

**SCHEDULE A**

**AN ANNUAL BUDGET AND SUPPORTING  
DOCUMENTATION GREATER LETABA MUNICIPALITY**



**GREATER LETABA MUNICIPALITY**

**ANNUAL BUDGET OF**

# **GREATER LETABA MUNICIPALITY**

**2011/12 TO 2013/14  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

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## Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BC	Budget Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	EC	Executive Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
EEDSM	Energy Efficiency Demand Side Management	NERSA	National Energy Regulator South Africa
FBS	Free basic services	NGO	Non-Governmental organisations
GDP	Gross domestic product	NKPIs	National Key Performance Indicators
GFS	Government Financial Statistics	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PBO	Public Benefit Organisations
IDP	Integrated Development Plan	PMS	Performance Management System
IT	Information Technology	PPE	Property Plant and Equipment
kℓ	kilolitre	SALGA	South African Local Government Association
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

## **Part 1 – Annual Budget**

### **1.1 Mayor’s Report**

In his State of the Nation Address, President Jacob Zuma said “Our goal is clear. We want to have a country where millions more South Africans have decent employment Wquality of life is high.

We all have a responsibility to work hard to make this a reality.

Everyone must think of how they can contribute to the jobs campaign through creating opportunities for themselves and others”.

Pravin Gordhan, Minister of Finance in his 2011/2012 Budget speech said “This Budget, Mister President, reflects the collective determination of the Government to address with energy the challenges of creating jobs, reducing poverty, building infrastructure and expanding our economy.

The Budget sets out a financial framework for implementing this vision, a framework that is sound and sustainable. It recognises that building South Africa is a multi-decade project that must invigorate our capacity to grow, and must include all South Africans in that growth”.

The community of Greater Letaba Municipality is faced like any other community with unlimited needs with the municipality having limited resources in a world that is faced with deepest recession.

The municipality is mainly dependent on grants and subsidies which constitute 77 percent of the total revenue in the 2011/2012 financial year.

Considering the fact that the resources to address the needs of the Greater Letaba Municipality are limited, the municipality has a duty to prioritize in its service delivery implementation and in its spending plans.

The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of the municipality’s financial plan is essential and critical to ensure that the municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

## 1.2 Council Resolutions

In terms of section 16(2) of the MFMA, the mayor of the municipality must table the annual at a council meeting at least 90 days before the start of the budget year.

1. The Medium Term Revenue Expenditure Framework (MTREF) budget is hereby presented in terms of section 17 of the MFMA:
  - 1.1. The annual budget of the municipality for the financial year 2011/12 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Table A1: Budget Summary
    - 1.1.2. Table A2: Budgeted Financial Performance (revenue and expenditure by standard classification)
    - 1.1.3. Table A3: Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.4. Table A4: Budgeted Financial Performance (Revenue and Expenditure)
    - 1.1.5. Table A5: Budgeted Capital Expenditure by vote, standard classification and funding.
    - 1.1.6. Table A6: Budgeted Financial Position
    - 1.1.7. Table A7: Budget Cashflow
    - 1.1.8. Table A8: Cashbacked reserves/Accumulated surplus reconciliation
    - 1.1.9. Table A9: Asset Management
    - 1.1.10. Table A10: Basic Service Delivery Measurement
    - 1.1.11. Supporting Tables SA1 to SA37
2. Acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tariffs are hereby presented for approval and adoption for implementation with effect from 1 July 2011:
  - 2.1. the tariffs for property rates – as set out in Annexure A,
  - 2.2. the tariffs for electricity – as set out in Annexure B
  - 2.3. the tariffs for the supply of water – as set out in Annexure C
  - 2.4. the tariffs for sanitation services – as set out in Annexure D
  - 2.5. the tariffs for solid waste services – as set out in Annexure E
  - 2.6. Other tariffs – Annexure F

## 1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the Greater Letaba Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. These items when aggregate, can end up contributing huge amounts of wasteful expenditure.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. These include the review of revenue enhancement strategy, data cleansing, writing off of bad debts and restructuring of electricity tariffs in terms of NERSA requirements.

National Treasury's MFMA Circular No. 51, 54 and 55 were used to guide the compilation of the 2011/12 MTREF.

The main challenges experienced during the compilation of the 2011/12 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Lepelle Northern Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects considering that the municipality is predominantly rural with no infrastructure.

The following budget principles and guidelines directly informed the compilation of the 2011/12 MTREF:

- The 2010/11 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2011/12 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- Ensuring that service delivery and capital projects use labour intensive methods;
- Ensuring that service providers use labour intensive approaches;
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programme; and
- Implementing interns programmes to provide young people with on the job training.



In view of the aforementioned, the following table is a consolidated overview of the proposed 2011/12 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2011/12 MTREF**

R Thousand	Adjustment Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14
Total operating Revenue	162,554,000	181,224,000	198,949,000	211,541,000
Total Operating Expenditure	120,100,000	135,854,000	141,951,000	150,464,000
Surplus Deficit	44,397,000	78,367,000	97,119,000	103,405,000
Total Capital Expenditure	47,578,765	78,343,000	81,384,832	71,828,000

Total operating revenue has increased by 11,5%, 9,8% and 6,3% in 2012, 2013 and 2014 financial years respectively. The increase was mainly due to increase in operating grants and subsidies, with a special adjustment of R3 429 000 on councillors allowances. This represent an increase of R18 670 000 on the 2010/2011 financial year adjustment to total operating revenue of R181 224 000 on the 2011/2012 financial year.

Operating expenditure has increased to R135 854 000 in 2011/2012 financial year from 2010/2011 adjustment budget of R120 100 000. This represents a growth of 13.1%. Adjustment of councillors allowances, increase on bulk purchases and debt impairment are the main contributing factors to increase on operating expenditure. Repairs and maintenance and renewal of existing assets represent 5,6% and 8% increases in the 2011/2012 financial year.

Capital expenditure has increased from an adjustment budget of R47 578 765 in 2010/2011 financial year to R78 343 000 in 2011/2012 financial year. This will further increase to R81 384 832 and R71 828 000 in the financial years 2012/2013 and 2013/2014 respectively. The increase was mainly due to increase in MIG grant funding and the utilisation of surplus funds for capital projects hence a high percentage on funding from internal funded projects.

The municipality continues to repay its long term loan from the Development Bank of Southern Africa.

## 1.4 Operating Revenue Framework

For the municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;

- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 81 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2011/12 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

Description  R thousand	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>										
Property rates	3 513	1 196	5 499	6 597	6 800	6 800	6 800	7 083	7 508	7 958
Property rates - penalties & collection charges										
Service charges - electricity revenue	4 715	5 172	7 123	9 246	8 517	8 517	8 517	10 753	11 395	12 080
Service charges - water revenue	3 005	3 647	-	5 611	2 297	2 297	2 297	2 443	2 584	2 742
Service charges - sanitation revenue	1 125	1 150	-	1 471	1 140	1 140	1 140	1 302	1 524	1 616
Service charges - refuse revenue	2 175	2 358	2 758	2 856	2 586	2 586	2 586	2 901	3 075	3 260
Service charges - other										
Rental of facilities and equipment	251	275	147	285	120	120	120	187	199	211
Interest earned - external investments	583	773	542	821	821	821	821	758	804	852
Interest earned - outstanding debtors	3 473	1 823	3 106	1 500	5 000	5 000	5 000	2 856	3 027	3 209
Dividends received			0							
Fines	231	235	188	700	700	700	700	356	377	400
Licences and permits	2 409	3 248	2 725	3 746	2 996	2 996	2 997	4 008	4 248	4 503
Agency services								1 434	1 520	1 611
Transfers recognised - operational	48 180	60 848	96 157	122 003	129 594	129 594	129 594	138 991	152 234	162 014
Other revenue	6 573	9 295	3 264	7 648	1 981	1 981	1 981	7 851	10 136	10 747
Gains on disposal of PPE		724						300	318	337
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>76 231</b>	<b>90 745</b>	<b>121 510</b>	<b>162 484</b>	<b>162 553</b>	<b>162 553</b>	<b>162 554</b>	<b>181 224</b>	<b>198 949</b>	<b>211 541</b>

**Table 3 Percentage growth in revenue by main revenue source**

Description									
	R thousand	Adjusted Budget	%	Budget Year 2011/12	%	Budget Year +1 2012/13	%	Budget Year +2 2013/14	%
<b>Revenue By Source</b>									
Property rates	6 800		4.2%	7 083	3.9%	7 508	3.8%	7 958	3.8%
Property rates - penalties & collection charges									
Service charges - electricity revenue	8 517		5.2%	10 753	5.9%	11 395	5.7%	12 080	5.7%
Service charges - water revenue	2 297		1.4%	2 443	1.3%	2 584	1.3%	2 742	1.3%
Service charges - sanitation revenue	1 140		0.7%	1 302	0.7%	1 524	0.8%	1 616	0.8%
Service charges - refuse revenue	2 586		1.6%	2 901	1.6%	3 075	1.5%	3 260	1.5%
Service charges - other									
Rental of facilities and equipment	120		0.1%	187	0.1%	199	0.1%	211	0.1%
Interest earned - external investments	821		0.5%	758	0.4%	804	0.4%	852	0.4%
Interest earned - outstanding debtors	5 000		3.1%	2 856	1.6%	3 027	1.5%	3 209	1.5%
Dividends received									
Fines	700		0.4%	356	0.2%	377	0.9%	400	0.2%
Licences and permits	2 996		1.8%	4 008	2.2%	4 248	2.1%	4 503	2.1%
Agency services				1 434	0.8%	1 520	0.8%	1 611	0.8%
Transfers recognised - operational	129 594		79.7%	138 991	76.7%	152 234	76.5%	162 014	76.6%
Other revenue	1 981		1.2%	7 851	4.3%	10 136	5.1%	10 747	5.1%
Gains on disposal of PPE				300	0.2%	318	0.2%	337	0.2%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>162 553</b>		<b>100%</b>	<b>181 224</b>	<b>100%</b>	<b>198 949</b>	<b>100%</b>	<b>211 541</b>	<b>100%</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The main revenue source of the municipality is from grants and subsidies. The total revenue for grants and subsidies is totalled at R139 million in 2011/2012, R153 million for 2012/2013 and R162 million for 2013/2014. This contribute 77% of the total revenue in 2011/2012 financial year. Revenue from property rates and services charges amount R24 million in 2011/2012 financial year and this represents 13% of total revenue. Services charges represent Electricity, water, sanitation and waste removal and contribute 5.9%, 1.3%,0.7% and 1.6% respectively.

The following table gives breakdown of all operating grants and subsidies allocated to municipality over MTREF.

**Table 4 Operating Transfers and Grant Receipts**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>EXPENDITURE:</b>	1									
-										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>48 180</b>	<b>60 848</b>	<b>84 449</b>	<b>109 721</b>	<b>113 721</b>	<b>113 721</b>	<b>123 478</b>	<b>135 790</b>	<b>144 584</b>
Local Government Equitable Share		46 946	59 810	82 638	100 445	100 445	100 445	117 473	133 490	142 184
Finance Management		500	294	261	1 000	1 000	1 000	1 250	1 500	1 500
Municipal Systems Improvement		734	744	1 091	750	750	750	790	800	900
Integrated National Electrification Programme					5 000	9 000	9 000			
Extended Public Works Programme Incentive Grant				459	2 526	2 526	2 526	3 965		
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Extended Public Works Programme Incentive Grant										
<b>District Municipality:</b>		<b>5 641</b>	<b>8 462</b>	-	<b>12 282</b>	<b>15 513</b>	<b>15 513</b>	<b>15 513</b>	<b>16 444</b>	<b>17 430</b>
Water Subsidy		5 591	8 462		12 282	15 513	15 513	15 513	16 444	17 430
		50								
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		<b>53 821</b>	<b>69 310</b>	<b>84 449</b>	<b>122 003</b>	<b>129 234</b>	<b>129 234</b>	<b>138 991</b>	<b>152 234</b>	<b>162 014</b>

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Greater Letaba Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Lepelle Northern Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

**1.4.1 Property Rates**

Property rates cover the cost of the provision of general services like road maintenance and street lighting. Determining the effective property rate tariff is therefore an integral part of the municipality’s budgeting process.

The determination of tariffs is guided by the regulations that became effect on 01 July 2009. The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R15 000 reduction on the market value of all serviced property will be granted in terms of the municipality’s own Property Rates Policy, excluding empty stands.
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 40 per cent (calculated on a sliding scale) will be granted to owners of rate-able properties.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2011/12 financial year based on a 6 per cent increase from 1 July 2011 is contained below:

**Table 5 Comparison of proposed rates to levied for the 2011/12 financial year**

<b>Category</b>	<b>Current Tariff (1 July 2010)</b>	<b>Proposed tariff (from 1 July 2011)</b>
	<b>c</b>	<b>C</b>
Residential properties	0.01	0.011
State owned properties	0.0025	0.00265
Business & Commercial	0.02	0.0212
Agricultural	0.0025	0.0025
Public Service Infrastructure	0.0025	0.00265
Public benefit organisation properties	0.0025	0.00265
Mining Properties	0.02	0.0212
	-	

### 1.4.2 Sale of Water and Impact of Tariff Increases

The Greater Letaba Municipality has been appointed as a Water Service Provider by the Mopani District Municipality. In determining the water tariffs, the municipality seeks to ensure that:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

The bulk supply of water is done by Lepelle Northern Water and covers Modjadjiskloof Town and Ga-Kgapane Township. A water loss is critical and it needs serious attention from all stakeholders (Greater Letaba Municipality, Mopani District Municipality and Lepelle Northern Water).

A tariff increase of 6 per cent from 1 July 2011 for water is proposed. This is based on input cost assumptions of . In addition 6 kℓ water per month will again be granted free of charge to all all indigents households. The inadequate bulk water supply capacity and the impact on service delivery and development remains a challenge for the municipality.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table 6 Proposed Water Tariffs**

CATEGORY	CURRENT TARIFFS 2010/11	PROPOSED TARIFFS 2011/12
	Rand per kℓ	Rand per kℓ
<b>RESIDENTIAL – MODJADJISKLOOF</b>		
(i) 0-6 kℓ	3,24	3.43
(ii) 7-10 kℓ	3,52	3.73
(iii) 11-50	4,42	4.69
(iv) Above 50	5,32	5.64
<b>RESIDENTIAL – GA-KGAPANE &amp; SENWAMOKGOPE</b>		
(i) 0 – 6 kℓ	3,24	3.43
(ii) 7-10 kℓ	3,52	3.73
(iii) 11-50 kℓ	4,42	4.69
(iii) Above kℓ	5,32	5.64
Borehole	2,36	2,50

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

### 1.4.3 Sale of Electricity and Impact of Tariff Increases

In line with the NERSA requirement for Block tariffs, the municipality appointed Motla Engineering to assist with the restructuring of the electricity tariffs. The proposed tariffs increase by ESKOM is 26.71 for municipalities.

Registered indigents will again be granted 50 kWh per month free of charge. The following table shows the impact of the proposed increases in electricity tariffs on the water charges for domestic customers:

The approved budget for the Electricity section can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply).

**1.4.4 Sanitation and Impact of Tariff Increases**

A tariff increase of 6 per cent for sanitation from 1 July 2011 is proposed. This is based on the input cost assumptions related to water.

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation will be applicable to registered indigents; and

The following table compares the current and proposed tariffs:

**Table 7 Comparison between current sanitation charges and increases**

CATEGORY	CURRENT TARIFF	PROPOSED TARIFF
	2010/11	2011/12
Waterborne Sewerage	48.02	50.90
Residential: Removal of Waste Water per tank per month	116.30	123.28
Business: per kilolitre water consumed the previous month	4.27	4.53
Business: Removal of waste water per tank per month	129.11	136.86
Septic tank per suction	214.47	227.34

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

There will be a change over in terms of tariff charge for sanitation if the waterborne sewerage becomes becomes during 2011/2012, meaning if it is not functional by 01 July 2011.

**1.4.5 Waste Removal and Impact of Tariff Increases**

Currently waste removal function is all performed in Modjadjiskloof Town, Ga-Kgapane and Senwamokgope Townships. It is the strategy of the municipality to extend this function to cover big businesses in the jurisdiction of the Greater Letaba Municipality in the 2011/2012 financial year.

A 6 per cent increase in the waste removal tariff is proposed from 1 July 2011. Indigent households receive free waste removal as per indigent policy of the municipality.

The following table compares current and proposed amounts payable from 1 July 2011:

**Table 8 Comparison between current waste removal fees and increases**

	CURRENT TARIFF2010/11	PROPOSED TARIFF 2011/12
Ga-Kgapane Dwelling per month ( Removal 1 per week)	59.75	63.33
Ga-Kgapane Businesses per month ( Removal 1 per week)	178.55	189.26
Modjadjiskloof Dwelling per month (Removal 1 per week)	91.43	96.92
Modjadjiskloof Businesses 1 per month (removal 1 per week)	142.85	151.42
Modjadjiskloof Businesses 2 per month (removal 2 per week)	249.97	264.97
Modjadjiskloof Businesses 3 per month (removal more than 2 per week)	685.65	726.79
Mass Holders 6 cube per removal	307.12	325.55
1.75m3 Mass holders per business per month	428.54	454.25
Shared 1.75m3 mass holders per business per month	214.26	227.12
4m3 mass holder per business per month	471.39	499.67
Shared m3 mass holder per business per month	281.78	298.69
4.6m3 mass holder per business per month	499.68	529.66
Shared 4.6m3 mass holder per business per month	306.08	324.44
Senwamokgope dwellings & businesses	50.00	53.00

#### 1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to 6 except for electricity 26.71% bring our overall increase of 14% on all charges.



**Table SA14 – Household bills**

LIM332 Greater Letaba - Supporting Table SA14  
Household bills

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			MTREF			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12 % incr.	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Large' Household Rates and services charges:</b>	1										
Property rates		158.56	182.29	0	1	1	1	25.0%	1	1	1
Electricity: Basic levy		440.00	109.99	147.39	168.39	168.39	168.39	6.0%	178.49	189.20	200.55
Electricity: Consumption		300.00	088.96	549.00	640.00	640.00	640.00	26.7%	810.94	859.60	911.17
Water: Basic levy		–	–	30.00	32.01	32.01	32.01	6.0%	38.01	40.29	42.71
Water: Consumption		103.16	343.09	114.24	121.84	121.84	121.84	6.0%	129.15	136.90	145.11
Sanitation		98.75	104.00	109.00	116.30	116.30	116.30	6.0%	123.29	130.69	135.53
Refuse removal		98.74	106.30	110.69	116.43	116.43	116.43	6.0%	123.42	130.82	138.67
Other											
<b>sub-total</b>		<b>1 199.21</b>	<b>1 934.63</b>	<b>1 424.90</b>	<b>1 738.72</b>	<b>1 738.72</b>	<b>1 738.72</b>	<b>22.4%</b>	<b>2 128.30</b>	<b>2 212.50</b>	<b>2 298.74</b>
VAT on Services		145.69	245.32	148.44	167.30	167.30	167.30		196.46	208.25	220.32
<b>Total large household bill:</b>		<b>1 344.90</b>	<b>2 179.95</b>	<b>1 573.34</b>	<b>1 906.02</b>	<b>1 906.02</b>	<b>1 906.02</b>	<b>22.0%</b>	<b>2 324.76</b>	<b>2 420.75</b>	<b>2 519.06</b>
<b>% increase/-decrease</b>			<b>62.1%</b>	<b>(27.8%)</b>	<b>21.1%</b>	<b>–</b>	<b>–</b>	<b>22.0%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.1%</b>
<b>Monthly Account for Household - 'Small' Household Rates and services charges:</b>	2										
Property rates		50.00	87.50	175.00	259.37	259.37	259.37	25.0%	324.21	324.21	324.21
Electricity: Basic levy		80.00	109.99	147.39	168.39	168.39	168.39	6.0%	178.49	189.20	200.55
Electricity: Consumption		149.40	140.22	273.40	318.72	318.72	318.72	26.7%	403.85	428.08	453.77
Water: Basic levy				30.00	32.01	32.01	32.01	6.0%	38.01	40.29	42.71
Water: Consumption		56.10	41.39	72.84	77.64	77.64	77.64	6.0%	129.15	136.90	145.11
Sanitation		98.75	104.00	109.00	116.30	116.30	116.30	6.0%	123.29	130.69	135.53
Refuse removal		98.74	106.30	110.69	116.43	116.43	116.43	6.0%	123.42	130.82	138.67
Other											
<b>sub-total</b>		<b>532.99</b>	<b>589.40</b>	<b>918.32</b>	<b>1 088.86</b>	<b>1 088.86</b>	<b>1 088.86</b>	<b>21.3%</b>	<b>1 320.42</b>	<b>1 380.19</b>	<b>1 440.55</b>
VAT on Services											

		67.62	70.29	104.06	116.13	116.13	116.13		184.86	147.84	156.29
<b>Total small household bill:</b>		<b>600.61</b>	<b>659.69</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>24.9%</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>% increase/-decrease</b>			<b>9.8%</b>	<b>022.38</b>	<b>204.99</b>	<b>204.99</b>	<b>204.99</b>		<b>505.28</b>	<b>528.03</b>	<b>596.84</b>
				<b>55.0%</b>	<b>17.9%</b>	<b>-</b>	<b>-</b>		<b>24.9%</b>	<b>1.5%</b>	<b>4.5%</b>
				4.59	0.68	1.00	-				
<b>Monthly Account for Household - 'Small' Household receiving free basic services Rates and services charges:</b>	3										
Property rates		40.50		175.00	259.37	259.37	259.37	25.0%	324.21	324.21	324.21
Electricity: Basic levy				-				6.0%	-		
Electricity: Consumption				33.12	51.60	51.60	51.60	26.7%	65.38	69.30	73.46
Water: Basic levy				30.00	32.01	32.01	32.01	6.0%	33.93	35.97	38.12
Water: Consumption		28.36	26.61	31.44	33.44	33.44	33.44	6.0%	35.45	37.58	39.83
Sanitation		40.71	43.08	45.00	48.02	48.02	48.02	6.0%	50.90	53.95	57.19
Refuse removal		65.32	69.49	81.00	84.75	84.75	84.75	6.0%	89.83	95.22	100.93
Other											
<b>sub-total</b>		<b>174.89</b>	<b>139.18</b>	<b>395.56</b>	<b>509.19</b>	<b>509.19</b>	<b>509.19</b>	<b>17.8%</b>	<b>599.70</b>	<b>616.23</b>	<b>633.74</b>
VAT on Services		18.82	19.48	30.88	34.97	34.97	34.97	-	38.57	40.80	43.33
<b>Total small household bill:</b>		<b>193.71</b>	<b>158.66</b>	<b>426.44</b>	<b>544.16</b>	<b>544.16</b>	<b>544.16</b>	<b>17.3%</b>	<b>638.27</b>	<b>657.03</b>	<b>677.07</b>
<b>% increase/-decrease</b>			<b>(18.1%)</b>	<b>168.8%</b>	<b>27.6%</b>	<b>-</b>	<b>-</b>		<b>17.3%</b>	<b>2.9%</b>	<b>3.1%</b>

### 1.5 Operating Expenditure Framework

The Municipality’s expenditure framework for the 2011/12 budget and MTREF is informed by the following:

- The asset renewal strategy;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

The following table is a high level summary of the 2011/12 budget and MTREF (classified per main type of operating expenditure):

**Table 9 Summary of operating expenditure by standard classification item**

<u>Expenditure By Type</u>		2007/08	2008/09	2009/10	Orig. 2010/11	Adjusted 2010/11	Full-Year forecast 2010/2011	Pre-Audit 2010/2011	2011/12	2012/13	2013/14
Employee related costs	2	18 920	22 820	25 689	37 355	33 236	33 236	33 236	45 951	48 707	51 628
Remuneration of councillors		8 888	9 921	9 896	15 560	11 324	11 324	11 324	15 885	16 838	17 848
Debt impairment	3	-	-	-	4 809	14 319	14 319	14 319	7 858	6 373	6 751
Depreciation & asset impairment	2	-	-	4 550	5 623	5 623	5 623	5 623	6 434	6 820	7 229
Finance charges		333	392	-	392	392	392	392	392	416	441
Bulk purchases	2	7 864	9 094	6 054	14 256	14 256	14 256	14 256	16 386	17 369	18 411
Other materials	8										
Contracted services		3 860	4 930	5 588	8 031	9 651	9 651	9 651	9 292	9 849	10 440
Transfers and grants											
Other expenditure	4, 5	19 985	20 023	46 517	38 773	31 298	31 298	31 298	33 657	35 580	37 716
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>59 848</b>	<b>67 181</b>	<b>98 294</b>	<b>124 798</b>	<b>120 100</b>	<b>120 100</b>	<b>120 100</b>	<b>135 854</b>	<b>141 951</b>	<b>150 464</b>

The budgeted allocation for employee related costs for the 2011/11 financial year totals R52 million, which equals 38 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 10 per cent for the 2011/12 financial year. An annual increase of 6 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation and the adjustment in the equitable share allocation in this regard has been taken into account in compiling the municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 81 per cent and the Debt Write-off Policy of the municipality. For the 2011/11 financial year this amount equates to R7,8 million and escalates to R6,3 million by 2012/13. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R6,4 million for the 2011/12 financial and equates to 4,7 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets

previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) for the Development of Southern Africa.

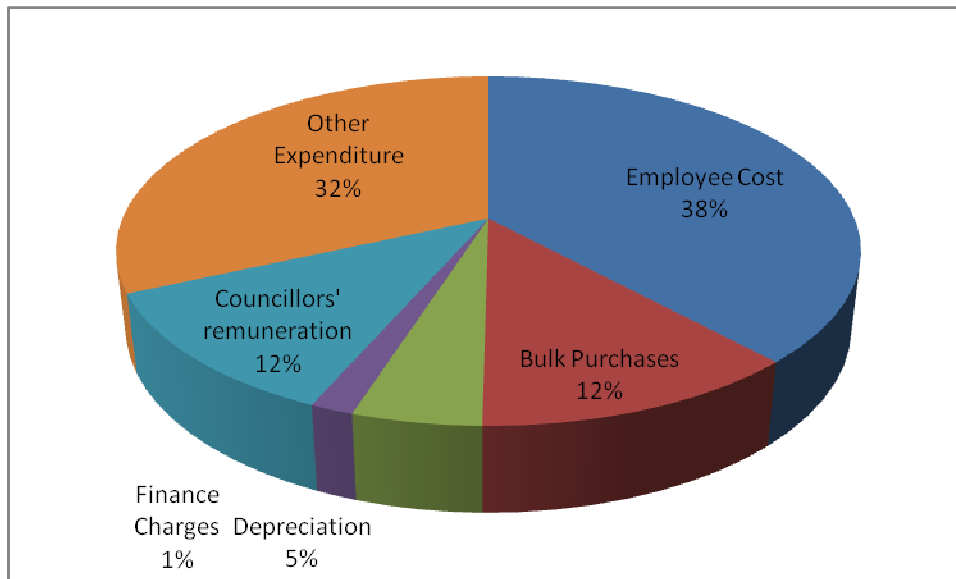
Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Lepelle Northern Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals.

Contracted services has been identified as a cost saving area for the municipality.. Further details relating to contracted services can be seen in Table SA1.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 4,8 per cent for 2011/12 and curbed at 6 and 6 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table SA1.

The following table gives a breakdown of the main expenditure categories for the 2011/12 financial year.



**Figure 1 Main operational expenditure categories for the 2011/12 financial year**

**1.5.1 Priority given to repairs and maintenance**

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 10 Operational repairs and maintenance**

<b>Repairs and Maintenance by Expenditure Item</b>	8										
Employee related costs		3 578	4 050	3 587	4 328	3 955	3 955	3 955	5 729	6 072	6 437
Other materials		153	253	383	115	123	123	123	536	568	603
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		1 688	2 854	19 521	12 824	12 945	12 945	12 945	9 725	10 307	10 925
<b>Total Repairs and Maintenance Expenditure</b>	9	5 419	7 157	23 492	17 267	17 023	17 023	17 023	15 990	16 948	17 964

During the compilation of the 2011/12 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality’s infrastructure and historic deferred maintenance. The total repairs and maintenance amount to R16m in the 2011/2012 financial year, amounting to 11,8 percent of total operating expenditure. Much of repairs and maintenance has been done in the 2010/2011 financial year.. The total allocation for 2011/12 equates to R15.9 million a decrease of 6.0 per cent in relation to the Adjustment Budget and growth at 5.7 and 5.7 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 11.8, 11,7 and 13 per cent for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 11 Repairs and maintenance per asset class**

<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		-	-	4 550	5 623	5 623	5 623	6 434	6 820	7 229
<b>Repairs and Maintenance by Asset Class</b>	3	5 419	7 157	23 492	17 267	17 023	17 023	17 023	15 990	16 948
<i>Infrastructure - Road transport</i>		2 237	3 637	5 656	10 423	10 147	10 147	10 044	8 605	9 120
<i>Infrastructure - Electricity</i>		1 164	1 262	14 975	2 361	2 454	2 454	1 761	1 866	1 978
<i>Infrastructure - Water</i>		3	16	-	210	210	210	-	-	-
<i>Infrastructure - Sanitation</i>		159	81	-	305	305	305	135	143	151
<i>Infrastructure - Other</i>		-	-	-	21	21	21	-	-	-
<b>Infrastructure</b>		3 563	4 995	20 631	13 320	13 136	13 136	11 940	10 615	11 250
Community		36	82	458	1 036	986	986	1 071	1 135	1 203
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1 819	2 080	2 403	2 912	2 902	2 902	4 012	4 240	4 495
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		5 419	7 157	28 041	22 890	22 646	22 646	23 457	22 809	24 177

Road and Electricity infrastructure has received a significant proportion of this allocation totalling R11.7 million.

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality’s Indigent Policy. The target is to register 13 000 or more indigent households during the 2011/12 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 12 2011/12 Medium-term capital budget per vote**

<b>Capital Expenditure - Standard</b>		Adj. Budget 2010/11	%	Budget 2011/12	%	Budget 2012/13	%	Budget 2013/14	%
Executive and council		151	0.3%	95	0.1%	–		–	
Budget and treasury office		–							
Corporate services		6 937	14.6%	7 302	9.3%	1 500	1.8%	3 000	4.2%
Community and social services		6 370	13.4%	3 037	3.9%	2 000	2.5%	2 500	3.5%
Sport and recreation		5 270	11.1%	12 795	16.3%	16 660	20.5%		
Public safety		4 247	8.9%	5 885	7.5%				
Planning and development		149	0.3%	52	0.1%				
Road transport		16 779	35.3%	45 437	58.0%	53 461	65.7%	64 328	89.6%
Environmental protection									
Electricity		3 300	6.9%	2 000	2.6%	2 000	2.5%	2 000	2.8%
Water		–		295	0.4%	–		–	
Waste water management		2 397	5.0%	1 105	1.4%				
Waste management		1 980	4.2%	340	0.4%	5 764	7.1%		
<i>Other</i>									
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>47 579</b>	<b>100%</b>	<b>78 343</b>	<b>100%</b>	<b>81 385</b>		<b>71 828</b>	<b>100%</b>

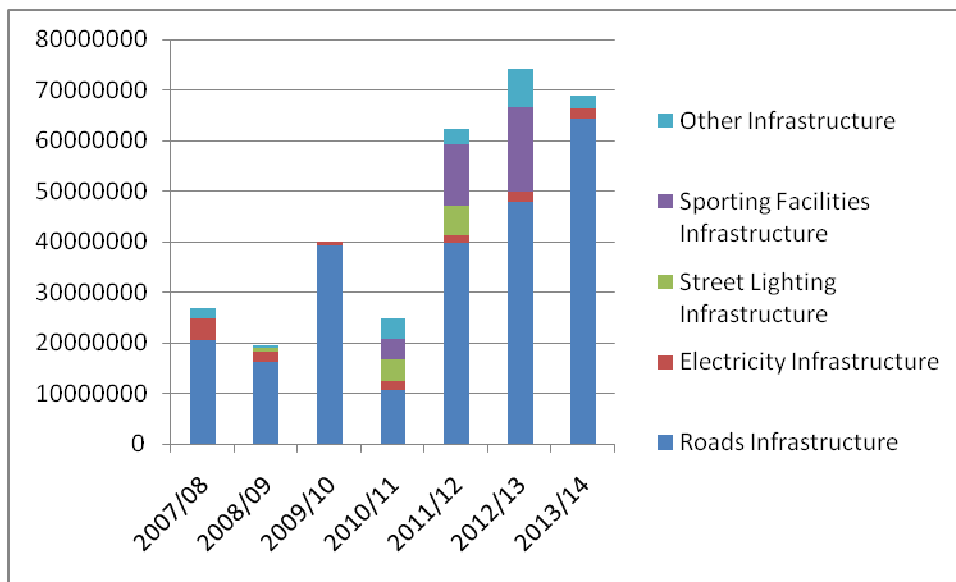
The total capital budget for the 2011/2012 financial year amounts to R78 million of which R59 million is for infrastructure development, representing 75,3 percent of total capital budget. Roads and Storm water representing the highest capital budget expenditure amounting to R42 million in the 2011/2012 financial year.

Total new assets represent the highest amount of capital budget due to the fact that the municipality is mainly rural and infrastructure development has just begun. Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset

renewal as well as operational repairs and maintenance by asset class. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- New Community Hall – Rotterdam – R1.5 million;
- Public Lighting – R5.7 million;
- Storm water Channels – R1.1 million
- Upgrading of Roads R36.9 million
- Refurbishment and renewal of electrical network – R1.5 million
- Sporting Facilities – R11.6 million
- Municipal offices – R3.0 million

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



**Figure 2 Capital Infrastructure Programme**

**1.6.1 Future operational cost of new infrastructure**

The infrastructure development done is mainly in the rural areas and presently there is no revenue collection done at these areas hence no operational cost of new infrastructure.

## **1.7 Annual Budget Tables – Greater Letaba Municipality**

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2011/12 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.



**Table A1 - Budget Summary**

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	3 513	1 196	5 499	6 597	6 800	6 800	6 800	7 083	7 508	7 958
Service charges	11 019	12 327	9 881	19 183	14 541	14 541	14 541	17 400	18 578	19 698
Investment revenue	583	773	542	821	821	821	821	758	804	852
Transfers recognised - operational	48 180	60 848	96 157	122 003	129 594	129 594	129 594	138 991	152 234	162 014
Other own revenue	12 936	15 601	9 431	13 879	10 797	10 797	10 798	16 992	19 826	21 018
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>76 231</b>	<b>90 745</b>	<b>121 510</b>	<b>162 484</b>	<b>162 553</b>	<b>162 553</b>	<b>162 554</b>	<b>181 224</b>	<b>198 949</b>	<b>211 541</b>
Employee costs	18 920	22 820	25 689	37 355	33 236	33 236	33 236	45 951	48 707	51 628
Remuneration of councillors	8 888	9 921	9 896	15 560	11 324	11 324	11 324	15 885	16 838	17 848
Depreciation & asset impairment	–	–	4 550	5 623	5 623	5 623	5 623	6 434	6 820	7 229
Finance charges	333	392	–	392	392	392	392	392	416	441
Materials and bulk purchases	7 864	9 094	6 054	14 256	14 256	14 256	14 256	16 386	17 369	18 411
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	23 845	24 953	52 105	51 612	55 269	55 269	55 269	50 807	51 802	54 908
<b>Total Expenditure</b>	<b>59 848</b>	<b>67 181</b>	<b>98 294</b>	<b>124 798</b>	<b>120 100</b>	<b>120 100</b>	<b>120 100</b>	<b>135 854</b>	<b>141 951</b>	<b>150 464</b>
<b>Surplus/(Deficit)</b>	<b>16 383</b>	<b>23 564</b>	<b>23 216</b>	<b>37 685</b>	<b>42 453</b>	<b>42 453</b>	<b>42 454</b>	<b>45 370</b>	<b>56 998</b>	<b>61 077</b>
Transfers recognised - capital	19 512	16 126	42 009	34 238	1 944	1 944	1 944	32 997	40 121	42 328
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>35 895</b>	<b>39 690</b>	<b>65 225</b>	<b>71 923</b>	<b>44 397</b>	<b>44 397</b>	<b>44 398</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>35 895</b>	<b>39 690</b>	<b>65 225</b>	<b>71 923</b>	<b>44 397</b>	<b>44 397</b>	<b>44 398</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>30 461</b>	<b>25 323</b>	<b>45 697</b>	<b>71 681</b>	<b>47 579</b>	<b>47 579</b>	<b>47 579</b>	<b>78 343</b>	<b>81 385</b>	<b>71 828</b>
Transfers recognised - capital	19 512	16 126	42 009	34 238	1 944	1 944	14 943	32 997	40 121	42 328
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–

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Internally generated funds	10 949	9 197	3 688	37 443	45 635	45 635	32 636	45 346	41 264	29 500
<b>Total sources of capital funds</b>	<b>30 461</b>	25 323	45 697	71 681	47 579	47 579	47 579	78 343	81 385	71 828
<b>Financial position</b>										
Total current assets	10 035	30 053	67 063	83 086	83 086	83 086	83 086	65 302	68 308	72 270
Total non current assets	86 526	127 089	185 000	235 898	238 707	238 707	238 707	311 982	378 251	444 713
Total current liabilities	4 977	24 502	33 341	36 999	36 999	36 999	36 999	38 310	39 406	41 730
Total non current liabilities	16 091	13 001	15 513	15 035	15 035	15 035	15 035	14 563	14 084	13 608
Community wealth/Equity	75 492	119 639	203 209	266 950	269 759	269 759	269 759	324 411	393 069	461 645
<b>Cash flows</b>										
Net cash from (used) operating	29 955	45 284	65 202	72 406	49 229	49 229	49 229	78 751	93 567	99 620
Net cash from (used) investing	(28 369)	(26 072)	(46 104)	(71 681)	(47 579)	(47 579)	(47 579)	(78 343)	(81 385)	(71 828)
Net cash from (used) financing	(311)	(582)	(454)	(484)	(484)	(484)	(484)	(384)	(384)	(384)
<b>Cash/cash equivalents at the year end</b>	<b>3 804</b>	22 434	41 078	11 164	14 167	14 167	14 167	12 587	24 385	51 793
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	9 325	19 316	44 845	65 826	65 826	65 826	65 826	41 443	44 251	42 575
Application of cash and investments	(5 277)	14 042	10 256	14 249	11 645	11 645	11 646	11 974	11 556	10 665
<b>Balance - surplus (shortfall)</b>	<b>14 602</b>	5 274	34 589	51 577	54 181	54 181	54 180	29 469	32 695	31 910
<b>Asset management</b>										
Asset register summary (WDV)	79 730	120 906	178 392	228 697	231 506	231 506	304 728	304 728	370 987	437 432
Depreciation & asset impairment	-	-	4 550	5 623	5 623	5 623	6 434	6 434	6 820	7 229
Renewal of Existing Assets	-	455	2 179	4 000	10 000	10 000	6 600	6 600	6 000	2 000
Repairs and Maintenance	5 419	7 157	23 492	17 267	17 023	17 023	17 023	17 023	15 990	16 948
<b>Free services</b>										
Cost of Free Basic Services provided	2 229	1 066	1 467	5 862	5 089	5 089	5 090	5 090	5 401	5 722
Revenue cost of free services provided	2 587	2 086	1 184	5 600	4 800	4 800	4 800	4 800	5 094	5 396

<b>Households below minimum service level</b>										
Water:	19 126	19 126	8 827	8 827	8 827	8 827	2 539	2 539	2 539	2 539
Sanitation/sewerage:	16 248	16 248	11 315	11 315	11 315	11 315	11 315	11 315	11 315	11 315
Energy:	18 321	18 321	11 726	11 726	11 726	11 726	11 726	11 726	11 726	11 726
Refuse:	23 697	23 697	59 539	59 539	59 539	59 539	59 539	59 539	59 539	59 539

### **Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. The municipality's electricity backlog has been eliminated, only new settlements are outstanding.

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

Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue – Standard</b>										
<b>Governance and administration</b>		76 444	82 598	137 979	155 811	120 407	120 407	180 176	201 034	213 542
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		76 444	82 598	137 979	155 811	120 407	120 407	180 176	201 034	213 542
Corporate services		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		2 689	3 483	3 950	4 446	5 036	5 036	5 798	6 145	6 514
Planning and development		50	-	-	-	-	-	-	-	-
Road transport		2 639	3 483	3 950	4 446	5 036	5 036	5 798	6 145	6 514
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		16 610	20 788	21 590	36 465	43 401	43 401	28 247	29 923	31 728
Electricity		4 715	5 172	18 831	14 246	19 262	19 262	9 700	10 277	10 896
Water		8 596	12 108	-	17 893	20 413	20 413	15 596	16 522	17 519
Waste water management		1 125	1 150	-	1 471	1 140	1 140	966	1 023	1 085
Waste management		2 175	2 358	2 758	2 856	2 586	2 586	1 985	2 102	2 229
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue – Standard</b>	2	95 743	106 870	163 519	196 721	168 845	168 845	214 221	237 102	251 785
<b>Expenditure – Standard</b>										
<b>Governance and administration</b>		22 760	26 351	57 556	45 829	48 471	48 471	69 402	73 484	77 893
Executive and council		13 077	13 177	21 030	25 713	24 911	24 911	34 857	36 936	39 152
Budget and treasury office		5 421	5 235	24 362	7 324	12 954	12 954	12 389	13 133	13 921
Corporate services		4 263	7 939	12 164	12 792	10 607	10 607	22 155	23 415	24 820
<b>Community and public safety</b>		6 860	7 429	6 216	13 365	11 174	11 174	10 485	11 114	11 781
Community and social services		1 055	1 400	1 197	2 951	2 071	2 071	1 811	1 919	2 034
Sport and recreation		3 932	3 945	2 924	7 260	6 011	6 011	5 371	5 694	6 035
Public safety		1 478	1 697	1 458	2 637	2 688	2 688	2 834	3 004	3 184
Housing		395	388	637	517	403	403	469	497	527
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		13 390	14 825	13 010	29 763	24 634	24 634	26 363	27 942	29 616
Planning and development		2 070	2 432	3 230	8 091	5 984	5 984	7 014	7 432	7 875
Road transport		11 319	12 392	9 780	21 672	18 650	18 650	19 349	20 510	21 741
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		16 839	18 576	21 512	35 842	35 821	35 821	29 604	31 379	33 259
Electricity		5 419	7 157	18 930	17 267	17 023	17 023	15 234	16 147	17 115
Water		7 384	7 441	15	12 131	12 044	12 044	9 163	9 713	10 296
Waste water management		1 529	1 406	363	2 544	2 668	2 668	1 865	1 977	2 093
Waste management		2 507	2 572	2 205	3 899	4 085	4 085	3 342	3 542	3 755
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure – Standard</b>	3	59 848	67 181	98 294	124 798	120 100	120 100	135 854	143 919	152 548
<b>Surplus/(Deficit) for the year</b>		35 895	39 690	65 225	71 923	48 745	48 745	78 367	93 183	99 237

**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity, Water, Waste water functions, and the Waste management function. This situation is due to distribution losses, debt impairment and revenue foregone which is subsidised from equitable share allocation.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

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

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue by Vote</b>	1									
Executive & Council		-	-	-	-	-	-	-	-	-
Budget & Treasury		76 444	82 598	137 979	155 811	120 407	120 407	180 176	201 034	213 542
Corporate Services		-	-	-	-	-	-	-	-	-
Economic Planning & Development		50	-	-	-	-	-	-	-	-
Community Services		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Public Safety		-	-	-	-	-	-	-	-	-
Sports & Recreation		-	-	-	-	-	-	-	-	-
Waste Management		2 175	2 358	2 758	2 856	2 586	2 586	1 985	2 102	2 229
Waste Water Management		1 125	1 150	-	1 471	1 140	1 140	966	1 023	1 085
Roads		2 639	3 483	3 950	4 446	5 036	5 036	5 798	6 145	6 514
Water		8 596	12 108	-	17 893	17 810	17 810	15 596	16 522	17 519
Electricity		4 715	5 172	18 831	14 246	17 517	17 517	9 700	12 245	12 980
<b>Total Revenue by Vote</b>	2	<b>95 743</b>	<b>106 870</b>	<b>163 519</b>	<b>196 721</b>	<b>164 497</b>	<b>164 497</b>	<b>214 221</b>	<b>239 070</b>	<b>253 869</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Executive & Council		13 077	13 177	21 030	25 713	24 911	24 911	34 857	36 936	39 152
Budget & Treasury		5 421	5 235	24 362	7 324	12 954	12 954	12 389	13 133	13 921
Corporate Services		5 149	8 925	12 934	14 114	11 962	11 962	23 095	24 412	25 876
Economic Planning & Development		2 070	2 432	3 230	8 091	5 984	5 984	7 014	7 432	7 875
Community Services		1 055	1 400	1 197	2 951	2 071	2 071	1 811	1 919	2 034
Housing		395	388	637	517	403	403	469	497	527
Public Safety		592	711	688	1 315	1 333	1 333	1 894	2 007	2 128
Sports & Recreation		3 932	3 945	2 924	7 260	6 011	6 011	5 371	5 694	6 035
Waste Management		2 507	2 572	2 205	3 899	4 085	4 085	3 342	3 542	3 755
Waste Water Management		1 529	1 406	363	2 544	2 668	2 668	1 865	1 977	2 093
Roads		11 319	12 392	9 780	21 672	18 650	18 650	19 349	20 510	21 741
Water		7 384	7 441	15	12 131	12 044	12 044	9 163	9 713	10 296
Electricity		5 419	7 157	18 930	17 267	17 024	17 024	15 234	14 179	15 031
<b>Total Expenditure by Vote</b>	2	<b>59 848</b>	<b>67 181</b>	<b>98 294</b>	<b>124 798</b>	<b>120 100</b>	<b>120 100</b>	<b>135 854</b>	<b>141 951</b>	<b>150 464</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>35 895</b>	<b>39 690</b>	<b>65 225</b>	<b>71 923</b>	<b>44 397</b>	<b>44 397</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

**Table 13 Surplus/(Deficit) calculations for the trading services**

Description	Audited Outcome 2007/08	Audited 2008/09	Audited Outcome 2009/10	Orig.Budget 2010/11	Adj.Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14
Electricity								
Total Revenue	4 715	5 172	18 831	14 246	17 517	9 700	10 277	10 896
Operating Expenditure	5 419	7 157	18 930	17 267	17 023	15 234	14 179	15 031
<b>Surplus/ (Deficit)</b>	<b>(704)</b>	<b>(1 985)</b>	<b>(99)</b>	<b>(3 021)</b>	<b>494</b>	<b>(5 534)</b>	<b>(3 902)</b>	<b>(4 135)</b>
Water								
Total Revenue	8 596	12 108	0	17 893	17 810	15 596	18 490	19 603
Operating Expenditure	7 384	7 441	0	12 131	12 044	9 163	9 713	10 296
<b>Surplus/ (Deficit)</b>	<b>1 212</b>	<b>4 667</b>		<b>5 762</b>	<b>5 766</b>	<b>6 433</b>	<b>8 777</b>	<b>9 307</b>

2. The electricity account is in a deficit due to electricity losses and debt impairment of R2.6 million. Electricity tariff has been restructured, continuous maintenance to reduce losses and data cleansing and revenue enhancement strategy will assist in dealing with the situation.
3. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 11 per cent, 26 per cent and 6 per cent for each of the respective financial years.
4. Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure.

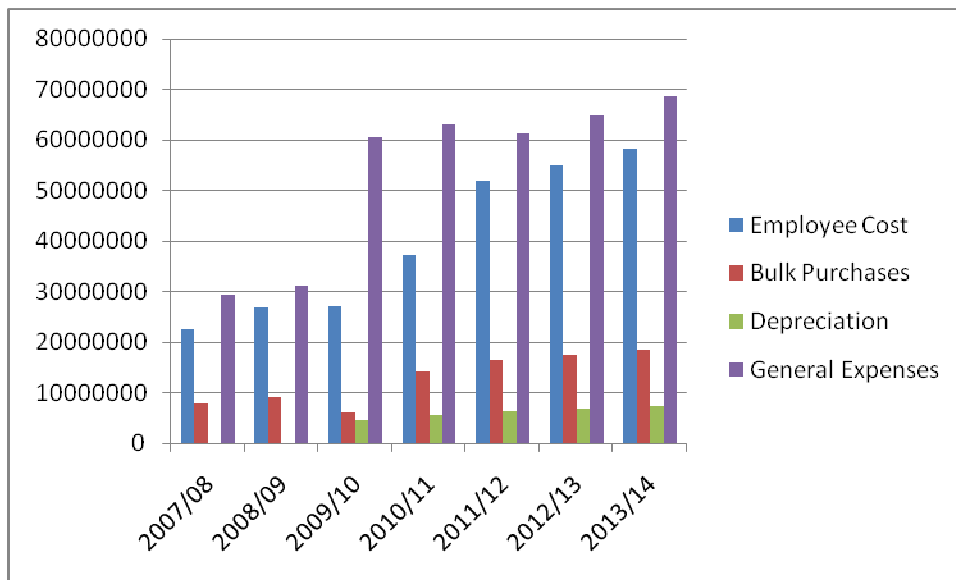


**Table 14 A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>											
Property rates	2	3 513	1 196	5 499	6 597	6 800	6 800	6 800	7 083	7 508	7 958
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	4 715	5 172	7 123	9 246	8 517	8 517	8 517	10 753	11 395	12 080
Service charges - water revenue	2	3 005	3 647	-	5 611	2 297	2 297	2 297	2 443	2 584	2 742
Service charges - sanitation revenue	2	1 125	1 150	-	1 471	1 140	1 140	1 140	1 302	1 524	1 616
Service charges - refuse revenue	2	2 175	2 358	2 758	2 856	2 586	2 586	2 586	2 901	3 075	3 260
Service charges - other											
Rental of facilities and equipment		251	275	147	285	120	120	120	187	199	211
Interest earned - external investments		583	773	542	821	821	821	821	758	804	852
Interest earned - outstanding debtors		3 473	1 823	3 106	1 500	5 000	5 000	5 000	2 856	3 027	3 209
Dividends received				0							
Fines		231	235	188	700	700	700	700	356	377	400
Licences and permits		2 409	3 248	2 725	3 746	2 996	2 996	2 997	4 008	4 248	4 503
Agency services									1 434	1 520	1 611
Transfers recognised - operational		48 180	60 848	96 157	122 003	129 594	129 594	129 594	138 991	152 234	162 014
Other revenue	2	6 573	9 295	3 264	7 648	1 981	1 981	1 981	7 851	10 136	10 747
Gains on disposal of PPE			724						300	318	337
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>76 231</b>	<b>90 745</b>	<b>121 510</b>	<b>162 484</b>	<b>162 553</b>	<b>162 553</b>	<b>162 554</b>	<b>181 224</b>	<b>198 949</b>	<b>211 541</b>
<b>Expenditure By Type</b>											
Employee related costs	2	18 920	22 820	25 689	37 355	33 236	33 236	33 236	45 951	48 707	51 628
Remuneration of councillors		8 888	9 921	9 896	15 560	11 324	11 324	11 324	15 885	16 838	17 848
Debt impairment	3	-	-	-	4 809	14 319	14 319	14 319	7 858	6 373	6 751
Depreciation & asset impairment	2	-	-	4 550	5 623	5 623	5 623	5 623	6 434	6 820	7 229
Finance charges		333	392	-	392	392	392	392	392	416	441
Bulk purchases	2	7 864	9 094	6 054	14 256	14 256	14 256	14 256	16 386	17 369	18 411
Other materials	8										
Contracted services		3 860	4 930	5 588	8 031	9 651	9 651	9 651	9 292	9 849	10 440
Transfers and grants											
Other expenditure	4, 5	19 985	20 023	46 517	38 773	31 298	31 298	31 298	33 657	35 580	37 716
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>59 848</b>	<b>67 181</b>	<b>98 294</b>	<b>124 798</b>	<b>120 100</b>	<b>120 100</b>	<b>120 100</b>	<b>135 854</b>	<b>141 951</b>	<b>150 464</b>
<b>Surplus/(Deficit)</b>		<b>16 383</b>	<b>23 564</b>	<b>23 216</b>	<b>37 685</b>	<b>42 453</b>	<b>42 453</b>	<b>42 454</b>	<b>45 370</b>	<b>56 998</b>	<b>61 077</b>
Transfers recognised - capital		19 512	16 126	42 009	34 238	1 944	1 944	1 944	32 997	40 121	42 328
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>35 895</b>	<b>39 690</b>	<b>65 225</b>	<b>71 923</b>	<b>44 397</b>	<b>44 397</b>	<b>44 398</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>35 895</b>	<b>39 690</b>	<b>65 225</b>	<b>71 923</b>	<b>44 397</b>	<b>44 397</b>	<b>44 398</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>35 895</b>	<b>39 690</b>	<b>65 225</b>	<b>71 923</b>	<b>44 397</b>	<b>44 397</b>	<b>44 398</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>35 895</b>	<b>39 690</b>	<b>65 225</b>	<b>71 923</b>	<b>44 397</b>	<b>44 397</b>	<b>44 398</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R181 million in 2011/12 and escalates to R211 million by 2013/14. This represents a year-on-year increase of 9 per cent for the 2012/13 financial year and 6 per cent for the 2013/14 financial year.
2. Revenue to be generated from property rates is R7 million in the 2011/12 financial year and increases to R7.9 million by 2013/14 which represents 11 per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 10 per cent, 9 per cent and 9 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes R17.4 million for the 2011/12 financial year and increasing to R19.7 million by 2013/14. For the 2011/12 financial year services charges amount to 9.6 per cent of the total revenue base
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue is 77 per cent and forms the biggest source of revenue for the municipality
5. The following graph illustrates the major expenditure items per type.



**Figure 3 Expenditure by major type**

6. Bulk purchases have significantly increased over the 2007/08 to 2012/14 period escalating from R7.9 million to R16.4 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>	1										
<b>Capital expenditure – Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Executive & Council		–	–	–	–	–	–	–	–	–	–
Budget & Treasury		–	–	–	–	–	–	–	–	–	–
Corporate Services		297	2 988	1 671	6 116	3 100	3 100	3 100	3 016	–	–
Economic Planning & Development		–	–	–	–	–	–	–	–	–	–
Community Services		1 031	–	–	4 037	3 660	3 660	3 660	3 037	2 000	2 000
Housing		–	–	–	–	–	–	–	–	–	–
Public Safety		–	–	–	–	–	–	–	–	–	–
Sports & Recreation		–	–	–	6 000	3 900	3 900	3 900	11 560	16 660	–
Waste Management		–	–	–	–	–	–	–	–	4 000	–
Waste Water Management		–	–	–	–	–	–	–	–	–	–
Roads		20 442	16 314	40 960	27 400	14 800	14 800	14 800	42 922	52 461	63 128
Water		–	–	–	–	–	–	–	–	–	–
Electricity		4 418	2 299	455	3 300	3 300	3 300	3 300	1 500	2 000	2 000
Vote14 - Example 14		–	–	–	–	–	–	–	–	–	–
Vote15 - Example 15		–	–	–	–	–	–	–	–	–	–
<b>Capital multi-year expenditure sub-total</b>	7	<b>26 187</b>	<b>21 602</b>	<b>43 086</b>	<b>46 853</b>	<b>28 760</b>	<b>28 760</b>	<b>28 760</b>	<b>62 035</b>	<b>77 121</b>	<b>67 128</b>
<b>Single-year expenditure to be appropriated</b>	2										
Executive & Council		806	734	369	600	151	151	151	95	–	–
Budget & Treasury		–	–	331	–	–	–	–	–	–	–
Corporate Services		55	–	996	3 467	3 837	3 837	3 837	4 286	1 500	3 000
Economic Planning & Development		–	–	–	250	149	149	149	52	–	–
Community Services		1 005	615	–	8 553	2 710	2 710	2 710	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Public Safety		14	826	619	2 550	4 247	4 247	4 247	5 885	–	–
Sports & Recreation		570	429	65	2 126	1 370	1 370	1 370	1 235	–	500
Waste Management		1 008	430	128	1 582	1 980	1 980	1 980	340	1 764	–
Waste Water Management		–	385	103	1 850	2 397	2 397	2 397	1 105	–	–
Roads		95	231	–	3 731	1 979	1 979	1 979	2 515	1 000	1 200
Water		719	70	–	120	–	–	–	295	–	–
Electricity		–	–	–	–	–	–	–	500	–	–
Vote14 - Example 14		–	–	–	–	–	–	–	–	–	–
Vote15 - Example 15		–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>		<b>4 273</b>	<b>3 721</b>	<b>2 612</b>	<b>24 828</b>	<b>18 819</b>	<b>18 819</b>	<b>18 819</b>	<b>16 308</b>	<b>4 264</b>	<b>4 700</b>
<b>Total Capital Expenditure - Vote</b>		<b>30 461</b>	<b>25 323</b>	<b>45 697</b>	<b>71 681</b>	<b>47 579</b>	<b>47 579</b>	<b>47 579</b>	<b>78 343</b>	<b>81 385</b>	<b>71 828</b>
<b>Capital Expenditure – Standard</b>											
<b>Governance and administration</b>		<b>1 159</b>	<b>3 722</b>	<b>3 368</b>	<b>10 183</b>	<b>7 087</b>	<b>7 087</b>	<b>7 087</b>	<b>7 397</b>	<b>1 500</b>	<b>3 000</b>
Executive and council		806	734	369	600	151	151	151	95	–	–
Budget and treasury office		–	–	331	–	–	–	–	–	–	–
Corporate services		353	2 988	2 668	9 583	6 937	6 937	6 937	7 302	1 500	3 000
<b>Community and public safety</b>		<b>2 571</b>	<b>1 871</b>	<b>684</b>	<b>23 265</b>	<b>15 886</b>	<b>15 886</b>	<b>15 886</b>	<b>21 717</b>	<b>18 660</b>	<b>2 500</b>
Community and social services		2 061	615	–	12 590	6 370	6 370	6 370	3 037	2 000	2 500
Sport and recreation		496	429	65	8 126	5 270	5 270	5 270	12 795	16 660	–
Public safety		14	826	619	2 550	4 247	4 247	4 247	5 885	–	–

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Housing		-									
Health		-									
<b>Economic and environmental services</b>		<b>20 585</b>	<b>16 546</b>	<b>40 960</b>	<b>31 381</b>	<b>16 928</b>	<b>16 928</b>	<b>16 928</b>	<b>45 489</b>	<b>53 461</b>	<b>64 328</b>
Planning and development		48	132		250	149	149	149	52		
Road transport		20 537	16 414	40 960	31 131	16 779	16 779	16 779	45 437	53 461	64 328
Environmental protection											
<b>Trading services</b>		<b>6 146</b>	<b>3 184</b>	<b>686</b>	<b>6 852</b>	<b>7 677</b>	<b>7 677</b>	<b>7 677</b>	<b>3 740</b>	<b>7 764</b>	<b>2 000</b>
Electricity		4 419	2 299	455	3 300	3 300	3 300	3 300	2 000	2 000	2 000
Water		719	70		120	-	-	-	295	-	-
Waste water management			385	103	1 850	2 397	2 397	2 397	1 105		
Waste management		1 008	430	128	1 582	1 980	1 980	1 980	340	5 764	
<b>Other</b>											
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>30 461</b>	<b>25 323</b>	<b>45 697</b>	<b>71 681</b>	<b>47 579</b>	<b>47 579</b>	<b>47 579</b>	<b>78 343</b>	<b>81 385</b>	<b>71 828</b>
<b>Funded by:</b>											
National Government		19 512	16 126	42 009	34 238	1 944	1 944	14 943	32 997	40 121	42 328
Provincial Government											
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	<b>4</b>	<b>19 512</b>	<b>16 126</b>	<b>42 009</b>	<b>34 238</b>	<b>1 944</b>	<b>1 944</b>	<b>14 943</b>	<b>32 997</b>	<b>40 121</b>	<b>42 328</b>
<b>Public contributions &amp; donations</b>	<b>5</b>										
<b>Borrowing</b>	<b>6</b>										
<b>Internally generated funds</b>		10 949	9 197	3 688	37 443	45 635	45 635	32 636	45 346	41 264	29 500
<b>Total Capital Funding</b>	<b>7</b>	<b>30 461</b>	<b>25 323</b>	<b>45 697</b>	<b>71 681</b>	<b>47 579</b>	<b>47 579</b>	<b>47 579</b>	<b>78 343</b>	<b>81 385</b>	<b>71 828</b>

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2011/12 R62 million has been allocated of the total R78 million capital budget, which totals 79.2 per cent. This allocation escalates to R77 million in 2012/12 and then flattens out to R67 million in 2013/14 owing primarily to the fact that various projects reach completion in 2012/13 hence the spike in expenditure in year two.
3. Single-year capital expenditure has been appropriated at R16 million for the 2011/12 financial year and remains relatively constant over the MTREF at levels of R4.2 million and R4.7 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital grants and transfers, and internally generated funds from current year surpluses. For 2011/12, capital transfers totals R32.9 million (42 per cent) and escalates to R42 by 2013/14 (58.9 per cent). These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

**Table A6 - Budgeted Financial Position**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		2 530	13 133	38 237	58 625	58 625	58 625	58 625	44 189	46 987	45 294
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	3 971	7 953	7 814	11 498	11 498	11 498	11 498	15 622	17 278	20 952
Other debtors		2 914	6 241	18 248	10 251	10 251	10 251	10 251	12 945	11 349	13 238
Current portion of long-term receivables		24									
Inventory	2	597	2 726	2 763	2 713	2 713	2 713	2 713	2 746	2 694	2 786
<b>Total current assets</b>		<b>10 035</b>	<b>30 053</b>	<b>67 063</b>	<b>83 086</b>	<b>83 086</b>	<b>83 086</b>	<b>83 086</b>	<b>75 502</b>	<b>78 308</b>	<b>82 270</b>
<b>Non current assets</b>											
Long-term receivables											
Investments		6 796	6 183	6 607	7 201	7 201	7 201	7 201	7 254	7 264	7 281
Investment property											
Investment in Associate											
Property, plant and equipment	3	79 730	120 867	178 361	228 666	231 475	231 475	231 475	304 697	370 956	437 401
Agricultural											
Biological											
Intangible			39	31	31	31	31	31	31	31	31
Other non-current assets											
<b>Total non current assets</b>		<b>86 526</b>	<b>127 089</b>	<b>185 000</b>	<b>235 898</b>	<b>238 707</b>	<b>238 707</b>	<b>238 707</b>	<b>311 982</b>	<b>378 251</b>	<b>444 713</b>
<b>TOTAL ASSETS</b>		<b>96 560</b>	<b>157 142</b>	<b>252 062</b>	<b>318 984</b>	<b>321 793</b>	<b>321 793</b>	<b>321 793</b>	<b>387 484</b>	<b>456 559</b>	<b>526 983</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	390	617	587	487	487	487	487	488	489	490
Consumer deposits		381	221	221	232	232	232	232	230	225	229
Trade and other payables	4	4 205	23 663	32 214	35 977	35 977	35 977	35 977	37 293	38 391	40 716
Provisions				318	303	303	303	303	299	301	295
<b>Total current liabilities</b>		<b>4 977</b>	<b>24 502</b>	<b>33 341</b>	<b>36 999</b>	<b>36 999</b>	<b>36 999</b>	<b>36 999</b>	<b>38 310</b>	<b>39 406</b>	<b>41 730</b>
<b>Non current liabilities</b>											
Borrowing		11 561	11 238	10 589	10 102	10 102	10 102	10 102	9 614	9 125	8 635
Provisions		4 530	1 763	4 924	4 933	4 933	4 933	4 933	4 949	4 959	4 973
<b>Total non current liabilities</b>		<b>16 091</b>	<b>13 001</b>	<b>15 513</b>	<b>15 035</b>	<b>15 035</b>	<b>15 035</b>	<b>15 035</b>	<b>14 563</b>	<b>14 084</b>	<b>13 608</b>
<b>TOTAL LIABILITIES</b>		<b>21 068</b>	<b>37 503</b>	<b>48 853</b>	<b>52 034</b>	<b>52 034</b>	<b>52 034</b>	<b>52 034</b>	<b>52 873</b>	<b>53 490</b>	<b>55 338</b>
<b>NET ASSETS</b>	5	<b>75 492</b>	<b>119 639</b>	<b>203 209</b>	<b>266 950</b>	<b>269 759</b>	<b>269 759</b>	<b>269 759</b>	<b>334 611</b>	<b>403 069</b>	<b>471 645</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		75 492	119 639	203 209	266 950	269 759	269 759	269 759	334 611	403 069	471 645
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>75 492</b>	<b>119 639</b>	<b>203 209</b>	<b>266 950</b>	<b>269 759</b>	<b>269 759</b>	<b>269 759</b>	<b>334 611</b>	<b>403 069</b>	<b>471 645</b>

### **Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 66 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table A7 - Budgeted Cash Flow Statement**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		57 349	26 544	19 749	44 230	38 846	38 846	38 846	36 619	38 796	41 134
Government - operating	1	73 333	60 848	84 449	117 003	120 234	120 234	120 234	138 991	152 234	162 014
Government - capital	1		16 126	53 718	32 238	1 944	1 944	1 944	32 997	40 121	42 328
Interest		1 732	3 213	5 587	3 250	7 821	7 821	7 821	5 614	5 951	6 308
Dividends											
<b>Payments</b>											
Suppliers and employees		(100 296)	(59 481)	(96 366)	(122 633)	(117 935)	(117 935)	(117 935)	(133 689)	(141 624)	(150 116)
Finance charges		(2 163)	(1 966)	(1 934)	(1 681)	(1 681)	(1 681)	(1 681)	(1 781)	(1 911)	(2 049)
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>29 955</b>	<b>45 284</b>	<b>65 202</b>	<b>72 406</b>	<b>49 229</b>	<b>49 229</b>	<b>49 229</b>	<b>78 751</b>	<b>93 567</b>	<b>99 620</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors		111									
Decrease (increase) other non-current receivables		2 564	24								
Decrease (increase) in non-current investments		(583)	(773)	(407)							
<b>Payments</b>											
Capital assets		(30 461)	(25 323)	(45 697)	(71 681)	(47 579)	(47 579)	(47 579)	(78 343)	(81 385)	(71 828)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(28 369)</b>	<b>(26 072)</b>	<b>(46 104)</b>	<b>(71 681)</b>	<b>(47 579)</b>	<b>(47 579)</b>	<b>(47 579)</b>	<b>(78 343)</b>	<b>(81 385)</b>	<b>(71 828)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
<b>Payments</b>											
Repayment of borrowing		(311)	(582)	(454)	(484)	(484)	(484)	(484)	(384)	(384)	(384)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(311)</b>	<b>(582)</b>	<b>(454)</b>	<b>(484)</b>	<b>(484)</b>	<b>(484)</b>	<b>(484)</b>	<b>(384)</b>	<b>(384)</b>	<b>(384)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1 274</b>	<b>18 630</b>	<b>18 644</b>	<b>241</b>	<b>1 167</b>	<b>1 167</b>	<b>1 167</b>	<b>24</b>	<b>11 798</b>	<b>27 408</b>
Cash/cash equivalents at the year begin:	2	2 530	3 804	22 434	10 923	13 000	13 000	13 000	12 563	12 587	24 385
Cash/cash equivalents at the year end:	2	3 804	22 434	41 078	11 164	14 167	14 167	14 167	12 587	24 385	51 793



**Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	3 804	22 434	41 078	11 164	14 167	14 167	14 167	12 587	24 385	51 793
Other current investments > 90 days		(1 274)	(9 301)	(2 840)	47 460	44 458	44 458	44 458	31 602	22 602	(6 499)
Non current assets - Investments	1	6 796	6 183	6 607	7 201	7 201	7 201	7 201	7 254	7 264	7 281
<b>Cash and investments available:</b>		<b>9 325</b>	<b>19 316</b>	<b>44 845</b>	<b>65 826</b>	<b>65 826</b>	<b>65 826</b>	<b>65 826</b>	<b>51 443</b>	<b>54 251</b>	<b>52 575</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	2 853	886	550	550	550	550	300	239	189
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	(5 277)	11 188	9 369	13 699	11 095	11 095	11 096	11 674	11 317	10 476
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>(5 277)</b>	<b>14 042</b>	<b>10 256</b>	<b>14 249</b>	<b>11 645</b>	<b>11 645</b>	<b>11 646</b>	<b>11 974</b>	<b>11 556</b>	<b>10 665</b>
<b>Surplus(shortfall)</b>		<b>14 602</b>	<b>5 274</b>	<b>34 589</b>	<b>51 577</b>	<b>54 181</b>	<b>54 181</b>	<b>54 180</b>	<b>39 469</b>	<b>42 695</b>	<b>41 910</b>

### **Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. Cash and cash equivalents totals R51.4 million as at the end of the 2011/12 financial year and escalates to R52.6 million by 2013/14.

### **Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2007/08 to 2010/11 the surplus increased from R14 million to R39 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2010/11 MTREF was not funded owing to the significant deficit.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2011/12 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

**Table A9 - Asset Management**

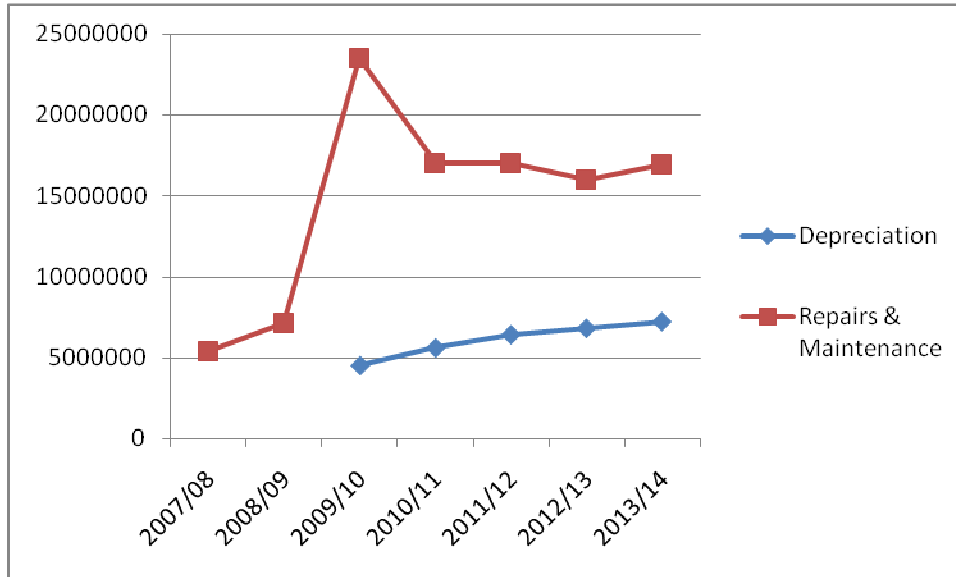
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>		<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>						
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	30 461	25 323	45 697	71 681	47 579	47 579	78 343	81 385	71 828
Infrastructure - Road transport		20 442	16 314	40 989	34 131	18 524	18 524	44 942	51 961	64 328
Infrastructure - Electricity		4 418	3 104	1 066	3 700	7 542	7 542	7 700	2 000	2 000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		24 860	19 418	42 055	37 831	26 066	26 066	52 642	53 961	66 328
Community		2 036	1 045	-	21 222	11 949	11 949	15 322	24 160	2 500
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	3 566	4 860	3 643	12 628	9 565	9 565	10 379	3 264	3 000
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	455	2 179	4 000	10 000	10 000	6 600	6 000	2 000
Infrastructure - Road transport		-	-	1 849	2 000	8 000	8 000	5 100	4 000	-
Infrastructure - Electricity		-	455	330	2 000	2 000	2 000	1 500	2 000	2 000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	455	2 179	4 000	10 000	10 000	6 600	6 000	2 000
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4									
Infrastructure - Road transport		20 442	16 314	42 838	36 131	26 524	26 524	50 042	55 961	64 328
Infrastructure - Electricity		4 418	3 559	1 396	5 700	9 542	9 542	9 200	4 000	4 000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		24 860	19 873	44 234	41 831	36 066	36 066	59 242	59 961	68 328
Community		2 036	1 045	-	21 222	11 949	11 949	15 322	24 160	2 500
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		3 566	4 860	3 643	12 628	9 565	9 565	10 379	3 264	3 000
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	30 461	25 777	47 876	75 681	57 579	57 579	84 943	87 385	73 828
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		34 945	51 228	73 989	82 744	74 825	74 825	114 931	157 030	213 975

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Infrastructure - Electricity		10 663	11 468	21 011	28 711	30 553	30 553	39 753	43 753	47 753
Infrastructure - Water		13 772	16 062	709	709	709	709	709	709	709
Infrastructure - Sanitation		4 161	4 232							
Infrastructure - Other		3 103	7 511	17 139	17 139	17 139	17 139	17 139	17 139	17 139
Infrastructure		66 644	90 502	112 848	129 303	123 226	123 226	172 532	218 631	279 576
Community		8 014	25 916	56 264	77 486	89 435	89 435	104 757	123 417	125 917
Heritage assets										
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		5 072	4 449	9 249	21 877	18 814	18 814	27 408	28 908	31 908
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	39	31	31	31	31	31	31	31
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>79 730</b>	<b>120 906</b>	<b>178 392</b>	<b>228 697</b>	<b>231 506</b>	<b>231 506</b>	<b>304 728</b>	<b>370 987</b>	<b>437 432</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		-	-	4 550	5 623	5 623	5 623	6 434	6 820	7 229
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	<b>5 419</b>	<b>7 157</b>	<b>23 492</b>	<b>17 267</b>	<b>17 023</b>	<b>17 023</b>	<b>17 023</b>	<b>15 990</b>	<b>16 948</b>
Infrastructure - Road transport		2 237	3 637	5 656	10 423	10 147	10 147	10 044	8 605	9 120
Infrastructure - Electricity		1 164	1 262	14 975	2 361	2 454	2 454	1 761	1 866	1 978
Infrastructure - Water		3	16	-	210	210	210	-	-	-
Infrastructure - Sanitation		159	81	-	305	305	305	135	143	151
Infrastructure - Other		-	-	-	21	21	21	-	-	-
Infrastructure		3 563	4 995	20 631	13 320	13 136	13 136	11 940	10 615	11 250
Community		36	82	458	1 036	986	986	1 071	1 135	1 203
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1 819	2 080	2 403	2 912	2 902	2 902	4 012	4 240	4 495
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>5 419</b>	<b>7 157</b>	<b>28 041</b>	<b>22 890</b>	<b>22 646</b>	<b>22 646</b>	<b>23 457</b>	<b>22 809</b>	<b>24 177</b>
<b>Renewal of Existing Assets as % of total capex</b>		<b>0.0%</b>	<b>1.8%</b>	<b>4.6%</b>	<b>5.3%</b>	<b>17.4%</b>	<b>17.4%</b>	<b>7.8%</b>	<b>6.9%</b>	<b>2.7%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>		<b>0.0%</b>	<b>0.0%</b>	<b>47.9%</b>	<b>71.1%</b>	<b>177.8%</b>	<b>177.8%</b>	<b>102.6%</b>	<b>88.0%</b>	<b>27.7%</b>
<b>R&amp;M as a % of PPE</b>		<b>6.8%</b>	<b>5.9%</b>	<b>13.2%</b>	<b>7.6%</b>	<b>7.4%</b>	<b>7.4%</b>	<b>5.6%</b>	<b>4.3%</b>	<b>3.9%</b>
<b>Renewal and R&amp;M as a % of PPE</b>		<b>7.0%</b>	<b>6.0%</b>	<b>14.0%</b>	<b>9.0%</b>	<b>12.0%</b>	<b>12.0%</b>	<b>8.0%</b>	<b>6.0%</b>	<b>4.0%</b>

**Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality’s strategy to address the maintenance backlog.



**Figure 4 Depreciation in relation to repairs and maintenance over the MTREF**

**Table Table A10 - Basic Service Delivery Measurement**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Household service targets (000)</b>	1									
<b>Water:</b>										
Piped water inside dwelling		3	3	6	6	6	6	6	6	6
Piped water inside yard (but not in dwelling)		15	15	17	17	17	17	17	17	17
Using public tap (at least min.service level)	2	16	16	26	26	26	26	32	32	32
Other water supply (at least min.service level)	4	1	1	2	2	2	2	2	2	2
<i>Minimum Service Level and Above sub-total</i>		35	35	51	51	51	51	57	57	57
Using public tap (< min.service level)	3	13	13	6	6	6	6	–	–	–
Other water supply (< min.service level)	4	2	2	1	1	1	1	3	3	3
No water supply		4	4	1	1	1	1	–	–	–
<i>Below Minimum Service Level sub-total</i>		19	19	9	9	9	9	3	3	3
<b>Total number of households</b>	5	<b>54</b>	<b>54</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		4	4	5	5	5	5	5	5	5
Flush toilet (with septic tank)		2	2	2	2	2	2	2	2	2
Chemical toilet		1	1	–	–	–	–	–	–	–
Pit toilet (ventilated)		31	31	41	41	41	41	41	41	41
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		37	37	48	48	48	48	48	48	48
Bucket toilet				0	0	0	0	0	0	0
Other toilet provisions (< min.service level)		16	16	0	0	0	0	0	0	0
No toilet provisions				11	11	11	11	11	11	11
<i>Below Minimum Service Level sub-total</i>		16	16	11	11	11	11	11	11	11
<b>Total number of households</b>	5	<b>54</b>	<b>54</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
<b>Energy:</b>										
Electricity (at least min.service level)		35	35	48	48	48	48	48	48	48
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		35	35	48	48	48	48	48	48	48
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		18	18	12	12	12	12	12	12	12
<i>Below Minimum Service Level sub-total</i>		18	18	12	12	12	12	12	12	12
<b>Total number of households</b>	5	<b>54</b>	<b>54</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
<b>Refuse:</b>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		2	2	2	2	2	2	2	2	2
Using communal refuse dump		2	2	2	2	2	2	2	2	2
Using own refuse dump				36	36	36	36	36	36	36
Other rubbish disposal		5	5	5	5	5	5	5	5	5
No rubbish disposal		14	14	14	14	14	14	14	14	14
<i>Below Minimum Service Level sub-total</i>		24	24	60	60	60	60	60	60	60
<b>Total number of households</b>	5	<b>24</b>	<b>24</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>

<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		27	27	27	27	27	27	27	27	27
Sanitation (free minimum level service)		27	27	27	27	27	27	27	27	27
Electricity/other energy (50kwh per household per month)		8	8	6	6	6	6	6	6	6
Refuse (removed at least once a week)		0	0	0	0	0	0	0	0	0
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		642	361	–	2 800	2 800	2 800	2 800	2 974	3 149
Sanitation (free sanitation service)		48	54	–	126	153	153	136	144	152
Electricity/other energy (50kwh per household per month)		1 445	559	1 184	2 800	2 000	2 000	2 000	2 120	2 247
Refuse (removed once a week)		95	92	283	136	136	136	154	164	173
<b>Total cost of FBS provided (minimum social package)</b>		<b>2 229</b>	<b>1 066</b>	<b>1 467</b>	<b>5 862</b>	<b>5 089</b>	<b>5 089</b>	<b>5 090</b>	<b>5 401</b>	<b>5 722</b>
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt
Water (kilolitres per household per month)		6kl	6kl	6kl	6kl	6kl	6kl	6kl	6kl	6kl
Sanitation (kilolitres per household per month)		full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt
Sanitation (Rand per household per month)		full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt
Electricity (kwh per household per month)		60kwh	60kwh	60kwh	60kwh	60kwh	60kwh	60kwh	60kwh	60kwh
Refuse (average litres per week)		full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt	full exempt
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		–	–							
Property rates (other exemptions, reductions and rebates)										
Water		799	642	–	2 800	2 800	2 800	2 800	2 974	3 149
Sanitation										
Electricity/other energy		1 788	1 445	1 184	2 800	2 000	2 000	2 000	2 120	2 247
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
<b>Total revenue cost of free services provided (total social package)</b>		<b>2 587</b>	<b>2 086</b>	<b>1 184</b>	<b>5 600</b>	<b>4 800</b>	<b>4 800</b>	<b>4 800</b>	<b>5 094</b>	<b>5 396</b>

### Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The municipality continues to make good progress with the eradication of backlogs:
  - Water services – backlog will be reduced by over 2800 households in 2011/12
- Electricity services – backlog will be reduced by 2000 households.
- The budget provides for 13 000 households to be registered as indigent in 2011/12, and therefore entitled to receiving Free Basic Services.
- It is anticipated that these Free Basic Services will cost the municipality R5 million in 2011/12, increasing to R5.7 million in 2013/14. This is covered by the municipality's equitable share allocation from national government.

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the 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 Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Head of Finance Portfolio Committee.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 31 August 2010. Key dates applicable to the process were:

- **December 2010** – Joint strategic planning session of the Executive Committee.  
Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2011/12 MTREF;
- **14 February 2011** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;  
**23 February 2011** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;  
**24 February 2011** – Multi-year budget proposals are submitted to the Budget Committee for endorsement;



- **28 February 2011** - Council considers the 2010/11 Mid-year Review and Adjustments Budget;
- **09 March 2011** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2011/12 MTREF is revised accordingly;
- **24 March 2011** Tabling in Executive of the draft 2011/12 IDP and 2011/12 MTREF for public consultation;
- **29 March 2011** - Tabling in Council of the draft 2011/12 IDP and 2011/12 MTREF for public consultation;
- **April 2011** – Public consultation;
- **20 April 2011** - Closing date for written comments;
- **25 April 2011** – finalisation of the 2011/12 IDP and 2011/12 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **30 April 2011** - Tabling of the 2011/12 MTREF before Council for consideration and approval.

### 2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as adopted by Council in May 2006. It started in September 2010 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2011/12 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2011/12 MTREF, based on the approved 2010/11 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2011/12 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2010/11 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2011/12 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2011/12 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2010/11 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The draft 2011/12 MTREF as tabled before Council on 25 March 2011 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process. Individual sessions were scheduled Land Owners Association to further ensure transparency and interaction.

## **2.2 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the

municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.
- Limpopo employment, Growth and Development plan

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2011/12 MTREF and further planning refinements that have directly informed the compilation of the budget:

<b>MTREF</b>	<b>GREATER LETABA</b>
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MTREF	GREATER LETABA
Improve the health profile of society	Improved quality of life
Provision of quality basic services and infrastructure	Access to Sustainable Basic Services
Acceleration of higher and shared economic growth and development	Improved Local Economy
Fighting of poverty, building clean, healthy safe and sustainable communities	Integrated Sustainable Development
Comprehensive rural development strategy linked to land and agrarian reform and food security	Integrated Sustainable and Human Settlement
Promote sound Governance and ensure financial sustainability	Sustainable Financial Institution
<ul style="list-style-type: none"> <li>• Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable services</li> <li>• Intensify the fight against crime and corruption</li> <li>• Optimal institutional transformation to ensure capacity to achieve set objectives</li> </ul>	Improved Governance and Organisational Excellence
Strengthening of skills and human resource base	Improved Human Resources

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide electricity;
  - Provide water;

- Provide sanitation;
  - Provide waste removal;
  - Provide housing;
  - Provide roads and storm water;
  - Provide public transport;
  - Provide municipal planning services;
  - Land use management services;
  - Infrastructure maintenance
2. Economic growth and development that leads to sustainable job creation by:
- Ensuring there is a clear structural plan for the municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.e.g.EPWP
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
  - Working with the department of health and other agencies to provide primary health care services;
  - Extending waste removal services to population concentration points;
  - Working with the District Municipality to ensure all waste water treatment works are operating optimally;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Working with Department of Environmental Affairs to promote environmental sustainability by protecting wetlands and key open spaces through development of environmental management plans.
- 3.2 Integrated Social Services for empowered and sustainable communities
- Work with sector departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
  - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
  - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

The 2011/12 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>											
Improved Quality of Life	Ensure an HIV/Aids free Society, Provision of free basic services to indigent households, Ensure a mental and physical healthy community, Improve the well-being of people with disabilities, Increase gender equality, ensure quality of life for youth, access to information, safety of community										
Improve Local Economy	Create an environment for job creation, economic growth and networking opportunities, Agriculture, Tourism										
Sustainable Financial Institution	Ensure Budget & Reporting compliant to legislation, Ensure budgeted revenue is recovered, Effectively manage the financial affairs of the municipality, ensure procurement processes are within legislation, acquire, maintain and dispose of assets according to policies, effective, economical & efficient fleet utilisation, ensure correct reporting within legislative timeframes.		76 444	82 598	137 979	155 811	120 407	120 407	180 176	201 034	213 542

Strategic Objective	Goal		2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
Access to Sustainable Basic Services	Ensure that all qualifying households receive free basic services, ensure that all households have access to water and sanitation at RDP standards, ensure that all households have access to energy supply & infrastructure, ensure that all households have access to waste removal, ensure that all GLM communities have access to roads and storm water, ensure that all households have access to community facilities, ensure that all communities have access to sporting facilities, ensure maintenance and upgrading of municipal assets, ensure optimum utilization of MIG, ensure timeous implementation of projects.		19 250	24 272	25 540	40 910	44 090	44 090	34 045	38 036	40 327
Integrated Sustainable Development	Ensure integrated development planning, ensure spatial integration, ensure that all housing and development construction complies to national building regulations and SANS standards, ensure adequate and well maintained cemeteries, prevent loss of lives and infrastructure due to disasters		50								
Integrated Sustainable Human Settlement	Ensure that all households have access to proper and safe tenure										



Strategic Objective	Goal		2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
Improved Governance and organisational Excellence	Establish, develop and strengthen relationship amongst the spheres of Government, facilitate structured participation in Council activities, establish a good relationship with traditional leaders, render services to stakeholders and customers in an efficient and effective manner, manage communication outside the municipality effectively and efficiently, market the municipality locally and internationally, promote accountability, prevent fraud and corruption, ensure compliance to regulations, by-laws and policies, offer legal services to council, offer secretariat services to Council, ensure a secure organisation, ensure implementation of the performance management system in the organisation, increase utilisation of ITC within the municipality.										
Improved Human Resource	Align training within the municipality to improve service delivery, ensure a healthy safe working environment										
<b>Total Revenue (excluding capital transfers and contributions)</b>		1	95 743	106 870	163 519	196 721	164 497	164 497	214 221	239 070	253 869

**Table Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>										
Improved Quality of Life	Ensure an HIV/Aids free Society, Provision of free basic services to indigent households, Ensure a mental and physical healthy community, Improve the well-being of people with disabilities, Increase gender equality, ensure quality of life for youth, access to information, safety of community	1 482	1 959	1 129	3 351	2 339	2 339	2 960	3 137	3 326
Improve Local Economy	Create an environment for job creation, economic growth and networking opportunities, Agriculture, Tourism									
Sustainable Financial Institution	Ensure Budget & Reporting compliant to legislation, Ensure budgeted revenue is recovered, Effectively manage the financial affairs of the municipality, ensure procurement processes are within legislation, acquire, maintain and dispose of assets according to policies, effective, economical & efficient fleet utilisation, ensure correct reporting within legislative timeframes.	5 421	5 235	24 362	7 324	12 954	12 954	12 389	13 133	13 921
Access to Sustainable Basic Services	Ensure that all qualifying households receive free basic services, ensure that all households have access to water and sanitation at RDP standards, ensure that all households have access to energy supply & infrastructure, ensure that all households have access to waste removal, ensure that all GLM communities have access to roads and storm water, ensure that all households have access to community facilities, ensure that all communities have access to sporting facilities, ensure maintenance and upgrading of municipal assets, ensure optimum utilization of MIG, ensure timeous implementation of projects.	32 133	34 920	34 861	65 317	61 381	61 381	54 683	55 637	59 354
Integrated Sustainable Development	Ensure integrated development planning, ensure spatial integration, ensure that all housing and development construction complies to national building regulations and SANS standards, ensure adequate and well maintained cemeteries, prevent loss of lives and infrastructure due to disasters	2 191	2 576	3 341	8 462	6 150	6 150	7 400	7 841	8 309
Integrated Sustainable Human Settlement	Ensure that all households have access to proper and safe tenure	395	388	637	517	403	403	469	497	527

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Improved Governance and organisational Excellence	Establish, develop and strengthen relationship amongst the spheres of Government, facilitate structured participation in Council activities, establish a good relationship with traditional leaders, render services to stakeholders and customers in an efficient and effective manner, manage communication outside the municipality effectively and efficiently, market the municipality locally and internationally, promote accountability, prevent fraud and corruption, ensure compliance to regulations, by-laws and policies, offer legal services to council, offer secretariat services to Council, ensure a secure organisation, ensure implementation of the performance management system in the organisation, increase utilisation of ITC within the municipality.	16 876	20 056	31 494	36 630	33 554	33 554	54 336	57 873	60 966
Improved Human Resource	Align training within the municipality to improve service delivery, ensure a healthy safe working environment	1 350	2 046	2 470	3 197	3 318	3 318	3 617	3 834	4 063
		<b>59 849</b>	<b>67 181</b>	<b>98 294</b>	<b>124 798</b>	<b>120 100</b>	<b>120 100</b>	<b>135 854</b>	<b>141 951</b>	<b>150 465</b>

**Table Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>M</b>										
<b>Roads</b>										
<b>Eradication of Backlogs</b>										
<i>Reduce Roads backlogs</i>	Kilometre	12.4	19		6	6	6	6.6	6.6	10
<b>Sub-function - Roads Maintenance</b>										
<i>Surface Roads resurfaced/ Rehabilitated</i>	Kilometre	0.0%	0.0%	0.0%						
<b>Sub-function - Roads for Growth</b>										
<i>New Roads to be constructed</i>	Kilometre									
<b>Function - Storm Water</b>										
<b>Vote - Electricity Distribution</b>	Number									
<b>Function – Electricity</b>										
<b>Sub-function - Provide higher levels of electricity</b>										
<i>House electrified to eradicate backlogs</i>	Meters	875	1200	1880	2452	2452	2452	0	0	0
<b>Sub-function - New Connections</b>										
<i>Completed and occupied houses electrified to cater for growth</i>	Households									
<b>Sub-function - Access to alternative energy source</b>										
<i>Areas provided with access alternative energy source</i>	Households									
<i>Highmast Lights per ward</i>	Wards			2						
<b>Sub-function - Maintain electricity infrastructure</b>										
<i>Electricity repairs and maintenance</i>	% Repaired									

### **2.3 Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual directors' performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The planning, budgeting and reporting cycle can be graphically illustrated as follows:

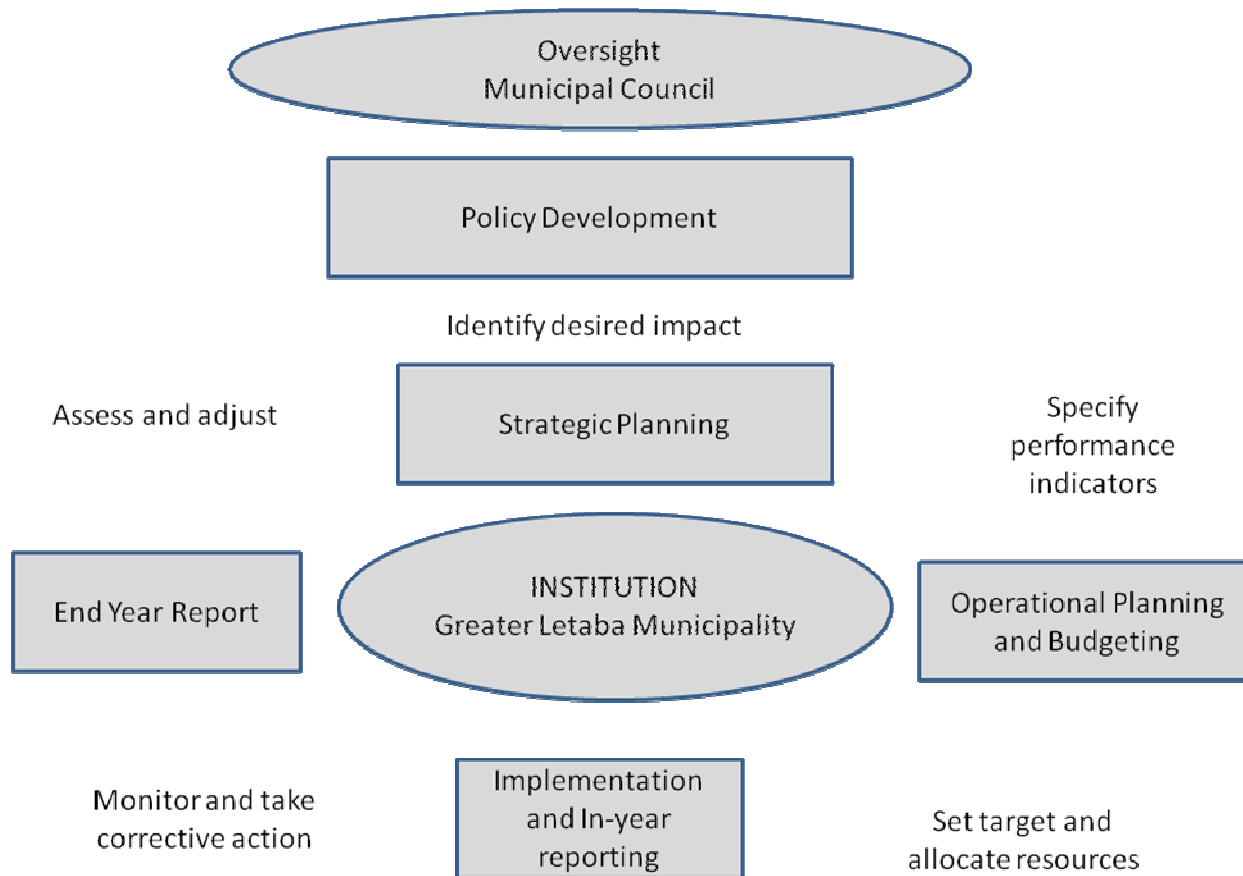
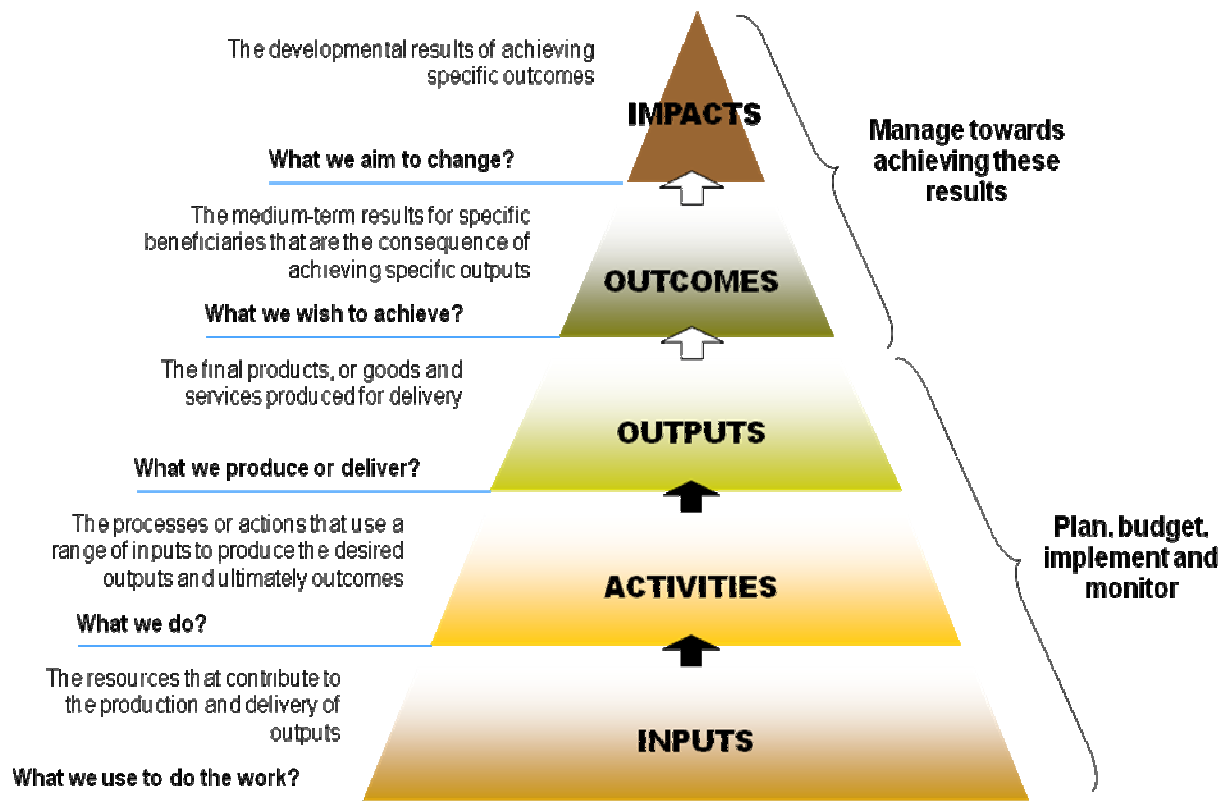


Figure 5 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:



**Figure 6 Definition of performance information concepts**

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.



The following table sets out the municipalities main performance objectives and benchmarks for the 2011/12 MTREF.

**Table Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Borrowing Management</b>											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	12.0%	7.2%	4.2%	3.2%	3.1%	3.1%	3.1%	2.5%	2.0%	1.7%
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.1%	1.4%	0.5%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	27.9%	31.3%	24.0%	19.5%	19.3%	19.3%	19.3%	16.3%	13.6%	12.0%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	2.0	1.2	2.0	2.2	2.2	2.2	2.2	1.7	1.7	1.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.0	1.2	2.0	2.2	2.2	2.2	2.2	1.7	1.7	1.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.5	1.1	1.6	1.6	1.6	1.6	1.2	1.2	1.1
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		250.1%	100.0%	91.0%	91.0%	91.0%	91.0%	143.1%	95.6%	91.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	9.1%	15.6%	21.4%	13.4%	13.4%	13.4%	13.4%	15.8%	14.4%	16.2%
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%
<b>Creditors Management</b>											

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
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%
<b>Funding of Provisions</b>											
Provisions not funded - %	Unfunded Provs./Total Provisions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	15.7%	40.5%	48.0%	30.0%	30.0%	30.0%	30.0%	25.0%	20.0%	15.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	48.6%	45.9%	42.0%	30.0%	30.0%	30.0%	30.0%	25.0%	20.0%	15.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	24.8%	25.1%	21.1%	23.0%	20.4%	20.4%	20.4%	25.4%	24.5%	24.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	42.5%	40.5%	30.5%	35.2%	29.8%	29.8%		37.2%	36.0%	35.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.4%	0.4%	3.7%	3.7%	3.7%	3.7%	3.7%	3.8%	3.6%	3.6%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	7.4	4.9	6.8	4.9	4.9	4.9	5.5	6.7	7.0	7.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	46.7%	102.9%	167.8%	83.4%	101.3%	101.3%	101.3%	115.8%	108.9%	122.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.1	5.7	10.4	1.7	2.0	2.0	2.0	1.6	2.9	5.9

### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The following financial performance indicators have formed part of the compilation of the 2011/12 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the MTREF from 2.5 per cent to 1.7 per cent in 2013/14, it needs to be noted that the increased capital grants and transfers has contributed to the decrease and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has remained unchanged at 0.5 per cent because no additional loans have been taken.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

#### 2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

#### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2011/12 MTREF the current ratio is 2.0 in the 2011/12 financial year and 2.0 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

#### *2.3.1.4 Revenue Management*

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

#### *2.3.1.5 Creditors Management*

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

#### *2.3.1.6 Other Indicators*

- The electricity distribution losses have been managed downwards from 12 per cent in the 2010/11 financial year to 10 per cent over the MTREF.
- The water distribution losses have been significantly reduced from 27.6 per cent in 2009/10 to 20 per cent in 2010/11.
- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

### **2.3.2 Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2011/12 financial year 13 000 registered indigents will be provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, free sanitation and free waste removal once a week, as well as free property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement).

### **2.3.3 Providing clean water and managing waste water**

The municipality is the Water Service Provider appointed by Mopani District Municipality. The bulk supply of water is done by Lepelle Northern Water and the municipality is only responsible for distribution.

## **2.4 Overview of budget related-policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### **2.4.1 Review of credit control and debt collection procedures/policies**

The Collection Policy as approved by Council in October 2008 is currently under review. The adopted policy is credible, sustainable, manageable and informed by affordability and value for money there no need to review. The municipality will accelerate the implementation of this policy for improved revenue collection.

### **2.4.2 Asset Management, Infrastructure Investment and Funding Policy**

The Asset Management, Infrastructure and Funding Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets). There is no need to review the existing policy.

### **2.4.3 Budget Policy**

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. The policy is not renewed.

### **2.4.4 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in May 2010. There is no need for review.

#### **2.4.5 Cash Management and Investment Policy**

The Municipality's Cash Management and Investment Policy was amended by Council in May 2010 and there is no need for review.

#### **2.4.6 Tariff Policies**

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery and reviewed in May 2010.

### **2.5 Overview of budget assumptions**

#### **2.5.1 External factors**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

#### **2.5.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2011/12 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 38 per cent of total operating expenditure in the 2011/12 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2009 as well as the categorisation and job evaluation wage curves collective agreement signed on 21 April 2010 must be noted.

### **2.5.3 Credit rating outlook**

The municipality has not concluded any credit rating process.

### **2.5.4 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality is presently not doing any borrowings to finance its infrastructure development.

### **2.5.5 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (64 per cent) of annual billings. Cash flow is assumed to be 81 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.5.6 Growth or decline in tax base of the municipality**

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

### **2.5.7 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2009 and shall remain in force until 30 June 2012. Year three is an across the board increase of 8.54 per cent.

### **2.5.8 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

The municipality’s infrastructure projects are labour intensive.

**2.5.9 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 99 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2011/12 MTREF of which performance has been factored into the cash flow budget.

**2.6 Overview of budget funding**

**2.6.1 Medium-term outlook: operating revenue**

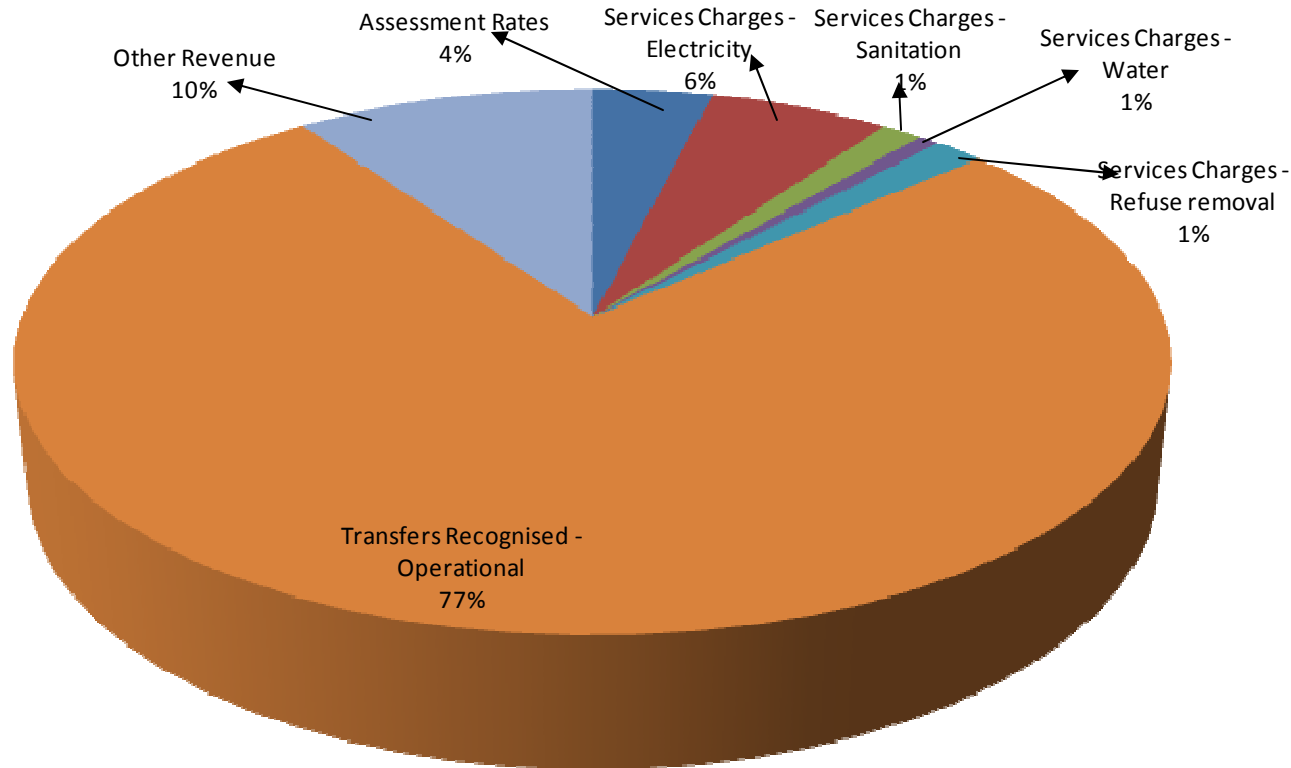
The following table is a breakdown of the operating revenue over the medium-term:

**Table 15 Breakdown of the operating revenue over the medium-term**

Description R' Thousand	Budget 2011/2012	Year	%	Budget 2012/13	Year	%	Budget 2013/14	Year	%
Property Rates	7 083 000		3.9%	7 508 000		3.8%	7 958 000		3.8%
Services Charges	17 400 000		9.6%	18 578 000		9.3%	19 698 000		9.3%
Transfers Recognized Operational	138 991 000		76.7%	152 234 000		76.5%	162 014 000		76.6%
Investment Revenue	758 000		0.4%	804 000		0.4%	852 000		0.4%
Other Own Revenue	16 992 000		9.4%	19 826 000		9.7%	21 018 000		9.9%
Operating Expenditure	135 854 000			141 951 000			150 461 000		
Surplus/ Deficit	78 367 000			97 119 000			103 405 000		

The following graph is a breakdown of the operational revenue per main category for the 2011/12 financial year.





**Figure 7 Breakdown of operating revenue over the 2011/12 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 81 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2011/12 MTREF on the different revenue categories are:

**Table 16 Proposed tariff increases over the medium-term**

Revenue category	2011/12 proposed tariff increase	2012/13 proposed tariff increase	2013/14 proposed tariff increase
	%	%	%
Property rates	6	6	6
Sanitation	6	6	6
Solid Waste	6	6	6
Water	6	6	6
Electricity	26.71	20	6
<b>Total</b>			

Revenue to be generated from property rates is R7 million in the 2011/12 financial year and increases to R7.9 million by 2013/14 which represents 3.9 per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The municipality is still in a process of further data cleansing and writing off of bad debts. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Operational grants and subsidies amount to R138 million which contributes the highest component of revenue equalling to 77 per cent of the total budget.

The tables below provide detail investment information and investment particulars by maturity.

**Table SA15 – Detail Investment Information**

Investment type	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		6 796	6 183	6 607	7 201	7 201	7 201	7 254	7 264	7 281
Deposits - Public Investment Commissioners										
<b>Municipality sub-total</b>	1	6 796	6 183	6 607	7 201	7 201	7 201	7 254	7 264	7 281

**Table SA16 – Investment particulars by maturity**

Investments by Maturity	Ref	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	1	Yrs/Months			Rand thousand	
<b>Parent municipality</b>						
Old Mutual - UT108356132					62	
Momentum - PP020220979					7 178	
Momentum - PP020220979					13	
<b>Municipality sub-total</b>					7 254	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1				7 254	-

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

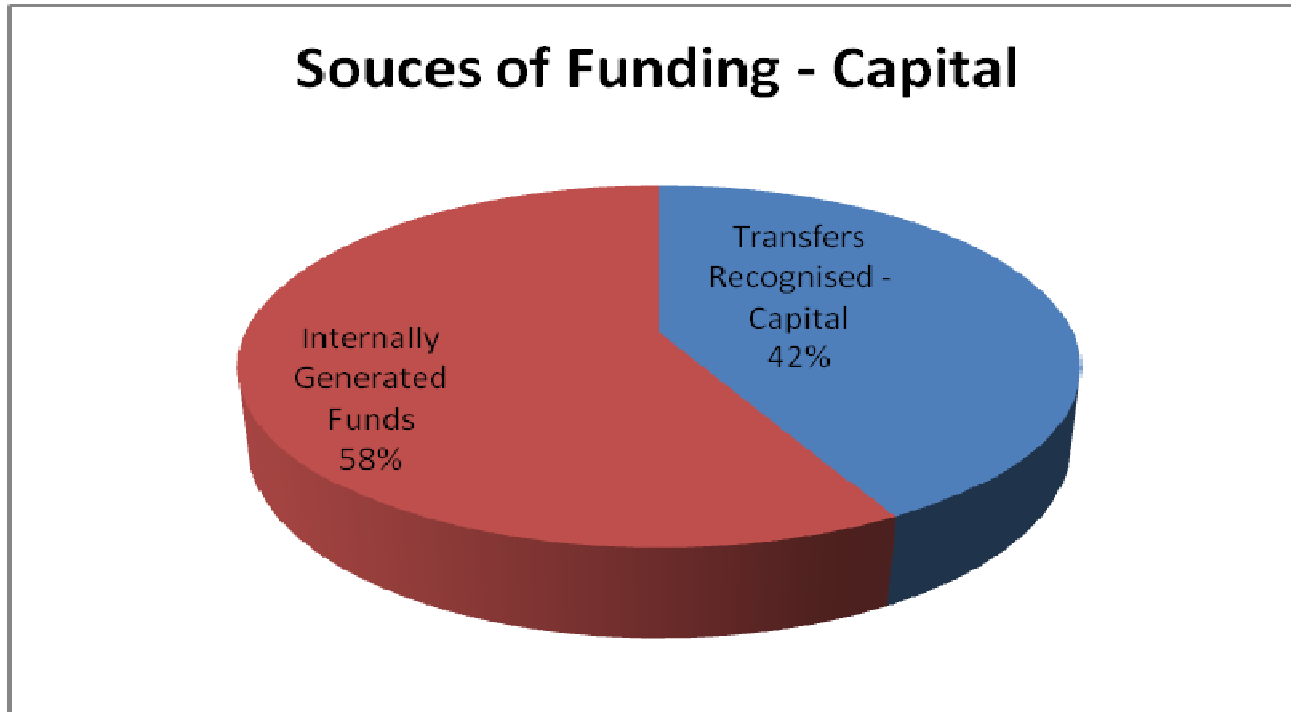
**2.6.2 Medium-term outlook: capital revenue**

The following table is a breakdown of the funding composition of the 2011/12 medium-term capital programme:

**Table 17 Sources of capital revenue over the MTREF**

<b>Funded by:</b>	Budget Year 2011/12	%	Budget Year 2012/13	%	Budget Year 2013/14	%
National Government	32 997		40 121	49.3 %	42 328	
Provincial Government		42.1%				
District Municipality						58.9%
Other transfers and grants						
<b>Transfers recognised - capital</b>	<b>32 997</b>		<b>40 121</b>		<b>42 328</b>	
<b>Public contributions &amp; donations</b>						
<b>Borrowing</b>		57.9%		50.7 %		41.1%
<b>Internally generated funds</b>	45 346		41 264		29 500	
<b>Total Capital Funding</b>	<b>78 343</b>		<b>81 385</b>		<b>71 828</b>	

The above table is graphically represented as follows for the 2011/12 financial year.



**Figure 8 Sources of capital revenue for the 2011/12 financial year**

Capital grants and receipts equates to 42 per cent of the total funding source which represents R32 million for the 2011/12 financial year and steadily increase to R42 million or 59 per cent by 2013/14.

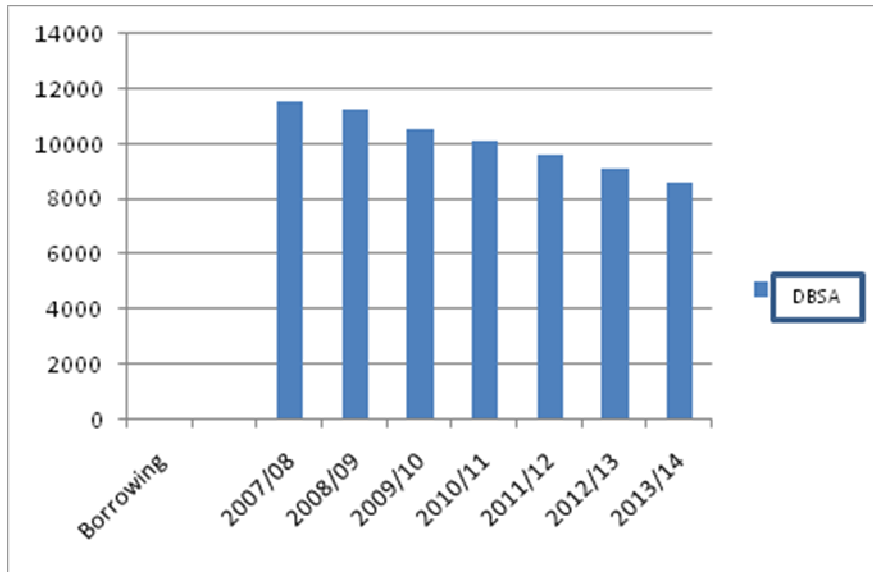
Internal revenue constitutes 58 percent in 2011/12 amounting to R45 million.

The following table is a detailed analysis of the municipality's borrowing liability.

**Table SA 17 - Detail of borrowings**

Borrowing - Categorized by type	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)		11 561	11 238	10 589	10 102	10 102	10 102	9 614	9 125	8 635
Long-Term Loans (non-annuity)										
<b>Municipality sub-total</b>	1	<b>11 561</b>	<b>11 238</b>	<b>10 589</b>	<b>10 102</b>	<b>10 102</b>	<b>10 102</b>	<b>9 614</b>	<b>9 125</b>	<b>8 635</b>
<b>Total Borrowing</b>	1	<b>11 561</b>	<b>11 238</b>	<b>10 589</b>	<b>10 102</b>	<b>10 102</b>	<b>10 102</b>	<b>9 614</b>	<b>9 125</b>	<b>8 635</b>

The following graph illustrates the growth in outstanding borrowing for the 2007/08 to 2013/14 period.



**Figure 9 Growth in outstanding borrowing (long-term liabilities)**

The municipality is presently not financing its capital programmes through borrowings.

**Table SA 18 - Capital transfers and grant receipts**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
<b>RECEIPTS:</b>	1, 2										
-											
<u>Operating Transfers and Grants</u>											
<b>National Government:</b>			48 180	60 848	84 449	104 721	113 721	113 721	123 478	135 790	144 584
Local Government Equitable Share			46 946	59 810	82 638	100 445	100 445	100 445	117 473	133 490	142 184
Finance Management			500	294	261	1 000	1 000	1 000	1 250	1 500	1 500
Municipal Systems Improvement			734	744	1 091	750	750	750	790	800	900
Integrated National Electrification Programme							9 000	9 000			
Extended Public Works Programme Incentive Grant					459	2 526	2 526	2 526	3 965	-	-
<b>Provincial Government:</b>			-	-	-	-	-	-	-	-	-
Extended Public Works Programme Incentive Grant											
<b>District Municipality:</b>			5 641	8 462	-	12 282	15 513	15 513	15 513	16 444	17 430
Water Subsidy			5 591	8 462		12 282	15 513	15 513	15 513	16 444	17 430
IDP Review			50								
<b>Other grant providers:</b>			-	-	-	-	-	-	-	-	-
[insert description]											

<b>Total Operating Transfers and Grants</b>	5	53 821	69 310	84 449	117 003	129 234	129 234	138 991	152 234	162 014
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		19 512	16 126	42 009	34 238	1 944	1 944	32 997	40 121	42 328
Municipal Infrastructure Grant (MIG)		19 512	16 126	42 009	34 238	1 944	1 944	32 997	40 121	42 328
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Water Subsidy										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	19 512	16 126	42 009	34 238	1 944	1 944	32 997	40 121	42 328
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		73 333	85 435	126 458	151 241	131 178	131 178	171 988	192 355	204 342

### 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from ‘Ratepayers and other’ to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).



**Table Table A7 - Budget cash flow statement**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		57 349	26 544	19 749	44 230	38 846	38 846	38 846	36 619	38 796	41 134
Government - operating	1	73 333	60 848	84 449	117 003	120 234	120 234	120 234	138 991	152 234	162 014
Government - capital	1	16 126	16 126	53 718	32 238	1 944	1 944	1 944	32 997	40 121	42 328
Interest		1 732	3 213	5 587	3 250	7 821	7 821	7 821	5 614	5 951	6 308
Dividends											
<b>Payments</b>											
Suppliers and employees		(100 296)	(59 481)	(96 366)	(122 633)	(117 935)	(117 935)	(117 935)	(133 689)	(141 624)	(150 116)
Finance charges		(2 163)	(1 966)	(1 934)	(1 681)	(1 681)	(1 681)	(1 681)	(1 781)	(1 911)	(2 049)
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>29 955</b>	<b>45 284</b>	<b>65 202</b>	<b>72 406</b>	<b>49 229</b>	<b>49 229</b>	<b>49 229</b>	<b>78 751</b>	<b>93 567</b>	<b>99 620</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors		111									
Decrease (increase) other non-current receivables		2 564	24								
Decrease (increase) in non-current investments		(583)	(773)	(407)							
<b>Payments</b>											
Capital assets		(30 461)	(25 323)	(45 697)	(71 681)	(47 579)	(47 579)	(47 579)	(78 343)	(81 385)	(71 828)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(28 369)</b>	<b>(26 072)</b>	<b>(46 104)</b>	<b>(71 681)</b>	<b>(47 579)</b>	<b>(47 579)</b>	<b>(47 579)</b>	<b>(78 343)</b>	<b>(81 385)</b>	<b>(71 828)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
<b>Payments</b>											
Repayment of borrowing		(311)	(582)	(454)	(484)	(484)	(484)	(484)	(384)	(384)	(384)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(311)</b>	<b>(582)</b>	<b>(454)</b>	<b>(484)</b>	<b>(484)</b>	<b>(484)</b>	<b>(484)</b>	<b>(384)</b>	<b>(384)</b>	<b>(384)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>1 274</b>	<b>18 630</b>	<b>18 644</b>	<b>241</b>	<b>1 167</b>	<b>1 167</b>	<b>1 167</b>	<b>24</b>	<b>11 798</b>	<b>27 408</b>
Cash/cash equivalents at the year begin:	2	2 530	3 804	22 434	10 923	13 000	13 000	13 000	12 563	12 587	24 385
Cash/cash equivalents at the year end:	2	3 804	22 434	41 078	11 164	14 167	14 167	14 167	12 587	24 385	51 793

The above table shows that cash and cash equivalents of the municipality were largely depleted between the 2007/08 and 2010/11 financial year moving from a positive cash balance of R3.8 million to R12 million with the approved 2010/11 MTREF. The municipality’s cash management is healthy.

**2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation**

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality’s budget must be ‘funded’. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table Table A8 - Cash backed reserves/accumulated surplus reconciliation**

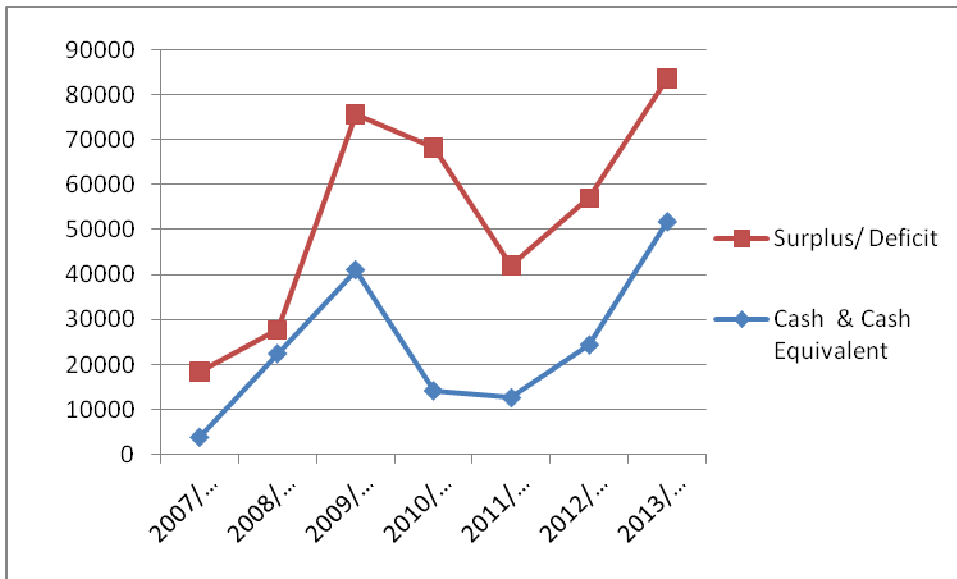
Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	3 804	22 434	41 078	11 164	14 167	14 167	14 167	12 587	24 385	51 793
Other current investments > 90 days	(1 274)	(9 301)	(2 840)	47 460	44 458	44 458	44 458	31 602	22 602	(6 499)
Non current assets - Investments	6 796	6 183	6 607	7 201	7 201	7 201	7 201	7 254	7 264	7 281
<b>Cash and investments available:</b>	<b>9 325</b>	<b>19 316</b>	<b>44 845</b>	<b>65 826</b>	<b>65 826</b>	<b>65 826</b>	<b>65 826</b>	<b>51 443</b>	<b>54 251</b>	<b>52 575</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers	-	2 853	886	550	550	550	550	300	239	189
Unspent borrowing										

Statutory requirements										
Other working capital requirements	(5 277)	11 188	9 369	13 699	11 095	11 095	11 096	11 674	11 317	10 476
Other provisions										
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
<b>Total Application of cash and investments:</b>	<b>(5 277)</b>	<b>14 042</b>	<b>10 256</b>	<b>14 249</b>	<b>11 645</b>	<b>11 645</b>	<b>11 646</b>	<b>11 974</b>	<b>11 556</b>	<b>10 665</b>
<b>Surplus(shortfall)</b>	<b>14 602</b>	<b>5 274</b>	<b>34 589</b>	<b>51 577</b>	<b>54 181</b>	<b>54 181</b>	<b>54 180</b>	<b>39 469</b>	<b>42 695</b>	<b>41 910</b>

From the above table it can be seen that the cash and investments available total R51.4 million in the 2011/12 financial year and progressively increase to R52.6 million by 2013/14, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. No conditional grants were returned to treasury.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



**Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds**

**Funding compliance measurement**

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**Table SA10 – Funding compliance measurement**

Description	MFMA section	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Funding measures</b>	-										
Cash/cash equivalents at the year end - R'000	18(1)b	3 804	22 434	41 078	11 164	14 167	14 167	14 167	12 587	24 385	51 793
Cash + investments at the yr end less applications - R'000	18(1)b	14 602	5 274	34 589	51 577	54 181	54 181	54 180	29 469	32 695	31 910
Cash year end/monthly employee/supplier payments	18(1)b	1.1	5.7	10.4	1.7	2.0	2.0	2.0	1.6	2.9	5.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	35 895	39 690	65 225	71 923	44 397	44 397	44 398	78 367	97 119	103 405
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	(12.9%)	7.7%	61.6%	(23.2%)	(6.0%)	(6.0%)	8.7%	0.5%	0.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	165.4%	78.4%	58.8%	104.6%	127.2%	127.2%	127%	81.1%	91.0%	81.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	0.0%	0.0%	18.4%	66.7%	66.7%	66.7%	31.9%	24.2%	24.2%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	105.5%	83.6%	(16.5%)	0.0%	0.0%	0.0%	31.4%	0.2%	19.4%
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	6.8%	5.9%	13.2%	7.6%	7.4%	7.4%	7.4%	5.2%	4.6%	0.0%
Asset renewal % of capital budget	20(1)(vi)	0.0%	2.1%	5.1%	8.5%	34.8%	34.8%	22.9%	9.7%	2.6%	0.0%

**2.6.4.1 Cash/cash equivalent position**

The municipality’s forecast cash position was discussed as part of the budgeted cash flow statement. A ‘positive’ cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality’s forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2011/12 MTREF shows R41 million, R44 million and R42 million for each respective financial year.

*2.6.4.2 Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A8. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

*2.6.4.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective.

*2.6.4.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

*2.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

*2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

*2.6.4.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

*2.6.4.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 2 per cent timing discount has been factored into the cash position forecasted over the entire financial year.

*2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance.

*2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for..

*2.6.4.11 Consumer debtors change (Current and Non-current)*

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic.

*2.6.4.12 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table SA34C.

*2.6.4.13 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table SA34b.

## 2.7 Expenditure on grants and reconciliations of unspent funds

**Table SA19 - Expenditure on transfers and grant programmes**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>EXPENDITURE:</b>	1									
-										
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		48 180	60 848	84 449	109 721	113 721	113 721	123 478	135 790	144 584
Local Government Equitable Share		46 946	59 810	82 638	100 445	100 445	100 445	117 473	133 490	142 184
Finance Management		500	294	261	1 000	1 000	1 000	1 250	1 500	1 500
Municipal Systems Improvement		734	744	1 091	750	750	750	790	800	900
Integrated National Electrification Programme					5 000	9 000	9 000			
Extended Public Works Programme Incentive Grant				459	2 526	2 526	2 526	3 965		
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Extended Public Works Programme Incentive Grant										
<b>District Municipality:</b>		5 641	8 462	-	12 282	15 513	15 513	15 513	16 444	17 430
Water Subsidy		5 591	8 462		12 282	15 513	15 513	15 513	16 444	17 430
		50								
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total operating expenditure of Transfers and Grants:</b>		53 821	69 310	84 449	122 003	129 234	129 234	138 991	152 234	162 014
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		19 512	16 126	42 009	34 238	1 944	1 944	32 997	40 121	42 328
Municipal Infrastructure Grant (MIG)		19 512	16 126	42 009	34 238	1 944	1 944	32 997	40 121	42 328



Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Water Subsidy										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		19 512	16 126	42 009	34 238	1 944	1 944	32 997	40 121	42 328
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		73 333	85 435	126 458	156 241	131 178	131 178	171 988	192 355	204 342

**Table SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		48 180	60 848	83 990	107 195	111 555	111 555	119 513	135 790	144 584
<b>Conditions met - transferred to revenue</b>		48 180	60 848	83 990	107 195	111 555	111 555	119 513	135 790	144 584
Conditions still to be met - transferred to liabilities			-	-						
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts				459	2 526	2 526	2 526	3 965		
<b>Conditions met - transferred to revenue</b>		-	-	459	2 526	2 526	2 526	3 965	-	-
Conditions still to be met - transferred to liabilities										

<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts		-	11 708	12 282	15 513	15 513	15 513	16 444	17 430	
<b>Conditions met - transferred to revenue</b>		-	11 708	12 282	15 513	15 513	15 513	16 444	17 430	
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		48 180	60 848	96 157	122 003	129 594	129 594	138 991	152 234	162 014
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		19 512	16 126	42 009	34 238	1 944	1 944	32 997	40 121	42 328
<b>Conditions met - transferred to revenue</b>		19 512	16 126	42 009	34 238	1 944	1 944	32 997	40 121	42 328
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		19 512	16 126	42 009	34 238	1 944	1 944	32 997	40 121	42 328
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		67 692	76 974	138 166	156 241	131 538	131 538	171 988	192 355	204 342
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

## 2.8 Councillor and employee benefits

**Table SA22 - Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Salary		6 932	6 934	7 422	11 670	8 493	8 493	11 671	12 628	13 386
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance		2 933	2 987	2 474	3 890	2 831	2 831	3 890	4 209	4 462
Cell phone allowance										
Housing allowance										
Other benefits or allowances										
In-kind benefits										
<b>Sub Total - Councillors</b>		<b>9 865</b>	<b>9 921</b>	<b>9 896</b>	<b>15 560</b>	<b>11 324</b>	<b>11 324</b>	<b>15 561</b>	<b>16 838</b>	<b>17 848</b>
<b>% increase</b>	4		<b>0.6%</b>	<b>(0.2%)</b>	<b>57.2%</b>	<b>(27.2%)</b>	<b>-</b>	<b>37.4%</b>	<b>8.2%</b>	<b>6.0%</b>
<b>Senior Managers of the Municipality</b>	2									
Salary		3 019	3 601	3 930	4 327	3 955	3 955	4 846	5 185	5 652
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Performance Bonus										
Other benefits or allowances										
In-kind benefits										
<b>Sub Total - Senior Managers of Municipality</b>		<b>3 019</b>	<b>3 601</b>	<b>3 930</b>	<b>4 327</b>	<b>3 955</b>	<b>3 955</b>	<b>4 846</b>	<b>5 185</b>	<b>5 652</b>
<b>% increase</b>	4		<b>19.3%</b>	<b>9.1%</b>	<b>10.1%</b>	<b>(8.6%)</b>	<b>-</b>	<b>22.5%</b>	<b>7.0%</b>	<b>9.0%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		10 586	12 744	13 891	24 203	20 242	20 242	31 243	32 901	34 717
Pension Contributions		2 203	3 254	3 105	4 389	3 703	3 703	5 038	5 158	5 179
Medical Aid Contributions		406	2 670	671	986	1 463	1 463	1 852	2 145	2 564
Motor vehicle allowance		836	1 305	793	1 419	969	969	1 667	1 767	1 873
Cell phone allowance		327	317	-	-	-	-	-	-	-

Housing allowance		2 368	1 401	312	670	669	669	685	726	770
Overtime		1 277	1 577	2 529	2 398	2 985	2 985	2 365	2 507	2 657
Performance Bonus				1 100	2 378	2 311	2 311	2 994	3 174	3 364
Other benefits or allowances		1 476	–	876	912	894	894	1 147	1 216	1 289
In-kind benefits										
<b>Sub Total - Other Municipal Staff</b>		<b>19 479</b>	<b>23 268</b>	<b>23 277</b>	<b>37 355</b>	<b>33 236</b>	<b>33 236</b>	<b>46 991</b>	<b>49 594</b>	<b>52 413</b>
% increase	4		19.5%	0.0%	60.5%	(11.0%)	–	41.4%	5.5%	5.7%
<b>Total Parent Municipality</b>		<b>32 363</b>	<b>36 790</b>	<b>37 104</b>	<b>57 242</b>	<b>48 515</b>	<b>48 515</b>	<b>67 398</b>	<b>71 617</b>	<b>75 913</b>
			13.7%	0.9%	54.3%	(15.2%)	–	38.9%	6.3%	6.0%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>32 363</b>	<b>36 790</b>	<b>37 104</b>	<b>57 242</b>	<b>48 515</b>	<b>48 515</b>	<b>67 398</b>	<b>71 617</b>	<b>75 913</b>
% increase	4		13.7%	0.9%	54.3%	(15.2%)	–	38.9%	6.3%	6.0%
<b>TOTAL MANAGERS AND STAFF</b>	5	<b>22 498</b>	<b>26 869</b>	<b>27 208</b>	<b>41 682</b>	<b>37 191</b>	<b>37 191</b>	<b>51 837</b>	<b>54 779</b>	<b>58 065</b>

**Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No. 10	Salary	Contrib.	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.			2.	3.
<b>Councillors</b>	4							
Speaker	5		398 722		132 907			531 629
Chief Whip			324 994		108 331			433 325
Executive Mayor			494 882		164 960			659 842
Deputy Executive Mayor								–
Executive Committee			2 595 700		865 233			3 460 933
Total for all other councillors			8 099 351		2 699 783			10 799 134
<b>Total Councillors</b>	9	–	<b>11 913 649</b>	–	<b>3 971 214</b>			<b>15 884 863</b>
<b>Senior Managers of the Municipality</b>	6							
Municipal Manager (MM)			1 262 142					1 262 142
Chief Finance Officer			923 915					923 915
Director - Corporate Services			886 915					886 915
Director - Community Services			886 915					886 915
Director - Infrastructure Development			886 915					886 915
								–

Total Senior Managers of the Municipality	9	-	4 846 802	-	-	-	-	4 846 802
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		-	16 760 451	-	3 971 214	-	-	20 731 665

**Table SA24 – Summary of personnel numbers**

Summary of Personnel Numbers	Ref	2009/10			Current Year 2010/11			Budget Year 2011/12		
Number	1,2	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)		52		52	52		52	58		58
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	5		5	5		5	5		5
Other Managers	7	7	5	2	7	5	2	7	5	2
Professionals		15	15	-	15	15	-	15	15	1
<i>Finance</i>		9	9		9	9		9	9	
<i>Spatial/town planning</i>		1	1		1	1		1	1	
<i>Information Technology</i>		1	1		1	1		1	1	1
<i>Roads</i>		1	1		1	1		1	1	
<i>Electricity</i>		2	2		2	2		2	2	
<i>Water</i>		1	1		1	1		1	1	
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Technicians		118	118	-	118	118	-	130	130	-
<i>Finance</i>		1	1		1	1		1	1	
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>		23	23		23	23		23	23	
<i>Electricity</i>		6	6		6	6		6	6	
<i>Water</i>		15	15		15	15		15	15	

Sanitation		10	10		10	10		10	10	
Refuse		35	35		35	35		35	35	
Other		28	28		28	28		40	40	
Clerks (Clerical and administrative)		11	11		11	11		15	15	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		5	5		5	5		5	5	
Elementary Occupations										
<b>TOTAL PERSONNEL NUMBERS</b>		<b>213</b>	<b>154</b>	<b>59</b>	<b>213</b>	<b>154</b>	<b>59</b>	<b>235</b>	<b>170</b>	<b>66</b>
<b>% increase</b>					-	-	-	10.3%	10.4%	11.9%
<b>Total municipal employees headcount</b>	6	<b>213</b>	<b>213</b>		<b>213</b>	<b>213</b>				<b>66</b>
Finance personnel headcount	8	<b>15</b>	<b>15</b>		<b>15</b>	<b>15</b>		<b>17</b>	<b>17</b>	
Human Resources personnel headcount	8	<b>3</b>	<b>3</b>		<b>3</b>	<b>3</b>		<b>5</b>	<b>5</b>	

**Table SA25 - Budgeted monthly revenue and expenditure**

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>																
Property rates		590	590	590	590	590	590	590	590	590	590	590	590	7 083	7 508	7 958
Property rates - penalties & collection charges														-	-	-
Service charges - electricity revenue		988	922	877	812	812	757	632	879	877	988	986	1 223	10 753	11 395	12 080
Service charges - water revenue		221	198	166	204	211	174	154	189	219	199	234	274	2 443	2 584	2 742
Service charges - sanitation revenue		109	109	109	109	109	109	109	109	109	109	109	109	1 302	1 524	1 616
Service charges - refuse revenue		242	242	242	242	242	242	242	242	242	242	242	242	2 901	3 075	3 260
Service charges - other														-	-	-
Rental of facilities and equipment		16	16	16	16	16	16	16	16	16	16	16	16	187	199	211
Interest earned - external investments							379						379	758	804	852
Interest earned - outstanding debtors		238	238	238	238	238	238	238	238	238	238	238	238	2 856	3 027	3 209
Dividends received														-	-	-
Fines		27	19	32	20	23	46	33	16	33	37	22	47	356	377	400
Licences and permits		456	299	334	334	306	398	376	279	302	346	221	358	4 008	4 248	4 503
Agency services		177	121	134	144	116	111	123	99	132	112	89	76	1 434	1 520	1 611

Description	Ref	Budget Year 2011/12											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Transfers recognised – operational		48 239	790	1 322		35 242	1 322		15 513	35 242		1 322	(0)	138 991	152 234	162 014
Other revenue		957	957	957	957	957	957	957	957	957	957	957	(2 679)	7 851	10 136	10 747
Gains on disposal of PPE						300							-	300	318	337
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>52 259</b>	<b>4 500</b>	<b>5 016</b>	<b>3 665</b>	<b>39 162</b>	<b>5 338</b>	<b>3 470</b>	<b>19 126</b>	<b>38 957</b>	<b>3 832</b>	<b>5 025</b>	<b>873</b>	<b>181 224</b>	<b>198 949</b>	<b>211 541</b>
<b>Expenditure By Type</b>																
Employee related costs		3 829	3 829	3 829	3 829	3 829	3 829	3 829	3 829	3 829	3 829	3 829	3 832	45 951	48 707	51 628
Remuneration of councillors		1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	15 885	16 838	17 848
Debt impairment		655	655	655	655	655	655	655	655	655	655	655	655	7 858	6 373	6 751
Depreciation & asset impairment													6 434	6 434	6 820	7 229
Finance charges				121			121			121			29	392	416	441
Bulk purchases		1 366	1 239	1 129	1 129	980	980	879	1 268	1 325	1 439	1 325	3 328	16 386	17 369	18 411
Other materials													-	-	-	-
Contracted services		774	774	774	774	774	774	774	774	774	774	774	774	9 292	9 849	10 440
Transfers and grants													-	-	-	-
Other expenditure		3 464	3 464	3 464	3 464	3 464	3 464	3 464	3 464	3 464	3 464	3 464	(4 447)	33 657	35 580	37 716
Loss on disposal of PPE													-	-	-	-
<b>Total Expenditure</b>		<b>11 411</b>	<b>11 285</b>	<b>11 296</b>	<b>11 175</b>	<b>11 026</b>	<b>11 147</b>	<b>10 925</b>	<b>11 314</b>	<b>11 491</b>	<b>11 485</b>	<b>11 371</b>	<b>11 928</b>	<b>135 854</b>	<b>141 951</b>	<b>150 464</b>
<b>Surplus/(Deficit)</b>		<b>40 848</b>	<b>(6 785)</b>	<b>(6 280)</b>	<b>(7 510)</b>	<b>28 136</b>	<b>(5 809)</b>	<b>(7 455)</b>	<b>7 812</b>	<b>27 465</b>	<b>(7 652)</b>	<b>(6 345)</b>	<b>(11 055)</b>	<b>45 370</b>	<b>56 998</b>	<b>61 077</b>
Transfers recognised – capital			2 750	3 459	2 100	5 439	3 219	6 739	5 890	3 401			-	32 997	40 121	42 328
Contributions recognised – capital													-	-	-	-
Contributed assets													-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>40 848</b>	<b>(4 035)</b>	<b>(2 821)</b>	<b>(5 410)</b>	<b>33 575</b>	<b>(2 590)</b>	<b>(716)</b>	<b>13 702</b>	<b>30 866</b>	<b>(7 652)</b>	<b>(6 345)</b>	<b>(11 055)</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	1	<b>40 848</b>	<b>(4 035)</b>	<b>(2 821)</b>	<b>(5 410)</b>	<b>33 575</b>	<b>(2 590)</b>	<b>(716)</b>	<b>13 702</b>	<b>30 866</b>	<b>(7 652)</b>	<b>(6 345)</b>	<b>(11 055)</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>

**Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue by Vote</b>	-															
Executive & Council													-	-	-	-
Budget & Treasury		60 059	4 130	7 471	2 690	41 871	5 131	7 329	6 480	39 233	590	1 912	3 278	180 176	201 034	213 542
Corporate Services													-	-	-	-
Economic Planning & Development													-	-	-	-
Community Services													-	-	-	-
Housing													-	-	-	-
Public Safety													-	-	-	-
Sports & Recreation													-	-	-	-
Waste Management		165	165	165	165	165	165	165	165	165	165	165	165	1 985	2 102	2 229
Waste Water Management		81	81	81	81	81	81	81	81	81	81	81	75	966	1 023	1 085
Roads		660	439	500	497	445	555	532	394	468	494	332	482	5 798	6 145	6 514
Water									15 513				84	15 596	16 522	17 519
Electricity		808	812	713	710	801	703	646	823	983	831	890	978	9 700	12 245	12 980
Vote14 - Example 14													-	-	-	-
Vote15 - Example 15													-	-	-	-
<b>Total Revenue by Vote</b>		<b>61 774</b>	<b>5 628</b>	<b>8 930</b>	<b>4 143</b>	<b>43 364</b>	<b>6 636</b>	<b>8 754</b>	<b>23 457</b>	<b>40 931</b>	<b>2 162</b>	<b>3 381</b>	<b>5 062</b>	<b>214 221</b>	<b>239 070</b>	<b>253 869</b>
<b>Expenditure by Vote to be appropriated</b>	-															
Executive & Council		2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 680	34 857	36 936	39 152
Budget & Treasury		1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 169	12 389	13 133	13 921
Corporate Services		1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 706	23 095	24 412	25 876
Economic Planning & Development		559	559	559	559	559	559	559	559	559	559	559	860	7 014	7 432	7 875
Community Services		145	145	145	145	145	145	145	145	145	145	145	216	1 811	1 919	2 034
Housing		39	39	39	39	39	39	39	39	39	39	39	39	469	497	527
Public Safety		129	129	129	129	129	129	129	129	129	129	129	477	1 894	2 007	2 128
Sports & Recreation		448	448	448	448	448	448	448	448	448	448	448	448	5 371	5 694	6 035
Waste Management		279	279	279	279	279	279	279	279	279	279	279	278	3 342	3 542	3 755
Waste Water Management		155	155	155	155	155	155	155	155	155	155	155	156	1 865	1 977	2 093
Roads		1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 476	19 349	20 510	21 741
Water		764	764	764	764	764	764	764	764	764	764	764	764	9 163	9 713	10 296
Electricity		1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 269	15 234	14 179	15 031
Vote14 - Example 14													-	-	-	-
Vote15 - Example 15													-	-	-	-



Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Total Expenditure by Vote</b>		11 301	11 301	11 301	11 301	11 301	11 301	11 301	11 301	11 301	11 301	11 301	11 538	135 854	141 951	150 464
<b>Surplus/(Deficit) before assoc.</b>		50 473	(5 673)	(2 371)	(7 158)	32 062	(4 666)	(2 548)	12 156	29 629	(9 140)	(7 921)	(6 477)	78 367	97 119	103 405
Taxation													-	-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	1	50 473	(5 673)	(2 371)	(7 158)	32 062	(4 666)	(2 548)	12 156	29 629	(9 140)	(7 921)	(6 477)	78 367	97 119	103 405

**Table SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue - Standard</b>	-															
<b>Governance and administration</b>		60 059	4 130	7 471	2 690	41 871	5 131	7 329	6 480	39 233	590	1 912	3 278	180 176	201 034	213 542
Executive and council													-	-	-	-
Budget and treasury office		60 059	4 130	7 471	2 690	41 871	5 131	7 329	6 480	39 233	590	1 912	3 278	180 176	201 034	213 542
Corporate services													-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services													-	-	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<b>Economic and environmental services</b>		660	439	500	497	445	555	532	394	468	494	332	482	5 798	6 145	6 514
Planning and development													-	-	-	-
Road transport		660	439	500	497	445	555	532	394	468	494	332	482	5 798	6 145	6 514
Environmental protection													-	-	-	-
<b>Trading services</b>		1 055	1 059	959	956	1 047	950	892	16 583	1 230	1 078	1 137	1 302	28 247	31 891	33 812
Electricity		808	812	713	710	801	703	646	823	983	831	890	978	9 700	10 277	10 896

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Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Water									15 513				84	15 596	18 490	19 603
Waste water management		81	81	81	81	81	81	81	81	81	81	81	75	966	1 023	1 085
Waste management		165	165	165	165	165	165	165	165	165	165	165	165	1 985	2 102	2 229
<i>Other</i>													-	-	-	-
<b>Total Revenue - Standard</b>		<b>61 774</b>	<b>5 628</b> 6 440	<b>8 930</b> 9 643	<b>4 143</b> 4 853	<b>43 364</b> 44 165	<b>6 636</b> 7 339	<b>8 754</b> 9 399	<b>23 457</b> 24 280	<b>40 931</b> 41 914	<b>2 162</b> 2 993	<b>3 381</b> 4 271	<b>5 062</b>	<b>214 221</b>	<b>239 070</b>	<b>253 869</b>
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		<b>5 890</b>	<b>5 890</b>	<b>5 890</b>	<b>5 890</b>	<b>5 890</b>	<b>5 890</b>	<b>5 890</b>	<b>5 890</b>	<b>5 890</b>	<b>5 890</b>	<b>5 890</b>	<b>4 616</b>	<b>69 402</b>	<b>73 484</b>	<b>77 893</b>
Executive and council		2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 925	2 680	34 857	36 936	39 152
Budget and treasury office		1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 169	12 389	13 133	13 921
Corporate services		1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	766	22 155	23 415	24 820
<i>Community and public safety</i>		<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>2 119</b>	<b>10 485</b>	<b>11 114</b>	<b>11 781</b>
Community and social services		145	145	145	145	145	145	145	145	145	145	145	216	1 811	1 919	2 034
Sport and recreation		448	448	448	448	448	448	448	448	448	448	448	448	5 371	5 694	6 035
Public safety		129	129	129	129	129	129	129	129	129	129	129	1 417	2 834	3 004	3 184
Housing		39	39	39	39	39	39	39	39	39	39	39	39	469	497	527
Health													-	-	-	-
<i>Economic and environmental services</i>		<b>2 184</b>	<b>2 184</b>	<b>2 184</b>	<b>2 184</b>	<b>2 184</b>	<b>2 184</b>	<b>2 184</b>	<b>2 184</b>	<b>2 184</b>	<b>2 184</b>	<b>2 184</b>	<b>2 336</b>	<b>26 363</b>	<b>27 942</b>	<b>29 616</b>
Planning and development		559	559	559	559	559	559	559	559	559	559	559	860	7 014	7 432	7 875
Road transport		1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 476	19 349	20 510	21 741
Environmental protection													-	-	-	-
<i>Trading services</i>		<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>2 467</b>	<b>29 604</b>	<b>29 411</b>	<b>31 175</b>
Electricity		1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 270	1 269	15 234	14 179	15 031
Water		764	764	764	764	764	764	764	764	764	764	764	764	9 163	9 713	10 296
Waste water management		155	155	155	155	155	155	155	155	155	155	155	156	1 865	1 977	2 093
Waste management		279	279	279	279	279	279	279	279	279	279	279	278	3 342	3 542	3 755
<i>Other</i>													-	-	-	-
<b>Total Expenditure - Standard</b>		<b>11 301</b>	<b>11 301</b>	<b>11 301</b>	<b>11 301</b>	<b>11 301</b>	<b>11 301</b>	<b>11 301</b>	<b>11 301</b>	<b>11 301</b>	<b>11 301</b>	<b>11 301</b>	<b>11 538</b>	<b>135 854</b>	<b>141 951</b>	<b>150 464</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>50 473</b>	<b>(5 673)</b>	<b>(2 371)</b>	<b>(7 158)</b>	<b>32 062</b>	<b>(4 666)</b>	<b>(2 548)</b>	<b>12 156</b>	<b>29 629</b>	<b>(9 140)</b>	<b>(7 921)</b>	<b>(6 477)</b>	<b>78 367</b>	<b>97 119</b>	<b>103 405</b>

**Table SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Multi-year expenditure to be appropriated</b>	1															
Executive & Council													-	-	-	-
Budget & Treasury													-	-	-	-
Corporate Services		1 005	1 005	1 005									(0)	3 016	-	-
Economic Planning & Development													-	-	-	-
Community Services		384	384	384	384								1 500	3 037	2 000	2 000
Housing													-	-	-	-
Public Safety													-	-	-	-
Sports & Recreation		2 500	1 980	1 211	235	1 784	543	2 561	746				(0)	11 560	16 660	-
Waste Management													-	-	4 000	-
Waste Water Management													-	-	-	-
Roads		12 986	3 459	5 690	453	895	9 457	3 421	4 398	1 263			900	42 922	52 461	63 128
Water													-	-	-	-
Electricity								2 000					(500)	1 500	2 000	2 000
Vote14 - Example 14													-	-	-	-
Vote15 - Example 15													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	<b>16 875</b>	<b>6 829</b>	<b>8 291</b>	<b>1 072</b>	<b>2 680</b>	<b>10 000</b>	<b>7 982</b>	<b>5 144</b>	<b>1 263</b>	<b>-</b>	<b>-</b>	<b>1 900</b>	<b>62 035</b>	<b>77 121</b>	<b>67 128</b>
<b>Single-year expenditure to be appropriated</b>																
Executive & Council			85										10	95	-	-
Budget & Treasury													-	-	-	-
Corporate Services		250		276	1 230		700	1 100	730				-	4 286	1 500	3 000
Economic Planning & Development			52										-	52	-	-
Community Services		250	250	325	250	250	250						(1 575)	-	-	-
Housing													-	-	-	-
Public Safety							2 850		185	2 850			-	5 885	-	-
Sports & Recreation				165							650		420	1 235	-	500
Waste Management				110		400							(170)	340	1 764	-
Waste Water Management				1 105									-	1 105	-	-
Roads				915									1 600	2 515	1 000	1 200
Water					295								-	295	-	-

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Electricity													500	500	-	-
Vote14 - Example 14													-	-	-	-
Vote15 - Example 15													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	500	387	2 896	1 775	650	3 800	1 100	915	2 850	650	-	785	16 308	4 264	4 700
<b>Total Capital Expenditure</b>	2	17 375	7 216	11 187	2 847	3 330	13 800	9 082	6 059	4 113	650	-	2 685	78 343	81 385	71 828

**Table SA29 - Budgeted monthly capital expenditure (standard classification)**

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital Expenditure - Standard</b>	1															
<b>Governance and administration</b>		1 255	1 090	1 281	1 230	-	700	1 100	730	-	-	-	10	7 397	1 500	3 000
Executive and council			85										10	95	-	-
Budget and treasury office													-	-	-	-
Corporate services		1 255	1 005	1 281	1 230		700	1 100	730				(0)	7 302	1 500	3 000
<b>Community and public safety</b>		3 134	2 614	2 145	809	2 034	3 643	2 561	931	2 850	650	-	345	21 717	18 660	2 500
Community and social services		634	634	769	574	250	250						(75)	3 037	2 000	2 500
Sport and recreation		2 500	1 980	1 376	235	1 784	543	2 561	746		650		420	12 795	16 660	-
Public safety							2 850		185	2 850			-	5 885	-	-
Housing													-	-	-	-
Health													-	-	-	-
<b>Economic and environmental services</b>		12 986	3 511	6 605	453	895	9 457	3 421	4 398	1 263	-	-	2 500	45 489	53 461	64 328
Planning and development			52										-	52	-	-
Road transport		12 986	3 459	6 605	453	895	9 457	3 421	4 398	1 263			2 500	45 437	53 461	64 328
Environmental protection													-	-	-	-
<b>Trading services</b>		-	-	1 215	295	400	-	2 000	-	-	-	-	(170)	3 740	7 764	2 000
Electricity								2 000					-	2 000	2 000	2 000
Water					295								-	295	-	-

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Waste water management				1 105									-	1 105	-	-
Waste management				110		400							(170)	340	5 764	-
Other													-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	17 375	7 216	11 247	2 787	3 330	13 800	9 082	6 059	4 113	650	-	2 685	78 343	81 385	71 828

**Table SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash Receipts By Source</b>													1		
Property rates	590	590	590	590	590	590	590	590	590	590	590	590	7 083	7 508	7 958
Property rates - penalties & collection charges													-		
Service charges - electricity revenue	988	922	877	812	812	757	632	879	877	988	986	1 223	10 753	9 427	9 966
Service charges - water revenue	221	198	166	204	211	174	154	189	219	199	234	274	2 443	2 534	2 742
Service charges - sanitation revenue	109	109	109	109	109	109	109	109	109	109	109	109	1 302	1 524	1 616
Service charges - refuse revenue	242	242	242	242	242	242	242	242	242	242	242	242	2 901	3 075	3 260
Service charges - other													-		
Rental of facilities and equipment	16	16	16	16	16	16	16	16	16	16	16	16	187	199	211
Interest earned - external investments						379						379	758	804	852
Interest earned - outstanding debtors	238	238	238	238	238	238	238	238	238	238	238	238	2 856	3 027	3 209
Dividends received													-		
Fines	27	19	32	20	23	46	33	16	33	37	22	47	356	377	400
Licences and permits	456	299	334	334	306	398	376	279	302	346	221	358	4 008	4 248	4 503
Agency services	177	121	134	144	116	111	123	99	132	112	89	76	1 434	1 520	1 611
Transfer receipts - operational	48 239	790	1 322		35 242	1 322		513	35 242			1 322	138 991	142 186	150 918
Other revenue													-		
<b>Cash Receipts by Source</b>	51 302	3 543	4 059	2 708	37 905	4 381	2 513	18 169	37 999	2 875	4 068	3 551	173 072	176 429	187 246
<b>Other Cash Flows by Source</b>															

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MONTHLY CASH FLOWS	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Transfer receipts – capital Contributions recognised - capital & Contributed assets			2 750	3 459	2 100	5 439	3 219	6 739	890 <sup>5</sup>	401 <sup>3</sup>			–	32 997	40 121	42 328
Proceeds on disposal of PPE													–			
Short term loans													–			
Borrowing long term/refinancing													–			
Increase (decrease) in consumer deposits													–			
Decrease (Increase) in non-current debtors													–			
Decrease (increase) other non-current receivables													–			
Decrease (increase) in non-current investments													–			
<b>Total Cash Receipts by Source</b>	<sup>51</sup> 302	6 293	7 518	4 808	43 344	7 600	9 252	059 <sup>24</sup>	400 <sup>41</sup>	2 875	4 068	3 551	206 <sup>069</sup>	216 <sup>550</sup>	229 <sup>574</sup>	
<b>Cash Payments by Type</b>																
Employee related costs	<sup>3</sup> 829	3 829	3 829	3 829	3 829	3 829	3 829	829 <sup>3</sup>	829 <sup>3</sup>	3 829	3 829	3 832	45 951	48 707	51 628	
Remuneration of councillors	<sup>1</sup> 324	1 324	1 324	1 324	1 324	1 324	1 324	324 <sup>1</sup>	324 <sup>1</sup>	1 324	1 324	1 324	15 885	16 838	17 848	
Collection costs													–			
Interest paid													–			
Bulk purchases – Electricity	957	957	879	890	789	613	533	888	891	913	928	943	10 180	10 790	11 438	
Bulk purchases - Water & Sewer	468	438	598	419	412	422	399	424	434	591	564	1 038	6 206	6 579	6 973	
Other materials													–			
Contracted services	774	774	774	774	774	774	774	774	774	774	774	774	9 292	9 849	10 440	
Grants and subsidies paid - other municipalities													–			
Grants and subsidies paid – other													–			
General expenses	<sup>3</sup> 292	3 292	3 292	3 292	3 292	3 292	3 292	292 <sup>3</sup>	292 <sup>3</sup>	3 292	3 292	3 292	39 509	41 795	44 299	
<b>Cash Payments by Type</b>	<sup>10</sup> 644	10 614	10 696	10 529	10 420	10 254	10 152	531 <sup>10</sup>	544 <sup>10</sup>	10 723	10 711	11 203	127 <sup>023</sup>	134 <sup>557</sup>	142 <sup>626</sup>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	<sup>17</sup> 375	7 216	11 247	2 787	3 300	13 800	9 082	059 <sup>6</sup>	142 <sup>4</sup>	650		–	75 658	67 621	71 828	
Repayment of borrowing			541			541			541			543	2 165	2 295	2 433	
Other Cash Flows/Payments												–				
<b>Total Cash Payments by Type</b>	<sup>28</sup> 019	17 830	22 484	13 316	13 720	24 595	19 234	590 <sup>16</sup>	227 <sup>15</sup>	11 373	10 711	11 746	204 <sup>846</sup>	204 <sup>473</sup>	216 <sup>887</sup>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<sup>23</sup> 282	(11 537)	(14 967)	(8 508)	29 623	(16 995)	(9 981)	7 469	26 174	(8 498)	(6 644)	(8 195)	1 223	12 077	12 687	
Cash/cash equivalents at the month/year begin:	<sup>11</sup> 230	34 512	22 975	8 009	(500)	29 124	12 128	147 <sup>2</sup>	616 <sup>9</sup>	35 790	27 292	20 648	11 230	12 453	24 530	

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MONTHLY CASH FLOWS	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13
Cash/cash equivalents at the month/year end:	512 <sup>34</sup>	22 975	8 009	(500)	29 124	12 128	2 147	616 <sup>9</sup>	790 <sup>35</sup>	27 292	20 648	12 453	12 453	24 530	37 218

## 2.9 Annual budgets and SDBIPs – internal departments

### 2.9.1 Water Services Department

The department is primarily responsible for the distribution of potable water as the municipality has been appointed as a water services provider and operating revenue and expenditure if transferred to Mopani District Municipality at year end.

## 2.10 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## 2.11 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**Table SA 34a - Capital expenditure on new assets by asset class**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		24 860	18 964	39 875	33 831	16 066	16 066	46 042	47 961	64 328
Infrastructure - Road transport		20 442	16 314	39 140	30 131	10 524	10 524	39 842	47 961	64 328
<i>Roads, Pavements &amp; Bridges</i>		20 442	16 314	39 140	30 131	10 524	10 524	39 842	47 961	64 328
<i>Storm water</i>										
Infrastructure - Electricity		4 418	2 649	735	3 700	5 542	5 542	6 200	-	-
<i>Generation</i>										
<i>Transmission &amp; Reticulation</i>		4 418	1 844	735	1 300	1 300	1 300	500	-	-
<i>Street Lighting</i>			805		2 400	4 242	4 242	5 700	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>	2									



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Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1									
Gas	3									
Other										
<b>Community</b>		<b>2 036</b>	<b>1 045</b>	<b>-</b>	<b>21 222</b>	<b>11 949</b>	<b>11 949</b>	<b>15 322</b>	<b>24 160</b>	<b>2 500</b>
Parks & gardens	7		429		850	850	850			
Sportsfields & stadia					6 000	4 100	4 100	12 210	16 660	
Swimming pools					300	300	300			
Community halls			1 005	615	6 537	2 500	2 500	3 112		
Libraries			1 031		3 000	1 000	1 000		2 000	2 000
Recreational facilities					1 050	649	649	-		
Fire, safety & emergency										
Security and policing	8									
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries	8				2 500	2 000	2 000			
Social rental housing										
Other					985	550	550	-	5 500	500
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings	9									
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development	9									
Other										
<b>Other assets</b>		<b>3 566</b>	<b>4 860</b>	<b>3 643</b>	<b>12 628</b>	<b>9 565</b>	<b>9 565</b>	<b>10 379</b>	<b>3 264</b>	<b>3 000</b>
General vehicles	10			68						
Specialised vehicles			1 728	815		1 685	1 997	1 997	1 400	1 150
Plant & equipment					31	246	143	143	505	614
Computers - hardware/equipment										
Furniture and other office equipment			901	965	1 672	3 785	3 738	3 738	4 618	3 000
Abattoirs										
Markets										
Civic Land and Buildings			297	2 988	1 802	6 116	3 100	3 100	3 016	
Other Buildings						285	275	275		
Other Land									400	
Surplus Assets - (Investment or Inventory)										
Other		640	92	70	512	312	312	440		
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Total Capital Expenditure on new assets</b>	1	30 461	24 868	43 518	67 681	37 579	37 579	71 743	75 385	69 828

<b>Specialised vehicles</b>										
Refuse		-	-	-	-	-	-	-	-	-
Fire										
Conservancy										
Ambulances										

**Table SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	455	2 179	4 000	10 000	10 000	6 600	6 000	2 000
Infrastructure - Road transport		-	-	1 849	2 000	8 000	8 000	5 100	4 000	-
<i>Roads, Pavements &amp; Bridges</i>				1 849	2 000	8 000	8 000	5 100	4 000	
<i>Storm water</i>										
Infrastructure - Electricity		-	455	330	2 000	2 000	2 000	1 500	2 000	2 000
<i>Generation</i>										
<i>Transmission &amp; Reticulation</i>			455	330	2 000	2 000	2 000	1 500	2 000	2 000
<b>Total Capital Expenditure on renewal of existing assets</b>	1	-	455	2 179	4 000	10 000	10 000	6 600	6 000	2 000

**Table SA34c - Repairs and maintenance expenditure by asset class**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		3 563	4 995	20 631	13 320	13 136	13 136	11 940	10 615	11 250
Infrastructure - Road transport		2 237	3 637	5 656	10 423	10 147	10 147	10 044	8 605	9 120
<i>Roads, Pavements &amp; Bridges</i>		2 237	3 637	5 646	10 318	9 647	9 647	9 844	8 393	8 896
<i>Storm water</i>				10	105	500	500	200	212	225
Infrastructure - Electricity		1 164	1 262	14 975	2 361	2 454	2 454	1 761	1 866	1 978
<i>Generation</i>										
<i>Transmission &amp; Reticulation</i>		1 160	1 254	14 967	2 241	2 230	2 230	1 593	1 689	1 790
<i>Street Lighting</i>		4	7	8	120	224	224	167	177	188
Infrastructure - Water		3	16	-	210	210	210	-	-	-
<i>Dams &amp; Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>		3	16		210	210	210	-	-	-

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Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Infrastructure - Sanitation		159	81	-	305	305	305	135	143	151
<i>Reticulation</i>		159	81	-	305	305	305	135	143	151
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	21	21	21	-	-	-
<i>Waste Management</i>					21	21	21			
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3									
<b>Community</b>		<b>36</b>	<b>82</b>	<b>458</b>	<b>1 036</b>	<b>986</b>	<b>986</b>	<b>1 071</b>	<b>1 135</b>	<b>1 203</b>
Parks & gardens			12		400	400	400	200	212	225
Sportsfields & stadia										
Swimming pools										
Community halls		3	5	376	350	300	300	175	186	197
Libraries					50	50	50			
Recreational facilities		34	58	82	86	86	86	96	101	107
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries			7					100	106	112
Social rental housing	8									
Other					150	150	150	500	530	562
Housing development										
Other										
<b>Other assets</b>		<b>1 819</b>	<b>2 080</b>	<b>2 403</b>	<b>2 912</b>	<b>2 902</b>	<b>2 902</b>	<b>4 012</b>	<b>4 240</b>	<b>4 495</b>
General vehicles		1 173	1 487	1 347	1 628	1 573	1 573	1 832	1 929	2 045
Specialised vehicles										
Plant & equipment		280	110	414	289	352	352	475	503	533
Computers - hardware/equipment		251	395	348	575	392	392	887	941	997
Furniture and other office equipment		19	12	22	149	125	125	48	50	53
Abattoirs										
Markets										
Civic Land and Buildings		25	47	73	112	300	300	500	530	562
Other Buildings		1	4	9	50	50	50	12	13	14
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		70	25	190	109	109	109	258	274	290
<b>Total Repairs and Maintenance Expenditure</b>	1	<b>5 419</b>	<b>7 157</b>	<b>23 492</b>	<b>17 267</b>	<b>17 023</b>	<b>17 023</b>	<b>17 023</b>	<b>15 990</b>	<b>16 948</b>

**Table SA35 - Future financial implications of the capital budget**

Vote Description	Ref	2011/12 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Executive & Council		95	-	-				
Budget & Treasury		-	-	-				
Corporate Services		7 302	1 500	3 000				
Economic Planning & Development		52	-	-				
Community Services		3 037	2 000	2 000				
Housing		-	-	-				
Public Safety		5 885	-	-				
Sports & Recreation		12 795	16 660	500				
Waste Management		340	5 764	-				
Waste Water Management		1 105	-	-				
Roads		45 437	53 461	64 328				
Water		295	-	-				
Electricity		2 000	2 000	2 000				
Vote14 - Example 14		-	-	-				
Vote15 - Example 15		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>78 343</b>	<b>81 385</b>	<b>71 828</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>78 343</b>	<b>81 385</b>	<b>71 828</b>	-	-	-	-

**Table SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project  R thousand	Ref	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
	5													
<b>Parent municipality:</b> <i>List all capital projects grouped by Municipal Vote</i>					<i>Examples</i>	<i>Examples</i>								
<b>Executive &amp; Council</b>														
Mayor's Office		DVD Player			Other Assets	Office Equipment			2		10		29	New
		Stellite Dish			Other Assets	Office Equipment			1				29	New
		Printers			Other Assets	Office Equipment					10		29	New
		Projector			Other Assets	Office Equipment					10		29	New
		Fridge			Other Assets	Office Equipment					5		29	New
		Photo Copier			Other Assets	Office Equipment					30		29	New
		Digital Camera			Other Assets	Office Equipment					20		29	New
		Video Camera			Other Assets	Office Equipment		7						
		Podium			Other Assets	Office Equipment		5						
Municipal Manager's Office		Office Furniture			Other Assets	Office Equipment		566					29	New
		ShreddingMACHINE			Other Assets	Office Equipment		18		10			29	New
		Fax Machine			Other Assets	Office Equipment		2					29	New
		Photocopiers			Other Assets	Office Equipment		113	148				29	New
<b>Corporate Servcies</b>														
Human Resources		Telephone Management System			Other Assets	Office Equipment					150		29	New
		Switchboard			Other Assets	Office Equipment		188					29	New
		Recording Machine			Other Assets	Office Equipment		30	25	30			29	New
		Laminating Machine			Other Assets	Office Equipment			10	-			29	New

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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		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
R thousand	5													
Information Technology		Fridge			Other Assets	Office Equipment				11			29	New
		Digital Camera			Other Assets	Office Equipment				5			29	New
		Filing Cabinets			Other Assets	Office Equipment				40			29	New
		Microphones for new Building			Other Assets	Office Equipment				300			29	New
		Collaborator			Other Assets	Office Equipment				200			29	New
		Office Furniture			Other Assets	Office Equipment				600	1 000	1 000	29	New
		Networking of Main Office & Sub-Offices			Other Assets	Office Equipment		126	1 458	250			3,13, 27 & 29	New
		Computers			Other Assets	Office Equipment		549	300	100	500	2 000	29	New
		Network Printer			Other Assets	Office Equipment		44	200				29	New
		Projector			Other Assets	Office Equipment		16	-	60			29	New
		Colour Printer			Other Assets	Office Equipment			100				29	New
		Digital Camera			Other Assets	Office Equipment			22				29	New
		Server			Other Assets	Office Equipment				200			29	New
		Software			Other Assets	Office Equipment		8	500	120			29	New
		GIS Software Package			Other Assets	Office Equipment				450			29	New
		DRP			Other Assets	Office Equipment				700			29	New
	Laptops			Other Assets	Office Equipment			90				29	New	
	UPS			Other Assets	Office Equipment				300			29	New	
Property Services		Air Conditioners					9	50	150			29	New	
		Fencing of Civic Centre			Other Assets	Office Equipment			150			29	New	
		Generator			Community Assets	Buildings		385				29	New	
		Stanby Cottages			Community Assets	Buildings	126	90				29	New	
		Renovation of Mable Street House			Community Assets	Buildings			400			29	New	
		Municipal Chamber			Community Assets	Buildings	632					29	New	
		Suggestion Boxes			Other Assets	Office Equipment			10			29	New	
		Renovation of Ga-Kgapane Sub-office			Community Assets	Buildings		600				4	Renewal	

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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		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
R thousand	5													
Economic Planning & Development		Concrete Mixer			Other Assets	Plant & Equipment				20			29	New
		Municipal Offices / Chamber			Community Assets	Buildings		3 100	3 016				29	New
		Garden for the Blinds			Community Assets	Land		100					29	Renewal
		Gate for Waterfall			Community Assets	Other		49					29	New
		Signanges - Offices & Water falls			Other Assets	Other			40				29	New
		Steel Cabinets - Building Plans			Other Assets	Office Equipment			12				29	New
Libraries & Archives		Paving at Parking Area			Community Assets	Recreation Facilities		50					29	New
		Thatched Umbrellas			Community Assets	Recreation Facilities		55					29	New
		Concrete Chairs			Community Assets	Recreation Facilities		20					29	New
		Concrete Tables			Community Assets	Recreation Facilities		10					29	New
		Rotating Tables			Community Assets	Recreation Facilities		12					29	New
		CD/DVD Storage Cabinet			Other Assets	Office Equipment		18					29	New
		Steel Cabinets			Other Assets	Office Equipment		10					29	New
		Mookwakwaila Library			Community Assets	Buildings					2 000		27	New
		Senwamokgope Library			Community Assets	Buildings				2 000			13	New
		Sekgopo Library			Community Assets	Buildings		580					10	New
Community Halls & Facilities		New Community Hall - Rotterdam			Community Assets	Buildings		580	1 500				28	New
		Senwamokgope Community Hall			Community Assets	Buildings		2 500	1 537				13	New
		Senwamokgope Abbattoir			Community Assets	Buildings		385					13	New
		Maphalle Market Stalls			Community Assets	Buildings		200					20	New
		Senwamokgope Market Stalls			Community Assets	Buildings					500		13	New
		Ramaroka Hall			Community Assets	Buildings		150					21	Renewal
Cemeteries & Crematoriums		Cemetery Layout & Fencing Ga-Kgapane			Community Assets	Cemetery		2 000					4	New

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		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
R thousand	5													
Disaster Management		Colour Printer			Other Assets	Office Equipment				20			29	New
		Fire Extinguishers			Other Assets	Emergency Equipment		6		165			29	New
Street Lighting		Ga-Kgapane Street Lights			Infrastructure	Other		544					4	New
		Modjadjiskloof - Mokgoba			Infrastructure	Other	575	700					29	New
		Ext 7 - Apollo Light			Infrastructure	Other	3						4	New
		Sekgosese College Apollo Lights			Infrastructure	Other		274					13	New
		Bodupe Apollo Lights			Infrastructure	Other		274					2	New
		Maphalle Apollo Lights			Infrastructure	Other			600				20	New
		Phaphadi Apollo Lights			Infrastructure	Other	5	274					22	New
		Lebaka Apollo Lights			Infrastructure	Other		274					19	New
		Rapitsi Apollo Lights			Infrastructure	Other		500					8	New
		Head Kraal TurnOff Streetlights			Infrastructure	Other	37						1	New
		Sekgopo Apollo Lights			Infrastructure	Other		1 400				9 &10		New
		Ga-Ntata Apollo Light			Infrastructure	Other			300				24	New
		Kuranta Apollo Lights			Infrastructure	Other			600				26	New
		Taulume Apollo Lights			Infrastructure	Other			600				27	New
		Boqa Apollo Lights			Infrastructure	Other			600				25	New
		Makgakapatse Apollo Lights			Infrastructure	Other			600				22	New
		Rotterdam Apollo Lights			Infrastructure	Other			600				28	New
		Matipane Appollo Lights			Infrastructure	Other			600				21	New
		Maupa Apollo Lights			Infrastructure	Other			600				23	New
		Sephukubje Apollo Lights			Infrastructure	Other			600				16	New
Sports & Recreation		Water Features			Community Assets	Recreational Facilities	5						29	New
		Access Streets - Caravan Park			Infrastructure	Roads, Pavements Bridges & Stormwater		500					29	Renewal
		Upgrading of Botha Park			Community Assets	Recreational Facilities		200					29	Renewal
		Upgrading of Garden Botha Park			Community Assets	Recreational Facilities			100				29	Renewal



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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		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
R thousand	5													
		Upgrading of Reierpark			Community Assets	Recreational Facilities				70			29	Renewal
		Swimming Pool			Community Assets	Recreational Facilities	65	300					29	New
		Brush Cutters			Other Assets	Plant & Equipment		80	80				29	New
		Lawn Mower			Other Assets	Plant & Equipment		6					29	New
		Chain Saws			Other Assets	Plant & Equipment			15				29	New
		Drive-on Lawn Mower			Other Assets	Plant & Equipment			70				29	New
		Safety Equipment			Other Assets	Plant & Equipment		9					29	New
		Laundry at Caravan Park Enhancement & Beautification of Town Entrance			Community Assets	Recreational Facilities		75					29	Renewal
									250				29	New
		Ga-Kgapane Stadium			Community Assets	Recreational Facilities		1 000	1 000				4	Renewal
		Senwamokgope Stadium			Community Assets	Recreational Facilities		580	3 140	2 000			13	Renewal
		Mokwakwaila Stadium			Community Assets	Recreational Facilities		580	1 420	2 000			27	Renewal
		Lebaka Sports Complex			Community Assets	Recreational Facilities		580	2 000	4 220			19	New
		Sekgopo sports Complex			Community Assets	Recreational Facilities		580	2 000	4 220		9 & 10		New
		Shaamiriri Sports Complex			Community Assets	Recreational Facilities		580	2 000	4 220			25	New
		Ga-Kgapane parks			Community Assets	Recreational Facilities			250				4	New
		Modjadjiskloof Parks			Community Assets	Recreational Facilities			250				29	New
		Senwamokgope Parks			Community Assets	Recreational Facilities			150				13	New
<b>Waste Management</b>		Guard Room & Toilet			Community Assets	Building		87					29	New
		Tipper Truck			Other Assets	Other Motor Vehicle		576		600			29	New
		TLB			Other Assets	Other Motor Vehicle		800		550			29	New
		Fencing old Landfill Site			Community Assets	Land	65						29	New
		Trolley Bins			Other Assets	Bulk Refuse Containers	65	312	-	614			29	New
		Compactor			Other Assets	Plant & Equipment		205	250				29	New
		Swivel Bins			Other Assets	Bulk Refuse Containers			90				29	New
<b>Waste Water Management</b>		Transfer Station			Community Assets	Land			-	4 000			29	New
Sewerage		Tractor			Other Assets	Other Motor Vehicles		416					29	New

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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		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
R thousand	5													
Storm Water		Sewer Unblocking Rodding Machine			Other Assets	Plant & Equipment		48					29	New
		Ga-Kgapane Manningburg Bridge			Infrastructure	Roads, Pavements & Bridges	103	1 145					4	Renewal
		Ga-Kgpane Stormwater Channels			Infrastructure	Roads, Pavements & Bridges			300			3 & 4	Renewal	
		Rapitsi Channels			Infrastructure	Roads, Pavements & Bridges			100			8	New	
		Medingen Culverts			Infrastructure	Roads, Pavements & Bridges			55			5	New	
		Rotterdam Culverts			Infrastructure	Roads, Pavements & Bridges			150			28	New	
		Low Level Bridges			Infrastructure	Roads, Pavements & Bridges			500			All wards	New	
		Ga-Kgapane Ext 7 Bridge			Infrastructure	Roads, Pavements & Bridges		200				4	New	
		Modjadjiskloof Channels			Infrastructure	Roads, Pavements & Bridges		400				29	New	
Public Toilets		Mokwakwaila Taxi Rank Toilets			Community Assets	Land		188				27	New	
Roads Transport														
Roads		Mechanical Broom			Other Assets	Plant & Equipment	68					29	New	
		Low Bed Truck			Other Assets	Plant & Equipment			1 400			29	New	
		Malematja Street Upgrade			Infrastructure	Roads, Pavements & Bridges		1 260	3 400			5	New	
		Mothobekgi			Infrastructure	Roads, Pavements & Bridges				7 000		21	New	
		Mamaila Phaphadi			Infrastructure	Roads, Pavements & Bridges				7 000		22	New	
		Phooko Head Kraal			Infrastructure	Roads, Pavements & Bridges				3 500		15	New	
		Raphahlelo Head Kraal			Infrastructure	Roads, Pavements & Bridges				7 000		15	New	
		Jamela			Infrastructure	Roads, Pavements & Bridges			4 000			19	New	
		Fixing Grader			Other Assets	Plant & Equipment		500				29	Renewal	
		ModjadjiValley Phase II			Infrastructure	Roads, Pavements & Bridges		1 512	8 488			2,6 & 7	New	
		Mapaana Street Upgrade			Infrastructure	Roads, Pavements & Bridges			3 000			3	New	
		Low Level Bridges			Infrastructure	Roads, Pavements & Bridges	94					All Wards	New	
		Sefototse Street Upgrade			Infrastructure	Roads, Pavements & Bridges				4 000		23	New	

Municipal Vote/Capital project  R thousand	Ref  5	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
		Modjadiskloof Streets			Infrastructure	Roads, Pavements & Bridges		8 000		4 000		29	Renewal	
		Matshwi Street Upgrade			Infrastructure	Roads, Pavements & Bridges				5 000		11	New	
		Medingen Street Upgrade			Infrastructure	Roads, Pavements & Bridges				6 000		5	New	
		Ga-Kgapane Side Walks			Infrastructure	Roads, Pavements & Bridges			500			4	Renewal	
		Modjadiskloof Side Walks			Infrastructure	Roads, Pavements & Bridges			200			29	Renewal	
		Kloof Street Upgrade			Infrastructure	Roads, Pavements & Bridges			1 000			29	Renewal	
		Smith Street Upgrade			Infrastructure	Roads, Pavements & Bridges			500			29	Renewal	
		Station Street Upgrade			Infrastructure	Roads, Pavements & Bridges			500			29	Renewal	
		Hill Street Upgrade			Infrastructure	Roads, Pavements & Bridges			2 200			29	Renewal	
		Kerk Street Upgrade			Infrastructure	Roads, Pavements & Bridges			900			29	Renewal	
		Makaba Street Upgrade			Infrastructure	Roads, Pavements & Bridges			6 000			2	New	
		Sedibeng Street Upgrade			Infrastructure	Roads, Pavements & Bridges				6 500		23	New	
		Ga-Kgapane Street Upgrade			Infrastructure	Roads, Pavements & Bridges	184	2 016	5 984		10 000	4	New	
		Senwamokgope Street Upgrade			Infrastructure	Roads, Pavements & Bridges		1 512	3 488		6 028	13	New	
		Thakgalaene Street Upgrade			Infrastructure	Roads, Pavements & Bridges	795	2				12	New	
		Ivory Route Street Upgrade			Infrastructure	Roads, Pavements & Bridges	607	3		6 000		1	New	
		Kuranta Street Upgrade			Infrastructure	Roads, Pavements & Bridges	191	4				26	New	
		Sefotse Street Upgrade			Infrastructure	Roads, Pavements & Bridges	139	3			4 000	23	New	
		Mokgoba Street Upgrade			Infrastructure	Roads, Pavements & Bridges	160	3				29	New	
		Rapitsi Street Upgrade			Infrastructure	Roads, Pavements & Bridges	702	5			6 500	8	New	
		Modjadji Valley Street Upgrade			Infrastructure	Roads, Pavements & Bridges	824	5		2 000		2,6 & 7	New	
		Sekgopo Street Upgrade			Infrastructure	Roads, Pavements & Bridges	125	2			6 500	9	New	
		Mamaila Mphotwane Street Upgrade			Infrastructure	Roads, Pavements & Bridges	638	3		3 000		22	New	
		Malematja Street Upgrade			Infrastructure	Roads, Pavements & Bridges	228	6				5	New	
		Mokwakwaila Street Upgrade			Infrastructure	Roads, Pavements & Bridges					1 600	27	New	

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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		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
R thousand	5													
Vehicle Licensing & Testing		Mandela Barlow Thibeni Road			Infrastructure	Roads, Pavements & Bridges				6 762			7	New
		Shawela Graveyard bridge			Infrastructure	Roads, Pavements & Bridges					1 000		20	New
		Mandela Park Road			Infrastructure	Roads, Pavements & Bridges					4 000		8	New
		Modjadji Head Kraal Road			Infrastructure	Roads, Pavements & Bridges					5 461		1	New
		Ratjeke Street Upgrade			Infrastructure	Roads, Pavements & Bridges						4 000	26	New
		Mobile Radios			Other Assets	Office Equipment		36		60			29	New
		Fax Machine			Other Assets	Office Equipment				5			29	New
		Photocopier			Other Assets	Office Equipment				30			29	New
		Facility for testing of Motor Road Worthy Certificates			Community Assets	Land					1 500		29	New
		Sirens, Blow Lights & PA System			Other Assets	Emergency Equipment		120		-			29	New
		Waiting Facility for Applicants			Community Assets	Land		150					29	New
		Vehicle Testing Station			Community Assets	Land					1 000		29	New
		Speed Digital Camera			Other Assets	Office Equipment				200			29	New
		Fiing Facility Upgrade			Community Assets	Land				20			29	New
		Street Lights at K53 Station			Infrastructure	Other				60			29	New
		Security System at K53 Testing Station			Other Assets	Other				150			29	New
		Security System for Learners License			Other Assets	Other				90			29	New
		Main Gate at K53 Testing Sttion			Other Assets	Other		90					29	New
	Testing Room for Learners License			Community Assets	Building				500			29	New	
	Vehicles			Other Assets	Other Motor Vehicles		833					29	New	
Taxi Rank		Bus Shelters			Community Assets	Buildings					1 200		All Wards	New
		Maphalle Taxi rank			Community Assets	Buildings			250				20	New
		Sekgosese Taxi Rank			Community Assets	Buildings			250				13	New

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Municipal Vote/Capital project  R thousand	Ref	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
	5													
Water distribution		Sekgopo Taxi Rank			Community Assets	Buildings			250				9 &10	New
		Water Tank Stands			Community Assets	Buildings				20			All Wards	New
		LDV			Other Assets	Other Motor Vehicles				250			29	New
		Mobile JOJO Tank			Other Assets	Other				25			29	New
Electricity Distribution		Maximum Demand Metering			Other Assets	Plant & Equipment				500	-		29	New
		500 KVA for Mini-Sub Ringfeed			Other Assets	Plant & Equipment				700			29	New
		Transformers			Other Assets	Plant & Equipment				600			29	New
		NER Compliance			Infrastructure	Electricity Reticulation		455	2 000	1 500	2 000	2 000	29	Renewal
Workshop		Hand Tools			Other Assets	Plant & Equipment		31					29	New
		Walkt Talkies			Other Assets	Office Equipment			7				29	New
		Steel Shelter			Community Assets	Buildings				40			29	New
<b>Total Capital expenditure</b>	1							44 600	47 579	78 343	81 385	71 828	4	

**Table SA37 - Projects delayed from previous financial year**

Municipal Vote/Capital project	Project name	Project number	Asset Class 3.	Asset Sub-Class 3.	Previous target year to complete	Current Year 2010/11		2011/12 Medium Term Revenue & Expenditure Framework		
						Original Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
					R thousand					Year
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>			<i>Examples</i>	<i>Examples</i>						
Community Hall and Other Facilities	New Community Hall Rotterdam Senwamokgope Community Hall					1 500 4 037	580 2 500	1 500 1 537		
Roads	Malematja Street Upgrade Modjadjivalley Phase II Street Upgrade Ga-Kgapane Street Upgrade Senwamokgope Street Upgrade					5 000 6 500 8 000 5 000	1 260 1 512 2 016 1 512	3 400 8 488 5 984 3 488		
Sports & Recreation	Ga-Kgapane Stadium Senwamokgope Stadium Mokwakwaila Stadium Lebaka Sports Complex Sekgopo Sports Complex Shaamirir Sports Complex					1 000 1 000 1 000 1 000 1 000	1 000 580 580 580 580	1 000 3 140 1 420 2 000 2 000	2 000	
Property Services	Municipal Offices					6 116	3 100	3 016		

## 2.12 Legislation compliance status

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

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme  
The municipality is participating in the Municipal Financial Management Internship programme and has employed 8 interns undergoing training in various divisions of the Financial Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 3 interns through this programme and a majority of them were appointed in the municipality all holding senior positions in the Budget & Treasury office of the municipality.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2010/11 MTREF in March 2010 directly aligned and informed by the 2011/12 MTREF.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. Policies  
No policies amended.

## 2.13 Other supporting documents

**Table Table SA1 - Supporting detail to budgeted financial performance**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6	3 513	1 196	5 499	6 597	6 800	6 800	6 800	7 523	7 974	8 453
<i>less Revenue Foregone</i>									440	466	494
<b>Net Property Rates</b>		<b>3 513</b>	<b>1 196</b>	<b>5 499</b>	<b>6 597</b>	<b>6 800</b>	<b>6 800</b>	<b>6 800</b>	<b>7 083</b>	<b>7 508</b>	<b>7 958</b>
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6	4 715	5 172	7 123	9 246	10 262	10 262	10 262	11 553	12 245	12 980
<i>less Revenue Foregone</i>						1 745	1 745	1 745	800	850	900
<b>Net Service charges - electricity revenue</b>		<b>4 715</b>	<b>5 172</b>	<b>7 123</b>	<b>9 246</b>	<b>8 517</b>	<b>8 517</b>	<b>8 517</b>	<b>10 753</b>	<b>11 395</b>	<b>12 080</b>
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6	3 005	3 647		5 611	4 900	4 900	4 900	5 243	5 558	5 891
<i>less Revenue Foregone</i>						2 603	2 603	2 603	2 800	2 974	3 149
<b>Net Service charges - water revenue</b>		<b>3 005</b>	<b>3 647</b>	<b>-</b>	<b>5 611</b>	<b>2 297</b>	<b>2 297</b>	<b>2 297</b>	<b>2 443</b>	<b>2 584</b>	<b>2 742</b>
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue	6	1 125	1 150		1 471	1 293	1 293	1 293	1 438	1 668	1 768
<i>less Revenue Foregone</i>						153	153	153	136	144	153
<b>Net Service charges - sanitation revenue</b>		<b>1 125</b>	<b>1 150</b>	<b>-</b>	<b>1 471</b>	<b>1 140</b>	<b>1 140</b>	<b>1 140</b>	<b>1 302</b>	<b>1 524</b>	<b>1 616</b>
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6	2 175	2 358	2 758	2 856	2 869	2 869	2 869	3 056	3 239	3 433
Total landfill revenue											
<i>less Revenue Foregone</i>						283	283	283	154	164	173
<b>Net Service charges - refuse revenue</b>		<b>2 175</b>	<b>2 358</b>	<b>2 758</b>	<b>2 856</b>	<b>2 586</b>	<b>2 586</b>	<b>2 586</b>	<b>2 901</b>	<b>3 075</b>	<b>3 260</b>
<b>Other Revenue by source</b>											
Fuel levy											
Other revenue	3	6 573	9 295	3 264	7 648	1 981	1 981	1 981	7 851	10 136	10 747
<b>Total 'Other' Revenue</b>	1	<b>6 573</b>	<b>9 295</b>	<b>3 264</b>	<b>7 648</b>	<b>1 981</b>	<b>1 981</b>	<b>1 981</b>	<b>7 851</b>	<b>10 136</b>	<b>10 747</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Salaries and Wages	2	10 204	12 336	16 302	24 203	20 242	20 242	20 242	30 203	32 014	33 932
Contributions to UIF, pensions, medical aid		2 757	3 138	3 776	5 375	5 166	5 166	5 166	6 890	7 303	7 743
Travel, motor car, accom: & other allowances		1 050	952	793	1 419	969	969	969	1 667	1 767	1 873
Housing benefits and allowances		272	306	312	670	669	669	669	685	726	770
Overtime		2 368	2 535	2 529	2 398	2 985	2 985	2 985	2 365	2 507	2 657
Performance bonus		1 277	974	1 100	2 378	2 311	2 311	2 311	2 994	3 174	3 364
Long service awards		13	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		808	2 579	876	912	894	894	894	1 147	1 216	1 289
Post-retirement benefit obligations	4	171	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	<b>18 920</b>	<b>22 820</b>	<b>25 689</b>	<b>37 355</b>	<b>33 236</b>	<b>33 236</b>	<b>33 236</b>	<b>45 951</b>	<b>48 707</b>	<b>51 628</b>
<i>Less: Employees costs capitalised to PPE</i>											
<b>Total Employee related costs</b>	1	<b>18 920</b>	<b>22 820</b>	<b>25 689</b>	<b>37 355</b>	<b>33 236</b>	<b>33 236</b>	<b>33 236</b>	<b>45 951</b>	<b>48 707</b>	<b>51 628</b>
<b>Contributions recognised - capital</b>											
<i>List contributions by contract</i>											



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Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Total Contributions recognised - capital</b>		-	-	-	-	-	-	-	-	-	-
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		-	-	4 550	5 623	5 623	5 623	5 623	6 434	6 820	7 229
Lease amortisation											
Capital asset impairment											
<b>Total Depreciation &amp; asset impairment</b>	1	-	-	4 550	5 623	5 623	5 623	5 623	6 434	6 820	7 229
<b>Bulk purchases</b>											
Electricity Bulk Purchases		3 325	4 678	6 054	8 456	8 456	8 456	8 456	10 180	10 790	11 438
Water Bulk Purchases		4 539	4 416	-	5 800	5 800	5 800	5 800	6 206	6 579	6 973
<b>Total bulk purchases</b>	1	7 864	9 094	6 054	14 256	14 256	14 256	14 256	16 386	17 369	18 411
<b>Contracted services</b>											
Security		1 062	1 487	2 547	3 200	3 584	3 584	3 584	3 600	3 816	4 045
Premicells									400	424	449
Insurance		-	638	587	659	700	700	700	741	786	833
Dumping Site		1 129	998	1 109	1 236	1 236	1 236	1 236	1 488	1 577	1 672
Legal Services		641	737	447	700	500	500	500	700	742	787
Financial Management System		398	371	338	516	1 232	1 232	1 232	623	660	700
Printing Services		561	698	420	-	-	-	-	540	572	607
Review of Revenue Enhancement Strategy		-	-	-	-	500	500	500	100	106	112
Data Cleansing		-	-	-	-	500	500	500	100	106	112
Unbundling of Assets		-	-	-	-	300	300	300	700	742	787
Dermacation of Sites		69	-	-	1 000	800	800	800	-	-	-
SDF Review		-	-	140	300	300	300	300	-	-	-
Review of LED Strategy		-	-	-	-	-	-	-	50	53	56
Strategic Environmental Assessment		-	-	-	420	-	-	-	250	265	281
<b>sub-total</b>	1	3 860	4 930	5 588	8 031	9 651	9 651	9 651	9 292	9 849	10 440
<b>Allocations to organs of state:</b>											
Electricity											
Water											
Sanitation											
Other											
<b>Total contracted services</b>		3 860	4 930	5 588	8 031	9 651	9 651	9 651	9 292	9 849	10 440
<b>Other Expenditure By Type</b>											
Collection costs											
Contributions to 'other' provisions											
Consultant fees											
Audit fees		1 275	1 461	1 465	1 500	1 500	1 500	1 500	1 700	1 802	1 910
General expenses	3	5 155	5 476	31 851	9 211	6 240	6 240	6 240	4 899	5 097	5 405
Free Basic Electricity		1 445	554	1 184	2 800	2 000	2 000	2 000	2 000	2 120	2 247
Free Basic Water		642	361	-	2 800	2 800	2 800	2 800	-	-	-
Ward Committee Meetings & Workshop		2	10	31	3 200	3 200	3 200	3 200	4 000	4 240	4 494
Bursary Scheme		80	50	65	400	400	400	400	700	742	787
Internship Programs (Finance)		631	286	261	1 229	1 762	1 762	1 762	1 600	1 696	1 798
Repayment of Interest on Loan		1 830	1 773	1 712	1 773	1 773	1 773	1 773	1 773	1 879	1 992
Public Participation		39	132	52	300	300	300	300	600	636	674

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Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<i>Communication &amp; Event Management</i>		-	-	-	-	-	-	-	500	530	562
<i>Remuneration of Councillors</i>		8 888	9 921	9 896	15 560	11 324	11 324	11 324	15 885	16 838	17 848
<b>Total 'Other' Expenditure</b>	1	<b>19 985</b>	<b>20 023</b>	<b>46 517</b>	<b>38 773</b>	<b>31 298</b>	<b>31 298</b>	<b>31 298</b>	<b>33 657</b>	<b>35 580</b>	<b>37 716</b>

<b>Repairs and Maintenance by Expenditure Item</b>	8										
Employee related costs		3 578	4 050	3 587	4 328	3 955	3 955	3 955	5 729	6 072	6 437
Other materials		153	253	383	115	123	123	123	536	568	603
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		1 688	2 854	19 521	12 824	12 945	12 945	12 945	9 725	10 307	10 925
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>5 419</b>	<b>7 157</b>	<b>23 492</b>	<b>17 267</b>	<b>17 023</b>	<b>17 023</b>	<b>17 023</b>	<b>15 990</b>	<b>16 948</b>	<b>17 964</b>

**Table Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

Description	Ref	Executive & Council	Budget & Treasury	Corporate Services	Economic Planning & Development	Community Services	Housing	Public Safety	Sports & Recreation	Waste Management	Waste Water Management	Roads	Water	Electricity	Vote14 - Example 14	Vote15 - Example 15	Total
R thousand	1																
<b>Revenue By Source</b>																	
Property rates		-	7 083	-	-	-	-	-	-	-	-	-	-	-			7 083
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-			-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-			-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-			-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-			-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-			-
Service charges – other		-	-	-	-	-	-	-	-	1 985	966	-	84	9 700			12 734
Rental of facilities and equipment		-	187	-	-	-	-	-	-	-	-	-	-	-			187
Interest earned - external investments		-	758	-	-	-	-	-	-	-	-	-	-	-			758
Interest earned - outstanding debtors		-	2 856	-	-	-	-	-	-	-	-	-	-	-			2 856
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-			-
Fines		-	-	-	-	-	-	-	-	-	-	356	-	-			356
Licences and permits		-	-	-	-	-	-	-	-	-	-	4 008	-	-			4 008
Agency services		-	-	-	-	-	-	-	-	-	-	1 434	-	-			1 434
Other revenue		-	12 516	-	-	-	-	-	-	-	-	-	-	-			12 516
Transfers recognised – operational		-	123 478	-	-	-	-	-	-	-	-	-	15 513	-			138 991
Gains on disposal of PPE		-	300	-	-	-	-	-	-	-	-	-	-	-			300
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	147 179	-	-	-	-	-	-	1 985	966	5 798	15 596	9 700	-	-	181 224
<b>Expenditure By Type</b>																	
Employee related costs		6 543	7 234	8 056	5 548	1 433	435	891	4 429	1 222	1 033	10 930	2 490	1 593			51 837
Remuneration of councillors		15 885	-	-	-	-	-	-	-	-	-	-	-	-			15 885
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-			-
Depreciation & asset impairment		554	421	1 485	62	705	2	134	135	-	222	2 232	125	652			6 730
Finance charges		-	186	-	-	-	-	-	-	-	-	-	-	-			186
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	6 206	10 180			16 386
Other materials		-	-	-	-	-	-	-	-	1	-	32	-	256			290
Contracted services		-	623	-	-	-	-	-	-	1 488	-	-	-	-			2 111
Transfers and grants		-	-	4 000	-	-	-	-	-	-	-	-	-	-			4 000
Other expenditure		876	926	554	404	(328)	32	869	807	630	610	153	341	552			4 228
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-			-
<b>Total Expenditure</b>		34 857	12 389	23 095	7 014	1 810	469	1 894	5 371	3 342	1 865	19 348	9 163	15 234	-	-	135 852

Description	Re f																
<b>Surplus/(Deficit)</b>		(34 857)	134 789	(23 095)	(7 014)	(1 810)	(469)	(1 894)	(5 371)	(1 357)	(899)	(13 550)	6 433	(5 534)	-	-	45 371
Transfers recognised – capital			32 997														32 997
Contributions recognised – capital												-					-
Contributed assets																	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(34 857)	167 786	(23 095)	(7 014)	(1 810)	(469)	(1 894)	(5 371)	(1 357)	(899)	(13 550)	6 433	(5 534)	-	-	78 368

**Table Table SA3 – Supporting detail to Statement of Financial Position**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>											
<b>ASSETS</b>											
<u>Call investment deposits</u>											
Call deposits < 90 days											
Other current investments > 90 days											
<b>Total Call investment deposits</b>	2	-	-	-	-	-	-	-	-	-	-
<u>Consumer debtors</u>											
Consumer debtors		35 038	33 232	40 715	64 657	64 657	64 657	64 657	79 415	88 729	95 624
Less: Provision for debt impairment		(31 067)	(25 280)	(32 901)	(53 159)	(53 159)	(53 159)	(53 159)	(63 793)	(71 451)	(74 672)
<b>Total Consumer debtors</b>	2	<b>3 971</b>	<b>7 953</b>	<b>7 814</b>	<b>11 498</b>	<b>11 498</b>	<b>11 498</b>	<b>11 498</b>	<b>15 622</b>	<b>17 278</b>	<b>20 952</b>
<u>Debt impairment provision</u>											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
<b>Balance at end of year</b>		-	-	-	-	-	-	-	-	-	-
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		79 730	134 768	196 247	254 073	257 194	257 194	257 194	338 552	412 173	486 001
Leases recognised as PPE											
Less: Accumulated depreciation	3		13 900	17 886	25 407	25 719	25 719	25 719	33 855	41 217	48 600
<b>Total Property, plant and equipment (PPE)</b>	2	<b>79 730</b>	<b>120 867</b>	<b>178 361</b>	<b>228 666</b>	<b>231 475</b>	<b>231 475</b>	<b>231 475</b>	<b>304 697</b>	<b>370 956</b>	<b>437 401</b>
<b>LIABILITIES</b>											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		390	617	587	487	487	487	487	488	489	490
<b>Total Current liabilities - Borrowing</b>		<b>390</b>	<b>617</b>	<b>587</b>	<b>487</b>	<b>487</b>	<b>487</b>	<b>487</b>	<b>488</b>	<b>489</b>	<b>490</b>
<u>Trade and other payables</u>											
Trade and other creditors		4 205	20 810	31 328	35 427	35 427	35 427	35 427	36 993	38 152	40 527
Unspent conditional transfers			2 853	886	550	550	550	550	300	239	189
VAT											
<b>Total Trade and other payables</b>	2	<b>4 205</b>	<b>23 663</b>	<b>32 214</b>	<b>35 977</b>	<b>35 977</b>	<b>35 977</b>	<b>35 977</b>	<b>37 293</b>	<b>38 391</b>	<b>40 716</b>
<u>Non current liabilities - Borrowing</u>											
Borrowing	4	11 561	11 167	10 589	10 102	10 102	10 102	10 102	9 614	9 125	8 635
Finance leases (including PPP asset element)			71								
<b>Total Non current liabilities - Borrowing</b>		<b>11 561</b>	<b>11 238</b>	<b>10 589</b>	<b>10 102</b>	<b>10 102</b>	<b>10 102</b>	<b>10 102</b>	<b>9 614</b>	<b>9 125</b>	<b>8 635</b>
<u>Provisions - non-current</u>											
Retirement benefits				2 029	2 029	2 029	2 029	2 029	2 030	2 031	2 032
List other major provision items											
Refuse landfill site rehabilitation			1 763	1 913	1 950	1 950	1 950	1 950	1 965	1 974	1 987
Other		4 530		982	954	954	954	954	954	954	954
<b>Total Provisions - non-current</b>		<b>4 530</b>	<b>1 763</b>	<b>4 924</b>	<b>4 933</b>	<b>4 933</b>	<b>4 933</b>	<b>4 933</b>	<b>4 949</b>	<b>4 959</b>	<b>4 973</b>
<b>CHANGES IN NET ASSETS</b>											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance		39 597	79 950	137 984	195 027	221 014	221 014	221 015	246 044	299 885	362 408
GRAP adjustments											
Restated balance		39 597	79 950	137 984	195 027	221 014	221 014	221 015	246 044	299 885	362 408

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Surplus/(Deficit)		35 895	39 690	65 225	71 923	44 397	44 397	44 398	78 367	97 119	103 405
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
<b>Accumulated Surplus/(Deficit)</b>	1	<b>75 492</b>	<b>119 639</b>	<b>203 209</b>	<b>266 950</b>	<b>265 412</b>	<b>265 412</b>	<b>265 413</b>	<b>324 411</b>	<b>397 004</b>	<b>465 813</b>
<b>Reserves</b>											
<b>Total Reserves</b>	2	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>75 492</b>	<b>119 639</b>	<b>203 209</b>	<b>266 950</b>	<b>265 412</b>	<b>265 412</b>	<b>265 413</b>	<b>324 411</b>	<b>397 004</b>	<b>465 813</b>

**Table Table SA9 – Social, economic and demographic statistics and assumptions**

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2007/8	2008/9	2009/10	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework		
<b>Demographics</b>	Stats SA							248			
Population			220	248	248	248	248	248	248	248	248
Females aged 5 - 14			33	49	49	49	49	49	49	49	49
Males aged 5 - 14			32	45	45	45	45	45	45	45	45
Females aged 15 - 34			41	46	46	46	46	46	46	46	46
Males aged 15 - 34			35	42	42	42	42	42	42	42	42
Unemployment			79	66	66	66	66	66	66	66	66
<b>Household income (households) (1.)</b>	-										
None			16 107	85 530	85 530	85 530	85 530	85 530	85 530	85 530	85 530
R1 - R4800			10 557	11 172	11 172	11 172	11 731	11 731	11 731	11 731	11 731
R4800 - R9600			14 221	17 061	17 061	17 061	17 914	17 914	17 914	17 914	17 914
<b>Poverty profiles (2.)</b>	Self Targeting										
Insert description					27 324	27 324	27 324	27 324	27 324	27 324	27 324
<b>Household/demographics (000)</b>	Stats SA										
Number of people in municipal area			220 128	247 736	247 736	247 736	247 736	247 736	247 736	247 736	247 736
Number of poor people in municipal area			69 224	59 539	69 224	59 539	59 539	59 539	59 539	59 539	59 539
Number of households in municipal area			55 379	59 539	59 539	59 539	59 539	59 539	59 539	59 539	59 539
Number of poor households in municipal area					27 324	27 324	27 324	27 324	27 324	27 324	27 324
Definition of poor household (R per month)	earning less than R1 100										
<b>Housing statistics (3.)</b>											
Formal				57 100			56 850	56 850	56 850	59 693	62 677
Informal				2 439			2 689	2 689	2 689	2 555	2 427
<b>Total number of households</b>			0	59 539			59 539	59 539	59 539	62 248	65 104
Dwellings provided by municipality (4.)							519	519	519	519	519
Dwellings provided by province/s							4 668	4 668	4 968	5 268	5 568

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2007/8	2008/9	2009/10	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework		
Dwellings provided by private sector (5.) Total new housing dwellings		-	0	0	-	-	5 187	5 187	5 487	5 787	6 087
<b>Economic (6.)</b>											
Inflation/inflation outlook (CPIX)					5.0%	9.9%	6.7%	5.7%	6.0%	6.0%	6.0%
Interest rate - borrowing											
Interest rate - investment		-	-	-							
Remuneration increases					7.5%	8.3%	13.0%	8.9%	6.1%	6.0%	6.0%
Consumption growth (electricity)					5.4%	5.4%	5.6%	5.1%	4.8%	5.3%	5.5%
Consumption growth (water)					5.4%	5.4%	5.6%	5.6%	4.8%	5.3%	5.5%
<b>Collection rates (7.)</b>											
Property tax/service charges					90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Rental of facilities & equipment					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - external investments					9.5%	9.5%	9.5%	10.0%	10.0%	10.0%	10.0%
Interest - debtors					14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
Revenue from agency services											

Table SA32 – List of external mechanisms

External mechanism  Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Jack Cliffy Security			Security		3 600
Nashua			Premicells		400
Alexander Forbes			Insurance		741
Greater Tzaneen Municipality			Dumping Site		1 488
Various			Legal Services		700
Sebata			Financial Management System		623
Technologies Acceptance			Printing Services		540
Not Yet Appointed			Review of Revenue Enhancement Strategy		100
Not Yet Appointed			Data Cleansing		100
Not Yet Appointed			Unbundling of Assets		700
Not Yet Appointed			Demarcation of Sites		-
Not Yet Appointed			SDF Review		-
Not Yet Appointed			Review of LED Strategy		50
Not Yet Appointed			Strategic Environmental Assessment		250

## 2.14 Municipal manager's quality certificate

I ....., municipal manager of Greater Letaba Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_

Municipal manager of Greater Letaba Municipality

Signature \_\_\_\_\_

Date \_\_\_\_\_