

ANNUAL BUDGET OF
**SETSOTO LOCAL
MUNICIPALITY**



2014/15 TO 2016/17
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act

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MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

PART 1: Annual Budget

1.1 Mayor's Report

The Honourable Speaker- Cllr Mohlomi Molefi Pius
Members of the Executive Committee
Members of the Council
The Municipal Manager
All Directors
All Managers
Members of the Public
Representatives from the Media
Ladies and Gentlemen

Setsoto Local Municipality is confronted by extraordinary challenges that require us to come together as a community to reconfirm our priorities and define the municipality we want to be. These shared goals are expressed each year in our municipal Integrated Development Plan. The Integrated Development Plan spells our needs, the budget quantifies what we can afford, and sets in motion the initiatives and corrective measures that will keep us on a true course.

As a Mayor, I am committed to sustaining the important financial reforms that have allowed the municipality to weather the uncertainty of these troubled economic times. I will continue building a stable and sound fiscal management plan that maintain and enhance the municipality's bond rating.

Whatever the circumstances we face, be assured that I will run the municipality in a fiscally responsible way and keep my pact with the public to put their interests before all others. It is my goal to maintain a high level of service, purchase the necessary equipment and maintain an adequate reserve fund.

Honourable Speaker and Members, it is my pleasure to present for your consideration the Executive Committee's proposed budget for the Fiscal Year 2014/2015. This proposed budget is the result of a thorough and consistent budget process that has been used for many years, but also in line with the National Treasury guidelines on Budgeted Reforms.

The budget process is spearheaded by the Treasury Department, under the direction of the budget team of the Accountant Budget, Manager Financial Control and the Chief Financial Officer. This process takes months of cost/revenue analysis, meeting with departmental heads to discuss the details of the department needs and goals and review the needs in relation to the municipality's Integrated Development Plan predetermined objectives. Upon conclusion of the

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departmental meetings, the budget team reprioritise request based on the overall needs and resources of the municipality and made adjustments for funding of specific request.

It is important for me that this budget reflects the commitment to the Setsoto Local Municipality of a community where every person, family and business has a chance to grow. This budget provides the resources and direction that will help deliver on the following five Setsoto Local Municipality's Key Performance Areas as contained in the Integrated Development Plan:

1. Infrastructure and Services
2. Local Economic Development
3. Organisational Development and Transformation
4. Financial Viability and Management
5. Good Governance and Public Participation

In addition, I ask that we treat this budget process as another step of our internal transformation process to consider both short and long-term perspectives of how we function. As such the underlying principles that guided this budget were:

- The ongoing difficulties in the national and local economy
- Aging and poorly maintained water, sanitation, electricity and roads infrastructure
- The need to prioritise projects and expenditure within the existing resources envelope given cash flow realities and declining cash position of the municipality
- The increased cost of electricity due to Eskom's tariff increases
- The National Treasury guidelines not to effect any tariff increases this year
- Wage increases for municipal staff due to effecting parity within those positions on the same level and also the filling of those critical positions
- Measures that should be in place to be fully GRAP compliant

Honourable Speaker, I present this document, the municipality's Proposed Budget for Fiscal Year 2014/2015, in a strong believe that it continues this process of sound financial management. It provides the surest path to overcoming the municipality's financial challenges, and that it respect both the interests of the taxpayer and our responsibility to future generations. Setsoto Local Municipality is moving in the right direction.

The total budget over the medium-term is **R 1 216 054 000** constituted by **R 392 719 000** for 2014/2015, **R 406 737 000** for 2015/2016 and **R 416 598 000** for 2016/2017. The total revenue increase is **17%** against the adjustment budget 2013/2014 and **5.5%** against the 2013/2014 approved budget.

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The operating expenditure for the medium-term equates to R1 210 044 000, constituted by **R387 599 000** for 2014/2015, **R406 346 000** for 2015/2016 and **R416 099 000** for 2016/2017. The total expenditure has decreased by 9.1% against the adjustment budget 2013/2014 and 21% against the 2013/2014 approved budget.

Mr. Speaker, our operational budget has increased. This is how this portion of the 2014/2015 has been allocated per department.

<u>Revenue - Standard</u>	<u>Proposed Budget</u>	<u>%</u>
<i>Governance and administration</i>	127,165	28.30%
<i>Community and public safety</i>	1,349	0.30%
<i>Economic and environmental services</i>	31,540	7.02%
<i>Engineering services</i>	289,342	64.38%
Total Revenue - Standard	449,396	

As noted in the attached budget, revenue of the municipality is made out of the following revenue sources:

Revenue Source	Proposed Budget	% Increase
Property Rates	39 956 768	8
Service Charges (water, electricity, refuse and sanitation)	130 737 140	8
Investment Revenue	1 951 200	7
Transfers recognised	180 030 000	9
Other Revenue	40 043 985	49
Total	392 719 693	9

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The total revenue from rates and service charges is an amount of R **170 694 508**, which is an increase of **8%**. This is how our revenue streams are made up:

- Property rates
- Service charges for electricity, water sanitation and refuse removal
- Increases in depreciation and debt impairment increased due to our efforts to address the audit queries and align our accounting systems to GRAP standards
- Small long-term investment at OVK, SANLAM and ABSA
- Investment on Municipal Infrastructure Grant
- Equitable Share
- Conditional Grants

The following are conditional grant:

Grant Name	Amount
Municipal Infrastructure Grant	59 660 000
Municipal System Improvement Grant	934 000
Financial Management Grant	1 600 000
Regional Bulk Infrastructure Grant	20 000 000
Extended Public Works Programme	2 632 000
Total	84 826 000

- Other revenue- the main increase is the increase in debt book. The bigger the debt book, the bigger the interest on the outstanding debts. The other income is form, fines, and licenses.

Mr. Speaker an amount of R **374 267 615** for the 2014/2015 has been budgeted for operating expenditure of which salaries, allowances and benefits equals to R **146 795 816** or **39 %** of the expenditure budget and slightly above the normal average of **33%**. The expenditure by vote is made up of the following:

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Description R thousand	Current Year 2013/14			
	Original Budget	Adjusted Budget	Budget Year 2014/15	% increase/decrease
<u>Expenditure By Type</u>				
Employee related costs	123 170	140 305	796	4%
Remuneration of councillors	8 944	9 378	536	2%
Debt impairment	53 328	78 259	000	-13%
Depreciation & asset impairment	165 501	49 650	782	-43%
Finance charges	1 880	980	997	2%
Bulk purchases	54 000	53 671	242	8%
Repairs and Maintenance	28 568	13 462	902	20%
Contracted services	14 705	35 624	162	-108%
Transfers and grants	15 665	15 386	728	-76%
Other expenditure	56 572	29 738	455	-17%
Total Expenditure	522 334	426 452	387	
			599	

The following cross-cutting measures need to be noted:

- Remuneration of Councillors is in line with the determination of upper limits for public representatives
- Repairs and maintenance has been increased by 20% of the current budget
- Contracted services have decreased by 16% due to organisational reengineering to enhance organisational internal capacity
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy as well as the GRAP standards.
Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto

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the register. This has resulted in a significant increase in depreciation relative to previous years and is not expensed through the income statement as it relates mainly to the significant increase in the revaluation value of infrastructure assets. These expenses are directly accounted against the appropriation account.

In conclusion Mr. Speaker, I stand here today again grateful for the trust bestowed in us to lead this municipality by our communities. We have a duty to ensure that the values that they stood for, and particularly of the late first President of the democratic South Africa, Mr. Nelson Mandela, may his soul rest in peace, remain at the centre of our work- and we dare not disappoint them. I reiterate my willingness to work together with all political parties, stakeholders and communities to find workable solutions for the diverse range of developmental challenges facing the municipality.

My sincere appreciation to my Executive Committee members, Chairperson of the Finance Committee, Councillor Koalane, council members, the Municipal Manager, Senior Management and the entire staff, for the support, dedication and effort to put this draft budget together.

We have developed a proposed budget that will control costs to residents while maintaining the expected high quality of services that makes this community a great place to live, learn, work, play and stay.

I thank you.

1.2 Executive Summary

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

The Municipality business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, accommodation, and catering.

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.

National Treasury's MFMA Circular No. 70 and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The on-going 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 electricity (due to tariff increases from 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 and the implementation of the newly approved staff structure.
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2014/15 MTREF process; and

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 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 2014/15 annual budget;
- Intermediate service level standards were used to inform the measurable objectives.
- Tariff and property rate increases should be affordable, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of providing 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;
- The new Valuation Roll for the term 2014 till 2018 will also come into effect and will have a non-favourable impact on certain categories of users. The impact are limited as far as possible.
- 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;

1.3 Recommendation

It is recommended that council at its meeting to be held on the 28 March 2014, consider the tabled draft budget 2014/2015 and adopt the draft budget 2014/2015 and approve the following recommendations: The Council of Setsoto Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out as follows:
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out below:
2. The Council of Setsoto Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014:
 - 2.1. the tariffs for property rates – as set out in 2.4,
 - 2.2. the tariffs for electricity– as set out in 2.4
 - 2.3. the tariffs for the supply of water – as set out in 2.4
 - 2.4. the tariffs for sanitation services – as set out in 2.4
 - 2.5. the tariffs for solid waste services – as set out in 2.4
3. The Council of Setsoto Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 the tariffs for other services, as set out in paragraph 2.4 respectively.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

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1.4 Summary of Operating Revenue and Expenditure

FS191 Setsoto - Table A1 Budget Summary										
Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	23 680	28 460	33 195	26 809	36 867	36 867	–	39 957	42 554	46 809
Service charges	95 427	84 357	101 539	120 952	120 952	120 952	–	130 738	139 236	150 431
Investment revenue	2 344	2 365	–	600	1 822	1 822	–	1 951	2 078	2 203
Transfers recognised - operational	135 824	159 065	–	172 835	173 335	173 335	–	180 030	180 223	171 950
Other own revenue	86 077	118 529	278 658	50 746	26 822	26 822	–	40 043	42 646	45 205
Total Revenue (excluding capital transfers and contributions)	343 352	392 775	413 391	371 942	359 798	359 798	–	392 719	406 737	416 598
Employee costs	81 791	91 547	120 376	123 170	140 305	140 305	–	146 796	156 338	165 718
Remuneration of councillors	8 144	8 020	11 082	8 944	9 378	9 378	–	9 536	10 156	10 765
Depreciation & asset impairment	192 384	192 450	208 622	165 501	49 650	49 650	–	34 782	37 043	39 265
Finance charges	2 850	1 879	1 265	1 880	980	980	–	997	1 062	1 126
Materials and bulk purchases	42 297	59 547	83 260	54 000	53 671	53 671	–	58 242	62 028	65 749
Transfers and grants	13 385	7 894	8 133	15 665	15 386	–	–	8 728	9 295	9 853
Other expenditure	103 792	100 617	164 984	124 606	157 082	157 083	–	128 518	130 425	123 622
Total Expenditure	444 643	461 955	597 722	493 766	426 452	411 066	–	387 599	406 346	416 099
Surplus/(Deficit)	(101 290)	(69 180)	(184 331)	(121 824)	(66 654)	(51 268)	–	5 120	391	499
Transfers recognised - capital	–	–	–	68 887	79 977	79 977	–	56 677	44 059	45 955
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(101 290)	(69 180)	(184 331)	(52 937)	13 323	28 709	–	61 797	44 450	46 454
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(101 290)	(69 180)	(184 331)	(52 937)	13 323	28 709	–	61 797	44 450	46 454

Total operating revenue has grown by **5.6 %** or **R20.7 million** for the 2014/15 financial year when compared to the 2013/14 Budget. For the two outer years, operational revenue will increase by **6.5 %** and **6.0 %** respectively.

Total operating expenditure for the 2014/15 financial year has been appropriated at **R387 million** and translates into a budgeted surplus of **R5 million** which include depreciation. The total surplus will be utilised for capital spending on infrastructure and movable asset acquisition.

1.5 Operating Revenue Framework

For Setsoto 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 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity 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 Council.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

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1.6 Summary of Operating Revenue by source

Table 2 – Summary of Operating Revenue by source

FS191 Setsoto - Table A1 Budget Summary										
Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	23,680	28,460	33,195	26,809	36,867	36,997	36,997	39,957	42,554	45,107
Service charges	95,427	84,357	101,539	120,952	120,952	–	–	130,738	139,236	147,590
Investment revenue	2,344	2,365	–	600	1,822	–	–	1,951	2,078	2,203
Transfers recognised - operational	135,824	159,065	–	172,835	173,335	–	–	180,030	171,091	162,818
Other own revenue	86,077	118,529	278,658	50,746	26,822	–	–	40,044	42,647	45,206
Total Revenue (excluding capital transfers and contributions)	343,352	392,775	413,391	371,942	359,798	36,997	36,997	392,720	397,605	402,923

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.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise **43 %** of the total revenue mix. In the 2013/14 financial year, revenue from rates and services charges totalled **R157.8 million** or **44 %**. A notable trend is the decrease in the total percentage revenue generated from rates and services charges which decreases from **44 %** in 2013/14 to **43 %** in 2014/15. This decline can mainly attributed to the decreased share that the sale of electricity contributes to the total revenue mix, which in turn is due to the percentage increased allowed by NERSA for electricity sales. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Operating grants and transfers totals **R173 million** in the 2013/14 financial year and increases to **R180 million** by 2014/15.

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1.7 Summary of operating expenditure by standard classification item

Table 8 Summary of operating expenditure by standard classification item

FS191 Setsoto - Table A1 Budget Summary										
Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Employee costs	81 791	91 547	120 376	123 170	140 305	140 305	–	146 796	156 338	165 718
Remuneration of councillors	8 144	8 020	11 082	8 944	9 378	9 378	–	9 536	10 156	10 765
Depreciation & asset impairment	192 384	192 450	208 622	165 501	49 650	49 650	–	34 782	37 043	39 265
Finance charges	2 850	1 879	1 265	1 880	980	980	–	997	1 062	1 126
Materials and bulk purchases	42 297	59 547	83 260	54 000	53 671	53 671	–	58 242	62 028	65 749
Transfers and grants	13 385	7 894	8 133	15 665	15 386	–	–	8 728	9 295	9 853
Other expenditure	103 792	100 617	164 984	124 606	157 082	157 083	–	128 518	130 425	123 622
Total Expenditure	444 643	461 955	597 722	493 766	426 452	411 066	–	387 599	406 346	416 099

The budgeted allocation for employee related costs for the 2014/15 financial year totals R146 million, which equals 38 % of the total cash funded operating expenditure. Provision was made for the partial implementation of the Organisational structure that was adopted by Council as well as that the Library services has been transferred to the Provincial Government.

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 in this regard has been taken into account in compiling the Municipality budget.

The provision of debt impairment was determined based on an annual collection rate of 70 % and the Debt Write-off Policy of the Council. For the 2014/15 financial year this amount equates to R69 million. 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 as well as the GRAP standards. 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 and are not expensed through the income statement as it relates mainly to the significant increase in the revaluation value of infrastructure assets. These expenses are directly accountant against the appropriation account.

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

Bulk purchases are directly informed by the purchase of electricity from Eskom

1.7.1 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 Indigent Policy. The target is to register 8 000 or more indigent households during the 2014/15 financial year, a process reviewed annually.

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.

1.8 Capital expenditure

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

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Program/Project description	Project number	Budget Year
		2014/15
Meqheleng: Upgrading of bulk water supply	mig/fs/0707/w/08/10	930
Marquard Installation of 2 high mast lights	MIG/FS0794/CL/10/11	68
Senekal Installation of 5 high mast lights	MIG/FS/0795/CL/10/11	119
Ficksburg Installation of 7 high mast lights	MIG/FS0796/CL/10/11	129
Clocolan Installation of 2 high mast lights	MIG/FS0797/CL/10/11	41
Ficksburg Construction of 3km paved road	MIG/FS0869/R,ST/11/13	15 283
Senekal Construction of 3km paved road	MIG/FS0870/R,ST/11/13	15 283
Ficksburg Upgrading of Recreational & Sport Facilities	MIG/FS0873/CF/12/14	20 915
Senekal Development of new solid waste disposal site	MIG/FS0879/12/13	447
Ficksburg Development of new solid disposal site	MIG/FS0880/F/12/13	815
Ficksburg Fencing of Municipal Properties	MIG/FS0883/F/12/12	2 647
Projects Funded by MIG		56 677

Table 9 – Summary of Capital Expenditure from own revenue

Summary of Capital Expenditure from own revenue		
Furniture and Equipment	All Departments	500
Financial Management System		2 300
2 X TLB's		900
Refuse Compactors		1 000
		4 700

1.9 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 Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 7 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions such as KPMG, Ernest &Young, SARS, Auditor General, and National Treasury.
3. Budget and Treasury Office

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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 2014/15 MTREF in May 2014 directly aligned and informed by the 2014/15 MTREF.
6. **Annual Report**
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. **MFMA Training**
The MFMA training module in electronic format is presented at the Municipality internal centre and training is ongoing.
8. **Policies**
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

1.10 Funding credibility on cash flow

The following table illustrate that based on the collection rate of service charges the budget are cash funded. Although the budgeted deficit is reflected, it is attributed mainly as a result of the revaluation of infrastructure assets and the depreciation on the said assets. The Municipality had an unfunded surplus to the amount of R 2 billion due to the revaluation. The deficit will be appropriated against this unfunded surplus.

Table 10 – Summary of Operating Revenue and Expenditure cash flow

Setsoto Local Municipality – Annual Budget & MTREF 2014/15

FS191 Setsoto - Supporting Table SA30 Budgeted monthly cash flow																
MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													1			
Property rates	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	26 371	28 086	30 894
Property rates - penalties & collection charges													-			
Service charges - electricity revenue	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	42 270	45 018	47 719
Service charges - water revenue	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	19 913	21 208	23 329
Service charges - sanitation revenue	922	922	922	922	922	922	922	922	922	922	922	922	922	11 068	11 787	12 966
Service charges - refuse revenue	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	13 035	13 883	15 271
Service charges - other													-			
Rental of facilities and equipment	69	69	69	69	69	69	69	69	69	69	69	69	69	822	876	928
Interest earned - external investments	163	163	163	163	163	163	163	163	163	163	163	163	163	1 951	2 078	2 203
Interest earned - outstanding debtors	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	21 410	22 802	24 170
Dividends received													-			
Fines	24	24	24	24	24	24	24	24	24	24	24	24	24	292	311	329
Licences and permits	15	20	5	-	-	-	-	-	-	-	-	-	-	40	43	45
Agency services													-			
Transfer receipts - operational	84 291	1 316	934	-	50 404	-	-	-	526	33 076	-	9 483	180 030	180 223	171 950	
Other revenue	214	214	214	214	214	214	214	214	214	214	214	214	2 566	6 831	7 241	
Cash Receipts by Source	95 947	12 978	12 581	11 642	62 046	11 642	11 642	12 168	44 718	11 642	11 642	21 124	319 770	333 144	337 045	
Other Cash Flows by Source																
Transfer receipts - capital	29 830					17 898			11 932				-	59 660	44 059	45 955
Contributions recognised - capital & Contributed assets													-			
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													-			
Total Cash Receipts by Source	125 777	12 978	12 581	11 642	79 944	11 642	11 642	12 168	56 650	11 642	11 642	21 124	379 430	377 203	383 000	
Cash Payments by Type																
Employee related costs	11 240	11 240	11 240	11 240	16 240	17 240	11 240	11 240	11 240	11 240	11 240	11 240	12 160	146 796	156 338	165 718
Remuneration of councillors	795	795	795	795	795	900	800	800	800	800	800	800	663	9 536	10 156	10 765
Finance charges	83	83	83	83	83	83	83	83	83	83	83	83	83	997	1 062	1 126
Bulk purchases - Electricity	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	58 242	62 028	65 749
Bulk purchases - Water & Sewer													-			
Other materials													-			
Contracted services	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	877	17 162	12 277	10 014
Transfers and grants - other municipalities													-			
Transfers and grants - other	769	769	769	769	769	769	769	769	769	769	769	769	269	8 728	9 295	9 853
Other expenditure	2 311	3 511	3 311	3 311	3 511	3 311	3 611	3 911	3 311	4 311	3 311	4 641	42 356	44 662	35 715	
Cash Payments by Type	21 531	22 731	22 531	22 531	27 731	28 636	22 836	23 136	22 536	23 536	22 536	23 545	283 817	295 818	298 939	
Other Cash Flows/Payments by Type																
Capital assets	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	61 377	44 059	45 955
Repayment of borrowing													-			
Other Cash Flows/Payments													-			
Total Cash Payments by Type	26 646	27 846	27 646	27 646	32 846	33 751	27 951	28 251	27 651	28 651	27 651	28 660	345 194	339 877	344 894	
NET INCREASE/(DECREASE) IN CASH HELD	99 132	(14 868)	(15 065)	(16 004)	47 098	(22 109)	(16 309)	(16 083)	28 999	(17 009)	(16 009)	(7 536)	34 236	37 327	38 106	
Cash/cash equivalents at the month/year begin:	3 562	102 694	87 826	72 761	56 757	103 855	81 745	65 436	49 353	78 352	61 343	45 334	3 562	37 798	75 124	
Cash/cash equivalents at the month/year end:	102 694	87 826	72 761	56 757	103 855	81 745	65 436	49 353	78 352	61 343	45 334	37 798	37 798	75 124	113 230	

1.11 Municipal manager’s quality certificate

I S T R Ramakarane, Municipal Manager of Setsoto Local 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 _ S T R RAMAKARANE _____

Municipal manager of Setsoto Municipality (FS191)

Signature _____

Date _____

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 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 the budget key timelines before Council meeting outlining the key activities to be undertaken with strict timeliness. There was however necessary deviations from the key dates set out in the Budget Time Schedule tabled in Council due to the non-availability of key personnel.

The municipality tabled the Draft Budget for 2014/2015 in Council on 28 March 2014. All relevant documents as tabled in Council were placed on the municipality's website and municipal offices for community consultation. All documents in the appropriate format were provided to National Treasury and the Provincial Treasury for inputs and recommendations.

Community Participation was conducted from 22 to 25 April 2014 in all four towns of Setsoto municipality. Inputs received during public participation focused on Service Delivery issues and backlogs.

When finalising the budget the municipality took into account inputs received from Treasury Departments and the community.

Setsoto Local Municipality – Annual Budget & MTREF 2014/15

FS191 Setsoto - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands										
Financial Performance										
Property rates	23 680	28 460	33 195	26 809	36 867	36 867	–	39 957	42 554	46 809
Service charges	95 427	84 357	101 539	120 952	120 952	120 952	–	130 738	139 236	150 431
Investment revenue	2 344	2 365	–	600	1 822	1 822	–	1 951	2 078	2 203
Transfers recognised - operational	135 824	159 065	–	172 835	173 335	173 335	–	180 030	180 223	171 950
Other own revenue	86 077	118 529	278 658	50 746	26 822	26 822	–	40 043	42 646	45 205
Total Revenue (excluding capital transfers and contributions)	343 352	392 775	413 391	371 942	359 798	359 798	–	392 719	406 737	416 598
Employee costs	81 791	91 547	120 376	123 170	140 305	140 305	–	146 796	156 338	165 718
Remuneration of councillors	8 144	8 020	11 082	8 944	9 378	9 378	–	9 536	10 156	10 765
Depreciation & asset impairment	192 384	192 450	208 622	165 501	49 650	49 650	–	34 782	37 043	39 265
Finance charges	2 850	1 879	1 265	1 880	980	980	–	997	1 062	1 126
Materials and bulk purchases	42 297	59 547	83 260	54 000	53 671	53 671	–	58 242	62 028	65 749
Transfers and grants	13 385	7 894	8 133	15 665	15 386	–	–	8 728	9 295	9 853
Other expenditure	103 792	100 617	164 984	124 606	157 082	157 083	–	128 518	130 425	123 622
Total Expenditure	444 643	461 955	597 722	493 766	426 452	411 066	–	387 599	406 346	416 099
Surplus/(Deficit)	(101 290)	(69 180)	(184 331)	(121 824)	(66 654)	(51 268)	–	5 120	391	499
Transfers recognised - capital	–	–	–	68 887	79 977	79 977	–	56 677	44 059	45 955
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(101 290)	(69 180)	(184 331)	(52 937)	13 323	28 709	–	61 797	44 450	46 454
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(101 290)	(69 180)	(184 331)	(52 937)	13 323	28 709	–	61 797	44 450	46 454

Setsoto Local Municipality – Annual Budget & MTREF 2014/15

FS191 Setsoto - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Revenue - Standard										
Governance and administration		–	128 012	127 800	134 352	119 501	–	127 165	121 992	129 312
Executive and council		–	55 287	58 955	58 689	59 276	–	48 666	38 391	40 695
Budget and treasury office		–	63 301	67 145	67 125	59 394	–	77 047	82 055	86 978
Corporate services		–	9 425	1 699	8 538	831	–	1 452	1 546	1 639
Community and public safety		–	7 341	1 360	1 214	5 361	–	1 349	1 437	1 523
Community and social services		–	301	314	385	363	–	454	483	512
Sport and recreation		–	6 657	45	53	29	–	57	61	65
Public safety		–	378	823	270	4 435	–	292	311	329
Housing		–	4	178	506	534	–	546	582	617
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	47 302	24 825	27 604	27 629	–	31 540	32 732	34 656
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		–	47 302	24 825	27 604	27 629	–	31 540	32 732	34 656
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	210 120	290 498	277 659	287 284	–	289 342	288 367	287 169
Electricity		–	83 307	96 437	103 849	101 599	–	108 654	115 717	122 660
Water		–	57 907	55 973	113 230	119 936	–	114 351	102 001	89 622
Waste water management		–	41 995	111 112	29 406	31 125	–	28 568	30 425	32 250
Waste management		–	26 910	26 976	31 174	34 625	–	37 769	40 224	42 637
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	–	392 775	444 483	440 829	439 775	–	449 396	444 527	452 661
Expenditure - Standard										
Governance and administration		–	76 882	115 961	143 418	126 974	–	104 746	111 555	118 248
Executive and council		–	30 028	69 410	52 254	59 502	–	47 985	51 104	54 170
Budget and treasury office		–	23 887	18 779	35 673	41 326	–	31 555	33 606	35 623
Corporate services		–	22 966	27 772	55 491	26 146	–	25 206	26 844	28 455
Community and public safety		–	44 576	41 372	35 830	37 281	–	38 116	40 594	43 030
Community and social services		–	5 525	5 969	9 307	15 847	–	7 909	8 423	8 929
Sport and recreation		–	12 355	21 022	12 690	11 014	–	10 480	11 161	11 831
Public safety		–	6 096	8 249	7 591	5 648	–	12 416	13 223	14 016
Housing		–	20 600	6 132	6 241	4 771	–	7 311	7 786	8 253
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	161 709	14 367	45 990	19 695	–	27 438	29 222	30 975
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		–	161 194	14 367	45 990	19 695	–	27 438	29 222	30 975
Environmental protection		–	514	–	–	–	–	–	–	–
Trading services		–	178 789	387 781	268 528	242 501	–	217 299	230 423	224 249
Electricity		–	85 567	59 422	76 303	71 794	–	81 884	86 206	81 378
Water		–	38 540	249 399	65 707	93 949	–	50 575	53 863	52 095
Waste water management		–	34 440	35 212	71 261	38 479	–	41 711	44 422	42 087
Waste management		–	20 241	43 748	55 257	38 280	–	43 129	45 932	48 688
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	–	461 955	559 480	493 766	426 452	–	387 600	411 794	416 501
Surplus/(Deficit) for the year		–	(69 180)	(114 997)	(52 937)	13 323	–	61 796	32 734	36 159

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FS191 Setsoto - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - Council		-	-	58 155	56 049	56 136	-	45 842	35 384	37 507
Vote 2 - Corporate Services		-	-	1 866	8 368	686	-	1 273	1 355	1 437
Vote 3 - Municipal Manager		-	-	800	2 640	3 140	-	2 824	3 008	3 188
Vote 4 - Treasury Services		-	-	67 145	67 125	59 394	-	77 047	82 055	86 978
Vote 5 - Social Services		-	-	28 169	32 558	40 130	-	39 297	41 851	44 363
Vote 6 - Engineering Services		263 782	343 352	288 347	274 090	280 288	-	283 113	280 874	279 188
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	263 782	343 352	444 483	440 829	439 775	-	449 396	444 527	452 661
Expenditure by Vote to be appropriated	1									
Vote 1 - Council		-	-	31 378	38 506	50 704	-	38 607	41 116	43 583
Vote 2 - Corporate Services		-	-	27 087	54 482	26 709	-	30 617	32 607	34 563
Vote 3 - Municipal Manager		-	-	38 032	17 992	10 316	-	10 947	11 659	12 358
Vote 4 - Treasury Services		-	-	18 779	35 673	41 326	-	31 555	33 606	35 623
Vote 5 - Social Services		-	-	85 805	87 853	73 479	-	74 266	79 093	83 838
Vote 6 - Engineering Services		290 547	444 643	358 400	259 261	223 917	-	201 608	213 713	206 535
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	290 547	444 643	559 480	493 766	426 452	-	387 600	411 794	416 501
Surplus/(Deficit) for the year	2	(26 765)	(101 290)	(114 997)	(52 937)	13 323	-	61 796	32 734	36 159

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FS191 Setsoto - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Revenue By Source											
Property rates	2	23 680	28 460	33 195	26 809	36 867	36 867	-	39 957	42 554	46 809
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	42 376	45 332	53 457	60 323	60 323	60 323	-	64 046	68 209	72 301
Service charges - water revenue	2	22 318	10 225	20 536	27 429	27 429	27 429	-	30 172	32 133	35 346
Service charges - sanitation revenue	2	14 285	13 412	12 623	15 245	15 245	15 245	-	16 770	17 860	19 645
Service charges - refuse revenue	2	16 358	15 388	14 922	17 955	17 955	17 955	-	19 751	21 034	23 138
Service charges - other		91	-			-			-		
Rental of facilities and equipment		436	131		752	813	813		822	876	928
Interest earned - external investments		2 344	2 365		600	1 822	1 822		1 951	2 078	2 203
Interest earned - outstanding debtors		11 836	27 280		30 000	18 084	18 084		32 440	34 549	36 622
Dividends received						30	30		35	37	40
Fines		297	387		270	4 450	4 450		292	311	329
Licences and permits		1	106		12	21	21		40	43	45
Agency services						-			-	-	-
Transfers recognised - operational		135 824	159 065		172 835	173 335	173 335		180 030	180 223	171 950
Other revenue	2	73 508	90 624	278 658	19 712	3 424	3 424	-	6 414	6 831	7 241
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		343 352	392 775	413 391	371 942	359 798	359 798	-	392 719	406 737	416 598
Expenditure By Type											
Employee related costs	2	81 791	91 547	120 376	123 170	140 305	140 305	-	146 796	156 338	165 718
Remuneration of councillors		8 144	8 020	11 082	8 944	9 378	9 378		9 536	10 156	10 765
Debt impairment	3	56 657	57 536	83 687	53 328	78 259	78 259		69 000	73 485	77 894
Depreciation & asset impairment	2	192 384	192 450	208 622	165 501	49 650	49 650	-	34 782	37 043	39 265
Finance charges		2 850	1 879	1 265	1 880	980	980		997	1 062	1 126
Bulk purchases	2	30 341	44 284	48 437	54 000	53 671	53 671	-	58 242	62 028	65 749
Other materials	8	11 956	15 263	34 823	-	-	-		-	-	-
Contracted services		-	727	-	14 705	35 624	35 624	-	17 162	12 277	10 014
Transfers and grants		13 385	7 894	8 133	15 665	15 386	-	-	8 728	9 295	9 853
Other expenditure	4, 5	47 135	42 354	81 297	56 572	43 200	43 200	-	42 356	44 662	35 715
Loss on disposal of PPE											
Total Expenditure		444 643	461 955	597 722	493 766	426 452	411 066	-	387 599	406 346	416 099
Surplus/(Deficit)											
Transfers recognised - capital		(101 290)	(69 180)	(184 331)	(121 824)	(66 654)	(51 268)	-	5 120	391	499
Contributions recognised - capital	6	-	-	-	-	68 887	79 977	-	56 677	44 059	45 955
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(101 290)	(69 180)	(184 331)	(52 937)	13 323	28 709	-	61 797	44 450	46 454
Taxation											
Surplus/(Deficit) after taxation		(101 290)	(69 180)	(184 331)	(52 937)	13 323	28 709	-	61 797	44 450	46 454
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(101 290)	(69 180)	(184 331)	(52 937)	13 323	28 709	-	61 797	44 450	46 454
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(101 290)	(69 180)	(184 331)	(52 937)	13 323	28 709	-	61 797	44 450	46 454

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FS191 Setsoto - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 4 - Treasury Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Social Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	52 034	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	52 034	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Council		-	1 765	-	-	-	-	-	16	-	-
Vote 2 - Corporate Services		4 524	-	361	1 000	800	800	-	593	-	-
Vote 3 - Municipal Manager		-	-	-	530	-	-	-	98	-	-
Vote 4 - Treasury Services		-	1 265	509	3 220	2 300	2 300	-	2 328	-	-
Vote 5 - Social Services		610	5 819	20 775	-	45 725	45 725	-	26 057	22 894	25 955
Vote 6 - Engineering Services		62 087	63 177	49 572	23 325	37 847	37 846	-	32 285	22 158	20 000
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		67 221	72 026	71 217	28 075	86 672	86 671	-	61 377	45 052	45 955
Total Capital Expenditure - Vote		67 221	72 026	71 217	80 109	86 672	86 671	-	61 377	45 052	45 955
Capital Expenditure - Standard											
Governance and administration		-	-	-	-	(330)	-	-	3 035	-	-
Executive and council		-	-	-	-	-	-	-	113	-	-
Budget and treasury office		-	-	-	-	-	-	-	2 328	-	-
Corporate services		-	-	-	-	(330)	-	-	593	-	-
Community and public safety		-	-	-	-	450	-	-	21 149	3 000	-
Community and social services		-	-	-	-	-	-	-	163	-	-
Sport and recreation		-	-	-	-	-	-	-	20 923	3 000	-
Public safety		-	-	-	-	120	-	-	63	-	-
Housing		-	-	-	-	330	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	30 966	21 158	20 000
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	30 966	21 158	20 000
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	3 580	20 449	25 955
Electricity		-	-	-	-	-	-	-	357	-	-
Water		-	-	-	-	-	-	-	944	-	-
Waste water management		-	-	-	-	-	-	-	17	1 000	-
Waste management		-	-	-	-	-	-	-	2 262	19 449	25 955
Other		-	-	-	-	-	-	-	2 647	445	-
Total Capital Expenditure - Standard	3	-	-	-	-	120	-	-	61 377	45 052	45 955
Funded by:											
National Government		-	-	-	-	74 977	-	-	56 677	45 052	45 955
Provincial Government		-	-	-	-	5 000	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	-	79 977	-	-	56 677	45 052	45 955
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	6 695	-	-	4 700	-	-
Total Capital Funding	7	-	-	-	-	86 672	-	-	61 377	45 052	45 955

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FS191 Setsoto - Table A7 Budgeted Cash Flows											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		134 328	79 541	100 330	127 460	96 238	96 238		109 985	117 134	126 888
Government - operating	1	198 302	238 547	186 947	172 835	173 335	173 335		180 030	180 223	171 950
Government - capital	1		–	87 217	68 887	73 887	73 887		56 677	44 059	45 955
Interest		2 344	29 645	2 312	21 000	12 311	12 311		21 415	24 431	25 897
Dividends			–	28		30	30		35	37	40
Payments											
Suppliers and employees		(272 070)	(241 594)	(263 902)	(253 719)	(225 261)	(225 261)		(274 092)	(285 461)	(287 961)
Finance charges		(2 850)	(1 879)	(1 265)	(1 880)	(980)	(980)		(997)	(1 062)	(1 126)
Transfers and Grants	1		–	(8 133)	(15 665)	(15 386)	(15 386)		(8 728)	(9 295)	(9 853)
NET CASH FROM/(USED) OPERATING ACTIVITIES		60 053	104 260	103 533	118 918	114 174	114 174	–	84 325	70 066	71 790
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			–								
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables		4	4		4						
Decrease (increase) in non-current investments		4 336	9 182								
Payments											
Capital assets		(67 899)	(72 122)	(91 343)	(80 109)	(86 672)	(86 672)		(61 377)	(45 052)	45 955
NET CASH FROM/(USED) INVESTING ACTIVITIES		(63 560)	(62 936)	(91 343)	(80 105)	(86 672)	(86 672)	–	(61 377)	(45 052)	45 955
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits					5	5	5		1	1	1
Payments											
Repayment of borrowing		(6 902)	(7 591)	(2 093)	(977)	(510)	(510)		(1 200)	(1 200)	(1 200)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(6 902)	(7 591)	(2 093)	(972)	(505)	(505)	–	(1 199)	(1 199)	(1 199)
NET INCREASE/ (DECREASE) IN CASH HELD		(10 408)	33 733	10 096	37 840	26 997	26 997	–	21 749	23 815	116 546
Cash/cash equivalents at the year begin:	2	(16 533)	(26 941)	6 791	–	22 491		22 491	49 489	71 238	95 053
Cash/cash equivalents at the year end:	2	(26 941)	6 791	16 887	37 840	49 489	26 997	22 491	71 238	95 053	211 599

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FS191 Setsoto - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)								
Description	Ref	Vote 1 - Council	Vote 2 - Corporate Services	Vote 3 - Municipal Manager	Vote 4 - Treasury Services	Vote 5 - Social Services	Vote 6 - Engineering Services	Total
R thousand	1							
Revenue By Source								
Property rates					39 957			39 957
Property rates - penalties & collection charges								-
Service charges - electricity revenue							64 046	64 046
Service charges - water revenue							30 172	30 172
Service charges - sanitation revenue							16 770	16 770
Service charges - refuse revenue						19 751		19 751
Service charges - other								-
Rental of facilities and equipment		-	5	-	-	817	-	822
Interest earned - external investments					1 951			1 951
Interest earned - outstanding debtors					32 440			32 440
Dividends received					35			35
Fines						292		292
Licences and permits						40		40
Agency services								-
Other revenue		113	1 267	-	1 064	395	3 576	6 415
Transfers recognised - operational		45 730	-	2 824	1 600	18 003	111 874	180 030
Gains on disposal of PPE								-
Total Revenue (excluding capital transfers and contributions)		45 842	1 273	2 824	77 047	39 297	226 437	392 720
Expenditure By Type								
Employee related costs		13 898	18 531	6 796	16 862	44 043	46 666	146 796
Remuneration of councillors		9 536	-	-	-	-	-	9 536
Debt impairment		-	2 000	-	3 000	18 000	46 000	69 000
Depreciation & asset impairment		33	2 902	291	709	4 706	26 141	34 782
Finance charges		500	145	-	132	-	220	997
Bulk purchases		-	-	-	-	-	58 242	58 242
Other materials		-	-	-	-	-	-	-
Contracted services		3 249	1 861	1 516	8 623	705	1 207	17 162
Transfers and grants		7 500	168	-	-	60	1 000	8 728
Other expenditure		3 891	5 010	2 344	2 229	6 751	22 132	42 357
Loss on disposal of PPE								-
Total Expenditure		38 607	30 617	10 947	31 555	74 266	201 608	387 600
Surplus/(Deficit)								
		7 236	(29 344)	(8 123)	45 491	(34 968)	24 829	5 120
Transfers recognised - capital			2 647			22 178	31 852	56 677
Contributions recognised - capital								-
Contributed assets								-
Surplus/(Deficit) after capital transfers & contributions		7 236	(26 697)	(8 123)	45 491	(12 791)	56 681	61 797

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FS191 Setsoto - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.2%	2.0%	0.6%	0.6%	0.3%	0.4%	0.0%	0.6%	0.6%	0.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.7%	4.1%	0.8%	1.4%	0.8%	0.8%	0.0%	1.0%	1.0%	1.0%
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%
Safety of Capital											
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%
Liquidity											
Current Ratio	Current assets/current liabilities	1.1	1.4	1.8	0.8	-	-	-	-	-	-
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.1	1.4	1.8	0.8	-	-	-	-	-	-
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.1	0.3	0.4	-	-	-	-	-	-
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		65.5%	34.4%	24.3%	64.2%	52.1%	52.1%	0.0%	52.2%	52.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		65.5%	34.4%	24.3%	64.2%	52.1%	52.1%	0.0%	52.2%	52.2%	52.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	29.0%	28.8%	25.2%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%		99.0%	99.0%	99.0%
Creditors to Cash and Investments		-95.1%	778.2%	344.8%	153.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	23.8%	23.3%	29.1%	33.1%	39.0%	39.0%	0.0%	37.4%	38.4%	39.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	35.5%	41.6%	0.0%		41.5%	42.6%	44.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	17.0%	0.0%	0.0%		4.3%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	56.9%	49.5%	50.8%	45.0%	14.1%	14.1%	0.0%	9.1%	9.4%	9.7%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	5.6	53.1	18.8	15.5	15.5	15.5	-	8.3	8.4	9.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	83.3%	100.2%	77.3%	19.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(1.5)	0.4	0.6	1.5	1.7	1.0	-	2.6	3.3	7.2

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FS191 Setsoto - Supporting Table SA25 Budgeted monthly revenue and expenditure														Medium Term Revenue and Expenditure Framework		
Description	Ref	Budget Year 2014/15												Budget Year	Budget Year	Budget Year
		July	August	Sept.	October	November	December	January	February	March	April	May	June	2014/15	+1 2015/16	+2 2016/17
R thousand																
Revenue By Source																
Property rates		39 957	-	-	-	-	-	-	-	-	-	-	-	39 957	42 554	46 809
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		5 429	5 429	5 429	5 429	5 429	5 429	5 429	5 429	5 429	5 429	4 326	64 046	68 209	72 301	
Service charges - water revenue		2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	30 172	32 133	35 346	
Service charges - sanitation revenue		1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	16 770	17 860	19 645	
Service charges - refuse revenue		1 646	1 646	1 646	1 646	1 646	1 646	1 646	1 646	1 646	1 646	1 646	19 751	21 034	23 138	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		69	69	69	69	69	69	69	69	69	69	69	822	876	928	
Interest earned - external investments		163	163	163	163	163	163	163	163	163	163	163	1 951	2 078	2 203	
Interest earned - outstanding debtors		2 703	2 703	2 703	2 703	2 703	2 703	2 703	2 703	2 703	2 703	2 703	32 440	34 549	36 622	
Dividends received		-	35	-	-	-	-	-	-	-	-	-	35	37	40	
Fines		24	24	24	24	24	24	24	24	24	24	24	292	311	329	
Licences and permits		15	20	5	-	-	-	-	-	-	-	-	40	43	45	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers recognised - operational		84 291	1 316	934	-	50 404	-	-	526	33 076	-	-	180 030	180 223	171 950	
Other revenue		535	535	535	535	535	535	535	535	535	535	534	6 414	6 831	7 241	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		138 742	15 851	15 419	14 480	64 884	14 480	14 480	15 006	47 556	14 480	14 480	22 859	392 719	406 737	416 598
Expenditure By Type																
Employee related costs		11 240	11 240	11 240	11 240	16 240	17 240	11 240	11 240	11 240	11 240	11 240	12 160	146 796	156 338	165 718
Remuneration of councillors		795	795	795	795	795	900	800	800	800	800	800	663	9 536	10 156	10 765
Debt impairment		-	-	-	-	-	34 500	-	-	-	-	-	34 500	69 000	73 485	77 894
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-	34 782	34 782	37 043	39 265
Finance charges		83	83	83	83	83	83	83	83	83	83	83	997	1 062	1 126	
Bulk purchases		4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	58 242	62 028	65 749	
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services		2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	(10 123)	17 162	12 277	10 014	
Transfers and grants		769	769	769	769	769	769	769	769	769	769	769	269	8 728	9 295	9 853
Other expenditure		4 311	4 311	4 311	4 311	4 311	4 311	4 311	4 311	4 311	4 311	4 311	(5 059)	42 356	44 662	35 715
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		24 531	24 531	24 531	24 531	29 531	65 136	24 536	24 536	24 536	24 536	24 536	72 127	387 599	406 346	416 099
Surplus/(Deficit)																
Transfers recognised - capital		5 200	5 200	5 200	5 200	5 200	3 200	5 200	5 560	5 900	3 900	5 900	1 017	56 677	44 059	45 955
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		119 412	(3 480)	(3 912)	(4 851)	40 553	(47 456)	(4 856)	(3 970)	28 920	(6 156)	(4 156)	(48 251)	61 797	44 450	46 454
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	119 412	(3 480)	(3 912)	(4 851)	40 553	(47 456)	(4 856)	(3 970)	28 920	(6 156)	(4 156)	(48 251)	61 797	44 450	46 454

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FS191 Setsoto - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote																
Vote 1 - Council		3 820	3 820	3 820	3 820	3 820	3 820	3 820	3 820	3 820	3 820	3 820	3 820	45 842	35 384	37 507
Vote 2 - Corporate Services		106	106	106	106	106	106	106	106	106	106	106	106	1 273	1 355	1 437
Vote 3 - Municipal Manager		235	235	235	235	235	235	235	235	235	235	235	235	2 824	3 008	3 188
Vote 4 - Treasury Services		6 417	6 417	6 417	6 417	6 417	6 417	6 417	6 417	6 417	6 417	6 417	6 457	77 047	82 055	86 978
Vote 5 - Social Services		3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	39 297	41 851	44 363
Vote 6 - Engineering Services		23 685	23 685	23 685	23 685	23 685	23 685	23 685	23 685	23 685	23 685	23 685	22 582	283 113	280 874	279 188
Total Revenue by Vote		37 538	37 538	37 538	37 538	37 538	37 538	37 538	37 538	37 538	37 538	37 538	36 475	449 396	444 527	452 661
Expenditure by Vote to be appropriated																
Vote 1 - Council		4 439	4 439	4 439	4 439	4 439	4 439	4 439	4 439	4 439	4 439	4 439	(10 226)	38 607	41 116	43 583
Vote 2 - Corporate Services		56 970	56 970	56 970	56 970	56 970	56 970	56 970	56 970	56 970	56 970	56 970	(596 050)	30 617	32 607	34 563
Vote 3 - Municipal Manager		1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	(2 324)	10 947	11 659	12 358
Vote 4 - Treasury Services		3 677	3 677	3 677	3 677	3 677	3 677	3 677	3 677	3 677	3 677	3 677	(8 891)	31 555	33 606	35 623
Vote 5 - Social Services		8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	(18 354)	74 266	79 093	83 838
Vote 6 - Engineering Services		27 133	27 133	27 133	27 133	27 133	27 133	27 133	27 133	27 133	27 133	27 133	(96 858)	201 608	213 713	206 535
Total Expenditure by Vote		101 846	101 846	101 846	101 846	101 846	101 846	101 846	101 846	101 846	101 846	101 846	(732 704)	387 600	411 794	416 501
Surplus/(Deficit)	1	(64 308)	(64 308)	(64 308)	(64 308)	(64 308)	(64 308)	(64 308)	(64 308)	(64 308)	(64 308)	(64 308)	769 179	61 796	32 734	36 159

Setsoto Local Municipality – Annual Budget & MTREF 2014/15

FS191 Setsoto - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard																
Governance and administration		8 232	8 232	8 232	8 232	8 232	8 232	8 232	8 232	8 232	8 232	8 232	36 613	127 165	121 992	129 312
Executive and council		4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	48 666	38 391	40 695
Budget and treasury office		4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	32 436	77 047	82 055	86 978
Corporate services		121	121	121	121	121	121	121	121	121	121	121	121	1 452	1 546	1 639
Community and public safety		112	112	112	112	112	112	112	112	112	112	112	112	1 349	1 437	1 523
Community and social services		38	38	38	38	38	38	38	38	38	38	38	38	454	483	512
Sport and recreation		5	5	5	5	5	5	5	5	5	5	5	5	57	61	65
Public safety		24	24	24	24	24	24	24	24	24	24	24	24	292	311	329
Housing		46	46	46	46	46	46	46	46	46	46	46	46	546	582	617
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	31 540	32 732	34 656
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	2 628	31 540	32 732	34 656
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		24 112	24 204	24 204	24 204	24 204	24 204	24 204	24 204	24 204	24 204	24 204	23 193	289 342	288 367	287 169
Electricity		9 055	9 146	9 146	9 146	9 146	9 146	9 146	9 146	9 146	9 146	9 146	8 135	108 654	115 717	122 660
Water		9 529	9 529	9 529	9 529	9 529	9 529	9 529	9 529	9 529	9 529	9 529	9 529	114 351	102 001	89 622
Waste water management		2 381	2 381	2 381	2 381	2 381	2 381	2 381	2 381	2 381	2 381	2 381	2 381	28 568	30 425	32 250
Waste management		3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	37 769	40 224	42 637
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		35 085	35 177	35 177	35 177	35 177	35 177	35 177	35 177	35 177	35 177	35 177	62 546	449 396	444 527	452 661
Expenditure - Standard																
Governance and administration		8 729	13 392	13 392	13 392	13 392	13 392	13 392	13 392	13 392	13 392	13 392	(37 901)	104 746	111 555	118 248
Executive and council		3 999	5 476	5 476	5 476	5 476	5 476	5 476	5 476	5 476	5 476	5 476	(10 774)	47 985	51 104	54 170
Budget and treasury office		2 630	3 677	3 677	3 677	3 677	3 677	3 677	3 677	3 677	3 677	3 677	(7 844)	31 555	33 606	35 623
Corporate services		2 100	4 239	4 239	4 239	4 239	4 239	4 239	4 239	4 239	4 239	4 239	(19 283)	25 206	26 844	28 455
Community and public safety		3 176	4 070	4 070	4 070	4 070	4 070	4 070	4 070	4 070	4 070	4 070	(5 762)	38 116	40 594	43 030
Community and social services		659	929	929	929	929	929	929	929	929	929	929	(2 037)	7 909	8 423	8 929
Sport and recreation		873	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	(2 450)	10 480	11 161	11 831
Public safety		1 035	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	400	12 416	13 223	14 016
Housing		609	838	838	838	838	838	838	838	838	838	838	(1 675)	7 311	7 786	8 253
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2 287	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	(15 835)	27 438	29 222	30 975
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		2 287	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	(15 835)	27 438	29 222	30 975
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		18 108	28 063	28 063	28 063	28 063	28 063	28 063	28 063	28 063	28 063	28 063	(81 438)	217 299	230 423	224 249
Electricity		6 824	7 140	7 140	7 140	7 140	7 140	7 140	7 140	7 140	7 140	7 140	3 665	81 884	86 206	81 378
Water		4 215	8 646	8 646	8 646	8 646	8 646	8 646	8 646	8 646	8 646	8 646	(40 104)	50 575	53 863	52 095
Waste water management		3 476	7 249	7 249	7 249	7 249	7 249	7 249	7 249	7 249	7 249	7 249	(34 251)	41 711	44 422	42 087
Waste management		3 594	5 028	5 028	5 028	5 028	5 028	5 028	5 028	5 028	5 028	5 028	(10 748)	43 129	45 932	48 688
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard		32 300	49 624	49 624	49 624	49 624	49 624	49 624	49 624	49 624	49 624	49 624	(140 935)	387 600	411 794	416 501
Surplus/(Deficit) before assoc.		2 785	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	203 481	61 796	32 734	36 159
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	2 785	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	(14 447)	203 481	61 796	32 734	36 159

Setsoto Local Municipality – Annual Budget & MTREF 2014/15

FS191 Setsoto - Supporting Table SA30 Budgeted monthly cash flow													Medium Term Revenue and Expenditure Framework		
MONTHLY CASH FLOWS	Budget Year 2014/15												Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June			
Cash Receipts By Source													1		
Property rates	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	2 198	26 371	28 086	30 894
Property rates - penalties & collection charges													-		
Service charges - electricity revenue	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	42 270	45 018	47 719
Service charges - water revenue	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	19 913	21 208	23 329
Service charges - sanitation revenue	922	922	922	922	922	922	922	922	922	922	922	922	11 068	11 787	12 966
Service charges - refuse revenue	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	13 035	13 883	15 271
Service charges - other													-		
Rental of facilities and equipment	69	69	69	69	69	69	69	69	69	69	69	69	822	876	928
Interest earned - external investments	163	163	163	163	163	163	163	163	163	163	163	163	1 951	2 078	2 203
Interest earned - outstanding debtors	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	21 410	22 802	24 170
Dividends received													-		
Fines	24	24	24	24	24	24	24	24	24	24	24	24	292	311	329
Licences and permits	15	20	5	-	-	-	-	-	-	-	-	-	40	43	45
Agency services													-	-	-
Transfer receipts - operational	84 291	1 316	934	-	50 404	-	-	526	33 076	-	-	9 483	180 030	180 223	171 950
Other revenue	214	214	214	214	214	214	214	214	214	214	214	214	2 566	6 831	7 241
Cash Receipts by Source	95 947	12 978	12 581	11 642	62 046	11 642	11 642	12 168	44 718	11 642	11 642	21 124	319 770	333 144	337 045
Other Cash Flows by Source															
Transfer receipts - capital	29 830				17 898				11 932				59 660	44 059	45 955
Contributions recognised - capital & Contributed assets													-		
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													-		
Total Cash Receipts by Source	125 777	12 978	12 581	11 642	79 944	11 642	11 642	12 168	56 650	11 642	11 642	21 124	379 430	377 203	383 000
Cash Payments by Type															
Employee related costs	11 240	11 240	11 240	11 240	16 240	17 240	11 240	11 240	11 240	11 240	11 240	12 160	146 796	156 338	165 718
Remuneration of councillors	795	795	795	795	795	900	800	800	800	800	800	663	9 536	10 156	10 765
Finance charges	83	83	83	83	83	83	83	83	83	83	83	83	997	1 062	1 126
Bulk purchases - Electricity	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	4 854	58 242	62 028	65 749
Bulk purchases - Water & Sewer													-		
Other materials													-		
Contracted services	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	877	17 162	12 277	10 014
Transfers and grants - other municipalities													-		
Transfers and grants - other	769	769	769	769	769	769	769	769	769	769	769	269	8 728	9 295	9 853
Other expenditure	2 311	3 511	3 311	3 311	3 511	3 311	3 611	3 911	3 311	4 311	3 311	4 641	42 356	44 662	35 715
Cash Payments by Type	21 531	22 731	22 531	22 531	27 731	28 636	22 836	23 136	22 536	23 536	22 536	23 545	283 817	295 818	298 939
Other Cash Flows/Payments by Type															
Capital assets	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	61 377	44 059	45 955
Repayment of borrowing													-		
Other Cash Flows/Payments													-		
Total Cash Payments by Type	26 646	27 846	27 646	27 646	32 846	33 751	27 951	28 251	27 651	28 651	27 651	28 660	345 194	339 877	344 894
NET INCREASE/(DECREASE) IN CASH HELD	99 132	(14 868)	(15 065)	(16 004)	47 098	(22 109)	(16 309)	(16 083)	28 999	(17 009)	(16 009)	(7 536)	34 236	37 327	38 106
Cash/cash equivalents at the month/year begin:	3 582	102 694	87 826	72 761	56 757	103 855	81 745	65 436	49 353	78 352	61 343	45 334	3 582	37 798	75 124
Cash/cash equivalents at the month/year end:	102 694	87 826	72 761	56 757	103 855	81 745	65 436	49 353	78 352	61 343	45 334	37 798	37 798	75 124	113 230

2.3 Overview of budget related-policies

The municipal budget related policies was reviewed as part of community inputs and the final reviewed policies are attached

2.4 List of Tariffs

The municipal budget was compiled using the attached Tariff list.