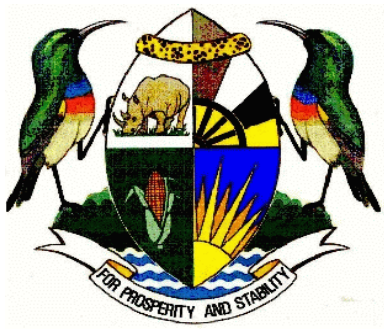




ANNUAL BUDGET 2013/14

EXPLANATIONS

Table A1 to A4 - Budget Summary & Budgeted Financial Performance

The budgeted revenue is less than the budgeted expenditure, but this shortfall is funded from the accumulated surplus from the 11/12 & 12/13 budget year. The reason for the surplus is due to austerity measures implemented on operating expenditure and budgeted staff vacancies that was not filled or filled late.

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

The operating expenditure portion of the IDP (Annexure 3) is included in Tables A2 to A4 – Transfers & Grants, the reason being that a big portion of the operating expenditure on the IDP relates to projects implemented on behalf of local municipalities. Capital expenditure incurred on behalf of local municipalities is also included in this vote as although it will be capital in nature for the respective local municipalities it is operating expenditure for the district municipality as the capital asset cannot be capitalized in our records since the relevant asset is not a function of power of the district municipality, but that of the local municipality.

Table A10 - Basic Service Delivery Measurement

Table A10 is blank due to the fact that we are not a bulk service authority and thus do not have water, sanitation, electricity or refuse. Property rates are also a function of the local municipalities.

Table SA9 - Social, economic and demographic statistics and assumptions

Table SA9 is blank due to the fact that we are not a bulk service authority and thus do not have water, sanitation, electricity or refuse. Property rates are also a function of the local municipalities. Information on households is thus kept with the local municipalities. The information available is disclosed in the IDP document.

Table SA11 & SA12a & SA12b - Property rates summary & by category

Property rates are a function of the local municipalities. Information on rates and other data related to this function is thus kept with the local municipalities.

EXPLANATIONS

Table SA13 - Service tariffs by category

Basic services are a function of the local municipalities. Information on tariffs related to this function is thus kept with the local municipalities.

Table SA14 - Household bills

Basic services are a function of the local municipalities. We are not a bulk service authority and thus do not have water, sanitation, electricity or refuse. Property rates are also a function of the local municipalities. Information on household bills and other data related to this function is thus kept with the local municipalities.

Table SA17 - Borrowing

Table SA17 is blank because Waterberg District Municipality does not have borrowings.

Table SA21 - Transfers and grants made by the municipality

This includes all the operating projects included on the IDP of which some relate to projects implemented on behalf of local municipalities related to functions that are not officially those of Waterberg District Municipality, e.g. roads and sanitation. The projects phase of the 2013/2014 IDP has not yet been finalized and therefore the totally amount remaining for projects have been classified as operating grant in the Office of the Municipal Manager. The reason for delay in conclusion is extra efforts being made to accurately perform costing and specifications of anticipated projects to improve on the Supply Chain turnaround time of projects which deteriorated significantly in the 2012/13 budget year due to inaccurate costing and specification of projects during the preparation of the 2012/13 budget. The final correct projects will be included in the final 2013/14 budget to be approved in May 2013.

SA22 & SA23 - Councilor and Staff Salaries

The difference between the councilors salaries of R 5 879 222 on SA22 and R 5 759 892 on SA23 is due to the fact that SDL for Cllrs of R 52 516 and Workmens' Compensation of R 66 815 totaling R 119 331 was not included in Cllr salary breakdowns in SA23 but added in line "other benefits and allowances on SA22. It was not included on SA23 to enable users of the budget document to see that the packages disclosed for councilors equal the packages granted in the Remuneration of Public Office Bearers Upper Limit Gazette, The packages of S57 managers on sheet SA23 include Workmens' Compensation, UIF and Skills Development Levy in the column for contributions.

Table SA31 - Municipal entities

Waterberg Economic Development Agency has to date been dormant and has not been formally registered and established. No separate budget is thus tabled for WEDA.

EXPLANATIONS

Table SA32 - List of external mechanisms

Waterberg District Municipality does not make use of external mechanisms.

Table SA37 - Projects delayed from previous financial analysis

The roll over budget is not yet determined. It will be determined on 30 June 2013 and submitted to Council for approval before 31 August 2013 as per the requirements of the Budget Regulations.

Executive Summary

An increase of 6.85% for salaries is budgeted for in 13/14 as guided by MFMA Budget Circular 67 and the current SALGA salary collective agreement.

Circular 51 – drinking water quality and waste water management

A section on drinking water quality and waste water management is not included as Waterberg District Municipality is not a water authority.

Virement Policy

The Virement and other budget-related Policies is currently being reviewed and will be submitted with the final 13/14 Budget for approval in May 2013. No financial implication is anticipated with the recommended changes to existing policies.

Annexure 3 – Approved 13/143 IDP projects

These budgeted projects have been included in the budget schedules. Below this schedule is also a breakdown of how amounts were calculated for the budget schedules in terms of the required breakdowns, e.g. per department and capital / operating. As per previous explanation in the Table A5 narrative the projects are currently incomplete and only include existing commitments on multi-year projects approved in the 12/13 IDP as well as the conditional project for the 2013/14 new RRAMS Grant. The full allocation available for projects has though been accommodated in the budget by allocating the full unallocated portion to the operating expenditure “Transfers and Grants” in the Office of the Municipal Manager.

Annexure 4 – Salary Summary

This schedule includes a summary of salaries per department and per different type of salary expenses as included in the budget schedules at a proposed increase of 6.85%. The total increase is 9.8% due to post level notch increases, new travel allowances and new cell phone allowances and also the inclusion of 1 new post as explained in the executive summary.