

OVERBERG DISTRICT MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2013/2014 TO 2015/2016



ANNUAL BUDGET OF
OVERBERG DISTRICT
MUNICIPALITY

2013/14 TO 2015/16

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	LED	Local Economic Development
ASGISA	Accelerated and Shared Growth Initiative	MBRR	Municipal Budget Reporting Regulations
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

Part 1 – Annual Budget

1.1 Mayor's Report

The budget tabled here today still needs to be work shopped and adjusted to get to a point where it is cash backed and ready to be implemented. Although huge effort has been put into the budget preparation there is still areas of concern that need to be addressed. The main problem that we encounter is still the absence of an own revenue source for district municipalities. We as municipality hardly have any way to improve our own revenue position. As we all know there is movement from National Government to revise the equitable share formula, but unfortunately the equitable share replacing the former RSC levies is not part of this operation. In spite of all the negatives surrounding us it is pleasing to be in a position that our budget for the MTREF period 2013/14 to 2015/16 complies with all the requirements set by the National Treasury.

When the budget for the previous financial year was tabled for the first time during March 2012 we budgeted for a shortfall of more than R19m. The tabled budget does not only have much better results for the next financial year, the position over the MTREF period constantly keep improving. We must however not even think that we are now out of financial difficulties. The financial position of the municipality is still very concerning and the rendering of basic core services are still under enormous pressure. Nowhere in this budget is any provision for the replacement of fire brigade vehicles or the appointment of additional staff members for the fire brigade or the municipal health section.

Furthermore the operational expenditure was cut as far as possible. To stay within this budget will require serious financial planning and discipline. I do believe however with the correct guidance and the correct attitude from councilors as well as staff members that we will be able to survive. If we can carry on like this and work together I think that we can be proud of ourselves.

The equitable share over the MTREF period grows very slowly and it is unfortunate that the National Government cannot see the need of the communities being serviced from the grant. The section replacing the RSC levies still only increases by 3% per year for the first 2 years and by only 2.5% for the final year of this MTREF period. The new calculation of the equitable share formula means that some extra funds have been allocated to this municipality. The total increase in equitable share over the MTREF period amounts to 6.17% from 2012/13 to 2013/14, 8.59% from 2013/14 to 2014/15 and 9.83% from 2014/15 to 2015/16. This percentage increases is not enough and will never be enough to ensure the financial sustainability of this municipality.

The only other alternative if the equitable share is not enough is to find a sustainable and reliable source of own revenue for district municipalities. To this date no such revenue source could be developed or implemented.

If we look at the results for the past financial year, the current one and the estimates for the three years to come it is not a very nice picture. The revenue of the municipality is just not enough to cover the expenditure we need to incur to render services at an acceptable level to communities. The results are as follows:

Details	Actual 2011/12 financial year	Budget 2013/14 financial year	Budget 2014/15 financial year	Budget 2015/16 financial year
Gross surplus/(deficit) for the year	(6 891 156)	(5 013 720)	(4 161 480)	(2 803 570)
Add: Non-cash items				
Depreciation	2 605 061	2 501 360	2 554 790	2 588 310
Contribution post retirement health care	4 721 674	5 421 880	4 948 870	5 339 520
Contribution long services awards	650 575	715 560	772 790	834 620
Actuarial losses	3 451 166	610 140	658 950	711 670
Loss/(Gain) on disposal of PPE	2 153 343			
Impairments PPE	318 021			
Debt impairment	652 743	300 000	300 000	300 000
Contributions tip site rehabilitation	693 495	708 830	767 500	831 440
Dividends in specie	(174 571)			
Other	(133 163)			
	8 047 189	5 244 050	5 841 420	7 801 990
Less: Cash items from suspense accounts				
Redemption - external borrowings	(601 893)	(723 070)	(455 290)	(146 320)
Redemption - financial leases	(948 592)	(1 071 360)	(1 250 900)	(1 304 900)
Long service awards payable	(376 447)	(400 000)	(400 000)	(400 000)
Post-retirement health benefits payable	(2 283 236)	(2 860 000)	(3 146 000)	(3 460 600)
(Increase)/Decrease in debtors	(1 019 372)	(773 400)	(849 700)	(917 800)
Unspent grants utilized	(1 549 697)	(1 050 000)	(350 000)	(50 000)
Capital expenditure	(328 433)	-	-	-
Increase inventory	(277 707)	-	-	-
Increase/(Decrease) in creditors	(4 436 486)	-	-	-
Other	376 527	-	-	-
Net Cash Inflow/(Outflow)	(3 398 146)	(1 633 780)	(610 470)	1 522 370

As can be seen from the table there was a net cash outflow during the previous financial year. The only way we can prevent a net cash outflow during the current financial year is if we utilize some of the return from the selling of properties for operational expenditure. For the next financial year we will have to adjust the budget to ensure that we realize a net cash inflow. As the budget stands now the 2013/14 year will realize a net cash outflow of R1 633 780 and the 2014/15 year a net cash outflow of R610 470. Only during the final year of the MTREF will we be able to realize a net cash inflow.

The most concerning problem in the budget is that hardly any capital expenditure is budgeted for. This while the municipality's assets are old and very little repairs and maintenance were done over the last couple of years. There are just not sufficient funds available to finance any large capital expenditure. Especially the equipment used by the fire brigade is old and in most cases outdated. This may well have a serious negative impact on the levels of service delivery, not only during the MTREF period but also in the years to come.

Other assets of the municipality are also neglected and this will not only have a negative impact on service delivery, but may well lead to serious incidents in future that can have far reaching

influence on the municipality. We already had two incidents during the current financial year where two fire brigade vehicles were sent to a fire and not one of them could reach the fire.

Computer hardware is getting older and older and this may also have an influence on service delivery. The infrastructure assets at the resorts are another area where huge decline occurred during the last couple of years. Unfortunately the resorts do not generate enough revenue to maintain these assets. To renew these assets or at least upgrade them to an acceptable level will cost a lot of money. We have to ask ourselves if we will be able to afford this. It is unacceptable to use equitable share, earmarked for basic service, to subsidize holiday makers. On the other hand tariffs at the resorts are already marked related to other resorts within our area. If we should therefor unrealistically raise the tariffs to fund the necessary upgrading of the resorts it might have a negative impact on the occupation of the resorts.

Another huge concern is that no IDP projects have been budgeted for. Although we have a thorough IDP process and we do have participation of role players and stake holders, we cannot implement any of the requests brought to the table during the IDP process. This in itself might have a negative impact on the community as participants may feel that their inputs are not taken into account.

The staff of the municipality is another area of concern. Although it may seem as if the employee related costs are growing year on year as a percentage of the total expenditure budget, there are huge staff shortages in the fire brigade and the municipal health sections. During the current year a huge compliment of staff for the fire brigade were funded from the EPWP grant. There is in fact nothing wrong with that and the EPWP workers at the fire brigade are trained well and are incorporated as staff members if vacancies are available. The resorts are another area where EPWP workers were of great help. Especially during the season we could employ EPWP workers as we would have to employ part time workers during this time. The biggest concern with the EPWP grant is that there is an allocation in the DORA for the 2013/14 financial year only and not for the two outer years of the MTREF. This means that we will have to employ additional staff from own funds during the outer years.

The employee related costs is growing year on year. The following table illustrates the percentages of employee relates costs compared to total operational expenditure:

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Total operational expenditure	110 602 504	114 143 770	113 054 430	118 135 880	124 814 700
Employee related costs	50 864 217	50 747 300	55 601 880	58 915 250	63 094 760
% of total expenditure	45.99%	44.46%	49.18%	49.87%	50.55%
% growth year on year		-0.23%	9.57%	5.96%	7.09%

It is clear that there is a huge increase in employee related costs from the current financial year to the next year. This is a result of the two Director posts that were vacant during the current financial year. Due to the financial position of the municipality hardly any additional staff members could be budgeted for.

We must remember that this is only a draft budget that is tabled here today. Discussions and workshops will have to be performed to ensure that we can reach a point where the budget is

not only cash backed, but we can also be proud to present the budget to Provincial and National Treasury. To really make a difference in the Overberg region will require strong financial discipline.

District municipalities are almost entirely dependent on the grants they receive to fund their expenditure. The following table is a clear illustration thereof.

R'000	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Own Revenue Sources	18 768	20 815	17 005	18 325	19 467
Government Grants and Subsidies	84 943	92 582	91 035	95 649	102 544
Total Revenue	103 711	113 397	108 041	113 974	122 011

As can be seen from the above table the grants represent by far the biggest part of total revenue. It is also a fact that district municipalities cannot implement other sources of revenue except for those district municipalities that operate water or sanitation schemes on behalf of the local municipalities within their area. It is therefore of utmost importance for us to keep expenditure levels within our anticipated revenue.

Furthermore the capital expenditure budgeted for, except for the landfill site at Karwyderskraal, will have to be funded from revenue as the municipality is unable to get external loans from financial institutions, because of the doubtful financial position of the municipality. This forces us to limit capital expenditure to the absolute minimum.

Proposed capital expenditure for the MTREF period are as follows:

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Capital Expenditure	3 697	520	328	14 938	1 794	3 310	292	-
Funded by:								
Borrowing	-	-	-	8 500	940	2 800	-	-
Internally generated funds	3 697	520	328	6 438	854	510	292	-
Total Capital Funding	3 697	520	328	14 938	1 794	3 310	292	-

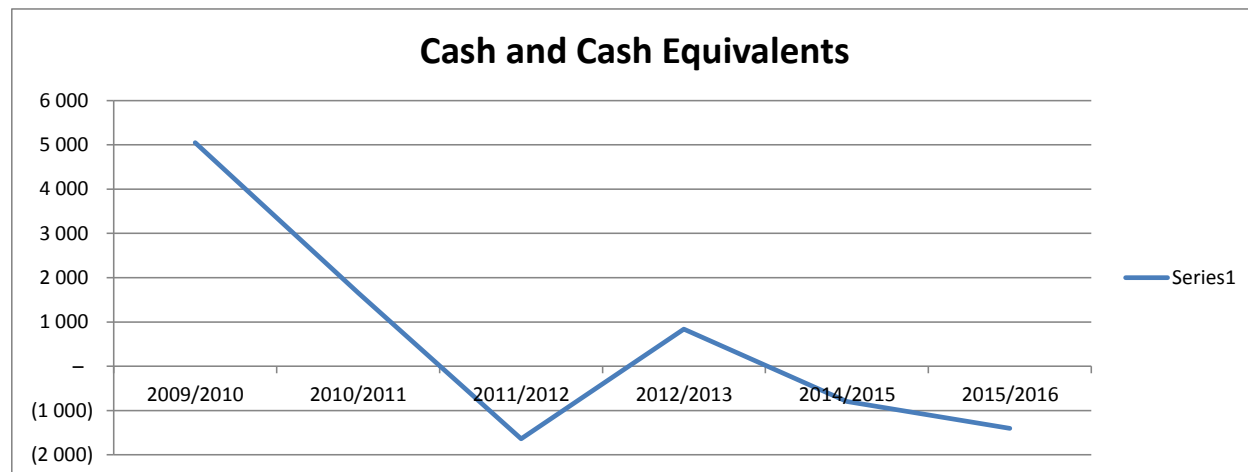
The municipality is left in a rather peculiar position due to their financial constraints. Capital expansion is needed in order for the municipality to deliver the required level of service. Thus, if no funding source is identified to acquire the needed capital items, service delivery will slow down until a point is reached where no services are delivered. We are well aware that it may not be the best practice to sell capital assets, especially land and buildings, but we are currently in a position where we have to fund essential capital expenditure through the selling of some of the Council's properties.

One of the main concerns in the tabled budget is the high percentage of employee related costs in relation to the total operating budget. Although the percentage of employee related costs has been reduced quite significantly in comparison to the tabled budget, it is still above the prescribed norm for municipalities. This is clearly illustrated earlier in this report.

Although there is a slight decrease in the accumulated shortfall over the MTREF period, it will take a long time to recover from the accumulated deficit that the current Council inherited. If, however we could find additional sources of revenue the situation could improve significantly over a much shorter period. This is essential to deliver quality services to the community.

Everything taken into account, the future prospects of the municipality seems doubtful, as clearly illustrated by the table and graph (illustrating the decline in cash resources) below. Although the budget is funded, it is not cash funded, as resources are locked up in working capital requirements.

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available								
Cash/cash equivalents at the year end	4 901	1 430	(1 968)	(5 379)	510	(1 124)	(1 734)	(386)
Non current assets - Investments	145	228	331	-	331	331	331	331
Cash and investments available:	5 046	1 658	(1 638)	(5 379)	841	(793)	(1 403)	(56)
Application of cash and investments								
Unspent conditional transfers	4 245	3 620	2 070	2 068	1 826	776	426	376
Other working capital requirements	156	3 785	(3 102)	1 636	(3 092)	(3 852)	(4 036)	(4 387)
Reserves to be backed by cash/investments	759	-	-	-	-	-	-	-
Total Application of cash and investments:	5 160	7 405	(1 032)	3 704	(1 267)	(3 077)	(3 610)	(4 012)
Surplus(shortfall)	(114)	(5 747)	(606)	(9 083)	2 107	2 284	2 207	3 956



It is quite obvious that the net cash position has reached a turning point and that there is a positive movement towards the end of the MTREF period. Unfortunately the growth is very slow and it might take some time to reach a positive cash position.

Recommendation

The Council of Overberg District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 7 on page 17;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 8 on page 19;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 9 on page 20; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 10 on page 21.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 11 on page 23;
 - 1.2.2. Budgeted Cash Flows as contained in Table 12 on page 25;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 13 on page 27. Council notes the projected cash shortfall for the entire MTREF;
 - 1.2.4. Asset management as contained in Table 14 on page 28.
2. The Council of Overberg District Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013 the tariffs for all services, as set out in AnnexureB.

1.2 Executive Summary

Introduction

The municipality made good progress in recent years with regards to the budgeting procedures and ensuring that budgets are prepared in line with GRAP and National Treasury Budget Regulations.

National Treasury's MFMA Circular No. 66 was mainly used to guide the compilation of the 2013/14 MTREF. Some of the key challenges faced by the municipality when compiling the budget were:

- The ongoing difficulties in the national and local economy;
- The need to prioritise projects and expenditure within the financial means of the municipality.
- The continued increases in the cost to provide services. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects; and
- Availability of affordable capital/borrowing.

The financial sustainability of the municipality is currently in serious doubt and urgent intervention from other role players within provincial and national government is needed to ensure that Overberg District Municipality remains a going concern.

Vote Structure

A vote is one of the main segments of a budget. The structure is for reporting requirements and links the accounting performance both to the IDP and to the responsible officials. The high level structure included in the budget documentation is shown in the table below.

Vote name	Vote holder	Sub-vote name	Sub-vote holder	Dept #
Municipal Manager	Municipal Manager	Council Expenditure	Municipal Manager	2001
		Executive Services		2002
		Grants and Donations		2003
		Management Support		2004
		Internal Audit	Manager: Internal Audit Services	2006
Management Services	Director: Management Services	Record Management	Head: Record Management	2005
		Human Resources	Manager: Human Resources	2007
		Supply Chain Management	Head: Supply Chain Management	2008
		Finance: Income, Expenditure & IT	Head: Income, Expenditure & IT	2009
		Performance Management	Performance Management Officer	2010
		Administration	Senior Administration Officer	2011
		Buildings		2012
		Financial Services	Chief Financial Officer	2013
		Planning services	Manager: IDP/LED	2016
		Grants ex National Government	Chief Financial Officer	2018
		Grants ex Provincial Government	Chief Financial Officer	2019
		Finance Mangement Grant	Chief Financial Officer	2021
Community and Technical Services	Director: Community and Technical Services	Fire Brigade	Head: Disaster Management and Fire Services	2031
		Disaster Mangement		2032
		Municipal Health	Head: Municipal Health	2033
		Environmental Management	Head: Environmental Management	2039
		Karwyderskraal		2042
		Dennehof	Head: Resorts	2044
		Die Dam		2045
		Uilenkraalsmond		2046
		Roads: Main & Divisional	Head: Roads	2501
		Roads: Indirect Account		2503
Roads: Plant Account	2505			

1.3 Operating Revenue Framework

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
- Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI. This however presents a great challenge to the municipality that is in need of higher than CPI adjustments in order to raise internal revenue sources. However, higher than CPI adjustments becomes counter-productive, as it only increases the risk of non-payment by users.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:

Consolidated Overview of the 2013/14 MTREF

R thousand	Adjustments Budget	Budget Year	Budget Year +1	Budget Year +2
	2012/13	2013/14	2014/15	2015/16
Total Operating Revenue	113 397	108 041	113 974	122 011
Total Operating Expenditure	114 144	113 054	118 136	124 815
Surplus/(Deficit) for the year	(747)	(5 014)	(4 161)	(2 804)

There is a steady increase in operating revenue over the MTREF period. However, this increase in revenue is not sufficient to fund the growth in operating expenditure, resulting in a deficit in all the financial years under review.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 1 Summary of revenue classified by main revenue source

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source								
Service charges - refuse revenue	3 995	4 169	1 787	1 000	-	-	-	-
Service charges - other	201	340	385	424	509	518	552	589
Rental of facilities and equipment	9 825	10 492	10 537	14 189	11 404	11 519	12 467	13 341
Interest earned - external investments	1 333	523	338	300	500	400	400	400
Interest earned - outstanding debtors	1	2	3	2	4	4	4	5
Dividends received	4	2	178	44	-	-	-	-
Fines	-	1	-	-	-	-	-	-
Licences and permits	5	9	10	10	32	25	25	25
Agency services	3 101	3 727	3 404	4 139	3 626	3 959	4 271	4 485
Transfers recognised - operational	73 226	82 017	84 943	81 959	92 582	91 035	95 649	102 544
Other revenue	1 155	895	2 127	668	4 083	580	606	622
Gains on disposal of PPE	-	-	-	6 438	658	-	-	-
Total Revenue (excluding capital transfers and contributions)	92 846	102 178	103 711	109 173	113 397	108 041	113 974	122 011

Table 2 Summary of revenue classified by municipal vote

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote								
Vote 1 - Municipal Manager	1 240	1 486	1 680	7 219	4 286	3 959	4 271	4 485
Vote 2 - Management services	42 679	46 569	49 996	50 897	51 532	51 952	54 239	59 008
Vote 3 - Community and Technical services	48 927	54 122	52 036	51 057	57 580	52 130	55 464	58 518
Total Revenue by Vote	92 846	102 178	103 711	109 173	113 397	108 041	113 974	122 011

1.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- Guidance provided by National Treasury in Circular 66;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Limitation on tariff increases.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 3 Summary of operating expenditure by standard classification item

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type								
Employee related costs	46 816	52 207	50 864	52 103	50 747	55 602	58 915	63 095
Remuneration of councillors	3 250	3 754	4 205	4 580	4 105	4 740	4 977	5 226
Debt impairment	-	3 302	653	565	-	300	300	300
Depreciation & asset impairment	3 023	2 690	2 704	2 650	2 728	2 558	2 612	2 645
Finance charges	2 604	1 620	1 131	1 546	1 451	1 263	1 092	944
Contracted services	1 137	1 463	774	800	282	400	400	400
Transfers and grants	367	311	12	-	-	-	-	-
Other expenditure	45 443	52 487	47 831	44 971	54 830	48 191	49 840	52 205
Loss on disposal of PPE	725	-	2 429	-	-	-	-	-
Total Expenditure	103 365	117 834	110 603	107 216	114 144	113 054	118 136	124 815

The budgeted allocation for employee related costs for the 2013/14 financial year totals R55.602 million, which equals 49.18 per cent of the total operating expenditure. These percentages increase to 49.87 and 50.55 per cent in the 2 outer years of the MTREF period respectively. Employee related costs increases by 9.57 per cent when compared to the 2012/2013 Adjustment Budget figure, and is mainly as a result of the filling of vacant positions. The proposed salary increase for the 2 outer years of the MTREF is 8.00% for both years.

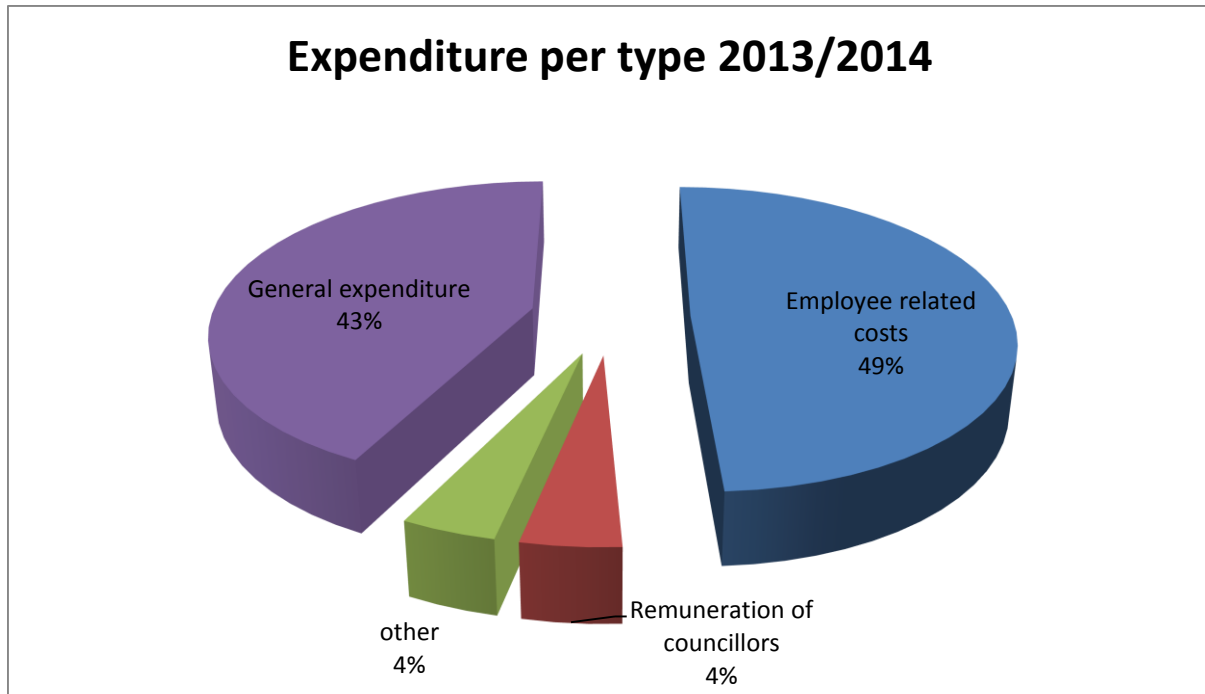
The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

National Treasury is introducing a new Chart of Accounts and additional expenditure line-items in the budget. One of these line-items is "Other materials". Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. This group of expenditure has been identified in order to measure sustainability of the Municipality's infrastructure. The municipality's financial systems are, however, not yet ready to implement this change and will be addressed in future budgets.

Other expenditure comprises of various line items relating to the daily operations of the municipality, with the roads function contribution the bulk of the expenditure.

The following table gives a breakdown of the main expenditure categories for the 2013/14 financial year.

Figure 1 Main operational expenditure categories for the 2012/13 financial year



1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2013/14 budget and MTREF allocates a large portion (approximately 14%) of its operating budget to repairs and maintenance.

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

Table 4 Repairs and maintenance per asset class

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>								
<u>Infrastructure</u>	10 256	10 710	10 464	9 827	17 482	11 414	11 080	11 638
Infrastructure - Road transport	10 200	10 701	10 464	9 822	17 478	11 409	11 073	11 631
Infrastructure - Other	56	9	1	5	4	5	7	7
<u>Community</u>	504	432	312	468	291	285	310	331
Swimming pools	25	63	14	30	16	5	5	5
Recreational facilities	480	370	298	438	275	280	305	326
<u>Other assets</u>	5 544	4 767	5 248	5 390	4 201	5 342	5 806	6 141
General vehicles	4 021	3 602	4 405	4 362	3 457	4 667	5 079	5 366
Furniture and other office equipment	804	551	331	566	297	292	317	339
Civic Land and Buildings	719	614	512	463	448	383	410	436
Total Repairs and Maintenance Expenditure	16 305	15 909	16 024	15 685	21 974	17 040	17 196	18 110
<i>R&M as a % of PPE</i>	36.9%	37.3%	44.7%	31.3%	62.8%	47.5%	51.1%	58.2%
<i>R&M as % Operating Expenditure</i>	15.8%	13.5%	14.5%	14.6%	19.3%	15.1%	14.6%	14.5%

1.5 Capital expenditure

The capital budget below is an indication of what is affordable at this stage and does not necessarily reflect what is required to deliver services of high quality.

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

Table 52012/13 Medium-term capital budget per vote

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand								
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-
Vote 2 - Management services	-	-	-	-	-	-	-	-
Vote 3 - Community and Technical services	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated								
Vote 1 - Municipal Manager	-	-	-	-	-	150	-	-
Vote 2 - Management services	-	246	76	309	271	1 790	7	-
Vote 3 - Community and Technical services	3 697	273	252	14 630	1 523	1 370	285	-
Capital single-year expenditure sub-total	3 697	520	328	14 938	1 794	3 310	292	-
Total Capital Expenditure - Vote	3 697	520	328	14 938	1 794	3 310	292	-

1.6 Annual Budget Tables - Parent Municipality

The following sections present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 6 MBRR Table A1 - Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands								
<u>Financial Performance</u>								
Service charges	4 195	4 510	2 172	1 424	509	518	552	589
Investment revenue	1 333	523	338	300	500	400	400	400
Transfers recognised - operational	73 226	82 017	84 943	81 959	92 582	91 035	95 649	102 544
Other own revenue	14 091	15 128	16 259	25 490	19 806	16 087	17 373	18 478
Total Revenue (excluding capital transfers and contributions)	92 846	102 178	103 711	109 173	113 397	108 041	113 974	122 011
Employee costs	46 816	52 207	50 864	52 103	50 747	55 602	58 915	63 095
Remuneration of councillors	3 250	3 754	4 205	4 580	4 105	4 740	4 977	5 226
Depreciation & asset impairment	3 023	2 690	2 704	2 650	2 728	2 558	2 612	2 645
Finance charges	2 604	1 620	1 131	1 546	1 451	1 263	1 092	944
Materials and bulk purchases	-	-	-	-	-	-	-	-
Transfers and grants	367	311	12	-	-	-	-	-
Other expenditure	47 304	57 252	51 686	46 336	55 112	48 891	50 540	52 905
Total Expenditure	103 365	117 834	110 603	107 216	114 144	113 054	118 136	124 815
Surplus/(Deficit) for the year	(10 519)	(15 656)	(6 891)	1 958	(747)	(5 014)	(4 161)	(2 804)
<u>Capital expenditure & funds sources</u>								
Capital expenditure	3 697	520	328	14 938	1 794	3 310	292	-
Borrowing	-	-	-	8 500	940	2 800	-	-
Internally generated funds	3 697	520	328	6 438	854	510	292	-
Total sources of capital funds	3 697	520	328	14 938	1 794	3 310	292	-
<u>Financial position</u>								
Total current assets	10 781	4 547	5 737	3 440	6 505	6 468	7 086	7 703
Total non current assets	47 174	45 133	38 217	62 434	37 283	38 034	35 714	33 069
Total current liabilities	17 550	18 221	14 074	19 945	11 121	12 395	12 760	10 432
Total non current liabilities	45 789	52 498	57 810	88 347	61 344	65 799	67 893	70 997
Community wealth/Equity	(5 383)	(21 039)	(27 930)	(42 417)	(28 677)	(33 691)	(37 853)	(40 656)
<u>Cash flows</u>								
Net cash from (used) operating	(5 164)	(52)	(1 517)	1 358	3 663	670	1 388	2 799
Net cash from (used) investing	(3 696)	(520)	(328)	(8 500)	(559)	(3 310)	(292)	-
Net cash from (used) financing	(1 364)	(2 899)	(1 553)	7 152	(625)	1 006	(1 706)	(1 451)
Cash/cash equivalents at the year end	4 901	1 430	(1 968)	(5 379)	510	(1 124)	(1 734)	(386)
<u>Cash backing/surplus reconciliation</u>								
Cash and investments available	5 046	1 658	(1 638)	(5 379)	841	(793)	(1 403)	(56)
Application of cash and investments	5 160	7 405	(1 032)	3 704	(1 267)	(3 077)	(3 610)	(4 012)
Balance - surplus (shortfall)	(114)	(5 747)	(606)	(9 083)	2 107	2 284	2 207	3 956
<u>Asset management</u>								
Asset register summary (WDV)	44 627	43 095	36 176	59 566	35 298	36 107	33 844	31 255
Depreciation & asset impairment	3 023	2 690	2 704	2 650	2 728	2 558	2 612	2 645
Renewal of Existing Assets	-	-	-	4 933	403	100	100	-
Repairs and Maintenance	16 305	15 909	16 024	15 685	21 974	17 040	17 196	18 110

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's 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 reform 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:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains negative indicates that the necessary cash resources are not available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the budget will not be cash backed in the entire MTREF period.

Table 7 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand								
Revenue - Standard								
Governance and administration	43 518	47 835	51 572	57 512	55 697	55 779	58 368	63 344
Executive and council	1 190	1 451	1 680	7 219	4 286	3 959	4 271	4 485
Budget and treasury office	41 248	45 181	48 208	48 551	51 397	51 820	54 097	58 859
Corporate services	1 080	1 202	1 684	1 741	15	-	-	-
Community and public safety	12 289	12 053	11 215	15 477	12 275	12 384	13 392	14 322
Community and social services	1 718	478	6	-	-	-	-	-
Sport and recreation	10 052	10 885	11 054	14 666	12 066	12 181	13 173	14 096
Public safety	397	567	52	691	89	72	77	77
Health	121	124	103	120	120	131	142	149
Economic and environmental services	33 039	38 113	39 134	35 177	45 409	39 870	42 207	44 338
Planning and development	280	97	-	484	-	-	-	-
Road transport	32 695	37 978	39 094	34 693	45 309	39 775	42 107	44 233
Environmental protection	64	38	40	-	100	95	100	105
Trading services	4 000	4 177	1 790	1 008	16	8	8	8
Waste management	4 000	4 177	1 790	1 008	16	8	8	8
Total Revenue - Standard	92 846	102 178	103 711	109 173	113 397	108 041	113 974	122 011
Expenditure - Standard								
Governance and administration	29 317	41 257	29 864	25 522	28 466	31 438	31 348	32 864
Executive and council	10 814	13 685	9 555	9 613	7 316	10 233	10 836	11 117
Budget and treasury office	11 858	20 694	14 586	9 826	13 536	13 426	12 259	12 884
Corporate services	6 645	6 878	5 723	6 083	7 614	7 779	8 253	8 863
Community and public safety	25 916	25 192	27 763	27 992	26 062	26 714	28 507	30 396
Community and social services	2 736	1 290	567	15	-	-	-	-
Sport and recreation	10 212	11 168	12 132	11 866	10 589	10 139	10 780	11 458
Public safety	12 870	12 628	14 961	15 990	15 353	16 443	17 585	18 789
Health	98	107	103	120	120	131	142	149
Economic and environmental services	43 615	48 255	50 509	49 891	57 633	52 756	56 014	59 160
Planning and development	3 912	2 259	2 282	3 267	1 223	1 183	1 208	1 279
Road transport	32 695	37 978	39 094	34 693	45 309	39 775	42 107	44 233
Environmental protection	7 008	8 019	9 132	11 931	11 102	11 798	12 700	13 648
Trading services	4 517	3 130	2 467	3 811	1 982	2 147	2 267	2 395
Waste management	4 517	3 130	2 467	3 811	1 982	2 147	2 267	2 395
Total Expenditure - Standard	103 365	117 834	110 603	107 216	114 144	113 054	118 136	124 815
Surplus/(Deficit) for the year	(10 519)	(15 656)	(6 891)	1 958	(747)	(5 014)	(4 161)	(2 804)

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

1. 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 15 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.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. This is however not the case with the Waste management function.
3. Other functions that show a deficit between revenue and expenditure are being financed from government funding.

Table 8 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote								
Vote 1 - Municipal Manager	1 240	1 486	1 680	7 219	4 286	3 959	4 271	4 485
Vote 2 - Management services	42 679	46 569	49 996	50 897	51 532	51 952	54 239	59 008
Vote 3 - Community and Technical services	48 927	54 122	52 036	51 057	57 580	52 130	55 464	58 518
Total Revenue by Vote	92 846	102 178	103 711	109 173	113 397	108 041	113 974	122 011
Expenditure by Vote to be appropriated								
Vote 1 - Municipal Manager	8 832	12 855	8 482	9 360	7 939	10 821	11 469	11 796
Vote 2 - Management services	24 335	30 599	23 598	19 549	21 829	21 888	21 229	22 496
Vote 3 - Community and Technical services	70 198	74 380	78 522	78 307	84 376	80 346	85 438	90 522
Total Expenditure by Vote	103 365	117 834	110 603	107 216	114 144	113 054	118 136	124 815
Surplus/(Deficit) for the year	(10 519)	(15 656)	(6 891)	1 958	(747)	(5 014)	(4 161)	(2 804)

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 of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 9 MBRTable A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand								
Revenue By Source								
Service charges - refuse revenue	3 995	4 169	1 787	1 000	–	–	–	–
Service charges - other	201	340	385	424	509	518	552	589
Rental of facilities and equipment	9 825	10 492	10 537	14 189	11 404	11 519	12 467	13 341
Interest earned - external investments	1 333	523	338	300	500	400	400	400
Interest earned - outstanding debtors	1	2	3	2	4	4	4	5
Dividends received	4	2	178	44	–	–	–	–
Fines	–	1	–	–	–	–	–	–
Licences and permits	5	9	10	10	32	25	25	25
Agency services	3 101	3 727	3 404	4 139	3 626	3 959	4 271	4 485
Transfers recognised - operational	73 226	82 017	84 943	81 959	92 582	91 035	95 649	102 544
Other revenue	1 155	895	2 127	668	4 083	580	606	622
Gains on disposal of PPE	–	–	–	6 438	658	–	–	–
Total Revenue (excluding capital transfers and contributions)	92 846	102 178	103 711	109 173	113 397	108 041	113 974	122 011
Expenditure By Type								
Employee related costs	46 816	52 207	50 864	52 103	50 747	55 602	58 915	63 095
Remuneration of councillors	3 250	3 754	4 205	4 580	4 105	4 740	4 977	5 226
Debt impairment	–	3 302	653	565	–	300	300	300
Depreciation & asset impairment	3 023	2 690	2 704	2 650	2 728	2 558	2 612	2 645
Finance charges	2 604	1 620	1 131	1 546	1 451	1 263	1 092	944
Contracted services	1 137	1 463	774	800	282	400	400	400
Transfers and grants	367	311	12	–	–	–	–	–
Other expenditure	45 443	52 487	47 831	44 971	54 830	48 191	49 840	52 205
Loss on disposal of PPE	725	–	2 429	–	–	–	–	–
Total Expenditure	103 365	117 834	110 603	107 216	114 144	113 054	118 136	124 815
Surplus/(Deficit) for the year	(10 519)	(15 656)	(6 891)	1 958	(747)	(5 014)	(4 161)	(2 804)

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

1. This table indicates the revenue by source and the expenditure by type.

Table 10 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand								
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-
Vote 2 - Management services	-	-	-	-	-	-	-	-
Vote 3 - Community and Technical services	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated								
Vote 1 - Municipal Manager	-	-	-	-	-	150	-	-
Vote 2 - Management services	-	246	76	309	271	1 790	7	-
Vote 3 - Community and Technical services	3 697	273	252	14 630	1 523	1 370	285	-
Capital single-year expenditure sub-total	3 697	520	328	14 938	1 794	3 310	292	-
Total Capital Expenditure - Vote	3 697	520	328	14 938	1 794	3 310	292	-
Capital Expenditure - Standard								
Governance and administration	-	246	76	309	271	1 940	7	-
Executive and council	-	-	-	-	-	150	-	-
Budget and treasury office	-	136	9	21	10	225	-	-
Corporate services	-	111	67	288	261	1 565	7	-
Community and public safety	1 562	220	240	5 473	1 342	535	100	-
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	508	122	60	2 183	575	385	100	-
Public safety	1 053	98	181	3 290	767	150	-	-
Economic and environmental services	375	42	2	640	181	832	173	-
Road transport	-	-	-	-	-	225	-	-
Environmental protection	375	42	2	640	181	607	173	-
Trading services	1 761	11	10	8 517	-	3	12	-
Waste management	1 761	11	10	8 517	-	3	12	-
Total Capital Expenditure - Standard	3 697	520	328	14 938	1 794	3 310	292	-
Funded by:								
Borrowing	-	-	-	8 500	940	2 800	-	-
Internally generated funds	3 697	520	328	6 438	854	510	292	-
Total Capital Funding	3 697	520	328	14 938	1 794	3 310	292	-

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

1. Table A5 is a breakdown of the capital program 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.
2. All appropriations are made within one year.

Table 11 MBRR Table A6 -Budgeted Financial Position

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand								
ASSETS								
Current assets								
Cash	4 901	1 430	141	-	510	-	-	-
Consumer debtors	4 291	1 763	2 130	1 923	2 496	2 969	3 587	4 205
Other debtors	757	493	2 327	550	2 360	2 360	2 360	2 360
Inventory	832	861	1 139	967	1 139	1 139	1 139	1 139
Total current assets	10 781	4 547	5 737	3 440	6 505	6 468	7 086	7 703
Non current assets								
Investments	145	228	331	-	331	331	331	331
Property, plant and equipment	44 241	42 705	35 831	50 182	35 002	35 858	33 642	31 102
Intangible	386	389	344	884	297	249	201	154
Other non-current assets	2 402	1 810	1 711	11 368	1 654	1 597	1 540	1 483
Total non current assets	47 174	45 133	38 217	62 434	37 283	38 034	35 714	33 069
TOTAL ASSETS	57 956	49 680	43 954	65 874	43 788	44 502	42 800	40 773
LIABILITIES								
Current liabilities								
Bank overdraft	-	-	2 109	5 379	-	1 124	1 734	386
Borrowing	2 907	1 550	1 430	1 050	1 016	1 706	1 451	161
Consumer deposits	14	23	20	25	20	20	20	20
Trade and other payables	8 729	9 668	3 677	6 126	3 248	2 340	2 147	2 253
Provisions	5 899	6 980	6 837	7 365	6 837	7 204	7 408	7 611
Total current liabilities	17 550	18 221	14 074	19 945	11 121	12 395	12 760	10 432
Non current liabilities								
Borrowing	4 961	3 411	1 980	9 511	1 770	2 085	634	473
Provisions	40 827	49 087	55 830	78 836	59 574	63 714	67 259	70 524
Total non current liabilities	45 789	52 498	57 810	88 347	61 344	65 799	67 893	70 997
TOTAL LIABILITIES	63 339	70 719	71 885	108 292	72 465	78 193	80 653	81 429
NET ASSETS	(5 383)	(21 039)	(27 930)	(42 417)	(28 677)	(33 691)	(37 853)	(40 656)
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)	(6 142)	(21 039)	(27 930)	(42 417)	(28 677)	(33 691)	(37 853)	(40 656)
Reserves	759	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	(5 383)	(21 039)	(27 930)	(42 417)	(28 677)	(33 691)	(37 853)	(40 656)

Explanatory notes to Table A6 - Budgeted Financial Position

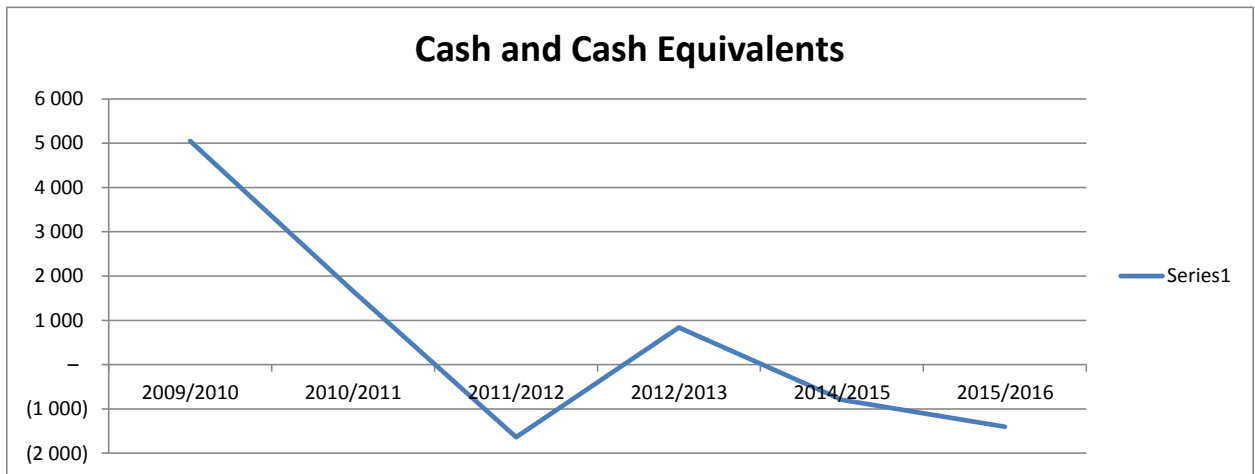
1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position 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.
3. Table A6 is supported by an extensive table (SA3) of notes detailed analysis of the major components of a number of items, including:
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. 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.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 12MBRTable A7 - Budgeted Cash Flow Statement

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	15 676	19 692	19 285	20 490	18 685	16 878	17 353	18 195
Government - operating	73 213	77 594	79 931	81 959	92 575	89 985	95 299	102 494
Interest	1 335	525	341	302	504	404	404	405
Dividends	4	2	3	-	-	-	-	-
Payments								
Suppliers and employees	(93 848)	(96 718)	(100 573)	(99 847)	(106 649)	(105 334)	(110 576)	(117 350)
Finance charges	(1 177)	(838)	(492)	(1 546)	(1 451)	(1 263)	(1 092)	(944)
Transfers and Grants	(367)	(311)	(12)	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(5 164)	(52)	(1 517)	1 358	3 663	670	1 388	2 799
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	1	-	-	6 438	1 235	-	-	-
Payments								
Capital assets	(3 697)	(520)	(328)	(14 938)	(1 794)	(3 310)	(292)	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	(3 696)	(520)	(328)	(8 500)	(559)	(3 310)	(292)	-
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	-	-	-	8 500	940	2 800	-	-
Increase (decrease) in consumer deposits	(1)	8	(2)	2	-	-	-	-
Payments								
Repayment of borrowing	(1 362)	(2 907)	(1 550)	(1 350)	(1 565)	(1 794)	(1 706)	(1 451)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 364)	(2 899)	(1 553)	7 152	(625)	1 006	(1 706)	(1 451)
NET INCREASE/ (DECREASE) IN CASH HELD	(10 224)	(3 471)	(3 398)	11	2 478	(1 634)	(610)	1 348
Cash/cash equivalents at the year begin:	15 125	4 901	1 430	(5 389)	(1 968)	510	(1 124)	(1 734)
Cash/cash equivalents at the year end:	4 901	1 430	(1 968)	(5 379)	510	(1 124)	(1 734)	(386)

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 Municipality fell significantly over the 2009/10 to 2011/12 period, and the negative trend, except for the 2012/2013 year, will continue over the MTREF.

Table 13MBRRTable A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand								
Cash and investments available								
Cash/cash equivalents at the year end	4 901	1 430	(1 968)	(5 379)	510	(1 124)	(1 734)	(386)
Non current assets - Investments	145	228	331	-	331	331	331	331
Cash and investments available:	5 046	1 658	(1 638)	(5 379)	841	(793)	(1 403)	(56)
Application of cash and investments								
Unspent conditional transfers	4 245	3 620	2 070	2 068	1 826	776	426	376
Other working capital requirements	156	3 785	(3 102)	1 636	(3 092)	(3 852)	(4 036)	(4 387)
Reserves to be backed by cash/investments	759	-	-	-	-	-	-	-
Total Application of cash and investments:	5 160	7 405	(1 032)	3 704	(1 267)	(3 077)	(3 610)	(4 012)
Surplus(shortfall)	(114)	(5 747)	(606)	(9 083)	2 107	2 284	2 207	3 956

Other working capital requirements

Debtors	4 329	2 263	4 709	2 422	4 515	5 417	5 757	6 265
Creditors due	4 485	6 048	1 607	4 058	1 422	1 565	1 721	1 878
Total	(156)	(3 785)	3 102	(1 636)	3 092	3 852	4 036	4 387

Debtors collection assumptions

Balance outstanding - debtors	5 049	2 256	4 457	2 473	4 856	5 329	5 947	6 565
Estimate of debtors collection rate	86%	100%	106%	100%	95%	102%	97%	95%

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus 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". The municipality's budget is not cash-funded for the entire MTREF period.

Table 14 MBRR Table A9 - Asset Management

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE								
Total Capital Expenditure								
Infrastructure - Road transport	-	-	-	80	50	-	-	-
Infrastructure - Sanitation	50	-	-	670	24	-	-	-
Infrastructure - Other	268	8	7	8 500	-	-	-	-
Infrastructure	318	8	7	9 250	74	-	-	-
Community	-	-	-	1 283	91	100	100	-
Other assets	3 379	408	305	3 905	1 629	3 210	192	-
Intangibles	-	103	17	500	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	3 697	520	328	14 938	1 794	3 310	292	-
ASSET REGISTER SUMMARY - PPE (WDV)								
Infrastructure - Road transport	1 364	1 205	1 034	906	925	766	607	447
Infrastructure - Electricity	752	708	148	313	135	122	108	95
Infrastructure - Water	4 684	4 495	1 664	2 103	1 593	1 521	1 450	1 378
Infrastructure - Sanitation	3 824	3 677	6 609	6 545	6 337	6 041	5 745	5 449
Infrastructure - Other	6 166	5 880	5 571	21 895	5 155	4 739	4 323	3 907
Infrastructure	16 790	15 967	15 027	31 762	14 144	13 188	12 232	11 276
Community	1 343	1 326	1 309	2 880	1 383	1 466	1 550	1 533
Other assets	26 107	25 413	19 496	24 040	19 474	21 203	19 860	18 293
Intangibles	386	389	344	884	297	249	201	154
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	44 627	43 095	36 176	59 566	35 298	36 107	33 844	31 255
EXPENDITURE OTHER ITEMS								
Depreciation & asset impairment	3 023	2 690	2 704	2 650	2 728	2 558	2 612	2 645
Repairs and Maintenance by Asset Class	16 305	15 909	16 024	15 685	21 974	17 040	17 196	18 110
Infrastructure - Road transport	10 200	10 701	10 464	9 822	17 478	11 409	11 073	11 631
Infrastructure - Other	56	9	1	5	4	5	7	7
Infrastructure	10 256	10 710	10 464	9 827	17 482	11 414	11 080	11 638
Community	504	432	312	468	291	285	310	331
Other assets	5 544	4 767	5 248	5 390	4 201	5 342	5 806	6 141
TOTAL EXPENDITURE OTHER ITEMS	19 328	18 600	18 729	18 335	24 702	19 599	19 808	20 755
Renewal of Existing Assets as % of total capex	0.0%	0.0%	0.0%	33.0%	22.5%	3.0%	34.2%	0.0%
Renewal of Existing Assets as % of deprecn"	0.0%	0.0%	0.0%	186.1%	14.8%	3.9%	3.8%	0.0%
R&M as a % of PPE	36.9%	37.3%	44.7%	31.3%	62.8%	47.5%	51.1%	58.2%
Renewal and R&M as a % of PPE	37.0%	37.0%	44.0%	35.0%	63.0%	47.0%	51.0%	58.0%

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. The Municipality does comply with the recommendations.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The primary aim of the Budget Steering Committee is to ensure:

- ◆ that the process followed to compile the budget complies with legislation and good budget practices;
- ◆ that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- ◆ that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- ◆ that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

The following key dates are set out for the budget process - .

- **During January and February 2013** – Request budget inputs from departments
- **28 February 2013**– Final date for inputs from departments
- **25 March 2013**– Budget workshop and tabling of budget.
- **1 April 2013**– Advertise draft budget for public comments
- **3 May 2013**– Final date for public comments.
- **27 May 2013**– Council meeting for approval of 2013/2014 MTREF budget.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2012/13 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

All IDP objectives are reflected in the table below –

MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	1 190	1 451	1 680	7 219	4 286	3 959	4 271	4 485
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	32 695	37 978	39 094	34 693	45 309	39 775	42 107	44 233
Sustainable Basic Services	To provide high quality tip sites capable of accommodating the required level refuse dumped at the site.	C	4 000	4 177	1 790	1 008	16	8	8	8
Environmental Protection	The allocation of sufficient funds to the protection and conservation of the municipal area	E	64	38	40	–	100	95	100	105
Social Development	To create a healthy and sustainable environment by improving social services.	F	1 718	478	6	–	–	–	–	–
	To create and maintain public areas and resorts for the benefit of the community.	G	10 052	10 885	11 054	14 666	12 066	12 181	13 173	14 096
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	H	41 248	45 181	48 208	48 551	51 397	51 820	54 097	58 859
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	I	1 080	1 202	1 684	1 741	15	–	–	–
Safety & Security	To create a safe and secure environment by providing traffic and related services.	J	397	567	52	691	89	72	77	77
Health	Promote and maintain a healthy municipal area	K	121	124	103	120	120	131	142	149
Planning and development	Provide support to the other departments with regards to planning and development	L	280	97	–	484	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			92 846	102 178	103 711	109 173	113 397	108 041	113 974	122 011

MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	10 814	13 685	9 555	9 613	7 316	10 233	10 836	11 117
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	32 695	37 978	39 094	34 693	45 309	39 775	42 107	44 233
Sustainable Basic Services	To provide high quality tip sites capable of accommodating the required level refuse dumped at the site.	C	4 517	3 130	2 467	3 811	1 982	2 147	2 267	2 395
Local development and tourism	Promote tourism in the municipal area	D	–	–	–	–	–	–	–	–
Environmental Protection	The allocation of sufficient funds to the protection and conservation of the municipal area	E	7 008	8 019	9 132	11 931	11 102	11 798	12 700	13 648
Social Development	To create a healthy and sustainable environment by improving social services.	F	2 736	1 290	567	15	–	–	–	–
	To create and maintain public areas and resorts for the benefit of the community.	G	10 212	11 168	12 132	11 866	10 589	10 139	10 780	11 458
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	H	11 858	20 694	14 586	9 826	13 536	13 426	12 259	12 884
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	I	6 645	6 878	5 723	6 083	7 614	7 779	8 253	8 863
Safety & Security	To create a safe and secure environment by providing traffic and related services.	J	12 870	12 628	14 961	15 990	15 353	16 443	17 585	18 789
Health	Promote and maintain a healthy municipal area	K	98	107	103	120	120	131	142	149
Planning and development	Provide support to the other departments with regards to planning and development	L	3 912	2 259	2 282	3 267	1 223	1 183	1 208	1 279
Total Expenditure			103 365	117 834	110 603	107 216	114 144	113 054	118 136	124 815

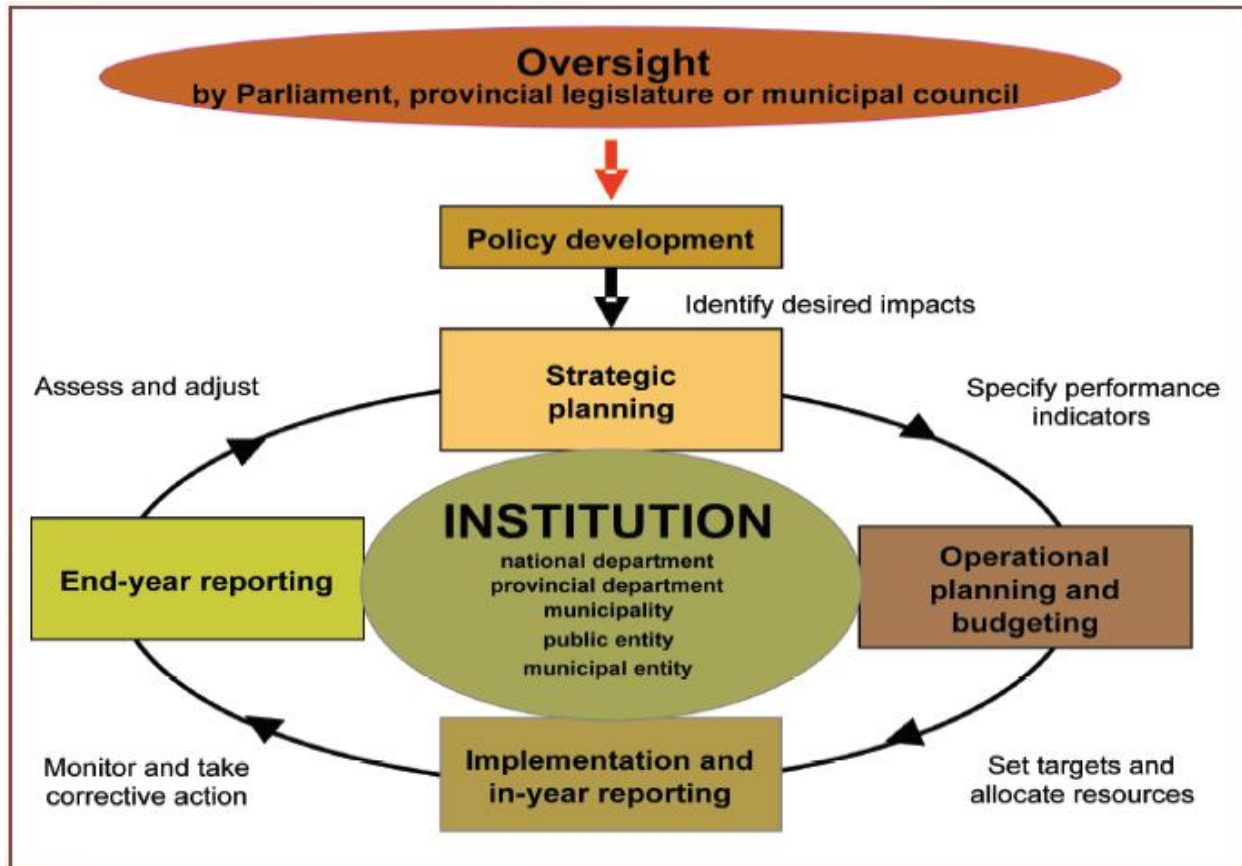
MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	-	-	-	-	-	150	-	-
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	-	-	-	-	-	225	-	-
Sustainable Basic Services	To provide high quality tip sites capable of accommodating the required level of refuse dumped at the site.	C	1 761	11	10	8 517	-	3	12	-
Environmental Protection	The allocation of sufficient funds to the protection and conservation of the municipal area	E	375	42	2	640	181	607	173	-
Financial Viability	To create and maintain public areas and resorts for the benefit of the community.	G	508	122	60	2 183	575	385	100	-
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	H	-	136	9	21	10	225	-	-
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	I	-	111	67	280	261	1 565	7	-
Safety & Security	To create a safe and secure environment by providing traffic and related services.	J	1 053	98	181	3 290	767	150	-	-
Planning and development	Provide support to the other departments with regards to planning and development	L	-	-	-	8	-	-	-	-
Total Capital Expenditure			3 697	520	328	14 938	1 794	3 310	292	-

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, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

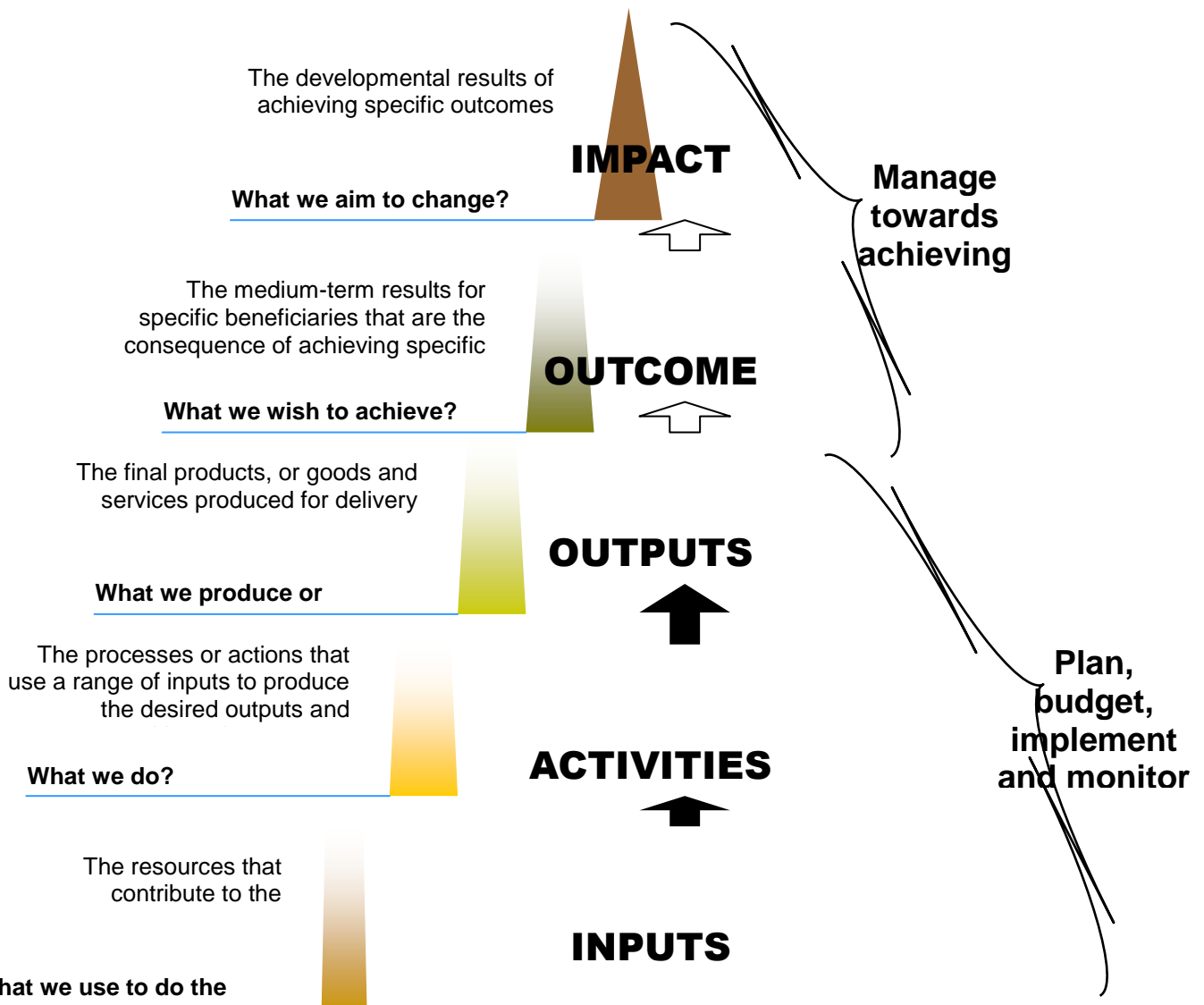
At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information 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 the Municipality 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. The Municipality 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:



The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

MBRR Table SA7 - Measurable performance objectives

The information is not available at this stage and will be included after the approval of the SDBIP.

The following table sets out the municipalities main performance objectives and benchmarks for the 2012/13 MTREF.

MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Borrowing Management</u>									
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.8%	3.8%	2.4%	2.7%	2.6%	2.7%	2.4%	1.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	20.2%	22.5%	14.3%	10.6%	14.5%	18.0%	15.3%	12.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	56.9%	52.4%	84.6%	0.0%	0.0%
<u>Safety of Capital</u>									
Gearing	Long Term Borrowing/ Funds & Reserves	653.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>									
Current Ratio	Current assets/current liabilities	0.6	0.2	0.4	0.2	0.6	0.5	0.6	0.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.6	0.2	0.4	0.2	0.6	0.5	0.6	0.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.1	0.0	-	0.0	-	-	-
<u>Revenue Management</u>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	85.7%	100.3%	105.7%	100.3%	95.1%	101.6%	96.8%	95.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		85.7%	100.3%	105.7%	100.3%	95.1%	101.6%	96.8%	95.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	5.4%	2.2%	4.3%	2.3%	4.3%	4.9%	5.2%	5.4%
<u>Creditors Management</u>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		91.5%	423.0%	-81.6%	-75.4%	278.9%	-139.2%	-99.2%	-486.0%
<u>Other Indicators</u>									
Employee costs	Employee costs/(Total Revenue - capital revenue)	50.4%	51.1%	49.0%	47.7%	44.8%	51.5%	51.7%	51.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	63.9%	65.0%	64.2%	51.9%	59.3%	68.1%	68.5%	68.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	17.6%	15.6%	15.5%	14.4%	19.4%	15.8%	15.1%	14.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.1%	4.2%	3.7%	3.8%	3.7%	3.5%	3.3%	2.9%
<u>IDP regulation financial viability indicators</u>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	5.7	10.7	11.4	13.2	13.2	8.1	9.9	10.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	36.0%	15.0%	35.1%	15.8%	40.8%	44.3%	45.7%	47.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.8	0.2	(0.3)	(0.8)	0.1	(0.2)	(0.2)	(0.1)

2.3.1 Performance indicators and benchmarks

2.3.1.1 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. This creditworthiness is very low at this stage. The following financial performance indicators have formed part of the compilation of the 2013/14 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. This ratio is by far below the borrowing capacity of the municipality, but it needs to be noted that capital grants and transfers has contributed significantly to the municipality's capital expenditure programs, thus limiting the need for borrowing.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure
- *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.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. A ratio in the region of 50% is a general benchmark and the municipality is currently well below this benchmark.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of more than 2 which is a general benchmark, hence at no point in time should this ratio be less than 2. The municipality is currently operating at a level well below the benchmark.
- *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.

2.3.1.4 Revenue Management

- Only a small percentage of revenue is derived from consumers and this indicator is still very good at the municipality.

2.3.1.5 Creditors Management

- Due to the deteriorating financial position of the municipality, it will become increasingly difficult for the municipality to settle creditors within the legislated period of 30 days.
- Employee costs as a percentage of operating revenue is very high when compared to other municipalities.
- The expenditure on repairs and maintenance is well in line with acceptable levels, but the actual cost will only be determined when a costing system is implemented.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Credit control and debt collection procedures/policies

The scope of this policy includes the following -

- 1) Credit control procedures and mechanisms;
- 2) Debt Collection Procedures and mechanisms
- 3) Interest on arrears, where applicable;
- 4) Extension on time under certain circumstances; and
- 5) The termination or restriction of services when payments are in arrears

2.4.2 Management and administration of Immovable assets

This policy is set out to guide the municipality to ensure that immovable property is managed and administrated in the best interest of the local community. Guidance are provided for the following –

- 1) Regulation on use;
- 2) Regulation on sale; and
- 3) Regulation on lease

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy sets out in detail all supply chain procedures to be followed when goods and services are procured.

2.4.4 Cash Management and Investment Policy

The objective of this policy is set out as follows –

- 1) Ensure compliance with relevant legal and statutory requirements relating to cash management and investments.
- 2) Ensure that council of the municipality who effectively are custodians of the public revenues, which it collects, managed the cash resources effectively and efficiently; and
- 3) Ensure optimal return on investment without incurring undue risk when cash revenues are not needed for capital or operational purposes

2.4.5 Tariff Policies

The Municipality's tariff policies is aimed at establishing the following –

- 1) The tariffs of the municipality conform to acceptable policy principles;
- 2) Financial services are financially sustainable;
- 3) There is certainty in the Council, of how the tariffs will be determined;

- 4) Tariffs of the Municipality comply with the applicable legislation; and
- 5) Tariffs should take into consideration relief to the indigent.

2.5 Overview of budget assumptions

2.5.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2013 will be minimal with a slightly better growth in the outer years.

The following factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

2.5.2 Credit rating outlook

Table 15 Credit rating outlook

The credit outlook of South Africa remained under pressure. This could be attributed to the numerous violent protest actions in the various sectors of the South African economy. Most recently, the mining and agricultural sectors were negatively affected by these actions. This made South Africa less attractive to foreign investors and largely contributed to the ever widening trade deficit. A deterioration in the local currency, in a country very dependent on imports, is also placing pressure on the inflationary outlook of the country.

Collection rate for revenue services

Only a small percentage of the municipality's revenue is derived from consumers. However, the municipality is confident to collect almost all outstanding debtors (90%) over the MTREF period.

2.5.3 Salary increases

Municipalities must take into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. The agreement provides for a wage increase based on the average CPI for the period 1 February 2012 until 31 January 2013, plus 1.25 per cent for the 2013/14 financial year.

2.5.4 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.

2.5.5 Ability of the municipality to spend and deliver on the programmes

Due to financial constraints, the municipality's is under constant pressure to deliver on programmes.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance								
Service charges	4 195	4 510	2 172	1 424	509	518	552	589
Investment revenue	1 333	523	338	300	500	400	400	400
Transfers recognised - operational	73 226	82 017	84 943	81 959	92 582	91 035	95 649	102 544
Other own revenue	14 091	15 128	16 259	25 490	19 806	16 087	17 373	18 478
Total Revenue (excluding capital transfers and contributions)	92 846	102 178	103 711	109 173	113 397	108 041	113 974	122 011
Total Expenditure	103 365	117 834	110 603	107 216	114 144	113 054	118 136	124 815
Surplus/(Deficit)	(10 519)	(15 656)	(6 891)	1 958	(747)	(5 014)	(4 161)	(2 804)

It is clear from the above that the municipality's revenue sources are not sufficient to fund the operating expenditure. The table is also a clear illustration of the dependence on government funding.

2.6.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

MBRR Table A7 - Budget cash flow statement

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	15 676	19 692	19 285	20 490	18 685	16 878	17 353	18 195
Government - operating	73 213	77 594	79 931	81 959	92 575	89 985	95 299	102 494
Interest	1 335	525	341	302	504	404	404	405
Dividends	4	2	3	-	-	-	-	-
Payments								
Suppliers and employees	(93 848)	(96 718)	(100 573)	(99 847)	(106 649)	(105 334)	(110 576)	(117 350)
Finance charges	(1 177)	(838)	(492)	(1 546)	(1 451)	(1 263)	(1 092)	(944)
Transfers and Grants	(367)	(311)	(12)	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(5 164)	(52)	(1 517)	1 358	3 663	670	1 388	2 799
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	1	-	-	6 438	1 235	-	-	-
Payments								
Capital assets	(3 697)	(520)	(328)	(14 938)	(1 794)	(3 310)	(292)	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	(3 696)	(520)	(328)	(8 500)	(559)	(3 310)	(292)	-
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	-	-	-	8 500	940	2 800	-	-
Increase (decrease) in consumer deposits	(1)	8	(2)	2	-	-	-	-
Payments								
Repayment of borrowing	(1 362)	(2 907)	(1 550)	(1 350)	(1 565)	(1 794)	(1 706)	(1 451)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 364)	(2 899)	(1 553)	7 152	(625)	1 006	(1 706)	(1 451)
NET INCREASE/ (DECREASE) IN CASH HELD	(10 224)	(3 471)	(3 398)	11	2 478	(1 634)	(610)	1 348
Cash/cash equivalents at the year begin:	15 125	4 901	1 430	(5 389)	(1 968)	510	(1 124)	(1 734)
Cash/cash equivalents at the year end:	4 901	1 430	(1 968)	(5 379)	510	(1 124)	(1 734)	(386)

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not

appropriately funded (budgeted spending is greater than funds available or to be collected). The municipality position is currently in a shortfall which is an indication of non-compliance.

MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available								
Cash/cash equivalents at the year end	4 901	1 430	(1 968)	(5 379)	510	(1 124)	(1 734)	(386)
Non current assets - Investments	145	228	331	-	331	331	331	331
Cash and investments available:	5 046	1 658	(1 638)	(5 379)	841	(793)	(1 403)	(56)
Application of cash and investments								
Unspent conditional transfers	4 245	3 620	2 070	2 068	1 826	776	426	376
Other working capital requirements	156	3 785	(3 102)	1 636	(3 092)	(3 852)	(4 036)	(4 387)
Reserves to be backed by cash/investments	759	-	-	-	-	-	-	-
Total Application of cash and investments:	5 160	7 405	(1 032)	3 704	(1 267)	(3 077)	(3 610)	(4 012)
Surplus(shortfall)	(114)	(5 747)	(606)	(9 083)	2 107	2 284	2 207	3 956

2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	1	4 901	1 430	(1 968)	(5 379)	510	(1 124)	(1 734)	(386)
Cash + investments at the yr end less applications - R'000	18(1)b	2	(114)	(5 747)	(606)	(9 083)	2 107	2 284	2 207	3 956
Cash year end/monthly employee/supplier payments	18(1)b	3	0.8	0.2	(0.3)	(0.8)	0.1	(0.2)	(0.2)	(0.1)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(10 519)	(15 656)	(6 891)	1 958	(747)	(5 014)	(4 161)	(2 804)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	1.5%	(57.8%)	(40.4%)	(70.3%)	(4.1%)	0.4%	0.7%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	85.7%	100.3%	105.7%	100.3%	95.1%	101.6%	96.8%	95.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	22.0%	5.1%	3.6%	0.0%	2.5%	2.3%	2.2%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	56.9%	52.4%	84.6%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10						0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(55.3%)	97.6%	(44.5%)	96.3%	9.7%	11.6%	10.4%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	36.9%	37.3%	44.7%	31.3%	62.8%	47.5%	51.1%	58.2%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	33.0%	22.5%	3.0%	34.2%	0.0%

2.6.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, but as clearly depicted above, the municipality is running into a 'negative' cash position.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

2.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. The municipality is currently in a surplus, but it should be emphasized that the municipality's budget is not backed by pure cash, as a portion of the funds is locked up in working capital requirements

2.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. This indicator is currently negative.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. The municipality has difficulty in identifying new funding sources and additional grant funding might be the only alternative.

2.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is very close to 100% which is very good.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. This percentage is very low, but is mainly attributable to the high collection rate of the municipality.

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

2.6.4.9 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

2.6.4.10 Consumer debtors change (Current and Non-current)

The purpose of the measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

2.6.4.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.4.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

2.7 Expenditure on grants and reconciliations of unspent funds

MBRR SA19 - Expenditure on transfers and grant programmes.

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand								
EXPENDITURE:								
Operating expenditure of Transfers and Grants								
National Government:	38 765	42 014	45 483	47 176	47 176	49 777	52 830	57 842
Local Government Equitable Share	37 187	40 309	41 692	43 926	43 926	46 637	50 646	55 626
Finance Management	846	982	2 242	1 250	1 250	1 250	1 250	1 250
Municipal Systems Improvement	732	723	1 327	1 000	1 000	890	934	966
Municipal Infrastructure (MIG)	-	-	64	-	-	-	-	-
EPWP Incentive	-	-	158	1 000	1 000	1 000	-	-
Provincial Government:	34 448	40 002	39 460	34 783	45 406	41 258	42 819	44 702
PT - CDW	-	-	-	-	-	-	-	-
PT - UMSOBOMVU	250	-	-	-	-	-	-	-
PT - PAWK	32 440	37 824	38 962	34 563	45 179	39 666	42 004	44 137
PT - MSP	-	-	-	-	-	150	-	-
Alcohol abuse	35	-	2	-	-	-	-	-
Global Funds	1 434	478	-	-	-	-	-	-
Fire Brigade Subsidy	-	333	-	-	-	-	-	-
RBIG	-	1 194	-	-	-	-	-	-
Seta	290	173	40	220	220	242	265	265
Finance Management Grant	-	-	150	-	-	150	200	250
Coastal Management Plan	-	-	-	-	8	500	300	-
Sport and Recreation	-	-	-	-	-	400	-	-
Human Rights Program	-	-	-	-	-	100	-	-
Tourism Projects	-	-	-	-	-	50	50	50
Bulk Water Infrastructure Grant	-	-	306	-	-	-	-	-
Other grant providers:	13	-	-	-	-	-	-	-
<i>Other grant providers - Private</i>	13	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	73 226	82 017	84 943	81 959	92 582	91 035	95 649	102 544

MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand								
Operating transfers and grants:								
National Government:								
Balance unspent at beginning of the year	1 599	1 507	1 552	-	(42)	(279)	(279)	(279)
Grants Paid back to NT	-	-	-	-	237	-	-	-
Current year receipts	38 672	42 059	43 914	47 176	47 176	49 777	52 830	57 842
Conditions met - transferred to revenue	38 765	42 014	45 483	47 176	47 176	49 777	52 830	57 842
Conditions still to be met - transferred to liabilities	1 507	1 552	(18)	-	(279)	(279)	(279)	(279)
Provincial Government:								
Balance unspent at beginning of the year	1 731	2 738	2 068		2 112	2 104	1 054	704
Current year receipts	35 455	39 333	39 479	34 783	45 399	40 208	42 469	44 652
Conditions met - transferred to revenue	34 448	40 002	39 460	34 783	45 406	41 258	42 819	44 702
Conditions still to be met - transferred to liabilities	2 738	2 068	2 088	-	2 104	1 054	704	654
Other grant providers:								
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-
Current year receipts	13	-	-	-	-	-	-	-
Conditions met - transferred to revenue	13	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue	73 226	82 017	84 943	81 959	92 582	91 035	95 649	102 544
Total operating transfers and grants - CTBM	4 245	3 620	2 070	-	1 826	776	426	376

2.8 Councillor and employee benefits

Currently there are 21 Councillors and 267 full time employees at the municipality. It is projected that the employees will increase by 4 over the MTREF due to new positions to be filled.

MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	3 250	3 754	2 636	2 730	2 515	2 964	3 112	3 267
Pension and UIF Contributions	–	–	121	108	128	154	162	170
Medical Aid Contributions	–	–	16	17	17	18	19	20
Motor Vehicle Allowance	–	–	1 219	1 449	1 224	1 286	1 350	1 417
Cellphone Allowance	–	–	149	153	143	198	208	219
Other benefits and allowances	–	–	64	124	78	120	126	132
Sub Total - Councillors	3 250	3 754	4 205	4 580	4 105	4 740	4 977	5 226
% increase		15.5%	12.0%	8.9%	(10.4%)	15.5%	5.0%	5.0%
Senior Managers of the Municipality								
Basic Salaries and Wages	2 147	2 343	1 959	1 782	846	1 925	2 079	2 245
Pension and UIF Contributions	107	490	295	353	167	381	412	445
Medical Aid Contributions	25	45	45	100	–	87	94	101
Performance Bonus	20	57	–	186	–	84	91	98
Motor Vehicle Allowance	249	276	89	294	25	308	308	308
Housing Allowances	–	–	2	–	2	7	7	7
Other benefits and allowances	472	270	49	74	48	119	129	139
Payments in lieu of leave	32	69	5	50	32	53	58	62
Long service awards	–	–	–	12	–	7	8	8
Post-retirement benefit obligations	–	–	–	108	–	94	102	110
Sub Total - Senior Managers of Municipality	3 051	3 550	2 445	2 959	1 118	3 065	3 286	3 523
% increase		16.4%	(31.1%)	21.0%	(62.2%)	174.1%	7.2%	7.2%
Other Municipal Staff								
Basic Salaries and Wages	31 459	36 842	37 059	26 502	37 951	39 899	42 912	46 038
Pension and UIF Contributions	6 491	5 326	5 840	6 442	6 358	6 861	7 410	7 911
Medical Aid Contributions	1 968	2 147	2 271	2 562	2 505	2 837	3 064	3 287
Overtime	1 626	1 870	1 765	1 625	1 130	1 321	1 369	1 411
Performance Bonus	92	242	2 066	2 793	2 742	2 917	3 151	3 363
Motor Vehicle Allowance	2 134	2 305	2 204	2 709	2 429	2 463	2 577	2 698
Housing Allowances	282	224	210	280	204	231	238	245
Other benefits and allowances	6 310	7 294	2 769	3 033	2 546	2 590	2 794	2 999
Payments in lieu of leave	516	542	439	637	618	637	688	743
Long service awards	484	570	564	154	523	709	765	826
Post-retirement benefit obligations	1 687	1 752	4 722	2 406	5 013	5 328	4 847	5 230
Sub Total - Other Municipal Staff	53 048	59 115	59 910	49 143	62 019	65 794	69 815	74 750
% increase		11.4%	1.3%	(18.0%)	26.2%	6.1%	6.1%	7.1%
Total Parent Municipality	59 349	66 418	66 559	56 683	67 242	73 599	78 077	83 498
		11.9%	0.2%	(14.8%)	18.6%	9.5%	6.1%	6.9%

MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	419 880	–	216 330			636 210
Chief Whip	–	–	–	–			–
Executive Mayor	1	517 100	77 570	187 680			782 350
Deputy Executive Mayor	1	236 910	35 540	138 470			410 920
Executive Committee	3	866 010	–	511 790			1 377 800
Total for all other councillors	15	923 700	59 220	549 540			1 532 460
Total Councillors	21	2 963 600	172 330	1 603 810			4 739 740
Senior Managers of the Municipality							
Municipal Manager (MM)	1	915 620	247 690	22 220	–		1 185 530
Chief Finance Officer	1	603 720	251 190	158 860	–		1 013 770
Director: Community & Technical Services	1	489 630	221 960	154 000	–		865 590
Total Senior Managers of the Municipality	3	2 008 970	720 840	335 080	–		3 064 890

2.9 Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand															
Revenue By Source															
Service charges - other	61	120	33	33	30	26	49	19	39	27	29	52	518	552	589
Rental of facilities and equipment	683	760	1 098	1 338	1 204	908	996	971	989	790	792	990	11 519	12 467	13 341
Interest earned - external investments	44	37	36	27	39	46	31	24	32	40	32	11	400	400	400
Interest earned - outstanding debtors	0	0	0	0	0	0	0	0	0	0	0	0	4	4	5
Licences and permits	4	1	3	3	2	1	3	1	1	1	1	1	25	25	25
Agency services	-	-	-	-	-	-	-	-	-	2 969	-	990	3 959	4 271	4 485
Transfers recognised - operational	26 387	6 152	400	13 398	346	14 928	3 785	3 655	13 917	2 294	2 644	3 130	91 035	95 649	102 544
Other revenue	22	28	53	48	25	36	105	46	72	37	48	59	580	606	622
Total Revenue (excluding capital transfers and contributions)	27 202	7 099	1 624	14 849	1 648	15 946	4 970	4 716	15 051	6 158	3 546	5 232	108 041	113 974	122 011
Expenditure By Type															
Employee related costs	4 419	4 084	3 534	3 430	3 563	4 290	10 030	4 400	4 589	4 426	4 421	4 417	55 602	58 915	63 095
Remuneration of councillors	377	408	419	403	366	388	342	415	406	406	406	406	4 740	4 977	5 226
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	300	300	300	300
Depreciation & asset impairment	7	7	7	7	841	7	479	267	234	234	234	234	2 558	2 612	2 645
Finance charges	3	3	3	3	3	92	3	265	40	40	40	769	1 263	1 092	944
Contracted services	-	17	28	65	34	16	77	16	37	37	37	37	400	400	400
Other expenditure	2 281	3 369	4 018	3 901	4 313	3 308	3 306	8 904	3 856	3 705	3 497	3 734	48 191	49 840	52 205
Total Expenditure	7 087	7 888	8 008	7 809	9 120	8 102	14 237	14 267	9 161	8 847	8 634	9 897	113 054	118 136	124 815
Surplus/(Deficit)	20 116	(789)	(6 384)	7 040	(7 472)	7 844	(9 267)	(9 550)	5 890	(2 689)	(5 088)	(4 665)	(5 014)	(4 161)	(2 804)

MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard															
<i>Governance and administration</i>	21 550	929	440	128	361	14 977	72	480	11 759	3 117	487	1 480	55 779	58 368	63 344
Executive and council	-	-	-	-	-	-	-	-	-	2 969	-	990	3 959	4 271	4 485
Budget and treasury office	21 550	929	440	128	361	14 977	72	480	11 759	147	487	490	51 820	54 097	58 859
<i>Community and public safety</i>	768	909	1 146	1 379	1 275	952	1 107	1 028	1 053	830	829	1 109	12 384	13 392	14 322
Sport and recreation	741	886	1 141	1 376	1 241	951	1 104	993	1 044	825	819	1 061	12 181	13 173	14 096
Public safety	9	5	4	3	6	1	3	8	9	5	10	8	72	77	77
Health	18	18	-	-	27	-	-	27	-	-	-	40	131	142	149
<i>Economic and environmental services</i>	4 877	5 261	38	13 342	12	16	3 790	3 209	2 239	2 211	2 231	2 643	39 870	42 207	44 338
Road transport	4 872	5 250	18	13 324	6	16	3 786	3 206	2 234	2 206	2 222	2 635	39 775	42 107	44 233
Environmental protection	4	12	20	18	6	-	4	3	5	5	9	8	95	100	105
<i>Trading services</i>	8	-	-	-	-	-	-	-	-	-	-	-	8	8	8
Waste management	8	-	-	-	-	-	-	-	-	-	-	-	8	8	8
Total Revenue - Standard	27 202	7 099	1 624	14 849	1 648	15 946	4 970	4 716	15 051	6 158	3 546	5 232	108 041	113 974	122 011
Expenditure - Standard															
<i>Governance and administration</i>	2 617	2 261	2 414	2 246	2 968	2 820	3 041	2 954	2 534	2 503	2 388	2 692	31 438	31 348	32 864
Executive and council	1 063	769	833	767	795	713	727	920	950	921	924	851	10 233	10 836	11 117
Budget and treasury office	1 281	1 178	1 123	904	1 378	798	1 423	1 356	936	926	889	1 234	13 426	12 259	12 884
Corporate services	274	313	458	575	794	1 309	891	679	648	656	575	607	7 779	8 253	8 863
<i>Community and public safety</i>	1 198	1 635	1 512	1 562	2 080	1 899	4 157	2 955	2 686	2 261	2 282	2 486	26 714	28 507	30 396
Community and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation	483	770	629	690	966	650	1 468	832	936	822	850	1 044	10 139	10 780	11 458
Public safety	714	856	875	863	1 106	1 240	2 679	2 108	1 735	1 424	1 417	1 427	16 443	17 585	18 789
Health	1	9	9	9	9	9	9	15	15	15	15	15	131	142	149
<i>Economic and environmental services</i>	3 243	3 925	4 017	3 901	3 869	3 265	6 845	8 220	3 812	3 962	3 841	3 857	52 756	56 014	59 160
Planning and development	72	82	79	81	106	77	159	128	97	95	112	95	1 183	1 208	1 279
Road transport	2 446	3 026	3 163	3 046	2 904	2 411	4 908	7 031	2 623	2 843	2 668	2 705	39 775	42 107	44 233
Environmental protection	725	816	775	774	859	778	1 777	1 060	1 092	1 023	1 061	1 057	11 798	12 700	13 648
<i>Trading services</i>	29	68	65	99	203	118	194	137	128	121	123	861	2 147	2 267	2 395
Waste management	29	68	65	99	203	118	194	137	128	121	123	861	2 147	2 267	2 395
Total Expenditure - Standard	7 087	7 888	8 008	7 809	9 120	8 102	14 237	14 267	9 161	8 847	8 634	9 897	113 054	118 136	124 815
Surplus/(Deficit)	20 116	(789)	(6 384)	7 040	(7 472)	7 844	(9 267)	(9 550)	5 890	(2 689)	(5 088)	(4 665)	(5 014)	(4 161)	(2 804)

MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand															
Revenue by Vote															
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-	-	2 969	-	990	3 959	4 271	4 485
Vote 2 - Management services	21 568	947	440	128	388	14 977	72	507	11 759	147	487	531	51 952	54 239	59 008
Vote 3 - Community and Technical services	5 634	6 152	1 184	14 721	1 260	969	4 897	4 209	3 292	3 041	3 060	3 712	52 130	55 464	58 518
Total Revenue by Vote	27 202	7 099	1 624	14 849	1 648	15 946	4 970	4 716	15 051	6 158	3 546	5 232	108 041	113 974	122 011
Expenditure by Vote to be appropriated															
Vote 1 - Municipal Manager	1 036	744	808	741	771	1 069	830	972	1 000	973	976	902	10 821	11 469	11 796
Vote 2 - Management services	1 650	1 605	1 690	1 591	2 307	1 833	2 377	2 122	1 644	1 637	1 535	1 897	21 888	21 229	22 496
Vote 3 - Community and Technical services	4 400	5 540	5 510	5 477	6 041	5 200	11 030	11 173	6 517	6 237	6 122	7 098	80 346	85 438	90 522
Total Expenditure by Vote	7 087	7 888	8 008	7 809	9 120	8 102	14 237	14 267	9 161	8 847	8 634	9 897	113 054	118 136	124 815
Surplus/(Deficit)	20 116	(789)	(6 384)	7 040	(7 472)	7 844	(9 267)	(9 550)	5 890	(2 689)	(5 088)	(4 665)	(5 014)	(4 161)	(2 804)

MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand															
<u>Multi-year expenditure to be appropriated</u>															
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Management services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Community and Technical services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure to be appropriated</u>															
Vote 1 - Municipal Manager	150	-	-	-	-	-	-	-	-	-	-	-	150	-	-
Vote 2 - Management services	1 600	-	-	-	-	-	-	-	190	-	-	-	1 790	7	-
Vote 3 - Community and Technical services	1 050	-	71	50	25	68	-	-	106	-	-	-	1 370	285	-
Capital single-year expenditure sub-total	2 800	-	71	50	25	68	-	-	296	-	-	-	3 310	292	-
Total Capital Expenditure	2 800	-	71	50	25	68	-	-	296	-	-	-	3 310	292	-

MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Expenditure - Standard															
<i>Governance and administration</i>	1 750	-	-	-	-	-	-	-	190	-	-	-	1 940	7	-
Executive and council	150	-	-	-	-	-	-	-	-	-	-	-	150	-	-
Budget and treasury office	225	-	-	-	-	-	-	-	-	-	-	-	225	-	-
Corporate services	1 375	-	-	-	-	-	-	-	190	-	-	-	1 565	7	-
<i>Community and public safety</i>	375	-	45	50	25	20	-	-	20	-	-	-	535	100	-
Community and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation	225	-	45	50	25	20	-	-	20	-	-	-	385	100	-
Public safety	150	-	-	-	-	-	-	-	-	-	-	-	150	-	-
<i>Economic and environmental services</i>	675	-	26	-	-	45	-	-	86	-	-	-	832	173	-
Road transport	225	-	-	-	-	-	-	-	-	-	-	-	225	-	-
Environmental protection	450	-	26	-	-	45	-	-	86	-	-	-	607	173	-
<i>Trading services</i>	-	-	-	-	-	3	-	-	-	-	-	-	3	12	-
Waste management	-	-	-	-	-	3	-	-	-	-	-	-	3	12	-
Total Capital Expenditure - Standard	2 800	-	71	50	25	68	-	-	296	-	-	-	3 310	292	-

MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand															
Cash Receipts By Source													1		
Service charges - other	61	120	33	33	30	26	49	19	39	27	29	52	518	552	589
Rental of facilities and equipment	637	709	1 025	1 248	1 123	847	929	906	922	737	739	923	10 746	11 549	12 424
Interest earned - external investments	44	37	36	27	39	46	31	24	32	40	32	11	400	400	400
Interest earned - outstanding debtors	0	0	0	0	0	0	0	0	0	0	0	0	4	4	5
Licences and permits	4	1	3	3	2	1	3	1	1	1	1	1	25	25	25
Agency services	-	-	-	-	-	-	-	-	-	2 969	-	990	3 959	4 271	4 485
Transfers recognised - operational	26 387	6 152	400	13 398	346	14 928	3 785	3 655	13 917	2 294	2 644	3 130	91 035	95 649	102 544
Other revenue	22	28	53	48	25	36	105	46	72	37	48	59	580	606	622
Cash Receipts by Source	27 156	7 048	1 550	14 759	1 567	15 885	4 903	4 651	14 984	6 105	3 493	5 166	107 267	113 057	121 093
Other Cash Flows by Source															
Borrowing long term/refinancing	2 800	-	-	-	-	-	-	-	-	-	-	-	2 800	-	-
Total Cash Receipts by Source	29 956	7 048	1 550	14 759	1 567	15 885	4 903	4 651	14 984	6 105	3 493	5 166	110 067	113 057	121 093
Cash Payments by Type															
Employee related costs	4 112	3 801	3 289	3 192	3 316	3 993	9 335	4 095	4 270	4 119	4 115	4 111	51 747	55 877	60 401
Remuneration of councillors	377	408	419	403	366	388	342	415	406	406	406	406	4 740	4 977	5 226
Finance charges	1	1	1	1	1	45	1	128	19	19	19	372	611	382	169
Contracted services	-	17	28	65	34	16	77	16	37	37	37	37	400	400	400
Other expenditure	2 324	3 433	4 094	3 974	4 395	3 370	3 368	9 071	3 929	3 775	3 563	3 804	49 099	50 033	52 099
Cash Payments by Type	6 815	7 660	7 830	7 636	8 111	7 812	13 123	13 726	8 661	8 356	8 139	8 730	106 597	111 669	118 294
Other Cash Flows/Payments by Type															
Capital assets	2 800	-	71	50	25	68	-	-	296	-	-	-	3 310	292	-
Repayment of borrowing	89	89	89	89	89	451	89	89	89	89	89	451	1 794	1 706	1 451
Total Cash Payments by Type	9 704	7 749	7 990	7 775	8 225	8 330	13 212	13 815	9 046	8 445	8 228	9 181	111 701	113 667	119 745
NET INCREASE/(DECREASE) IN CASH HELD	20 253	(701)	(6 440)	6 984	(6 659)	7 555	(8 309)	(9 164)	5 938	(2 340)	(4 735)	(4 015)	(1 634)	(610)	1 348
Cash/cash equivalents at the month/year begin:	510	20 763	20 062	13 621	20 605	13 947	21 502	13 192	4 029	9 967	7 627	2 892	510	(1 124)	(1 734)
Cash/cash equivalents at the month/year end:	20 763	20 062	13 621	20 605	13 947	21 502	13 192	4 029	9 967	7 627	2 892	(1 124)	(1 124)	(1 734)	(386)

2.10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.11 Allocations and grants made by the municipality

Due to financial constraints, the municipality reduced the budget for allocations to other individuals and entities to zero for the entire MTREF period.

2.12 Municipal Manager’s quality certificate

I, Municipal Manager of Overberg DistrictMunicipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal Manager of Overberg DistrictMunicipality

Signature _____

Date _____

Part 3 – Appendices

3.1 Appendix A – Capital budget

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2013/14 Medium Term Revenue & Expenditure Framework			
					Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
3.2 - Environment Protection	Sundry equipment	E	Other assets	Furniture and other office equipment	78	82	-	New
3.2 - Environment Protection	Data projectors x 2	E	Other assets	Furniture and other office equipment	19	21	-	New
3.2 - Environment Protection	Inspection Kit	E	Other assets	Furniture and other office equipment	60	70	-	New
2.3 - Properties	Tools and equipment	I	Other assets	Furniture and other office equipment			-	New
3.6 - Resorts	Upgrading of bungalows	G	Community	Recreational facilities	50	50	-	Renewal
3.6 - Resorts	Upgrading of Swimming Beach	G	Community	Recreational facilities	50	50	-	Renewal
3.6 - Resorts	New grass cutting & safety equipment	G	Other assets	Plant & equipment	60	-	-	New
3.5 - Solid Waste	Office equipment	C	Other assets	Furniture and other office equipment	3	5	-	New
2.5 - Planning	1x Vehicle - Social Development	I	Other assets	General Vehicles	190	-	-	New
					510	292	-	
Capitalised Lease Assets								
2.12 - Finance income & IT	Leased copiers	H	Other assets	Furniture and other office equipment	75	-	-	New
2.4 - Human Resources	Leased copiers	I	Other assets	Furniture and other office equipment	75	-	-	New
1.4 - Management Support	Leased copiers	A	Other assets	Furniture and other office equipment	75	-	-	New
2.2 - Administration	Leased copiers	I	Other assets	Furniture and other office equipment	75	-	-	New
2.2 - Administration	Leased copiers	I	Other assets	Furniture and other office equipment	75	-	-	New
2.2 - Administration	Leased copiers	I	Other assets	Furniture and other office equipment	1 000	-	-	New
3.7 - Environmental Management	Leased copiers	E	Other assets	Furniture and other office equipment	75	-	-	New
2.14 - IDP/LED	Leased copiers	I	Other assets	Furniture and other office equipment	75	-	-	New
2.13 - Record Management	Leased copiers	I	Other assets	Furniture and other office equipment	75	-	-	New
2.8 - Financial Administration	Leased copiers	H	Other assets	Furniture and other office equipment	75	-	-	New
1.1 - Council Expenditure	Leased copiers	A	Other assets	Furniture and other office equipment	75	-	-	New
3.2 - Environment Protection	Leased copiers	E	Other assets	Furniture and other office equipment	75	-	-	New
2.11 - Supply Chain Management	Leased copiers	H	Other assets	Furniture and other office equipment	75	-	-	New
3.4 - Roads/Engineering	Leased copiers	B	Other assets	Furniture and other office equipment	75	-	-	New
3.4 - Roads/Engineering	Leased copiers	B	Other assets	Furniture and other office equipment	75	-	-	New
3.1 - Public Safety	Leased copiers	J	Other assets	Furniture and other office equipment	75	-	-	New
3.2 - Environment Protection	Leased copiers	E	Other assets	Furniture and other office equipment	75	-	-	New
3.2 - Environment Protection	Leased copiers	E	Other assets	Furniture and other office equipment	75	-	-	New
3.2 - Environment Protection	Leased copiers	E	Other assets	Furniture and other office equipment	75	-	-	New
3.4 - Roads/Engineering	Leased copiers	B	Other assets	Furniture and other office equipment	75	-	-	New
3.6 - Resorts	Leased copiers	G	Other assets	Furniture and other office equipment	75	-	-	New
3.6 - Resorts	Leased copiers	G	Other assets	Furniture and other office equipment	75	-	-	New
3.6 - Resorts	Leased copiers	G	Other assets	Furniture and other office equipment	75	-	-	New
3.1 - Public Safety	Leased copiers	J	Other assets	Furniture and other office equipment	75	-	-	New
3.2 - Environment Protection	Leased copiers	E	Other assets	Furniture and other office equipment	75	-	-	New
					2 800	-	-	
					3 310	292	-	

3.2 Appendix B – Tariff Listing

Refer to Appendix B attached.

3.3 Appendix C – Selected Supporting Schedules

Refer to the attached