

POLOKWANE LOCAL MUNICIPALITY



INDEX	
CONTENTS	PAGE
PART 1 - ANNUAL BUDGET	
Mayor's report	3
Resolutions	5
Executive summary	6
Annual budget tables:	
Table A1 Budget Summary	8
Table A2 Budgeted Financial Performances (revenue and expenditure by standard classification)	10
Table A4 Budgeted Financial Performance (revenue and expenditure)	12
Chart A4(a) Revenue by major source	14
Chart A4(b) Revenue by minor source	14
Chart A4(c) Expenditure by major type	15
Chart A4(d) Expenditure by minor type	15
Table A5 Budgeted Capital Expenditure by vote, standard classification and funding	16
Chart A5 Capital expenditure by standard classification	17
Table A6 Budgeted Financial Position	18
Table A7 Budgeted Cash Flows	19
Table A8 Cash backed reserves/accumulated surplus reconciliation	21
Table A9 Asset Management	22
Table A10 Basic service delivery measurement	24
Table A1 Consolidated Budget Summary	26
Table A2 Consolidated Budgeted Financial Performances (revenue and expenditure by standard classification)	27
Table A4 Consolidated Budgeted Financial Performances (revenue and expenditure)	29
Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding	31
Table A6 Consolidated Budgeted Financial Position	32
Table A7 Consolidated Budgeted Cash Flows	33
Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation	34
Table A9 Consolidated Asset Management	35
Table A10 Consolidated Basic service delivery measurement	37
PART 2 - SUPPORTING DOCUMENTATION	
Overview of annual budget process	39
Overview of alignment of annual budget with Integrated Development Plan	40
Measurable performance objectives and indicators	51
Overview of budget-related policies	53
Overview of budget assumptions	54
Overview of budget funding	57
Expenditure on allocations and grant programmes	61

CONTENTS	PAGE
PART 2 - SUPPORTING DOCUMENTATION [Cont.]	
Allocations and grants made by the municipality	65
Councillor and board member allowances and employee benefits	66
Monthly targets for revenue, expenditure and cash flow	68
Annual budgets and service delivery and budget implementation plans - internal departments	71
Annual budgets and service delivery agreements - municipal entities and other external mechanisms	72
Capital expenditure details	72
Legislation compliances status	97
Other supporting documents	98
Annual budgets of municipal entities attached to the municipalities annual budget	102
Tariffs 2010/2011	104
Municipal Manager's quality certification	193

PART 1 - ANNUAL BUDGET

POLOKWANE MTEF BUDGET

EXECUTIVE MAYOR'S FOREWORD

Summary of linkages between the annual budget, IDP and priorities at national, provincial, district and local levels.

Planning in a municipal area does not take place in a vacuum; it is informed by National, Provincial, District and local directives. The 2009 National and Provincial government elections provided all spheres of government including local government key objectives that have to be achieved to realise the National Vision of 2014. Aligned to the National vision at Provincial level, Limpopo Province national priorities were developed. Key to both National and Provincial priorities Polokwane Municipality has a mandate to implement and create an environment conducive for the implementation of government policies.

Local government has a mandate of delivering basic services to the communities, developing an enabling environment for local economic development working together with the communities. In the endeavor of providing basic services, the municipality has developed outcomes and objectives to realise government's 2014 Vision.

Outcomes	Objective
Universal access to potable water	Improve accessibility of potable water to the communities
Universal access to sanitation facilities	Improve accessibility of healthy and hygienic sanitation to the communities
Improved accessibility to safe and sustainable energy by communities	To supply and maintain safe ,sustainable, reliable and efficient energy to all communities
Accessible , safe and sustainable roads and storm water infrastructure	To provide and maintain safe and sustainable roads infrastructure with sound quality maintenance service to Polokwane municipality.
safe and clean municipal environment	Promote and improve effective and efficient waste reuse, reduce and

	recycling management in the municipal area
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In terms of the Municipal Finance Management Act, the IDP should inform the budgeting process. The IDP captures the outcomes of the review process, legislative and policy trends, institutional dynamics that impact the municipal ability to achieve its mandate. It has integrated the main issues raised during the stakeholder consultation, internal and financial review.

The developed outcomes, objectives and budget provide a foundation for the development of the service and budget implementation plan and performance contracts for the 2010/2011 financial year, and it will further lay the basis for the overall performance of the municipality in the next financial year.

RESOLUTIONS

1. That the Annual Budget for the financial year 2010/2011 and indicative for the two projected outer years 2011/2012 and 2012/2013 be approved as set-out in the following schedules:

- 1.1 Operating revenue and expenditure by standard classification as reflected in Table A2

	2010/11	2011/12	2012/13
Revenue	R1 466 552 000	R1 568 014 000	R1 730 844 000
Expenditure	R1 224 515 000	R1 340 408 000	R1 476 812 000

- 1.2 Operating revenue and expenditure by source as reflected in Table A4

	2010/11	2011/12	2012/13
Revenue	R1 466 552 000	R1 568 014 000	R1 730 844 000
Expenditure	R1 224 515 000	R1 340 408 000	R1 476 812 000

- 1.3 Capital expenditure by standard classification and funding sources as reflected in Table A5

	2010/11	2011/12	2012/13
New projects	R299 927 000	R341 684 000	R376 774 000
Roll over projects	R539 563 000		
Total	R839 490 000	R341 684 000	R341 684 000

2. That cognizance is taken of the shortfall of R484 759 000 to fund the capital budget and that steps be instituted to access external funds.

Breakdown of capital budget:

Capital budget 2010/2011	299 927 000
Roll overs 2009/2010	539 563 000
Total	<u>839 490 000</u>
Available funds	
Conditional grants	-230 864 000
Internal funds	<u>-123 867 000</u>
Shortfall	<u>484 759 000</u>

3. That the Consolidated Annual Budget (Polokwane Housing Association included) be noted.
4. That all rates, taxes and tariffs be approved.
5. That the Polokwane Local Municipality Property rates Policy be approved.
6. That the current indigent households on the list be approved for 2010/2011 and the office of the Chief Financial Officer perform verifications to all current indigent households to confirm their status in order to reduce time delay caused in applying verifying processing and approval. New applications and those whom have not been approved can make new applications.

7. That the indigent subsidy per month be limited to the billing amount of the current month limited to R141.00 effective from July 2010.
8. That the annual tariff increases be adopted by Council.

EXECUTIVE SUMMARY

The municipality is reeling from the effects of mass project roll out in preparation for the 2010 soccer world cup. The capital budget for the municipality has shrunk from over a billion rand (R1,3b) to just over two hundred million rand (R230m). The operations of the municipality are expected to return to normal with a normal budget and normal projects.

We have taken a more conservative view preferring to grow the budget at reasonable levels which are affordable to communities. Although there are positive signs of recovery from the global recession, the effect will only be felt much later. We therefore decided to wait for this season before we can increase the budget substantially.

Recent agreements with SALGA will put a further burden on the budget. Having to cater for the wage curve and the arrear increases, our salary budget is 35% of operational costs. The budget has to be scaled down in some areas to cater for this. The maintenance budget has grown to (R98m), 8% of the operations budget (R1,235b).

Exchanges with National Treasury during the benchmarking exercise have enlightened us. One of the matters we will pursue is the maintenance budget which goes with the MIG grants for metros. At our level we are informed that we can apply for this grant. We will do so soon.

Total revenue will grow to R1,235b in the 2010/2011 budget year including operations grants. The average tariff increase of 6% on most of the revenue streams is projected. Electricity increase is 19% while the water increase is an average 6%.

The following tariff increases are projected:

Rates and taxes	6%
Electricity	19%
Water	6%

Sanitation	6%
Refuse	6%

Expenditure is projected to increase as follows:

Salaries and wages	8.48%
Repairs and maintenance	20%
General expenses	44%
Bulk purchases	13%

The budget was prepared in terms of National Treasury guidelines and present economic conditions.

Polokwane Municipality has an entity called Polokwane Housing Association (PHA). PHA's mandate is the development of rental housing units.

It presently has 508 units financed by National Housing Finance Corporation (NHFC). A loan of R31.5 million was raised with NHFC. A further loan for the remaining 492 units to reach 1 000 units is currently under negotiation.

The proposed budget is made up of Capital Expenditure of R70 million and Operating Expenditure of R16,3 million. On the expenditure side this constitutes a growth of 1% of last year's figures, while the capital budget is 38% lower than the 2009/10 budget. The growth of income is 9% based on the annual increment rate as per lease agreements. This applies to the 2011/12 and 2012/13 financial years.

ANNUAL BUDGET TABLES

LIM354 Polokwane - Table A1 Budget Summary

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Financial Performance									
Property rates	129,1 45	143,53 5	159,348	169,5 08	169,50 8	173,0 00	185,0 00	199,80 0	215,7 84
Service charges	388,3 46	396,52 6	454,904	555,6 51	555,65 1	517,4 29	608,6 05	671,02 6	753,5 67
Investment revenue	45,1 22	56,37 9	63,843	30,0 00	30,00 0	6,0 00	3,0 00	3,240 0	3,49 9
Transfers recognised - operational	146,1 11	165,80 2	205,021	314,3 51	312,52 0	307,6 20	341,4 70	360,92 0	390,1 06
Other own revenue	25,8 93	44,58 5	47,187	191,3 06	191,30 6	96,6 08	97,6 13	105,42 2	113,8 55
Total Revenue (excluding capital transfers and contributions)	734,6 16	06,827	930,304	1,260,8 16	1,258,98 5	1,100,6 56	1,235,6 88	1,340,40 8	1,476,81 2
Employee costs	197,4 83	239,11 2	265,641	332,8 12	324,56 1	327,4 10	373,5 11	396,03 0	419,9 21
Remuneration of councillors	10,1 67	13,66 8	16,915	18,9 66	18,96 6	18,3 09	19,9 97	21,08 9	22,2 25
Depreciation & asset impairment	64,6 50	79,92 5	107,331	88,0 17	88,01 7	107,3 31	112,6 94	119,45 6	126,6 23
Finance charges	14,8 48	14,55 5	16,032	19,9 00	19,90 0	16,8 73	5,8 00	6,148 0	7 7
Materials and bulk purchases	276,9 03	286,26 3	391,657	539,5 08	546,25 8	517,5 99	583,1 50	662,36 1	759,8 82
Transfers and grants	2,0 50	2,00 4	220	8,28 0	8,28 0	2 40	4 00	424 0	44 9
Other expenditure	82,0 83	85,98 6	134,506	91,1 71	97,82 1	97,6 62	128,9 63	134,90 1	141,1 95
Total Expenditure	648,1 83	721,51 3	932,301	1,098,6 54	1,103,80 3	1,085,4 25	1,224,5 15	1,340,40 8	1,476,8 12
Surplus/(Deficit)	86,4 33	85,31 3	(1,997)	162,1 62	155,18 2	15,2 31	11,1 73	- -	- -
Transfers recognised - capital	243,0 22	524,66 5	787,429	403,0 14	385,41 4	308,4 14	230,8 64	227,60 6	254,0 32
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	329,4 55	609,97 8	785,432	565,1 76	540,59 6	323,6 45	242,0 37	227,60 6	254,0 32
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-

Surplus/(Deficit) for the year	329,4 55	609,9 78	785,432	565,1 76	540,59 6	323,6 45	242,0 37	227,60 6	254,0 32
<u>Capital expenditure & funds sources</u>									
Capital expenditure	350,3 94	634,1 09	1,051,251	1,322,3 38	1,297,7 58	940,91 3	839,4 90	341,68 4	376,7 74
Transfers recognised - capital	252,0 50	522,3 84	770,682	641,2 61	623,6 61	308,41 4	230,8 64	227,60 6	254,0 32
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	50,0 00	50,0 00	50,00 0	484,7 59	-	-
Internally generated funds	98,3 44	111,7 25	280,568	631,0 77	624,0 97	582,49 9	123,8 67	114,07 8	122,7 42
Total sources of capital funds	350,3 94	634,1 09	1,051,251	1,322,3 38	1,297,7 58	940,91 3	839,4 90	341,68 4	376,7 74

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousands									
Financial position									
Total current assets	601,4	907,5	677,946	767,4	767,4	282,8	304,699	364,6	355,6
Total non current assets	1,260,3	3,402,9	4,366,182	5,378,3	5,353,7	5,102,3	5,628,418	5,850,6	6,100,7
Total current liabilities	277,2	514,8	463,077	158,0	158,0	150,0	207,000	210,0	213,0
Total non current liabilities	93,3	93,3	99,515	142,4	142,4	56,9	538,733	535,7	532,7
Community wealth/Equity	1,491,2	3,702,4	4,481,536	5,845,2	5,820,7	5,178,2	5,187,384	5,469,6	5,710,7
	74	15		99	19	77		12	63
Cash flows									
Net cash from (used) operating	447,5	865,5	879,806	526,9	500,5	377,9	304,731	293,0	322,3
Net cash from (used) investing	(274,4)	(705,0)	(1,024,400)	(946,8)	(970,6)	(615,6)	(789,490)	(287,6)	(318,4)
Net cash from (used) financing	3,5	4,6	7,034	59,8	54,8	54,0	485,885	8	62
Cash/cash equivalents at the year end	167,4	332,5	195,026	(165,1)	(220,1)	11,2	12,417	18,6	23,1
	31	86		36)	82)	91		69	72
Cash backing/surplus reconciliation									
Cash and investments available	497,8	723,6	549,557	529,0	529,0	11,0	31,000	100,0	70,0
Application of cash and investments	14	67	225,762	00	00	00		00	00
Balance - surplus (shortfall)	181,8	396,5	323,795	(24,1)	(22,9)	(41,6)	4,947	(3,9)	(10,7)
	02	67		52)	60)	49)		09)	97)
	316,0	327,0		553,1	551,9	52,6		103,9	80,7
	11	99		52	60	49	26,053	09	97
Asset management									
Asset register summary (WDV)	1,193,2	3,316,1	4,268,797	5,377,6	5,353,0	5,102,3	5,829,175	6,051,4	6,301,5
Depreciation & asset impairment	03	02	107,331	08	28	79		03	54
Renewal of Existing Assets	64,6	79,9	-	88,0	88,0	107,3	112,694	119,4	126,6
Repairs and Maintenance	50	25	72,081	17	17	31		56	23
	-	-		-	-	-		-	-
	67,0	65,9		76,2	82,8	82,6		104,9	111,1
	83	86		21	71	62	98,963	01	95
Free services									
Cost of Free Basic Services provided	3,3	3,9	4,228	4,1	4,1	4,1	4,694	4,9	5,16

	16	96		89	89	89		34	1
Revenue cost of free services provided	36,2	38,3		38,5	38,5	38,5		44,8	46,9
<u>Households below minimum service level</u>	28	75	40,599	22	22	22	42,679	55	19
	7,6	7,6		7,6	7,6	7,6		7,6	7,69
Water:	91	91	7,691	91	91	91	7,691	91	1
	10,9	10,9		10,9	10,9	10,9		10,9	10,9
Sanitation/sewerage:	19	19	10,919	19	19	19	10,919	19	19
	79,7	79,7		79,7	79,7	79,7		79,7	79,7
Energy:	61	61	79,761	61	61	61	79,761	61	61
	81,9	81,9		81,9	81,9	81,9		81,9	81,9
Refuse:	97	97	81,997	97	97	97	81,997	97	97

LIM354 Polokwane - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue - Standard Governance and administration	574,455	904,675	1,238,725	1,027,593	1,008,162	813,864	781,353	814,268	887,939
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	573,294	904,145	1,236,424	1,025,358	1,005,927	812,231	779,540	812,309	885,824
Corporate services	1,161	531	2,300	2,235	2,235	1,633	1,813	1,958	2,115
Community and public safety	5,762	5,529	5,962	6,414	6,414	5,677	6,555	7,079	7,645
Community and social services	819	758	1,124	1,114	1,114	1,154	1,246	1,346	1,454
Sport and recreation	1,237	750	959	599	1,159	951	1,010	1,090	1,177
Public safety	3,522	3,651	3,710	4,009	4,009	3,437	4,164	4,497	4,857
Housing	184	532	331	331	133	135	135	145	157
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	34,717	33,061	39,704	83,915	83,915	83,298	81,068	87,553	94,557
Planning and development	28,585	26,685	30,986	74,753	74,753	71,691	70,007	75,607	81,656
Road transport	4,642	5,166	6,941	6,596	6,596	7,554	8,091	8,738	9,437
Environmental protection	1,490	1,210	1,777	2,566	2,566	4,053	2,970	3,208	3,464
Trading services	362,704	388,226	433,341	545,908	545,908	506,231	597,577	659,115	702,702
Electricity	207,226	219,276	267,435	348,014	348,014	324,966	386,872	431,554	494,937
Water	98,083	105,688	98,312	126,045	126,045	106,147	130,391	140,822	152,088
Waste water management	26,823	30,406	31,164	33,254	33,254	34,796	37,171	40,145	43,356
Waste management	30,573	32,857	36,430	38,595	38,595	40,323	43,142	46,594	50,321
Other	-	-	-	-	-	-	-	-	-

Total Revenue - Standard	977,638	1,331,492	1,717,733	1,663,830	1,644,399	1,409,070	1,466,552	1,568,014	1,730,844
Expenditure - Standard									
Governance and administration	112,370	92,375	164,522	127,951	132,951	130,729	147,769	154,846	162,326
Executive and council	60,372	25,875	70,983	48,449	48,449	47,648	66,920	69,135	71,483
Budget and treasury office	27,790	16,935	22,794	31,766	33,466	31,855	19,597	20,773	22,020
Corporate services	24,207	49,566	70,746	47,736	51,036	51,225	61,252	64,938	68,823
Community and public safety	126,643	139,939	173,066	284,428	287,978	278,565	250,723	254,963	269,971
Community and social services	19,271	21,230	30,402	30,039	29,839	33,487	39,344	41,705	44,207
Sport and recreation	43,098	45,359	57,116	142,877	146,627	141,909	90,646	85,281	90,109
Public safety	50,495	59,298	74,459	93,734	93,734	88,061	101,454	107,541	113,993
Housing	5,599	6,783	4,211	10,705	10,705	8,105	12,057	12,780	13,547
Health	8,180	7,268	6,877	7,073	7,073	7,002	7,223	7,656	8,115

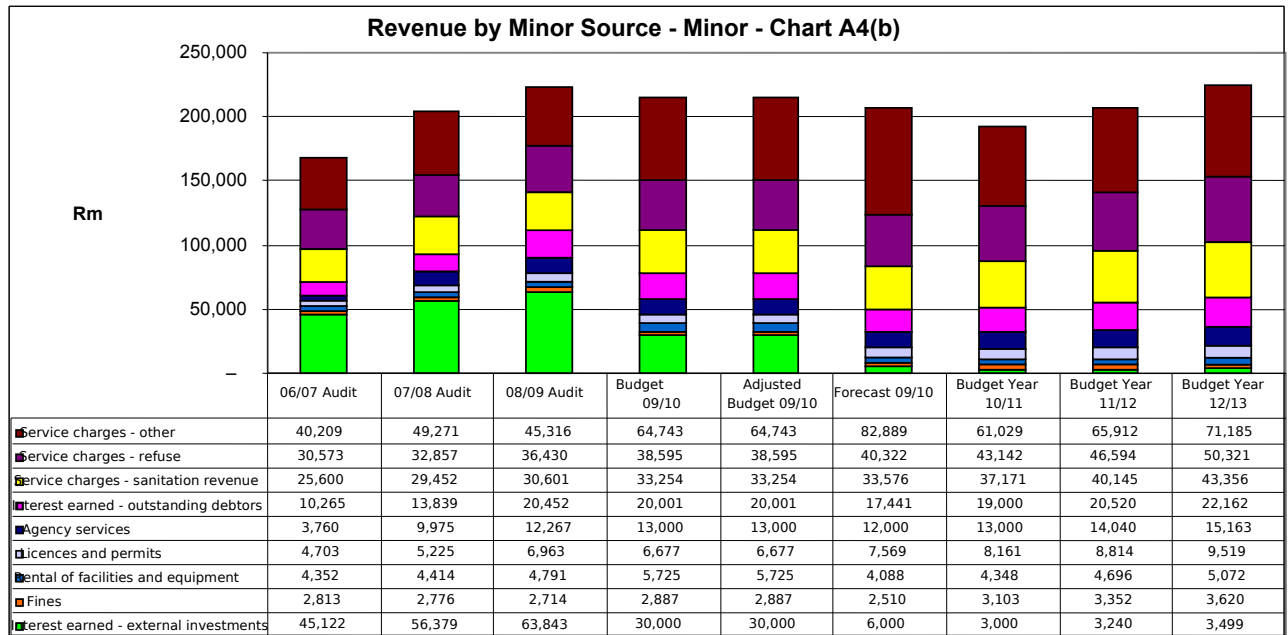
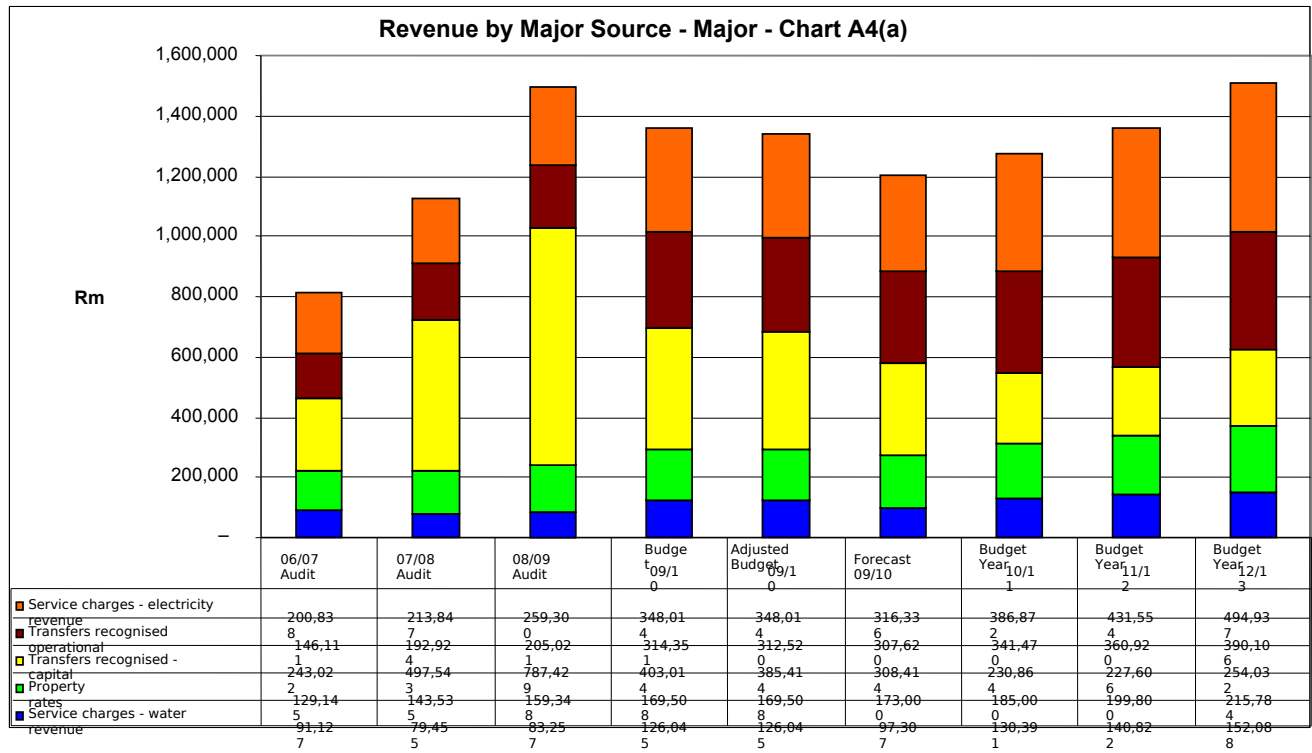
Standard Classification Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Economic and environmental services	63,418	74,274	102,390	87,695	86,895	97,083	123,711	131,134	139,002
26,	35,5	47,4	36,1						55,2
Planning and development	333	10	14	28	35,328	34,070	49,211	52,164	94
31,	33,4	47,4	44,7						73,1
Road transport	679	44	50	04	44,704	55,069	65,129	69,037	79
5,	5,3	7,5	6,8						10,5
Environmental protection	406	20	26	63	6,863	7,943	9,371	9,933	29
345	414,	492,	598,	595,9	579,0	702,3	702,3	799,466	905,
Trading services	,752	925	322	580	79	48	11	799,466	513
180,	210,	262,	333,	332,99	321,76	404,08	404,08	570,4	
Electricity	433	639	739	499	9	1	2	483,343	22
110,	141,	145,	180,	178,16	162,92	183,61	183,61	206,3	
Water	410	567	221	170	9	7	4	194,631	09
20,	26,6	40,8	33,4						61,3
Waste water management	459	27	94	04	33,804	48,180	54,602	57,878	51
34,	36,0	43,4	51,5						67,4
Waste management	450	92	69	08	51,008	46,180	60,013	63,614	31
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	648,183	721,513	932,301	1,098,654	1,103,803	1,085,425	1,224,515	1,340,408	1,476,812
Surplus/(Deficit) for the year	329,455	609,978	785,432	565,176	540,596	323,645	242,037	227,606	254,032

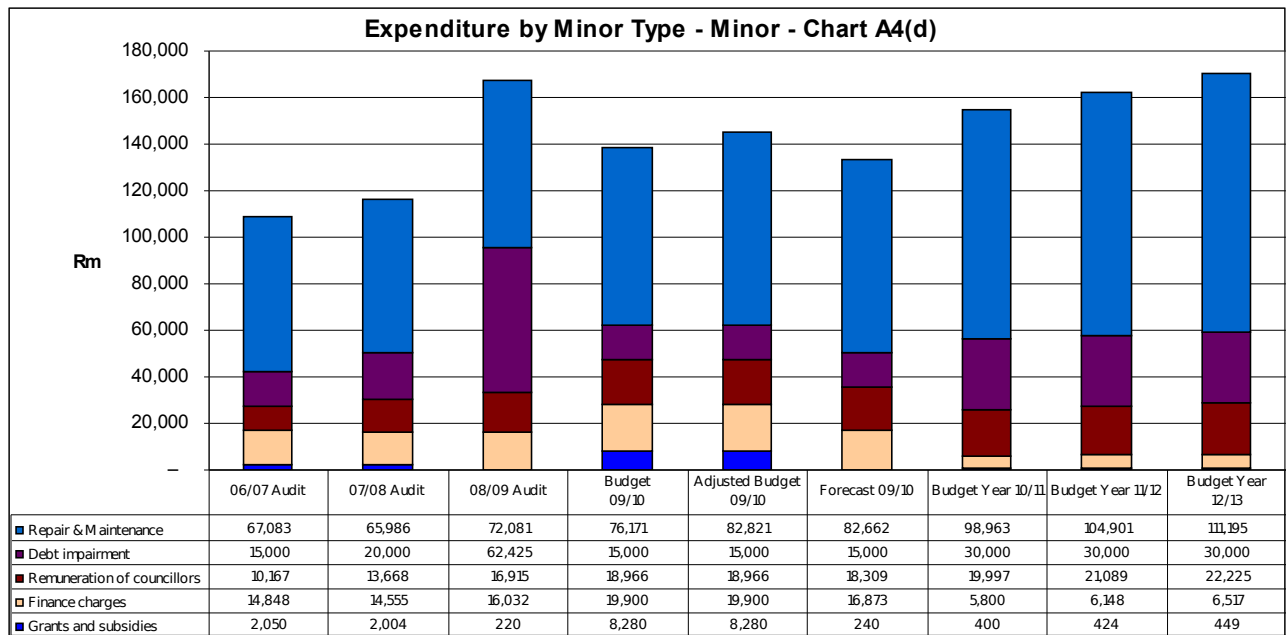
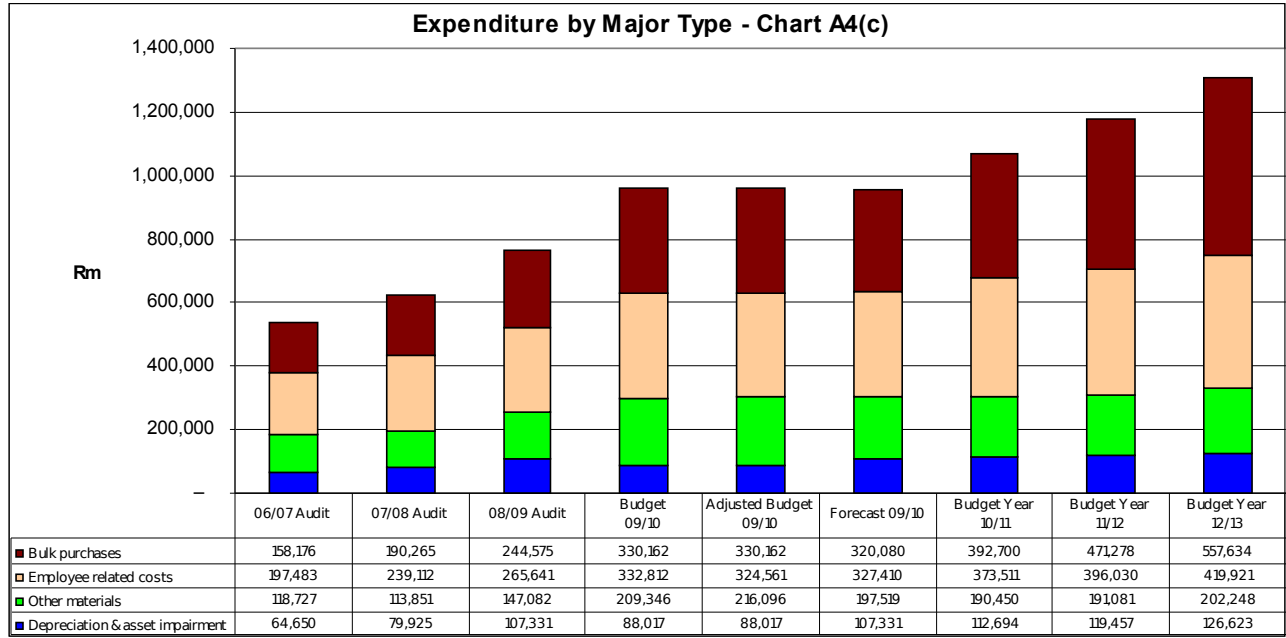
LIM354 Polokwane - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue By Source									
Property rates	129,145	143,535	159,348	169,508	169,508	173,000	185,000	199,800	215,784
Property rates - penalties & collection charges									
Service charges - electricity revenue	200,838	213,847	259,300	348,014	348,014	316,336	386,872	431,554	494,937
Service charges - water revenue	91,127	79,455	83,257	126,045	126,045	97,307	130,391	140,822	152,088
Service charges - sanitation revenue	25,600	29,452	30,601	33,254	33,254	33,576	37,171	40,145	43,356
Service charges - refuse revenue	30,573	32,857	36,430	38,595	38,595	40,322	43,142	46,594	50,321
Service charges - other	40,209	40,915	45,316	9,743	9,743	29,889	11,029	11,912	12,865
Rental of facilities and equipment	4,352	4,415	4,791	5,725	5,725	4,088	4,348	4,696	5,072
Interest earned - external investments	45,122	56,379	63,843	30,000	30,000	6,000	3,000	3,240	3,499
Interest earned - outstanding debtors	10,265	13,839	20,452	20,001	20,001	17,441	19,000	20,520	22,162
Fines	2,813	2,776	2,714	2,887	2,887	2,510	3,103	3,352	3,620
Licences and permits	4,703	5,126	6,963	6,677	6,677	7,569	8,161	8,814	9,519
Agency services	3,760	9,975	12,267	13,000	13,000	12,000	13,000	14,040	15,163
Transfers recognised - operational	146,111	165,802	205,021	314,351	312,520	307,620	341,470	360,920	390,106
Other revenue	-	-	-	88,017	88,017	-	-	-	-
Gains on disposal of PPE		8,455		55,000	55,000	53,000	50,000	54,000	58,320
Total Revenue (excluding capital transfers and contributions)	734,616	806,827	930,304	1,260,816	1,258,985	1,100,656	1,235,688	1,340,408	1,476,812
Expenditure By Type									
Employee related costs	197,483	239,112	265,641	332,812	324,561	327,410	373,511	396,030	419,921
Remuneration of councillors	10,167	13,668	16,915	18,966	18,966	18,309	19,997	21,089	22,225

Debt impairment	15,000	20,000	62,425	15,000	15,000	15,000	30,000	30,000	30,000
Depreciation & asset impairment	64,650	79,925	107,331	88,017	88,017	107,331	112,694	119,456	126,623
Finance charges	14,848	14,555	16,032	19,900	19,900	16,873	5,800	6,148	6,517
Bulk purchases	158,176	190,265	244,575	330,162	330,162	320,080	392,700	471,278	557,634
Other materials	118,727	95,999	147,082	209,346	216,096	197,519	190,450	191,083	202,248
Transfers and grants	2,050	2,004	202	8,280	8,280	240	4	424	49
Other expenditure	67,083	65,986	72,081	76,171	82,821	82,662	98,963	104,901	111,195
Loss on disposal of PPE									
Total Expenditure	648,183	721,513	932,301	1,098,654	1,103,803	1,085,425	1,224,515	1,340,408	1,476,812

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Surplus/(Deficit)	86,433	85,313	(1,997)	162,162	155,182	15,231	11,173	-	-
Transfers recognised - capital	243,022	524,665	787,429	403,014	385,414	308,414	230,864	227,606	254,032
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	329,455	609,978	785,432	565,176	540,596	323,645	242,037	227,606	254,032
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	329,455	609,978	785,432	565,176	540,596	323,645	242,037	227,606	254,032
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	329,455	609,978	785,432	565,176	540,596	323,645	242,037	227,606	254,032
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	329,455	609,978	785,432	565,176	540,596	323,645	242,037	227,606	254,032

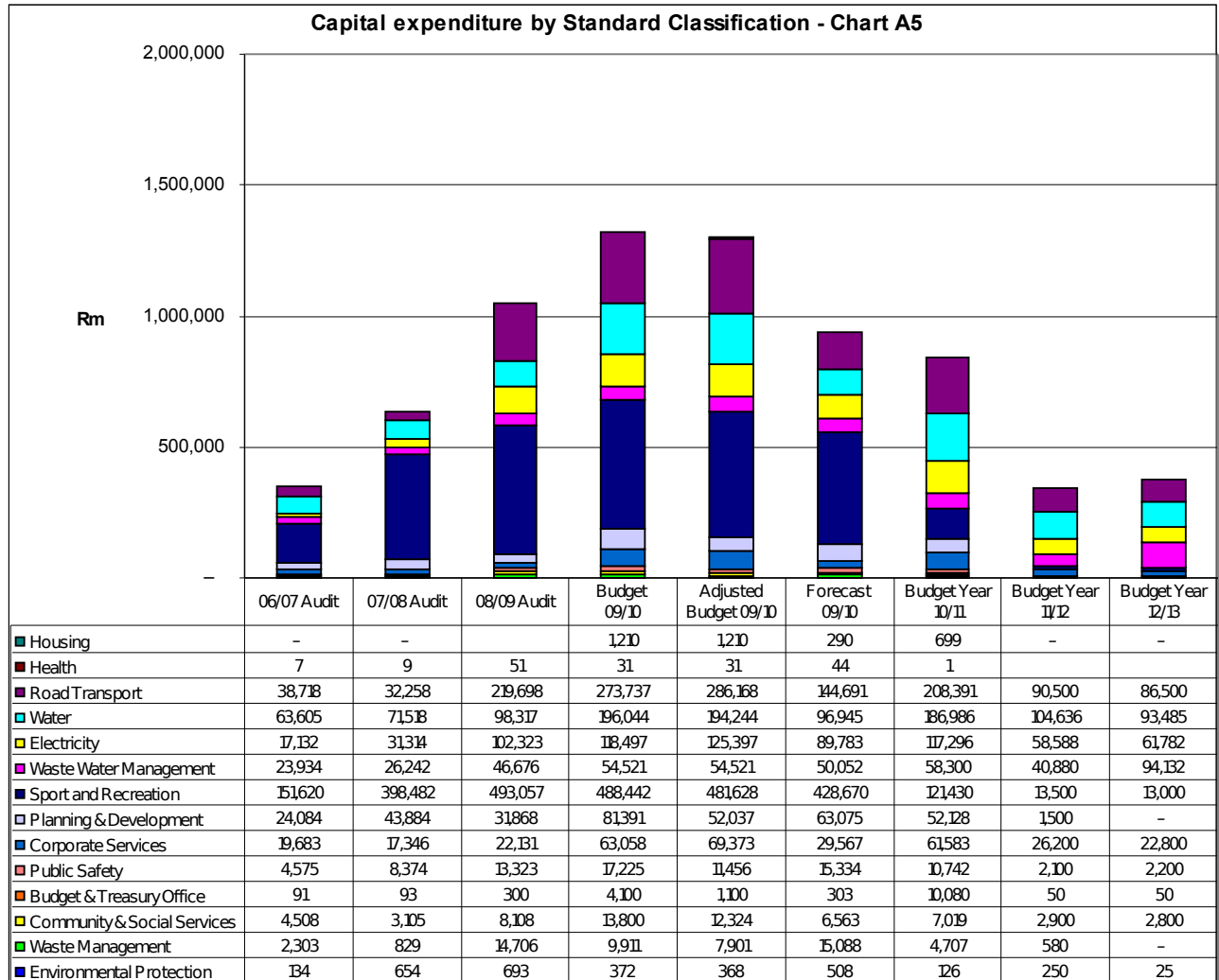




LIM354 Polokwane - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Capital Expenditure - Standard									
Governance and administration	19,7	17,4	22,4	67,	70,	29,8	71,6	26,25	22,85
Executive and council	75	39	31	158	473	70	63	0	0
Budget and treasury office	9	9	3	4,1	1,1	30	10,08		
	1	3	00	00	00	3	0	50	50
Corporate services	19,6	17,3	22,1	63,0	69,3	29,56	61,58		
	83	46	31	58	73	7	3	26,200	22,800
Community and public safety	160,	409,	514,	520,	506,	450,	139,8	18,50	18,00
safety	710	970	539	707	650	901	92	0	0
Community and social services	4,5	3,1	8,1	13,8	12,3	6,56	7,01		
	08	05	08	00	24	3	9	2,900	2,800
Sport and recreation	151,6	398,4	493,0	488,	481,6	428,6	121,43		
	20	82	57	442	28	70	0	13,500	13,000
Public safety	4,5	8,3	13,3	17,2	11,4	15,33	10,74		
	75	74	23	25	56	4	2	2,100	2,200
Housing	-	-		1,2	1,2	29	69		
			5	10	10	0	9		
Health	7	9	1	31	3	4	1		
					1				
Economic and environmental services	62,9	76,7	252,	355,	338,	208,	260,6	92,25	86,52
services	35	97	259	500	573	274	46	0	5
Planning and development	24,0	43,8	31,8	81,3	52,0	63,07	52,12		
	84	84	68	91	37	5	8	1,500	
Road transport	38,7	32,2	219,6	273,	286,1	144,6	208,39		
	18	58	98	737	68	91	1	90,500	86,500
Environmental protection	1	6	6	3	3	50	12		
	34	54	93	72	68	8	6	250	25
	106,	129,	262,	378,	382,	251,	367,2	204,68	249,39
Trading services	974	903	022	972	063	868	89	4	9
Electricity	17,1	31,3	102,3	118,	125,3	89,78	117,29		
	32	14	23	497	97	3	6	58,588	61,782
Water	63,6	71,5	98,3	196,	194,2	96,94	186,98		
	05	18	17	044	44	5	6	104,636	93,485
Waste water management	23,9	26,2	46,6	54,5	54,5	50,05	58,30		
	34	42	76	21	21	2	0	40,880	94,132
Waste management	2,3	8	14,7	9,9	7,9	15,08	4,70		
	03	29	06	11	01	8	7	580	

<i>Other</i>									
Total Capital Expenditure - Standard	350,394	634,109	1,051,251	1,322,338	1,297,758	940,913	839,490	341,684	376,774
Funded by:									
National Government	227,548	490,376	768,742	560,561	542,961	298,577	230,864	227,606	254,032
Provincial Government	24,502	32,008		77,000	77,000	9,837			
District Municipality			1,941	3,700	3,700				
Transfers recognised - capital	252,050	522,384	770,682	641,261	623,661	308,414	230,864	227,606	254,032
Borrowing				50,000	50,000	50,000	484,759		
Internally generated funds	98,344	111,725	280,568	631,077	624,097	582,499	123,867	114,078	122,742
Total Capital Funding	350,394	634,109	1,051,251	1,322,338	1,297,758	940,913	839,490	341,684	376,774



LIM354 Polokwane - Table A6 Budgeted Financial Position

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
ASSETS									
Current assets									
Cash	167,43 1	332,58 6	195,02 6	200,00 0	200,00 0	11,000	1,000	70,000	40,000
Call investment deposits	270,00 0	320,50 8	272,13 8	328,25 0	328,25 0	-	30,000	30,000	30,000
Consumer debtors	103,38 5	126,71 8	92,746	149,18 4	149,18 4	147,87 2	153,699	159,69 9	165,69 9
Other debtors	19,95 9	60,887	60,429	30,000	30,000	55,000	60,000	40,000	50,000
Current portion of long-term receivables	9,78 3	10,508	12,444			9,000			
Inventory	30,89 5	56,382	45,163	60,000	60,000	60,000	60,000	65,000	70,000
Total current assets	601,452	907,589	677,946	767,434	767,434	282,872	304,699	364,699	355,699
Non current assets									
Investments	60,38 3	70,573 125,51	82,393 125,51	750	750	- 125,51	-	- 125,51	- 125,51
Investment property		1	1			1	125,511	1	1
Property, plant and equipment	1,193,20 3	3,190,59 2	4,143,28 6	5,377,60 8	5,353,02 8	4,976,86 8	5,502,908	5,725,13 6	5,975,28 7
Other non-current assets	6,79 4	16,317	14,992	-	-	-			
Total non current assets	1,260,380	3,402,992	4,366,182	5,378,358	5,353,778	5,102,379	5,628,418	5,850,646	6,100,797
TOTAL ASSETS	1,861,832	4,310,581	5,044,128	6,145,792	6,121,212	5,385,251	5,933,117	6,215,345	6,456,496
LIABILITIES									
Current liabilities									
Borrowing	37 34,51	-	781	-	-	-	3,000	3,000	3,000
Consumer deposits	3	39,183	46,217	48,000	48,000	50,000	54,000	57,000	60,000
Trade and other payables	239,44 2	475,66 1	416,07 9	110,00 0	110,00 0	100,00 0	150,000	150,00 0	150,00 0
Provisions	3,24 3	-	-			-			
Total current liabilities	277,23	514,81	463,08	158,00	158,00	150,00	207,000	210,00	213,00

	36	44	77	00	00	00		00	00
Non current liabilities									
Borrowing	93,323	93,323	92,541	142,493	142,493	50,000	531,759	528,759	525,759
Provisions	-	-	6,974	-	-	6,974	6,974	6,974	6,974
Total non current liabilities	93,323	93,323	99,515	142,493	142,493	56,974	538,733	535,733	532,733
TOTAL LIABILITIES	370,558	608,167	562,591	300,493	300,493	206,974	745,733	745,733	745,733
NET ASSETS	1,491,274	3,702,415	4,481,536	5,845,299	5,820,719	5,178,277	5,187,384	5,469,612	5,710,763
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/ (Deficit)	599,066	2,365,436	3,144,466	3,694,837	3,670,257	3,841,114	3,850,129	4,132,265	4,373,324
Reserves	892,208	1,336,978	1,337,071	2,150,462	2,150,462	1,337,163	1,337,255	1,337,347	1,337,439
TOTAL COMMUNITY WEALTH/EQUITY	1,491,274	3,702,415	4,481,536	5,845,299	5,820,719	5,178,277	5,187,384	5,469,612	5,710,763

**LIM354 Polokwane - Table A7 Budgeted
Cash Flows**

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	1,272,720	2,229,864	2,807,514	760,279	753,447	716,559	791,818	871,744	973,217
Government - operating				314,351	312,520	307,620	341,470	360,920	390,106
Government - capital				403,014	385,414	308,414	230,864	227,606	254,032
Interest	45,122	56,379	63,843	50,001	50,001	23,441	22,400	23,744	25,169
Payments									
Suppliers and employees	(855,460)	(1,406,111)	(1,975,519)	(980,840)	(980,886)	(961,221)	(1,076,021)	(1,184,804)	(1,313,672)
Finance charges	(14,848)	(14,555)	(16,032)	(19,900)	(19,900)	(16,873)	(5,800)	(6,148)	(6,517)
Transfers and Grants									
NET CASH FROM/(USED) OPERATING ACTIVITIES	447,534	865,578	879,806	526,904	500,596	377,940	304,731	293,062	322,335
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE				55,000	55,000	53,000	50,000	54,000	58,320
Decrease (Increase) in non-current debtors			11,432						
Decrease (increase) other non-current receivables	8,095	(10,248)	(611)						
Decrease (increase) in non-current investments	67,853	(60,697)	36,549	320,455	272,138	272,138			
Payments									
Capital assets	(350,394)	(634,109)	(1,071,770)	(1,322,338)	(1,297,758)	(940,813)	(839,490)	(341,684)	(376,774)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(274,446)	(705,055)	(1,024,400)	(946,883)	(970,620)	(615,675)	(789,490)	(287,684)	(318,454)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	3,849	4,670	7,034	55,000	50,000	50,000	484,759	4,000	4,000
Increase (decrease) in				4,8	4,8	4,000	4,000		

consumer deposits				17	17				
Payments									
Repayment of borrowing	(259)	(37)					(2,874)	(3,126)	(3,378)

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
NET CASH FROM/(USED) FINANCING ACTIVITIES	3,589	4,632	7,034	59,817	54,817	54,000	485,885	874	622
NET INCREASE/(DECREASE) IN CASH HELD	176,677	165,156	(137,561)	(360,162)	(415,207)	(183,735)	1,126	6,252	4,503
Cash/cash equivalents at the year begin:	(9,246)	167,431	332,586	195,026	195,026	195,026	11,291	12,417	18,669
Cash/cash equivalents at the year end:	167,431	332,586	195,026	(165,136)	(220,182)	11,291	12,417	18,669	23,172

LIM354 Polokwane - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	2006/ 7	2007/ 8	2008/ 9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audit ed Outcome	Audit ed Outcome	Audit ed Outcome	Original Budget	Adjust ed Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Cash and investments available									
Cash/cash equivalents at the year end	1 67,431	3 32,586	1 95,026	(16 5,136)	(22 0,182)	1 1,291	12,41 7	1 8,669	2 3,172
Other current investments > 90 days	2 70,000	3 20,508	2 72,138	69 3,386	74 8,432	(291)	18,58 3	8 1,331	4 6,828
Non current assets - Investments	60,383	70,573	82,393	750	750	-	-	-	-
Cash and investments available:	497,814	723,667	549,557	529,000	529,000	11,000	31,000	100,000	70,000
Application of cash and investments									
Unspent conditional transfers	161,190	374,368	215,881	-	-	-	-	-	-
Unspent borrowing									
Statutory requirements									
Other working capital requirements	20,613	22,199	9,881	(24,152)	(22,960)	(41,649)	4,947	(3,909)	(10,797)
Other provisions									
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments									
Total Application of cash and investments:	181,802	396,567	225,762	(24,152)	(22,960)	(41,649)	4,947	(3,909)	(10,797)
Surplus(shortfall)	316,011	327,099	323,795	553,152	551,960	52,649	26,053	103,909	780,797

**LIM354 Polokwane - Table A9
Asset Management**

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
CAPITAL EXPENDITURE									
Total New Assets	350,394	634,109	1,051,251	1,322,338	1,297,758	940,913	839,490	341,684	376,774
Infrastructure - Road transport	38,718	40,855	212,493	265,724	278,155	215,913	208,391	90,500	86,500
Infrastructure - Electricity	17,997	31,103	99,249	112,300	119,200	89,784	118,317	59,688	62,982
Infrastructure - Water	63,594	64,446	98,223	195,694	193,894	81,069	186,986	104,636	93,485
Infrastructure - Sanitation	23,574	20,106	46,161	51,543	51,543	42,947	58,300	40,880	94,132
Infrastructure - Other	2,663	1,527	2,974	9,822	7,812	5,160	35,609	2,080	-
Infrastructure Community	146,545	158,037	459,099	635,083	650,604	434,872	607,602	297,784	337,099
Heritage assets	203,849	400,759	-	501,331	492,070	431,471	138,171	17,650	16,825
Other assets	-	-	2,266	-	-	-	-	-	-
Intangibles	-	75,313	560,639	185,924	155,084	74,570	93,716	26,250	22,850
	-	-	29,247	-	-	-	-	-	-
Total Capital Expenditure									
Infrastructure - Road transport	38,718	40,855	212,493	265,724	278,155	215,913	208,391	90,500	86,500
Infrastructure - Electricity	17,997	31,103	99,249	112,300	119,200	89,784	118,317	59,688	62,982
Infrastructure - Water	63,594	64,446	98,223	195,694	193,894	81,069	186,986	104,636	93,485
Infrastructure - Sanitation	23,574	20,106	46,161	51,543	51,543	42,947	58,300	40,880	94,132
Infrastructure - Other	2,663	1,527	2,974	9,822	7,812	5,160	35,609	2,080	-
Infrastructure Community	146,545	158,037	459,099	635,083	650,604	434,872	607,602	297,784	337,099
Heritage assets	203,849	400,759	-	501,331	492,070	431,471	138,171	17,650	16,825
Other assets	-	-	2,266	-	-	-	-	-	-
Intangibles	-	75,313	560,639	185,924	155,084	74,570	93,716	26,250	22,850
	-	-	29,247	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	350,394	634,109	1,051,251	1,322,338	1,297,758	940,913	839,490	341,684	376,774
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	273,065	947,565	1,134,574	1,400,299	1,412,729	1,350,487	1,558,878	1,649,378	1,735,878
Infrastructure - Electricity	193,371	482,353	568,076	680,377	687,277	657,860	776,177	835,865	898,847
Infrastructure - Water	239,470	260,755	359,399	555,092	553,292	440,468	627,453	732,089	825,574
Infrastructure - Sanitation	105,110	338,305	368,910	420,453	420,453	411,857	470,157	511,037	605,169
Infrastructure - Other	7,985	18,944	32,670	42,492	40,482	37,829	73,439	75,519	75,519
Infrastructure Community	819,002	2,047,922	2,463,629	3,098,712	3,114,233	2,898,501	3,506,104	3,803,888	4,140,987
Heritage assets	258,007	783,873	1,302,530	1,715,844	1,706,583	1,626,670	1,652,147	1,550,341	1,440,543
Investment properties	-	125,511	125,511	-	-	125,511	125,511	125,511	125,511
Other assets	116,194	358,797	377,127	563,051	532,211	451,697	545,413	571,663	594,513
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1,193,203	3,316,102	4,268,797	5,377,608	5,353,028	5,102,379	5,829,175	6,051,403	6,301,554

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	64,650	79,925	107,331	88,017	88,017	107,331	112,694	119,456	126,623
Repairs and Maintenance by Asset Class									
Infrastructure - Road transport	67,083	65,986	72,081	76,221	82,871	82,662	98,963	104,901	111,195
Infrastructure - Electricity	8,961	7,162	9,178	12,945	12,945	15,627	17,161	18,190	19,282
Infrastructure - Water	14,183	11,624	14,383	14,957	14,957	14,956	21,230	22,503	23,854
Infrastructure - Sanitation	9,497	11,598	19,672	19,399	25,649	24,635	26,569	28,163	29,853
Infrastructure - Other	1,753	1,899	5,196	5,123	5,523	5,398	5,817	6,166	6,536
Community	3,009	2,279	4,612	4,894	4,894	4,175	4,874	5,166	5,476
Infrastructure	37,403	34,561	53,040	57,318	63,968	64,792	75,651	80,190	85,001
Community	29,680	31,425	19,041	18,903	18,903	17,870	23,312	24,711	26,194
TOTAL EXPENDITURE OTHER ITEMS	131,733	145,912	179,412	164,237	170,887	189,993	211,657	224,356	237,818
<i>% of capital exp on renewal of assets</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>	5.6%	2.1%	1.7%	1.4%	1.5%	1.7%	1.8%	1.8%	1.9%
<i>Renewal and R&M as a % of PPE</i>	6.0%	2.0%	2.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%

LIM354 Polokwane - Table A10 Basic service delivery measurement

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Household service targets (000)									
Water:									
Piped water inside dwelling	41	41	41	41	41	41	41	41	41
Piped water inside yard (but not in dwelling)	32	32	32	32	32	32	32	32	32
Using public tap (at least min.service level)	50	50	50	50	50	50	50	50	50
Other water supply (at least min.service level)									
<i>Minimum Service Level and Above sub-total</i>	123	123	123	123	123	123	123	123	123
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply	8	8	8	8	8	8	8	8	8
<i>Below Minimum Service Level sub-total</i>	8	8	8	8	8	8	8	8	8
Total number of households	130	130	130	130	130	130	130	130	130
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	32	32	32	32	32	32	32	32	32
Flush toilet (with septic tank)	1	1	1	1	1	1	1	1	1
Chemical toilet	15	15	15	15	15	15	15	15	15
Pit toilet (ventilated)	72	72	72	72	72	72	72	72	72
Other toilet provisions (> min.service level)									
<i>Minimum Service Level and Above sub-total</i>	120	120	120	120	120	120	120	120	120
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions	11	11	11	11	11	11	11	11	11
<i>Below Minimum Service Level sub-total</i>	11	11	11	11	11	11	11	11	11
Total number of households	130	130	130	130	130	130	130	130	130
Energy:									
Electricity (at least min.service level)	24	24	24	24	24	24	24	24	24
Electricity - prepaid (min.service level)	26	26	26	26	26	26	26	26	26
<i>Minimum Service Level and Above sub-total</i>	51	51	51	51	51	51	51	51	51
Electricity (< min.service level)	18	18	18	18	18	18	18	18	18
Electricity - prepaid (< min.service level)	34	34	34	34	34	34	34	34	34
Other energy sources	27	27	27	27	27	27	27	27	27
<i>Below Minimum Service</i>									

<i>Level sub-total</i>	80	80	80	80	80	80	80	80	80
Total number of households	130	130	130	130	130	130	130	130	130

Description	2006/ 7	2007/ 8	2008/ 9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<u>Refuse:</u> Removed at least once a week	48	48	48	48	48	48	48	48	48
Minimum Service Level and Above sub-total	48	48	48	48	48	48	48	48	48
Using own refuse dump Below Minimum Service Level sub-total	82	82	82	82	82	82	82	82	82
Total number of households	130	130	130	130	130	130	130	130	130
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	70	70	70	70	70	70	70	70	70
Sanitation (free minimum level service)	31	31	31	31	31	31	31	31	31
Electricity/other energy (50kwh per household per month)	34	34	34	34	34	34	34	34	34
Refuse (removed at least once a week)	31	31	31	31	31	31	31	31	31
<u>Cost of Free Basic Services provided (R'000)</u>									
Water (6 kilolitres per household per month)	1,108	1,343	1,423	1,163	1,163	1,163	1,238	1,301	1,361
Sanitation (free sanitation service)	473	575	609	646	646	646	681	716	749
Electricity/other energy (50kwh per household per month)	726	855	903	1,009	1,009	1,009	1,331	1,399	1,463
Refuse (removed once a week)	1,009	1,223	1,293	1,371	1,371	1,371	1,445	1,518	1,588
Total cost of FBS provided (minimum social package)	3,316	3,996	4,228	4,189	4,189	4,189	4,694	4,934	5,161
<u>Highest level of free service provided</u>									
Property rates (R'000 value threshold)	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
Water (kilolitres per household per month)	5	5	5	5	5	5	5	5	5
Sanitation (Rand per household per month)	9	10	10	11	11	11	11	11	11
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	20	20	20	20	20	20	20	20	20
<u>Revenue cost of free services provided (R'000)</u>									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)	2,584	2,750	2,905	3,011	3,011	3,011	3,250	3,416	3,573
Water	17,610	18,732	19,835	16,221	16,221	16,221	17,267	18,148	18,983
Sanitation	3,	3,	3,	3,	3,	3,	4,	4,	4,

	308	529	739	968	968	968	,181	395	,597
	5,	5,	6,	6,	6,	6,	9	9,	10
Electricity/other energy	663	852	181	903	903	903	,109	573	,014
Refuse	7,	7,	7,	8,	8,	8,	8	9,	9
	062	512	939	418	418	418	,871	323	,752
Total revenue cost of free services provided (total social package)	3	3	4	38,52	3	38,52	4	44,85	46,91
	6,228	8,375	0,599	2	8,522	2	2,679	5	9

CONSOLIDATED BUDGET TABLES

**LIM354 Polokwane - Table A1
Consolidated Budget Summary**

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Financial Performance									
Property rates	129,145	143,535	159,348	169,508	169,508	173,000	185,000	199,800	215,784
Service charges	388,346	396,526	454,904	555,651	555,651	517,429	608,605	671,026	753,567
Investment revenue	45,122	56,379	63,843	30,000	30,000	6,000	3,000	3,240	3,499
Transfers recognised - operational	146,111	167,694	205,170	314,351	312,520	307,620	341,470	360,920	390,106
Other own revenue	25,893	54,580	59,188	207,932	207,932	113,234	114,024	123,431	139,943
Total Revenue (excluding capital transfers and contributions)	734,616	818,714	942,454	1,277,442	1,275,611	1,117,282	1,252,099	1,358,417	1,502,900
Employee costs	197,483	241,029	268,041	336,935	328,684	331,533	377,562	400,486	424,735
Remuneration of councillors	10,167	14,106	17,659	19,172	19,172	18,515	20,207	21,320	22,479
Depreciation & asset impairment	64,167	79,106	107,659	88,172	88,172	107,315	112,607	119,420	126,479
Finance charges	14,848	18,679	20,582	25,060	25,060	22,033	11,800	12,748	19,017
Materials and bulk purchases	276,903	286,619	393,348	541,122	547,872	519,213	584,935	664,324	762,073
Transfers and grants	2,050	2,004	2,220	8,280	8,280	2,400	4,000	4,240	4,449
Other expenditure	82,083	88,316	137,133	96,371	103,021	102,862	133,253	139,620	146,386
Total Expenditure	648,183	730,678	944,313	1,114,957	1,120,106	1,101,728	1,240,851	1,358,377	1,501,762
Surplus/(Deficit)	86,433	88,035	(1,859)	162,485	155,505	15,554	11,248	40,227,6	1,138
Transfers recognised - capital	243,022	534,052	787,429	416,004	385,414	308,414	230,864	227,606	254,032
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	329,455	622,087	785,570	578,489	540,919	32,3,968	24,2,112	22,7,646	255,170
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	329,455	622,087	785,570	578,489	540,919	323,968	242,112	227,646	255,170
Capital expenditure & funds sources									
Capital expenditure	350,394	634,725	1,051,606	1,435,328	1,410,748	942,103	909,565	341,724	377,913
Transfers recognised - capital	252,050	522,384	770,682	641,261	623,661	308,414	230,864	227,606	254,032
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	161,800	161,800	50,000	554,759	-	-
Internally generated funds	98,344	112,341	280,923	632,267	625,287	583,689	123,942	114,118	123,881
Total sources of capital funds	350,394	634,725	1,051,606	1,435,328	1,410,748	942,103	909,565	341,724	377,913
Financial position									

Total current assets	601,452	930,806	701,109	791,420	791,420	306,858	353,671	414,671	406,671
Total non current assets	1,260,380	3,464,726	4,445,900	5,696,576	5,560,196	5,183,287	5,777,312	5,999,540	6,249,691
Total current liabilities	277,236	521,823	469,896	165,320	165,320	157,642	215,142	218,642	222,142
Total non current liabilities	93,323	146,822	154,202	310,170	197,180	111,661	608,733	605,733	602,733
Community wealth/Equity	1,491,274	3,726,888	4,522,911	6,012,507	5,989,117	5,220,842	5,307,108	5,589,836	5,831,487
Cash flows									
Net cash from (used) operating	447,534	867,105	881,587	527,227	500,919	378,263	304,806	293,102	323,473
Net cash from (used) investing	(274,446)	(707,704)	(1,023,644)	(1,053,566)	(965,503)	(610,558)	(857,967)	(286,671)	(312,671)
Net cash from (used) financing	3,589	18,630	8,061	171,482	54,682	53,865	555,800	839	637
Cash/cash equivalents at the year end	181,326	359,357	225,361	(129,496)	(184,542)	46,931	49,570	56,840	68,279
Cash backing/surplus reconciliation									
Cash and investments available	497,814	746,313	571,218	550,984	550,984	32,984	74,968	143,968	113,968
Application of cash and investments	182,175	405,011	235,066	(20,909)	(19,739)	(37,923)	5,286	(4,161)	(10,722)
Balance - surplus (shortfall)	315,638	341,301	336,152	571,893	570,723	70,907	69,682	148,129	124,690

Description R thousands	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Asset management									
Asset register summary (WDV)	1,193,203	3,377,145	4,347,691	5,693,812	5,557,432	5,181,273	6,048,144	6,270,372	6,520,523
Depreciation & asset impairment	64,650	79,925	107,331	88,017	88,017	107,331	112,694	119,456	126,623
Repairs and Maintenance	67,083	65,986	72,081	76,221	82,871	82,662	100,748	106,864	113,385
Free services									
Cost of Free Basic Services provided	3,316	3,996	4,228	4,189	4,189	4,189	4,694	4,934	5,161
Revenue cost of free services provided	36,228	38,375	40,599	38,522	38,522	38,522	42,679	44,855	46,919
Households below minimum service level									
Water:	7,691	7,691	7,691	7,691	7,691	7,691	7,691	7,691	7,691
Sanitation/sewerage:	10,919	10,919	10,919	10,919	10,919	10,919	10,919	10,919	10,919
Energy:	79,761	79,761	79,761	79,761	79,761	79,761	79,761	79,761	79,761
Refuse:	81,997	81,997	81,997	81,997	81,997	81,997	81,997	81,997	81,997

LIM354 Polokwane - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue - Standard Governance and administration	574,455	904,675	1,238,725	1,027,593	1,008,162	813,864	781,353	814,268	887,939
Executive and council Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	573,294	904,145	1,236,424	1,025,358	1,005,927	812,231	779,540	812,309	885,824
Community and public safety	161	531	18,113	23,040	23,040	22,303	22,966	25,088	33,733
Community and social services	161	531	18,113	23,040	23,040	22,303	22,966	25,088	33,733
Sport and recreation	819	875	1,114	1,114	1,114	1,154	1,246	1,346	1,454
Public safety	1,237	3,750	9,955	15,159	15,159	16,951	17,100	18,090	19,777
Housing	3,522	12,651	12,212	16,759	16,759	16,761	16,546	18,154	26,245
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	34,717	3,061	39,704	8,3,915	83,915	8,3,298	81,068	8,7,553	94,557

Planning and development	28,585	26,685	30,986	74,753	71,691	70,007	75,607	81,656
Road transport	4,642	5,166	6,941	6,596	7,554	8,091	8,738	9,437
Environmental protection	1,490	1,210	1,777	2,566	4,053	2,970	3,208	3,464
Trading services	362,704	38,226	433,341	54,908	50,623	597,577	65,911	740,702
Electricity	207,226	21,9276	267,435	34,8014	32,4966	386,872	43,1554	494,937
Water	98,083	10,5688	98,312	12,6045	10,6147	130,391	14,0822	152,088
Waste water management	26,823	30,406	31,164	33,254	34,796	37,171	40,145	43,356

Standard Classification Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Waste management	30,573	32,857	36,430	38,595	38,595	40,323	43,142	46,594	50,321
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	977,638	1,343,380	1,729,884	1,680,456	1,661,025	1,425,696	1,482,963	1,586,023	1,756,932
Expenditure - Standard									
Governance and administration	112,370	92,375	164,522	127,951	132,951	130,729	147,769	154,846	162,326
Executive and council	60,372	25,875	70,983	48,449	48,449	47,648	66,920	69,135	71,483
Budget and treasury office	27,790	16,935	22,794	31,766	33,466	31,855	19,597	20,773	22,020
Corporate services	24,207	49,566	70,746	47,736	51,036	51,225	61,252	64,938	68,823
Community and public safety	126,643	149,104	185,077	300,731	304,281	294,868	267,059	272,932	294,921
Community and social services	19,271	21,230	30,402	30,039	29,839	33,487	39,344	41,705	44,207
Sport and recreation	43,098	45,359	57,116	14,2,877	146,627	14,1,909	90,646	85,281	90,109
Public safety	50,495	59,298	74,459	93,734	93,734	88,061	101,454	10,7,541	113,993
Housing	5,599	15,948	16,222	27,008	27,008	24,408	28,393	30,749	38,497
Health	8,180	7,268	6,877	7,073	7,073	7,002	7,23	7,656	8,15
Economic and environmental services	63,418	74,274	102,390	87,695	86,895	97,083	123,711	131,134	139,002
Planning and development	26,333	35,510	47,414	36,128	35,328	34,070	49,211	52,164	55,294
Road transport	31,679	33,444	47,450	44,704	44,704	55,069	65,129	69,037	73,179
Environmental protection	5,406	5,320	7,26	6,863	6,863	7,943	9,71	9,933	10,529
Trading services	345,752	414,925	492,322	598,580	595,979	579,048	702,311	799,466	905,513
Electricity	180,433	21,0639	262,739	33,3,499	332,999	32,1,761	404,082	48,3,343	570,422
Water	110,410	14,1,567	145,221	18,0,170	178,169	16,2,927	183,614	19,4,631	206,309
Waste water management	20,459	26,627	40,894	33,404	33,804	48,180	54,602	57,878	61,351
Waste management	34,450	36,092	43,469	51,508	51,008	46,180	60,013	63,614	67,431
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	648,183	730,678	944,312	1,114,957	1,120,106	1,110,728	1,240,851	1,358,377	1,501,762
Surplus/(Deficit) for the year	329,455	612,701	785,572	565,499	540,919	323,968	242,112	227,646	255,170

**LIM354 Polokwane - Table A4 Consolidated Budgeted Financial Performance
(revenue and expenditure)**

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue By Source									
Property rates	129,145	143,535	159,348	169,508	169,508	173,000	185,000	199,800	215,784
Property rates - penalties & collection charges									
Service charges - electricity revenue	200,838	213,847	259,300	348,014	348,014	316,336	386,872	431,554	494,937
Service charges - water revenue	91,127	79,455	83,257	126,045	126,045	97,307	130,391	140,822	152,088
Service charges - sanitation revenue	25,600	29,452	30,601	33,254	33,254	33,576	37,171	40,145	43,356
Service charges - refuse revenue	30,573	32,857	36,430	38,595	38,595	40,322	43,142	46,594	50,321
Service charges - other	40,209	40,915	45,316	9,743	9,743	9,889	11,029	11,912	12,865
Rental of facilities and equipment	4,352	12,790	14,959	18,688	18,688	17,051	18,174	19,905	29,606
Interest earned - external investments	45,122	56,379	63,43	30,000	30,000	6,000	3,000	3,240	3,499
Interest earned - outstanding debtors	10,265	15,366	22,233	20,501	20,501	17,941	19,600	21,180	22,901
Dividends received	-	-	2,7	-	-	2,	3,10	3,	3,62
Fines	2,813	2,776	14,	887,	2,887,	510,	3,	352,	0,
Licences and permits	4,703	5,126	6,963	6,677	6,677	7,569	8,161	8,814	9,519
Agency services	3,760	9,975	12,267	13,000	13,000	12,000	13,000	14,040	15,163
Transfers recognised - operational	146,111	167,694	205,170	312,520	312,520	307,620	341,470	360,920	390,106
Other revenue	-	92	52	180	91,180	163,	1,98	2,	81
Gains on disposal of PPE	-	8,455	55,000	55,000	55,000	53,000	50,000	54,000	58,320
Total Revenue (excluding capital transfers and contributions)	73,4,616	81,8,714	942,454	1,27,7,442	1,275,611	1,11,7,282	1,252,099	1,35,8,417	1,502,900
Expenditure By Type									
Employee related costs	197,483	241,029	268,041	336,935	328,684	331,533	377,562	400,486	424,735
Remuneration of councillors	10,167	14,106	17,659	19,172	19,172	18,515	20,207	21,320	22,479
Debt impairment	15,000	20,000	62,425	15,000	15,000	15,000	30,000	30,000	30,000
Depreciation & asset impairment	64,650	79,925	107,331	88,017	88,017	107,331	112,694	119,456	126,623
Finance charges	14,848	18,679	20,582	25,060	25,060	22,033	11,800	12,748	19,017
Bulk purchases	158,176	190,265	244,575	330,162	330,162	320,080	392,700	471,278	557,634
Other materials	118,727	96,355	148,773	210,960	217,710	199,133	192,235	193,046	204,439
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and grants	2,050	2,004	220	8,280	8,280	240	400	424	449
Other expenditure	67,083	68,316	74,708	81,371	88,021	87,862	103,253	109,620	116,386
Loss on disposal of PPE									

Total Expenditure	648,183	730,678	944,313	1,114,957	1,120,106	1,101,728	1,240,851	1,358,377	1,501,762
Surplus/(Deficit)	86,433	88,035	(1,859)	162,485	155,505	15,554	11,248	40	1,138
Transfers recognised - capital	243,022	534,052	7,429	416,004	385,414	308,414	230,864	227,606	254,032
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Surplus/(Deficit) after capital transfers & contributions	32 9,455	62 2,087	785, 570	57 8,489	540,9 19	32 3,968	242, 112	22 7,646	255, 170
Taxation Surplus/(Deficit) after taxation	329 ,455	622 ,087	785,57 0	578, 489	540,919	323 ,968	242,1 12	227 ,646	255,1 70
Attributable to minorities Surplus/(Deficit) attributable to municipality	32 9,455	62 2,087	785, 570	57 8,489	540,9 19	32 3,968	242, 112	22 7,646	255, 170
Share of surplus/ (deficit) of associate Surplus/(Deficit) for the year	329 ,455	622, 087	785,57 0	578, 489	540,91 9	323 ,968	242,1 12	227 ,646	255,1 70

LIM354 Polokwane - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Capital Expenditure - Standard									
Governance and administration	19,775	17,439	22,431	67,158	70,473	29,870	71,663	26,250	22,850
Executive and council									
Budget and treasury office	91	93	00	4,100	1,100	303	10,080	50	50
Corporate services	19,683	17,346	22,131	63,058	69,373	29,567	61,583	26,200	22,800
Community and public safety	160,710	410,586	514,894	633,697	619,640	452,091	209,967	18,540	19,139
Community and social services	4,508	3,105	8,108	13,800	12,324	6,563	7,019	2,900	2,800
Sport and recreation	151,620	398,482	493,057	488,442	481,628	428,670	121,430	13,500	13,000
Public safety	4,575	8,374	13,323	17,225	11,456	15,334	10,742	2,100	2,200
Housing	-	6	3	114,200	114,200	1,480	70,775	40	1,139
Health	7	9	51	31	31	4			
Economic and environmental services	62,935	76,797	252,259	355,500	338,573	208,274	260,646	92,250	86,525
Planning and development	24,084	43,884	31,868	81,391	52,037	63,075	52,128	1,500	
Road transport	38,718	32,258	219,698	273,737	286,168	144,691	208,391	90,500	86,500
Environmental protection	134	654	693	737,372	3168	508	126	250	25
Trading services	106,974	129,903	262,022	378,972	382,063	251,868	367,289	204,684	249,399
Electricity	17,132	31,314	102,323	118,497	125,397	89,783	117,296	58,588	61,782
Water	63,605	71,518	98,317	196,044	194,244	96,945	186,986	104,636	93,485
Waste water management	23,934	26,242	46,676	54,521	54,521	50,052	58,300	40,880	94,132
Waste management	2,303	829	14,706	9,911	7,01	15,088	4,707	580	
Other									
Total Capital Expenditure - Standard	350,394	634,725	1,051,606	1,435,328	1,410,748	942,103	909,565	341,724	377,913
Funded by:									
National Government	227,548	490,376	768,742	560,561	542,961	298,577	230,864	227,606	254,032
Provincial Government	24,502	32,008		77,000	77,000	9,837			
District Municipality			1,941	3,700	3,700				
Other transfers and grants									
Transfers recognised - capital	252,050	522,384	770,682	641,261	623,661	308,414	230,864	227,606	254,032
Public contributions & donations									
Borrowing				161,	161,	50,0	554,7		

Internally generated funds	98,344	112,341	280,923	800,632,267	800,625,287	00,583,689	59,123,942	114,118	123,881
Total Capital Funding	350,394	634,725	1,051,606	1,435,328	1,410,748	942,103	909,565	341,724	377,913

LIM354 Polokwane - Table A6 Consolidated Budgeted Financial Position

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
ASSETS									
Current assets									
Cash	167,431	355,232	216,687	221,984	221,984	32,984	22,984	91,984	61,984
Call investment deposits	270,000	320,508	272,138	328,250	328,250	-	51,984	51,984	51,984
Consumer debtors	103,385	126,718	92,746	149,184	149,184	147,872	156,201	162,701	169,201
Other debtors	19,959	61,458	61,931	32,002	32,002	57,002	62,502	43,002	53,502
Current portion of long-term receivables	9,783	10,508	12,444			9,000			
Inventory	30,895	56,382	45,163	60,000	60,000	60,000	60,000	65,000	70,000
Total current assets	601,452	930,806	701,109	791,420	791,420	306,858	353,671	414,671	406,671
Non current assets									
Long-term receivables									
Investments	60,383	70,573	82,393	750,316	50,204	-	-	-	-
Investment property		554	405	205	405	405	274,405	274,405	274,405
Investment in Associate									
Property, plant and equipment	1,193,203	3,191,283	4,144,110	5,379,622	5,355,042	4,978,882	5,502,908	5,725,136	5,975,287
Agricultural Biological Intangible									
Other non-current assets	6,794	16,317	14,992	-	-	-	-	-	-
Total non current assets	1,260,380	3,464,726	4,445,900	5,696,576	5,560,196	5,183,287	5,777,312	5,999,540	6,249,691
TOTAL ASSETS	1,861,832	4,395,532	5,147,009	6,487,997	6,351,617	5,490,145	6,130,983	6,414,211	6,656,362
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	37	4,982	4,547	4,000	4,000	4,000	9,000	9,000	9,000
Consumer deposits	34,513	39,183	46,217	48,000	48,000	50,000	54,000	57,000	60,000
Trade and other payables	239,442	477,658	419,132	113,320	113,320	103,642	152,142	152,642	153,142
Provisions	3,243	-	-	-	-	-	-	-	-
Total current liabilities	277,236	521,823	469,896	165,320	165,320	157,642	215,142	218,642	222,142
Non current liabilities									
Borrowing	93,323	146,822	147,228	310,170	197,180	104,687	601,759	598,759	595,759
Provisions	-	-	6,974	-	-	6,974	6,974	6,974	6,974
Total non current liabilities	93,323	146,822	154,202	310,170	197,180	111,661	608,733	605,733	602,733
TOTAL LIABILITIES	370,558	668,645	624,097	475,490	362,500	269,303	823,875	824,375	824,875

NET ASSETS	1,491, 274	3,726, 888	4,522, 911	6,012, 507	5,989, 117	5,220, 842	5,307, 108	5,589, 836	5,831 ,487
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/ (Deficit)	599, 066	2,389, 909	3,185, 841	3,862, 045	3,838, 655	3,883, 679	3,969, 853	4,252, 489	4,494, 048
Reserves	892, 208	1,336, 978	1,337, 071	2,150, 462	2,150, 462	1,337, 163	1,337, 255	1,337, 347	1,337, 439
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	1,49 1,274	3,72 6,888	4,522, 911	6,01 2,507	5,989, 117	5,220, 842	5,307, 108	5,589, 836	5,83 1,487

LIM354 Polokwane - Table A7 Consolidated Budgeted Cash Flows

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other Government - operating	1,272,720	2,229,864	2,807,514	776,405	769,573	732,685	807,629	889,093	998,566
Government - capital				314,351	312,520	307,620	341,470	360,920	390,106
Interest				403,403	385,385	308,308	230,230	227,227	254,000
Dividends	45,122	57,906	65,624	50,014	50,414	23,414	23,000	24,400	25,900
Payments									
Suppliers and employees	(855,460)	(1,406,111)	(1,975,519)	(991,983)	(992,029)	(972,364)	(1,086,357)	(1,196,173)	(1,326,122)
Finance charges	(14,848)	(14,555)	(16,032)	(25,060)	(25,060)	(22,033)	(11,800)	(12,748)	(19,017)
Transfers and Grants									
NET CASH FROM/ (USED) OPERATING ACTIVITIES	447,534	867,105	881,587	527,227	500,919	378,263	304,806	293,102	323,473
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE			(10)	55,000	55,000	53,000	50,000	54,000	58,320
Decrease (Increase) in non-current debtors		(393)	10,501	(1,481)	(1,481)	(1,481)	(1,981)	(2,481)	(2,981)
Decrease (increase) other non-current receivables	8,095	(10,248)	(611)						
Decrease (increase) in non-current investments	67,853	(55,044)	39,670	328,243	279,926	279,926	3,579	3,534	9,903
Payments									
Capital assets	(350,394)	(642,018)	(1,073,194)	(1,435,328)	(1,298,948)	(942,003)	(909,565)	(341,724)	(377,913)
NET CASH FROM/ (USED) INVESTING ACTIVITIES	(274,446)	(707,704)	(1,023,644)	(1,053,566)	(965,503)	(610,558)	(857,967)	(286,671)	(312,671)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		12,973	1,187						
Borrowing long term/refinancing				166,800	50,000	50,000	554,759		
Increase (decrease) in consumer deposits	3,849	5,695	8,090	5,898	5,898	5,081	5,131	5,181	5,231
Payments									
Repayment of borrowing	(259)	(37)	(1,216)	(1,216)	(1,216)	(1,216)	(4,090)	(4,342)	(4,594)
NET CASH FROM/ (USED) FINANCING ACTIVITIES	3,589	18,630	8,061	171,482	54,682	53,865	555,800	839	637

NET INCREASE/ (DECREASE) IN CASH HELD	176, 677	17 8,032	(1 33,997)	(3 54,857)	(4 09,902)	(1 78,430)	2, 639	7, 270	11, 439
Cash/cash equivalents at the year begin:	4, 649	18 1,326	35 9,357	22 5,361	22 5,361	22 5,361	46, 931	49, 570	56, 840
Cash/cash equivalents at the year end:	181, 326	35 9,357	22 5,361	29,496)	84,542)	4 6,931	49, 570	56, 840	68, 279

LIM354 Polokwane - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<u>Cash and investments available</u>									
Cash/cash equivalents at the year end	181,326	359,357	225,361	(129,496)	(184,542)	46,931	49,570	56,840	68,279
Other current investments > 90 days	256,105	316,383	263,464	679,730	734,776	(13,947)	25,398	87,128	45,689
Non current assets - Investments	60,383	70,573	82,393	750	750	-	-	-	-
Cash and investments available:	497,814	746,313	571,218	550,984	550,984	32,984	74,968	143,968	113,968
<u>Application of cash and investments</u>									
Unspent conditional transfers	161,190	374,368	215,881	-	-	-	-	-	-
Unspent borrowing									
Statutory requirements									
Other working capital requirements	20,986	30,643	19,185	(20,909)	(19,739)	(37,923)	5,286	(4,161)	(10,722)
Other provisions									
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments									
Total Application of cash and investments:	182,175	405,011	235,066	(20,909)	(19,739)	(37,923)	5,286	(4,161)	(10,722)
Surplus(shortfall)	315,638	341,301	336,152	571,893	570,723	70,907	69,682	148,129	124,690

**LIM354 Polokwane - Table A9
Consolidated Asset Management**

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
CAPITAL EXPENDITURE	35	634,109	1,051,251	1,322,338	1,297,758	940,913	909,565	341,684	376,774
Total New Assets	0,394	634,109	1,251,219	1,322,338	1,297,758	940,913	909,565	341,684	376,774
Infrastructure - Road transport	38,718	40,855	2,493	265,724	278,155	215,913	208,391	90,500	86,500
Infrastructure - Electricity	17,997	31,103	99,249	112,300	119,200	89,784	118,317	59,688	62,982
Infrastructure - Water	63,594	64,446	98,223	195,694	193,894	81,069	186,986	104,636	93,485
Infrastructure - Sanitation	23,574	20,106	46,161	51,543	51,543	42,947	58,300	40,880	94,132
Infrastructure - Other	2,663	1,527	2,974	9,822	7,812	5,160	35,609	2,080	-
Infrastructure	146,545	158,037	459,099	635,083	650,604	434,872	607,602	297,784	337,099
Community	20,3849	400,759	-	501,331	492,070	431,471	138,171	17,650	16,825
Heritage assets	-	-	266	-	-	-	-	-	-
Other assets	-	75,313	56,0639	185,924	155,084	74,570	163,791	26,250	22,850
Intangibles	-	-	29,247	-	-	-	-	-	-
Total Capital Expenditure	38,718	40,855	21,2493	265,724	278,155	215,913	208,391	90,500	86,500
Infrastructure - Road transport	17,997	31,103	99,249	112,300	119,200	89,784	118,317	59,688	62,982
Infrastructure - Electricity	63,594	64,446	98,223	195,694	193,894	81,069	186,986	104,636	93,485
Infrastructure - Water	23,574	20,106	46,161	51,543	51,543	42,947	58,300	40,880	94,132
Infrastructure - Sanitation	2,663	1,527	2,974	9,822	7,812	5,160	35,609	2,080	-
Infrastructure	146,545	158,037	459,099	635,083	650,604	434,872	607,602	297,784	337,099
Community	20,3849	400,759	-	501,331	492,070	431,471	138,171	17,650	16,825
Heritage assets	-	-	266	-	-	-	-	-	-
Other assets	-	75,313	56,0639	185,924	155,084	74,570	163,791	26,250	22,850
Intangibles	-	-	29,247	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	350,394	634,109	1,051,251	1,322,338	1,297,758	940,913	909,565	341,684	376,774
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	27,3065	94,7565	1,134,574	1,400,299	1,412,729	1,350,487	1,558,878	1,649,378	1,735,878
Infrastructure - Electricity	19,3371	482,353	56,8076	680,377	687,277	657,860	776,177	835,865	898,847
Infrastructure - Water	23,9470	260,755	35,9399	555,092	553,292	440,468	627,453	732,089	825,574
Infrastructure - Sanitation	10,5110	338,305	36,8910	420,453	420,453	411,857	470,157	511,037	605,169

Infrastructure - Other	7,985	18,944	32,670	42,492	40,482	37,829	7,3439	75,519	7,5519
Infrastructure	819,002	2,047,922	2,463,629	3,098,712	3,114,233	2,898,501	3,506,104	3,803,888	4,140,987
Community Heritage assets	25,8,007	783,873	1,302,530	1,715,844	1,706,583	1,626,670	1,652,147	1,550,341	1,440,543
Investment properties	-	186,554	20,4,405	316,205	204,405	204,405	27,4,405	27,4,405	27,4,405
Other assets	11,6,194	358,797	37,7,127	563,051	532,211	451,697	61,5,488	64,1,738	66,4,588
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1,193,203	3,377,145	4,347,691	5,693,812	5,557,432	5,181,273	6,048,144	6,270,372	6,520,523
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	64,650	79,925	10,7,331	88,017	88,017	107,331	11,2,694	11,9,456	12,6,623
Repairs and Maintenance by Asset Class	67,083	65,986	72,081	76,221	82,871	82,662	10,0,748	10,6,864	11,3,385
Infrastructure - Road transport	8,961	7,162	9,178	12,945	12,945	15,627	1,7,161	18,190	1,9,282
Infrastructure - Electricity	14,183	11,624	14,383	14,957	14,957	14,956	21,230	22,503	2,3,854
Infrastructure - Water	9,497	11,598	19,672	19,399	25,649	24,635	26,569	28,163	2,9,853
Infrastructure - Sanitation	1,753	1,899	5,196	5,123	5,523	5,398	5,817	6,166	6,6,536
Infrastructure - Other	3,009	2,279	4,612	4,894	4,894	4,175	4,874	5,166	5,4,476
Infrastructure	37,403	34,561	53,040	57,318	63,968	64,792	75,651	80,190	8,5,001
Community	29,680	31,425	19,041	18,903	18,903	17,903	25,097	26,674	2,8,384
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	13,1,733	14,5,912	17,9,412	164,164,237	17,0,887	18,9,993	21,3,442	22,6,319	240,008
% of capital exp on renewal of assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE	5.6%	2.1%	1.7%	1.4%	1.5%	1.7%	1.8%	1.9%	1.9%
Renewal and R&M as a % of PPE	6.0%	2.0%	2.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%

LIM354 Polokwane - Table A10 Consolidated basic service delivery measurement

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Household service targets (000)									
Water:									
Piped water inside dwelling	41	41	41	41	41	41	41	41	4
Piped water inside yard (but not in dwelling)	32	32	32	32	32	32	32	32	1
Using public tap (at least min.service level)	50	50	50	50	50	50	50	50	3
Other water supply (at least min.service level)									2
<i>Minimum Service Level and Above sub-total</i>	123	123	123	123	123	123	123	123	5
Using public tap (< min.service level)									0
Other water supply (< min.service level)									
No water supply	8	8	8	8	8	8	8	8	1
<i>Below Minimum Service Level sub-total</i>	8	8	8	8	8	8	8	8	12
Total number of households	130	130	130	130	130	130	130	130	30
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	32	32	32	32	32	32	32	32	3
Flush toilet (with septic tank)	1	1	1	1	1	1	1	1	2
Chemical toilet	15	15	15	15	15	15	15	15	1
Pit toilet (ventilated)	72	72	72	72	72	72	72	72	1
Other toilet provisions (> min.service level)									5
<i>Minimum Service Level and Above sub-total</i>	120	120	120	120	120	120	120	120	7
Bucket toilet									2
Other toilet provisions (< min.service level)									
No toilet provisions	11	11	11	11	11	11	11	11	1
<i>Below Minimum Service Level sub-total</i>	11	11	11	11	11	11	11	11	1
Total number of households	130	130	130	130	130	130	130	130	30
Energy:									
Electricity (at least min.service level)	24	24	24	24	24	24	24	24	2
Electricity - prepaid (min.service level)	26	26	26	26	26	26	26	26	4
<i>Minimum Service Level and Above sub-total</i>	51	51	51	51	51	51	51	51	2
Electricity (< min.service level)	18	18	18	18	18	18	18	18	6
Electricity - prepaid (< min.service level)	34	34	34	34	34	34	34	34	3
Other energy sources	27	27	27	27	27	27	27	27	4
<i>Below Minimum Service</i>									2
									7
									8

<i>Level sub-total</i>	80	80	80	80	80	80	80	80	0
Total number of households	130	130	130	130	130	130	130	130	130
<u>Refuse:</u>									4
Removed at least once a week	48	48	48	48	48	48	48	48	8
<i>Minimum Service Level and Above sub-total</i>	48	48	48	48	48	48	48	48	8
Removed less frequently than once a week									
Using communal refuse dump									8
Using own refuse dump	82	82	82	82	82	82	82	82	2
Other rubbish disposal									
No rubbish disposal									
<i>Below Minimum Service Level sub-total</i>	82	82	82	82	82	82	82	82	8
Total number of households	130	130	130	130	130	130	130	130	30

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	70	70	70	70	70	70	70	70	70
Sanitation (free minimum level service)	31	31	31	31	31	31	31	31	31
Electricity/other energy (50kwh per household per month)	34	34	34	34	34	34	34	34	34
Refuse (removed at least once a week)	31	31	31	31	31	31	31	31	31
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	1,108	1,343	1,423	1,163	1,163	1,163	1,238	1,301	1,361
Sanitation (free sanitation service)	473	575	609	646	646	646	681	716	749
Electricity/other energy (50kwh per household per month)	726	855	903	1,009	1,009	1,009	1,331	1,399	1,463
Refuse (removed once a week)	1,009	1,223	1,293	1,371	1,371	1,371	1,445	1,518	1,588
Total cost of FBS provided (minimum social package)	3,316	3,996	4,228	4,189	4,189	4,189	4,694	4,934	5,161
Highest level of free service provided									
Property rates (R'000 value threshold)	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
Water (kilolitres per household per month)	5	5	5	5	5	5	5	5	5
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)	9	10	10	11	11	11	11	11	11
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	20	20	20	20	20	20	20	20	20
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)	2,584	2,750	2,905	3,011	3,011	3,011	3,250	3,416	3,573
Water	17,610	18,732	19,835	16,221	16,221	16,221	17,267	18,148	18,983
Sanitation	3,308	3,529	3,739	3,968	3,968	3,968	4,181	4,395	
Electricity/other energy	5,663	5,852	6,181	6,903	6,903	6,903	9,109	9,573	10,014
Refuse	7,062	7,512	7,939	8,418	8,418	8,418	8,871	9,323	9,752
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	36,228	38,375	40,599	38,522	38,522	38,522	42,679	44,855	46,919

PART 2 - SUPPORTING DOCUMENTATION

Overview of annual budget process

The Municipal Systems Act prescribes that the IDP Process plan must be adopted by August for the following year. In this municipality the IDP process plan was adopted 30th October 2009.

The municipality has established a Management IDP/Budget steering committee and the committee was able to meet regularly to consider budget inputs from business units.

Three Mayoral strategic planning sessions were also held for political oversight. Out of these sessions the committee as well as business unit managers were able to update their inputs and to update the ultimate budget document based on the political direction provided.

The draft budget was tabled in council on the 25th March 2010. Stakeholder consultation meetings were held after tabling of draft IDP & Budget. All the clusters in the municipality were visited to reconfirm the budget and the IDP objectives and the priorities.

The final budget will be adopted by the 18th June 2010. There was a delay in the processing of the valuation roll into the system. This was caused by the differences in the old and the new classification of properties. There were five in the old roll and now we have forty five. The reconciliation took much longer than expected.

Stakeholder consultation prior to tabling of draft was not held as required by the Systems Act. The municipality has adopted the ward committee system. The ward committee members do the consultation with communities and then give the feedback to the municipality for planning. The identified needs are then reconfirmed during the second consultation done after the tabling of the draft budget. Although this system does not work well like an oiled machine, it does assist in reaching communities.

Overview of alignment of annual budget with Integrated Development Plan

There is correlation between non- financial and financial information that is the IDP and the Budget. The IDP it's a principal strategic plan of a municipality that informs and guides planning, management and development actions. It provides a framework on which the Budget of a municipality must implement municipal objectives aligned to programmes and projects and targets for implementation within a specific period.

The process of reviewing the IDP/Budget is undertaken considering key government directives and community needs derived from public participation processes undertaken by the municipality on annual basis. The key government directive considered in the 2010/2011 IDP/Budget include:

- MTERF
 - ✓ *Ensuring that drinking water meets the required quality standards at all times;*
 - ✓ *Protecting the poor from the worst impacts of the economic downturn;*
 - ✓ *Supporting meaningful Local Economic Development (LED) initiatives that foster*

Micro and small business and job creation;
 - ✓ *Securing the health of their asset base (especially the municipality's revenue; generating assets) by increasing spending on repairs and maintenance; and*
 - ✓ *Expediting spending on capital projects that are funded by conditional grants.*

For the 2010/2013 MTERF the municipality's budget is aligned to the national priorities and community needs that of providing basic services .Provision of potable water ,provision and

upgrading electricity infrastructure and construction and upgrading of roads are of priority in the municipality . The municipality has increased the budget for repairs and maintenance as it has become critical to maintain the standard of services in the municipal area to promote local economic development by creating a conducive environment for job creation and continued support to micro and small businesses.

COMMUNITY PARTICIPATION PROCESSES

The municipality undertook the IDP/Budget review consultation process from 11 April 2010 to 08 May 2010. Polokwane municipality is made up of thirty-seven (37) wards, which are grouped into four clusters for administrative purpose, namely;

- Mankweng/ Sebayeng/Dikgale;
- Maja/Chuene/Molepo;
- Moletjie and;
- City/Seshego Cluster;

In striving to encompass all stakeholders within the municipal area, the municipality engaged in public consultation processes with traditional leaders, business groups and people with special needs.

LIM354 Polokwane - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Service Delivery and Infrastructure Investment	Sport and recreation	1,237	750	995	1,159	1,159	951	1,010	1,090	1,177
Service Delivery and Infrastructure Investment	Public safety	3,522	3,651	3,710	4,009	4,009	3,437	4,164	4,497	4,857
Service Delivery and Infrastructure Investment	Housing	184	253	253	133	133	135	135	145	157
Service Delivery and Infrastructure Investment	Road transport	4,642	5,166	6,941	6,596	6,596	7,554	8,091	8,738	9,437
Service Delivery and Infrastructure Investment	Environmental protection	1,490	1,210	1,777	2,566	2,566	4,053	2,970	3,208	3,464
Service Delivery and Infrastructure Investment	Electricity	207,226	219,276	267,315	348,014	348,014	324,966	386,872	431,554	494,937
Service Delivery and Infrastructure Investment	Water	98,083	105,688	98,312	126,045	126,045	106,147	130,391	140,822	152,088
Service Delivery and Infrastructure Investment	Waste water management	26,823	30,406	31,164	33,254	33,254	34,796	37,171	40,145	43,356
Service Delivery and Infrastructure Investment	Waste management	30,573	32,857	36,430	38,595	38,595	40,323	43,142	46,594	50,321
Local Economic Development	Community and social services	819	875	1,124	1,114	1,114	1,154	1,246	1,346	1,454
Sustainability	Budget and treasury office	573,294	904,145	1,236,424	1,025,358	1,005,927	812,231	779,540	812,309	885,824
Sustainability	Planning and development	28,585	26,685	30,986	74,753	74,753	71,691	70,007	75,607	81,656
Municipal Transformation and Institutional Development	Corporate services	1,161	531	2,300	2,235	2,235	1,633	1,813	1,958	2,115
Total Revenue (excluding capital transfers and contributions)		977,638	1,331,492	1,717,733	1,663,830	1,644,399	1,409,070	1,466,552	1,568,014	1,730,844

LIM354 Polokwane - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Service Delivery and Infrastructure Investment	Sport and recreation	43,098	45,359	57,116	142,877	146,627	141,909	90,646	85,281	90,109
Service Delivery and Infrastructure Investment	Public safety	50,495	59,298	74,459	93,734	93,734	88,061	101,454	107,541	113,993
Service Delivery and Infrastructure Investment	Housing	5,599	6,783	4,211	10,705	10,705	8,105	12,057	12,780	13,547
Service Delivery and Infrastructure Investment	Health	8,180	7,268	6,877	7,073	7,073	7,002	7,223	7,656	8,115
Service Delivery and Infrastructure Investment	Road transport	31,679	33,444	47,450	44,704	44,704	55,069	65,129	69,037	73,179
Service Delivery and Infrastructure Investment	Environmental protection	5,406	5,320	7,526	6,863	6,863	7,943	9,371	9,933	10,529
Service Delivery and Infrastructure Investment	Electricity	180,433	210,639	262,739	333,499	332,999	321,761	404,082	483,343	570,422
Service Delivery and Infrastructure Investment	Water	110,410	141,567	145,221	180,170	178,169	162,927	183,614	194,631	206,309
Service Delivery and Infrastructure Investment	Waste water management	20,459	26,627	40,894	33,404	33,804	48,180	54,602	57,878	61,351
Service Delivery and Infrastructure Investment	Waste management	34,450	36,092	43,469	51,508	51,008	46,180	60,013	63,614	67,431

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Local Economic Development	Community and social services	19,271	21,230	30,402	30,039	29,839	33,487	39,344	41,705	44,207
Sustainability	Budget and treasury office	27,790	16,935	22,794	31,766	33,466	31,855	19,597	20,773	22,020
Sustainability	Planning and development	26,333	35,510	47,414	36,128	35,328	34,070	49,211	52,164	55,294
Municipal Transformation and Institutional Development	Corporate services	24,207	49,566	70,746	47,736	51,036	51,225	61,252	64,938	68,823
Good Governance and Public Participation	Executive and council	60,372	25,875	70,983	48,449	48,449	47,648	78,093	69,135	71,483
		648,183	721,513	932,301	1,098,654	1,103,803	1,085,425	1,235,688	1,340,408	1,476,812

LIM354 Polokwane - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2006/7	2007/8	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Service Delivery and Infrastructure Investment	Sport and recreation	A	151,620	398,482	488,442	488,442	428,670	121,430	13,500	13,000
Service Delivery and Infrastructure Investment	Public safety	B	4,575	8,374	17,225	17,225	15,334	10,742	2,100	2,200
Service Delivery and Infrastructure Investment	Housing	C	-	-	1,210	1,210	290	699	-	-
Service Delivery and Infrastructure Investment	Health	D	7	9	31	31	44	1		
Service Delivery and Infrastructure Investment	Road transport	E	38,718	32,258	273,737	273,737	144,691	208,391	90,500	86,500
Service Delivery and Infrastructure Investment	Environmental protection	F	134	654	372	372	508	126	250	25
Service Delivery and Infrastructure Investment	Electricity	G	17,132	31,314	118,497	118,497	89,783	117,296	58,588	61,782
Service Delivery and Infrastructure Investment	Water	H	63,605	71,518	196,044	183,764	96,945	186,986	104,636	93,485
Service Delivery and Infrastructure Investment	Waste water management	I	23,934	26,242	54,521	54,521	50,052	58,300	40,880	94,132
Service Delivery and Infrastructure Investment	Waste management	J	2,303	829	9,911	9,911	15,088	4,707	580	-

Strategic Objective	Goal	Goal Code	2006/7	2007/8	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand										
Local Economic Development	Community and social services	K	4,508	05 3,1	00 13,8	00 13,8	63 6,5	19 7,0	00 2,9	00 2,8
Sustainability	Budget and treasury office	L	91	93	00 4,1	00 4,1	03 3	80 10,0	50	0 5
Sustainability	Planning and development	M	24,084	84 43,8	91 81,3	91 69,0	75 63,0	28 52,1	00 1,5	-
Municipal Transformation and Institutional Development	Corporate services	N	19,683	46 17,3	58 63,0	58 63,0	67 29,5	83 61,5	00 26,2	00 22,8
Good Governance and Public Participation	Executive and council	O								
			350,3	634,	1,322,	1,297,	940,	839,	341,	376,
			94	109	338	758	913	490	684	774

Measurable performance objectives and indicators

LIM354 Polokwane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Borrowing Management										
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	5.0%	2.2%	1.8%	2.3%	2.3%	0.9%	9.0%	8.5%	8.1%
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.3%	2.0%	1.7%	1.8%	1.8%	1.6%	0.7%	0.7%	0.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	-8.6%	-8.0%	-16.2%	-210.0%	0.0%	0.0%
Safety of Capital										
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	24.8%	16.4%	12.6%	5.1%	5.2%	4.0%	14.4%	13.6%	13.1%
Gearing	Long Term Borrowing/ Funds & Reserves	10.5%	7.0%	6.9%	6.6%	6.6%	3.7%	39.8%	39.5%	39.3%
Liquidity										
Current Ratio	Current assets/current liabilities	2.2	1.8	1.5	4.9	4.9	1.9	1.5	1.7	1.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.2	1.8	1.5	4.9	4.9	1.9	1.5	1.7	1.7
Liquidity Ratio	Monetary Assets/Current Liabilities	1.6	1.3	1.0	3.3	3.3	0.1	0.1	0.5	0.3
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		240.2%	394.7%	439.7%	439.7%	439.7%	100.0%	96.3%	96.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.1%	24.6%	17.8%	14.2%	14.2%	19.2%	17.3%	14.9%	14.6%
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))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Funding of Provisions										
Provisions not funded - %	Unfunded Provns./Total Provisions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.9%	29.6%	28.6%	26.4%	25.8%	29.7%	30.2%	29.5%	28.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28.8%	32.0%	30.7%	28.2%	27.3%	31.8%	32.2%	31.5%	30.3%

Description of financial indicator	Basis of calculation	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
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)	10.8%	11.7%	13.3%	8.6%	8.6%	11.3%	9.6%	9.4%	9.0%
IDP regulation financial viability indicators	-									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	10.4	10.0	14.5	18.9	18.9	18.9	33.3	34.3	38.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	25.5%	36.4%	26.8%	24.5%	24.5%	30.5%	26.8%	22.8%	22.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.1	8.3	3.9	(2.7)	(3.7)	0.2	0.2	0.2	0.3

OVERVIEW OF BUDGET RELATED POLICIES

Rates policy

The rates policy has been amended to align it to the new amendments issued by parliament. The policy is in line with the MPRA. All the classifications and exemptions are in the policy. All the MPRA requirements have been met in compiling the new valuation roll.

Investment policy

The policy was approved by Council. This is meant to give guidance on investing surplus funds when the municipality has them.

Cash management policy

The policy was approved by Council. It guides the municipal employees on cash management processes.

Asset management policy

The policy was approved by Council. It was drafted in 2009/10 at the same time when the asset revaluation was done.

Credit control policy

The policy was approved a while ago by council and is still in operation.

Supply chain management policy

An amended policy was submitted to council for approval on the 21st June 2010. It was approved. New amendments to legislation have made it necessary to effect the amendments in order to bring it into line with the newly amended legislation.

OVERVIEW OF BUDGET ASSUMPTIONS

Our first point of call is the growth of the city which is estimated at 7%. But out of that growth only 2% translates into ratable properties and services consumers.

We have been receiving up to R30million for water surcharges as part of our revenue. In terms of the Municipal Fiscal Powers and Functions Act (MFPFA) we have applied for the continuation of all the taxes that we have been levying. Initial feedback from National Treasury is that this tax may be disallowed. We have to find a way of compensating for this loss of a revenue stream. We envisage that the water surcharge will go in the long run

A steady increase in tariffs has been adopted. This is mainly to make them affordable to rate payers. We have avoided creating a potentially confrontational situation where communities cannot afford the new tariffs.

We have introduced a new valuation roll which goes along with new rates and taxes in line with the MPRA. We have stuck to an average increase of 6% to avoid a shocking increase.

With halls and other facilities tariff increases driven by maintenance costs. We basically use a recovery method to determine increases.

We have been making losses on our trading activities. The new Eskom tariff increases will just exacerbate the problem. Our long term objective is to return to profitability on trading functions. We can begin by reducing operating costs and losses. On electricity we can target illegal connections. On water we can reduce pipe bursts by doing routine and planned maintenance. etc. (At least breakeven)

In the past few years we have been busy with massive 2010 projects. In the 2009/10 year our capital budget was more than a billion rand. The bulk of it was for the stadium and its precinct. Another part went to other infrastructure like roads.

We intend to implement our turn around strategy (TAS) which was developed recently. Its components include cost cutting and bringing in other efficiencies into the system.

We have recently received our revenue enhancement strategy which we will fully implement in the new budget year. We intend to put more focus on the top 100 debtors for instance. Those will reduce our debtor's book by far and improve our cash flow at the same time.

The long term plan on the stadium is to have it operating at a profit. We will initially appoint a management company to run it for three years. All the marketing will be done to host matches, conferences weddings and the like. We envisage it to break even in three years.

Some of the cost cutting measures to improve cash flow would be to enhance controls in areas like stock, fuel, telephones, internet, catering, traveling and so on. There are lots of inefficiencies identified in these areas.

We intend to extend our waste management function to new areas. They are mainly rural. We do not expect to make profits at first, but that is the ultimate aim.

We intend to collect from new areas like Ga-Mothapo for water where reticulation has been completed. Public participation will be done soon with the affected communities.

Old and established areas like Mankweng and Sebayeng where there were issues will also be included in the revenue net after public participation.

LIM354 Polokwane - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	1996 Census	2001 Census	2007 Survey	2006/7	2007/8	2008/9	Current Year 2009/10	2010/11 Medium Term Revenue & Expenditure Framework		
Demographics										
Population		508,277	561,772	561,772	567,389	573,063	578,794	578,794	578,794	578,794
Household/demographics (000)										
Number of people in municipal area										
Number of poor people in municipal area										
Number of households in municipal area		124,978	130,361	130,361	130,361	130,361	134,311	134,311	134,311	134,311
Number of poor households in municipal area			13	13	13	13	13	13	13	13
Definition of poor household (R per month)										
Housing statistics (3.)										
Formal		9,107	110,285	110,285	111,939	113,618	115,322	115,322	115,322	115,322
Informal		5,871	20,076	20,076	19,725	19,363	18,989	18,989	18,989	18,989
Total number of households		124,978	130,361	130,361	131,664	132,981	134,311	134,311	134,311	134,311
Dwellings provided by municipality (4.)										
Dwellings provided by province/s										
Dwellings provided by private sector (5.)										
Total new housing dwellings										
Economic (6.)										
Inflation/inflation outlook (CPIX)				6.0%	5.6%	6.2%	5.4%	6.0%	6.0%	6.0%
Interest rate - borrowing				17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Interest rate - investment				9.0%	9.5%	11.5%	8.5%	8.5%	8.5%	8.5%
Remuneration increases				6.0%	6.0%	8.3%	8.5%	8.5%	8.5%	8.5%
Consumption growth (electricity)				1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Consumption growth (water)				1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Collection rates (7.)										
Property tax/service charges				95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Rental of facilities & equipment				95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Interest - external investments				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors				95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Revenue from agency services				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

OVERVIEW OF BUDGET FUNDING

Capital budget

The major part of our capital funding comes from conditional grants. The bulk of it consists of MIG which is earmarked for rural development. It will be R230 million in the budget under review. The MTREF indicative figures show a slight decline (227m) in the 2011/12 and increases by 12% (254m) in the 2012/2013.

DoRA Allocations	2010/2011	2011/2012	2012/2013
MIG	151,829,000	182,606,000	222,032,000
NER	20,000,000	13,000,000	0
PTIF	20,000,000	20,000,000	20,000,000
NAT SPORT(Stadium)	20,000,000	0	0
Neighbourhood Dev.	12,000,000	12,000,000	12,000,000
Grant			
EPWP	7,035,000	0	0
Total DoRA	230,864,000	227,606,000	254,032,000

REVENUES

Rates and taxes

The Municipal Property Rates Act (MPRA) will be introduced in the municipality on 1 July 2010. The valuation roll was delivered on the 31st March 2010. The impact on residence has been minimized by keeping the new rates as low as possible. The average increase is 6%. All the exemptions in the policy will also be applied at inception on 1 July 2010.

Electricity

The municipality has confined itself to the minimum increase of 19% allowed by National Treasury in terms of annexure to circular 51 issued on the 23rd March 2010. This is the minimum allowed to charge the consumer. We however will be paying 29% more for the bulk purchases. We will therefore be absorbing a loss of 10% on the service. We are already making a trading loss. It will only grow. We have therefore filed our application with NERSA for a 19% increase.

Water

We will grow the price by 6% which is the exact increase we will be paying to the water board. We are making a trading loss on this one as well. The situation will not change in the new budget year.

The proposed Water and Sanitation Tariffs for 2010/2011 are consistent with National Policy on the provision of free basic services, the National Strategic Framework for Water and Sanitation and with Council's Indigent relief policy, Rates and Tariff Policies and Equitable Service Framework. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.

Equitable share

This source has been steadily growing. We will receive more than R300 million for the budget year.

All other tariffs

A growth parameter of 6% was applied to all the miscellaneous tariffs. Any substantial deviations were motivated in the reports to the tariff schedules as considered by the Budget Committees.

All Levies, Rates and Service Charges are determined in compliance with:

Local Government Municipal Property Rates Act 2004

Municipal Finance Management Act 56 of 2003
Local Government Municipal Systems Act 32 of 2000

**LIM354 Polokwane Supporting Table
SA10 Funding measurement**

Description	MFM A section	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	167,431	332,586	195,026	(165,136)	(220,182)	11,291	12,417	18,669	23,172
Cash + investments at the yr end less applications - R'000	18(1)b	316,011	327,099	323,795	553,152	551,960	52,649	26,053	103,909	80,797
Cash year end/monthly employee/supplier payments	18(1)b	5.1	8.3	3.9	(2.7)	(3.7)	0.2	0.2	0.2	0.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	329,455	609,978	785,432	565,176	540,596	323,645	242,037	227,606	254,032
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	(1.6%)	7.7%	12.1%	(6.0%)	(10.8%)	8.9%	3.7%	5.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	210.7%	355.4%	434.7%	88.9%	88.1%	93.9%	92.4%	95.1%	95.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	2.9%	3.7%	10.1%	2.1%	2.1%	2.2%	3.8%	3.4%	3.1%
Capital payments % of capital expenditure	18(1)c;19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	(8.6%)	(8.0%)	(16.2%)	(210.0%)	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	48.8%	(16.4%)	8.2%	0.0%	18.2%	0.9%	(6.6%)	8.0%
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%
R&M % of Property Plant & Equipment	20(1)(vi)	5.6%	#NAME?	1.7%	1.4%	1.5%	1.7%	1.8%	1.8%	1.9%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - refuse revenue	18(1)a		7.5%	10.9%	5.9%	0.0%	4.5%	7.0%	8.0%	8.0%
% incr in Service charges - other	18(1)a		1.8%	10.8%	(78.5%)	0.0%	206.8%	(63.1%)	8.0%	8.0%
Total billable revenue	18(1)a	521,843	544,475	619,043	730,884	730,884	694,516	797,953	875,522	974,423
Service charges		517,490	540,061	614,253	725,159	725,159	690,429	793,605	870,826	969,351
Property rates		129,145	143,535	159,348	169,508	169,508	173,000	185,000	199,800	215,784
Service charges - electricity revenue		200,838	213,847	259,300	348,014	348,014	316,336	386,872	431,554	494,937
Service charges - water revenue		91,127	79,455	83,257	126,045	126,045	97,307	130,391	140,822	152,088
Service charges - sanitation revenue		25,600	29,452	30,601	33,254	33,254	33,576	37,171	40,145	43,356
Service charges - refuse removal		30,573	32,857	36,430	38,595	38,595	40,322	43,142	46,594	50,321
Service charges - other		40,209	40,915	45,316	9,743	9,743	29,889	11,029	11,912	12,865

Rental of facilities and equipment		4,352	4,414	4,791	5,725	5,725	4,088	4,348	4,696	5,072
Capital expenditure excluding capital grant funding		(252,050)	(522,384)	(770,682)	(641,261)	(623,661)	(308,414)	(230,864)	(227,606)	(254,032)
Cash receipts from ratepayers	18(1) a	1,272,720	2,229,864	2,818,946	760,279	753,447	716,559	791,818	871,744	973,217
Ratepayer & Other revenue	18(1) a	533,119	562,351	640,987	841,465	841,465	716,596	822,218	901,728	1,002,725
Change in consumer debtors (current and non-current)		70,927	64,987	(32,495)	13,565	13,565	46,253	34,515	(14,000)	16,000
Operating and Capital Grant Revenue	18(1) a	389,133	690,467	992,450	717,365	697,934	616,034	572,334	588,526	644,138
Capital expenditure - total	20(1) (vi)	-	-	-	-	-	-	-	-	-
Capital expenditure - renewal	20(1) (vi)	-	-	-	-	-	-	-	-	-

Description	MFM A section	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Supporting benchmarks										
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPIX guideline		4.3%	3.9%	4.6%	5.2%	5.2%	5.2%	5.1%	4.3%	4.5%
DoRA operating grants total MFY								341,470	360,920	390,106
DoRA capital grants total MFY								230,864	227,606	254,032
Provincial operating grants										
Provincial capital grants										
District Municipality grants										
Total gazetted/advised national, provincial and district grants		-	-	-	-	-	-	572,334	588,526	644,138
Average annual collection rate (arrears inclusive)										

Expenditure on allocations and grant programmes

LIM354 Polokwane - Supporting Table SA18 Transfers and grant receipts

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
RECEIPTS: <u>Operating Transfers and Grants</u>									
National Government:	130,259	147,900	200,848	309,451	307,620	307,620	341,470	360,920	390,106
Equitable share	125,598	147,400	188,537	240,219	246,639	246,639	307,859	347,758	383,056
Finance Management Department of Water Affairs	500	500	500	750	750	750	00	50	250
Municipal Systems Improvement	4		11	27	19	19	17,8	11,1	5
2010 FIFA Host City Operating Grant	161		411	282	031	031	61	22	000
			400	400	400	400	50	90	800
				40	40	40	14,0		
				800	800	800	00		
Provincial Government:	3,323	3,514	500	-	-	-	-	-	-
Housing	3,323	3,514	500						
District Municipality:	-	-	295	-	-	-	-	-	-
Capricorn			295						
Other grant providers:	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	133,582	151,414	201,643	309,451	307,620	307,620	341,470	360,920	390,106
<u>Capital Transfers and Grants</u>									
National Government:	308,750	704,969	566,266	285,407	267,807	267,807	210,864	214,606	254,032
Municipal Infrastructure (MIG)	72,618	107,642	106,589	135,310	135,310	135,310	151,829	182,606	222,032
Public Transport	10,400	50,000	168,225	66,146	66,146	66,146	20,000	20,000	20,000
Sport and Recreation	223,127	545,327	284,426	53,026	53,026	53,026	20,000		
Water Affairs	2,605	2,000	7,026	15,137	9,837	9,837			
EPWP				3,488	3,488	3,488	7,035		
Neighbourhood Development Fund				12,300			12,000	12,000	12,000
Provincial Government:	31,963	19,588	23,526	-	-	-	-	-	-
Sports and Recreation Department Economic Affairs, Environment & Tourism	31,603	19,588							
Department Local Govt & Housing	360		23,526						

District Municipality:	-	-	4, 200	-	-	-	-	-	-
Capricorn	-		4, 200						
Other grant providers:	21, 200	16, 839	26, 538	40 ,607	40, 607	40, 607	20, 000	13, 000	-
DBSA	20,000		26, 488	40,607	40,607	40,607	20,000	13,000	
NER	1,200	16,839	488	40,607	40,607	40,607	20,000	13,000	
National Heritage Council	-		50						
Other grant providers:	-								
Total Capital Transfers and Grants	36 1,913	74 1,396	620 ,530	32 6,014	30 8,414	30 8,414	230, 864	227, 606	25 4,032
TOTAL RECEIPTS OF TRANSFERS & GRANTS	49 5,495	89 2,810	822,1 73	63 5,465	61 6,034	61 6,034	572,334	588,526	64 4,138

LIM354 Polokwane - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
EXPENDITURE:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	134,416	150,532	17,764	309,451	307,620	315,871	341,470	360,920	390,106
Equitable share	125,598	147,400		240,219	246,639	246,639	307,859	347,758	383,056
Finance Management Department of Water Affairs	272	743	5,038	750	750	750	1,000	1,250	1,250
Municipal Systems Improvement	4,161		11,411	27,282	19,031	27,282	17,861	11,122	5,000
Restructuring 2010 FIFA Host City Operating Grant	4,384	2,390	316	400	400	400	50	790	800
Provincial Government:	10	2,430	-	-	-	-	-	-	-
Housing	10	2,430							
District Municipality:	-	-	-	-	-	-	-	-	-
Capricorn									
Other grant providers:	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	134,426	152,962	17,764	309,451	307,620	315,871	341,470	360,920	390,106
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	227,882	489,483	735,576	285,407	267,807	267,807	210,864	214,606	254,032
Municipal Infrastructure (MIG)	96,767	74,988	131,578	135,310	135,310	135,310	151,829	182,606	222,032
Public Transport	10,494	21,944	172,942	66,146	66,146	66,146	20,000	20,000	20,000
Sport and Recreation	119,561	392,551	430,651	53,026	53,026	53,026	20,000		
Water Affairs	1,059		405	15,137	9,837	9,837			
EPWP Neighbourhood Development Grant				3,488	3,488	3,488	7,035		
				12,300			12,000	12,000	12,000
Provincial Government:	40,436	32,008	26,078	77,000	77,000	-	-	-	-
Sports and Recreation Department Economic Affairs, Environment & Tourism	20,756	32,008	26,078	77,000	77,000				
Capricorn District	19,47								

Municipality	4								
District Municipality:	1,711	-	-	-	-	-	-	-	-
Capricorn	1,711								
Other grant providers:	23,541	5,177	31,091	40,607	40,607	40,607	20,000	13,000	-
DBSA	20,164								
NER	1,200	5,177	31,091	40,607	40,607	40,607	20,000	13,000	
National Lottery	58								
Other grant providers:	2,119								
Total capital expenditure of Transfers and Grants	293,570	52,669	79,2745	40,3,014	38,5,414	30,8,414	230,864	22,7,606	25,4,032
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	427,996	67,9,631	81,0,509	71,2,465	69,3,034	62,4,285	572,334	58,8,526	64,4,138

LIM354 Polokwane - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	17,094	9,690	7,057	12,454	12,454	12,454			
Current year receipts	130,259	60,739	196,918	309,451	307,620	302,720	341,470	360,920	390,106
Conditions met - transferred to revenue	146,101	63,372	202,321	314,351	312,520	307,620	341,470	360,920	390,106
Conditions still to be met - transferred to liabilities	1,252	7,057	1,654	7,554	7,554	7,554		-	-
Provincial Government:									
Balance unspent at beginning of the year	-	3,313	4,397	1,697	1,697	1,697			
Current year receipts	3,240	3,514							
Conditions met - transferred to revenue	9	2,430	2,700	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	3,231	4,397	1,697	1,697	1,697	1,697			
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	146,111	165,802	202,502	314,351	312,520	307,620	341,470	360,920	390,106
Total operating transfers and grants - CTBM	4,483	11,454	3,351	9,252	9,252	9,252	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	9,094	31,482	351,253	260,086	260,086	260,086			
Current year receipts	308,750	704,969	560,288	259,868	242,268	242,268	210,864	214,606	254,032
Conditions met - transferred to revenue	186,362	485,1	711,278	519,954	502,354	267,807	210,864	214,606	254,032

		99						
Conditions still to be met - transferred to liabilities	13 1,482	3 51,253	20 0,263			234, 547		
Provincial Government:								
Balance unspent at beginning of the year	20, 894	12,42 0		2, 950	2, 950	2, 950		
Current year receipts	31,9 63	19,5 88	29,0 28	77,0 00	77, 000	-		
Conditions met - transferred to revenue	40, 437	32,0 08	26, 078	77 ,000	77 ,000	-	-	-
Conditions still to be met - transferred to liabilities	12, 420		2, 950	2, 950	2, ,950	2, 950		

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
District Municipality: Balance unspent at beginning of the year	1,711		-4,495	3,700	3,700	-			
Current year receipts									
Conditions met - transferred to revenue	1,711	-	2,235	3,700	3,700	-	-	-	-
Conditions still to be met - transferred to liabilities			2,259			-			
Other grant providers: Balance unspent at beginning of the year	2,341		11,662						
Current year receipts	21,200	16,839	26,488	40,607	40,607	40,607	20,000	13,000	
Conditions met - transferred to revenue	23,541	5,177	31,091	40,607	40,607	40,607	20,000	13,000	-
Conditions still to be met - transferred to liabilities	-	11,662	7,058						
Total capital transfers and grants revenue	252,050	2,384	770,682	641,261	623,661	308,414	230,864	227,606	254,032
Total capital transfers and grants - CTBM	143,903	2,914	212,530	2,950	2,950	237,497	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	398,160	688,186	975,704	955,612	936,181	616,034	572,334	588,526	644,138
TOTAL TRANSFERS AND GRANTS - CTBM	148,385	374,368	215,881	12,201	12,201	246,748	-	-	-

Allocations or grants made by the municipality

LIM354 Polokwane - Supporting Table SA21 Transfers and grants made by the municipality

Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Transfers to other municipalities									
TOTAL TRANSFERS TO MUNICIPALITIES:	-	-	-	-	-	-	-	-	-
Transfers to Entities/Other External Mechanisms Polokwane Housing Assosiation	13,062	1,764	-						
TOTAL TRANSFERS TO ENTITIES/EMs'	-	1,764	-	-	-	-	-	-	-
Transfers to other Organs of State									
TOTAL TRANSFERS TO OTHER ORGANS OF STATE:	-	-	-	-	-	-	-	-	-
Grants to other Organisations									
SPCA	0 24	0 24	0 24	0 24	0 24	0 24	0 240	0 24	0 24
Other							16	184	20
TOTAL GRANTS TO OTHER ORGANISATIONS:	240	240	240	240	240	240	400	424	449
TOTAL TRANSFERS AND GRANTS	40 2	2,004	40 2	40 2	40 2	40 2	00 4	24 4	9 44

Councillors and board member allowances and employee benefits

LIM354 Polokwane - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Salary	4,879	8,745	10,603	12,085	12,085	11,485	12,757	13,523	14,334
Pension	1,414	1,272	1,619	1,813	1,813	1,803	1,906	2,028	2,150
Contributions	9		1	1,2	1,1	1,1	1,1		
Medical Aid	42	888	330	61	261	261	261	1,261	1,261
Contributions	2,316	2,075	2,589	3,021	3,021	2,974	3,177	3,381	3,583
Motor vehicle allowance	6			7					
Cell phone allowance	16	688	774	86	786	786	886	886	886
Housing allowance									
Other benefits or allowances							10	10	10
In-kind benefits									
Sub Total - Councillors	10,167	13,668	16,915	18,966	18,966	18,309	19,997	21,089	22,225
% increase		.4%	.7%	1%	-	(.5%)	.2%	.5%	.4%
<u>Senior Managers of the Municipality</u>									
Salary	2,845	2,063	2,487	4,129	4,129	2,810	4,398	4,662	4,942
Pension				8					1
Contributions	305	463	429	69	869	484	916	971	081
Medical Aid				1					
Contributions	114	82	99	49	149	111	183	194	206
Motor vehicle allowance	804	717	570	1,032	1,032	1,618	1,080	1,080	1,080
Cell phone allowance									
Housing allowance			49	48	48	48	48	48	48
Performance Bonus									
Other benefits or allowances			14	11	11	11	20	20	20
In-kind benefits									
Sub Total - Senior Managers of Municipality	4,068	3,325	3,647	6,239	6,239	4,083	6,646	6,976	7,377
% increase		(.3%)	.7%	0%	-	(0)	0	0	0
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	130,799	138,276	151,375	191,563	183,312	208,755	219,872	233,064	247,048
Social Contributions	36,162	39,577	43,884	56,208	56,208	50,953	64,824	68,822	73,029
Leave payment							16,	17,	18,

Motor vehicle allowance	12,943	15,315	16,885	28,166	28,166	17,680	18725,972	15827,595	18729,315
Cell phone allowance									
Housing allowance	1,841	5,733	7,204	2,980	2,980	8,174	3,899	4,136	4,387
Overtime	15,082	22,296	30,198	31,552	31,552	35,405	35,886	38,039	40,322
Performance Bonus									
Other benefits or allowances	657	17,915	12,447	16,104	16,104	2,360	225	240	256
In-kind benefits									
Sub Total - Other Municipal Staff	19,7483	239,112	261,993	326,573	318,322	323,327	36,6865	38,9054	41,2544
% increase		.21	.09	.24	(.25)	.1	.13	.06	.06
		.1%	.6%	6%	5%	.6%	.5%	.0%	.0%
Total Parent Municipality	211,718	256,105	282,555	351,778	343,527	345,719	393,508	417,119	442,146
% increase		.21	.10	.24	(.2)	0	.13	.6	.6
		.0%	.3%	5%	.3%	.6%	.8%	0%	.0%

Summary of Employee and Councillor remuneration	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand	A	B	C	D	E	F	G	H	I
Board Members of Entities									
Salary									
Pension Contributions									
Medical Aid Contributions									
Motor vehicle allowance				16		16	20	22	24
Cell phone allowances									
Housing allowance									
Board Fees									
Other benefits and allowances									
In-kind benefits		43	102	190		190	190	209	230
Sub Total - Board Members of Entities	-	43	102	206	-	206	210	231	254
% increase		-	.2%	0%	(100.0%)	-	.9%	.0%	.0%
Senior Managers of Entities									
Salary		438	642	611		611	663	729	802
Pension Contributions				46		46	50	55	60
Medical Aid Contributions				23		23	29	32	35
Motor vehicle allowance									
Cell phone allowances									
Housing allowance				6		6	6	7	7
Performance Bonus									
Other benefits or allowances				51		51	57	62	69
In-kind benefits									
Sub Total - Senior Managers of Entities	-	438	642	737	-	737	805	885	974
% increase		-	.7%	14.8%	(100.0%)	-	.1%	.0%	.0%
Other Staff of Entities									
Basic Salaries and Wages		1,917	2,400	2,253		1,814	2,092	2,302	2,532
Pension Contributions				57		57	157	173	190
Medical Aid Contributions				87		187	253	279	307
Motor vehicle allowance									
Cell phone allowances									

Housing allowance				90		84	66	73	80
Overtime				1					
Performance Bonus				43		143	96	105	116
Other benefits or allowances				6		6			
In-kind benefits				55		55	582	640	616
Sub Total - Other Staff of Entities	-	1,917	2,400	3,386	-	2,941	3,246	3,571	3,840
% increase		-	.1%	41.1%	(100.0%)	-	.4%	.0%	.5%
Total Municipal Entities	-	2,398	3,143	4,330	-	3,884	4,261	4,687	5,068
TOTAL SALARY, ALLOWANCES & BENEFITS	21 1,718	25 8,503	28 5,698	356, 108	34 3,527	34 9,603	39 7,769	42 1,806	44 7,214
% increase		.22%	.10%	24.6%	(3.5%)	.1%	.13%	.06%	.06%
TOTAL MANAGERS AND STAFF	20 1,551	244, 792	268, 682	336, 936	324, 561	331, 088	37 7,562	40 0,486	42 4,735

MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

LIM354 Polokwane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2010/11											
	R thousand	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May
Cash Receipts By Source												
Property rates	15,425	15,425	15,425	15,425	15,425	15,425	5,425	5,425	5,425	5,425	5,425	5,425
Property rates - penalties & collection charges												
Service charges - electricity revenue	30,548	30,548	30,548	30,548	30,548	30,548	30,548	30,548	30,548	30,548	30,548	30,548
Service charges - water revenue	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092
Service charges - sanitation revenue	2,997	2,997	2,997	2,997	2,997	2,997	2,997	2,997	2,997	2,997	2,997	2,997
Service charges - refuse revenue	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,595
Service charges - other	919	919	919	919	919	919	919	919	919	919	919	919
Rental of facilities and equipment	360	360	360	360	360	360	360	360	360	360	360	360
Interest earned - external investments				1,000			1,000					
Interest earned - outstanding debtors	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616
Dividends received												
Fines	250	250	250	250	250	250	250	250	250	250	250	250
Licences and permits	674	674	674	674	674	674	674	674	674	674	674	674
Agency services	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083
Transfer receipts - operational	10,635	1,750		1,396	7,000				13,851	4,465		
Other revenue												
Cash Receipts by Source	173,917	173,930	173,755	173,955	174,559	173,559	173,559	174,559	173,060	172,024	173,559	173,559

MONTHLY CASH FLOWS	Budget Year 2010/11											
	R thousand	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May
Other Cash Flows by Source												
Transfer receipts - capital Contributions recognised - capital & Contributed assets	2 0,000	2 6,000	2 2,000	3 4,517			20 ,000	3 8,000	4 1,000	2 9,347		
Proceeds on disposal of PPE Increase (decrease) in consumer deposits										2 5,000	2 5,000	
Decrease (Increase) in non-current debtors												
Total Cash Receipts by Source	19 3,917	9 5,309	8 9,559	11 6,472	14 4,559	8 7,559	10 6,559	24 7,060	12 6,371	9 2,559	6 7,559	
Cash Payments by Type												
Employee related costs	3 0,928	3 0,928	3 0,928	3 0,928	30 ,928	30 ,928	3 0,928	3 0,928	3 0,928	3 0,928	3 0,928	3 0,928
Remuneration of councillors	1,666	1,666	1,666	1,666	,666	,666	1,666	1,666	1,666	1,666	1,666	1,666
Debt impairment												
Interest paid						2 ,900				2,900		
Bulk purchases - Electricity	3 9,450	3 9,450	1 9,725	1 9,725	19 ,725	19 ,725	1 9,725	1 9,725	1 9,725	1 9,725	1 9,725	2 6,549
Bulk purchases - Water & Sewer	7,370	7,370	7,370	7,370	,370	,370	7,370	7,370	7,370	7,370	7,370	7,370
Other materials	1 5,870	1 5,870	1 5,870	1 5,870	15 ,870	15 ,870	1 5,870	1 5,870	1 5,870	1 5,870	1 5,870	1 5,870
Contracted services												
Grants and subsidies paid - other municipalities												
Grants and subsidies paid - other	33	33	33	33	33	33	33	33	33	33	33	33
General expenses	9,000	7,893	7,893	7,893	,000	,893	7,893	7,893	7,893	7,893	7,893	7,893
Cash Payments by Type	10 4,317	10 3,210	8 3,485	8 3,485	8 4,592	8 6,385	8 3,485	8 3,485	8 6,385	8 3,485	8 3,485	9 0,309

MONTHLY CASH FLOWS	Budget Year 2010/11										
	R thousand	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April
Other Cash Flows/ Payments by Type											
Capital assets	17	67,	44,	34,	54,	60,	56,	42,	59,	71,	
Repayment of borrowing	0,000	500	586	200	500	500	000	000	000	500	
Other Cash Flows/Payments						1,437			1,437		
Total Cash Payments by Type	27	170,	128,	117,	139,	148,	139,	125,	146,	154,	
	4,317	710	071	685	092	322	485	485	822	985	
NET INCREASE/ (DECREASE) IN CASH HELD	(80,400)	(75,401)	(38,512)	(1,213)	5,467	(60,763)	(32,926)	121,575	(20,451)	(62,426)	
Cash/cash equivalents at the month/year begin:	1,000	(69,400)	(144,801)	(183,313)	(184,526)	(179,059)	(239,822)	(272,748)	(151,173)	(171,623)	
Cash/cash equivalents at the month/year end:	(69,400)	(144,801)	(183,313)	(184,526)	(179,059)	(239,822)	(272,748)	(151,173)	(171,623)	(234,049)	