced with for the 2009/10 financial year and which was to be used in the appropriation of financial resources amongst municipal functions during the 2010/11 budget cycle.

Service departments submitted their budget proposals for consideration to the Portfolio Committees during September 2009.

The Executive Management and the Budget Steering Committee considered and debated various iterations of the MTREF forecasting model to ensure a sustainable future product, between October 2009 and February 2010.

A forecasted three year budget (MTREFModel) was submitted to the Mayor for endorsement in January 2010.

The draft operating and capital budgets, based on the parameters and assumptions set out in the MTREF model, are tabled at the council meeting in February 2010. The budget, IDP and tariff proposals will be published for comment and consultation as part of the public participation process during March 2010.

Comments from the above process will be submitted to the Budget Steering Committee and the Mayor before council considers the Budget for adoption in May 2010.

b. Process used to integrate the review of the IDP and preparation of the Budget

The municipality's IDP is its principal strategic planning instrument, which guides and informs its ongoing planning, management and development actions. The IDP represents the municipality's commitment to the exercise of its executive authority (except in cases where is in conflict with national or provincial legislation, in which case such legislation prevails) and is effectively the local government's blueprint by which it strives to realize its vision for Thabazimbi Municipality over the short-medium-and long term.

c. Process for consultation with the community and key stakeholders

The fourth annual review of the five year plan of the municipality commenced when council adopted the Process Plan for the IDP and budget at its meeting in August 2009. The Process Plan set the framework for further engagements with various stakeholders to ensure tabling of the 2010/11 IDP and Budget by the end of March 2010.

The municipality's consultation process on its draft IDP review and budget, where various community organizations and representatives have come forward to give input on the strategic focus areas and challenges facing the municipality, was held from August to October 2009.

Public awareness of the process was attained with extensive advertising both in the print media, regional and locally as well as invitations to ward forums informing communities of their need to participate in the process.

d. Schedule of KEY Deadlines relating to budget process [MFMA s 21(1)(b)]

Month	Financial year 2008/2009	Financial year 2009/2010	Financial year 2010/2011
July 2009	Complete final financial transactions for the year	Monthly financial report for June 2009 including expenditure on staff benefits and results of cashflow for 2008/2009	<ul style="list-style-type: none"> - Drafting of IDP Framework Plan and submit to Local Municipalities for process to be followed - Complete Budget Process and Financial Management Calendar
August 2009	Complete Annual Financial Statements for the 2008/2010 financial year and submit it to Auditor-General	Monthly financial report for July 2009	<ul style="list-style-type: none"> - Table budget process and financial calendar to Council. - Phase 1 IDP: Analysis phase – Assessment of performance and changing needs
September 2009	Complete Annual Report	Monthly financial report for August 2009	<ul style="list-style-type: none"> - Update policies, priorities, objectives and determine revenue for next three years

4. OVERVIEW OF ANNUAL BUDGET PROCESS

Month	Financial year 2008/2009	Financial year 2009/2010	Financial year 2010/2011
			<ul style="list-style-type: none"> - Determine allocations to Local Municipalities - Arrange Lekgotla to determine priorities for next year - Review strategies in terms of Phase 2 of the IDP
October 2009	Auditing of Financial Statements and Performance Audit by office of the Auditor-General	<ul style="list-style-type: none"> - Monthly financial report for September 2009, including expenditure on staff remuneration and cashflow report. - Report of Executive Mayor on implementation of budget and financial state of affairs of the municipality 	<ul style="list-style-type: none"> - Determine allocations to Local Municipalities, review projects and align it with Council's priorities - Phase 3 of the IDP
November 2009	Receive and discuss management letter from Auditors with Auditor-General	Monthly financial report for October 2009	<ul style="list-style-type: none"> - Engage with national and provincial departments to share plans on national expenditure frameworks - Complete phase 4 of IDP-integration - Complete departmental budgets
December 2009	Receive final audit report. Comment on audit report.	Monthly financial report for November 2009	Consolidation of departmental budgets and plans
January 2010	Table Annual report, audited Financial Statements, Audit Report and comments thereon to Council. Make public Annual Report in terms of section 127(5) of the MFMA.	<ul style="list-style-type: none"> - Monthly financial report including expenditure on staff remuneration and cashflow statement. - Report of Executive Mayor on implementation of budget and financial state of affairs of the municipality. <p>Mid-year assessment on:</p> <ul style="list-style-type: none"> - Service delivery performance against targets and performance indicators and budget implementation plan. - Reports on assessment to National and Provincial Treasury. - Monthly financial report 	<ul style="list-style-type: none"> - Finalise draft budget and table to Executive Mayor - Draft IDP to be completed
February	Forward comments of Council on audit report	Monthly financial report for	<ul style="list-style-type: none"> - Executive Mayor tables draft budget and operational plans to

4. OVERVIEW OF ANNUAL BUDGET PROCESS

Month	Financial year 2008/2009	Financial year 2009/2010	Financial year 2010/2011
2010	and possible action plans in terms of the audit report to the Auditor-General, MEC for Finance and MEC for Local Government and Housing.	January 2010	Council. - Inform Local Municipalities on allocation to them in terms of section 37(2) of the MFMA
March 2010	Mayoral Committee consider the Annual Report and submit oversight to Council. Report	Monthly financial report for February 2010	Consultation on draft budget with stakeholders as follows: - National Treasury - Provincial Treasury - Local Municipalities - Levy payers
April 2010	Oversight report publicise for comments in terms of Section 129(3) of the MFMA.	- Monthly financial report for March 2010 including expenditure on staff benefits and results of cashflow for 3 rd quarter. - Report of Executive Mayor on implementation of budget and financial state of affairs of Council	Council approves budget and IDP for next financial year
May 2010	-	Monthly financial report for April 2010	- Publish budget - Complete service delivery and budget implementation plan and table to Executive Mayor 28 days after budget has been approved
June 2010	-	Monthly financial report for May 2010.	Complete performance contract of section 57 employees, table to council and submit to MEC

Table 10: IDP and Budget Time Schedule

5. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

a. The vision of the Municipality

The Municipality's long term vision:

To be the leading Municipality that offers quality services to the broader community in the most Economic, Affordable, Equitable and Sustainable manner.

b. The 5-Year IDP and strategic Focus Areas

On 1 July 2007, the Municipality implemented a new five-year Integrated Development Plan (IDP) for the period July 2007 to June 2012 to inform and guide the current elected public representatives' in their term of office. The annually reviewed IDP outlines the intent of the municipality in terms of the eight strategic focus areas, which it has agreed are required to overcome the challenges it is facing, achieve its vision, and implement its other strategic considerations.

These eight strategic focus areas form part the five year IDP and function as internal strategic levers to facilitate shared growth and development and enhance urban efficiency and institutional effectiveness. The way in which the municipality's vision is supported by the eight strategic focus areas is shown in the figure below:

STRATEGIC FOCUS AREAS:

1. Development of human capital
2. Effective communication
3. Forward planning
4. Applying resources to manage infrastructure and services for accessibility and mobility.
5. Development and implementation of integrated management and governance systems
6. Economic growth
7. Financial viability and accountability
8. Promote community development

Figure 1: Strategic Framework

The complete Integrated Development Plan is attached as Annexure 11.

a. Performance Indicators and Ratios

Description of financial indicator	Basis of calculation	2006/07	2007/08	2008/09	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
Borrowing Management											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	27.5%	22.2%	10.1%	14.7%	15.7%	15.7%	0.0%	4.2%	3.2%	2.5%
Credit Rating	TBA										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.0%	3.4%	8.2%	2.2%	2.4%	2.4%	0.0%	1.3%	1.1%	1.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. grants & contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	157.2%	284.0%	72.9%	53.6%	44.5%	44.5%	0.0%	17.4%	13.5%	11.0%
Gearing	Long Term Borrowing/ Funds & Reserves	237.6%	210.0%	76.3%	211.8%	211.8%	211.8%	0.0%	106.0%	19.9%	9.3%
Liquidity											
Current Ratio	Current assets/current liabilities	1.3	1.5	2.6	2.0	1.9	1.9	-	4.8	5.3	5.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.5	2.6	2.0	1.9	1.9	-	4.8	5.3	5.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.7	0.5	0.8	1.0	1.0	-	0.7	0.8	0.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		61.2%	73.4%	56.5%	56.5%	56.5%	56.5%	76.9%	21.9%	22.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	36.1%	36.5%	48.2%	14.9%	8.4%	8.4%	0.0%	37.9%	37.3%	36.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Funding of Provisions											
Provisions not funded - %	Unfunded Provs./Total Provisions										
Other Indicators											
Electricity Distribution Losses (2)	% Value (units purchased and generated less units sold)/units purchased and generated	13.6%	13.6%	13.6%	13.6%	13.6%	13.6%	13.6%	13.6%	13.6%	13.6%
Water Distribution Losses (2)	% Value (units purchased and own source less units sold)/Total units purchased and own source	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	39.6%	45.1%	38.2%	35.6%	35.9%	35.9%	0.0%	32.8%	35.0%	34.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	39.6%	45.1%	38.2%	39.2%	41.9%	41.9%		35.1%	35.3%	35.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.8%	10.8%	5.3%	4.1%	4.4%	4.4%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	3.1%	3.0%	2.0%	10.4%	11.1%	11.1%	0.0%	0.7%	0.5%	0.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	10.0	5.7	18.1	25.3	25.3	25.3	-	51.1	53.0	57.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	55.6%	56.1%	85.1%	28.4%	15.0%	15.0%	0.0%	56.9%	56.9%	56.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(1.5)	2.0	1.3	1.5	1.4	1.4	(0.8)	1.0	1.0	0.9

Table 11: Performance Indicators (Support Table A8)

Revenue Framework

Section 18 of the MFMA states that the budget can only be funded by realistically anticipated revenue to be and cash-backed accumulated funds from previous years, not committed for other purposes.

In addition, NT Circular 42 stipulates that the budget is to be managed in a full accrual manner, reflecting a transparent budget and accounting system approach.

The MFMA requires the municipality to adopt and implement a tariff policy. Council has approached such policies for all major tariff-funded services provided by the municipality, which are attached as annexures to this document.

Council is required to adopt budgetary provisions based on realistically anticipated revenue for the budget year from each revenue source as per the requirements of the MFMA (Chapter 4, S17 (1)(a) & (3)(b)).

1. Revenue related policies

Tariff Policy

The municipal Systems Act requires Council to adopt a Tariff Policy. The general financial management functions covered in Section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy.

The Tariff Policy is attached as annexure 8.

Credit Control and Debt Collection Policy

This policy has been formulated in terms of section 96 (b) and 98 of the Local Government : Municipal Systems Act, 2000. This policy includes the Indigency Policy as per Annexure 9.

2. Budget related policies

The following budget related policies have been approved by Council, or have been reviewed/amended and /or are currently being reviewed/amended, in line with National Guidelines and Legislation.

Supply Chain Management Policy

Section 111 of the MFMA requires each municipality to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The supply chain management policy of the municipality is attached as Annexure 12.

Rates policy

The rates policy that has been approved by Council is attached as Annexure 7 and is in accordance with Section 3 of the MPRA.

Cash management and investment policy

The cash management and investment policy which deals with the management of the municipality's surplus cash resources and the investment thereof, is attached as Annexure 14.

Asset control policy

The objective of the Asset Control Policy is to prescribe the accounting and administrative policies and procedures relating to Property, Plant and Equipment. The Assets Control Policy is attached as Annexure 15.

Virement Policy

The virement policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The virement policy is attached as Annexure 11.

Fiscal Overview

1. 2009/10 and 2010/11 to 2012/13 projected financial performance

1.1 Operating budget

The operating budget increased from R165 734 000 in 2009/10 to R212 945 000 in 2010/11, R231 530 000 in 2011/12 and R249 483 000 in 2012/13 respectively.

This growth trend is mainly attributable to:

- Higher than inflation increases to major expenditure components, such as the staff budget (salary level increases) and a rising interest payable commitment.

1.2 Capital budget

The capital budget increased from R33 054 000 in 2009/10 to R49 039 000 in 2010/11, R52 422 000 and R56 039 000. This basically a result of the increase in the need for deliver extended service delivery to the community.

2. Medium term outlook

Operating budget

The ensuing table reflects the increases in the operating budget in the medium term:

	2010/2011 R	2011/12 R	2012/13 R
Operating budget	165 734 000	212 945 000	249 483 000

Table 12: Medium Term Operating Budget

Capital budget

The ensuing table reflects the capital budget as well as the funding sources in the medium term:

	2010/2011 R	2011/12 R	2012/13 R
Capital budget	49 039 000	52 422 000	56 039 000
Funded as follows:			
National grant funding	28 892 000	34 749 000	42 252 000
Provincial grant funding	-	-	-
Other grant funding	5 000 000	10 000 000	3 000 000
Other funding	15 147 000	7 673 000	10 787 000
Total	49 039 000	52 422 000	56 039 000

Table 13: Medium term capital budget and funding sources

3. Sources of Funding

Rates, tariffs and other charges

Property tax rates

The proposed rates are to be levied in accordance with existing Council policies otherwise indicated and both the Local Government Municipal Property Rates Act 2004(MPRA) and the Local Government Municipal Finance Management Act 2003.

A rates policy was reviewed by the Budget Steering Committee. This committee was established to, among others; oversee the Total Municipal Account Modeling process, whereby the impact of all Council charges on a household is assessed for affordability. The proposed average rates increase is 9%.

Property tax rates are based on values indicated on the General Valuation Roll 2007. The roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions, and new buildings (improvements) through supplementary valuation rolls.

Rebates are granted to certain categories of property usage and/or property owner and these are not expected to change per category. The definitions and listing of categories are reflected in the Rates Policy attached as Annexure 7.

Water and sanitation

The proposed water and sanitation tariffs for 2010/11 are consistent with National Policy on the Provision of free basic services, the National Strategic Framework for water and sanitation and with Council's Indigent relief measures, Rates and Tariff Policies and Equitable Services framework. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.

It is proposed that basic water tariff be increased by 29% while purified water to domestic consumers will be increased by 16% up-to 80kl and 17% thereafter. Another set of tariff has been proposed i.e. purified water to trade and industry ranging from R7.88/kl-R12.87/kl up-to 120kl and R16.34/kl thereafter.

Electricity

The proposed revisions to the tariffs have been formulated in accordance with the municipality's Tariff and Rates Policy and comply with section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

The Electricity Regulation Act requires that proposed revisions to the electricity consumption based tariffs be submitted to the Regulator for approval prior to implementation. Provisional approval will therefore be requested with the express proviso that any alterations required by Council will be submitted to the Regulator as soon as possible.

Guidelines for the municipal electricity tariff increase in July 2010 were issued by NERSA as being 15.33%. However, the bulk purchases increase to the municipality is budgeted to be 15%.

It is anticipated that NERSA will again impose an inflation linked increase on the tariff applicable to the smaller domestic consumers.

Solid waste management

The solid waste Tariffs are levied to recover costs of services provided directly to consumers and include collection fees, clearance of illegal dumping on private properties, and other adhoc services. It is proposed that collection tariffs be increased by 9% while all deposits payable must still equal two months' consumption charge.

Tariffs and Charges Book

Council is permitted to levy rates, tariffs, fees and charges in accordance with the Local Government: Municipal Property Rates Act, the Local Government: Municipal Systems Act, No 32 of 2000, Section 75A and the Municipal Finance Management Act, No 56 of 2003, 17 (a)(ii)

The tariffs and Charges book is attached as Annexure 3 and contains all levies, rates and service charges determined for all functions or services performed by the municipality for which a charge is made.

All levies, rates, and service charges are determined in compliance with:

Local Government Municipal Property Rates Act 2004

Municipal Finance Management Act 56 of 2003

Local Government Municipal Systems Act 32 of 2000

Monetary Investment Particulars by type

Investment type	Ref	2006/07	2007/08	2008/09	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										
Parent municipality										
Securities - National Government Listed Corporate Bonds		15,298	24,775	16,122	14,711	15,413	15,413	10,835	11,539	12,289
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)		7,533	2,044	2,856	5,000	5,000	5,000	5,000	5,000	5,000
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	22,831	26,819	18,978	19,711	20,413	20,413	15,835	16,539	17,289
Entities										
Securities - National Government Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		22,831	26,819	18,978	19,711	20,413	20,413	15,835	16,539	17,289

Table 14: Monetary investments by type (Support Table A15)

Monetary Investment Particulars by maturity date

Investments by Maturity Name of institution & Investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Expiry date of Investment	Monetary value Rand thousand	
					Monetary value	Interest to be received
Parent municipality						
SANLAM(MONEY MARKET)	48610327	30 days	Day Money Marl	31 August 2010	5,000	254
SANLAM(MONEY MARKET)	50888081	30 days	Day Money Marl	31 August 2010	758	39
SANLAM (FUND SHARE)	U0063338998		Fixed deposit account		1,950	99
OLD MUTUAL	13543332	30 days	Day Money Marl	31 August 2010	8,126	413
Municipality sub-total					15,835	804
Entities						
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entities sub-total					-	-
Total investments and interest					15,835	804

Table 15: Monetary investments by maturity date (Support Table A16)

5. Long-term investments and loans

The municipality does not intend to raise any borrowings in the current budget year hence the current running debt will continue to be reduced until fully repaid before another borrowing can be proposed.

6. Cash backed accumulated surplus

Cash backed accumulated surpluses are used to provide working capital and to temporarily fund capital expenditure in advance of capital allocations from National government and other capital funding structures. Operational cash flow deficits and surpluses are forecasted and managed on a daily basis within available cash resources and banking facilities.

All statutory funds and reserves, including unspent grants, are fully cash backed. Non-statutory reserves, including the Insurance fund are also fully cash backed. Long term provisions are fully backed to the extent that actual expenditure is anticipated for the budget year.

Transfers and Grant Receipts

Description	Ref	2006/07	2007/08	2008/09	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
RECEIPTS:	1, 2									
Transfers and Grants										
National Allocations:		21,026	22,654	27,751	36,826	37,594	37,594	47,398	53,216	58,338
Equitable share		19,792	21,420	26,516	35,341	36,109	36,109	45,148	50,926	56,038
Municipal Systems Improvement		734	734	735	735	735	735	750	790	800
Finance Management		500	500	500	750	750	750	1,500	1,500	1,500
Provincial Government:		-	-	464	734	734	734	500	533	567
Local Government SETA		-	-	464	734	734	734	500	533	567
District Municipality:		136	221	360	585	585	585	952	1,014	1,080
Fire reimbursement subsidy		136	221	360	585	585	585	952	1,014	1,080
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Transfers and Grants	5	21,162	22,875	28,575	38,145	38,913	38,913	48,850	54,763	59,985
Capital transfers and grants										
National Allocations:		12,703	14,661	20,464	25,855	25,855	25,855	28,892	34,749	42,252
Municipal Infrastructure (MIG)		12,703	14,661	20,464	25,855	25,855	25,855	28,892	34,749	42,252
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		1,710	788	2,650	1,000	1,000	1,000	5,000	10,000	3,000
Department of Mines and Energy		1,710	788	2,650	1,000	1,000	1,000	5,000	10,000	3,000
Total capital transfers and grants	5	14,413	15,449	23,114	26,855	26,855	26,855	33,892	44,749	45,252
TOTAL RECEIPTS		35,575	38,324	51,689	65,000	65,768	65,768	82,742	99,512	105,237

Table 16: National, provincial and other grant allocations

Expenditure on Transfers and Grant Programme

Description	Ref	2006/07	2007/08	2008/09	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										
EXPENDITURE:	1									
Operating expenditure										
National Allocations:		21,026	22,654	27,751	36,826	37,594	37,594	47,398	53,216	58,338
Equitable share		19,792	21,420	26,516	35,341	36,109	36,109	45,148	50,926	56,038
Municipal Systems Improvement		734	734	735	735	735	735	750	790	800
Finance Management		500	500	500	750	750	750	1,500	1,500	1,500
Provincial Government:		-	-	464	734	734	734	500	533	567
Local Government SETA		-	-	464	734	734	734	500	533	567
District Municipality:		136	221	360	585	585	585	952	1,014	1,080
Fire reimbursement subsidy		136	221	360	585	585	585	952	1,014	1,080
Other grant providers:		-	-	-	-	-	-	-	-	-
Total expenditure:		21,162	22,875	28,575	38,145	38,913	38,913	48,850	54,763	59,985
Capital expenditure										
National Allocations:		12,703	14,661	20,464	25,855	25,855	25,855	28,892	34,749	42,252
Municipal Infrastructure (MIG)		12,703	14,661	20,464	25,855	25,855	25,855	28,892	34,749	42,252
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		1,710	788	2,650	1,000	1,000	1,000	5,000	10,000	3,000
Department of Mines and Energy		1,710	788	2,650	1,000	1,000	1,000	5,000	10,000	3,000
Total capital expenditure		14,413	15,449	23,114	26,855	26,855	26,855	33,892	44,749	45,252
TOTAL EXPENDITURE		35,575	38,324	51,689	65,000	65,768	65,768	82,742	99,512	105,237

Table 17: Expenditure on allocations and grant programmes (Support Table A19)

10. COUNCILLORS AND EMPLOYEE BENEFITS

Salaries, Allowances & Benefits (Political Office Bearers/Councillors/Senior Managers)

Disclosure of Salaries, Allowances & Benefits .	Salary	Contrib.	Allowances	Performance Bonuses	In-kind benefits	Total Package
		1.			2.	3.
Rand per annum						
Councillors						
Speaker	297,473		131,255			428,728
Chief Whip	294,546		123,728			418,274
Executive Mayor	392,729		161,365			554,094
Deputy Executive Mayor	N/A					-
Executive Committee	306,556		145,840			452,395
Total for all other councillors	1,732,224		817,218			2,549,442
Total Councillors	3,023,527	-	1,379,406			4,402,933
Senior Managers of the Municipality						
Municipal Manager (MM)	814,727	17,266	163,072	-	-	995,064
Chief Finance Officer	592,908		151,032	-	-	743,940
Manager Corporate Services	607,600	150,938	138,012	-	-	896,550
Manager Planning and Economic Development	584,592		241,021	-	-	825,614
Manager Community Services	509,950		138,013	-	-	647,963
Manager Technical Services	609,663		217,119	-	-	826,782
<i>List of each official with packages >= senior manager</i>						
Head: Internal Audit & Performance Management	N/A	N/A	N/A	N/A	N/A	-
Head: Geographical Information & Policy	N/A	N/A	N/A	N/A	N/A	-
Head Office of Intergovernmental & Governance Relations	N/A	N/A	N/A	N/A	N/A	-
Total Senior Managers of the Municipality	3,719,440	N/A	1,048,269	-	-	4,935,912
A Heading for Each Entity						
List each member of board by designation						
Chief Executive Officer (CEO)	N/A	N/A	N/A	N/A	N/A	-
Total for municipal entities	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	6,742,968	#VALUE!	2,427,675	-	-	9,338,845

Table 18: Salaries, allowances & benefits counsellors and senior managers

Summary Councillor and Staff Benefits

Summary of Employee and Councillor remuneration				Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
Ref	2006/07	2007/08	2008/09	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand	Audited Outcome	Audited Outcome	Audited Outcome						
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Salary	4,183	4,288	4,645	4,056	4,056	4,056	3,024	3,281	3,559
Pension Contributions									
Medical Aid Contributions									
Motor vehicle and cell phone				1,334	1,334	1,334	1,379	1,497	1,624
Housing allowance									
Sub Total - Councillors	4,183	4,288	4,645	5,389	5,389	5,389	4,403	4,777	5,183
% increase	4	2.5%	8.3%	16.0%	-	-	(18.3%)	8.5%	8.5%
Senior Managers of the Municipality									
Salary	2,856	2,322	2,490	3,708	3,708	3,708	4,284	4,648	5,043
Pension Contributions				816	816	816	134	145	157
Medical Aid Contributions				1	1	1	35	37	41
Motor vehicle and cell phone				484	484	484	590	640	695
Housing allowance				-	-	-	-	-	-
Performance Bonus				53	53	53	-	-	-
Other benefits or allowances				457	457	457	83	90	98
In-kind benefits									
Sub Total - Senior Managers of Municipality	2,856	2,322	2,490	5,519	5,519	5,519	5,125	5,561	6,034
% increase	4	(18.7%)	7.3%	121.6%	-	-	(7.1%)	8.5%	8.5%
Other Municipal Staff									
Basic Salaries and Wages	21,003	25,346	28,228	30,694	30,694	30,694	34,469	37,398	40,577
Pension Contributions	3,440	4,063	4,525	6,728	6,728	6,728	7,408	8,038	8,721
Medical Aid Contributions	1,153	1,454	1,619	1,741	1,741	1,741	2,908	3,155	3,423
Motor vehicle and cell phone				1,531	1,531	1,531	3,200	3,472	3,767
Housing allowance				187	187	187	177	193	209
Overtime				1,853	1,853	1,853	1,170	1,270	1,378
Performance Bonus				-	-	-	-	-	-
Other benefits or allowances				5,099	5,099	5,099	4,063	4,408	4,783
In-kind benefits									
Sub Total - Other Municipal Staff	25,595	30,863	34,372	47,833	47,833	47,833	53,395	57,934	62,858
% increase	4	20.6%	11.4%	39.2%	-	-	11.6%	8.5%	8.5%
Total Parent Municipality	32,634	37,473	41,508	58,741	58,741	58,741	62,923	68,272	74,075
		14.8%	10.8%	41.5%	-	-	7.1%	8.5%	8.5%
Board Members of Entities									
Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pension Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medical Aid Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Motor vehicle and cell phone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Housing allowance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Board Fees	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
In-kind benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sub Total - Board Members of Entities	-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-
Senior Managers of Entities									
Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pension Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medical Aid Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Motor vehicle and cell phone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Housing allowance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Performance Bonus	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other benefits or allowances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
In-kind benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sub Total - Senior Managers of Entities	-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-
Other Staff of Entities									
Basic Salaries and Wages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pension Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medical Aid Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Motor vehicle and cell phone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Housing allowance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Overtime	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Performance Bonus	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other benefits or allowances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
In-kind benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sub Total - Other Staff of Entities	-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-
Total Municipal Entities	-	-	-	-	-	-	-	-	-
COUNCILLOR ALLOWANCES, EMPLOYEE REMUNERATION & ENTITY REMUNERATION	32,634	37,473	41,508	58,741	58,741	58,741	62,923	68,272	74,075
% increase	4	14.8%	10.8%	41.5%	-	-	7.1%	8.5%	8.5%
Total managers and staff	28,450	33,185	36,862	53,351	53,351	53,351	58,520	63,495	68,892

Table 19: Councillors and employee benefits (Support Table A22)

11. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL DEPARTMENTS

In terms of Section 53(1)©(ii) of the MFMA, Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the Mayor of a municipality for implementing the municipality's delivery of services and its budget, and which must indicate the following-

- (a) Projections for each month
 - Revenue to be collected, by source; and
 - Operational and capital expenditure, by vote
- (b) Service Delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed.

The mayor, in accordance with section 53 of the MFMA, is expected to approve the SDBIP within 28 days after approval of the budget. In addition, the 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 objective of the municipality in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2010 to 30 June 2011. 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 over financial and non-financial performance of the municipality and allows the Municipal Manager to monitor the performance of the Departmental Managers, the Mayor/Council to monitor the performance of the Municipal Manager, the community to monitor the performance of the municipality as a whole.

The SDBIP for the 2010/11 financial year will be approved by the mayor in June 2010 following approval of the Budget.

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

- **Budget and treasury office**

A budget and treasury office has been established in accordance with the MFMA.

- **Budgeting**

The annual budget is prepared in accordance with the requirements prescribed by the National Treasury and the MFMA.

- **Financial reporting**

Full compliance with regards to monthly, quarterly and annual reporting to the Mayor, Council, Provincial and National Treasuries.

- **Annual report**

The annual report is prepared in accordance with the MFMA and National Treasury requirements.

- **Internship Programme**

The Thabazimbi Municipality in participating in the MFMA Internship Programme has employed a number of interns undergoing training in the treasury department.

14. CAPITAL EXPENDITURE DETAILS

Detailed Capital Budget													
Municipal Vote/Capital project	Ref	Project number	Program/Project description	DP Code	Asset Class 4	Asset Sub-Class 4	Total Project Estimate	Prior year outcomes		Project Information			
								Audited Outcome 2005/06	Forecast 2006/07				
R thousand								Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13	Ward location	New or renewal	
Parent municipality: List of capital projects grouped by Municipal Vote						Examples							
Technical Services			<p>Northam, Regrogle 6769 installation of Highmasa street lights</p> <p>Northam extension and Roobing upgrading of sports facilities</p> <p>Regrogle ext 4 paving of informal streets</p> <p>Roobing development of new corridors</p> <p>Roobing upgrading of informal roads</p> <p>Project Management Unit</p> <p>Feasibility study for upgrading of bulk water pipelines from Y piece</p> <p>Feasibility study for the research and design of Phase 1 of the storm water plan for Leopold</p> <p>Professional fees for hydrological-geomorphological survey</p> <p>Professional fees for water distribution system at Rapihosi</p> <p>Professional fees for a complete audit of water distribution system</p> <p>Construction of a recycle unit at Leopold</p> <p>Roobing electrification of informal settlements</p> <p>Regrogle electrification of RDP houses Ext 3</p> <p>Appreciation certification of informal settlement</p> <p>Upgrading of boreholes Thebanzani, Roobing and Regrogle</p> <p>Construction of sewer and water reticulation in Regrogle ext 687</p>		Examples	Examples							
Corporate Services			<p>Software acquisition</p> <p>Server for email, internet, backup system</p> <p>Upgrading of municipal chamber</p>		Computer software	Computer networks							
Municipal manager			<p>Feasibility study on extension of civic centre</p>		Land & Buildings								
Community services			<p>Office furniture</p> <p>Office furniture for licensing</p> <p>Speed control machine</p> <p>Road marking machine</p> <p>Traffic contravention machine</p> <p>Sports development</p> <p>Security barriers</p> <p>Construction of licensing office</p> <p>Security design</p> <p>Chain saws</p> <p>Fire fighting agent</p> <p>Fire breaks</p> <p>LD Vans</p> <p>Remove removal truck</p> <p>Office Furniture</p>		Furniture and fittings	Furniture and fittings							
Budget & Treasury													
Total Capital expenditure													

Table 20: Capital budget details (Support Table A58)

Supporting Table SA 2 : Matrix Financial Performance Budget (Revenue Source/Expenditure Type & Department)

Description	Ref	001 Political Office Bearers	002 Municipal Manager	003 Budget and Treasury	004 Planning and Development	005 Technical Services	006 Corporate Services	007 Community and Social Services	Total
R thousand	1								
Revenue By Source									
Property rates		24,031	-	-	-	-	-	-	24,031
Property rates - penalties & collection charges		-	-	-	-	3,230	-	-	3,230
Service charges - electricity revenue		-	-	-	-	31,633	-	-	31,633
Service charges - water revenue		-	-	-	-	30,566	-	-	30,566
Service charges - sanitation revenue		-	-	-	-	13,646	-	-	13,646
Service charges - refuse		-	-	-	-	-	-	14,324	14,324
Service charges - other		-	-	-	838	-	-	517	1,355
Rental of facilities and equipment		-	-	-	-	5	1,607	175	1,787
Interest earned - external investments		-	-	804	-	-	-	-	804
Interest earned - outstanding debtors		-	-	4,800	-	-	-	-	4,800
Dividends received		-	-	-	-	-	-	-	-
Fines		-	-	75	-	-	-	159	234
Licences and permits		-	-	250	-	-	-	2,321	2,571
Agency services		-	-	-	-	-	-	300	300
Other revenue		-	-	162	-	358	20	953	1,492
Transfers recognised		47,438	-	-	-	-	500	-	47,938
Gains on disposal of PPE		-	-	393	-	-	-	-	393
Total Revenue		71,469	-	6,484	838	79,438	2,127	18,748	179,104
Expenditure By Type									
Employee related costs		3,600	3,271	9,725	4,206	19,957	6,776	14,081	61,619
Remuneration of councillors		4,872	-	-	-	-	-	-	4,872
Debt impairment		-	-	-	-	-	-	-	-
Depreciation & asset impairment		-	-	-	-	-	-	-	-
Finance charges		95	-	-	-	1,000	-	-	1,095
Bulk purchases		-	-	-	-	32,523	-	-	32,523
Other materials		-	-	-	-	-	-	-	-
Contracted services		-	-	2,500	-	-	-	-	2,500
Grants and subsidies		-	-	-	-	-	-	-	-
Other expenditure		25,913	4,074	7,601	1,077	43,891	11,034	16,767	110,377
Loss on disposal of PPE		-	-	-	-	-	-	-	-
Total Expenditure		34,480	7,345	19,826	5,283	97,371	17,812	30,868	212,986
Surplus/(Deficit)		36,990	(7,345)	(13,342)	(4,445)	(17,933)	(15,685)	(12,120)	(33,882)
Transfers recognised - capital		-	-	-	-	33,892	-	-	33,892
Contributions		-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		36,990	(7,345)	(13,342)	(4,445)	15,959	(15,685)	(12,120)	10

Table 22: Financial performance Budget (revenue source/expenditure type & department) (Support Table A2)