

POLOKWANE LOCAL MUNICIPALITY



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DIRECTORATE CHIEF FINANCIAL OFFICER

ITEM

REF: 5/1/2

DRAFT MULTI-YEAR BUDGET 2012/13 – 2014/15

Report of the Acting Chief Financial Officer

Purpose

The purpose of the report is to table the Draft Multi-Year Budget 2012/13 -2014/15 to Council for approval.

Background

The IDP/Budget Process Plan for 2012/2013 was adopted on 25 August 2011 (CR/05/08/11) in terms of the provision of the Municipal Finance Management Act. The process plan detailed what is needed to be done in order to compile the 2012/13 IDP/Budget.

Discussion

Section 16 of the Municipal Finance Management Act stipulates the following:

- (a) The Council of a municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.
- (b) In order for a municipality to comply with subsection (1), the Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Section 24 further stipulates that the Council must at least 30 days before the start of the budget year consider approval of the annual budget.

The following was taken into consideration when compiling the budget:

Revenue: Tariff increases:

- **Electricity:** NERSA has issued a guideline percentage price increase of 13.50% on electricity purchases and an 11.03% increase in sales of electricity for 2012/13. The 11.03% increase is based on the following assumptions:
 - Bulk purchase have been increased by 13.50% in line with Eskom's electricity tariff increase to municipalities
 - Consumer price index (CPI) OF 5.4%
 - Salaries and wages increases of 5%, in line with the increase proposed in the 2011 Medium Term Budget Policy Statement (MTBPS)

- Repairs and maintenance, capital charges and other costs have been increased by 5.4% (CPI)
- **Water services:** Water services are trading at a loss of approximately 40%. It is proposed to increase water tariffs with 18% this year and 10% per year thereafter until the service breaks even.
- **Sanitation:** It is proposed that sanitation services be increased by 6.5% which are in line with Lepelle Northern Water proposed increase.
- **Waste Removal:** Waste removal is trading at a loss of approximately 20%. It is proposed to increase tariffs by 10% per year until the service breaks even.
- **Assessment rates:** It is proposed that assessment rates be increased by 6% to fund operations which is in line with National Treasury's inflation forecast of 3%-6%
- **Other tariffs:** A revenue enhancement strategy was adopted whereby tariffs were benchmarked against other municipalities of similar size. New avenues of revenue were also explored where services were previously rendered for free or at a minimal fee.
- **Increases for the projected outer years 2013/2014 and 2014/2015** are proposed to be 6% which is in line with National Treasury's inflation forecasts. A growth rate of 2% has been considered depending on the type of service rendered.

Expenses

- **Electricity bulk purchases** have been increased by 13.50% as approved by NERSA.
- **Water bulk purchases** have been increased by 6.5% as indicated by Lepelle Northern Water.
- **Salaries and allowances** have been increased by 6.0% but are subject to SALGA's bargaining and wage negotiations outcome.
- **Other expenses** were increased by 6% or according to market related demands and needs of the different SBU's.

Capital Budget

- The funds available for capital expenditure from conditional grants for the following 3 years are R381 663 million, R456 431million and R274 215million respectively.

RECOMMEND

1. That the Draft Annual Budget for the financial year 2012/2013 and indicative for the two projected outer years 2013/2014 and 2014/2015 are approved as set-out in the following schedules:

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

	2012/13	2013/14	2014/15
Revenue	R2 061 546 000	R2 240 485 000	R2 166 500 000
Expenditure	R1 768 170 000	R1 823 719 000	R1 791 197 000

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

	2012/13	2013/14	2014/15
Revenue	R1 686 883 000	R1 780 254 000	R1 888 285 000
Expenditure	R1 658 141 000	R1 707 089 000	R 1 667 569 000

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

	2012/13	2013/14	2014/15
Capital projects	R381 663 000	R456 431 000	R274 215 000

2. 2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:

2.1 Table B6 -Budgeted Financial Position;

2.2 Table B7 -Budgeted Cash Flows;

2.3 Table B8 -Cash backed reserves and accumulated surplus reconciliation;

2.4 Table B9 -Asset management; and

2.5 Table B10 -Basic service delivery measurement.

3. That the Polokwane Housing Association budget is noted.

2. Annual budget tables

LIM354 Polokwane - Table A1 Budget Summary

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Financial Performance									
Property rates	14 3,535	159 ,348	173 ,595	185 ,000	185 ,000	209 ,500	228 ,355	246 ,623	266 ,353
Service charges	396 ,526	454 ,904	601 ,181	608 ,605	608 ,605	650 ,857	761 ,298	860 ,718	915 ,610
Investment revenue	56 ,379	63 ,843	32 ,236	3 ,000	3 ,000	3 ,000	8 ,000	8 ,640	9 ,331
Transfers recognised - operational	165 ,802	205 ,021	364 ,356	341 ,470	390 ,308	390 ,308	372 ,087	399 ,317	426 ,278
Other own revenue	44 ,585	47 ,187	43 ,546	97 ,613	97 ,613	68 ,135	70 ,998	76 ,678	82 ,812
Total Revenue (excluding capital transfers and contributions)	806 ,827	930 ,304	1,214 ,915	1,235 ,688	1,284 ,526	1,321 ,800	1,440 ,738	1,591 ,976	1,700 ,384
Employee costs	239 ,112	265 ,641	332 ,491	373 ,511	374 ,171	346 ,900	408 ,059	432 ,543	457 ,995
Remuneration of councillors	13 ,668	16 ,915	18 ,196	19 ,997	19 ,997	19 ,757	20 ,943	22 ,199	23 ,531
Depreciation & asset impairment	79 ,925	107 ,331	107 ,768	112 ,694	112 ,694	112 ,694	119 ,455	126 ,622	134 ,220
Finance charges	14 ,555	16 ,032	23 ,627	5 ,800	5 ,800	5 ,800	33 ,714	31 ,486	29 ,016
Materials and bulk purchases	286 ,263	391 ,657	566 ,753	583 ,150	654 ,942	627 ,050	678 ,408	798 ,713	846 ,635
Transfers and grants	2 ,004	220	220	400	400	400	400	424	449
Other expenditure	85 ,986	134 ,506	84 ,391	128 ,963	116 ,349	97 ,604	173 ,280	182 ,777	192 ,844
Total Expenditure	721 ,513	932 ,301	1,133 ,446	1,224 ,515	1,284 ,353	1,210 ,205	1,434 ,259	1,594 ,764	1,684 ,691
Surplus/(Deficit)	85 ,313	(1,997)	81 ,469	11 ,173	173	111 ,595	6 ,479	(2,788)	15 ,693
Transfers recognised - capital	524 ,665	787 ,429	360 ,194	230 ,864	198 ,075	198 ,075	289 ,198	270 ,681	299 ,173
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	609 ,978	785 ,432	441 ,663	242 ,037	198 ,248	309 ,670	295 ,677	267 ,893	314 ,866
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	609 ,978	785 ,432	441 ,663	242 ,037	198 ,248	309 ,670	295 ,677	267 ,893	314 ,866
Capital expenditure & funds									

sources									
Capital expenditure	63	1,051	897	839	609	609	378	410	399
Transfers recognised - capital	4,109	,251	,181	,490	,734	,734	,954	,681	,173
	52	770	398	305	272	272	278	270	299
	2,384	,682	,542	,014	,225	,225	,954	,681	,173
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	50	484	298	298	-	-	-
	11	280	448	49	38	38	100	105	100
Internally generated funds	1,725	,568	,639	,717	,717	,717	,000	,000	,000
	63	1,051	897	839	609	609	378	410	399
Total sources of capital funds	4,109	,251	,181	,490	,734	,734	,954	,681	,173
Financial position									
Total current assets	90	677	339	304	358	400	409	448	459
	7,589	,946	,006	,699	,264	,564	,473	,427	,140
Total non current assets	3,40	4,366	5,069	5,892	5,677	5,677	5,935	6,217	6,480
	2,992	,182	,511	,931	,393	,393	,040	,247	,348
Total current liabilities	51	463	439	207	257	279	286	303	321
	4,844	,077	,132	,000	,000	,245	,485	,989	,732
Total non current liabilities	9	99	72	538	369	369	344	317	287
	3,323	,515	,003	,733	,887	,405	,654	,491	,684
Community wealth/Equity	3,70	4,481	4,897	5,451	5,408	5,429	5,713	6,044	6,330
	2,415	,536	,382	,897	,770	,306	,373	,193	,071
Cash flows									
Net cash from (used) operating	86	879	370	304	260	398	370	408	404
	5,578	,806	,380	,731	,916	,772	,985	,269	,023
Net cash from (used) investing	(70)	(1,024)	(609)	(789)	(559)	(589)	(378)	(375)	(399)
	5,055	,400	,242	,490	,734	,734	,954	,681	,173
Net cash from (used) financing	4	7	(36)	485	299	321	(19)	(21)	(23)
	,632	034	,921	,885	,918	,826	,188	,486	,989
Cash/cash equivalents at the year end	31	180	(95)	(94)	(94)	35	8	19	20
	7,693	,132	,650	,524	,550	,214	057	,159	20
Cash backing/surplus reconciliation									
Cash and investments available	72	549	(36)	31	60	94	67	78	59
	3,667	,557	,650	,000	,000	,000	,057	,159	,020
Application of cash and investments	36	225	(31)	3	32	20	5	(29)	(32)
	9,340	,954	,526	008	,956	,806	199	,902	,762
Balance - surplus (shortfall)	35	323	(5	27	27	73	61	108	91
	4,326	,603	125)	,992	,044	,194	,858	,061	,782
Asset management									
Asset register summary (WDV)	3,31	4,268	5,053	5,892	5,663	5,663	6,042	6,452	6,851
	6,102	,797	,441	,931	,175	,175	,129	,810	,983
Depreciation & asset impairment	7	107	107	112	112	112	119	126	134
	9,925	,331	,768	,694	,694	,694	,455	,622	,220
Renewal of Existing Assets	-	-	-	-	-	-	155	185	168
	6	72	86	98	109	90	,960	,087	,905
Repairs and Maintenance	5,986	,081	,782	,963	,649	,904	,512	,083	,048
Free services									
Cost of Free Basic Services provided	3	3	4	4	4	4	4	4	5
	,316	996	228	189	189	189	694	934	161
Revenue cost of free services provided	3	38	40	42	42	42	45	47	50
	6,228	,375	,599	,679	,679	,679	,239	,954	,831
Households below minimum service level									
Water:	7	7	7	7	7	7	7	7	7
	691	691	691	691	691	691	691	691	691
Sanitation/sewerage:	10	10	10	10	10	10	10	10	10
	,919	,919	,919	,919	,919	,919	,919	,919	,919
Energy:	79	79	79	79	79	79	79	79	79

Refuse:	,761 ,997	81	,761 ,997	81	,761 ,997	81	,761 ,997	81	,761 ,997	81	,761 ,997	81	,761 ,997	81	,761 ,997	81
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LIM354 Polokwane - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue - Standard Governance and administration	90 4,675	1,23 8,725	95 2,839	78 1,353	79 7,402	82 1,900	92 1,679	95 1,223	1,02 9,174
Executive and council Budget and treasury office	- 90 4,145	- 1,23 6,424	- 94 9,161	- 77 9,540	- 79 5,589	- 82 0,145	- 91 7,914	- 94 7,156	- 1,024, 782
Corporate services	531	,300	,678	,813	,813	,755	,765	,066	391
Community and public safety	5,529	5,962	5,905	6,555	6,555	7,802	8,390	9,061	,786
Community and social services	875	,124	,256	,246	,246	,319	,429	,543	667
Sport and recreation	750	995	872	,010	,010	,075	,140	,232	330
Public safety	,651	,710	,680	,164	,164	,372	,785	,248	748
Housing	253	133	97	135	135	35	35	38	41
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	3 3,061	3 9,704	5 5,611	8 1,068	8 1,068	4 8,752	5 0,598	5 4,646	59 ,018
Planning and development	,685	,986	,626	,007	,007	,929	,431	,666	159
Road transport	,166	,941	,831	,091	,091	,128	,372	,042	766
Environmental protection	,210	,777	,155	,970	,970	,695	,795	,938	093
Trading services	38 8,226	43 3,341	56 0,754	59 7,577	59 7,577	64 1,422	74 9,269	84 7,727	90 1,580
Electricity	21 9,276	26 7,435	36 9,183	38 6,872	38 6,872	41 4,882	49 3,375	57 1,361	603, 104
Water	10 5,688	98 ,312	11 6,277	13 0,391	13 0,391	13 8,799	16 0,376	17 3,206	187, 063
Waste water management	,406	,164	,322	,171	,171	,082	,928	,762	903
Waste management	,857	,430	,973	,142	,142	,659	,591	,398	510
Other	-	-	-	-	-	-	-	-	-

Total Revenue - Standard	1,33 1,492	1,71 7,733	1,57 5,109	1,46 6,552	1,48 2,601	1,51 9,875	1,72 9,936	1,86 2,657	1,99 9,557
Expenditure - Standard									
Governance and administration	9 2,375	16 4,522	14 8,159	14 7,769	13 1,034	12 4,906	17 2,189	17 7,369	18 2,253
Executive and council	25 ,875	70 ,983	31 ,350	66 ,920	43 ,620	46 ,789	66 ,095	69 ,161	71, 911
Budget and treasury office	16 ,935	22 ,794	39 ,444	19 ,597	21 ,412	21 ,251	40 ,100	38 ,256	36, 192
Corporate services	49 ,566	70 ,746	77 ,365	61 ,252	66 ,002	56 ,865	65 ,993	69 ,953	74, 150
Community and public safety	13 9,939	17 3,066	30 7,688	25 0,723	29 4,510	26 5,801	28 6,551	30 3,744	32 1,969
Community and social services	21 ,230	30 ,402	33 ,658	39 ,344	37 ,524	34 ,292	39 ,188	41 ,539	44, 032
Sport and recreation	45 ,359	57 ,116	17 1,527	90 ,646	13 1,403	11 6,974	11 4,257	12 1,112	128, 379
Public safety	59 ,298	74 ,459	89 ,016	10 1,454	10 7,804	98 ,958	11 4,579	12 1,453	128, 740
Housing	6 ,783	4 ,211	6 ,675	12 ,057	10 ,557	8 ,669	11 ,007	11 ,667	12, 367
Health	7 ,268	6 ,877	6 ,813	7 ,223	7 ,223	6 ,907	7 ,521	7 ,972	8,451
Economic and environmental services	7 4,274	10 2,390	9 8,244	12 3,711	12 7,027	11 5,150	13 1,427	13 9,312	14 7,671
Planning and development	35 ,510	47 ,414	32 ,290	49 ,211	46 ,211	40 ,669	47 ,258	50 ,094	53, 099
Road transport	33 ,444	47 ,450	58 ,983	65 ,129	71 ,445	66 ,318	74 ,338	78 ,798	83, 526
Environmental protection	5 ,320	7 ,526	6 ,971	9 ,371	9 ,371	8 ,163	9 ,831	10 ,421	11, 046
Trading services	41 4,925	49 2,322	57 9,355	70 2,311	73 1,781	70 4,348	84 4,093	97 4,338	1,03 2,799
Electricity	21 0,639	26 2,739	32 3,803	40 4,082	41 6,417	40 5,572	51 0,817	62 1,066	658, 330
Water	14 1,567	14 5,221	16 3,593	18 3,614	19 2,019	19 2,697	21 2,772	22 5,538	239, 070
Waste water management	26 ,627	40 ,894	43 ,882	54 ,602	54 ,602	50 ,828	57 ,686	61 ,147	64, 816
Waste management	36 ,092	43 ,469	48 ,077	60 ,013	68 ,743	55 ,252	62 ,817	66 ,586	70, 582
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	72 1,513	93 2,301	1,13 3,446	1,22 4,515	1,28 4,353	1,21 0,205	1,43 4,259	1,59 4,764	1,68 4,691
Surplus/(Deficit) for the year	60 9,978	78 5,432	44 1,663	24 2,037	19 8,248	30 9,670	29 5,677	26 7,893	31 4,866

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

Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source									
Property rates	143,535	159,348	173,595	185,000	185,000	209,500	228,355	246,623	266,353
Service charges - electricity revenue	213,847	259,300	357,566	386,872	386,872	414,882	493,374	571,361	603,104
Service charges - water revenue	79,455	83,257	105,587	130,391	130,391	138,799	160,376	173,206	187,063
Service charges - sanitation revenue	29,452	30,601	31,919	37,171	37,171	44,082	47,928	51,762	55,903
Service charges - refuse revenue	32,857	36,430	40,973	43,142	43,142	43,659	47,591	51,398	55,510
Service charges - other	40,915	45,316	65,138	11,029	11,029	9,435	12,029	12,991	14,030
Rental of facilities and equipment	4,414	4,791	6,052	4,348	4,348	3,976	4,216	4,553	4,917
Interest earned - external investments	56,379	63,843	32,236	3,000	3,000	3,000	8,000	8,640	9,331
Interest earned - outstanding debtors	13,839	20,452	17,101	19,000	19,000	19,000	20,000	21,600	23,328
Fines	2,776	2,714	2,831	3,103	3,103	4,774	5,136	5,547	5,990
Licences and permits	5,126	6,963	7,793	8,161	8,161	8,385	8,646	9,338	10,085
Agency services	9,975	12,267	9,769	13,000	13,000	12,000	13,000	14,040	15,163
Expenditure By Type									
Employee related costs	239,112	265,641	332,491	373,511	374,171	346,900	408,059	432,543	457,995
Remuneration of councillors	13,668	16,915	18,196	19,997	19,997	19,757	20,943	22,199	23,531
Debt impairment	20,000	62,425	(2,392)	30,000	6,700	6,700	15,000	15,000	15,000
Depreciation & asset impairment	79,925	107,331	107,768	112,694	112,694	112,694	119,455	126,622	134,220
Finance charges	14,555	16,032	23,627	5,800	5,800	5,800	33,714	31,486	29,016

Bulk purchases	190,265	244,575	314,831	392,700	413,700	412,182	510,615	620,852	658,103
Other materials	95,999	147,082	251,921	190,450	241,242	214,868	167,793	177,861	188,532
Contracted services	-	-	-	-	-	-	48,768	51,694	54,796
Transfers and grants	2,004	2,20	2,20	2,400	2,400	2,400	4,400	4,24	4,49
Other expenditure	65,986	72,081	86,782	98,963	109,649	90,904	109,512	116,083	123,048
Loss on disposal of PPE									
Total Expenditure	72,1,513	932,301	1,133,446	1,224,515	1,284,353	1,210,205	1,434,259	1,594,764	1,684,691
Surplus/(Deficit)	8,5,313	(1,997)	81,469	11,173	173,173	111,595	6,479	(2,788)	15,693
Transfers recognised - capital	524,665	787,429	360,194	230,864	198,075	198,075	289,198	270,681	299,173
Surplus/(Deficit) after capital transfers & contributions	60,9,978	785,432	441,663	242,037	198,248	309,670	295,677	267,893	314,866
Taxation									
Surplus/(Deficit) after taxation	60,9,978	785,432	441,663	242,037	198,248	309,670	295,677	267,893	314,866
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	60,9,978	785,432	441,663	242,037	198,248	309,670	295,677	267,893	314,866
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	60,9,978	785,432	441,663	242,037	198,248	309,670	295,677	267,893	314,866

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

Vote Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital Expenditure - Standard									
Governance and administration	17 ,439	22 ,431	36 ,205	71 ,663	53 ,967	53 ,967	26 ,760	36 ,755	22 ,905
Executive and council Budget and treasury office	93	300	128	10, 080	7, 080	7, 080			
Corporate services	17, 346	22, 131	36, 077	61, 583	46, 887	46, 887	26, 760	36, 755	22, 905
Community and public safety	409 ,970	514 ,539	406 ,383	139 ,892	31 ,661	31 ,661	1 ,700	11 ,000	5 ,000
Community and social services	3, 105	8, 108	6, 228	7, 019	3, 256	3, 256			
Sport and recreation	398, 482	493, 057	393, 355	121, 430	20, 983	20, 983	1, 700	11, 000	5, 000
Public safety	8, 374	13, 323	5, 781	10, 742	7, 422	7, 422			
Housing	-		990	699	-	-			
Health	9	51	29	1	-	-			
Economic and environmental services	76 ,797	252 ,259	198 ,027	260 ,646	213 ,856	213 ,856	152 ,647	115 ,281	132 ,929
Planning and development	43, 884	31, 868	21, 136	52, 128	39, 217	39, 217	70, 647	38, 249	49, 929
Road transport	32, 258	219, 698	176, 559	208, 391	174, 612	174, 612	82, 000	77, 032	83, 000
Environmental protection	654	693	331	126	28	28			
Trading services	129 ,903	262 ,022	256 ,567	367 ,289	310 ,250	310 ,250	197 ,847	247 ,645	238 ,339
Electricity	31, 314	102, 323	21, 387	117, 296	99, 895	99, 895	67, 300	57, 500	62, 100
Water	71, 518	98, 317	207, 859	186, 986	159, 303	159, 303	100, 697	138, 245	132, 289
Waste water management	26, 242	46, 676	24, 116	58, 300	50, 298	50, 298	29, 850	51, 900	43, 950
Waste management	829	706	205	707	754	754			
Other									
Total Capital Expenditure - Standard	634 ,109	1,05 ,251	897 ,181	839 ,490	609 ,734	609 ,734	378 ,954	410 ,681	399 ,173
Funded by:									
National Government	490, 376	768, 742	357, 935	230, 864	198, 075	232, 816	254, 954	270, 681	289, 173
Provincial Government	32, 008								
District Municipality		1, 941	2, 259						
Other transfers and grants			38, 348	74, 150	74, 150	39, 409	24, 000		10, 000
Transfers recognised - capital	522 ,384	770 ,682	398 ,542	305 ,014	272 ,225	272 ,225	278 ,954	270 ,681	299 ,173
Public contributions & donations									
Borrowing Internally generated	111,	280,	50, 000 448,	484, 759 49,	298, 792 38,	298, 792 38,	100,	105,	100,

funds	725	568	639	717	717	717	000	000	000
	634	1,05	897	839	609	609	378	375	399
Total Capital Funding	,109	1,251	,181	,490	,734	,734	,954	,681	,173

LIM354 Polokwane - Table A6 Budgeted Financial Position

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	R thousand	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
ASSETS									
Current assets									
Cash	586	332,19	5,026	1,000	1,000	35,000	57,8,0	59,19,1	20
Call investment deposits	508	320,27	2,138	30,000	59,000	59,000	00,59,0	00,59,0	59,000
Consumer debtors	718	126,92	3,650	15,000	17,3,264	18,1,564	206,564	231,564	25,6,564
Other debtors	87	60,8	429,60	49,000	40,000	40,000	50,00	52,00	55,000
Current portion of long-term receivables	08	10,5	444,12	24,000	25,000	25,000	22,8	20,7	18,000
Inventory	82	56,3	637,45	52,000	60,000	60,000	52,63,0	04,66,0	70,000
Total current assets	589	907,67	9,006	30,4,699	35,8,264	40,0,564	409,473	448,427	45,9,140
Non current assets									
Long-term receivables	17	16,3	992,14	7,852	6,000	6,000	4,1	2,2	444
Investments	73	70,5	393,82	12,000	12,000	12,000	125,000	125,000	12,000
Investment property	511	125,12	5,511	5,511	5,511	5,511	511,125	511,125	5,511
Investment in Associate			8,217	8,217	8,217	8,217	8,2	8,2	8,217
Property, plant and equipment	592	3,190,414	7,931	5,76	5,53	5,53	5,797,164	6,081,223	6,34
Total non current assets	992	3,402,4,36	9,511	2,931	7,393	7,393	040,5,935	247,6,217	0,348
TOTAL ASSETS	581	4,310,5,04	8,517	7,630	5,657	7,957	513,6,344	674,6,665	6,93
LIABILITIES									
Current liabilities									
Bank overdraft			95,650	2,000	3,000	24,000	26,4	28,9	31,000
Borrowing	-	39,1	874,46	51,000	54,000	55,000	85,60,0	89,65,0	732,000
Consumer deposits	83	475,41	837,28	15,000	20,000	20,000	200,000	210,000	22,000
Trade and other payables	661	6,079	8,771	0,000	0,000	0,000	000,000	000,000	0,000
Total current liabilities	844	514,46	9,132	20,7,000	25,7,000	27,9,245	286,485	303,989	32,1,732
Non current liabilities									
Borrowing	23	93,3	908,47	53,1,759	34,5,792	34,3,663	317,177	288,188	25,6,455
Provisions	-	6,974	24,095	6,974	24,095	25,743	27,4	29,3	31,229
Total non current liabilities	323	93,9	2,003	53,8,733	36,9,887	36,9,405	344,654	317,491	28,7,684
TOTAL LIABILITIES	608	608,56	11,135	12,74	12,62	12,64	631,631	621,621	60,60

	167	2,591	1,135	5,733	6,887	8,651	140	481	9,416
NET ASSETS	3,702,415	4,481,536	4,897,382	5,451,897	5,408,770	5,429,306	5,713,373	6,044,193	6,330,071
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2,365,436	3,144,466	4,886,413	5,440,812	5,397,685	5,418,221	5,702,173	6,032,878	6,318,641
Reserves	1,336,978	1,337,071	10,969	11,085	11,085	11,085	11,200	11,315	11,430
TOTAL COMMUNITY WEALTH/EQUITY	3,702,415	4,481,536	4,897,382	5,451,897	5,408,770	5,429,306	5,713,373	6,044,193	6,330,071

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

Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other Government - operating	2,229,864	2,807,514	2,222,911	791,818	791,818	885,000	1,015,218	1,192,659	1,210,400
Government - capital				341,470	390,308	390,308	372,087	399,317	426,278
Interest	56,379	63,843	32,236	22,864	22,075	22,075	28,098	30,281	32,173
Payments									
Suppliers and employees	(1,406,111)	(1,975,519)	(1,861,141)	(1,076,021)	(1,135,885)	(1,090,811)	(1,299,804)	(1,453,142)	(1,535,471)
Finance charges	(14,555)	(16,032)	(23,627)	(5,800)	(5,800)	(5,800)	(33,714)	(31,486)	(29,016)
Transfers and Grants									
NET CASH FROM/ (USED) OPERATING ACTIVITIES	865,578	879,806	370,380	304,731	260,916	398,772	370,985	408,269	404,023
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE			4,769	50,000	50,000	20,000			
Decrease (Increase) in non-current debtors		11,432	(12,361)						
Decrease (increase) other non-current receivables	(10,248)	(611)	82,393						
Decrease (increase) in non-current investments	(60,697)	36,549	213,139						
Payments									
Capital assets	(634,109)	(1,071,770)	(897,181)	(839,490)	(609,734)	(609,734)	(378,954)	(375,681)	(399,173)
NET CASH FROM/ (USED) INVESTING ACTIVITIES	(705,055)	(1,024,400)	(609,242)	(789,490)	(559,734)	(589,734)	(378,954)	(375,681)	(399,173)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									

Borrowing long term/refinancing			(42	484	298	320			
Increase (decrease) in consumer deposits	70	4,6	,541) 7	,759 5	,792 4	,000 4	00	5,0	00 5,0
Payments									
Repayment of borrowing	37)	((2	(2	(2	(24,1	(26,4	(28
				,874)	,874)	,874)	88)	86)	,989)
NET CASH FROM/ (USED) FINANCING ACTIVITIES	632	4,	(3	48	29	32	(19,	(21,	(2
NET INCREASE/ (DECREASE) IN CASH HELD	165,	(13	(27			13	(27,	11,	(1
	156	7,561)	5,782)	1,126	1,100	0,864	157)	102	9,139)
Cash/cash equivalents at the year begin:	537	31	18	(9	(9	(9	35,	8,	1
Cash/cash equivalents at the year end:	317,	18	(9	(9	(9	3	8,	19,	20
	693	0,132	5,650)	4,524)	4,550)	5,214	057	159	20

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

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Cash and investments available									
Cash/cash equivalents at the year end	317	180	(95		(94	35	8	19	
Other current investments > 90 days	,693	,132	,650) 59	(94,524)	,550) 154	,214 58	,057 59	,159 59	20 59
Non current assets - Investments	,401	,032	,000	125,524	,550	,786	,000	,000	,000
	70	82	-	-	-	-	-	-	-
Cash and investments available:	72	54	(3	31,000	0,000	4,000	7,057	8,159	9,020
Application of cash and investments									
Unspent conditional transfers	374	215	79						
Unspent borrowing	,368	,881	,022	-	-	-	-	-	-
Statutory requirements									
Other working capital requirements	(5	10	(110	3,008	,956 32	,806 20	,199 5	(29	(32
Other provisions	,028)	,073	,547)					,902)	,762)
Long term investments committed	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	36	22	(3	3,008	2,956	0,806	5,199	9,902)	(3
	9,340	5,954	1,526)						
Surplus(shortfall)	35	32	(27,992	7,044	3,194	1,858	8,061	1,782
Other working capital estimate	4,326	3,603	5,125)						

Current debtors collected in 30 days	477 ,645	402 ,985	396 ,864	143,992	165 ,044	177 ,194	192 ,301	237 ,302	250 ,012
Other debtors collected in 30 days	3 ,044	3 ,021	2 ,454	3,000	2 ,000	2 ,000	2 ,500	2 ,600	2 ,750
Creditors due in 30 days	(475) ,661	(416) ,079	(288) ,771	(150,000)	(200) ,000	(200) ,000	(200) ,000	(210) ,000	(220) ,000
Total	5 ,028	(10) ,073	110 ,547	(3,008)	(32) ,956	(20) ,806	(5) ,199	29 ,902	32 ,762
<u>Debtors collection assumptions</u>									
Balance outstanding - consumer debtors	126 ,718	92 ,746	153 ,650	153,699	173 ,264	181 ,564	206 ,564	231 ,564	256 ,564
Estimate of consumers debtors collection rate	377%	435%	258%	94%	95%	98%	93%	102%	97%
Balance outstanding - other debtors	60 ,887	60 ,429	49 ,090	60,000	40 ,000	40 ,000	50 ,000	52 ,000	55 ,000
Estimate of other debtors > 90 days	95%	95%	95%	95%	95%	95%	95%	95%	95%
<u>Reserves to be backed by cash/investments</u>									
Housing Development Fund	10 ,808	10 ,901	10 ,969	11,085	11 ,085	11 ,085	11 ,200	11 ,315	11 ,430
	10 ,808	10 ,901	10 ,969	11,085	11 ,085	11 ,085	11 ,200	11 ,315	11 ,430

**LIM354 Polokwane - Table A9
Asset Management**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
CAPITAL EXPENDITURE									
Total New Assets	63	1,05	97,18	8	6	6	2	2	2
<i>Infrastructure - Road transport</i>	40 ,855	212 ,493	18 1,833	20 8,391	17 4,612	17 4,612	-	-	-
<i>Infrastructure - Electricity</i>	31 ,103	99 ,249	9 7,616	11 8,317	10 0,916	10 0,916	5 3,000	4 2,800	4 6,100
<i>Infrastructure - Water</i>	64 ,446	98 ,223	7 8,569	18 6,986	15 9,303	15 9,303	9 3,397	13 1,245	12 9,289
<i>Infrastructure - Sanitation</i>	20 ,106	46 ,161	7 2,877	5 8,300	5 0,298	5 0,298	5 5,950	1 3,300	4 4,950
<i>Other</i>	1 ,527	2 ,974	6,706	3 5,609	3 1,656	3 1,656	7 0,647	3 8,249	4 9,929
Infrastructure	158 ,037	459 ,099	43 7,600	60 7,602	51 6,784	51 6,784	22 2,994	22 5,594	23 0,268
Community	400 ,759	-	40 0,746	13 8,171	3 0,640	3 0,640	-	-	-
Other assets	75 ,313	560 ,639	4 5,748	9 3,716	6 2,310	6 2,310	-	-	-
Intangibles	-	29 ,247	1 3,087	-	-	-	-	-	-
Total Renewal of Existing Assets	-	-	-	-	-	-	1 55,96	1 85,08	1 68,90
<i>Infrastructure - Road</i>							8	7	8

transport	-	-	-	-	-	-	2,000	7,032	3,000
Infrastructure -	-	-	-	-	-	-	1	1	1
Electricity	-	-	-	-	-	-	4,300	4,700	6,000
Infrastructure -	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	7,300	7,000	3,000
Infrastructure -	-	-	-	-	-	-	2	3	3
Sanitation	-	-	-	-	-	-	3,900	8,600	9,000
Infrastructure -	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	12	13	14
Community	-	-	-	-	-	-	7,500	7,332	1,000
Other assets	-	-	-	-	-	-	1,700	1,000	5,000
Total Capital	-	-	-	-	-	-	2	3	2
Expenditure	-	-	-	-	-	-	6,760	6,755	2,905
Infrastructure - Road	40	212	18	20	17	17	8	7	8
transport	,855	,493	1,833	8,391	4,612	4,612	2,000	7,032	3,000
Infrastructure -	31	99	9	11	10	10	6	5	6
Electricity	,103	,249	7,616	8,317	0,916	0,916	7,300	7,500	2,100
Infrastructure -	64	98	7	18	15	15	10	13	13
Water	,446	,223	8,569	6,986	9,303	9,303	0,697	8,245	2,289
Infrastructure -	20	46	7	5	5	5	2	5	4
Sanitation	,106	,161	2,877	8,300	0,298	0,298	9,850	1,900	3,950
Infrastructure -	1	2	3	3	3	3	7	3	4
Other	,527	,974	6,706	5,609	1,656	1,656	0,647	8,249	9,929
Infrastructure	158	459	43	60	51	51	35	36	37
Community	,037	,099	7,600	7,602	6,784	6,784	0,494	2,926	1,268
Other assets	400	-	40	13	3	3	1,700	1,000	5,000
Intangibles	,759	75	0,746	8,171	0,640	0,640	6,760	6,755	2,905
	75	560	4	9	6	6	2	3	2
	,313	,639	5,748	3,716	2,310	2,310	-	-	-
	-	29	1	-	-	-	-	-	-
	,247	3,087	-	-	-	-	-	-	-
TOTAL CAPITAL	63	1,05	97,18	39,49	09,73	09,73	78,95	10,68	99,17
EXPENDITURE - Asset	4,109	1,251	1	0	4	4	4	1	3
class									
ASSET REGISTER									
SUMMARY - PPE (WDV)									
Infrastructure - Road	947	1,13	1,2	1,4	1,4	1,4	1,5	1,6	1,6
transport	,565	4,574	82,215	90,605	56,826	56,826	38,826	15,858	98,858
Infrastructure -	482	568	57	69	67	67	74	80	86
Electricity	,353	,076	4,611	2,928	5,527	5,527	2,827	0,327	2,427
Infrastructure -	260	359	55	74	71	71	81	95	1,0
Water	,755	,399	9,146	6,131	8,449	8,449	9,146	7,391	89,680
Infrastructure -	338	368	38	44	43	43	46	51	55
Sanitation	,305	,910	3,212	1,511	3,510	3,510	3,360	5,260	9,210
Infrastructure -	18	32	3	6	6	6	13	17	22
Other	,944	,670	2,822	8,431	4,477	4,477	5,124	3,373	3,302
Infrastructure	2,047	2,463	2,83	3,43	3,34	3,34	3,69	4,06	4,43
Community	,922	,629	2,005	9,607	8,789	8,789	9,283	2,209	3,477
Investment properties	783	1,30	1,6	1,8	1,6	1,6	1,6	1,7	1,7
Other assets	,873	2,530	64,147	02,318	94,787	94,787	96,487	07,487	12,487
	125	125	12	12	12	12	12	12	12
	,511	,511	5,511	5,511	5,511	5,511	5,511	5,511	5,511
	358	377	43	52	49	49	52	55	58
	,797	,127	1,779	5,495	4,089	4,089	0,849	7,604	0,509
TOTAL ASSET	3,31	4,26	5,0	5,8	5,6	5,6	6,0	6,4	6,8
REGISTER SUMMARY -	6,102	8,797	53,44	92,93	63,17	63,17	42,12	52,81	51,98
PPE (WDV)			1	1	5	5	9	0	3
EXPENDITURE OTHER									
ITEMS									
Depreciation & asset	79	107	10	11	11	11	11	12	13

impairment Repairs and Maintenance by Asset Class	,925	,331	7,768	2,694	2,694	2,694	9,455	6,622	4,220
Infrastructure - Road transport	65	72	8	9	10	9	10	11	12
Infrastructure - Electricity	,986	,081	6,782	8,963	9,649	0,904	9,512	6,083	3,048
Infrastructure - Water	7	9	1	1	2	2	2	2	2
Infrastructure - Sanitation	,162	,178	5,657	7,161	3,477	1,007	3,459	4,867	6,359
Infrastructure - Other	11	14	2	2	2	2	2	2	2
Infrastructure	,624	,383	1,123	1,230	1,230	0,498	2,388	3,731	5,155
Community	11	19	2	2	2	2	2	2	2
TOTAL EXPENDITURE OTHER ITEMS	,598	,672	4,540	6,569	6,569	3,065	5,816	7,364	9,006
	1	5	4,817	5,817	5,817	5,161	5,971	6,329	6,709
	2	4	4,624	4,874	4,874	4,158	4,874	5,166	5,476
	34,		7	7	8	7	8	8	9
	561	53,040	0,761	5,651	1,967	3,889	2,507	7,458	2,705
	31	19	1	2	2	1	2	2	3
	,425	,041	6,021	3,312	7,682	7,015	7,005	8,625	0,343
	14	17	94,550	11,657	22,343	03,598	28,967	42,705	57,268
% of capital exp on renewal of assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	69.9%	82.0%	73.4%
Renewal of Existing Assets as % of deprecn"	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	130.6%	146.2%	125.8%
R&M as a % of PPE	2.1%	1.7%	1.8%	1.7%	2.0%	1.6%	1.9%	1.9%	1.9%
Renewal and R&M as a % of PPE	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	4.0%	5.0%	4.0%

LIM354 Polokwane - Table A10 Basic service delivery measurement								
Description	2007/8	2008/9	2009/10	Current Year 2010/11		2011/12 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Household service targets (000)								
Water:								
Piped water inside dwelling	41	41	41	41	41	41	41	41
Piped water inside yard (but not in dwelling)	32	32	32	32	32	32	32	32
Using public tap (at least min.service level)	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
Using public tap (< min.service level)								
Other water supply (< min.service level)								
No water supply	8	8	8	8	8	8	8	8
<i>Below Minimum Service Level sub-total</i>	8	8	8	8	8	8	8	8
Total number of households	130	130	130	130	130	130	130	130

<u>Sanitation/sewerage:</u>								
Flush toilet (connected to sewerage)	32	32	32	32	32	32	32	32
Flush toilet (with septic tank)	1	1	1	1	1	1	1	1
Chemical toilet	15	15	15	15	15	15	15	15
Pit toilet (ventilated)	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
Bucket toilet								
Other toilet provisions (< min.service level)								
No toilet provisions	11	11	11	11	11	11	11	11
<i>Below Minimum Service Level sub-total</i>	11	11	11	11	11	11	11	11
Total number of households	130	130	130	130	130	130	130	130
<u>Energy:</u>								
Electricity (at least min.service level)	24	24	24	24	24	24	24	24
Electricity - prepaid (min.service level)	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
Electricity (< min.service level)	18	18	18	18	18	18	18	18
Electricity - prepaid (< min. service level)	34	34	34	34	34	34	34	34
Other energy sources	27	27	27	27	27	27	27	27
<i>Below Minimum Service Level sub-total</i>	80	80	80	80	80	80	80	80
Total number of households	130	130	130	130	130	130	130	130
<u>Refuse:</u>								
Removed at least once a week	48	48	48	48	48	48	48	48
<i>Minimum Service Level and Above sub-total</i>	48	48	48	48	48	48	48	48
Removed less frequently than once a week								
Using communal refuse dump								
Using own refuse dump	82	82	82	82	82	82	82	82
Other rubbish disposal								
No rubbish disposal								
<i>Below Minimum Service Level sub-total</i>	82	82	82	82	82	82	82	82
Total number of households	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
Sanitation (free minimum level service)	31	31	31	31	31	31	31	31
Electricity/other energy (50kwh per household per month)	34	34	34	34	34	34	34	34
Refuse (removed at least once a week)	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	1,238	1,301	1,361
Sanitation (free sanitation service)	473	575	609	646	646	681	716	749
Electricity/other energy (50kwh per household per month)	726	855	903	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	1,445	1,518	1,588
Total cost of FBS provided (minimum social package)	3,316	3,996	4,228	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	50,000	50,000	50,000
Water (kilolitres per household per month)	5	5	5	5	5	5	6	6
Sanitation (kilolitres per household per month)								
Sanitation (Rand per household per month)	9	10	10	11	11	11	12	13
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50
Refuse (average litres per week)	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	3,250	3,250	3,445	3,652	3,871
Water	17,610	18,732	19,835	17,267	17,267	18,303	19,402	20,566
Sanitation	3,308	3,529	3,739	4,181	4,181	4,432	4,698	4,980
Electricity/other energy	5,663	5,852	6,181	9,109	9,109	9,655	10,235	10,849
Refuse	7,062	7,512	7,939	8,871	8,871	9,403	9,968	10,566
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	42,679	42,679	45,239	47,954	50,831

POLOKWANE HOUSING ASSOCIATION

PROPOSED BUDGET				
DESCRIPTION	Approved Budget 2010/11	2011/12	2012/13	2013/14
INCOME				
Rental Income	10,213,680	10,518,480	11,570,328	12,727,361
Admin Fee	12,000	32,000	35,200	38,720
Grant - SPSH	-	-	-	-
Interest Received	600,000	25,000	27,500	30,250
Bad debt recovered	650,000	750,000	825,000	907,500
Recoveries	-	-	-	-
TOTAL OPERATIONAL INCOME	11,475,680	11,325,480	12,458,028	13,703,831
External Loan for 492 construction				
TOTAL INCOME	11,475,680	11,325,480	12,458,028	13,703,831
EXPENDITURE				
DIRECTORS EMOLUMENTS	210,000	223,838	246,222	270,844

Directors -Subsistence & Travel	20,000	19,619	21,580	23,738
Directors - Remuneration	190,000	204,220	224,642	247,106
EMPLOYMENT COST	3,734,845	3,977,433	4,375,177	4,812,694
Salaries	2,636,242	2,916,697	3,208,367	3,529,203
UIF	16,187	14,689	16,158	17,774
Medical aid	162,316	163,354	179,690	197,659
Provident fund	197,718	164,805	181,285	199,414
Annual bonus	219,687	183,116	201,428	221,571
Workmanns Compensations	600	450	495	545
Skills Development Levy	29,059	23,984	26,382	29,020
Leave pmt provision	197,191	218,169	239,986	263,984
Staff Training and Development	118,104	130,668	143,735	158,108
Temporary Staff	39,016	43,167	47,484	52,232
Overtime	52,725	58,334	64,167	70,584
Housing	66,000	60,000	66,000	72,600
GENERAL EXPENSES	10,021,000	9,716,360	10,687,996	11,756,796
Advertising, Marketing & Promotion	60,000	30,000	33,000	36,300
Audit fees	180,000	180,000	198,000	217,800
Bad Debt Provision	250,000	250,000	275,000	302,500
Bank Charges	180,000	180,000	198,000	217,800
Cleaning Material and Gardening Services	50,000	50,000	55,000	60,500
Communications - Cellphone	40,000	40,000	44,000	48,400
Communications - Internet & Telephone	180,000	120,000	132,000	145,200
Credit Checks	125,000	-	-	-
Depreciation	28,000	35,000	38,500	42,350
Electricity and water	-	-	-	-
Entertainment	-	-	-	-
Motor vehicle expenses - Fuel	20,000	20,000	22,000	24,200
Institute Membership Fees	30,000	30,000	33,000	36,300
Insurance	180,000	180,000	198,000	217,800
Computer	-	-	-	-
Interest on loan - NHFC	6,000,000	6,000,000	6,600,000	7,260,000
Software Licences	45,000	45,000	49,500	54,450
Office Equipment	-	-	-	-
Postage & Courier	20,000	5,000	5,500	6,050
Printing and Stationery	100,000	70,000	77,000	84,700
Professional Fees	150,000	165,000	181,500	199,650
Rates and taxes	160,000	150,000	165,000	181,500
Refreshments & Catering staff	25,000	6,000	6,600	7,260
Refreshments & Catering Board	25,000	3,000	3,300	3,630
Rental - External Equipment	110,000	121,000	133,100	146,410
Security	1,548,000	1,656,360	1,821,996	2,004,196
Subscriptions	30,000	-	-	-

Subsistence and Travel	50,000	40,000	44,000	48,400
Seminars and workshops	100,000		-	-
Tenant Committees Workshop	35,000	20,000	22,000	24,200
Legal expenses	200,000	220,000	242,000	266,200
Valuation fees	100,000	100,000	110,000	121,000
REPAIRS AND MAINTENANCE	685,000	598,000	657,800	723,580
Repairs & Maintenance - Office	60,000	20,000	22,000	24,200
Repairs & Maintenance - Office Furniture & Equipment	30,000	5,000	5,500	6,050
Repairs & maintenance - Buildings	500,000	550,000	605,000	665,500
Repairs & maintenance - Vehicle	80,000	15,000	16,500	18,150
Repairs & maintenance - IT and Computer	15,000	8,000	8,800	9,680
TOTAL OPERATIONAL COST	14,650,845	14,515,631	15,967,195	17,563,914
CAPITAL BUDGET	75,000	25,000	25,000	25,000
		-		
TOTAL EXPENSES	14,725,845	14,540,631	15,992,195	17,588,914
SURPLUS/(DEFICIT)	-3,250,165	-3,215,151	-3,534,167	-3,885,083
CAPITAL BUDGET	Approved Budget 2009/10	2011/12	2012/13	2013/14
Construction Cost - 492 Units				
Project Management Cost				
Project costs phase two(492 units)				
Installation of carports				
Refurbishment of office premises				
Furniture and fittings	30,000			
On site projects				
Computer costs	45,000	25,000		
Office equipment				
Special Projects				
CAPEX without project costs	75,000	25,000	-	-
TOTAL CAPITAL EXPENDITURE	75,000	25,000	-	-

Municipal manager's certification

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

Name: FL Lamola

Municipal manager of Polokwane municipality

Signature: _____

Date: _____