



2015/16 TO 2017/18

**MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS**

28 MAY 2015

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PART 1

1.1. MAYOR'S REPORT

Madam Speaker, my fellow councillors, municipal manager, municipal officials and the public representatives, allow me to express my appreciation for your support during the past financial year.

The financial sustainability and proper service delivery to our community remains our main priority.

Today it is my privilege to table the final IDP and budget for 2015/16. This is the IDP and budget that we as councillors have to consider, drive and implement. It is my wish that through this budget, which is the implementing tool for our IDP, we will be able to consider the needs of our community and contribute to creating a better life for all.

According to the legislative requirements set out in the Municipal Systems Act of 2000(MSA) as well as the Planning and Performance Management Regulations, all municipalities, both district and local have to prepare an IDP and subsequently submit the document to the MEC for Local Government.

In terms of Section 34 of the MSA: *A municipal council –*

(a) Must review its integrated development plan –

(i) Annually in accordance with an assessment of its performance measurements in terms of section 41; and

(ii) to the extent that changing circumstances so demand; and

(b) May amend its IDP in accordance with a prescribed process

IDP PRIORITIES

The SRVM IDP has adapted and aligned to the ten (10) national medium-term priorities from which eight (8) were endorsed by the Provincial Strategic Framework (PSF). SRVM has adopted the local government Key Performance Areas as its key priorities for the current five year period. As such the SRVM priorities are:

- Basic Service Delivery and Infrastructure Development
- Local Economic development
- Community development
- Good Governance and Public Participation
- Institutional Transformation and Organizational Development
- Municipal Financial Viability and Management

The municipal vision, mission and values were not changed during the current review process. The review process was influenced by the following guiding parameters amongst others:

- Twelve government outcomes
- National Development Plan
- Government Party Manifesto

Performance Management System

The municipality uses an electronic system that requires Directorates to populate performance information in their discharge. The electronic system with the information fed into it makes it easier to access such information, and to consequently compile the quarterly and annual performance reports mandated by legislation. It also allows management to assess the strides taken to achieve the objectives as set.

Achievements

- A revenue enhancement strategy is yielding some positive results because revenue is gradually increasing
- All senior management positions were field
- The performance management system policy was reviewed and performance agreements of senior managers were developed.
- Improved public participation
- The MPAC assisted Council with proper oversight over the affairs of the municipality.
- FBS unit established

Challenges

Despite significant achievements, there are still challenges that we face. These are among others:

Revenue collection rate

- The municipality's collection rate is still not at the required level and as mentioned has been influenced by the challenges faced during the implementation of the billing system. Revenue collection target is set at 60% for the 2015/16 financial year and management has made efforts in ensuring an increase revenue collection.
- Councillors should also remember that in terms of the Municipal Systems Act section 99(1)(a) it is the duty of the Executive Committee to oversee and monitor the implementation and enforcement of the credit control and debt collection policy. As such it could be said that each Councillor has the obligation to ensure that the municipality collects what is due to it.

Sufficient indigent registration

- The municipality is still struggling to register all indigents. Public meetings were held to try and register more indigents. The registration of indigents has a direct influence on the Equitable Share that the municipality will be getting in the future.
- Management will be embarked on a data cleansing & indigent registration project as from July 2014 to try and increase the number of indigent registrations. Councillors are requested to assist where possible with the identification of indigents.

Revenue enhancement

- The municipality is still struggling with the identification and obtaining of additional funding to embark on much needed unfunded service delivery projects.
- Management has now appointed a service provider to assist with resource mobilisation.

Service delivery

- Challenges that faced us during this financial year was mainly on roads and water.
- The condition of our roads in all wards is currently a frustration for all and requires serious intervention.
- Operations hampered by protest action

1.2 BUDGET OVERVIEW

In compiling the budget for 2015/16, consideration was given to the national priorities as communicated through National Treasury circular.

The Local Government Budgets and Expenditure Review released highlighted the following areas as requiring particular attention:

- Revenue management – To ensure the collection of revenues, municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow up to collect revenues owed.
- Collecting outstanding debts – This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable, especially for poor households.
- Pricing services correctly – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities.
- Under spending on repairs and maintenance – Often seen as a way to reduce spending in the short term, under spending on maintenance can shorten the life of assets, increase long-term maintenance and refurbishment costs, and cause a deterioration in the reliability of services.
- Spending on non-priorities – Many municipalities spend significant amounts on non-priority items including unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects. Consultants are often used to perform routine tasks.

Creating decent employment opportunities remains a national priority. In compiling our 2015/16 budgets and MTREFs all municipalities are urged to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Extended Public Works Programme.

Municipalities are further urged to not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term.

Circular 75 informs municipalities that expenditure priority ought to be given to:

- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- Protecting the poor;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities 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.
- Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services and the renewal of the infrastructure of existing

network services.

The increases in tariffs and charges were considered in light of the standard and cost of services that have been provided to the community over the past year and also with a view to funding resources for the improvement of these services in the coming financial year.

If we want to continue building on a more financially stable municipality and for the benefit of our community, we have to make some hard decisions. It is a reality that the level of services the municipality is currently providing is not up to the required level, and must be improved. Service level improvement was the key focus of the Turnaround Plan. SRVM can only improve if it enters into a social contract with the community, which will ensure that we collect the required revenue that will enable us to provide the best services.

It should be noted that no formal objections with regards to the budget were received from communities since the draft budget was tabled and published for public comments.

OPERATING REVENUE

The operating revenue budget of SRVM amounts to R165 million for 2015/16 financial year. This represents an increase of R15 million (10%).

In revising our tariffs, we considered the inflation rate as well as increased cost to provide the service. To ensure a credible and funded budget SRVM had to increase tariffs in general by 4.8%. A consideration should be given to the fact that SRVM has been increasing tariffs marginally for a number of years in the past which results in tariffs not being cost effective. Electricity increased with 12.20% as prescribed by NERSA.

OPERATING EXPENDITURE

Sundays River Valley Municipality's budgeted expenditure for the 2015/16 MTREF amounts to R159 million. This represents an increase of 12 per cent.

Personnel costs are currently representative of 29% of operating expenditure for the 2015/16 financial year.

We continue focusing on service delivery in our budget for 2015/16 and have managed to maintain repairs and maintenance at 4% due to financial constraints which means that much needed efforts are needed to address ageing infrastructure assets for service delivery to efficiently and effectively take place.

Bulk purchases increased by R4 million (34%).

Non-cash items provisions, rebates and depreciation were considered in the operating expenditure budget to the amount of R37 million.

CAPITAL EXPENDITURE

The capital budget of the municipality amounts to R45 million. This indicates an increase of R19 million.

The main projects that are funded in the capital budget are:

- Upgrading of Addo Waste Water Treatment works – R2 604 000
- Upgrading of Gravel roads – R15 755 000
- Upgrading of Paterson Waste Water Treatment works – R1 000 000
- Rehabilitation of sports fields – R3 604 000
- Community Lighting – R412 000
- Rehabilitation of Parks & Playgrounds- R644

These projects are funded by the Municipal Infrastructure Grant, Financial Management Grant.

GRANTS TO BE RECEIVED

The following grants were gazetted in the DORA and provincial gazette to be received by SRVM:

- Equitable Share – R 55 182 000
- MIG – R24 863 000
- FMG – R1 875 000
- MSIG – R930 000
- EPWP – R1 000 000
- LIBRARY SUBSIDY – R1 157 000
- INEG- R1 679 000

Grants from Cacadu includes:

- Environmental health subsidy - R1 287 000
- Fire– R375 000

MAJOR CHANGES MADE TO DRAFT BUDGET

The only major changes made since the draft budget is the additional planned capital expenditure as a result of insurance income to be received. Changes were effected in services and rates to cater for revenue forgone.

CONCLUSION

Madam Speaker, in conclusion I would like to express my gratitude to the following people for their input and assistance in reviewing the IDP and compiling the budget :

The municipal manager

The Head of Departments and staff

The CFO

Ward committees

The community

All Councillors

Honourable Speaker, I now formally tables the IDP 2015/16 and budget for 2015/16 with

annexure for Council's consideration.

1.3 EXECUTIVE SUMMARY

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

The service delivery priorities were reviewed as part of this years planning and budget process. Therefore the development of the Budget was informed by the key service delivery priorities, as reflected in the IDP, and the need to maintain and safeguard the financial sustainability of the institution.

A review of expenditure was also undertaken so to eliminate "nice to have" items as belt tightening is essential moving forward in terms of spending on non-core activities.

Specific revenue collection strategies to improve the collection of outstanding consumer debt are being implemented by the Municipality, such as the appointment of Debt collecting company. Furthermore a Free Basic Services unit has been established and Awareness Educational Campaigns to be performed in the jurisdiction.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66,67, 74 and 75 were used to guide the compilation of the 2015/16MTREF.

The Municipality faced the following significant challenges during the compilation of the 2015/16MTREF:

- The priorities and targets relating to the key strategic focus areas as determined in the IDP.
- Poor revenue collection rate to implement priorities identified;
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on tariff increases to consumers.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- Salary increases for municipal staff that continue to exceed consumer inflation and the need to fill critical vacancies
- No cash reserves within the municipality
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;

The following budget principles and guidelines had a direct impact on the compilation of the 2015/16 MTREF :

- The municipality needs to focus on its core functions.
- The 2014/15 adjustment budget priorities and targets, as well as the base line

allocations contained in the Adjustment Budget as the upper limits for the new base lines for the 2015/16 annual budget;

- The funding constraints with regards to the low available funding for the Capital Budget through the Cash backed Reserve;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI. The level of property rates and tariff increases need to take into account the need to address maintenance and infrastructural backlogs.
- Nersa's directive that bulk purchases will increase by 14.24% for municipalities and municipal electricity tariff increase should not exceed 12.20%.

In view of the aforementioned, the following table represents a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 (Consolidated Overview of the 2015/16 MTREF)

	Adjustments Budget	Budget Year	Budget Year +1	Budget Year +2
	2014/15	2015/16	2016/17	2017/18
	R'000	R'000	R'000	R'000
Total Operating Revenue	150 231	165 982	159 170	168 266
Total Operating Expenditure	141 976	159 218	162 403	168 612
Surplus/(Deficit)	8 255	6 763	(3 233)	(346)
Total Capital Expenditure	27 618	45 064	24 434	25 655

Total operating revenue has grown by 10.4 per cent or R15.7 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget. For the two outer years, operational revenue will steadily increase, equating to a total revenue growth of R18 million over the MTREF when compared to the 2014/15 financial year.

Total operating expenditure for the 2015/16 financial year has been appropriated at R159.2 million and translates into a budgeted surplus of R6.7 million. When compared to the 2014/15 Adjustments Budget, operational expenditure has grown by 12 per cent in the 2015/16 budget. The operating deficit for the 2016/17 outer year decreases to R346 thousand deficit in 2017/18 outer year. The deficit indicates that the municipality will not be fund capital expenditure and to further ensure cash backing of monies.

The capital budget of has increased by R17.4 million or by 63 per cent for the 2015/16 financial year when compared to the 2014/15 Adjustment Budget. A substantial portion of the capital budget will be funded from government grant transfers and insurance payout. The balance will be funded from internally generated funds.

1.4 OPERATING REVENUE FRAMEWORK

For the municipality to achieve its set targets in terms of service delivery it needs to generate sufficient revenue. Financial state of affairs of the municipality need difficult decisions to be made in terms of tariff increases and balancing expenditure against planned realistic revenues. Efficient and effective revenue management is thus critical to ensure financial sustainability.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard;
- Growth in the revenue base;
- Efficient revenue management, aiming to improve annual collection rate for property rates and service charges, after discounting the Free Basic Services (FBS) subsidies;
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Water bulk tariff increases as approved by the Department of Water Affairs (DWA);
- The Property Rates Policy;
- The municipality's Indigent Policy and the rendering of Free Basic Services;
- The level of property rates and tariff increases must ensure financially sustainable service delivery.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 2 (Summary of main revenue sources)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16	2016/17	2017/18
		Audited Outcome	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousand	1										
Revenue By Source											
Property rates	2	12 266	13 014	13 933	14 623	14 623	14 623	14 623	12 781	12 967	13 145
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	14 423	15 622	14 489	10 501	21 232	21 232	21 232	20 089	22 722	25 680
Service charges - water revenue	2	13 168	12 743	20 018	7 806	10 856	10 856	10 856	7 624	7 733	7 835
Service charges - sanitation revenue	2	2 691	3 545	3 519	2 483	3 517	3 517	3 517	2 081	2 110	2 137
Service charges - refuse revenue	2	5 419	6 455	7 207	4 573	6 908	6 908	6 908	4 608	4 674	4 735
Service charges - other		11	11		-	-	-	-			
Rental of facilities and equipment		142	115	128	134	120	120	120	121	123	125
Interest earned - external investments		168	285	549	213	213	213	213	186	189	192
Interest earned - outstanding debtors		1 357	4 649	7 058	1 706	6 977	6 977	6 977	7 111	7 224	7 336
Dividends received											
Fines		1 582	1 907	2 013	2 805	601	601	601	609	619	629
Licences and permits		1 327	1 327	1 989	1 284	1 283	1 283	1 283	1 302	1 323	1 344
Agency services			1 577	1 121	1 343	1 343	1 343	1 343	1 363	1 384	1 462
Transfers recognised - operational		43 932	42 787	50 327	54 456	53 137	53 137	53 137	61 809	66 578	70 740
Other revenue	2	5 051	2 255	406	7 081	5 274	5 274	5 274	22 678	7 090	7 252
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		101 538	106 293	122 749	109 008	126 084	126 084	126 084	142 362	134 736	142 612

Table 3 (Percentage growth in revenue by main revenue source)

Description	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2015/17	%	Budget Year +2 2017/18	%
Property rates	14 623	12%	12 781	9%	12 967	10%	13 145	9%
Property rates - penalties & collection charges		0%		0%		0%		0%
Service charges - electricity revenue	21 232	17%	20 089	14%	22 722	17%	25 680	18%
Service charges - water revenue	10 856	9%	7 624	5%	7 733	6%	7 835	5%
Service charges - sanitation revenue	3 517	3%	2 081	1%	2 110	2%	2 137	1%
Service charges - refuse revenue	6 908	6%	4 608	3%	4 674	3%	4 735	3%
Service charges - other	-	0%		0%		0%		0%
Rental of facilities and equipment	120	0%	121	0%	123	0%	125	0%
Interest earned - external investments	213	0%	186	0%	189	0%	192	0%
Interest earned - outstanding debtors	6 977	6%	7 111	5%	7 224	5%	7 336	5%
Dividends received	-	0%		0%		0%		0%
Fines	601	0%	609	0%	619	0%	629	0%
Licences and permits	1 283	1%	1 302	1%	1 323	1%	1 344	1%
Agency services	1 343	1%	1 363	1%	1 384	1%	1 462	1%
Transfers recognised - operational	53 137	43%	61 809	43%	66 578	49%	70 740	50%
Other revenue	5 274	4%	22 678	16%	7 090	5%	7 252	5%
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)	124 353	100%	142 362	100%	134 736	100%	142 612	100%
Total Revenue from rates and service charges	57 137	46%	47 183	33%	50 205	37%	53 532	38%

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

Revenue generated from rates and services charges forms a substantial percentage of the revenue basket for the Sundays River Valley Municipality. In the 2014/15 financial year, rates and service charges amounted to R57.1 million or 46 per cent of the revenue basket. This decreases to R47.1 million in 2015/16 as a result of taking into account revenue foregone through providing the poorest of the poor with basic services. A steady increase will be noted in the two outer financial years, R50.2 million and R53.5 million, respectively. A notable growth can be seen with regards to electricity services. This growth is mainly attributable to increased electricity revenue, as a result of significant increases in the Eskom bulk electricity tariffs.

Property rates represent the fourth largest revenue source, amounting to 9% or R12.7 million in 2015/16 and increasing to R13.1 million in 2017/18.

Operating grants and transfers are the largest revenue source in the revenue mix. They amount to R53.1 million in the 2014/15 financial year and increases to R70.7 million in 2017/18. The year-on-year growth from the 2014/15 financial year is 16 per cent and flattens out to 7.7 and 6.2 per cent in the two outer years. The following table provides a breakdown of the various operating grants and subsidies allocated to the Municipality over the medium term:

Table 4 (Operating Transfers and Grant Receipts)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		34 087	39 552	44 367	51 285	50 085	50 085	58 840	63 481	67 501
Local Government Equitable Share		31 991	36 314	40 327	46 351	46 351	46 351	52 292	59 228	62 773
EPWP Incentive			998	1 000	2 200	1 000	1 000	1 000		
Municipal Systems Improvement		742	779	890	934	934	934	930	957	1 033
Integrated National Electrification Programme		-		500	-	-	-	1 500		
Finance Management		1 354	1 270	1 650	1 800	1 800	1 800	1 875	2 010	2 345
MIG			191					1 243	1 286	1 350
Provincial Government:		333	271	1 507	1 507	1 507	1 507	1 157	1 157	1 157
Small town revitalization		333	271	350	350	350	350			
Library Funding				1 157	1 157	1 157	1 157	1 157	1 157	1 157
District Municipality:		-	-	1 365	1 464	1 545	1 545	1 662	1 790	1 932
Environmental Health		-		990	1 089	1 170	1 170	1 287	1 415	1 557
Fire				375	375	375	375	375	375	375
Other grant providers:		9 512	2 784	3 069	200	-	-	150	150	150
DWAF		8 126								
Other grant providers:		1 386	2 784	3 069	200	-		150	150	150
Total Operating Transfers and Grants	5	43 932	42 607	50 308	54 456	53 137	53 137	61 809	66 578	70 740

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Sundays River Valley has maintained an increase of 4.8% in line with the CPI but this is not a good measure for the municipality as the gap between cost drivers and tariff levies steadily widens. The shortfall caused by using CPI must therefore be made up by operational gains or service level reductions. Although excessive increases are likely to be counterproductive, resulting in higher levels of non-payment moving forward a review of tariff setting processes needs to be performed.

The percentage increases of both Eskom and Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipalities electricity and in these tariffs are largely outside the control of the municipality.

Property Rates

Property Rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an important process.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the City's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year.

The categorise of rate-able properties for purposes of levying rates and the proposed rates for 2015/16 financial year based on a 1.2 per cent increase from 1 July 2015 is contained below:

Table of Comparison of proposed rates to be levied for the 2015/16 financial year

Catergory	Current Tariff (1 July 2014)	Proposed Tariff (1 July 2015)
land and improvements- srvn-residential	0.01078	0.01091
land and improvements- srvn-business & industrial properties	0.01334	0.01350
land and improvements- state owned properties	0.02183	0.02209
agriculture	0.00270	0.00273
Public Service Infrastructure	0.00270	0.00273
Rates Building Clause	0.01078	0.01091

Water

It should be noted water tariffs are not cost reflective. Tariff does not take into account municipal cost drivers such as cost of maintenance and renewal of purification plants etc. Provision of free water to the poorest of the poor (Indigent) has been protected to ensure people receive basic services.

A tariff increase of 1.2 per cent from 1 July is proposed. Water tariffs are structured according to CPI percentage. In addition 6 kl per 30 day period will again be granted free of charge to all residents.

A summary of the proposed tariffs for household are as follows:

Table of Comparison of proposed water to be levied for the 2015/16 financial year

WATER	Current Tariff (1 July 2014)	Proposed Tariff (1 July 2015)
Metered Water (rising block)		
0 to 6 kl free (free basic service and Indigent subsidy)	6.40	6.47
7 to 15 kl	7.50	7.59
16 to 25 kl	7.98	8.08
25 to 40 kl	8.81	8.92
41 to 55kl	9.51	9.62
56 to 70 kl	9.82	9.94
70 toKL	10.08	10.20

The tariff structure of 2014/15 has not change. It is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R10.20 per kilo litre for consumption in excess of 70kl per 30 day period.

Electricity

NERSA determines the increase in electricity. A 14.42 per cent increase in Eskom bulk electricity to municipalities will be effective from 10 July 2015.

Considering Eskoms increase, the consumer tariff will be increased by 12.20 per cent in an attempt to offset the additional bulk purchase cost from 1 July 2015.

Registered indigents will again be granted 50 kWh per 30 day period free of charge. It should be noted that although the stepped increase in consumer tariff will generate more income, it is impossible for the income generated to fund capital and maintenance projects thereof owing to the high increase in Eskom bulk tariffs.

A summary of the proposed tariffs for household are as follows:

Table of Comparison of proposed electricity to be levied for the 2015/16 financial year

	Current Tariff (1 July 2014)	Proposed Tariff (1 July 2015)
NEW INCLINING BLOCK TARIFFS FOR HOUSEHOLDS		
up to 50 kwh	0.77	0.87
51 - 350 kwh	0.89	1.00
351 - 600 kwh	1.18	1.33
> 600 kwh	1.25	1.40
Basic charge residents per room min 2 max 5	33.47	37.56

Sanitation

A tariff increase of 1.2 per cent for sanitation from 1 July 2015 is proposed. This is based on the CPI assumption as per water. It therefore fails to take into account municipal cost drivers

A summary of the proposed tariffs for household are as follows:

Table of Comparison of proposed sanitation to be levied for the 2015/16 financial year

	Current Tariff (1 July 2014)	Proposed Tariff (1 July 2015)
SANITATION		
Sanitation per month	42.33	42.83
suction services - Aqua/MM park- per load	70.00	70.84
vip-tanker (per load)-PATERSON	135.00	136.62
SEWERAGE		
Households (1st and 2nd toilet included) p.a	684.20	692.41
Households (every additional toilet)	45.42	45.97
Businesses per toilet	179.09	181.24
Business Basic p.a	1163.29	1177.25
Churches per toilet	105.12	106.38
Church Basic	371.16	375.61
Hotels	103.82	105.07
Hotel Basic	532.08	538.46
Schools per toilet	476.27	481.99
Schools basic	369.86	374.30
Hospitals per toilet	615.13	622.51
Hospitals basic	638.49	646.15
Sewerage Blockages Normal Hours	142.75	144.47
Sewerage Blockages After Hours	285.50	288.93
Nightsoil	38.28	38.74

Refuse

This tariff will increase by 1.2 per cent as from 1 July 2015. This too does not take into account cost drivers of the municipality such as repairs and maintenance of vehicles and increase in general expenditures but based on CPI.

A summary of the proposed tariffs for household are as follows:

Table of Comparison of proposed refuse to be levied for the 2015/16 financial year

REFUSE	Current Tariff (1 July 2014)	Proposed Tariff (1 July 2015)
Households per month	73.06	73.93
No collection (pm)	40.31	40.79
Businesses	130.49	132.06
Garden refuse per load	ad hoc	ad hoc
Refuse Bags (20)	24.03	24.32
Fine for illegal dumping of refuse	3210.00	3248.52
Fine for illegal dumping of rubble	6420.00	6497.04

Overall impact of tariff increases

It is widely accepted that rendering of services should at least break even, which is currently not the case as a result of CPI cost drivers vs driver applicable to municipality. Tariffs will increase in average by 4.8 per cent and electricity by 12.20 percent.

1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA;
- A balanced budget approach by limiting operating expenditure to the operating revenue;
- The capital programme is aligned to asset management strategy and repairs and backlog eradication plan;
- Strict adherence to the principle of "no budget allocations without a project implementation plan"; and
- Operational gains and efficiencies will be directed to funding the capital budget and other core services

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table Summary of operating expenditure by standard classification item

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Expenditure By Type											
Employee related costs	2	28 007	31 682	37 677	48 164	45 929	45 929	45 929	47 294	48 094	48 892
Remuneration of councillors		3 800	4 930	5 519	5 231	5 117	5 117	5 117	5 301	5 390	5 480
Debt impairment	3	10 892	15 822	42 097	10 000	10 000	10 000	10 000	18 873	20 082	21 413
Depreciation & asset impairment	2	17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	17 500	17 500
Finance charges		2 404	2 720	328	1 038	1 038	1 038	1 038	1 054	1 071	1 087
Bulk purchases	2	11 834	12 320	14 734	14 178	14 178	14 178	14 178	19 047	21 759	24 857
Other materials	8	2 415	11 843	11 816		2 552	2 552	2 552	7 097	7 210	7 322
Contracted services		469	2 446	1 885	2 684	2 684	2 684	2 684	1 951	1 982	2 013
Transfers and grants		8 102	-	8 043	7 244	10 798	10 798	10 798	-	-	-
Other expenditure	4, 5	15 040	24 142	17 937	39 451	28 668	28 668	28 668	41 101	39 315	40 048
Loss on disposal of PPE											
Total Expenditure		100 352	119 702	159 347	145 490	138 465	138 465	138 465	159 218	162 403	168 612

Employee related costs

The budgeted allocation for employee related costs for the 2015/16 financial year totals R47.2 million, which equals 29 per cent of the total operating expenditure. The three year collective SALGBC agreement has come to an end, salary increases have been factored into this budget at a percentage increase of 5.8 per cent for the 2015/16 financial year. As part of cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards and only critical vacancies have been catered for.

Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act. The most recent proclamation in this regard has been taken into account in compiling the budget.

Debt Impairment

The provision of debt impairment was determined based on the actual debt impairment raised in the previous year of assessment and related policy. For the 2015/16 financial year this amount equates to R18 million based on the assumption of a minimum collection rate of 60 per cent. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation and Asset Impairment

Provision for depreciation and asset impairment has been informed by the Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R17.5 million for the 2015/16 financial and equates to 10 per cent of the total operating expenditure. Note that the assets lost in the fire have not been written off accordingly as yet therefore this has not informed the budget for 2015/16.

Finance Charges

Finance charges consist primarily of the repayment of interest on long-term borrowing. Finance charges amount to 1 million for the 2015/16 financial year. There is no planned borrowing as the municipality has reached its prudential limits, hence the finance charge have not increased beyond the norm.

Bulk Purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom and Water Affairs. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other material

Other materials comprises of repairs and maintenance expenditure. In line with the municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the municipality's infrastructure. For 2015/16 the appropriation against this group of expenditure has grown by 47 per cent (R7 million).

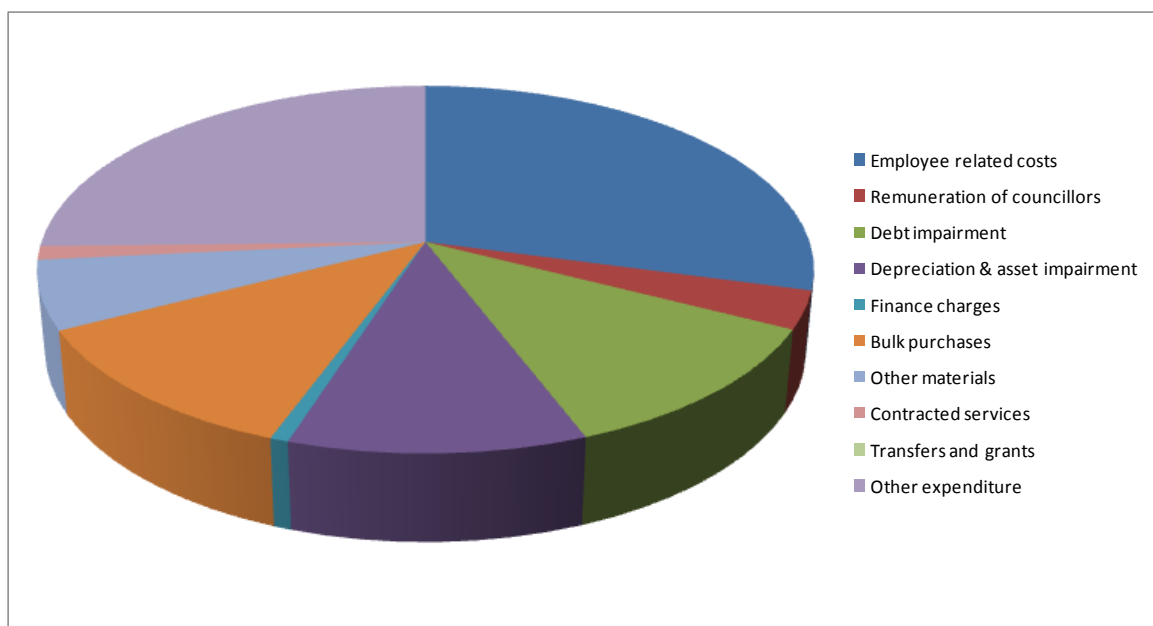
Contracted Services

As part of the compilation of the 2015/16 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2015/16 financial year, this group of expenditure totals R1.9 million and has decreased by R700 thousand, clearly demonstrating the application of cost savings. For the two outer years growth has been limited to 5.9 and 5.6 per cent

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality.

The graph below reflects the expenditure components of the budgeted statement of financial performance



1.5.1 Priority relating to repairs and maintenance

In line with the Municipality's stated intention to preserve and maintain its existing infrastructure, the 2015/16 budget and MTREF provide for reasonable growth in the asset maintenance budget, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

During the compilation of the 2015/16 MTREF operational repairs and maintenance was identified as a strategic priority in view of the aging infrastructure and certain deferred maintenance but limited resources hampered on the allocation of funds to repairs and maintenance thus only allowing for an increase of flat 47% in the 2015/16 financial year, from R2.5 million to R5.3 million. In relation to the total operating expenditure, repairs and maintenance constitutes 3% far below the expected norm of 8 %.

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		3 377	1 559	11 816	2 008	2 008	2 008	3 897	3 822	4 147
Community		786	344		380	380	380	1 411	1 494	1 578
Other assets		781	2 490		938	164	164	1 788	1 893	1 597
Total Repairs and Maintenance Expenditure		4 943	4 393	11 816	3 327	2 552	2 552	7 096	7 209	7 322

For the 2015/16 MTREF 55 per cent of total repairs and maintenance will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totalling 9 per cent (R600 thousands), followed by water infrastructure at 56 per cent (R3.6 million), electricity at 19 per cent (R1.2 million), sanitation at 15 per cent (R1million). Community assets have been allocated R1.4 million of total repairs and maintenance equating to 20 per cent. Other assets have been allocated R1.7 million which equates to 25%.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists indigent households that have limited financial ability to pay for municipal services. Currently only nearly 3 thousand customers are registered as Indigent and this needs to be improved drastically to appropriate levels of about 10 thousand customers. In order to qualify for free services the households are required to register in terms of the Municipality's Assistance to the Poor Policy. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

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

1.6 CAPITAL EXPENDITURE

The Municipal Capital Budget is R45 million with funding as follows:

- National Grants- R23.6 million
- District Grants- R10 thousand
- Internal Funding-R7.3 million
- Insurance Funding- R14 million

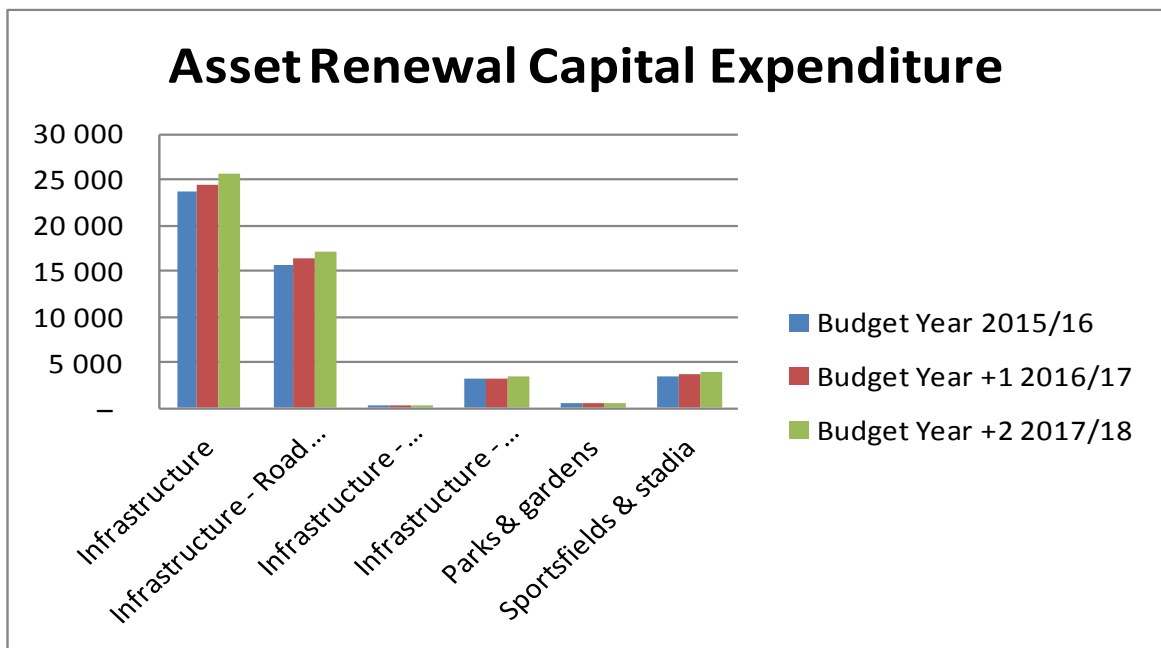
There is not enough funding internally for capital and this must be turned around, as Sundays River Valley Municipality cannot perpetually depend on external grants for capital funding.

If the municipality raises more revenue internally, it will be able to allocate funding to all wards on an equitable basis. The equitable share allocation could therefore be used for capital acquisitions or renewals instead of operational activities.

Total new assets represent 48 per cent or R21.4 million of the total capital budget while asset renewal equates to 52 per cent or R23.6 million. Further detail can be found in , MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class . Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Upgrading of Water Treatment Works-R3 206 000
- Upgrading of Gravel Roads- R15 754 000
- Community Lighting- R412 000
- Rehabilitation of Parks & Playground-R3 604 000
- Rehabilitation of Sport field- R644 000
- Refurbishment and repair of water leaks- R2 694 000
- Office Buildings -R13 000 000
- Installation of Prepaid meter- R600 000
- Plant and machinery -R2 000 000

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



MBRR Table 1- Budget summary

EC106 Sundays River Valley - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	12 266	13 014	13 933	14 623	14 623	14 623	14 623	12 781	12 967	13 145
Service charges	35 712	38 376	45 232	25 362	42 514	42 514	42 514	34 402	37 238	40 387
Investment revenue	168	285	549	213	213	213	213	186	189	192
Transfers recognised - operational	43 932	42 787	50 327	54 456	53 137	53 137	53 137	61 809	66 578	70 740
Other own revenue	9 460	11 830	12 715	14 354	15 598	15 598	15 598	33 184	17 764	18 148
Total Revenue (excluding capital transfers and contributions)	101 538	106 293	122 756	109 008	126 084	126 084	126 084	142 362	134 736	142 612
Employee costs	28 007	31 682	37 667	48 164	45 929	45 929	45 929	47 294	48 094	48 892
Remuneration of councillors	3 800	4 930	5 519	5 231	5 117	5 117	5 117	5 301	5 390	5 480
Depreciation & asset impairment	17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	17 500	17 500
Finance charges	2 404	2 720	328	1 038	1 038	1 038	1 038	1 054	1 071	1 087
Materials and bulk purchases	14 250	24 163	26 550	14 178	19 226	19 226	19 226	26 144	28 969	32 180
Transfers and grants	8 102	-	8 043	7 244	10 798	10 798	-	-	-	-
Other expenditure	26 401	42 410	61 919	52 135	42 566	42 566	42 566	61 926	61 380	63 474
Total Expenditure	100 352	119 702	159 336	145 490	142 174	142 174	131 376	159 218	162 403	168 612
Surplus/(Deficit)	1 185	(13 408)	(36 580)	(36 483)	(16 090)	(16 090)	(5 292)	(16 856)	(27 667)	(26 001)
Transfers recognised - capital	17 200	22 965	22 390	25 147	24 147	24 147	24 147	23 620	24 434	25 655
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	18 385	9 556	(14 190)	(11 336)	8 057	8 057	18 855	6 764	(3 233)	(346)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	18 385	9 556	(14 190)	(11 336)	8 057	8 057	18 855	6 764	(3 233)	(346)
Capital expenditure & funds sources										
Capital expenditure	52 572	16 485	21 616	26 975	27 618	27 618	27 618	45 064	24 434	25 655
Transfers recognised - capital	50 926	16 277	17 770	25 685	24 685	24 685	24 685	23 620	24 434	25 655
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 646	207	3 846	1 290	2 933	2 933	2 933	21 444	-	-
Total sources of capital funds	52 572	16 485	21 616	26 975	27 618	27 618	27 618	45 064	24 434	25 655
Financial position										
Total current assets	21 255	45 100	17 809	50 694	36 314	36 314	-	49 929	50 744	53 577
Total non current assets	363 488	383 936	395 711	413 390	413 486	413 486	-	370 543	394 147	419 802
Total current liabilities	37 474	44 282	38 274	62 017	46 465	46 465	-	23 647	24 917	25 913
Total non current liabilities	11 795	11 776	17 288	11 296	31 743	31 743	-	18 429	17 979	17 613
Community wealth/Equity	335 475	372 979	357 957	390 771	371 592	371 592	-	378 396	401 996	429 854
Cash flows										
Net cash from (used) operating	54 241	26 571	18 571	(9 728)	526	526	526	24 417	17 607	20 461
Net cash from (used) investing	(52 258)	(26 335)	(15 112)	(25 522)	(27 610)	(27 610)	(27 610)	(45 064)	(24 434)	(25 655)
Net cash from (used) financing	180	764	(2 750)	-	(1 283)	(1 283)	(1 283)	-	-	-
Cash/cash equivalents at the year end	2 537	3 538	6 999	(73 722)	(35 366)	(35 366)	(35 366)	(13 312)	(20 138)	(25 332)
Cash backing/surplus reconciliation										
Cash and investments available	2 223	7 316	6 999	2 080	2 080	2 080	-	2 000	-	-
Application of cash and investments	(22 873)	(40 135)	23 930	(68 412)	(37 260)	(37 260)	-	(5 739)	(6 601)	(6 642)
Balance - surplus (shortfall)	25 096	47 451	(16 930)	70 492	39 340	39 340	-	7 739	6 601	6 642
Asset management										
Asset register summary (WDV)	#REF!	293 195	409 521	351 645	353 745	355 401	370 543	370 543	394 147	419 802
Depreciation & asset impairment	17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	17 500	17 500
Renewal of Existing Assets	50 926	16 277	17 770	23 233	23 207	23 207	23 207	23 620	24 434	25 655
Repairs and Maintenance	2 045	11 843	11 816	3 327	2 552	2 552	7 097	7 097	7 210	7 322
Free services										
Cost of Free Basic Services provided	5 826	7 651	7 651	7 651	7 651	7 651	8 941	8 941	9 083	9 224
Revenue cost of free services provided	19 234	22 040	22 040	23 371	23 371	23 371	23 726	23 726	24 157	24 588
Households below minimum service level										
Water:	1	0	0	0	0	0	0	0	0	0
Sanitation/sewerage:	3	0	0	0	0	0	0	0	0	0
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	6	6	6	6	6	6	5	5	5	5

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Sunday River Valley budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial

position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality promises to make progress in addressing service delivery backlogs.

MBRR Table 2- Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard	1									
Governance and administration		49 132	47 948	29 496	30 800	37 801	37 801	43 854	29 231	30 391
Executive and council		21 289	2 113	2 511	8 148	8 148	8 148	7 094	7 736	8 172
Budget and treasury office		27 673	45 055	26 726	22 365	29 577	29 577	36 534	21 267	21 990
Corporate services		170	780	259	287	76	76	227	228	229
Community and public safety		2 968	7 166	12 932	13 662	9 381	9 381	12 780	13 703	14 385
Community and social services		75	2 484	4 384	9 394	4 186	4 186	8 193	8 982	9 467
Sport and recreation		5	2 594	6 160	-	3 500	3 500	3 604	3 728	3 914
Public safety		2 888	2 087	2 388	3 178	975	975	984	994	1 003
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	1 090	719	719	-	-	-
Economic and environmental services		1 745	15 915	13 951	15 415	21 677	21 677	21 973	21 731	22 849
Planning and development		133	2 724	2 464	3 785	2 580	2 580	2 266	1 309	1 374
Road transport		14	12 466	10 253	11 630	17 926	17 926	18 419	19 004	19 917
Environmental protection		1 598	725	1 235	-	1 171	1 171	1 288	1 417	1 558
Trading services		64 892	58 229	88 767	74 277	81 372	81 372	87 374	94 505	100 642
Electricity		17 444	15 622	21 497	24 012	28 999	28 999	31 942	34 283	37 851
Water		21 773	18 097	32 192	17 685	21 910	21 910	23 351	25 271	26 272
Waste water management		20 023	13 697	20 878	20 259	15 838	15 838	16 734	18 314	19 212
Waste management		5 653	10 814	14 201	12 321	14 625	14 625	15 346	16 637	17 307
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	118 738	129 258	145 146	134 155	150 231	150 231	165 982	159 170	168 266
Expenditure - Standard										
Governance and administration		53 744	102 201	108 958	74 387	72 624	72 624	90 474	92 502	94 772
Executive and council		6 600	6 537	17 843	16 578	11 459	11 459	11 688	11 883	12 077
Budget and treasury office		44 299	94 472	86 664	45 602	50 819	50 819	66 726	68 363	70 243
Corporate services		2 845	1 192	4 450	12 207	10 346	10 346	12 060	12 256	12 452
Community and public safety		8 996	2 273	10 426	16 132	14 691	14 691	16 403	16 676	16 949
Community and social services		2 534	1 548	3 205	2 827	6 481	6 481	7 786	7 915	8 044
Sport and recreation		893	-	1 021	3 500	145	145	147	150	152
Public safety		5 440	725	5 767	9 805	7 464	7 464	7 859	7 991	8 123
Housing		129	-	433	-	601	601	610	620	630
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		7 793	990	7 820	18 233	14 091	14 091	15 151	13 026	13 297
Planning and development		4 877	175	4 897	7 856	9 765	9 765	10 151	7 943	8 131
Road transport		1 881	815	2 241	9 296	3 633	3 633	3 995	4 061	4 127
Environmental protection		1 035	-	682	1 080	694	694	1 005	1 022	1 038
Trading services		29 820	14 238	32 132	36 739	40 768	40 768	37 190	40 199	43 594
Electricity		12 997	11 817	15 053	15 678	15 787	15 787	16 901	19 133	21 680
Water		7 825	1 183	8 100	10 337	10 447	10 447	8 143	8 722	9 372
Waste water management		3 537	135	4 297	5 779	8 615	8 615	9 240	9 390	9 540
Waste management		5 461	1 104	4 683	4 945	5 919	5 919	2 905	2 954	3 002
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	100 352	119 702	159 336	145 490	142 174	142 174	159 218	162 403	168 612
Surplus/(Deficit) for the year		18 385	9 556	(14 190)	(11 336)	8 057	8 057	6 764	(3 233)	(346)

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

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 6 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

MBRR Table 3- Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - Executive Council		21 289	1 993	2 511	8 148	8 148	8 148	2 890	3 022	3 157
Vote 2 - Municipal Manager		-	391	-	-	-	-	4 204	4 714	5 015
Vote 3 - Budget & Treasury		27 673	45 055	26 726	15 135	29 577	29 577	36 586	21 320	22 044
Vote 4 - Corporate Service		170	780	259	287	76	76	227	228	229
Vote 5 - Community Services		10 233	20 282	28 368	28 437	26 372	26 372	32 051	34 435	36 026
Vote 6 - Technical Services		59 373	60 757	87 282	82 148	86 058	86 058	90 025	95 451	101 796
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	118 738	129 258	145 146	134 155	150 231	150 231	165 982	159 170	168 266
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Council		4 802	5 067	5 763	6 636	6 564	6 564	6 858	6 973	7 087
Vote 2 - Municipal Manager		1 798	1 470	12 080	9 943	6 787	6 787	7 040	6 800	6 911
Vote 3 - Budget & Treasury		43 925	94 465	86 664	45 602	50 818	50 818	67 037	68 679	70 565
Vote 4 - Corporate Service		2 845	1 192	4 450	12 207	10 346	10 346	12 060	12 256	12 452
Vote 5 - Community Services		16 562	3 376	15 358	21 529	25 291	25 291	21 743	22 105	22 466
Vote 6 - Technical Services		30 421	14 131	35 020	49 574	42 367	42 367	44 480	45 589	49 130
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	100 352	119 702	159 336	145 490	142 174	142 174	159 218	162 403	168 612
Surplus/(Deficit) for the year	2	18 385	9 556	(14 190)	(11 336)	8 057	8 057	6 764	(3 233)	(346)

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure.

MBRR Table 4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	12 266	13 014	13 933	14 623	14 623	14 623	14 623	12 781	12 967	13 145
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	14 423	15 622	14 489	10 501	21 232	21 232	21 232	20 089	22 722	25 680
Service charges - water revenue	2	13 168	12 743	20 018	7 806	10 856	10 856	10 856	7 624	7 733	7 835
Service charges - sanitation revenue	2	2 691	3 545	3 519	2 483	3 517	3 517	3 517	2 081	2 110	2 137
Service charges - refuse revenue	2	5 419	6 455	7 207	4 573	6 908	6 908	6 908	4 608	4 674	4 735
Service charges - other		11	11								
Rental of facilities and equipment		142	115	128	134	120	120	120	121	123	125
Interest earned - external investments		168	285	549	213	213	213	213	186	189	192
Interest earned - outstanding debtors		1 357	4 649	7 058	1 706	6 977	6 977	6 977	7 111	7 224	7 336
Dividends received											
Fines		1 582	1 907	2 013	2 805	601	601	601	609	619	629
Licences and permits		1 327	1 327	1 989	1 284	1 283	1 283	1 283	1 302	1 323	1 344
Agency services			1 577	1 121	1 343	1 343	1 343	1 343	1 363	1 384	1 462
Transfers recognised - operational		43 932	42 787	50 327	54 456	53 137	53 137	53 137	61 809	66 578	70 740
Other revenue	2	5 051	2 255	406	7 081	5 274	5 274	5 274	22 678	7 090	7 252
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		101 538	106 293	122 756	109 008	126 084	126 084	126 084	142 362	134 736	142 612
Expenditure By Type											
Employee related costs	2	28 007	31 682	37 667	48 164	45 929	45 929	45 929	47 294	48 094	48 892
Remuneration of councillors		3 800	4 930	5 519	5 231	5 117	5 117	5 117	5 301	5 390	5 480
Debt impairment	3	10 892	15 822	42 097	10 000	10 000	10 000	10 000	18 873	20 082	21 413
Depreciation & asset impairment	2	17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	17 500	17 500
Finance charges		2 404	2 720	328	1 038	1 038	1 038	1 038	1 054	1 071	1 087
Bulk purchases	2	11 834	12 320	14 734	14 178	16 673	16 673	16 673	19 047	21 759	24 857
Other materials	8	2 415	11 843	11 815		2 552	2 552	2 552	7 097	7 210	7 322
Contracted services		469	2 446	1 885	2 684	1 984	1 984	1 984	1 951	1 982	2 013
Transfers and grants		8 102		8 043	7 244	10 798	10 798				
Other expenditure	4, 5	15 040	24 142	17 937	39 451	30 582	30 582	30 582	41 101	39 315	40 048
Loss on disposal of PPE											
Total Expenditure		100 352	119 702	159 336	145 490	142 174	142 174	131 376	159 218	162 403	168 612
Surplus/(Deficit)		1 185	(13 408)	(36 580)	(36 483)	(16 090)	(16 090)	(5 292)	(16 856)	(27 667)	(26 001)
Transfers recognised - capital		17 200	22 965	22 390	25 147	24 147	24 147	24 147	23 620	24 434	25 655
Contributions recognised - capital	6										
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		18 385	9 556	(14 190)	(11 336)	8 057	8 057	18 855	6 764	(3 233)	(346)
Surplus/(Deficit) after taxation		18 385	9 556	(14 190)	(11 336)	8 057	8 057	18 855	6 764	(3 233)	(346)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		18 385	9 556	(14 190)	(11 336)	8 057	8 057	18 855	6 764	(3 233)	(346)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		18 385	9 556	(14 190)	(11 336)	8 057	8 057	18 855	6 764	(3 233)	(346)

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

- Total revenue is R126 million in 2014/15 and escalates to R142.6 million by 2017/18. This growth will decline in 2016/17 due to no insurance claims being foreseen and increase again in 2017/18 due to increase in transfers and grants received.
- Revenue to be generated from property rates is R13 million in the 2013/14 financial year and increases to R14 billion by 2014/15 therefore remains a significant funding source for the municipality. In the 2015/16 financial year, property rates decrease to R12 million as a result of accounting for revenue foregone. It remains relatively constant over the medium-term and tariff increases have been factored in at 5.9 per cent and 5.6 per cent for each of the respective financial years of the MTREF.
- Services charges relating to electricity, water, sanitation and refuse removal constitutes the second component of the revenue basket of the municipality totalling R42.5 million for the 2013/14 financial year and decreasing to R34.4 million by 2015/16. For the 2015/16 financial year services charges amount to 33 per cent of the total revenue base and increases by 4 per cent and 1 per cent per annum over the medium-term. This decline can mainly be attributed to the rapid growth in the transfers and grants recognised.
- Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing gradually over the

MTREF

MBRR Table 5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Service		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Council		316	-	-	-	-	-	-	100	-	-
Vote 2 - Municipal Manager		-	-	-	320	320	320	320	13 382	-	-
Vote 3 - Budget & Treasury		442	60	3 162	1 450	2 090	2 090	2 090	1 588	-	-
Vote 4 - Corporate Service		80	147	684	670	670	670	670	1 930	-	-
Vote 5 - Community Services		808	-	-	5 707	4 707	4 707	4 707	5 267	4 394	4 613
Vote 6 - Technical Services		50 926	16 277	17 770	18 828	19 831	19 831	19 831	22 796	20 040	21 042
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		52 572	16 485	21 616	26 975	27 618	27 618	27 618	45 064	24 434	25 655
Total Capital Expenditure - Vote		52 572	16 485	21 616	26 975	27 618	27 618	27 618	45 064	24 434	25 655
Capital Expenditure - Standard											
Governance and administration		838	207	3 846	2 440	3 080	3 080	3 080	17 000	-	-
Executive and council		316	-	-	320	320	320	320	13 482	-	-
Budget and treasury office		442	60	3 162	1 450	2 090	2 090	2 090	1 588	-	-
Corporate services		80	147	684	670	670	670	670	1 930	-	-
Community and public safety		808	-	-	5 082	4 598	4 598	4 598	5 267	4 394	4 613
Community and social services		4	-	-	1 432	432	432	432	1 254	666	699
Sport and recreation		-	-	-	3 500	3 500	3 500	3 500	3 604	3 728	3 914
Public safety		805	-	-	150	150	150	150	410	-	-
Housing		-	-	-	-	516	516	516	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	9 277	-	14 000	15 800	15 800	15 800	15 754	16 297	17 111
Planning and development		-	-	-	500	500	500	500	-	-	-
Road transport		-	9 277	-	14 000	15 300	15 300	15 300	15 754	16 297	17 111
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		50 926	7 000	17 770	4 828	3 515	3 515	3 515	3 619	3 744	3 931
Electricity		-	-	-	1 760	400	400	400	412	426	447
Water		11 067	-	17 770	1 000	-	-	-	-	-	-
Waste water management		39 859	7 000	-	2 068	3 115	3 115	3 115	3 207	3 317	3 483
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	625	625	625	625	3 424	-	-
Total Capital Expenditure - Standard	3	52 572	16 485	21 616	26 975	27 618	27 618	27 618	45 064	24 434	25 655
Funded by:											
National Government		50 926	16 277	17 770	24 653	24 653	24 653	24 653	23 620	24 434	25 655
Provincial Government		-	-	-	1 000	-	-	-	-	-	-
District Municipality		-	-	-	32	32	32	32	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	50 926	16 277	17 770	25 685	24 685	24 685	24 685	23 620	24 434	25 655
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 646	207	3 846	1 290	2 933	2 933	2 933	21 444	-	-
Total Capital Funding	7	52 572	16 485	21 616	26 975	27 618	27 618	27 618	45 064	24 434	25 655

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
3. Single-year capital expenditure has been appropriated at R45 million for the 2015/16 financial year and declines slightly over the MTREF to levels of R24.4 million and R25.6 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers, insurance replacement and internally generated funds from current year surpluses.

MBRR Table 6 – Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Current assets											
Cash		1 647	1 120	(128)					2 000		
Call investment deposits	1	576	6 196	7 127	2 080	2 080	2 080	–	–	–	–
Consumer debtors	1	17 645	24 782	9 956	34 622	34 062	34 062	–	47 768	50 586	53 419
Other debtors		1 226	12 841	696	13 820	–	–	–	–	–	–
Current portion of long-term receivables		3	4		4	4	4	–	3	–	–
Inventory	2	158	158	158	168	168	168	–	158	158	158
Total current assets		21 255	45 100	17 809	50 694	36 314	36 314	–	49 929	50 744	53 577
Non current assets											
Long-term receivables					52	52	52	–	–	–	–
Investments								–	–	–	–
Investment property		42 174	42 174	28 364	42 174	42 174	42 174	–	42 498	42 498	42 498
Investment in Associate								–	–	–	–
Property, plant and equipment	3	320 063	340 730	366 677	369 430	369 082	369 082	–	327 216	351 650	377 304
Agricultural								–	–	–	–
Biological								–	–	–	–
Intangible		1 198	983	671	1 733	2 177	2 177	–	830	–	–
Other non-current assets		52	49					–	–	–	–
Total non current assets		363 488	383 936	395 711	413 390	413 486	413 486	–	370 543	394 147	419 802
TOTAL ASSETS		384 743	429 036	413 520	464 083	449 799	449 799	–	420 473	444 892	473 379
LIABILITIES											
Current liabilities											
Bank overdraft	1							–	–	–	–
Borrowing	4	4 013	3 571	3 919	2 500	2 500	2 500	–	451	366	–
Consumer deposits		257	262	270	262	262	262	–	275	277	279
Trade and other payables	4	18 276	24 626	34 086	41 024	25 472	25 472	–	22 922	24 274	25 634
Provisions		14 928	15 823		18 231	18 231	18 231	–	–	–	–
Total current liabilities		37 474	44 282	38 274	62 017	46 465	46 465	–	23 647	24 917	25 913
Non current liabilities											
Borrowing		7 977	7 656	404	6 426	26 873	26 873	–	2 606	2 155	1 790
Provisions		3 818	4 120	16 884	4 870	4 870	4 870	–	15 823	15 823	15 823
Total non current liabilities		11 795	11 776	17 288	11 296	31 743	31 743	–	18 429	17 979	17 613
TOTAL LIABILITIES		49 268	56 057	55 562	73 313	78 208	78 208	–	42 077	42 895	43 526
NET ASSETS	5	335 475	372 979	357 957	390 771	371 592	371 592	–	378 396	401 996	429 854
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		335 475	372 979	357 957	390 025	370 846	370 846	–	378 396	401 996	429 854
Reserves	4	–	–	–	745	745	745	–	–	–	–
Minorities' interests								–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	335 475	372 979	357 957	390 771	371 592	371 592	–	378 396	401 996	429 854

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that

ownership and the net assets of the municipality belong to the community.

MBRR Table 7 – Budgeted Cash Flow Statement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		61 724	35 909		39 986	48 607	48 607	48 607	14 213	15 052	15 895
Service charges		63 528	69 732	22 930	54 456	53 317	53 317	53 317	13 377	14 166	14 960
Other revenue				17 666	24 147	24 147	24 147	24 147	20 630	12 267	12 455
Government - operating	1	1 525	288	75 178	213	213	213	213	61 809	66 578	72 457
Government - capital	1								23 620	24 434	25 655
Interest									3 757	3 979	4 201
Dividends									-	-	-
Payments											
Suppliers and employees		(62 030)	(76 638)	(96 876)	(120 248)	(113 922)	(113 922)	(113 922)	(110 747)	(116 494)	(122 654)
Finance charges		(2 404)	(2 720)	(328)	(1 038)	(1 038)	(1 038)	(1 038)	(478)	(506)	(535)
Transfers and Grants	1	(8 102)	-		(7 244)	(10 798)	(10 798)	(10 798)	(1 764)	(1 868)	(1 973)
NET CASH FROM/(USED) OPERATING ACTIVITIES		54 241	26 571	18 571	(9 728)	526	526	526	24 417	17 607	20 461
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				37					-	-	-
Decrease (Increase) in non-current debtors					3	3	3	3	-	-	-
Decrease (increase) other non-current receivables			3						-	-	-
Decrease (increase) in non-current investments		314	(5 619)						-	-	-
Payments											
Capital assets		(52 572)	(20 719)	(15 150)	(25 525)	(27 613)	(27 613)	(27 613)	(45 064)	(24 434)	(25 655)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(52 258)	(26 335)	(15 112)	(25 522)	(27 610)	(27 610)	(27 610)	(45 064)	(24 434)	(25 655)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		180		(2 334)					-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing			764	(416)		(1 283)	(1 283)	(1 283)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		180	764	(2 750)	-	(1 283)	(1 283)	(1 283)	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		2 163	1 000	708	(35 250)	(28 367)	(28 367)	(28 367)	(20 647)	(6 827)	(5 194)
Cash/cash equivalents at the year begin:	2	374	2 537	6 291	(38 472)	(6 999)	(6 999)	(6 999)	7 335	(13 312)	(20 138)
Cash/cash equivalents at the year end:	2	2 537	3 538	6 999	(73 722)	(35 366)	(35 366)	(35 366)	(13 312)	(20 138)	(25 332)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Sundays River fell significantly over the 2011/12 to 2013/14 period owing directly to a net increase in cash over the prior years.
4. The approved 2014/15 MTREF provide for a further net decrease in cash of R28.3 million for the 2014/15 financial year resulting in an overall projected negative cash position of R35.3 at year end. This unsustainable cash position had been exacerbated as a result of excessive expenditure allocations due to recent protest action consequences and non-containment of spending priorities.
5. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term, the cash flow statement reveals that our budget is unfunded due to cash flow challenges experienced in the past years i.e. repayment of loans not budgeted for and poor planning and high level expenditures.
6. Cash and cash equivalents totals a net decrease of R13.3 million as at the end of the 2015/16 financial year.

MBRR Table 8 – Cash Backed Reserves/ Accumulated Surplus Reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	2 537	3 538	6 999	(73 722)	(35 366)	(35 366)	(35 366)	(13 312)	(20 138)	(25 332)
Other current investments > 90 days		(314)	3 778	(0)	75 801	37 446	37 446	35 366	15 312	20 138	25 332
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		2 223	7 316	6 999	2 080	2 080	2 080	-	2 000	-	-
Application of cash and investments											
Unspent conditional transfers		-	-	3 073	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(22 873)	(40 135)	20 856	(68 412)	(37 260)	(37 260)	-	(5 739)	(6 601)	(6 642)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(22 873)	(40 135)	23 930	(68 412)	(37 260)	(37 260)	-	(5 739)	(6 601)	(6 642)
Surplus(shortfall)		25 096	47 451	(16 930)	70 492	39 340	39 340	-	7 739	6 601	6 642

Explanatory notes to Table A8 – Cash backed Reserves Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42– Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for audited outcomes, the period 2011/12 to 2013/14 a surplus of R26 million was noted 2011/12 and by 2013/14 deficit of R19 million was noted.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2015/16 MTREF is funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

MBRR Table 9 – Asset Management

EC106 Sundays River Valley - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	1 646	207	3 848	3 742	4 398	4 398	21 444	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	1 000	-	-	410	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	516	516	324	-	-
Other assets	6	1 621	156	3 848	1 992	3 132	3 132	19 880	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		25	52	-	750	750	750	830	-	-
Total Renewal of Existing Assets	2	50 926	16 277	17 770	23 233	23 207	23 207	23 620	24 434	25 655
Infrastructure - Road transport		-	9 277	5 289	14 000	15 300	15 300	15 754	16 297	17 111
Infrastructure - Electricity		-	-	-	1 760	400	400	412	426	447
Infrastructure - Water		11 067	-	6 450	1 000	-	-	-	-	-
Infrastructure - Sanitation		39 859	7 000	6 031	2 068	3 102	3 102	3 207	3 317	3 483
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		50 926	16 277	17 770	18 828	18 802	18 802	19 373	20 040	21 042
Community		-	-	-	4 125	4 125	4 125	4 247	4 394	4 613
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	516	516	324	-	-
Other assets	6	-	-	-	280	280	280	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	9 277	5 289	14 000	15 300	15 300	15 754	16 297	17 111
Infrastructure - Road transport		-	-	-	1 760	400	400	412	426	447
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		11 067	-	6 450	1 000	-	-	-	-	-
Infrastructure - Sanitation		39 859	7 000	6 031	2 068	3 102	3 102	3 207	3 317	3 483
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		50 926	16 277	17 770	18 828	18 802	18 802	19 373	20 040	21 042
Community		-	-	-	5 125	4 125	4 125	4 657	4 394	4 613
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	516	516	324	-	-
Other assets	6	1 621	156	3 848	2 272	3 412	3 412	19 880	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		25	52	-	750	750	750	830	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	52 572	16 485	21 618	26 975	27 605	27 605	45 064	24 434	25 655
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		69 123	250 037	207 434	82 262	82 262	82 262	98 016	114 313	131 424
Infrastructure - Electricity		14 420	-	-	16 200	16 200	16 200	16 612	17 038	17 485
Infrastructure - Water		96 561	-	-	89 463	89 463	89 463	76 729	76 729	76 729
Infrastructure - Sanitation		99 811	-	-	94 359	94 359	94 359	97 565	100 883	104 366
Infrastructure - Other		91 127	-	-	-	-	-	-	-	-
Infrastructure		371 043	250 037	207 434	282 284	282 284	282 284	288 922	308 963	330 004
Community		807	-	20 276	25 401	25 401	25 401	25 059	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		#REF!	42 174	42 174	42 174	42 174	42 174	42 498	42 498	42 498
Other assets		11 721	-	138 966	52	1 708	3 364	13 234	42 687	47 300
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		1 198	983	671	1 733	2 177	2 177	830	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	#REF!	293 195	409 521	351 645	353 745	355 401	370 543	394 147	419 802
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	17 500
Repairs and Maintenance by Asset Class	3	2 045	11 843	11 816	3 327	2 552	2 552	7 097	7 210	7 322
Infrastructure - Road transport		234	2 994	-	725	725	725	601	611	621
Infrastructure - Electricity		248	2 290	-	371	371	371	1 250	1 270	1 290
Infrastructure - Water		365	1 665	-	506	506	506	1 000	1 016	1 032
Infrastructure - Sanitation		541	1 568	-	249	249	249	1 000	1 016	1 032
Infrastructure - Other		63	1 535	11 816	158	158	158	47	48	48
Infrastructure		1 452	10 052	11 816	2 008	2 008	2 008	3 898	3 960	4 022
Community		402	750	-	380	380	380	1 411	1 433	1 456
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	190	1 041	-	938	164	164	1 788	1 816	1 844
TOTAL EXPENDITURE OTHER ITEMS		19 433	25 640	31 126	20 827	20 052	20 052	24 597	24 710	24 822

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. Sundays River Valley meets only one of these recommendations and falls short of the Repairs and maintenance by a huge margin of 5.8%.

MBRR Table 10 – Basic Service Delivery Measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		7 152	8 446	8 446	8 446	8 446	8 446	8 446	8 446	8 446
Piped water inside yard (but not in dwelling)		1 987	987	987	987	987	987	987	987	987
Using public tap (at least min.service level)	2	1 143	3 083	3 083	3 083	3 083	3 083	2 160	2 160	2 160
Other water supply (at least min.service level)	4	153	70	70	70	70	70	477	477	477
<i>Minimum Service Level and Above sub-total</i>		10 435	12 586	12 586	12 586	12 586	12 586	12 070	12 070	12 070
Using public tap (< min.service level)	3	1 270	70	70	70	70	70			
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		1 270	70	70	70	70	70	-	-	-
Total number of households	5	11 705	12 656	12 656	12 656	12 656	12 656	12 070	12 070	12 070
Sanitation/sewage:										
Flush toilet (connected to sewerage)		7 730	10 873	10 873	10 873	10 873	10 873	7 780	7 780	7 780
Flush toilet (with septic tank)		23	25	25	25	25	25	751	751	751
Chemical toilet		-	-	-	-	-	-	85	85	85
Pit toilet (ventilated)		855	219	219	219	219	219	527	527	527
Other toilet provisions (> min.service level)								2 578	2 578	2 578
<i>Minimum Service Level and Above sub-total</i>		8 608	11 117	11 117	11 117	11 117	11 117	11 721	11 721	11 721
Bucket toilet		254	250	250	250	250	250	1 060	1 060	1 060
Other toilet provisions (< min.service level)		2 704	166	166	166	166	166	839	839	839
No toilet provisions								958	958	958
<i>Below Minimum Service Level sub-total</i>		2 958	416	416	416	416	416	2 857	2 857	2 857
Total number of households	5	11 566	11 533	11 533	11 533	11 533	11 533	14 578	14 578	14 578
Energy:										
Electricity (at least min.service level)		5 046	5 046	5 046	5 046	5 046	5 046	9 589	9 589	9 589
Electricity - prepaid (min.service level)		1 500	1 500	1 500	1 500	1 500	1 500	1 112	1 113	1 114
<i>Minimum Service Level and Above sub-total</i>		6 546	6 546	6 546	6 546	6 546	6 546	10 701	10 702	10 703
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)								3 877	3 877	3 877
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	3 877	3 877	3 877
Total number of households	5	6 546	6 546	6 546	6 546	6 546	6 546	14 578	14 579	14 580
Refuse:										
Removed at least once a week		3 585	3 585	3 585	3 585	3 585	3 585	9 031	9 031	9 031
<i>Minimum Service Level and Above sub-total</i>		3 585	3 585	3 585	3 585	3 585	3 585	9 031	9 031	9 031
Removed less frequently than once a week		468	468	468	468	468	468	435	435	435
Using communal refuse dump		4 236	4 236	4 236	4 236	4 236	4 236	454	454	454
Using own refuse dump		126	126	126	126	126	126	3 653	3 653	3 653
Other rubbish disposal		1 614	1 614	1 614	1 614	1 614	1 614	340	340	340
No rubbish disposal								837	837	837
<i>Below Minimum Service Level sub-total</i>		6 444	6 444	6 444	6 444	6 444	6 444	5 719	5 719	5 719
Total number of households	5	10 029	10 029	10 029	10 029	10 029	10 029	14 750	14 750	14 750
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		11 554	11 554	11 554	11 554	11 554	11 554	11 554	11 554	11 554
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)		3 585	3 585	3 585	3 585	3 585	3 585	3 585	3 585	3 585
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		1 795	2 902	2 902	2 902	2 902	2 902	13 205	13 205	13 205
Sanitation (free sanitation service)		920	1 273	1 273	1 273	1 273	1 273	1 924	1 924	1 924
Electricity/other energy (50kwh per household per mo		1 157	1 404	1 404	1 404	1 404	1 404	2 088	2 088	2 088
Refuse (removed once a week)		1 954	2 071	2 071	2 071	2 071	2 071	2 812	2 812	2 812
Total cost of FBS provided (minimum social packag		5 826	7 651	7 651	7 651	7 651	7 651	20 029	20 029	20 029
Highest level of free service provided										
Property rates (R v alue threshold)		25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		34	34	34	34	34	34	43	43	44
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		16 390	17 865	17 865	18 937	18 937	18 937	2 017	2 049	2 081
Property rates (other exemptions, reductions and rebates)								-	-	-
Water		1 300	1 379	1 379	1 462	1 462	1 462	3 363	3 416	3 469
Sanitation		300	848	848	899	899	899	1 479	1 502	1 525
Electricity/other energy			630	630	677	677	677	1 717	1 745	1 772
Refuse		1 244	1 318	1 318	1 397	1 397	1 397	2 382	2 420	2 458
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	19 234	22 040	22 040	23 371	23 371	23 371	10 958	11 132	11 306

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The attempts to make good progress with the eradication of backlogs:
3. It is anticipated that these Free Basic Services will cost the municipality R10.9 million in 2015/16, increasing to R11.3 million in 2017/18. This is covered by the municipality's equitable share allocation from national government.

PART 2- SUPPORTING DOCUMENTATION

2.1. OVERVIEW OF THE ANNUAL BUDGET PROCESS

This section provides an overview of the Sundays River Valley Municipality's 2015/16 to 2017/18 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of Sundays River Valley Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in Sunday River Valley. Sundays River Valley alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

According to Circular No. 75, the following headline forecasts underpin the national 2015/16 Budget:

Fiscal Year	Actual 2013/14	Estimate 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18
Headline CPI Inflation	5.80%	5.60%	4.80%	5.90%	5.60%

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities, to ensure that all spheres of government support the national macroeconomic policies, unless it can be shown that external factors impact otherwise.

The entire budget process is prescribed by the Municipal Finance Management Act. Section 21(1) (b) of the MFMA requires the mayor to table not later than 10 months before the start of the budget year a time schedule outlining the key deadlines and processes for the preparation, tabling and approval of the Annual Budget, the review of the IDP and budget related policies and any consultation process which would be part of the process.

The budget process in Sundays River Valley followed the requirements of the MFMA. A Table of key deadlines was prepared for tabling in Council by the Mayor prior to the end of August 2014.

The consultation process involves presenting and eliciting comments from the public by Ward and by placing an advert in the local press requesting budget input.

The following stakeholders are identified:

- communities
- senior management
- the work force
- trade unions
- rate payers association

- general public and interested parties
- district municipality
- national and provincial sector departments

Prescribed forms have been developed for both operating and capital inputs.

A presentation is delivered to the communities and responses are recorded. These are considered within the budget realm and capacity. Meetings are arranged by ward and the related Councillor manages the process.

At this stage the budget still needs to be gauged against realistic income and expenditure which translated to budget performance.

Thereafter the eagerly awaited Division of Revenue is received during February and published the grant and subsidy allocation in terms of which budget parameters are set or adjusted. Information from other sources, District Councils and Provincial Authorities are confirmed. Any surplus capacity is consumed.

During this time the IDP process has started with steering committee meetings as well as public consultation to primary confirm and re-affirm priorities as well as to disclose any new development. Critical to this process is capital project funding in terms of MIG. The IDP and Budget, as policy documents are reflected against each for purpose of IDP preparation and budget finalization.

The draft budget is then tabled to Council and then council authorizes that the budget is made public for comment. Once this period closes the comments received are once again considered and adjustments are brought about. The draft budget was tabled to Council on 31 March 2014.

Political oversight of the process

The schedule of key deadlines was submitted to management meeting to monitor the progress of the process by officials against the schedule tabled by the Mayor. The Mayor was regularly informed on the progress. The key deadlines were reviewed during the year and were submitted to council for approval.

Consultations & advertisements

Advertisements will be placed in the local newspapers circulating in the area of jurisdiction and district informing the community of the budget, indicating where they can view a copy and how to lodge comments.

The draft budget tabled to Council was taken to the community for consultation. The community consultation process started on the 15 April 2015 to 05 May 2015, and included ten public briefing sessions. The applicable dates were published accordingly. Individual session was held for all other stakeholder other than residents of the jurisdiction.

A formal process for consultation has been conducted after the draft budget & IDP were

approved by Council.

This was done by the following methods:

- The budget was made public by making them available at SRVM's offices and website
- Notices were published in the area inviting members of the public to submit representations on the budget.
- Community meetings in all wards
- No submissions and or objections were received from community members.

Community hearings were conducted at all areas –

- Bergsig
- Moses Mabida
- Paterson
- Valencia
- Nomathamsanqa
- Kirkwood – Ratepayers Association
- Bersheba

The following is some of the issues raised and comments received during the consultation process:

- Poor state of Roads
- Housing Rectification and development is needed
- Improved water quality and water accessibility
- Cemetery space required and maintenance of existing cemeteries
- Poor performance of contractors and time employed in projects

Financial Modelling and Planning Drivers

As part of the compilation of the 2015/16 MTREF, the following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Policy priorities and strategic objectives
- Economic climate (i.e. inflation, Eskom increases, household debt)
- The approved adjustment budget against SDBIP
- Debtors payment levels
- The need for tariff increases versus the ability of the community to pay for services
- Improved service delivery

In addition to the above, the strategic guidelines given by National Treasury in MFMA Circular 75 have been taken into consideration in planning and prioritisation process.

2.2. ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN **AMENDMENT AND ADJUSTMENT TO THE 2015/16 IDP**

The review process focussed on:

- Improving the strategic nature of the document, thereby ensuring effective use of available data, careful consideration of available resources, as well as exploring locally appropriate solutions to complex development issues.
- Increasing the usefulness of the document during implementation and monitoring.

The process was influenced by:

- Project progress information as provided by Heads of Departments
- An extensive data search to update the analysis chapter.
- Inputs from community based planning initiatives

The alignment of the IDP with the budget is illustrated in schedules SA4, SA5, SA6. The schedules are attached.

These allocations are to link up with the Service Delivery and Budget Implementation plan.

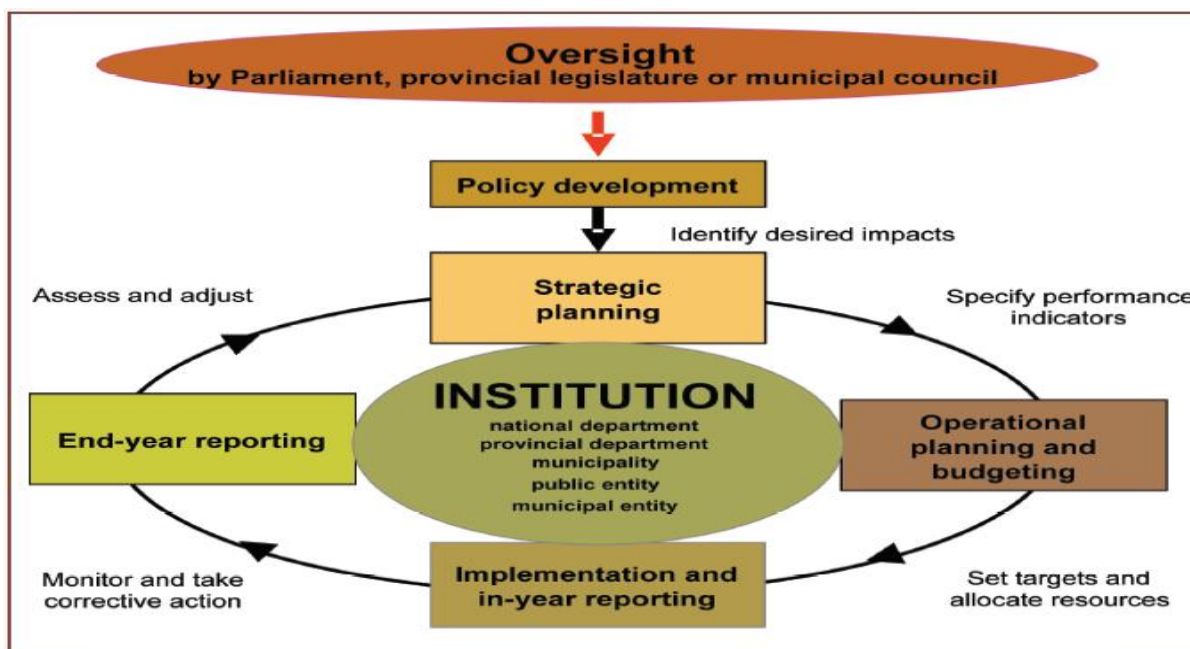
A draft Service Delivery and Budget Implementation Plan has been developed and will be tabled with the budget to Council. The final SDBIP needs to be approved within 28 days after the adoption of the budget. KPA's and KPI's have been developed and strategic alignment between IDP, Budget and SDBIP is ascertained.

2.3 Measurable performance objectives and indicators

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

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

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



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

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

and

- Improvement (making changes where necessary).

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

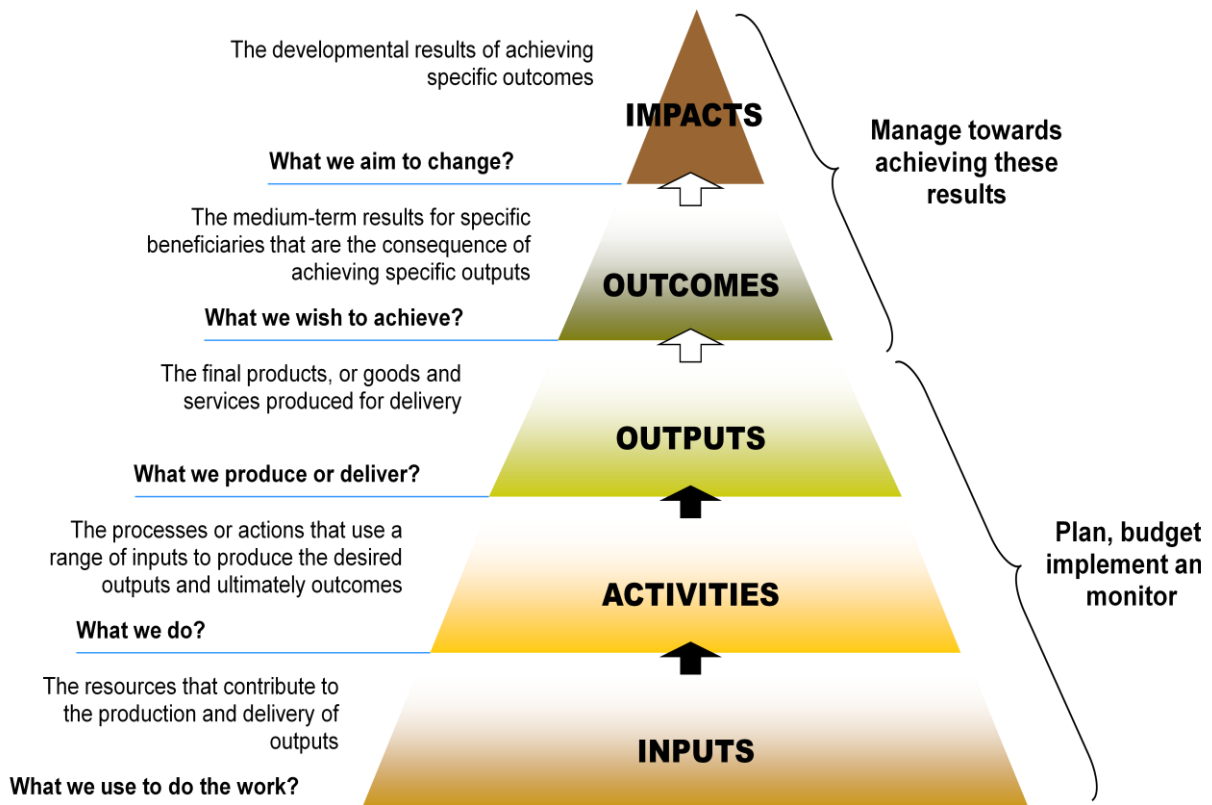


Table - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.4%	1.6%	0.5%	0.7%	1.6%	1.6%	1.8%	0.7%	0.7%	0.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.2%	3.1%	1.0%	1.9%	3.2%	3.2%	3.2%	1.3%	1.6%	1.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	11.0%	0.0%	-60.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	862.0%	3605.0%	3605.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.6	1.0	0.5	0.8	0.8	0.8	-	2.1	2.0	2.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.6	1.0	0.5	0.8	0.8	0.8	-	2.1	2.0	2.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.2	0.2	0.0	0.0	0.0	-	0.1	-	-
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		261.1%	205.6%	38.8%	236.2%	178.4%	178.4%	178.4%	58.5%	58.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		261.1%	205.6%	38.8%	236.2%	178.4%	178.4%	178.4%	58.5%	58.2%	57.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.6%	35.4%	8.7%	44.5%	27.1%	27.1%	0.0%	33.6%	37.5%	37.5%
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))										
Creditors to Cash and Investments		720.3%	642.5%	383.9%	-50.8%	-61.8%	-61.8%	0.0%	-172.2%	-120.5%	-101.2%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (k?) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.6%	29.8%	30.7%	44.2%	36.4%	36.4%	36.4%	33.2%	35.7%	34.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.3%	34.7%	34.5%	49.0%	40.5%	40.5%		36.9%	39.7%	38.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.0%	11.1%	9.6%	3.1%	2.0%	2.0%		5.0%	5.4%	5.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	19.5%	15.5%	16.0%	17.0%	14.7%	14.7%	14.7%	13.0%	13.8%	13.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	(75.4)	152.7	-	42.5	42.5	42.5	19.4	20.2	16.2	17.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	39.2%	73.1%	18.0%	120.8%	59.5%	59.5%	0.0%	101.0%	100.5%	99.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.4	0.5	0.7	(8.5)	(4.1)	(4.1)	(4.6)	(1.4)	(2.1)	(2.5)

Performance indicators and benchmarks

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Sundays River Valley's borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. It needs to be noted that the increased capital grants and transfers contributes to a decrease in the ratio and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. This decrease can be attributed to the non- rising of loans to fund portions of the capital programme. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored moving forward.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality will not be funding its capital expenditure through loans but rather through grants and internal resources.

Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 2.1.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. Sundays River cannot meet its obligation to its creditors and this needs to be considered a pertinent risk for the municipality as continued under collection of revenue will translate into serious financial challenges for the municipality.

Revenue Management

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

Creditors Management

- Sundays River Valley is unable to ensure timorous payment or settlement of creditors invoice within the legislated timeframe. This has had an unfavourable impact on suppliers' perceptions of doing business with the municipality, which in turn hampers on the

competitive pricing of tenders and rotation of suppliers amongst other issues.

Free Basic Services: Basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2015/16 financial year registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, sanitation and free waste removal equivalent to once a week, as well as a discount on their property rates.

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

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

Providing clean water and managing waste water

Sundays River Valley Municipality is committed to providing quality services, in a cost effective and efficient manner. As such SRVM has embraced the Water Safety Planning Process as a way of effectively managing the water supply systems within the municipality. Hence the development of the first Water Safety Plan for SRVM and covers the Kirkwood, Enon, Addo, Paterson, Glenconnor and Kleinpoort supply systems.

Sundays River Valley Municipality was designated as the water service authority for its area of jurisdiction on [1 July 2003](#) in terms of Chapter 3 of the Water Services Act, Act No. 108 of 1997.

The various plants were first assessed as part of the Blue Drop Assessment. The results released in the National Blue Drop Report by the DWA, SRVM had an overall Blue Drop Score of 43%. The Green Drop Score is at 60%. The Water safety plan is in place and approved by Council.

Incident management plan is in place and report by environmental officer for records purposes and tested by Talbot which is the independent person in the value chain. These results are loaded on the DWAS website.

This combination of demand exceeding system capacity, water losses, insufficient raw water storage provided by the Lower Sundays River Valley Water User's Association (LSRWUA). The Major Challenge for the upper Valley is the required augmentation of the Kirkwood Plant, through the RBIG, which is implemented by Amatola Water.

An annual maintenance contract for pumps must be entered into to attend to the water and sanitation challenges within the valley. This is estimated to be between R500 000 – R1 000 000.

2.4 BUDGET RELATED POLICIES

The prioritization of service delivery and the management of council functions is the key to the budget. Sundays River Valley municipality's budget process is guided and governed by legislation regulations and budget related policies.

Sundays River Valley Municipality will embarked on a process of reviewing all financial and budget related policies in the next budget cycle .

These policies need to be enacted into by-laws thereby enabling council to undertake its revenue collection effort to court and further securing income generation.

Tariff Policy

The Municipal Systems Act requires a municipality to have a tariff policy. One of the challenges in setting tariffs is ensuring affordable tariffs whilst maintaining financial stability. The tariff policy tries to address this issue and creates a foundation for the principles that address social, economic and financial imperatives that the process of tariff setting should take into account.

Changes proposed: None

Rates policy

Sundays River Valley has adopted a rates policy which is line with legislative requirements. The policy became effective 01 July 2009.

The policy provides that properties be rated based on their market value. The valuation roll is still valid for one year.

Changes proposed: None

Indigent Policy

This policy was reviewed and approved during the 2009/2010 financial year.

Sundays River Valley municipality is committed to ensure that all households have access to its services. Due to the fact that Sundays River Valley Municipality has a high level of unemployment and seasonal workers, the municipality decided to adopt an indigent policy. This policy will ensure that poor households have at least access to basic services.

Changes proposed: None

Supply Chain Management Policy

Municipalities are required in terms of section 111 of MFMA to have a supply chain management policy. Sundays River Valley Municipality has a policy within the framework of the legislation. The policy adheres to the following principles:

Procurement system which is fair, equitable, transparent, competitive and cost effective in terms of section 217 of the Constitution

Best practice within supply chain management

Uniformity in supply chain management systems between organs of state in all spheres

Changes proposed: None

Credit control and debt management policy

The credit control and debt management policy of Sundays River Valley Municipality was reviewed during 2009/2010. This policy provides the procedures and mechanisms for credit control and collection of debts. The primary objective is to ensure that all monies due to the municipality are collected efficiently and promptly.

Changes proposed: none

Banking and Investment policy

As custodians of public funds, the Council has an obligation to see to it that cash resources are managed as effectively as possible. Council has a responsibility to invest public funds with great care and are liable to the community in that regard.

The investment policy should be aimed at gaining the highest possible return without undue risk during those periods when funds are not needed. To bring this about, it is essential to have an effective cashflow management program.

Changes proposed: None

Asset management policy

The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Fixed Assets) owned or controlled by municipality.

Changes proposed: None

Policy on the writing off of irrecoverable debt

Despite strict enforcement of the credit control and indigent policies, Council will continuously be confronted by circumstances requiring the possible write-off of irrecoverable debt. To allow this the Credit Control Policy, inter alia, stipulated that:-

The Municipal Manager must establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the municipality.

In addition, the policy further stipulates that:-

The purpose of this policy is to ensure that the principles and procedures for writing off irrecoverable debt are formalized.

Changes proposed: None

Financial management policy

This policy incorporates amongst others regulations relating to:

- General budgeting principles and processes
- Levying of tariffs, fees and charges
- Collection and control of income
- Operating expenditure
- Capital expenditure
- Creditors and payments
- Salaries & Wages
- Petty Cash
- Asset management
- Investments
- Risk management and Insurance
- Loans

Changes proposed: None

It should be noted that these policies have been reviewed but have not been work shopped to Councillors accordingly in order to be approved with the adoption of the budget.

2.5 Overview of budget assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budget, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all assumptions used in preparing the budget.

National Treasury MFMA Circular No 75

This Circular was issued on 25 May 2015, and provides further guidance to municipalities for the preparation of the 2015/16 budget and MTREF. These circulars were utilised in the compilation of this budget. A copy of the Circulars is attached as an Annexure to this document

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro economic targets;
- The general inflationary outlook as outlined in the Medium Term Budget Policy and the impact on Sundays River Valley residents and businesses;
- The impact of municipal cost drivers;
- The increase of 12.24 per cent in prices for bulk electricity and water which is more or less in line with Eskom's electricity tariff increase to municipalities of 12.20 per cent; and
- The increase in repairs and maintenance and general expenses is in accordance to CPI

Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Sundays River Valley does not engage financing arrangements as we have reached our prudence lending ability. However, for simplicity the 2015/16 MTREF is based on the assumption that no borrowings are to be undertaken. As part of the compilation of the 2015/16 MTREF the potential of smoothing out the debt profile over the long term was noted

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate equal to CPI. Investigation in terms of tariff structure settings has to be performed to ensure that tariffs are cost reflective. It is also assumed that current economic conditions, and relatively controlled

inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (60 per cent) of annual billings.

Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of Sundays River Valley.

Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and will be ending on 30 June 2015. The salary budget for the 2015/16 financial year is inflation linked and for the outer two years, inflation related increases are applied plus additional 0.25 per cent as per Treasury guideline.

Impact of national, provincial and local policies

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

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

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.6. LEGISLATIVE COMPLIANCE

Disclosure on implementation of the MFMA & other applicable legislation **Municipal Finance Management Act – No 56 of 2003**

The MFMA became effective on 1st July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain and financial reporting.

The various sections of the Act are phased in according to the designated financial management of municipalities.

The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

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

In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.

Internship programme

Sundays River Valley Municipality is participating in the Municipal Financial Management Internship programme and has employed four interns undergoing training in various divisions of the Financial Services Department. Of the four interns two have been appointed on a contractual basis. The remaining has completed their two year contract on 30 April 2014, and extension for one year has been granted by National Treasury.

Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.

Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

MFMA Training

The MFMA training module in electronic format is available and training is ongoing.

Investment Particulars by Type

Table 18 – SA15: Investment Particular-Type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		576	6 196	7 127	2 080	2 080	2 080			
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	576	6 196	7 127	2 080	2 080	2 080	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		576	6 196	7 127	2 080	2 080	2 080	-	-	-

The municipality does not have any investments.

Borrowings**Table 19 – SA17: Borrowing**

Borrowing - Categorized by type R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		7 977	7 656	404	6 426	26 873	26 873	2 606	2 155	1 790
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	7 977	7 656	404	6 426	26 873	26 873	2 606	2 155	1 790
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	7 977	7 656	404	6 426	26 873	26 873	2 606	2 155	1 790

Grants and subsidies

Table 20 – SA18: Transfers and grants receipt

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		34 087	39 552	44 367	51 285	50 085	50 085	58 840	63 481	67 501
Local Government Equitable Share		31 991	36 314	40 327	46 351	46 351	46 351	52 292	59 228	62 773
EPWP Incentive			998	1 000	2 200	1 000	1 000	1 000		
Municipal Systems Improvement		742	779	890	934	934	934	930	957	1 033
Integrated National Electrification Programme		-		500	-	-	-	1 500		
Finance Management		1 354	1 270	1 650	1 800	1 800	1 800	1 875	2 010	2 345
MIG Operational Portion			191					1 243	1 286	1 350
Provincial Government:		333	271	1 507	1 507	1 507	1 507	1 157	1 157	1 157
						-	-			
						-	-			
Small town revitalization		333	271	350	350	350	350	1 157	1 157	1 157
				1 157	1 157	1 157	1 157			
District Municipality:		-	-	1 365	1 464	1 545	1 545	1 662	1 790	1 932
Environmental Health		-		990	1 089	1 170	1 170	1 287	1 415	1 557
Fire				375	375	375	375	375	375	375
Other grant providers:		9 512	2 784	3 069	200	-	-	150	150	150
DWAF		8 126				-	-			-
LGSETA		1 386	2 784	3 069	200	-	-	150	150	150
Total Operating Transfers and Grants	5	43 932	42 607	50 308	54 456	53 137	53 137	61 809	66 578	70 740
Capital Transfers and Grants										
National Government:		1 720	24 065	23 346	24 147	24 147	24 147	23 620	24 434	25 655
Municipal Infrastructure Grant (MIG)		1 720	24 065	23 346	24 147	24 147	24 147	23 620	24 434	25 655
Regional Bulk Infrastructure										
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	1 000	-	-	-	-	-
Other capital transfers/grants [insert description]					1 000					
District Municipality:		-	-	-	-	-	-	-	-	-
Environmental Health										
Other grant providers:		-	-	-	-	-	-	-	-	-
DWAF										
Total Capital Transfers and Grants	5	1 720	24 065	23 346	25 147	24 147	24 147	23 620	24 434	25 655
TOTAL RECEIPTS OF TRANSFERS & GRANTS		45 652	66 672	73 654	79 603	77 284	77 284	85 429	91 012	96 395

Table 21 – SA19: Expenditure on transfers and grants

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		34 087	39 552	44 367	51 285	50 085	50 085	58 840	63 481	67 501
Local Government Equitable Share		31 991	36 314	40 327	46 351	46 351	46 351	52 292	59 228	62 773
EPWP Incentive			998	1 000	2 200	1 000	1 000	1 000		
Municipal Systems Improvement		742	779	890	934	934	934	930	957	1 033
Integrated National Electrification Programme		–		500	–	–	–	1 500		
Finance Management		1 354	1 270	1 650	1 800	1 800	1 800	1 875	2 010	2 345
MIG Operational Portion			191					1 243	1 286	1 350
Provincial Government:		333	271	1 507	1 507	1 507	1 507	1 157	1 157	1 157
						–	–			
						–	–			
		333	271	350	350	350	350			
Small town revitalization				1 157	1 157	1 157	1 157	1 157	1 157	1 157
District Municipality:		–	–	1 365	1 464	1 545	1 545	1 662	1 790	1 932
<i>Environmental Health</i>		–		990	1 089	1 170	1 170	1 287	1 415	1 557
<i>Fire Subsidy</i>		–		375	375	375	375	375	375	375
Other grant providers:		9 512	2 784	3 069	200	–	–	150	150	150
<i>DWAF</i>		8 126				–				–
		1 386	2 784	3 069	200	–		150	150	150
Total operating expenditure of Transfers and Grants		43 932	42 607	50 308	54 456	53 137	53 137	61 809	66 578	70 740
Capital expenditure of Transfers and Grants										
National Government:		1 720	24 065	23 346	24 147	24 147	24 147	23 620	24 434	25 655
Municipal Infrastructure Grant (MIG)		1 720	24 065	23 346	24 147	24 147	24 147	23 620	24 434	25 655
Regional Bulk Infrastructure										
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
<i>Environmental Health</i>										
Other grant providers:		–	–	–	–	–	–	–	–	–
<i>DWAF</i>										
Total capital expenditure of Transfers and Grants		1 720	24 065	23 346	24 147	24 147	24 147	23 620	24 434	25 655
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		45 652	66 672	73 654	78 603	77 284	77 284	85 429	91 012	96 395

Table 23 – SA22: Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		3 386	4 348	4 761	3 627	3 513	3 513	4 946	5 030	5 113
Pension and UIF Contributions		35	66			-	-			
Medical Aid Contributions						-	-			
Motor Vehicle Allowance						-	-	41	42	43
Cellphone Allowance					334	334	334	251	256	260
Housing Allowances						-	-			
Other benefits and allowances		379	516	363	1 270	1 270	1 270	61	62	64
Sub Total - Councillors		3 800	4 930	5 124	5 231	5 117	5 117	5 301	5 390	5 480
% increase	4		29.7%	3.9%	2.1%	(2.2%)	-	3.6%	1.7%	1.7%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2 092	2 462	3 589	4 326	4 326	4 326	3 693	3 755	3 818
Pension and UIF Contributions		87	54	49	18	18	18	9	10	10
Medical Aid Contributions										
Overtime										
Performance Bonus		75	22	502	614	614	614			
Motor Vehicle Allowance	3	295	308	231				662	674	685
Cellphone Allowance	3			30	25	25	25	31	32	32
Housing Allowances	3									
Other benefits and allowances	3		188		400	400	400	85	87	88
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		2 549	3 034	4 401	5 383	5 383	5 383	4 482	4 557	4 633
% increase	4		19.0%	45.1%	22.3%	-	-	(16.8%)	1.7%	1.7%
Other Municipal Staff										
Basic Salaries and Wages		15 768	20 986	24 453	35 170	31 804	31 804	33 649	34 280	34 786
Pension and UIF Contributions		1 421	4 544	3 730	949	3 103	3 103	3 408	3 466	3 523
Medical Aid Contributions		2 459		1 363	1 321	1 813	1 813	1 841	1 873	1 904
Overtime		1 180	1 354	630	645	1 970	1 970	2 001	2 035	2 069
Performance Bonus		1 112		1 483		-	-			
Motor Vehicle Allowance	3			160				359	365	371
Cellphone Allowance	3			317	153	222	222	56	56	57
Housing Allowances	3			146	115	176	176	178	181	184
Other benefits and allowances	3	1 406	1 654	510	4 352	1 384	1 384	1 320	1 342	1 365
Payments in lieu of leave										
Long service awards		64	208	4	75	75	75			
Post-retirement benefit obligations	6		169							
Sub Total - Other Municipal Staff		23 411	28 915	32 797	42 780	40 546	40 546	42 813	43 599	44 259
% increase	4		23.5%	13.4%	30.4%	(5.2%)	-	5.6%	1.8%	1.5%
Total Parent Municipality		29 760	36 879	42 322	53 395	51 047	51 047	52 595	53 546	54 372

Table 25 – SA24: Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		16	16	–	16	16	–	16	16	–
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5									
Municipal Manager and Senior Managers	3	5		5	5		5	5		5
Other Managers	7	4	1	3	4	3	1	4	3	1
Professionals		11	9	9	12	11	2	12	11	2
Finance		5	3	2	5	4	1	5	4	1
Spatial/town planning										
Information Technology										
Roads										
Electricity		1	1	1	1	1	1	1	1	1
Water										
Sanitation										
Refuse										
Other		5	5	6	6	6		6	6	
Technicians		24	19	5	28	19	5	28	22	5
Finance										
Spatial/town planning		1	1	–	1	1	–	1	1	–
Information Technology		1		1	1		1	1		1
Roads		2	2		2	2		2	2	
Electricity										
Water		2		2	2		2	2		2
Sanitation										
Refuse										
Other		18	16	2	22	16	2	22	19	2
Clerks (Clerical and administrative)		47	41	6	47	44	3	47	44	3
Service and sales workers		9	9		9	9		9	9	
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		9	9		9	9		9	9	
Elementary Occupations		92	92	10	92	92	10	92	92	10
TOTAL PERSONNEL NUMBERS	9	217	196	38	222	203	26	222	206	26
% increase					2.3%	3.6%	(31.6%)	–	1.5%	–
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10		31	2	31	31	2	31	31	2
Human Resources personnel headcount	8, 10		3	2	5	3	2	5	3	2

Monthly targets for revenue, expenditure and cash flow

Table 26 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates		1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	12 781	12 967	13 145
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		1 674	1 674	1 674	1 674	1 674	1 674	1 674	1 674	1 674	1 674	1 674	1 674	20 089	22 722	25 680
Service charges - water revenue		635	635	635	635	635	635	635	635	635	635	635	635	7 624	7 733	7 835
Service charges - sanitation revenue		173	173	173	173	173	173	173	173	173	173	173	173	2 081	2 110	2 137
Service charges - refuse revenue		384	384	384	384	384	384	384	384	384	384	384	384	4 608	4 674	4 735
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		10	10	10	10	10	10	10	10	10	10	10	10	121	123	125
Interest earned - external investments		15	15	15	15	15	15	15	15	15	15	15	15	186	189	192
Interest earned - outstanding debtors		593	593	593	593	593	593	593	593	593	593	593	593	7 111	7 224	7 336
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		51	51	51	51	51	51	51	51	51	51	51	51	609	619	629
Licences and permits		109	109	109	109	109	109	109	109	109	109	109	109	1 302	1 323	1 344
Agency services		114	114	114	114	114	114	114	114	114	114	114	114	1 363	1 384	1 462
Transfers recognised - operational		5 151	5 151	5 151	5 151	5 151	5 151	5 151	5 151	5 151	5 151	5 151	5 151	61 809	66 578	70 740
Other revenue		1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	22 678	7 090	7 252
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		11 863	11 863	11 863	11 863	11 863	11 863	11 863	11 863	11 863	11 863	11 863	11 863	142 362	134 736	142 612
Expenditure By Type																
Employee related costs		3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	47 294	48 094	48 892
Remuneration of councillors		442	442	442	442	442	442	442	442	442	442	442	442	5 301	5 390	5 480
Debt impairment		1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	18 873	20 082	21 413
Depreciation & asset impairment		1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	17 500	17 500	17 500
Finance charges		88	88	88	88	88	88	88	88	88	88	88	88	1 054	1 071	1 087
Bulk purchases		1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	19 047	21 759	24 857
Other materials		591	591	591	591	591	591	591	591	591	591	591	591	7 097	7 210	7 322
Contracted services		163	163	163	163	163	163	163	163	163	163	163	163	1 951	1 982	2 013
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		3 425	3 425	3 425	3 425	3 425	3 425	3 425	3 425	3 425	3 425	3 425	3 425	41 101	39 315	40 048
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	159 218	162 403	168 612
Surplus/(Deficit)																
Transfers recognised - capital		(1 405)	(1 405)	(1 405)	(1 405)	(1 405)	(1 405)	(1 405)	(1 405)	(1 405)	(1 405)	(1 405)	(1 405)	(16 856)	(27 667)	(28 001)
Contributions recognised - capital		1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	23 620	24 434	25 655
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		564	564	564	564	564	564	564	564	564	564	564	564	6 764	(3 233)	(346)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	564	564	564	564	564	564	564	564	564	564	564	564	6 764	(3 233)	(346)

Table 27 – SA26: Budgeted monthly revenue and expenditure by municipal vote

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - Executive Council		241	241	241	241	241	241	241	241	241	241	241	241	2 890	3 022	3 157
Vote 2 - Municipal Manager		350	350	350	350	350	350	350	350	350	350	350	350	4 204	4 714	5 015
Vote 3 - Budget & Treasury		3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 049	36 586	21 320	22 044
Vote 4 - Corporate Service		19	19	19	19	19	19	19	19	19	19	19	19	227	228	229
Vote 5 - Community Services		2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	32 051	34 435	36 028
Vote 6 - Technical Services		7 502	7 502	7 502	7 502	7 502	7 502	7 502	7 502	7 502	7 502	7 502	7 502	90 025	95 451	101 796
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Revenue by Vote		13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	165 982	159 170	168 266
Expenditure by Vote to be appropriated																
Vote 1 - Executive Council		572	572	572	572	572	572	572	572	572	572	572	572	6 858	6 973	7 087
Vote 2 - Municipal Manager		587	587	587	587	587	587	587	587	587	587	587	587	7 040	6 800	6 911
Vote 3 - Budget & Treasury		5 586	5 586	5 586	5 586	5 586	5 586	5 586	5 586	5 586	5 586	5 586	5 586	67 037	68 679	70 565
Vote 4 - Corporate Service		1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	12 060	12 256	12 452
Vote 5 - Community Services		1 812	1 812	1 812	1 812	1 812	1 812	1 812	1 812	1 812	1 812	1 812	1 812	21 743	22 105	22 466
Vote 6 - Technical Services		3 707	3 707	3 707	3 707	3 707	3 707	3 707	3 707	3 707	3 707	3 707	3 707	44 480	45 589	49 130
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Expenditure by Vote		13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	159 218	162 403	168 612
Surplus/(Deficit) before assoc.		564	564	564	564	564	564	564	564	564	564	564	564	6 764	(3 233)	(346)
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	564	564	564	564	564	564	564	564	564	564	564	564	6 764	(3 233)	(346)

Table 28 – SA27: Budgeted monthly revenue and expenditure by standard classification

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Revenue - Standard																	
<i>Governance and administration</i>		3 655	3 655	3 655	3 655	3 655	3 655	3 655	3 655	3 655	3 655	3 655	3 655	3 655	43 854	29 231	30 391
Executive and council		591	591	591	591	591	591	591	591	591	591	591	591	591	7 094	7 736	8 172
Budget and treasury office		3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	36 534	21 267	21 990
Corporate services		19	19	19	19	19	19	19	19	19	19	19	19	19	227	228	229
<i>Community and public safety</i>		1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	12 780	13 703	14 385	
Community and social services		683	683	683	683	683	683	683	683	683	683	683	683	683	8 193	8 982	9 467
Sport and recreation		300	300	300	300	300	300	300	300	300	300	300	300	3 604	3 728	3 914	
Public safety		82	82	82	82	82	82	82	82	82	82	82	82	984	994	1 003	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 831	1 831	1 831	1 831	1 831	1 831	1 831	1 831	1 831	1 831	1 831	1 831	21 973	21 731	22 849	
Planning and development		189	189	189	189	189	189	189	189	189	189	189	189	2 266	1 309	1 374	
Road transport		1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	18 419	19 004	19 917	
Environmental protection		107	107	107	107	107	107	107	107	107	107	107	107	1 288	1 417	1 558	
<i>Trading services</i>		7 281	7 281	7 281	7 281	7 281	7 281	7 281	7 281	7 281	7 281	7 281	7 281	87 374	94 505	100 642	
Electricity		2 662	2 662	2 662	2 662	2 662	2 662	2 662	2 662	2 662	2 662	2 662	2 662	31 942	34 283	37 851	
Water		1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	23 351	25 271	26 272	
Waste water management		1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	16 734	18 314	19 212	
Waste management		1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	15 346	16 637	17 307	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	165 982	159 170	168 266	
Expenditure - Standard																	
<i>Governance and administration</i>		7 540	7 540	7 540	7 540	7 540	7 540	7 540	7 540	7 540	7 540	7 540	7 540	90 474	92 502	94 772	
Executive and council		974	974	974	974	974	974	974	974	974	974	974	974	11 688	11 883	12 077	
Budget and treasury office		5 561	5 561	5 561	5 561	5 561	5 561	5 561	5 561	5 561	5 561	5 561	5 561	66 726	68 363	70 243	
Corporate services		1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	12 060	12 256	12 452	
<i>Community and public safety</i>		1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 367	16 403	16 676	16 949	
Community and social services		649	649	649	649	649	649	649	649	649	649	649	649	7 786	7 915	8 044	
Sport and recreation		12	12	12	12	12	12	12	12	12	12	12	12	147	150	152	
Public safety		655	655	655	655	655	655	655	655	655	655	655	655	7 859	7 991	8 123	
Housing		51	51	51	51	51	51	51	51	51	51	51	51	610	620	630	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		1 263	1 263	1 263	1 263	1 263	1 263	1 263	1 263	1 263	1 263	1 263	1 263	15 151	13 026	13 297	
Planning and development		846	846	846	846	846	846	846	846	846	846	846	846	10 151	7 943	8 131	
Road transport		333	333	333	333	333	333	333	333	333	333	333	333	3 995	4 061	4 127	
Environmental protection		84	84	84	84	84	84	84	84	84	84	84	84	1 005	1 022	1 038	
<i>Trading services</i>		3 099	3 099	3 099	3 099	3 099	3 099	3 099	3 099	3 099	3 099	3 099	3 099	37 190	40 199	43 594	
Electricity		1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	16 901	19 133	21 680	
Water		679	679	679	679	679	679	679	679	679	679	679	679	8 143	8 722	9 372	
Waste water management		770	770	770	770	770	770	770	770	770	770	770	770	9 240	9 390	9 540	
Waste management		242	242	242	242	242	242	242	242	242	242	242	242	2 905	2 954	3 002	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure - Standard		13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	13 268	159 218	162 403	168 612	
Surplus/(Deficit) before assoc.		564	564	564	564	564	564	564	564	564	564	564	564	6 764	(3 233)	(346)	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	564	564	564	564	564	564	564	564	564	564	564	564	6 764	(3 233)	(346)	

Table 29 – SA28: Budgeted monthly capital expenditure by municipal vote

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Multi-year expenditure to be appropriated	1																
Vote 1 - Executive Council																	
Vote 2 - Municipal Manager																	
Vote 3 - Budget & Treasury																	
Vote 4 - Corporate Service																	
Vote 5 - Community Services																	
Vote 6 - Technical Services																	
Vote 7 - [NAME OF VOTE 7]																	
Vote 8 - [NAME OF VOTE 8]																	
Vote 9 - [NAME OF VOTE 9]																	
Vote 10 - [NAME OF VOTE 10]																	
Vote 11 - [NAME OF VOTE 11]																	
Vote 12 - [NAME OF VOTE 12]																	
Vote 13 - [NAME OF VOTE 13]																	
Vote 14 - [NAME OF VOTE 14]																	
Vote 15 - [NAME OF VOTE 15]																	
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																	
Vote 1 - Executive Council		8	8	8	8	8	8	8	8	8	8	8	8	8	100	-	-
Vote 2 - Municipal Manager		1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	13 382	-	-
Vote 3 - Budget & Treasury		132	132	132	132	132	132	132	132	132	132	132	132	132	1 588	-	-
Vote 4 - Corporate Service		161	161	161	161	161	161	161	161	161	161	161	161	161	1 930	-	-
Vote 5 - Community Services		439	439	439	439	439	439	439	439	439	439	439	439	439	5 267	4 394	4 613
Vote 6 - Technical Services		1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	22 796	20 040	21 042
Vote 7 - [NAME OF VOTE 7]																	
Vote 8 - [NAME OF VOTE 8]																	
Vote 9 - [NAME OF VOTE 9]																	
Vote 10 - [NAME OF VOTE 10]																	
Vote 11 - [NAME OF VOTE 11]																	
Vote 12 - [NAME OF VOTE 12]																	
Vote 13 - [NAME OF VOTE 13]																	
Vote 14 - [NAME OF VOTE 14]																	
Vote 15 - [NAME OF VOTE 15]																	
Capital single-year expenditure sub-total	2	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	45 064	24 434	25 655
Total Capital Expenditure	2	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	3 755	45 064	24 434	25 655

Table 30 – SA29: Budgeted monthly capital expenditure by standard classification

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		175	800	50	175	25	50	175	25	175	25	25	15 300	17 000	-	-
Executive and council													13 482	13 482	-	-
Budget and treasury office		150			150			150		150			988	1 588	-	-
Corporate services		25	800	50	25	25	50	25	25	25	25		830	1 930	-	-
<i>Community and public safety</i>		300	300	300	300	300	300	300	300	300	300	300	1 964	5 267	4 394	4 613
Community and social services													1 254	1 254	666	699
Sport and recreation		300	300	300	300	300	300	300	300	300	300	300	300	3 604	3 728	3 914
Public safety													410	410	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	15 754	16 297	17 111
Planning and development													-	-	-	-
Road transport		1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	15 754	16 297	17 111
Environmental protection													-	-	-	-
<i>Trading services</i>		302	302	302	302	302	302	302	302	302	302	302	302	3 619	3 744	3 931
Electricity		34	34	34	34	34	34	34	34	34	34	34	34	412	426	447
Water													-	-	-	-
Waste water management		267	267	267	267	267	267	267	267	267	267	267	267	3 207	3 317	3 483
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>													3 424	3 424	-	-
Total Capital Expenditure - Standard	2	2 090	2 715	1 965	2 090	1 940	1 965	2 090	1 940	2 090	1 940	1 940	22 302	45 064	24 434	25 655
Funded by:																
National Government		7 873				7 873				7 874			-	23 620	24 434	25 655
Provincial Government			10										(10)	-	-	-
District Municipality													-	-	-	-
Other transfers and grants				2 694									(2 694)	-	-	-
Transfers recognised - capital		7 873	10	2 694	-	7 873	-	-	-	7 874	-	-	(2 704)	23 620	24 434	25 655
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		1 000			1 000	1 000		1 000			1 000		16 444	21 444	-	-
Total Capital Funding		8 873	10	2 694	1 000	8 873	-	1 000	-	7 874	1 000	-	13 740	45 064	24 434	25 655

Table 31 – SA30: Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source														1		
Property rates	1 184 425	1 184 425	1 184 425	1 184 425	1 184 425	1 184 425	1 184 425	1 184 425	1 184 425	1 184 425	1 184 425	1 184 425	1 184	14 213	15 052	15 895
Property rates - penalties & collection charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service charges - electricity revenue	1 021 289	999 291	183 172	33 651	650 000	687 000	876 258	525 799	759 153	853 518	941 813	1 999	9 530	10 092	10 657	
Service charges - water revenue	297 864	239 614	239 611	254 000	158 685	6 393	269 847	235 118	259 141	220 574	226 951	235	2 643	2 799	2 955	
Service charges - sanitation revenue	43 564	38 433	26 322	11 361	12 548	27 054	0	48 202	45 644	35 582	37 567	33	360	381	402	
Service charges - refuse revenue	75 112	75 413	50 658	36 975	0	59 616	0	64 696	105 517	267 057	50 042	60	845	895	945	
Service charges - other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental of facilities and equipment	11 318	11 985	13 793	10 299	11 553	0	5 658	4 490	0	7 396	16 559	9	102	108	114	
Interest earned - external investments	706 430	741 957	0	0	0	0	0	748 550	0	468 788	0	0	2 666	2 823	2 981	
Interest earned - outstanding debtors	90 911	90 911	90 911	90 911	90 911	90 911	90 911	90 911	90 911	90 911	90 911	91	1 091	1 155	1 220	
Dividends received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fines	60 539	31 185	2 252	0	68 746	12 173	16 529	49 319	41 190	53 942	54 593	52	442	468	495	
Licences and permits	739	0	139	29 785	0	0	0	79	236	463	453	1	32	34	36	
Agency services	0	122 676	38 446	123 586	182 230	142 989	57 555	0	27 863	131 945	158 668	190	1 176	1 245	1 315	
Transfer receipts - operational	18 593 000	2 609 000	721 750	375 000	18 394 000	621 750	1 157 000	0	19 016	0	322	(0)	61 809	66 578	72 457	
Other revenue	14 000 000	0	1 500 000	0	0	120 000	0	0	1 500 000	0	0	1 758	18 878	10 411	10 496	
Cash Receipts by Source	36 085	6 145	4 051	2 150	20 753	2 952	3 658	2 952	23 030	2 846	3 553	5 611	113 786	112 042	119 968	
Other Cash Flows by Source																
Transfer receipts - capital	7 873				7 873				7 874					23 620	24 434	25 655
Contributions recognised - capital & Contributed assets																
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits																
Decrease (Increase) in non-current debtors																
Decrease (increase) other non-current receivables																
Decrease (increase) in non-current investments																
Total Cash Receipts by Source	43 958	6 145	4 051	2 150	28 626	2 952	3 658	2 952	30 904	2 846	3 553	5 611	137 406	136 476	145 623	
Cash Payments by Type																
Employee related costs	3 266 549	2 582 111	2 773 419	3 215 965	4 404 954	3 861 801	3 687 685	2 991 317	2 943 894	2 933 558	2 494 960	12 138	47 294	48 094	48 892	
Remuneration of councillors	447 535	447 535	447 535	447 535	447 535	447 535	447 535	447 535	447 535	447 535	447 535	448	5 371	5 693	6 034	
Finance charges	19 450	26 261	14 155	0	22 910	0	23 252	29 622	10 068	28 764	221 190	83	478	506	535	
Bulk purchases - Electricity	1 142 400	1 966 500	2 004	2 756 128	1 086 189	0	2 163 395	0	66 904	1 111 872	1 458 488	3 766	15 520	17 730	20 255	
Bulk purchases - Water & Sewer	806 690	275 784	154 563	0	0	4 642	0	0	0	21 134	0	2 264	3 527	4 029	4 603	
Other materials	70 716	136 764	223 815	228 983	14 621	97 546	125 938	143 977	98 675	338 392	211 316	5 406	7 097	7 210	7 322	
Contracted services	231 645	153 970	84 323	243 244	115 310	166 072	149 003	301 589	77 066	163 120	550 122	(284)	1 951	1 982	2 013	
Transfers and grants - other municipalities																
Transfers and grants - other	147 000	147 000	147 000	147 000	147 000	147 000	147 000	147 000	147 000	147 000	147 000	147	1 764	1 868	1 973	
Other expenditure	3 030 408	1 205 428	825 191	2 242 240	2 370 892	5 314 703	2 287 671	4 340 812	435 000	2 855 002	3 048 573	2 031	29 987	31 757	33 535	
Cash Payments by Type	9 162	6 941	4 672	9 281	8 609	10 039	9 031	8 402	4 226	8 046	8 579	25 999	112 989	118 868	125 161	
Other Cash Flows/Payments by Type																
Capital assets	3 693	3 016	3 956	2 816	2 456	4 756	5 115	3 556	3 245	3 661	4 456	4 338	45 064	24 434	25 655	
Repayment of borrowing																
Other Cash Flows/Payments																
Total Cash Payments by Type	12 855	9 957	8 628	12 097	11 065	14 795	14 146	11 958	7 471	11 707	13 035	30 336	158 053	143 302	150 816	
NET INCREASE/(DECREASE) IN CASH HELD	31 103	(3 812)	(4 577)	(9 947)	17 561	(11 843)	(10 488)	(9 006)	23 433	(8 862)	(9 483)	(24 725)	(20 647)	(6 827)	(5 194)	
Cash/cash equivalents at the month/year begin:	7 335	38 438	34 625	30 049	20 102	37 663	25 820	15 331	6 325	29 758	20 896	11 413	7 335	(13 312)	(20 138)	
Cash/cash equivalents at the month/year end:	38 438	34 625	30 049	20 102	37 663	25 820	15 331	6 325	29 758	20 896	11 413	(13 312)	(13 312)	(20 138)	(25 332)	

Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme.

Table 32 – SA34a: Capital Expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure										
Infrastructure - Road transport										
<i>Roads, Pavements & Bridges</i>										
<i>Storm water</i>										
Infrastructure - Electricity										
<i>Generation</i>										
<i>Transmission & Reticulation</i>										
<i>Street Lighting</i>										
Infrastructure - Water										
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation										
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other										
<i>Waste Management</i>										
<i>Transportation</i>										
<i>Gas</i>										
<i>Other</i>										
Community					1 000			410		
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency								410		
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
Heritage assets										
Buildings										
Other										
Investment properties						516	516	324		
Housing development						516	516	324		
Other										
Other assets		1 621	156	3 848	1 992	3 132	3 132	19 880		
General vehicles		776		3 133				1 440		
Specialised vehicles										
Plant & equipment		367		2	500	1 140	1 140	2 000		
Computers - hardware/equipment			96	27	470	470	470	1 000		
Furniture and other office equipment		473	60	684	622	622	622	600		
Abattoirs				2						
Markets										
Civic Land and Buildings										
Other Buildings					400	400	400	13 282		
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		4				500	500	1 558		
Agricultural assets										
<i>List sub-class</i>										
Biological assets										
<i>List sub-class</i>										
Intangibles		25	52		750	750	750	830		
Computers - software & programming		25	52		750	750	750	830		
<i>Other (list sub-class)</i>										
Total Capital Expenditure on new assets	1	1 646	207	3 848	3 742	4 398	4 398	21 444		

Table 33 – SA34b: Capital Expenditure on the renewal of assets by asset Class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		50 926	16 277	17 770	18 828	18 802	18 802	19 373	20 040	21 042
Infrastructure - Road transport		-	9 277	5 289	14 000	15 300	15 300	15 754	16 297	17 111
<i>Roads, Pavements & Bridges</i>			9 277	5 289	14 000	15 300	15 300	15 754	16 297	17 111
<i>Storm water</i>				-						
Infrastructure - Electricity		-	-	-	1 760	400	400	412	426	447
<i>Generation</i>										
<i>Transmission & Reticulation</i>										
<i>Street Lighting</i>					1 760	400	400	412	426	447
Infrastructure - Water		11 067	-	6 450	1 000	-	-	-	-	-
<i>Dams & Reservoirs</i>					1 000					
<i>Water purification</i>		11 067		6 450						
<i>Reticulation</i>										
Infrastructure - Sanitation		39 859	7 000	6 031	2 068	3 102	3 102	3 207	3 317	3 483
<i>Reticulation</i>										
<i>Sewerage purification</i>		39 859	7 000	6 031	2 068	3 102	3 102	3 207	3 317	3 483
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3									
Community		-	-	-	4 125	4 125	4 125	4 247	4 394	4 613
Parks & gardens					625	625	625	644	666	699
Sportsfields & stadia					3 500	3 500	3 500	3 604	3 728	3 914
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	280	280	280	-	-	-
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment					80	80	80			
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings					200	200	200			
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Capital Expenditure on renewal of existing	1	50 926	16 277	17 770	23 233	23 207	23 207	23 620	24 434	25 655

Table 34 – SA34d: Depreciation by asset class

Table 35 – SA34c: Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class	1									
Infrastructure		1 452	10 052	11 816	2 008	2 008	2 008	3 898	3 960	4 022
Infrastructure - Road transport		234	2 994	-	725	725	725	601	611	621
Roads, Pavements & Bridges		230	2 994	-	725	725	725	601	611	621
Storm water		5	-	-	-	-	-	-	-	-
Infrastructure - Electricity		248	2 290	-	371	371	371	1 250	1 270	1 290
Generation		-	-	-	-	-	-	1 250	1 270	1 290
Transmission & Reticulation		248	1 400	-	221	221	221	-	-	-
Street Lighting		-	890	-	150	150	150	-	-	-
Infrastructure - Water		365	1 665	-	506	506	506	1 000	1 016	1 032
Dams & Reservoirs		-	1 665	-	506	506	506	1 000	1 016	1 032
Water purification		365	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		541	1 568	-	249	249	249	1 000	1 016	1 032
Reticulation		541	-	-	249	249	249	1 000	1 016	1 032
Sewerage purification		-	1 568	-	-	-	-	-	-	-
Infrastructure - Other		63	1 535	11 816	158	158	158	47	48	48
Waste Management		63	-	-	158	158	158	47	48	48
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	1 535	11 816	-	-	-	-	-	-
Community		402	750	-	380	380	380	1 411	1 433	1 456
Parks & gardens		-	-	-	13	13	13	8	8	8
Sportsfields & stadia		5	16	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		17	53	-	263	263	263	300	305	310
Libraries		8	42	-	-	-	-	203	206	209
Recreational facilities		-	38	-	-	-	-	100	102	103
Fire, safety & emergency		56	-	-	-	-	-	-	-	-
Security and policing		274	-	-	-	-	-	300	305	310
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		40	-	-	105	105	105	250	254	258
Social rental housing		-	-	-	-	-	-	-	-	-
Other		2	601	-	-	-	-	250	254	258
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		190	1 041	-	938	164	164	1 788	1 816	1 844
General vehicles		-	150	-	421	68	68	650	660	671
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	50	-	42	42	42	-	-	-
Computers - hardware/equipment		-	-	-	26	26	26	250	254	258
Furniture and other office equipment		-	171	-	27	27	27	513	521	530
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	670	-	421	-	-	215	218	222
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		190	-	-	-	-	-	160	162	165
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	2 045	11 843	11 816	3 327	2 552	2 552	7 097	7 210	7 322

Table 36 – SA35: Future financial implications of the capital budget

Vote Description R thousand	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure	1							
Vote 1 - Executive Council		100	-	-				
Vote 2 - Municipal Manager		13 382	-	-				
Vote 3 - Budget & Treasury		1 588	-	-				
Vote 4 - Corporate Service		1 930	-	-				
Vote 5 - Community Services		5 267	4 394	4 613				
Vote 6 - Technical Services		22 796	20 040	21 042				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		45 064	24 434	25 655	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive Council								
Vote 2 - Municipal Manager								
Vote 3 - Budget & Treasury								
Vote 4 - Corporate Service								
Vote 5 - Community Services								
Vote 6 - Technical Services								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		45 064	24 434	25 655	-	-	-	-

**Supporting detail to A4 (Budgeted Financial Performance) and A6
(Budgeted Financial Position)**

Table 38 – SA1: Supporting detail to Statement of Financial Performance

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	12 266	13 014	13 933	14 623	14 623	14 623	14 623	14 798	15 016	15 226
less Revenue Foregone									2 017	2 049	2 081
Net Property Rates		12 266	13 014	13 933	14 623	14 623	14 623	14 623	12 781	12 967	13 145
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	14 423	15 622	14 489	10 501	21 232	21 232	21 232	21 806	24 466	27 451
less Revenue Foregone									1 717	1 745	1 772
Net Service charges - electricity revenue		14 423	15 622	14 489	10 501	21 232	21 232	21 232	20 089	22 722	25 680
Service charges - water revenue											
Total Service charges - water revenue	6	13 168	12 743	20 018	7 806	10 856	10 856	10 856	10 987	11 149	11 305
less Revenue Foregone									3 363	3 416	3 469
Net Service charges - water revenue		13 168	12 743	20 018	7 806	10 856	10 856	10 856	7 624	7 733	7 835
Service charges - sanitation revenue											
Total Service charges - sanitation revenue	6	2 691	3 545	3 519	2 483	3 517	3 517	3 517	3 560	3 612	3 663
less Revenue Foregone									1 479	1 502	1 525
Net Service charges - sanitation revenue		2 691	3 545	3 519	2 483	3 517	3 517	3 517	2 081	2 110	2 137
Service charges - refuse revenue											
Total refuse removal revenue	6	5 419	6 455	7 207	4 573	6 908	6 908	6 908	6 990	7 094	7 193
Total landfill revenue											
less Revenue Foregone									2 382	2 420	2 458
Net Service charges - refuse revenue		5 419	6 455	7 207	4 573	6 908	6 908	6 908	4 608	4 674	4 735
Other Revenue by source											
Rental of Facilities and equipment											
Interest Recieved											
Agency Fees											
Licences and Permits											
Fines											
Grants & subsidies											
Other Income		5 051	2 255	406	7 081	5 274	5 274	5 274	8 396	7 090	7 252
Insurance Claims									14 282		
Total 'Other' Revenue	3	5 051	2 255	406	7 081	5 274	5 274	5 274	22 678	7 090	7 252
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	18 442	23 181	37 667	39 496	37 261	37 261	37 261	40 630	41 317	42 003
Pension and UIF Contributions		4 056	4 619		967	967	967	967	6 664	6 777	6 890
Medical Aid Contributions					1 321	1 321	1 321	1 321			
Overtime		1 661	1 354		645	645	645	645			
Performance Bonus		75			614	614	614	614			
Motor Vehicle Allowance											
Cellphone Allowance					179	179	179	179			
Housing Allowances					115	115	115	115			
Other benefits and allowances		3 698	2 150		4 752	4 752	4 752	4 752			
Payments in lieu of leave											
Long service awards		192	208		75	75	75	75			
Post-retirement benefit obligations		(116)	169								
sub-total	5	28 007	31 682	37 667	48 164	45 929	45 929	45 929	47 294	48 094	48 892
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	28 007	31 682	37 667	48 164	45 929	45 929	45 929	47 294	48 094	48 892
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	17 500	17 500
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
Total Depreciation & asset impairment	10	17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	17 500	17 500
Bulk purchases											
Electricity Bulk Purchases	1	11 253	11 593	14 734	13 544	16 040	16 040	16 040	15 520	17 730	20 255

Table 39– SA3: Supporting detail to Statement of Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days				7 127							
Other current investments > 90 days		576	6 196		2 080	2 080	2 080				
Total Call investment deposits	2	576	6 196	7 127	2 080	2 080	2 080	-	-	-	-
Consumer debtors											
Consumer debtors		75 000	93 313	119 047	115 000	154 999	154 999		156 859	166 114	175 416
Less: Provision for debt impairment		(57 356)	(68 532)	(109 091)	(80 378)	(120 937)	(120 937)		(109 091)	(115 528)	(121 997)
Total Consumer debtors	2	17 645	24 782	9 956	34 622	34 062	34 062	-	47 768	50 586	53 419
Debt impairment provision											
Balance at the beginning of the year					68 532	109 091	109 091				
Contributions to the provision					11 846	11 846	11 846				
Bad debts written off		(57 356)	(68 532)			-	-				
Balance at end of year		(57 356)	(68 532)	-	80 378	120 937	120 937	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		377 610	398 059	381 355	463 723	463 375	463 375		439 338	351 650	377 304
Leases recognised as PPE		5 489	5 707	4 319	6 400	6 400	6 400				
Less: Accumulated depreciation		63 036	63 036	18 997	100 693	100 693	100 693		112 122		
Total Property, plant and equipment (PPE)	2	320 063	340 730	366 677	369 430	369 082	369 082	-	327 216	351 650	377 304
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		4 013	3 571		2 500						
Current portion of long-term liabilities				3 919		2 500	2 500		451	366	
Total Current liabilities - Borrowing		4 013	3 571	3 919	2 500	2 500	2 500	-	451	366	-
Trade and other payables											
Trade and other creditors		18 276	22 731	26 872	37 424	21 872	21 872		22 922	24 274	25 634
Unspent conditional transfers				3 073		-	-				
VAT			1 895	4 140	3 600	3 600	3 600				
Total Trade and other payables	2	18 276	24 626	34 086	41 024	25 472	25 472	-	22 922	24 274	25 634
Non current liabilities - Borrowing											
Borrowing		6 402	6 888		5 888	26 335	26 335				
Finance leases (including PPP asset element)		1 575	768	404	538	538	538		2 606	2 155	1 790
Total Non current liabilities - Borrowing	4	7 977	7 656	404	6 426	26 873	26 873	-	2 606	2 155	1 790
Provisions - non-current											
Retirement benefits		3 310	3 612	3 383	3 912	3 912	3 912				
List other major provision items											
Refuse landfill site rehabilitation					-				15 823	15 823	15 823
Other		508	508	13 501	958	958	958				
Total Provisions - non-current		3 818	4 120	16 884	4 870	4 870	4 870	-	15 823	15 823	15 823
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		330 089	344 651	372 147	387 823	382 182	382 182		388 847	412 037	436 720
GRAP adjustments											
Restated balance		330 089	344 651	372 147	387 823	382 182	382 182		388 847	412 037	436 720
Surplus/(Deficit)		18 385	9 556	(14 190)	(11 336)	8 057	8 057	18 855	6 764	(3 233)	(346)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	348 475	354 208	357 958	376 487	390 239	390 239	18 855	395 610	408 804	436 374
Reserves											
Housing Development Fund					66	66	66				
Capital replacement					374	374	374				
Self-insurance											
Other reserves					306	306	306				
Revaluation											
Total Reserves	2	-	-	-	745	745	745	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	348 475	354 208	357 958	377 233	390 985	390 985	18 855	395 610	408 804	436 374

QUALITY CERTIFICATE

I, Lonwabo Ngoqo, Municipal Manager of Sundays River Valley municipality, hereby certify that the annual budget 2015/16 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

L.M.R. NGOQO

MUNICIPAL MANAGER OF SUNDAYS RIVER VALLEY MUNICIPALITY – EC106

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SIGNATURE

DATE: 28 May 2015