



ANNUAL BUDGET OF
NKANGALA DISTRICT
MUNICIPALITY
(DC31)

2013/14 TO 2015/16
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading	MEC	Member of the Executive Committee
ASGISA	Accelerated and Shared Growth Initiative	MFMA	Municipal Financial Management Act Programme
BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CBD	Central Business District	MM	Municipal Manager
CFO	Chief Financial Officer	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	NDM	Nkangala District Municipality
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental organisations
EM	Executive Mayor	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GDP	Gross domestic product	PBO	Public Benefit Organisations
GDS	Gauteng Growth and Development Strategy	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HSRC	Human Science Research Council	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RG	Restructuring Grant
IT	Information Technology	RSC	Regional Services Council
k	kilolitre	SALGA	South African Local Government Association
km	kilometre	SAPS	South African Police Service
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator	SMME	Small Micro and Medium Enterprises
kWh	kilowatt litre		
LED	Local Economic Development		

Part 1 – Annual Budget

1.1 Mayor's Report

It gives me immense pleasure to once again report to our stakeholders that the partnership between Nkangala District Municipality and our local municipalities has once again proved successful in assisting the district to plan its responses to the developmental aspirations of the people for this financial year.

We have steadfastly continued with the trend of consulting on the IDP because we believe that, as the sphere of government that is closest to the people, we carry a pronounced obligation to respond directly and positively to needs of our communities.

We have to frequently reposition our development and service delivery programmes and objectives to ensure that they address the revised needs of our stakeholders and communities and shifting socio-economic dynamics.

Our IDP as well as the budget is thus a direct result of yet another extensive consultation process. They are an expression of the general and specific interests of our people, and a mirror that reflects the Nkangala electorate, as expressed during our consultation and public participation processes.

Armed with the Key Performance beacons contained in our IDP document, Nkangala District Municipality is once more embarking on a development path that is meant to address the needs of our people, to create better lives for all and transform Nkangala District into the kind of home that they aspire for.

Although much still needs to be done to deal with the increasingly obstinate triple challenges of poverty, inequality and unemployment and to create an environment that is conducive for growth, I am confident that this budget will provide us with the necessary vehicle to carry out the mandate we have received from our people.

1.2 Council Resolutions

On 27 March 2013 the Council of Nkangala District Municipality met in the Council Chambers of Nkangala District Municipality to consider the draft annual budget of the municipality for the financial year 2013/14. The Council resolved as follows under item DM175/03/2013:

RESOLVED:

- 1 **THAT** the draft annual budget for the financial year 2013/14 and the multi-year and single-year capital appropriations attached hereto as **ANNEXURE “QQ” page 1095 to 1193** be noted in terms of Section 16(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) as set out in the following tables:
 - (i) Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in ANNEXURE %QQ#;
 - (ii) Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in ANNEXURE %QQ#;
 - (iii) Budgeted Financial Performance (revenue by source and expenditure by type) as contained ANNEXURE %QQ# and
 - (iv) Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained ANNEXURE %QQ#.
- 2 **THAT** the financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and service delivery targets be noted as set out in the following tables:
 - (i) Budgeted Financial Position as contained in ANNEXURE %QQ#;
 - (ii) Budgeted Cash Flows as contained in ANNEXURE %QQ#;
 - (iii) Cash backed reserves and accumulated surplus reconciliation as contained in ANNEXURE %QQ# and
 - (iv) Asset management as contained in ANNEXURE %QQ#.
- 3 **THAT** the quality certification of the draft budget signed by the Acting Municipal Manager as required by section 5 of the Municipal Budget and Reporting regulations attached hereto as **ANNEXURE “RR” page 1177** be noted.
- 4 **THAT** the organisation chart attached as **ANNEXURE “SS” page 1178 to 1189** be noted.
- 5 **THAT** the Budget timetable for 2014/2015 attached as **ANNEXURE “TT” page 1190** be noted.

1.3 Executive Summary

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

The District's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-

priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and nice to have items. This has resulted in savings to the municipality of nearly R36 million in the current financial year's adjusted budget (2012/13). Key areas where savings were realized were on operational administrative expenditure.

The District has done a service delivery audit of the past five years. Furthermore, the District has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 66 and 67 were used to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- É The ongoing difficulties in the national and local economy;
- É Aging and poorly maintained water, roads and electricity infrastructure;
- É The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities;
- É Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

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

- É 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;
- É Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- É 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;
- É The following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
 - Special Events;
 - Refreshments and entertainment;
 - Ad-hoc travelling; and
 - Subsistence, Travelling & Conference fees (national & international).

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

Table 1 Consolidated Overview of the 2013/14 MTREF

Description	Budget year 2012/13	Budget year 2013/14	Budget year 2014/15	Budget year 2015/16
Total Operating Revenue	324 963 000	334 498 353	342 211 500	349 143 875
Total Operating Expenditure	538 992 904	554 732 519	444 638 894	416 362 114
<i>(Surplus)/ Deficit for the year</i>	214 029 904	220 234 166	102 427 394	67 218 239
Total Capital Expenditure	36 991 655	33 802 182	21 203 603	21 847 500
Total Loan Redemption	5 060 000	5 778 000	5 647 312	5 929 678

Total operating revenue has grown by 2.9 per cent or R9,535 million for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue will increase by 2.3 and 2.0 per cent respectively, equating to a total revenue growth of R24,181 million over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2013/14 financial year has been appropriated at R554,733 million and translates into a budgeted deficit of R220,234 million, which will be funded from the accumulated operating surpluses. When compared to the 2012/13 Adjustments Budget, operational expenditure has increased by 2.9 per cent in the 2013/14 budget and decreased by 19,85 for the 2014/15 budget and 6.36 per cent for the 2015/16 budget year of the MTREF.

The capital budget of R33,802 million for 2013/14 decreased with 8.62 per cent compared to the 2012/13 Adjustment Budget. The capital programme decreases to R21,204 million in the 2014/15 financial year and increased to R21,848 in 2015/16. The capital budget will be funded from internally generated funds and accumulated surplus.

1.4 Operating Revenue Framework

For Nkangala District Municipality to continue improving the quality of services provided to its citizens and local municipalities it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- É National Treasury's guidelines and macroeconomic policy;
- É Growth in the District and continued economic development;
- É Efficient revenue management,;

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

Table 2 Summary of revenue classified by main revenue source

Description R thousands	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Out-come	Audited Out-come	Audited Out-come	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit out-come	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Investment revenue	34 074	31 136	30 257	23 453	18 180	18 180	10 499	18 180	17 535	15 857
Transfers recognised - operational	269 952	284 772	294 912	303 175	303 175	303 175	227 288	313 592	322 354	330 835
Other own revenue	2 894	6 225	4 985	1 576	3 608	3 608	2 971	2 726	2 323	2 452
Total Revenue (excluding capital transfers and contributions)	306 921	322 133	330 153	328 204	324 963	324 963	240 758	334 498	342 212	349 144

Table 3 Percentage growth in revenue by main revenue source

Revenue R thousands	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Investment revenue	18 180	18 180		17 535	-13.5	15 857	-9.5
Transfers recognised - operational	303 175	313 592	3.32	322 354	2.8	330 835	2.6
Other own revenue	3 608	2 726	24.45	2 323	14.78	2 452	5.55
Total Revenue (excluding capital transfers and contributions)	324 963	334 498	2.9	342 212	2.3	349 144	2.03

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

Operating Grants form a significant percentage of the revenue basket for the District. In the 2013/14 financial year, the operating grants total R313,6 million and constitute 93.75 per cent. This increases to R322,354 million and R330,835 million in the respective financial years of the MTREF. The main portion of the operating grants is the RSC Levy Replacement grant, which can be classified as own revenue as well because it replaced the RSC Levies that were abolished in 2006.

Table 4 Operating Transfers and Grant Receipts

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
RSC Levy Replacement Grant	256 825	265 446	272 506	280 681	280 681	280 681	289 101	297 774	297 774
Finance Management Grant	750	1 000	1 250	1 250	529	1 250	1 250	1 250	1 250
Local Government Equitable Share	11 114	16 858	19 468	19 030	19 030	19 030	19 749	23 386	23 386
Municipal Systems Improvement	735	750	1 000	1 000	1 000	1 000	890	950	950
Rural Roads Asset Management Grant							1 602	1 950	2 010
Other Transfers and Grants	285	596		1 214	1 214	1 214	1 000	-	-
Total Grant Revenue (excluding capital transfers and contributions)	269 708	284 650	294 224	303 175	303 175	303 175	313 592	322 354	330 835

Investment revenue is the second largest revenue source totaling 5.44 per cent or R18,18 million and decreases to R17,5 million by 2014/15. The third largest source is other revenue which consists of various items such as income received from discounts, sale of tender documents and sundry income.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, petrol, diesel, chemicals, cement etc. The current challenge facing the District is managing the gap between cost drivers and revenue income, as any shortfall must be made up by either operational efficiency gains or service level reductions.

1.5 Operating Expenditure Framework

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

- É The roads renewal strategy and the repairs and maintenance plan for Thembisile Hani Local Municipality Roads;
- É Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- É Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- É The contribution to local municipalities is aligned to the asset IDP and backlog eradication plan;
- É Operational gains and efficiencies will be directed to funding the contribution to local municipalities and other core services; and
- É Project lists submitted by local municipalities.

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

Table 5 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	Pre-audit out-come	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Employee related costs	29 344	35 556	38 231	82 393	68 444	34 652	101 558	107 372	114 243
Remuneration of councillors	8 529	8 589	10 255	14 504	12 728	7 523	14 579	16 185	17 156
Debt impairment	9	6	18	135	50	-	20	15	16
Depreciation & asset impairment	5 490	6 619	7 557	6 511	7 875	4 962	6 861	7 233	6 786
Finance charges	7 180	6 632	5 973	8 601	5 871	2 744	5 778	5 647	5 930
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	123	151	202	1 180	286	141	729	549	452
Contracted services	1 731	2 368	2 088	7 129	8 707	2 520	10 378	7 757	8 147
Transfers and grants	111 720	175 775	248 857	449 856	368 490	92 081	297 499	197 155	190 858
Other expenditure	10 295	13 529	19 063	40 337	66 541	23 632	117 329	102 727	72 774
Loss on disposal of PPE									
Total Expenditure	174 420	249 225	332 244	610 646	538 993	168 255	554 733	444 639	416 362

The budgeted allocation for employee related costs for the 2013/14 financial year totals R101,558 million, which equals 18.3 per cent of the total operating expenditure. Based on circulars 66 & 67, salary increases have been factored into this budget at a percentage increase of 6.85 per cent for the 2013/14 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF.

Provision has been made in the budget to include positions in the organogram to ensure that the priorities set out in the IDP and matters raised by the Auditor General are adequately attended to. These positions aim to strengthen accelerate Budget expenditure.

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 District's budget.

The provision of debt impairment was determined based on an annual collection rate of 99 per cent and the Credit Control and Debt Collection Policy of the District. For the 2011/12 financial year this amount equates to R18 thousand. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R6.861 million for the 2013/14 financial and equates to 1.24 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.04 per cent (R5.78 million) of operating expenditure excluding annual redemption for 2013/14 and increases to R5.93 million by 2015/16.

Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the District's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the District's infrastructure. For 2013/14 the appropriation against this group of expenditure has grown to R729 thousand and constitutes 0.13% of total operating expenditure.

In the 2013/14 financial year, Contracted services expenditure totals R10,4 million and has escalated by just 1.87 per cent. Cost efficiencies ensures that this expenditure decreases to R8.1 million in 2015/16.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Other expenditure increased with 76.33 per cent for 2013/14 and decrease at 12.45 and decreased at 29.16 per cent for the two outer years. Further details relating to contracted services can be seen in table 49 MBRR SA1 (see page 73)

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

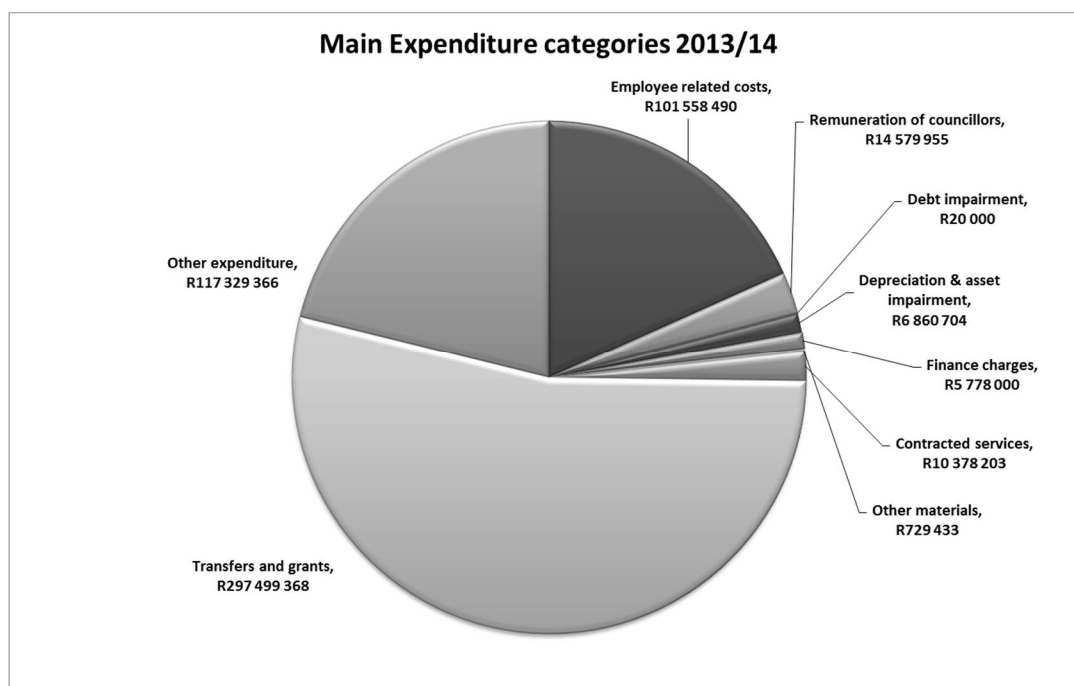


Figure 1 Main operational expenditure categories for the 2013/14 financial year

1.5.1 Priority given to Contribution to Local Municipalities

The prioritised projects submitted by Local Municipalities as contained in the approved 2013/2014 IDP of the District on page 233 to 251 to improve service delivery and eradicate backlogs was the main focus for this expenditure category.

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

Table 6 Breakdown of the main expenditure categories per Local Municipality

LOCAL MUNI-CIPALITY	WATER	SEWER	ROADS & STORM-WATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	TOTAL
1. Victor Khanye	0	4 000 000	4 000 000	0	0	5 830 000	13 830 000
2. Dr JS Moroka	3 000 000	7 000 000	16 800 000	0	0	14 000 000	40 800 000
3. Emalahleni	9 679 625	9 679 625	29 779 625	2 500 000	9 579 625	5 000 000	66 218 500
4. Steve Tshwete	10 200 000	8 400 000	13 425 000	3 000 000	0	0	35 025 000
5. Emakahzeni	2 000 000	2 386 000	5 000 000	0	1 500 000	1 250 000	12 136 000
6. Thembisile Hani	1 000 000	0	13 200 000	1 500 000	5 000 000	9 900 000	30 600 000
TOTAL PROJECTS	25 879 625	31 465 625	82 204 625	7 000 000	16 079 625	35 980 000	198 609 500

1.5.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the District's current infrastructure, which amongst others include the roads in Thembisile Hani Local Municipality, the 2013/14 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the repairs and maintenance plan of the District. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering that the only cost driver for the District is contracted services, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 7 Operational repairs and maintenance

The table below provides a breakdown of the repairs and maintenance:

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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Depreciation & asset impairment	5 490	6 619	7 557	6 511	7 875	7 875	6 861	7 233	6 786
Repairs and Maintenance	989	1 608	2 335	4 244	6 379	6 379	4 967	5 005	5 255

1.6 Capital expenditure

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

Table 8 2013/14 Medium-term capital budget per asset class

Description	Current Year 2012/13 Adjusted Budget	2013/14 Medium Term Revenue & Expenditure Framework					
		Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Capital expenditure on new assets by Asset Class/Sub-class							
Infrastructure	12 174	13 554	11.33	12 000	-12.38	11 651	-2.9
Infrastructure - Road transport	12 174	13 554	11.33	12 000	-12.38	11 651	-2.9
Community	5 956	3 146	-47.18	3 415	8.55	3 497	2.4
Fire, safety & emergency	5 956	3 146	-47.18	3 415	8.55	3 497	2.4
Other assets	18 861	17 102	-9.33	5 788	-66.16	6 062	-4.73
Plant & equipment	276	193	-30.07	162	-16.06	171	-5.56
Computers - hardware/equipment	984	907	-7.83	700	-22.82	738	5.43
Furniture and other office equipment	1431	1212	128	1 138	-3	1 171	2.90
Other Buildings	10 691	8 701	-18.61	109	-98.75	112	2.75
Other	600	90	-85.00	95	5.55	100	5.26
Specialised vehicles	4 879	3 146	-35.52	3 415	8.55	3 497	2.40
Total Capital Expenditure on new assets	36 992	33 802	-8.62	21 204	-37.27	21 847	30.03

For 2013/14 an amount of R13,554 million has been appropriated for the development of Infrastructure-Road transport which represents 40.40 per cent of the total capital budget.

Total new assets represent R33,802 million of the total budget. Further detail relating to asset classes and proposed capital expenditure is contained in Table 20 MBRR A9 (Asset Management) on page 28. In addition to the MBRR Table A9, MBRR Tables SA34a and SA34c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 69 and 70). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- É Roads in Thembisile Hani Local Municipality . R13.554 million;
- É Fire fighting and security and emergency equipment . R3,146 million;

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 48 MBRR SA35 on page 71. This table shows that future operational costs associated with the capital programme totals R33,802 million in 2013/14 and escalates to R21,204 million by 2014/15. This concomitant operational expenditure is expected to escalate to R21,847 million by 2015/16. It needs to be noted that as part of the 2013/14 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables

The following eighteen pages 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 as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

DC31 Nkangala - 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	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	34 074	31 136	30 257	23 453	18 180	18 180	10 499	18 180	17 535	15 857
Transfers recognised - operational	269 952	284 772	294 912	303 175	303 175	303 175	227 288	313 592	322 354	330 835
Other own revenue	2 894	6 225	4 985	1 576	3 608	3 608	2 971	2 726	2 323	2 452
Total Revenue (excluding capital transfers and contributions)	306 921	322 133	330 153	328 204	324 963	324 963	240 758	334 498	342 212	349 144
Employee costs	29 344	35 556	38 231	82 393	68 444	68 444	34 652	101 558	107 372	114 243
Remuneration of councillors	8 529	8 589	10 255	14 504	12 728	12 728	7 523	14 579	16 185	17 156
Depreciation & asset impairment	5 490	6 619	7 557	6 511	7 875	7 875	4 962	6 861	7 233	6 786
Finance charges	7 180	6 632	5 973	8 601	5 871	5 871	2 744	5 778	5 647	5 930
Materials and bulk purchases	123	151	202	1 180	286	286	141	729	549	452
Transfers and grants	111 720	175 775	248 857	449 856	368 490	368 490	92 081	297 499	197 155	190 858
Other expenditure	12 034	15 903	21 169	47 601	75 299	75 299	26 152	127 728	110 499	80 937
Total Expenditure	174 420	249 225	332 244	610 646	538 993	538 993	168 255	554 733	444 639	416 362
Surplus/(Deficit)	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)
Capital expenditure & funds sources										
Capital expenditure	9 062	5 917	12 772	66 365	36 992	36 992	8 667	33 802	21 204	21 847
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	9 062	5 917	12 772	66 365	36 992	36 992	8 667	33 802	21 204	21 847
Total sources of capital funds	9 062	5 917	12 772	66 365	36 992	36 992	8 667	33 802	21 204	21 847
Financial position										
Total current assets	660 584	724 459	705 683	657 944	631 631	631 631	747 961	522 894	390 972	350 888
Total non current assets	88 364	121 796	124 649	181 658	180 499	180 499	128 354	133 729	153 087	115 869
Total current liabilities	42 830	71 355	62 963	69 762	69 762	69 762	39 138	42 630	39 659	37 112
Total non current liabilities	56 599	52 473	47 034	47 413	47 413	47 413	44 338	42 011	35 951	29 519
Community wealth/Equity	649 519	722 427	720 335	722 427	694 956	694 956	792 838	571 982	468 450	400 127
Cash flows										
Net cash from (used) operating	60 339	67 461	(1 882)	(275 797)	(206 105)	(206 105)	77 465	(213 353)	(95 180)	(60 417)
Net cash from (used) investing	(5 948)	(40 051)	(10 410)	(66 365)	(36 992)	(36 992)	(8 667)	(27 869)	(25 500)	15 371
Net cash from (used) financing	(4 444)	(5 651)	(5 811)	(5 060)	(5 060)	(5 060)	(6 568)	(5 778)	(5 647)	(5 930)
Cash/cash equivalents at the year end	444 393	466 152	448 048	118 930	217 996	217 996	528 382	219 151	92 824	41 848
Cash backing/surplus reconciliation										
Cash and investments available	452 578	501 616	486 903	501 616	475 219	475 219	531 185	252 073	130 042	41 848
Application of cash and investments	5 129	47 406	31 008	48 265	47 299	47 299	10 080	21 336	19 837	18 634
Balance - surplus (shortfall)	447 449	454 210	455 895	453 351	427 921	427 921	521 106	230 737	110 205	23 215
Asset management										
Asset register summary (WDV)	80 179	86 332	85 795	142 653	131 311	148 621	163 756	163 756	164 493	167 892
Depreciation & asset impairment	5 490	6 619	7 557	6 511	7 875	7 875	6 861	6 861	7 233	6 786
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	989	1 608	2 335	4 244	6 379	6 379	4 967	4 967	5 005	5 255
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the District'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 reforms emphasise 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. 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 positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was paying much attention to managing this aspect of its finances, and consequently all of its obligations are cash-backed. This places the municipality in a very positive financial position. Cash-backed surplus will decrease to R23,215 million in 2015/16, which is an indication that the NDM operational expenditure needs to be carefully scrutinized and either administrative operational expenditure or contributions to Local Municipalities needs to be decreased.

Table 10 Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**DC31 Nkangala - 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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard									
<i>Governance and administration</i>	306 186	321 383	329 153	327 204	323 963	323 963	333 608	341 278	348 177
Executive and council	1	-	1	-	-	-	-	-	-
Budget and treasury office	306 185	321 383	329 152	327 204	323 963	323 963	333 608	341 278	348 177
Corporate services	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	735	750	1 000	1 000	1 000	1 000	890	934	967
Planning and development	735	750	1 000	1 000	1 000	1 000	890	934	967
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	306 921	322 133	330 153	328 204	324 963	324 963	334 498	342 212	349 144
Expenditure - Standard									
<i>Governance and administration</i>	45 961	54 036	58 059	107 101	106 376	106 376	148 385	137 594	137 904
Executive and council	27 150	25 297	29 421	45 777	47 001	47 001	75 818	70 111	75 916
Budget and treasury office	10 928	13 592	12 832	36 000	19 674	19 674	35 347	33 255	25 634
Corporate services	7 884	15 147	15 805	25 324	39 702	39 702	37 220	34 227	36 355
<i>Community and public safety</i>	11 482	17 407	18 557	30 023	34 153	34 153	40 749	25 596	27 163
Community and social services	4 243	4 974	5 911	13 504	12 694	12 694	16 406	13 570	14 378
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	7 238	12 433	12 646	16 519	21 458	21 458	24 342	12 026	12 785
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	116 977	177 346	255 496	469 122	394 564	394 564	357 549	281 449	246 895
Planning and development	115 857	175 488	243 455	460 913	375 107	375 107	317 248	244 982	242 445
Road transport	832	710	10 804	2 037	17 268	17 268	22 160	32 276	-
Environmental protection	288	1 148	1 237	6 171	2 189	2 189	18 142	4 191	4 450
<i>Trading services</i>	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	436	133	4 400	3 900	3 900	8 050	-	4 400
Total Expenditure - Standard	174 420	249 225	332 244	610 646	538 993	538 993	554 733	444 639	416 362
Surplus/(Deficit) for the year	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	(220 234)	(102 427)	(67 218)

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 the whole of government reports.

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**DC31 Nkangala - Table A3 Budgeted Financial Performance (revenue and expenditure 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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote									
Vote 1 - EXECUTIVE & COUNCIL	1	-	1	-	-	-	-	-	-
Vote 2 - ADMINISTRATION	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE - BUDGET & TREASURY OF	306 185	321 383	329 152	327 204	323 963	323 963	333 608	341 278	348 177
Vote 4 - COMMUNITY & SOCIAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services and PMU	-	-	-	-	-	-	-	-	-
Vote 6 - LED AGENCY	-	-	-	-	-	-	-	-	-
Vote 7 - DPU AND IDP	735	750	1 000	1 000	1 000	1 000	890	934	967
Vote 8 - PLANNING & DEVELOPMENT CONTR	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	306 921	322 133	330 153	328 204	324 963	324 963	334 498	342 212	349 144
Expenditure by Vote to be appropriated									
Vote 1 - EXECUTIVE & COUNCIL	27 823	30 482	31 892	52 141	58 983	58 983	84 406	77 331	83 483
Vote 2 - ADMINISTRATION	6 140	8 601	12 112	16 658	25 776	25 776	26 039	24 250	25 872
Vote 3 - FINANCE - BUDGET & TREASURY OF	11 998	14 953	14 055	38 303	21 617	21 617	37 940	36 013	28 549
Vote 4 - COMMUNITY & SOCIAL SERVICES	11 770	18 239	19 794	35 520	35 706	35 706	58 176	29 787	31 613
Vote 5 - Technical Services and PMU	10 860	11 302	23 374	299 345	51 119	51 119	60 704	66 512	30 587
Vote 6 - LED AGENCY	3 533	6 387	4 844	26 217	24 117	24 117	52 444	33 157	49 214
Vote 7 - DPU AND IDP	2 701	1 362	(1 862)	19 902	20 348	20 348	36 415	30 641	16 569
Vote 8 - PLANNING & DEVELOPMENT CONTR	99 595	157 899	228 034	122 560	301 328	301 328	198 610	146 949	150 475
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	174 420	249 225	332 244	610 646	538 993	538 993	554 733	444 639	416 362
Surplus/(Deficit) for the year	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	(220 234)	(102 427)	(67 218)

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

Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**DC31 Nkangala - Table 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	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Revenue By Source										
Property rates	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	214	264	256	-	100	100	87	100	128	134
Interest earned - external investments	34 074	31 136	30 257	23 453	18 180	18 180	10 499	18 180	17 535	15 857
Interest earned - outstanding debtors	2	41	21	109	18	18	4	5	5	6
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	269 952	284 772	294 912	303 175	303 175	303 175	227 288	313 592	322 354	330 835
Other revenue	2 679	5 920	4 707	1 467	3 490	3 490	2 879	2 621	2 190	2 313
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	306 921	322 133	330 153	328 204	324 963	324 963	240 758	334 498	342 212	349 144
Expenditure By Type										
Employee related costs	29 344	35 556	38 231	82 393	68 444	68 444	34 652	101 558	107 372	114 243
Remuneration of councillors	8 529	8 589	10 255	14 504	12 728	12 728	7 523	14 579	16 185	17 156
Debt impairment	9	6	18	135	50	50	-	20	15	16
Depreciation & asset impairment	5 490	6 619	7 557	6 511	7 875	7 875	4 962	6 861	7 233	6 786
Finance charges	7 180	6 632	5 973	8 601	5 871	5 871	2 744	5 778	5 647	5 930
Bulk purchases	-	-	-	-	-	-	-	-	-	-
Other materials	123	151	202	1 180	286	286	141	729	549	452
Contracted services	1 731	2 368	2 088	7 129	8 707	8 707	2 520	10 378	7 757	8 147
Transfers and grants	111 720	175 775	248 857	449 856	368 490	368 490	92 081	297 499	197 155	190 858
Other expenditure	10 295	13 529	19 063	40 337	66 541	66 541	23 632	117 329	102 727	72 774
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Expenditure	174 420	249 225	332 244	610 646	538 993	538 993	168 255	554 733	444 639	416 362
Surplus/(Deficit)	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)

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

1. Total revenue is R334,498 million in 2013/14 and escalates to R394,144million by 2015/16. This represents a year-on-year increase of 2.9 per cent for the 2013/14 financial year, 2.3 per cent for the 2014/15 and 2.0 per cent for the 2015/16 financial year.
2. Operating Grants form a significant percentage of the revenue basket for the District. In the 2013/14 financial year, the operating grants total R313,592 million or 93.75 per cent. This increases to R322,354 million and R330,835 million in the respective financial years of the MTREF. Operating Grants includes the RSC Levy Replacement, local government equitable share and other operating grants from national government.
3. Investment revenue is the second largest revenue source totaling 5.43 per cent or R18,180 million and decreases to R15,857 million by 2015/16. The third largest source is other revenue which consists of various items such as income received from discounts, sale of tender documents and sundry income.
4. The following graph illustrates the major expenditure items per type.

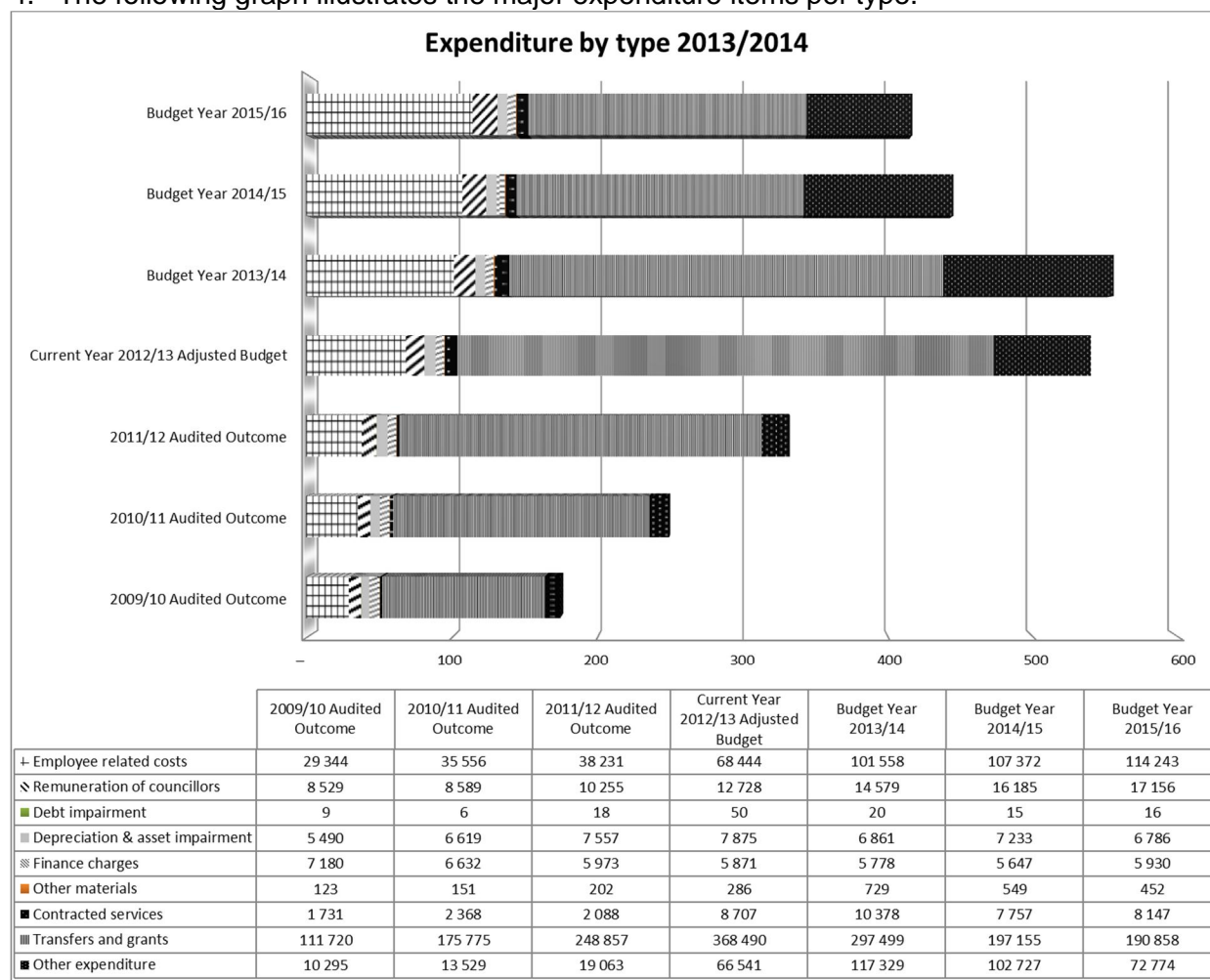


Figure 2 Expenditure by major type

5. Transfers and grants is the main expenditure type, which are the Contribution to Local Municipalities an amounts to R297,499 million for the 2013/14 financial year.

The Contribution to Local Municipalities can be summarised below.

Table 13 Contributions to Local Municipalities per municipality

MUNI-CIPALITY	WATER	SEWER	ROADS & STORM-WATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	TOTAL
1. Victor Khanye	0	4 000 000	4 000 000	0	0	5 830 000	13 830 000
2. Dr JS Moroka	3 000 000	7 000 000	16 800 000	0	0	14 000 000	40 800 000
3. Emalahleni	9 679 625	9 679 625	29 779 625	2 500 000	9 579 625	5 000 000	66 218 500
4. Steve Tshwete	10 200 000	8 400 000	13 425 000	3 000 000	0	0	35 025 000
5. Emakahzeni	2 000 000	2 386 000	5 000 000	0	1 500 000	1 250 000	12 136 000
6. Thembisile Hani	1 000 000	0	13 200 000	1 500 000	5 000 000	9 900 000	30 600 000
TOTAL NEW PROJECTS	25 879 625	31 465 625	82 204 625	7 000 000	16 079 625	35 980 000	198 609 500

The following table illustrates the contribution for local municipalities for the 2013/14, 2014/15 and 2015/16 financial years:

Table 14 Indicative - Contributions to Local Municipalities per municipality

Local Authority	Budget Year +0	Budget Year +1	Budget Year +2
	2013/14	2014/15	2015/16
DR JS MOROKA LOCAL MUNICIPALITY	40,800,000	27,646,500	28,310,016
EMALAHLENI LOCAL MUNICIPALITY	66,218,500	38,921,400	39,855,513
THEMBISILE HANI LOCAL MUNICIPALITY	30,600,000	29,049,300	29,746,483
EMAKHAZENI LOCAL MUNICIPALITY	12,136,000	12,165,300	12,457,267
STEVE TSHWETE LOCAL MUNICIPALITY	35,025,000	26,066,250	26,691,840
VICTOR KHANYE LOCAL MUNICIPALITY	13,830,000	13,099,800	13,414,195
Total	297,499,368	197,154,820	190,858,082

6. Employee related costs and contribution to local municipalities are the main cost drivers within the district.

Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

DC31 Nkangala - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

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	Full Year Forecast	Pre-audit outcome	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 - EXECUTIVE & COUNCIL	421	1 858	386	1 742	1 767	1 767	481	2 571	1 692	1 753
Vote 2 - ADMINISTRATION	35	165	56	126	807	807	11	230	250	367
Vote 3 - FINANCE - BUDGET & TREASURY OFF	94	714	137	103	185	185	23	236	113	118
Vote 4 - COMMUNITY & SOCIAL SERVICES	1 674	1 851	11 995	23 352	21 521	21 521	3 731	17 192	6 933	7 100
Vote 5 - Technical Services and PMU	-	-	-	40 853	12 292	12 292	4 415	13 554	12 196	12 488
Vote 6 - LED AGENCY	-	-	-	19	250	250	3	20	21	22
Vote 7 - DPU AND IDP	6 838	1 329	199	170	170	170	4	-	-	-
Vote 8 - PLANNING & DEVELOPMENT CONTR	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	9 062	5 917	12 772	66 365	36 992	36 992	8 667	33 802	21 204	21 847
Single-year expenditure to be appropriated										
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-	-
Vote 2 - ADMINISTRATION	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE - BUDGET & TREASURY OFF	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES	-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services and PMU	-	-	-	-	-	-	-	-	-	-
Vote 6 - LED AGENCY	-	-	-	-	-	-	-	-	-	-
Vote 7 - DPU AND IDP	-	-	-	-	-	-	-	-	-	-
Vote 8 - PLANNING & DEVELOPMENT CONTR	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	9 062	5 917	12 772	66 365	36 992	36 992	8 667	33 802	21 204	21 847
Capital Expenditure - Standard										
Governance and administration	550	2 737	579	1 971	2 759	2 759	515	3 036	2 054	2 238
Executive and council	421	1 858	386	1 835	1 937	1 937	496	2 794	1 792	1 857
Budget and treasury office	94	714	137	10	15	15	8	12	13	13
Corporate services	35	165	56	126	807	807	11	230	250	367
Community and public safety	1 674	1 851	11 995	23 352	21 521	21 521	3 731	16 792	6 933	7 100
Community and social services	1 674	1 851	11 995	68	68	68	-	400	78	80
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	23 285	21 453	21 453	3 731	16 392	6 855	7 020
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	6 838	1 329	199	41 041	12 711	12 711	4 422	13 974	12 216	12 510
Planning and development	6 838	1 329	199	278	537	537	100	20	216	222
Road transport	-	-	-	40 763	12 174	12 174	4 322	13 554	12 000	12 288
Environmental protection	-	-	-	-	-	-	-	400	-	-
Trading services	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	9 062	5 917	12 772	66 365	36 992	36 992	8 667	33 802	21 204	21 847
Funded by:										
National Government	-	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	9 062	5 917	12 772	66 365	36 992	36 992	8 667	33 802	21 204	21 847
Total Capital Funding	9 062	5 917	12 772	66 365	36 992	36 992	8 667	33 802	21 204	21 847

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2013/14 R76,365 million has been allocated of the total budget for capital expenditure and R33,802million and R20,479 million for the 2013/14 and 2015/16 financial years respectively. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the District. For the purpose of funding assessment of the MTREF.
3. The capital programme is funded from internally generated funds from current year surpluses and accumulated surpluses.

Table 16 MBRR Table A6 - Budgeted Financial Position

DC31 Nkangala - 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	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
ASSETS										
Current assets										
Cash	18 918	12 825	10 983	12 825	132 572	132 572	6 462	11 462	8 462	10 462
Call investment deposits	425 475	453 327	437 065	453 327	307 183	307 183	485 869	207 689	84 362	31 386
Consumer debtors	-	-	-	-	-	-	-	-	-	-
Other debtors	27 980	13 724	19 161	13 724	13 809	13 809	17 156	11 724	10 224	8 424
Current portion of long-term receivables										
Inventory	188 211	244 583	238 474	178 067	178 067	178 067	238 474	292 019	287 924	300 616
Total current assets	660 584	724 459	705 683	657 944	631 631	631 631	747 961	522 894	390 972	350 888
Non current assets										
Long-term receivables										
Investments	8 185	35 464	38 855	35 464	35 464	35 464	38 855	32 922	37 218	0
Investment property										
Investment in Associate										
Property, plant and equipment	80 179	86 332	85 795	146 194	145 035	145 035	89 500	100 807	115 869	115 869
Agricultural										
Biological										
Intangible										
Other non-current assets										
Total non current assets	88 364	121 796	124 649	181 658	180 499	180 499	128 354	133 729	153 087	115 869
TOTAL ASSETS	748 948	846 255	830 332	839 601	812 131	812 131	876 315	656 623	544 060	466 757
LIABILITIES										
Current liabilities										
Bank overdraft	-	-	-	-	-	-	-	-	-	-
Borrowing	6 422	6 653	6 568	5 060	5 060	5 060	6 568	5 778	5 647	5 930
Consumer deposits	-	-	-	-	-	-	-	-	-	-
Trade and other payables	34 811	61 039	50 961	61 039	61 039	61 039	27 210	33 039	30 039	27 039
Provisions	1 597	3 663	5 434	3 663	3 663	3 663	5 361	3 813	3 973	4 143
Total current liabilities	42 830	71 355	62 963	69 762	69 762	69 762	39 138	42 630	39 659	37 112
Non current liabilities										
Borrowing	51 514	45 632	39 906	40 572	40 572	40 572	37 210	34 533	28 313	21 711
Provisions	5 085	6 841	7 128	6 841	6 841	6 841	7 128	7 478	7 638	7 808
Total non current liabilities	56 599	52 473	47 034	47 413	47 413	47 413	44 338	42 011	35 951	29 519
TOTAL LIABILITIES	99 429	123 828	109 997	117 175	117 175	117 175	83 477	84 641	75 610	66 630
NET ASSETS	649 519	722 427	720 335	722 427	694 956	694 956	792 838	571 982	468 450	400 127
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	649 519	722 427	720 335	722 427	694 956	694 956	792 838	571 982	468 450	400 127
Reserves	-	-	-	-	-	-	-	-	-	-
Minorities' interests	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	649 519	722 427	720 335	722 427	694 956	694 956	792 838	571 982	468 450	400 127

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 of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - É Call investments deposits;
 - É Property, plant and equipment;
 - É Trade and other payables;
 - É Provisions non-current;
 - É Changes in net assets; and
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 17 MBRR Table A7 - Budgeted Cash Flow Statement

DC31 Nkangala - Table A7 Budgeted Cash Flows

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	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other	3 070	6 184	5 190	1 467	3 590	3 590	2 967	2 721	2 318	2 447
Government - operating	269 775	284 772	294 685	303 175	303 175	303 175	227 288	313 592	322 354	330 835
Government - capital										
Interest	34 076	31 177	30 277	23 562	18 198	18 198	10 503	18 185	17 540	15 862
Dividends										
Payments										
Suppliers and employees	(127 413)	(72 265)	(77 205)	(145 543)	(156 707)	(156 707)	(68 468)	(244 574)	(234 589)	(212 773)
Finance charges	(3 536)	(3 353)	(5 973)	(8 601)	(5 871)	(5 871)	(2 744)	(5 778)	(5 647)	(5 930)
Transfers and Grants	(115 633)	(179 054)	(248 857)	(449 856)	(368 490)	(368 490)	(92 081)	(297 499)	(197 155)	(190 858)
NET CASH FROM/(USED) OPERATING ACTIVITIES	60 339	67 461	(1 882)	(275 797)	(206 105)	(206 105)	77 465	(213 353)	(95 180)	(60 417)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (Increase) in non-current debtors										
Decrease (increase) other non-current receivables										
Decrease (increase) in non-current investments	(872)	(27 279)	(3 391)	-	-	-	-	5 933	(4 296)	37 218
Payments										
Capital assets	(5 076)	(12 772)	(7 020)	(66 365)	(36 992)	(36 992)	(8 667)	(33 802)	(21 204)	(21 847)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 948)	(40 051)	(10 410)	(66 365)	(36 992)	(36 992)	(8 667)	(27 869)	(25 500)	15 371
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits										
Payments										
Repayment of borrowing	(4 444)	(5 651)	(5 811)	(5 060)	(5 060)	(5 060)	(6 568)	(5 778)	(5 647)	(5 930)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 444)	(5 651)	(5 811)	(5 060)	(5 060)	(5 060)	(6 568)	(5 778)	(5 647)	(5 930)
NET INCREASE/ (DECREASE) IN CASH HELD	49 947	21 759	(18 104)	(347 222)	(248 156)	(248 156)	62 230	(247 001)	(126 327)	(50 976)
Cash/cash equivalents at the year begin:	394 446	444 393	466 152	466 152	466 152	466 152	466 152	466 152	219 151	92 824
Cash/cash equivalents at the year end:	444 393	466 152	448 048	118 930	217 996	217 996	528 382	219 151	92 824	41 848

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 District raised from R394,446 million over the 2008/09 to R466,152 million in 2010/11 period owing directly to a net increase in cash for the 2009/10 and 2010/11 financial years of R175.4 million.
4. The approved 2012/13 MTREF provide for a further net decrease in cash of R248,156 million for the 2012/13 financial year resulting in an overall projected positive cash position of R217,996 million at year end.
5. Cash and cash equivalents totals R219,151 million as at the end of the 2013/14 financial year and escalates to R41,848 million by 2015/16. Table 18 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table 19 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

DC31 Nkangala - 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	Full Year Forecast	Pre-audit outcome	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	444 393	466 152	448 048	118 930	217 996	217 996	528 382	219 151	92 824	41 848
Other current investments > 90 days	0	0	-	347 222	221 760	221 760	(36 051)	-	-	-
Non current assets - Investments	8 185	35 464	38 855	35 464	35 464	35 464	38 855	32 922	37 218	0
Cash and investments available:	452 578	501 616	486 903	501 616	475 219	475 219	531 185	252 073	130 042	41 848
Application of cash and investments										
Unspent conditional transfers	809	688	-	688	688	688	960	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	4 320	46 718	31 008	47 577	46 611	46 611	9 119	21 336	19 837	18 634
Other provisions	-	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/inv estments	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	5 129	47 406	31 008	48 265	47 299	47 299	10 080	21 336	19 837	18 634
Surplus(shortfall)	447 449	454 210	455 895	453 351	427 921	427 921	521 106	230 737	110 205	23 215

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.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2009/10 to 2011/12 the surplus raised from R447,449 million to R455,899 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2013/14 MTREF was sufficiently funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 20 MBRR Table A9 - Asset Management

DC31 Nkangala - 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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	9 062	5 917	12 772	66 365	36 992	36 992	33 802	21 204	21 847
Infrastructure - Road transport	-	1 070	2 459	40 763	12 174	12 174	13 554	12 000	12 288
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	1 070	2 459	40 763	12 174	12 174	13 554	12 000	12 288
Community	-	-	-	6 003	5 956	5 956	3 146	3 415	3 497
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	9 062	4 847	10 313	19 599	18 861	18 861	17 102	5 788	6 062
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	1 070	2 459	40 763	12 174	12 174	13 554	12 000	12 288
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	1 070	2 459	40 763	12 174	12 174	13 554	12 000	12 288
Community	-	-	-	6 003	5 956	5 956	3 146	3 415	3 497
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	9 062	4 847	10 313	19 599	18 861	18 861	17 102	5 788	6 062
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	9 062	5 917	12 772	66 365	36 992	36 992	33 802	21 204	21 847
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	1 034	3 348	2 995	40 459	11 806	11 806	13 234	11 663	11 972
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	1 034	3 348	2 995	40 459	11 806	11 806	13 234	11 663	11 972
Community	27	8 980	120	5 783	11 328	16 873	19 661	22 698	25 841
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	79 118	74 004	82 679	96 411	108 176	119 941	130 862	130 132	130 080
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	80 179	86 332	85 795	142 653	131 311	148 621	163 756	164 493	167 892
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	5 490	6 619	7 557	6 511	7 875	7 875	6 861	7 233	6 786
Repairs and Maintenance by Asset Class	989	1 608	2 335	4 244	6 379	6 379	4 967	5 005	5 255
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	989	1 608	2 335	4 244	6 379	6 379	4 967	5 005	5 255
TOTAL EXPENDITURE OTHER ITEMS	6 479	8 228	9 892	10 755	14 255	14 255	11 828	12 238	12 041
Renewal of Existing Assets as % of total capex	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE	1.2%	1.9%	2.7%	2.9%	4.4%	4.4%	4.9%	4.3%	4.5%
Renewal and R&M as a % of PPE	1.0%	2.0%	3.0%	3.0%	5.0%	4.0%	3.0%	3.0%	3.0%

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 District does not meet both these recommendations as the District move into new office buildings in 2006.

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 Budget Steering Committee consists of the MMC for Finance, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are 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 District's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue 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

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 May 2012. Key dates applicable to the process were:

- É **August 2012.** Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2013/14 MTREF;

- É **January and February 2013.** Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- É **6 to 10 February 2013** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- É **23 January 2013** - Council considered the 2012/13 Mid-year Review;
- É **27 February 2013** - Council considers the 2012/13 Adjustments Budget;
- É **March 2013** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2013/14 MTREF is revised accordingly;
- É **20 March 2013** - Tabling in Council of the draft 2013/14 IDP and 2013/14 MTREF to Mayoral committee;
- É **27 March 2013** - Tabling in Council of the draft 2013/14 IDP and 2013/14 MTREF for public consultation;
- É **12 April 2013** . Budget Indaba;
- É **22 April 2013** - Closing date for written comments;
- É **7 to 18 May 2013.** finalisation of the 2013/14 IDP and 2013/14 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- É **29 May 2013** - Tabling of the 2013/14 MTREF before Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the second review of the IDP as adopted by Council in May 2012. It started in September 2012. The reviewed IDP will be tabled to council for approval on the 27 March 2013.

The District's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- É Registration of community needs;
- É Compilation of departmental business plans including key performance indicators and targets;
- É Financial planning and budgeting process;
- É Public participation process;
- É Compilation of the SDBIP, and
- É The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2013/14 MTREF, based on the approved 2012/13 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2013/14 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/13 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- É District growth
- É Policy priorities and strategic objectives
- É Asset maintenance
- É Economic climate and trends (i.e. inflation, household debt, migration patterns)
- É Performance trends
- É The approved 2012/13 adjustments budget and performance against the SDBIP
- É Cash Flow Management Strategy
- É Debtor payment levels
- É Investment possibilities
- É Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54, 55, 58, 66 and 67 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2013/14 MTREF as tabled before Council on 27 March 2013 for community consultation will be published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Local Municipalities were utilised to facilitate the community consultation process from 12 February to 7 April 2012, and included six public briefing sessions and the Budget Indaba on the 12 April 2013. The applicable dates and venues will be published in all the local newspapers and on average attendance of 150 are expected per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and Imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the finalisation of the 2013/14 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- É Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The District is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- É Several complaints were received regarding poor service delivery, especially the state of road infrastructure and slow implementation of projects in local municipalities;
- É Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- É Environmental problems of the mines and climate change;
- É High levels of poverty and unemployment, which indicate there is a need for skills training. NDM must consider building an university.
- É The district needs to promote the cargo project in Victor Khanye.

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 District, 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 District 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 District's response to these requirements.

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

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

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 2013/14 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

- Local Economic Development
- Infrastructure Development and Service Delivery
- Institutional Development and Municipal Transformation
- Good Governance and Public Participation
- Build more united, non-racial, integrated and safer communities;
- Financial Viability
- Ensure more effective, accountable and clean Local Government that works together with National and Provincial Spheres of Government.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the District to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide district planning services; and
 - Maintaining the infrastructure of the District.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the District;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
 - Implementing initiatives to reduce the effect of climate change.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the District. The five-year programme responds to the development challenges and opportunities faced by the

District by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- É Strengthening the analysis and strategic planning processes of the District;
- É Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- É Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2013/14 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

DC31 Nkangala - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Basic Service Delivery		KPA 1	-	-	-	-	-	-	-	-	-
Local Economic Development		KPA 2	-	-	-	-	-	-	-	-	-
Financial Viability		KPA 3	306 185	321 383	329 152	327 204	323 963	323 963	333 608	341 278	348 177
Municipal Institutional Development & Transformation		KPA 4	-	-	-	-	-	-	-	-	-
Good Governance and Communication		KPA 5	1	-	1	-	-	-	-	-	-
Spatial Development Analysis & Rationale		KPA 6	735	750	1 000	1 000	1 000	1 000	890	934	967
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			306 921	322 133	330 153	328 204	324 963	324 963	334 498	342 212	349 144

Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

DC31 Nkangala - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Basic Service Delivery		KPA 1	112 196	177 164	258 632	160 792	354 937	354 937	279 659	209 011	182 088
Local Economic Development		KPA 2	3 533	6 387	4 844	26 217	24 117	24 117	52 444	33 157	49 214
Financial Viability		KPA 3	10 928	13 592	12 832	36 000	19 674	19 674	35 347	33 255	25 634
Municipal Institutional Development & Transformation		KPA 4	6 552	9 036	12 619	17 417	26 439	26 439	27 028	25 301	26 989
Good Governance and Communication		KPA 5	28 481	31 409	32 607	53 684	60 264	60 264	86 010	79 038	85 281
Spatial Development Analysis & Rationale		KPA 6	12 729	11 637	10 709	316 536	53 563	53 563	74 244	64 877	47 156
Allocations to other priorities											
Total Expenditure			174 420	249 225	332 244	610 646	538 993	538 993	554 733	444 639	416 362

Table 22 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

DC31 Nkangala - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Basic Service Delivery		KPA 1	1 674	1 851	11 995	64 206	33 813	33 813	30 746	19 129	19 588
Local Economic Development		KPA 2	-	-	-	19	250	250	20	21	22
Financial Viability		KPA 3	94	714	137	103	185	185	236	113	118
Municipal Institutional Development & Transformation		KPA 4	35	165	56	126	807	807	230	250	367
Good Governance and Communication		KPA 5	421	1 858	386	1 912	1 937	1 937	2 571	1 692	1 753
Spatial Development Analysis & Rationale		KPA 6	6 838	1 329	199	-	-	-	-	-	-
Allocations to other priorities											
Total Capital Expenditure			9 062	5 917	12 772	66 365	36 992	36 992	33 802	21 204	21 847

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 District 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 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:

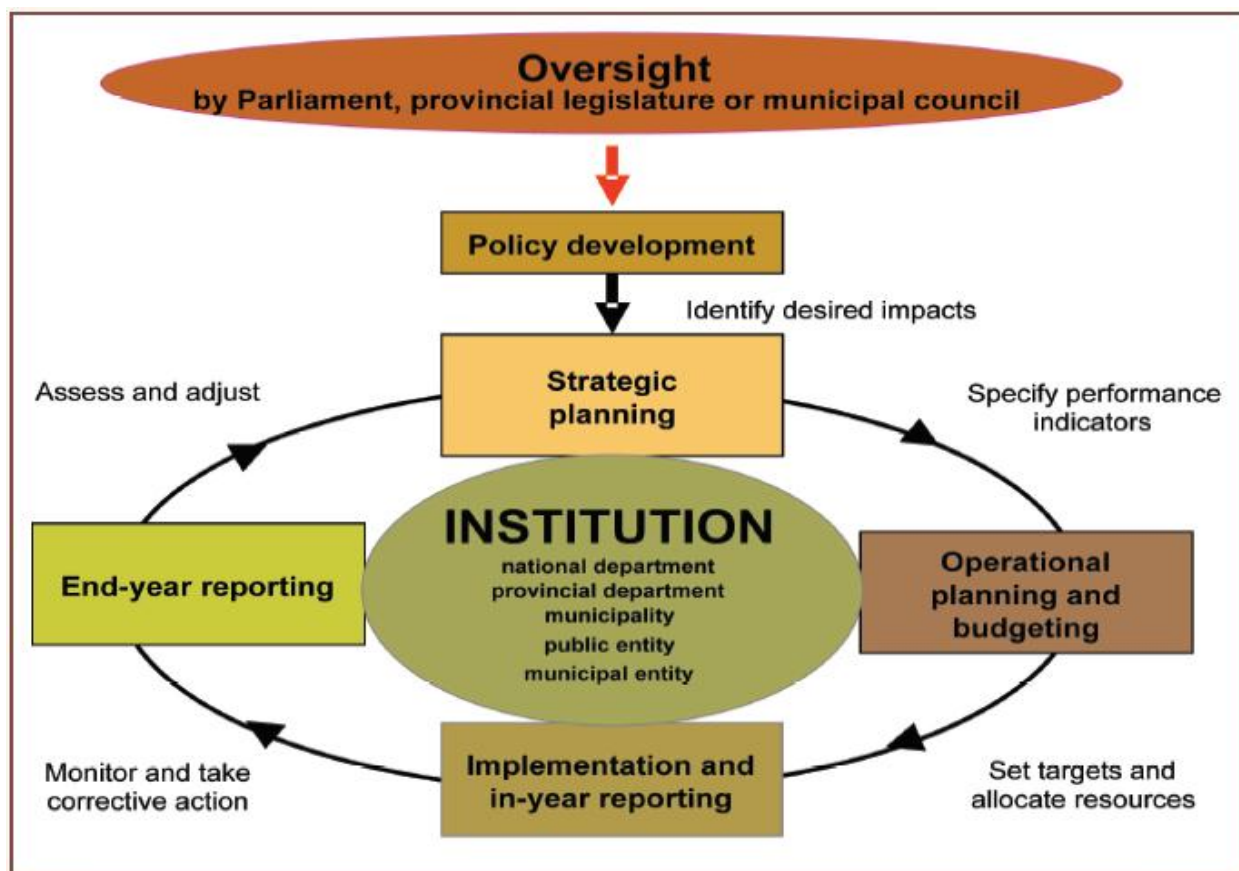


Figure 3 Planning, budgeting and reporting cycle

The performance of the District 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 District therefore has adopted one integrated performance management system which encompasses:

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

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

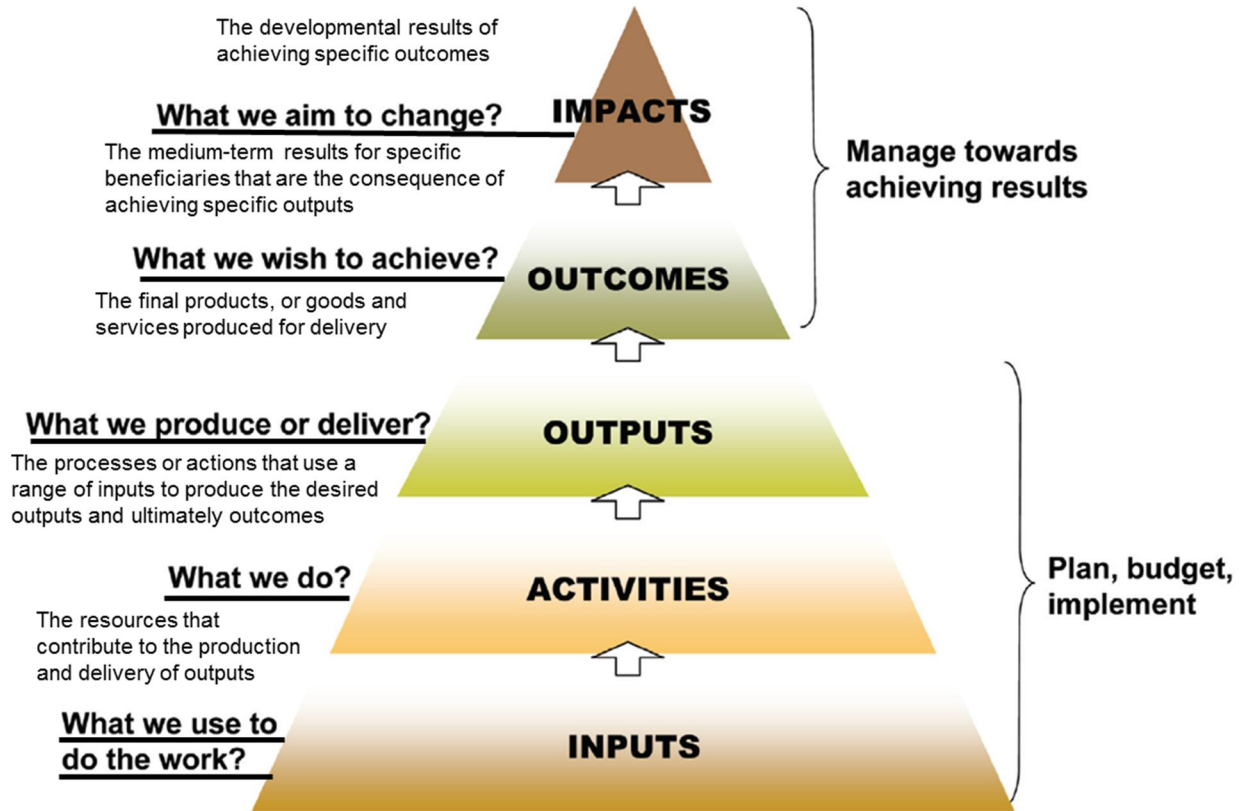


Figure 4 Definition of performance information concepts

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

Table 23 MBRR Table SA7 - Measurable performance objectives

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 MTREF.

Table 24 MBRR Table SA8 - Performance indicators and benchmarks

DC31 Nkangala - Supporting 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	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Borrowing Management											
Credit Rating		AA	AA								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.7%	4.9%	3.5%	2.2%	2.0%	2.0%	5.5%	2.1%	2.5%	2.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	31.4%	32.9%	33.4%	54.6%	50.2%	50.2%	69.1%	55.3%	56.9%	64.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	15.4	10.2	11.2	9.4	9.1	9.1	19.1	12.3	9.9	9.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	15.4	10.2	11.2	9.4	9.1	9.1	19.1	12.3	9.9	9.5
Liquidity Ratio	Monetary Assets/Current Liabilities	10.4	6.5	7.1	6.7	6.3	6.3	12.6	5.1	2.3	1.1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		106.1%	99.3%	104.1%	93.1%	99.5%	99.5%	99.8%	99.8%	99.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			106.1%	99.3%	104.1%	93.1%	99.5%	99.5%	99.8%	99.8%	99.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	4.3%	5.8%	4.2%	4.2%	4.2%	7.1%	3.5%	3.0%	2.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		7.7%	12.9%	11.4%	50.7%	27.7%	27.7%	5.0%	15.1%	32.4%	64.6%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	Total Volume Losses (kℓ)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	-	-	-	-	-	-	-	-	-
Employee costs	Employee costs/(Total Revenue - capital revenue)	9.6%	11.0%	11.6%	25.1%	21.1%	21.1%	14.4%	30.4%	31.4%	32.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	12.3%	13.7%	14.7%	29.5%	25.0%	26.3%		34.7%	36.1%	37.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.3%	0.5%	0.7%	1.3%	2.0%	2.0%		1.5%	1.5%	1.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.1%	4.1%	4.1%	4.6%	4.2%	4.2%	3.2%	3.8%	3.8%	3.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	1.0	1.0	1.2	1.1	1.1	1.1	0.6	0.9	0.9	0.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	5191.7%	7480.3%	0.0%	13808.8%	13808.8%	19612.2%	11724.1%	8018.9%	6292.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	114.6	105.6	92.0	11.5	22.3	22.3	125.9	15.1	6.5	3.0

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. As with all other municipalities, Nkangala District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the District's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2013/14 MTREF:

- É *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the MTREF from 6.14 percent in 2013/14 to 5.92 per cent in 2015/16, it needs to be noted that the increased capital grants and transfers has contributed to the decrease and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.
- É *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily decreased from 6.7 per cent in 2009/10 to 2.0 per cent in 2012/13 and projected as 2.1 per cent for 2013/14. This decrease can be attributed to the fact that the District decided not to take up more loans. It is estimated that the cost of borrowing as a percentage of the operating expenditure will stabilise at 2.8 per cent at the end of the MTREF.
- É *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is zero per cent.

The District's debt profile provides some interesting insights on the District's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the District to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. .

2.3.1.2 Safety of Capital

- É *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 borrowing, creditors and provisions as a percentage of funds and reserves. In the 2013/14 financial year the ratio is at a level 14.8 per cent and remains relatively stable at 16.65 per cent in the 2015/16 financial year.

2.3.1.3 Liquidity

É *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the District has set a limit of 1, hence at no point in time should this ratio be less than 1. The 2010/11 current ratio of the District is 10.2 per cent. For the 2013/14 MTREF the current ratio is 12.3 in the 2013/14 financial year and 9.9 and 9.5 for the two outer years of the MTREF respectively.

É *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. For the 2012/13 financial year the ratio was 6.3 and decreased to 5.1 in the 2013/14 financial year.

2.3.1.4 Revenue Management

É With the abolishment of the RSC Levies the outstanding debtors has declined to a point where the total outstanding debtors to annual revenue is very positive. The estimated ratio for 2013/14 is 3.5 per cent and remains stable at 3.0 and 2.4 per cent for the two outer years.

2.3.1.5 Creditors Management

É The District has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the District, which is expected to benefit the District in the form of more competitive pricing of tenders, as suppliers compete for the District's business.

2.3.1.6 Other Indicators

É Employee costs as a percentage of operating revenue continues to remain stable at 30.4 per cent for the 2013/14 budget year and 32.7 for the 2015/16 budget year.

É Repairs and maintenance as percentage of operating revenue is very low as the District has only the office building and Thembisile Hani roads as infrastructure assets.

É The filling of vacancies has commenced.

É Measures have been put in place to ensure that relevant officials comply with the extension of the minimum competency requirements;

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy as approved by Council in October 2003 and will be reviewed in the 2013/14 year. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt.

The 2013/14 MTREF has been prepared on the basis of achieving an average debtors collection rate of 99 per cent on debtors. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the District's cash levels.

2.4.2 Asset Management Policy

The asset management policy was adopted by Council in October 2006. The policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment. The depreciation and capitalization of assets are dealt with in terms of this policy. Provision has been made to review all budget related policies in the 2013/14 year.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in October 2006. An amended policy will be adopted by Council in August 2008. The policy provides for processes to be followed in the procurement of goods and services. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procurement of goods and services, disposing of goods and selection of contractors in the provision of municipal services. The policy is currently under review.

2.4.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the District's system of delegations. The Budget and Virement Policy will be reviewed during the budget process in 2013/14.

2.4.5 Cash Management and Investment Policy

The policy provides for the management of cash and investment of surplus funds. The aim of the policy is to ensure that surplus cash and investments are adequately managed especially the funds set aside for the cash banking of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks. This policy was reviewed by Council in 2012/13.

2.4.6 Donation Policy

The policy provides for the conditions and procedures for which donations can be made and accounted for.

2.4.7 Fraud and Corruption Prevention Policy

The policy provides for the mitigating, preventing, and reporting any corrupt or fraudulent activities.

All the above policies are available on the District's website.

2.5 Overview of budget assumptions

2.5.1 External factors

The Medium Term Budget Policy Statement 2012 notes that the South African economy is projected to grow by 2.5 per cent in 2012. By 2014 GDP growth is expected to reach 3.8 per cent, supported by expanding public sector investment in infrastructure, the activation of new electricity-generating capacity, improving public sector confidence, relatively low inflation and interest rates and strong growth in the Southern African region.

Specific interventions to achieve this include: investing in strategic infrastructure programmes, including electricity generation and transport capacity needed to open up new mining and industrial opportunities. Linked to this is strengthening municipal finances and investing in residential development and urban infrastructure.

The proposed spending framework approved by Cabinet takes account of the need to control spending growth over the medium term while increasing the efficiency of existing allocations to improve public services. As a result, the fiscus does not increase available funds beyond the 2012 budget baseline.

The labour market has deteriorated. The official unemployment rate rose to 25.5 per cent of the labour force in the third quarter of 2012 from 24.9 per cent in the second quarter according to the latest Quarterly Labour Force Survey. The total number of unemployed people stood at 4.67 million in the three months up to September, from 4.47 million in the second quarter. By the expanded definition of unemployment (including those who have stopped looking for work) unemployment increased to 36.3 per cent, from 36.2 per cent.

Consequently, municipal revenues and cash flows are expected to remain under pressure in 2013/14 and so municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts. Municipalities will have to carefully consider affordability of tariff increases especially as it relates to domestic consumers while considering the level of services versus the associated cost. Municipalities should also pay particular attention to managing revenue effectively and carefully evaluate all spending decisions. In generating capacity for spending on key municipal infrastructure municipalities will have to identify inefficiencies and eliminate non-priority spending.

Headline inflation forecasts:

Financial Year	2011 Actual	2012 Estimate	2013 Forecast	2014 Forecast	2015 Forecast
Headline CPI	5.0%	5.7%	5.5%	5.1%	4.9%
<i>Source: Medium Term budget Policy Statement 2012</i>					

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- É National Government macro economic targets;
- É The general inflationary outlook and the impact on District residents and businesses;
- É The impact of municipal cost drivers; and
- É 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. 6.95 per cent (5.7 per cent plus 1.25 per cent) and 2014/15 Financial Year 6.5 per cent (5.5 per cent plus 1 per cent)

2.5.3 Credit rating outlook

Table 25 Credit rating outlook

Security class	Currency	Rating	Annual rating 2009/10	Previous Rating
National Short Term	Rand	F1+	31 March 2011	F1
National Long Term	Rand	AA-	31 March 2011	AA-
International	ZAR	BBB+	31 March 2011	BBB+

The Districts credit rating was done by Fitch Ratings, an international credit rating firm. Fitch's Ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier for the country concerned, such as 'AAA(zaf)' for National ratings in South Africa.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The District engaged in a number of financing arrangements to minimise its interest rate costs and risk. However, in 2013/14 MTREF is based on the assumption that no additional borrowings are undertaken.

2.5.5 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (99 per cent) of budgeted income. Cash flow is assumed to be 99 per cent of budgeted income.

2.5.6 Salary increases

The multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015 is used as the basis. 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. 6.95 per cent (5.7 per cent plus 1.25 per cent) and 2014/15 Financial Year 6.5 per cent (5.5 per cent plus 1 per cent)

2.5.7 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:

- É Creating jobs;
- É Enhancing education and skill development;
- É Improving Health services;
- É Rural development and agriculture; and
- É 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.

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

It is estimated that a spending rate of at least 60 per cent is achieved on operating expenditure and 60 per cent on the capital programme for the 2013/14 MTREF of which performance has been factored into the cash flow budget.

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:

Table 26 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	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	34 074	31 136	30 257	23 453	18 180	18 180	10 499	18 180	17 535	15 857
Transfers recognised - operational	269 952	284 772	294 912	303 175	303 175	303 175	227 288	313 592	322 354	330 835
Other own revenue	2 894	6 225	4 985	1 576	3 608	3 608	2 971	2 726	2 323	2 452
Total Revenue (excluding capital transfers and contributions)	306 921	322 133	330 153	328 204	324 963	324 963	240 758	334 498	342 212	349 144

The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.

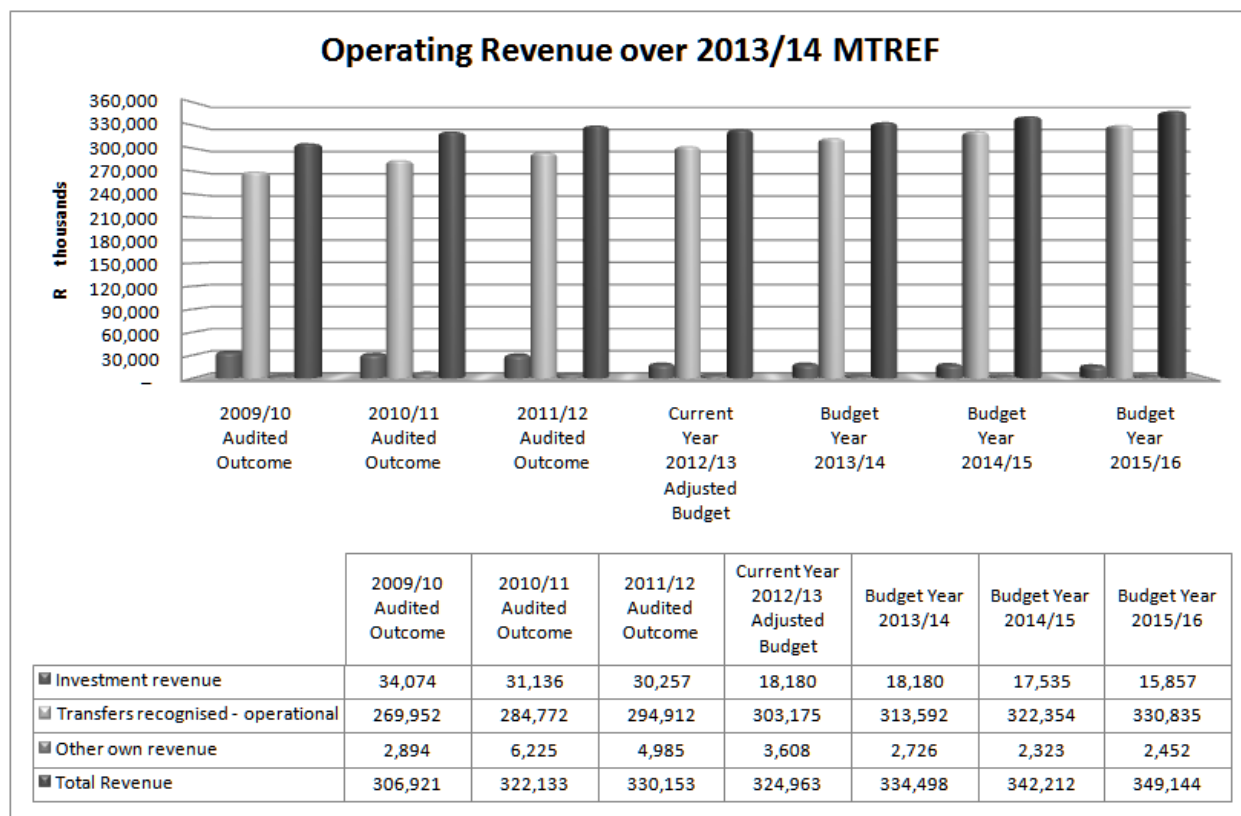


Figure 5 Breakdown operating revenue over the 2013/14 MTREF

Operating Grants form a significant percentage of the revenue basket for the District. In the 2013/14 financial year, the operating grants totaled R313,592 million or 93.75 per cent. This increases to R322,354 million and R330,835 million in the respective financial years of the MTREF.

Investment revenue is the second largest revenue source totaling 5.44 per cent or R18,180 million and decreases to R15,857 million by 2015/16. The third largest sources is other revenue which consists of various items such as income received from discounts, sale of tender documents and sundry income

The tables below provide detail investment information and investment particulars by maturity.

Table 27 MBRR SA15 – Detail Investment Information

DC31 Nkangala - Supporting Table SA15 Investment particulars by type

Investment type	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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
5 Major Banks (Call)		179 475	202 436	218 456	453 327	307 183	307 183	207 689	84 362	31 386
5 Major Banks (30 days)		79 000	118 170	113 000						
5 Major Banks (60 - 90 days)		167 000	132 721	105 609						
Investec (Long term)		8 185	35 464	38 855	35 464	35 464	35 464	32 922	37 218	0
Municipality sub-total	1	433 660	488 791	475 920	488 791	342 647	342 647	240 611	121 580	31 386
Consolidated total:		433 660	488 791	475 920	488 791	342 647	342 647	240 611	121 580	31 386

Table 28 MBRR SA16 – Investment particulars by maturity

DC31 Nkangala - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
	Yrs/Months									
Parent municipality										
5 Mayor Banks	Call	Call	yes	fixed	5.0%-5.45%	No	-	Call	195,139	
5 Mayor Banks	30 days	30 Days	yes	fixed	4.95% - 5.17%	No	-	30 days	100,000	380
5 Mayor Banks	60 - 90 Days	60 - 90 Days	yes	fixed	5.0% - 5.3%	No	-	60 - 90 Days	189,052	1,678
Investec	5 years	Long term	yes	fixed		No	-	30 June 2013	10,229	
Investec	5 Years	Long term	yes	Variable	8.28% - 9.77%	No	-	07 September 2015	28,626	
Municipality sub-total									523,045	2,058
TOTAL INVESTMENTS AND INTEREST									523,045	2,058

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surpluses be invested. This surplus is intended to partly fund contribution to local municipalities from own sources as well as ensure adequate cash backing of reserves and funds.

Operating Grants form a significant percentage of the revenue basket for the District. In the 2013/14 financial year, the operating grants totaled R313,592 million or 93.75 per cent. This increases to R322,354 million and R330,835 million in the respective financial years of the MTREF and includes the RSC Levy Replacement, local government equitable share and other operating grants from national government.

Investment revenue is the second largest revenue source totaling 5.44 per cent or R18,180 million and decreases to R15,857 million by 2015/16. The third largest sources is other revenue which consists of various items such as income received from discounts, sale of tender documents and sundry income.

The following table is a detailed analysis of the District's borrowing liability.

Table 29 MBRR Table SA 17 - Detail of borrowings

DC31 Nkangala - Supporting Table SA17 Borrowing

Borrowing - Categorised by type 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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality									
Long-Term Loans (annuity/reducing balance)	51 514	45 632	39 906	40 246	39 822	39 822	34 533	28 313	21 711
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases				326					
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	51 514	45 632	39 906	40 572	39 822	39 822	34 533	28 313	21 711
Total Borrowing	51 514	45 632	39 906	40 572	39 822	39 822	34 533	28 313	21 711

The following graph illustrates the growth in outstanding borrowing for the 2008/09 to 2015/16 period.

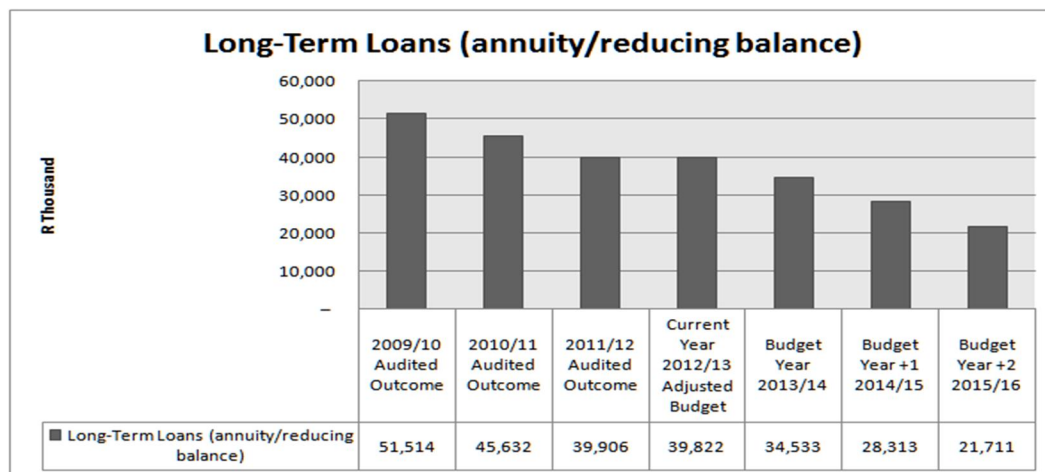


Figure 6 Decline in outstanding borrowing (long-term liabilities)

Table 30 MBRR Table SA 18 - Capital transfers and grant receipts**DC31 Nkangala - Supporting Table SA18 Transfers and grant receipts**

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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:									
Operating Transfers and Grants									
National Government:	269 708	284 650	294 224	303 175	303 175	303 175	313 592	322 354	330 835
Local Government Equitable Share	11 114	16 858	19 468	19 030	19 030	19 030	19 749	20 446	21 455
RSC Levy Replacement	256 825	265 446	272 506	280 681	280 681	280 681	289 101	297 774	305 153
Finance Management	750	1 000	1 250	1 250	1 250	1 250	1 250	1 250	1 250
Municipal Systems Improvement	735	750	1 000	1 000	1 000	1 000	890	934	967
EPWP Incentive	285	596		1 214	1 214	1 214	1 000		
Rural Roads Asset Management Grant							1 602	1 950	2 010
Provincial Government:	-	-	-	-	-	-	-	-	-
District Municipality: [insert description]	-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	269 708	284 650	294 224	303 175	303 175	303 175	313 592	322 354	330 835
TOTAL RECEIPTS OF TRANSFERS & GRANTS	269 708	284 650	294 224	303 175	303 175	303 175	313 592	322 354	330 835

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 councillors and management. Some specific features include:

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

Table 31 MBRR Table A7 - Budget cash flow statement

DC31 Nkangala - Table A7 Budgeted Cash Flows

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	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other	3 070	6 184	5 190	1 467	3 590	3 590	2 967	2 721	2 318	2 447
Government - operating	269 775	284 772	294 685	303 175	303 175	303 175	227 288	313 592	322 354	330 835
Government - capital										
Interest	34 076	31 177	30 277	23 562	18 198	18 198	10 503	18 185	17 540	15 862
Dividends										
Payments										
Suppliers and employees	(127 413)	(72 265)	(77 205)	(145 543)	(156 707)	(156 707)	(68 468)	(244 574)	(234 589)	(212 773)
Finance charges	(3 536)	(3 353)	(5 973)	(8 601)	(5 871)	(5 871)	(2 744)	(5 778)	(5 647)	(5 930)
Transfers and Grants	(115 633)	(179 054)	(248 857)	(449 856)	(368 490)	(368 490)	(92 081)	(297 499)	(197 155)	(190 858)
NET CASH FROM/(USED) OPERATING ACTIVITIES	60 339	67 461	(1 882)	(275 797)	(206 105)	(206 105)	77 465	(213 353)	(95 180)	(60 417)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (Increase) in non-current debtors										
Decrease (increase) other non-current receivables										
Decrease (increase) in non-current investments	(872)	(27 279)	(3 391)	-	-	-	-	5 933	(4 296)	37 218
Payments										
Capital assets	(5 076)	(12 772)	(7 020)	(66 365)	(36 992)	(36 992)	(8 667)	(33 802)	(21 204)	(21 847)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 948)	(40 051)	(10 410)	(66 365)	(36 992)	(36 992)	(8 667)	(27 869)	(25 500)	15 371
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits										
Payments										
Repayment of borrowing	(4 444)	(5 651)	(5 811)	(5 060)	(5 060)	(5 060)	(6 568)	(5 778)	(5 647)	(5 930)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 444)	(5 651)	(5 811)	(5 060)	(5 060)	(5 060)	(6 568)	(5 778)	(5 647)	(5 930)
NET INCREASE/ (DECREASE) IN CASH HELD	49 947	21 759	(18 104)	(347 222)	(248 156)	(248 156)	62 230	(247 001)	(126 327)	(50 976)
Cash/cash equivalents at the year begin:	394 446	444 393	466 152	466 152	466 152	466 152	466 152	466 152	219 151	92 824
Cash/cash equivalents at the year end:	444 393	466 152	448 048	118 930	217 996	217 996	528 382	219 151	92 824	41 848

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

It can be seen that the cash levels of the District raised from R394,446 million over the 2008/09 to R466,152 million in 2010/11 period.

The approved 2012/13 MTREF provide for a further net decrease in cash of R248,156 million for the 2012/13 financial year resulting in an overall projected positive cash position of R217,996 million at year end.

Cash and cash equivalents totals R219, 151 million as at the end of the 2013/14 financial year and escalates to R41,848 million by 2015/16.

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:

- É What are the predicted cash and investments that are available at the end of the budget year?
- É How are those funds used?
- É 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). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 32 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

DC31 Nkangala - 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	Full Year Forecast	Pre-audit outcome	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	444 393	466 152	448 048	118 930	217 996	217 996	528 382	219 151	92 824	41 848
Other current investments > 90 days	0	0	-	347 222	221 760	221 760	(36 051)	-	-	-
Non current assets - Investments	8 185	35 464	38 855	35 464	35 464	35 464	38 855	32 922	37 218	0
Cash and investments available:	452 578	501 616	486 903	501 616	475 219	475 219	531 185	252 073	130 042	41 848
Application of cash and investments										
Unspent conditional transfers	809	688	-	688	688	688	960	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	4 320	46 718	31 008	47 577	46 611	46 611	9 119	21 336	19 837	18 634
Other provisions	-	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	5 129	47 406	31 008	48 265	47 299	47 299	10 080	21 336	19 837	18 634
Surplus(shortfall)	447 449	454 210	455 895	453 351	427 921	427 921	521 106	230 737	110 205	23 215

From the above table it can be seen that the cash and investments available total R252,073 million in the 2013/14 financial year and progressively decrease to R41,848 million by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- É The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 . Funding a Municipal Budget.
- É 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.
- É 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.

- É Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- É From the table it can be seen that for the period 2009/10 to 2012/13 the surplus decreased from R276,484 million to R427,921 million.
- É Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2012/13 MTREF was sufficiently funded.
- É As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

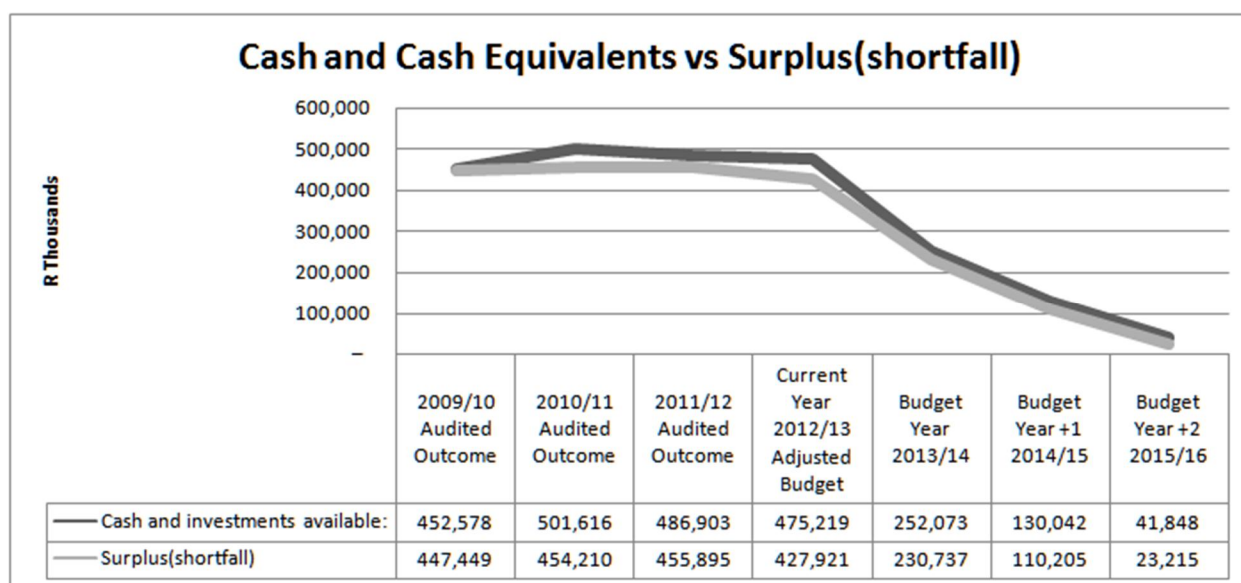


Figure 7 Cash and cash equivalents / Cash backed reserves and accumulated funds

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.

Table 33 MBRR SA10 – Funding compliance measurement

DC31 Nkangala Supporting Table SA10 Funding measurement

Description	MFMA section	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	Full Year Forecast	Pre-audit outcome	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	444 393	466 152	448 048	118 930	217 996	217 996	528 382	219 151	92 824	41 848
Cash + investments at the yr end less applications - R'000	18(1)b	447 449	454 210	455 895	453 351	427 921	427 921	521 106	230 737	110 205	23 215
Cash year end/monthly employee/supplier payments	18(1)b	114.6	105.6	92.0	11.5	22.3	22.3	125.9	15.1	6.5	3.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	106.1%	99.3%	104.1%	93.1%	99.5%	99.5%	99.8%	99.8%	99.8%	99.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	4.0%	2.3%	6.9%	0.0%	50.0%	50.0%	0.0%	20.0%	11.8%	11.8%
Capital payments % of capital expenditure	18(1)c,19	56.0%	215.9%	55.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt legislated/gazetted allocations	18(1)a								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(50.9%)	39.6%	(28.4%)	0.6%	0.0%	24.2%	(15.1%)	(12.8%)	(17.6%)
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	1.2%	1.9%	2.7%	2.9%	4.4%	4.4%	5.5%	4.9%	4.3%	4.5%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.6.4.1 Cash/cash equivalent position

The District'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, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

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. The forecasted cash and cash equivalents for the 2013/14 MTREF shows R219,151 million, R92,824 million and R41,848 million for each respective 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 Table 18, on page 27. 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. This has been extensively discussed above.

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. Regardless of the annual cash position an evaluation should be made of the ability of the District to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. The ratio has been increasing for the period 2009/10 to 2012/13, moving from 142.50 to 110.2 with the adopted 2012/13 MTREF. As part of the 2013/14 MTREF the municipalities improving Project expenditure the cash position causes the ratio to down to 0.1 and then raises to 23.8 for the

2013/14 and move slightly downwards to 9.8 in the 2015/16 year. It can be concluded that the District maintains a stable cash position.

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.

The surplus excluding depreciation offsets raises from R142.137 million in 2008/2009 to R69.957 million in 2010/11. It should be noted that the deficit of R275,473 million estimated in 2013/14 is mainly due to the current commitments on contributions to local municipalities, which is funded from accumulated surpluses.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

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

This ratio does not apply to the District as no property rates /service charges is collected by the District.

2.6.4.6 Cash receipts as a percentage of other revenue

This factor is a macro measure of the rate at which funds are collected. This measure is intended to analyse 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 at 100 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 99 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

With effect from 1 July 2006 RSC levies were abolished and replaced with a transitional replacement grant and the District has no billable revenue.

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. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's own-funded capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. No additional borrowings are undertaken.

2.6.4.10 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 District has budgeted for all transfers.

2.6.4.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding consumer debtors are realistic. With effect from 1 July 2006 RSC levies were abolished and replaced with a transitional replacement grant and the District has no consumer debtors.

2.6.4.12 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. Details of the District's strategy pertaining to asset management and repairs and maintenance is contained in Table 47 MBRR SA34C on page 101.

2.6.4.13 Asset renewal/rehabilitation expenditure level

The District's only infrastructure assets are Thembisile Hani roads. 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

Table 34 MBRR SA19 - Expenditure on transfers and grant programmes

Nkangala District Municipality DC31 - Supporting Table SA19 Expenditure on transfers and grant programme

DC31 Nkangala - Supporting Table SA19 Expenditure on transfers and grant programme

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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	269 708	284 650	294 224	301 961	301 961	301 961	313 592	322 354	330 835
Local Government Equitable Share	11 114	16 858	19 468	19 030	19 030	19 030	19 749	20 446	21 455
RSC Levy Replacement	256 825	265 446	272 506	280 681	280 681	280 681	289 101	297 774	305 153
Finance Management	750	1 000	1 250	1 250	1 250	1 250	1 250	1 250	1 250
Municipal Systems Improvement	735	750	1 000	1 000	1 000	1 000	890	934	967
EPWP Incentive	285	596					1 000		
Rural Roads Asset Management Grant							1 602	1 950	2 010
Provincial Government:	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
Total operating expenditure of Transfers and Grants	269 708	284 650	294 224	301 961	301 961	301 961	313 592	322 354	330 835
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	269 708	284 650	294 224	301 961	301 961	301 961	313 592	322 354	330 835

Table 35 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**DC31 Nkangala - Supporting Table SA20 Reconciliation 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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	809	688		-					
Current year receipts	269 708	284 650	294 224	303 175	303 175	303 175	313 592	322 354	330 835
Conditions met - transferred to revenue	270 517	285 338	294 224	303 175	303 175	303 175	313 592	322 354	330 835
Conditions still to be met - transferred to liabilities									
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	270 517	285 338	294 224	303 175	303 175	303 175	313 592	322 354	330 835
Total operating transfers and grants - CTBM	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	270 517	285 338	294 224	303 175	303 175	303 175	313 592	322 354	330 835
TOTAL TRANSFERS AND GRANTS - CTBM	-	-	-	-	-	-	-	-	-

2.8 Councilor and employee benefits

Table 36 MBRR SA22 - Summary of councilor and staff benefits

DC31 Nkangala - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councilor remuneration	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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	7 846	5 146	6 320	10 547	7 933	7 933	11 069	11 778	12 532
Pension and UIF Contributions	112	692	959	-	1 040	1 040	-	-	-
Medical Aid Contributions	40	212	150	-	205	205	-	-	-
Motor Vehicle Allowance	383	2 031	2 466	2 637	2 610	2 610	2 767	2 944	3 133
Cellphone Allowance	147	309	360	403	490	490	424	452	480
Housing Allowances	-	198	-	-	-	-	-	-	-
Other benefits and allowances	-	2	-	917	450	450	318	1 011	1 011
Sub Total - Councillors	8 529	8 589	10 255	14 504	12 728	12 728	14 579	16 185	17 156
% increase		0.7%	19.4%	41.4%	(12.2%)	-	14.5%	11.0%	6.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 238	3 669	4 768			3 550			
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus	271								
Motor Vehicle Allowance	637	754	644			552			
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances	248	295	344			275			
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Municipality	4 393	4 717	5 756	-	-	4 377	-	-	-
% increase		7.4%	22.0%	(100.0%)	-	-	(100.0%)	-	-
Other Municipal Staff									
Basic Salaries and Wages	17 511	22 326	24 659	67 725	55 192	55 192	84 079	89 460	95 186
Pension and UIF Contributions	2 432	2 804	3 207	5 241	5 630	5 630	6 746	7 178	7 637
Medical Aid Contributions	2 597	3 362	2 074	4 253	2 982	2 982	5 642	6 003	6 387
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	1 965	2 054	2 206	3 281	3 635	3 635	2 198	2 338	2 488
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	139	79	70	1 296	155	155	1 467	1 561	1 661
Other benefits and allowances	308	214	259	598	850	850	1 426	831	884
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	24 951	30 839	32 475	82 393	68 444	68 444	101 558	107 372	114 243
% increase		23.6%	5.3%	153.7%	(16.9%)	-	48.4%	5.7%	6.4%
Total Parent Municipality	37 873	44 145	48 486	96 897	81 172	85 549	116 137	123 557	131 400
% increase		16.6%	9.8%	99.8%	(16.2%)	5.4%	35.8%	6.4%	6.3%
TOTAL SALARY, ALLOWANCES & BENEFITS	37 873	44 145	48 486	96 897	81 172	85 549	116 137	123 557	131 400
% increase		16.6%	9.8%	99.8%	(16.2%)	5.4%	35.8%	6.4%	6.3%
TOTAL MANAGERS AND STAFF	29 344	35 556	38 231	82 393	68 444	72 821	101 558	107 372	114 243

Table 37 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

DC31 Nkangala - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)							
Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
			1.				2.
Rand per annum							
Councillors							
Speaker		629 184		178 529			807 713
Chief Whip		629 184		178 529			807 713
Executive Mayor		838 912		252 284			1 091 196
Deputy Executive Mayor		-		-			-
Executive Committee		3 775 105		1 071 176			4 846 281
Total for all other councillors		5 197 047		1 829 004			7 026 051
Total Councillors	-	11 069 433	-	3 509 522			14 578 955
Senior Managers of the Municipality							
Municipal Manager (MM)		1 549 970			232 496		1 782 466
Chief Finance Officer		1 016 647			152 497		1 169 144
Director Technical Services		1 016 647			152 497		1 169 144
Director Social Services		1 016 647			152 497		1 169 144
Director Corporate Services		1 016 647			152 497		1 169 144
							-
Total Senior Managers of the Municipality	-	5 616 557	-	-	842 484		6 459 041
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	-	16 685 990	-	3 509 522	842 484		21 037 996

Table 38 MBRR SA24 – Summary of personnel numbers

2.9 Monthly targets for revenue, expenditure and cash flow

Table 39 MBRR SA25 - Budgeted monthly revenue by source and expenditure by type

DC31 Nkangala - Supporting Table 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
Revenue By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	100	128	134
Interest earned - external investments	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	18 180	17 535	15 857
Interest earned - outstanding debtors	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	-	156	156	156	156	156	156	156	156	312 341	313 592	322 354	330 835
Other revenue	105 624	-	-	-	103 484	-	-	103 484	-	-	-	(309 971)	2 621	2 190	2 313
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and	107 148	1 524	1 524	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	3 894	334 498	342 212	349 144
Expenditure By Type															
Employee related costs	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	101 558	107 372	114 243
Remuneration of councillors	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	14 579	16 185	17 156
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	20	20	15	16
Depreciation & asset impairment	572	572	572	572	572	572	572	572	572	572	572	572	6 861	7 233	6 786
Finance charges	-	-	1 600	-	-	1 175	-	-	1 600	-	-	-	1 403	5 647	5 930
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	62	57	65	57	58	57	58	60	64	59	58	74	729	549	452
Contracted services	828	708	1 306	708	708	986	708	867	1 036	734	733	1 056	10 378	7 757	8 147
Transfers and grants	15 505	19 839	23 897	30 882	31 390	31 296	25 658	27 951	28 058	23 070	16 082	23 871	297 499	197 155	190 858
Other expenditure	10 951	8 015	15 958	10 079	11 725	9 468	11 050	9 737	9 811	8 719	7 643	4 174	117 329	102 727	72 774
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	37 597	38 869	53 075	51 976	54 132	53 233	47 723	48 865	50 819	42 832	34 765	40 847	554 733	444 639	416 362
Surplus/(Deficit)	69 551	(37 345)	(51 552)	(50 296)	51 033	(51 553)	(46 043)	56 300	(49 138)	(41 152)	(33 085)	(36 954)	(220 234)	(102 427)	(67 218)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	69 551	(37 345)	(51 552)	(50 296)	51 033	(51 553)	(46 043)	56 300	(49 138)	(41 152)	(33 085)	(36 954)	(220 234)	(102 427)	(67 218)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	69 551	(37 345)	(51 552)	(50 296)	51 033	(51 553)	(46 043)	56 300	(49 138)	(41 152)	(33 085)	(36 954)	(220 234)	(102 427)	(67 218)

Table 40MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

DC31 Nkangala - Supporting Table 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
Revenue by Vote															
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - ADMINISTRATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE - BUDGET & TREASURY OF	106 258	1 524	1 524	1 680	105 164	1 680	1 680	105 164	1 680	1 680	1 680	3 894	333 608	341 278	348 177
Vote 4 - COMMUNITY & SOCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services and PMU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - LED AGENCY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - DPU AND IDP	890	-	-	-	-	-	-	-	-	-	-	-	890	934	967
Vote 8 - PLANNING & DEVELOPMENT CONTR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	107 148	1 524	1 524	1 680	105 164	1 680	1 680	105 164	1 680	1 680	1 680	3 894	334 498	342 212	349 144
Expenditure by Vote to be appropriated															
Vote 1 - EXECUTIVE & COUNCIL	6 462	6 000	9 964	7 544	5 724	6 669	8 429	6 616	5 161	5 771	4 502	11 564	84 406	77 331	83 483
Vote 2 - ADMINISTRATION	2 101	2 056	2 056	2 056	2 056	2 056	2 056	2 056	2 056	2 056	2 056	3 375	26 039	24 250	25 872
Vote 3 - FINANCE - BUDGET & TREASURY OF	1 438	1 457	4 016	3 005	3 018	3 672	4 002	3 521	4 802	2 705	2 716	3 588	37 940	36 013	28 549
Vote 4 - COMMUNITY & SOCIAL SERVICES	3 052	2 830	4 103	2 830	2 878	5 471	2 777	3 161	3 980	2 731	2 799	21 565	58 176	29 787	31 613
Vote 5 - Technical Services and PMU	6 381	6 528	6 778	7 028	7 478	5 778	5 728	6 878	6 878	6 878	6 728	(12 358)	60 704	66 512	30 587
Vote 6 - LED AGENCY	5 457	3 892	7 054	4 454	6 484	3 898	2 897	3 594	6 046	4 738	2 429	1 499	52 444	33 157	49 214
Vote 7 - DPU AND IDP	2 842	3 127	2 992	3 237	2 792	3 477	3 007	3 027	3 322	3 092	2 512	2 982	36 415	30 641	16 569
Vote 8 - PLANNING & DEVELOPMENT CONTR	9 862	12 978	16 111	21 822	23 700	22 211	18 827	20 011	18 572	14 860	11 022	8 632	198 610	146 949	150 475
Total Expenditure by Vote	37 597	38 869	53 075	51 976	54 132	53 233	47 723	48 865	50 819	42 832	34 765	40 847	554 733	444 639	416 362
Surplus/(Deficit) before assoc.	69 551	(37 345)	(51 552)	(50 296)	51 033	(51 553)	(46 043)	56 300	(49 138)	(41 152)	(33 085)	(36 954)	(220 234)	(102 427)	(67 218)
Taxation													-	-	-
Attributable to minorities													-	-	-
Share of surplus/ (deficit) of associate													-	-	-
Surplus/(Deficit)	69 551	(37 345)	(51 552)	(50 296)	51 033	(51 553)	(46 043)	56 300	(49 138)	(41 152)	(33 085)	(36 954)	(220 234)	(102 427)	(67 218)

Table 41 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

DC31 Nkangala - Supporting Table 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>	106 258	1 524	1 524	1 680	105 164	1 680	1 680	105 164	1 680	1 680	1 680	3 894	333 608	341 278	348 177
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	106 258	1 524	1 524	1 680	105 164	1 680	1 680	105 164	1 680	1 680	1 680	3 894	333 608	341 278	348 177
Corporate services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	890	-	-	-	-	-	-	-	-	-	-	-	890	934	967
Planning and development	890	-	-	-	-	-	-	-	-	-	-	-	890	934	967
Road transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	107 148	1 524	1 524	1 680	105 164	1 680	1 680	105 164	1 680	1 680	1 680	3 894	334 498	342 212	349 144
Expenditure - Standard															
<i>Governance and administration</i>	10 002	9 513	16 036	12 604	10 799	12 397	14 487	12 193	12 019	10 532	9 274	18 527	148 385	137 594	137 904
Executive and council	6 619	6 132	10 095	7 675	5 856	6 800	8 560	6 747	5 293	5 903	4 634	1 503	75 818	70 111	75 916
Budget and treasury office	1 199	1 243	3 802	2 791	2 804	3 458	3 788	3 307	4 588	2 491	2 502	3 374	35 347	33 255	25 634
Corporate services	2 184	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	13 649	37 220	34 227	36 355
<i>Community and public safety</i>	2 399	2 224	3 456	2 224	2 245	4 815	2 135	2 404	3 156	2 124	2 165	11 401	40 749	25 596	27 163
Community and social services	1 102	999	1 140	999	999	2 240	999	999	1 140	999	999	3 791	16 406	13 570	14 378
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	1 296	1 225	2 316	1 225	1 246	2 575	1 136	1 405	2 016	1 125	1 166	7 611	24 342	12 026	12 785
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	23 196	26 832	32 282	36 348	40 787	35 471	30 601	33 768	35 043	29 876	22 725	10 620	357 549	281 449	246 895
Planning and development	20 922	24 306	29 466	33 321	37 285	33 645	28 839	30 740	31 949	26 998	19 971	(194)	317 248	244 982	242 445
Road transport	1 561	1 861	2 111	2 361	2 811	1 111	1 061	2 211	2 211	2 211	2 061	590	22 160	32 276	-
Environmental protection	713	666	706	666	692	716	701	817	883	667	693	10 224	18 142	4 191	4 450
<i>Trading services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	2 000	300	1 300	800	300	550	500	500	600	300	600	300	8 050	-	4 400
Total Expenditure - Standard	37 597	38 869	53 075	51 976	54 132	53 233	47 723	48 865	50 819	42 832	34 765	40 847	554 733	444 639	416 362
Surplus/(Deficit) before assoc.	69 551	(37 345)	(51 552)	(50 296)	51 033	(51 553)	(46 043)	56 300	(49 138)	(41 152)	(33 085)	(36 954)	(220 234)	(102 427)	(67 218)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	69 551	(37 345)	(51 552)	(50 296)	51 033	(51 553)	(46 043)	56 300	(49 138)	(41 152)	(33 085)	(36 954)	(220 234)	(102 427)	(67 218)

Table 42MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

DC31 Nkangala - Supporting Table 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
Multi-year expenditure to be appropriated															
Vote 1 - EXECUTIVE & COUNCIL	70	70	75	73	70	75	323	70	325	136	75	1 209	2 571	1 692	1 753
Vote 2 - ADMINISTRATION	19	19	19	19	19	19	19	19	19	19	19	19	230	250	367
Vote 3 - FINANCE - BUDGET & TREASURY OFF	-	-	29	29	29	-	-	29	29	29	29	29	236	113	118
Vote 4 - COMMUNITY & SOCIAL SERVICES	525	725	1 525	1 625	1 125	825	575	625	725	825	675	7 417	17 192	6 933	7 100
Vote 5 - Technical Services and PMU	400	900	1 928	2 163	2 250	800	500	850	1 100	1 150	900	613	13 554	12 196	12 488
Vote 6 - LED AGENCY	-	-	5	-	-	2	-	-	4	-	-	9	20	21	22
Vote 7 - DPU AND IDP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PLANNING & DEVELOPMENT CONTR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	1 014	1 714	3 582	3 910	3 494	1 721	1 417	1 594	2 203	2 159	1 699	9 296	33 802	21 204	21 847
Single-year expenditure to be appropriated															
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - ADMINISTRATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE - BUDGET & TREASURY OFFICE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services and PMU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - LED AGENCY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - DPU AND IDP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNIS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	1 014	1 714	3 582	3 910	3 494	1 721	1 417	1 594	2 203	2 159	1 699	9 296	33 802	21 204	21 847

Table 43 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

DC31 Nkangala - Supporting Table 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>	89	89	124	122	119	94	342	119	374	184	124	1 257	3 036	2 054	2 238
Executive and council	70	70	103	101	98	75	323	98	353	163	103	1 237	2 794	1 792	1 857
Budget and treasury office	-	-	2	2	2	-	-	2	2	2	2	2	12	13	13
Corporate services	19	19	19	19	19	19	19	19	19	19	19	19	230	250	367
<i>Community and public safety</i>	525	725	1 525	1 625	1 125	825	575	625	725	825	675	7 017	16 792	6 933	7 100
Community and social services	-	-	-	-	-	200	-	-	-	-	-	200	400	78	80
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	525	725	1 525	1 625	1 125	625	575	625	725	825	675	6 817	16 392	6 855	7 020
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	400	900	1 933	2 163	2 250	802	500	850	1 104	1 150	900	1 022	13 974	12 216	12 510
Planning and development	-	-	5	-	-	2	-	-	4	-	-	9	20	216	222
Road transport	400	900	1 928	2 163	2 250	800	500	850	1 100	1 150	900	613	13 554	12 000	12 288
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	400	400	-	-
<i>Trading services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	1 014	1 714	3 582	3 910	3 494	1 721	1 417	1 594	2 203	2 159	1 699	9 296	33 802	21 204	21 847

Table 44MBRR SA30 - Budgeted monthly cash flow

DC31 Nkangala - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	R thousand	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
Cash Receipts By Source														1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	8	100	128	134
Interest earned - external investments	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	18 180	17 535	15 857
Interest earned - outstanding debtors	0	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	-	-	-	156	156	156	156	156	156	156	156	156	312 341	313 592	322 354	330 835
Other revenue	105 624	-	-	-	-	103 484	-	-	103 484	-	-	-	(309 971)	2 621	2 190	2 313
Cash Receipts by Source	107 148	1 524	1 524	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	3 894	334 498	342 212	349 144
Other Cash Flows by Source																
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	5 933	5 933	(4 296)	37 218
Total Cash Receipts by Source	107 148	1 524	1 524	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	9 826	340 431	337 915	386 362
Cash Payments by Type																
Employee related costs	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	8 463	101 558	107 372	114 243
Remuneration of councillors	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	14 579	16 185	17 156
Finance charges	-	-	1 600	-	-	1 175	-	-	1 600	-	-	-	1 403	5 778	5 647	5 930
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	62	57	65	57	58	57	58	60	64	59	58	74	729	549	452	
Contracted services	828	708	1 306	708	708	986	708	867	1 036	734	733	1 056	10 378	7 757	8 147	
Transfers and grants - other municipalities	15 505	19 839	23 897	30 882	31 390	31 296	25 658	27 951	28 058	23 070	16 082	23 871	297 499	197 155	190 858	
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	10 951	8 015	15 958	10 079	11 725	9 468	11 050	9 737	9 811	8 719	7 643	4 174	117 329	102 727	72 774	
Cash Payments by Type	37 025	38 297	52 504	51 404	53 560	52 661	47 152	48 293	50 247	42 260	34 193	40 256	547 852	437 391	409 560	
Other Cash Flows/Payments by Type																
Capital assets	1 014	1 714	3 582	3 910	3 494	1 721	1 417	1 594	2 203	2 159	1 699	9 296	33 802	21 204	21 847	
Repayment of borrowing	-	-	1 600	-	-	1 175	-	-	1 600	-	-	1 403	5 778	5 647	5 930	
Other Cash Flow s/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	38 039	40 011	57 685	55 314	57 054	55 558	48 569	49 886	54 049	44 419	35 892	50 955	587 432	464 242	437 338	
NET INCREASE/(DECREASE) IN CASH HELD	69 109	(38 488)	(56 162)	(53 634)	48 111	(53 877)	(46 889)	55 278	(52 369)	(42 739)	(34 212)	(41 128)	(247 001)	(126 327)	(50 976)	
Cash/cash equivalents at the month/year begin:	466 152	535 261	496 773	440 611	386 978	435 088	381 211	334 322	389 600	337 230	294 491	260 279	466 152	279 151	192 824	
Cash/cash equivalents at the month/year end:	535 261	496 773	440 611	386 978	435 088	381 211	334 322	389 600	337 230	294 491	260 279	219 151	219 151	92 824	41 848	

Table 45MBRR SA34a – Capital expenditure on new assets by class

DC31 Nkangala - Supporting Table SA34a Capital expenditure on new assets by asset class

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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	-	1 070	2 459	40 763	12 174	12 174	13 554	12 000	12 288
Infrastructure - Road transport	-	1 070	2 459	40 763	12 174	12 174	13 554	12 000	12 288
Roads, Pavements & Bridges	-	1 070	2 459	40 763	12 174	12 174	13 554	12 000	12 288
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	-	-	-	6 003	5 956	5 956	3 146	3 415	3 497
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	6 003	5 956	5 956	3 146	3 415	3 497
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	9 062	4 847	10 313	19 599	18 861	18 861	17 102	5 788	6 062
General vehicles	807	1 078	2 170	-	-	-	1 379	-	-
Specialised vehicles	-	-	-	4 909	4 879	4 879	3 146	3 415	3 497
Plant & equipment	6 818	391	1 472	193	276	276	1 724	272	387
Computers - hardware/equipment	-	-	-	907	984	984	850	758	795
Furniture and other office equipment	1 529	2 539	806	1 058	1 431	1 431	1 212	1 138	1 171
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	107	839	5 853	12 446	10 691	10 691	8 701	109	112
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	13	85	600	600	90	95	100
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	9 062	5 917	12 772	66 365	36 992	36 992	33 802	21 204	21 847
Specialised vehicles	-	-	-	4 909	4 879	4 879	3 146	3 415	3 497
Refuse	-	-	-	4 909	4 879	4 879	3 146	3 415	3 497
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

Table 46MBRR SA34c – Repairs & Maintenance by asset class

DC31 Nkangala - Supporting Table SA34c Repairs and maintenance expenditure by asset class

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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	569	1 077	1 154	4 244	6 379	6 379	4 967	5 005	5 255
General vehicles	83	191	135	-	-	-	-	-	-
Specialised vehicles	43	-	-	-	-	-	-	-	-
Plant & equipment	34	1	-	104	58	58	220	32	34
Computers - hardware/equipment	-	-	-	819	300	300	437	460	483
Furniture and other office equipment	121	283	53	21	21	21	19	8	9
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	603	966	-	-	-	-	-	-
Other Buildings	288	-	-	3 300	6 000	6 000	4 291	4 505	4 730
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	420	531	1 181	-	-	-	-	-	-
Computers - software & programming	420	531	1 181	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	989	1 608	2 335	4 244	6 379	6 379	4 967	5 005	5 255
Specialised vehicles	43	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	43	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-
R&M as a % of PPE	1.2%	1.9%	2.7%	2.9%	4.4%	4.4%	4.9%	4.3%	4.5%
R&M as % Operating Expenditure	0.6%	0.6%	0.7%	0.7%	1.2%	1.2%	0.9%	1.1%	1.3%

DC31 Nkangala - Supporting Table SA34d Depreciation by asset class

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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Depreciation by Asset Class/Sub-class									
Infrastructure	256	309	353	304	368	368	320	338	317
Infrastructure - Road transport	256	309	353	304	368	368	320	338	317
Roads, Pavements & Bridges	256	309	353	304	368	368	320	338	317
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	287	346	395	340	411	411	358	378	355
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	272	328	374	323	390	390	340	358	336
Security and policing	15	18	20	18	21	21	18	19	18
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	4 947	5 964	6 809	5 867	7 096	7 096	6 182	6 517	6 114
General vehicles	851	784	896	772	933	933	813	857	804
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	568	685	782	674	815	815	710	749	703
Computers - hardware/equipment	1 458	1 758	2 007	1 729	2 091	2 091	1 822	1 921	1 802
Furniture and other office equipment	616	743	848	731	884	884	770	812	762
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	1 646	1 984	2 265	1 952	2 361	2 361	2 057	2 168	2 034
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	8	9	11	9	11	11	10	10	10
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-
Total Depreciation	5 490	6 619	7 557	6 511	7 875	7 875	6 861	7 233	6 786

Table 47MBRR SA35 – Future financial implications of the capital budget

DC31 Nkangala - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
R thousand							
Capital expenditure							
Vote 1 - EXECUTIVE & COUNCIL	2 571	1 692	1 753				
Vote 2 - ADMINISTRATION	230	250	367				
Vote 3 - FINANCE - BUDGET & TREASURY OFF	236	113	118				
Vote 4 - COMMUNITY & SOCIAL SERVICES	17 192	6 933	7 100				
Vote 5 - Technical Services and PMU	13 554	12 196	12 488				
Vote 6 - LED AGENCY	20	21	22				
Total Capital Expenditure	33 802	21 204	21 847	-	-	-	-
Future operational costs by vote							
Vote 1 - EXECUTIVE & COUNCIL							
Vote 2 - ADMINISTRATION							
Vote 3 - FINANCE - BUDGET & TREASURY OFFICE							
Vote 4 - COMMUNITY & SOCIAL SERVICES							
Vote 5 - Technical Services and PMU							
Vote 6 - LED AGENCY							
Vote 7 - DPU AND IDP							
Vote 8 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNI'S							
Total future operational costs	-	-	-	-	-	-	-
Future revenue by source							
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
<i>List other revenues sources if applicable</i>							
<i>List entity summary if applicable</i>							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	33 802	21 204	21 847	-	-	-	-

Table 48MBRR SA1 – Supporting detail to budgeted financial performance

Description	2009/10			2010/11			2011/12			Current Year 2012/13			2013/14 medium term revenue & expenditure forecast		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Forecast	Pre-audit Budget Year	Budget Year +1 2014/15	Budget Year +2 2015/16						
R thousand															
REVENUE ITEMS:															
<u>Other Revenue by source</u>															
GRANTS SETA	114	109	199	201	1 300	1 300	1 314	1 213	225	250					
DISCOUNT RECEIVED	1 462	2 616	2 425	409	1 200	1 200	819	500	1 305	1 370					
SUNDRY INCOME	565	2 742	1 664	14	410	410	321	15	15	16					
VUNA AWARDS	-	-	-	-	-	-	-	-	-	-					
APPLIC TENDER DOCUMENTS	482	415	402	843	580	580	426	893	645	677					
BAD DEBTS RECOVERED	56	38	18	-	-	-	-	-	-	-					
PROFIT ON INVESTMENT	-	-	-	-	-	-	-	-	-	-					
SERVICE LEVY	-	-	-	-	-	-	-	-	-	-					
Total 'Other' Revenue	2 679	5 920	4 707	1 467	3 490	3 490	2 879	2 621	2 190	2 313					
EXPENDITURE ITEMS:															
<u>Employee related costs</u>															
Basic Salaries and Wages	21 904	27 043	30 415	67 725	55 192	55 192	27 373	84 079	89 460	95 186					
Pension and UIF Contributions	2 432	2 804	3 207	5 241	5 630	5 630	3 180	6 746	7 178	7 637					
Medical Aid Contributions	2 597	3 362	2 074	4 253	2 982	2 982	1 592	5 642	6 003	6 387					
Overtime	-	-	-	-	-	-	-	-	-	-					
Performance Bonus	-	-	-	-	-	-	-	-	-	-					
Motor Vehicle Allowance	1 965	2 054	2 206	3 281	3 635	3 635	2 300	2 198	2 338	2 488					
Cellphone Allowance	-	-	-	-	-	-	-	-	-	-					
Housing Allowances	139	79	70	1 296	155	155	49	1 467	1 561	1 661					
Other benefits and allowances	308	214	259	598	850	850	158	1 426	831	884					
Payments in lieu of leave	-	-	-	-	-	-	-	-	-	-					
Long service awards	-	-	-	-	-	-	-	-	-	-					
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-	-					
sub-total	29 344	35 556	38 231	82 393	68 444	68 444	34 652	101 558	107 372	114 243					
Less: Employees costs capitalised to PPE															
Total Employee related costs	29 344	35 556	38 231	82 393	68 444	68 444	34 652	101 558	107 372	114 243					
<u>Depreciation & asset impairment</u>															
Depreciation of Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-					
Lease amortisation	5 490	6 619	7 557	6 511	7 875	7 875	4 962	6 861	7 233	6 786					
Capital asset impairment	-	-	-	-	-	-	-	-	-	-					
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-	-					
Total Depreciation & asset impairment	5 490	6 619	7 557	6 511	7 875	7 875	4 962	6 861	7 233	6 786					
<u>Bulk purchases</u>															
Electricity Bulk Purchases	-	-	-	-	-	-	-	-	-	-					
Water Bulk Purchases	-	-	-	-	-	-	-	-	-	-					
Total bulk purchases	-	-	-	-	-	-	-	-	-	-					
<u>Transfers and grants</u>															
Cash transfers and grants	-	-	-	-	-	-	-	-	-	-					
Non-cash transfers and grants	111 720	175 775	248 857	449 856	368 490	368 490	92 081	297 499	197 155	190 858					
Total transfers and grants	111 720	175 775	248 857	449 856	368 490	368 490	92 081	297 499	197 155	190 858					
<u>Allocations to organs of state:</u>															
Electricity	-	-	-	-	-	-	-	-	-	-					
Water	-	-	-	-	-	-	-	-	-	-					
Sanitation	-	-	-	-	-	-	-	-	-	-					
Other	1 731	2 368	2 088	7 129	8 707	8 707	2 520	10 378	7 757	8 147					
Total contracted services	1 731	2 368	2 088	7 129	8 707	8 707	2 520	10 378	7 757	8 147					
<u>Other Expenditure By Type</u>															
Collection costs	-	-	-	-	-	-	-	-	-	-					
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-					
Consultant fees	-	-	4	500	528	528	328	500	530	557					
Audit fees	1 021	2 333	1 757	1 820	2 670	2 670	1 827	2 804	3 000	3 150					
General expenses (5 266)	(5 266)	(10 245)	(7 882)	(1 652)	16 981	16 981	8 755	46 747	29 523	6 402					
ADVERTISEMENTS	142	197	418	541	442	442	242	619	402	423					
BANK CHARGES	74	59	62	127	60	60	48	75	80	84					
BOOKS AND MAGAZINES	41	54	48	87	50	50	0	92	-	-					
OFFICE ACCOMADATION / RENTAL	3 517	7 912	7 887	12 025	12 265	12 265	-	12 295	12 947	13 481					
CREDIT RATING COSTS	-	-	-	190	250	250	-	201	212	223					
DEPUTATION COSTS-CONGRESSES	60	8	36	327	272	272	112	372	269	282					
DONATIONS	-	-	-	424	250	250	-	-	-	-					
ENTERTAINMENT COSTS	860	983	1 029	914	1 799	1 799	969	1 834	1 858	1 938					
FUEL	134	355	178	981	542	542	356	799	263	276					
INSURANCE	331	386	210	991	542	542	214	940	996	1 046					
LEGAL FEES	712	569	434	636	1 636	1 636	1 128	3 256	2 812	2 952					
MEMBERSHIP FEES	84	222	218	290	236	236	11	363	289	303					
PLANNING	1 479	3 368	5 185	1 348	5 175	5 175	2 019	12 864	10 684	1 674					
PRINTING AND STATIONERY	767	656	1 014	1 208	1 812	1 812	660	2 100	2 011	2 130					
PUBLICITY	1 207	1 100	1 060	1 489	2 550	2 550	841	2 867	2 415	2 536					
TOWNSHIP ESTABLISHMENT	-	372	8	5 000	3 155	3 155	666	7 218	6 800	4 150					
SECURITY FEES	407	462	515	780	570	570	347	800	843	885					
SURVEYS AND STUDIES	-	-	-	2 430	1 500	1 500	1	5 100	19 075	19 854					
TRAINING	870	505	1 120	1 792	6 018	6 018	901	6 346	1 351	3 740					
TELECOMMUNICATION	1 463	1 471	1 785	2 979	1 776	1 776	982	3 134	2 560	2 688					
TRAVEL AND ACCOMODATION	1 511	1 494	2 131	4 020	4 385	4 385	2 445	4 849	2 676	2 815					
MUNICIPAL ACCOUNT	880	1 269	1 847	1 090	1 078	1 078	781	1 155	1 130	1 186					
Total 'Other' Expenditure	10 295	13 529	19 063	40 337	66 541	66 541	23 632	117 329	102 727	72 774					
<u>Repairs and Maintenance by Expenditure Item</u>															
Employee related costs	-	-	-	-	-	-	-	-	-	-					
Other materials	-	-	-	-	-	-	-	-	-	-					
Contracted Services	-	-	-	-	-	-	-	-	-	-					
Other Expenditure	989	1 608	2 335	4 244	6 379	6 379	2 335	4 967	5 005	5 255					
Total Repairs and Maintenance Expenditure	989	1 608	2 335	4 244	6 379	6 379	2 335	4 967	5 005	5 255					

Table 49MBRR SA2 – Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**DC31 Nkangala - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Vote 1 - EXECUTIVE & COUNCIL	Vote 2 - ADMINISTRA TION	Vote 3 - FINANCE - BUDGET & TREASURY OFFICE	Vote 4 - COMMUNITY & SOCIAL SERVICES	Vote 5 - Technical Services and PMU	Vote 6 - LED AGENCY	Vote 7 - DPU AND IDP	Vote 8 - PLANNING & DEVELOPME NT CONTRIBUT	Total
R thousand									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	100	-	-	-	-	-	100
Interest earned - external investments	-	-	18 180	-	-	-	-	-	18 180
Interest earned - outstanding debtors	-	-	5	-	-	-	-	-	5
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Other revenue	-	-	2 621	-	-	-	-	-	2 621
Transfers recognised - operational	-	-	312 702	-	-	-	890	-	313 592
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and	-	-	333 608	-	-	-	890	-	334 498
Expenditure By Type									
Employee related costs	17 333	15 683	13 525	23 999	21 346	4 132	5 540	-	101 558
Remuneration of councillors	14 579	-	-	-	-	-	-	-	14 579
Debt impairment	-	-	20	-	-	-	-	-	20
Depreciation & asset impairment	4 085	194	193	1 451	889	6	43	-	6 861
Finance charges	2 466	75	3 219	-	19	-	-	-	5 778
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	416	10	47	193	56	7	-	-	729
Contracted services	5 930	368	1 146	2 729	199	7	-	-	10 378
Transfers and grants	4 000	7 000	13 900	14 070	31 076	26 194	2 650	198 610	297 499
Other expenditure	35 597	2 709	5 890	15 734	7 119	22 099	28 182	-	117 329
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	84 406	26 039	37 940	58 176	60 704	52 444	36 415	198 610	554 733
Surplus/(Deficit)	(84 406)	(26 039)	295 668	(58 176)	(60 704)	(52 444)	(35 525)	(198 610)	(220 234)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(84 406)	(26 039)	295 668	(58 176)	(60 704)	(52 444)	(35 525)	(198 610)	(220 234)

Table 50 MBRR SA3 – Supporting detail to Budgeted Financial Position

DC31 Nkangala - Supporting Table SA3 Supporting detail to '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	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
ASSETS										
Call investment deposits										
Call deposits < 90 days										
Other current investments > 90 days	425 475	453 327	437 065	453 327	307 183	307 183	485 869	207 689	84 362	31 386
Total Call investment deposits	425 475	453 327	437 065	453 327	307 183	307 183	485 869	207 689	84 362	31 386
Consumer debtors										
Consumer debtors										
Less: Provision for debt impairment										
Total Consumer debtors	-	-	-	-	-	-	-	-	-	-
Debt impairment provision										
Balance at the beginning of the year										
Contributions to the provision										
Bad debts written off										
Balance at end of year	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)										
PPE at cost/v valuation (ex cl. finance leases)	103 699	116 471	123 267	182 836	181 678	181 678	131 934	153 138	174 985	174 985
Leases recognised as PPE	2 439	2 439	2 663	2 439	2 439	2 439	2 663			
Less: Accumulated depreciation	25 960	32 579	40 136	39 082	39 082	39 082	45 098	52 330	59 116	59 116
Total Property, plant and equipment (PPE)	80 179	86 332	85 795	146 194	145 035	145 035	89 500	100 807	115 869	115 869
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities	6 422	6 653	6 568	5 060	5 060	5 060	6 568	5 778	5 647	5 930
Total Current liabilities - Borrowing	6 422	6 653	6 568	5 060	5 060	5 060	6 568	5 778	5 647	5 930
Trade and other payables										
Trade and other creditors	34 002	60 351	50 961	60 351	60 351	60 351	26 249	33 039	30 039	27 039
Unspent conditional transfers	809	688	-	688	688	688	960	-	-	-
VAT										
Total Trade and other payables	34 811	61 039	50 961	61 039	61 039	61 039	27 210	33 039	30 039	27 039
Non current liabilities - Borrowing										
Borrowing	50 513	45 306	39 822	40 246	40 246	40 246	37 210	34 533	28 313	21 711
Finance leases (including PPP asset element)	1 001	326	85	326	326	326				
Total Non current liabilities - Borrowing	51 514	45 632	39 906	40 572	40 572	40 572	37 210	34 533	28 313	21 711
Provisions - non-current										
Retirement benefits	5 085	6 841	7 128	6 841	6 841	6 841	7 128	7 478	7 638	7 808
List other major provision items										
Refuse landfill site rehabilitation										
Other										
Total Provisions - non-current	5 085	6 841	7 128	6 841	6 841	6 841	7 128	7 478	7 638	7 808
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	518 582	645 075	722 427	1 004 869	908 986	908 986	720 335	792 216	570 877	467 345
GRAP adjustments	(1 564)	4 444								
Restated balance	517 018	649 519	722 427	1 004 869	908 986	908 986	720 335	792 216	570 877	467 345
Surplus/(Deficit)	132 501	72 908	(2 091)	(282 442)	(214 030)	(214 030)	72 503	(220 234)	(102 427)	(67 218)
Appropriations to Reserves										
Transfers from Reserves										
Depreciation offsets										
Other adjustments										
Accumulated Surplus/(Deficit)	649 519	722 427	720 335	722 427	694 956	694 956	792 838	571 982	468 450	400 127
Reserves										
Housing Development Fund										
Capital replacement										
Self-insurance										
Other reserves										
Revaluation										
Total Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	649 519	722 427	720 335	722 427	694 956	694 956	792 838	571 982	468 450	400 127

Table 51 MBRR SA6 – Reconciliation of IDP strategic objectives and budget (capital expenditure)**DC31 Nkangala - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (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	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Basic Service Delivery		KPA 1	1 674	1 851	11 995	64 206	33 813	33 813	30 746	19 129	19 588
Local Economic Development		KPA 2	–	–	–	19	250	250	20	21	22
Financial Viability		KPA 3	94	714	137	103	185	185	236	113	118
Municipal Institutional Development & Transformation		KPA 4	35	165	56	126	807	807	230	250	367
Good Governance and Communication		KPA 5	421	1 858	386	1 912	1 937	1 937	2 571	1 692	1 753
Spatial Development Analysis & Rationale		KPA 6	6 838	1 329	199	–	–	–	–	–	–
Allocations to other priorities											
Total Capital Expenditure			9 062	5 917	12 772	66 365	36 992	36 992	33 802	21 204	21 847

Table 52 MBRR SA21 -Transfers & grants made by the municipality**DC31 Nkangala - Supporting Table SA21 Transfers and grants made by the municipality**

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	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Non-Cash Transfers to other municipalities										
DR JS MOROKA LOCAL MUNICIPALITY	17 528	48 053	46 230	27 500	33 015	33 015	4 993	40 800	27 647	28 310
EMALAHLENI LOCAL MUNICIPALITY	21 241	37 110	61 598	23 970	80 046	80 046	17 780	66 219	38 921	39 856
THEMBISILE HANI LOCAL MUNICIPALITY	14 152	24 491	33 760	25 000	78 089	78 089	23 486	30 600	29 049	29 746
EMAKHAZENI LOCAL MUNICIPALITY	19 645	11 267	17 926	10 900	42 870	42 870	12 868	12 136	12 165	12 457
STEVE TSHWETE LOCAL MUNICIPALITY	13 950	24 777	30 750	23 420	48 857	48 857	15 182	35 025	26 066	26 692
VICTOR KHANYE LOCAL MUNICIPALITY	13 080	12 200	37 771	11 770	18 449	18 449	1 817	13 830	13 100	13 414
GENERAL	12 125	17 876	20 822	327 296	67 162	67 162	15 955	98 890	50 206	40 383
Total Non-Cash Transfers To Municipalities:	111 720	175 775	248 857	449 856	368 490	368 490	92 081	297 499	197 155	190 858
TOTAL NON-CASH TRANSFERS AND GRANTS	111 720	175 775	248 857	449 856	368 490	368 490	92 081	297 499	197 155	190 858
TOTAL TRANSFERS AND GRANTS	111 720	175 775	248 857	449 856	368 490	368 490	92 081	297 499	197 155	190 858



NKANGALA DISTRICT MUNICIPALITY DISTRKISMUNISIPALITEIT NKANGALA

☎ 013-249-2000

✉ 437 or 2032

Middelburg 1050

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FAX 013-249-2087 (Corporate Services)

FAX 013-249-2114 (Finance)

FAX 013-249-2145 (Technical Services)

FAX 013-249-2136 (Social Services)

My Verw./My Ref: 5/1/1 - 2013/14
U Verw./Your Ref:

Municipal Manager's quality certificate

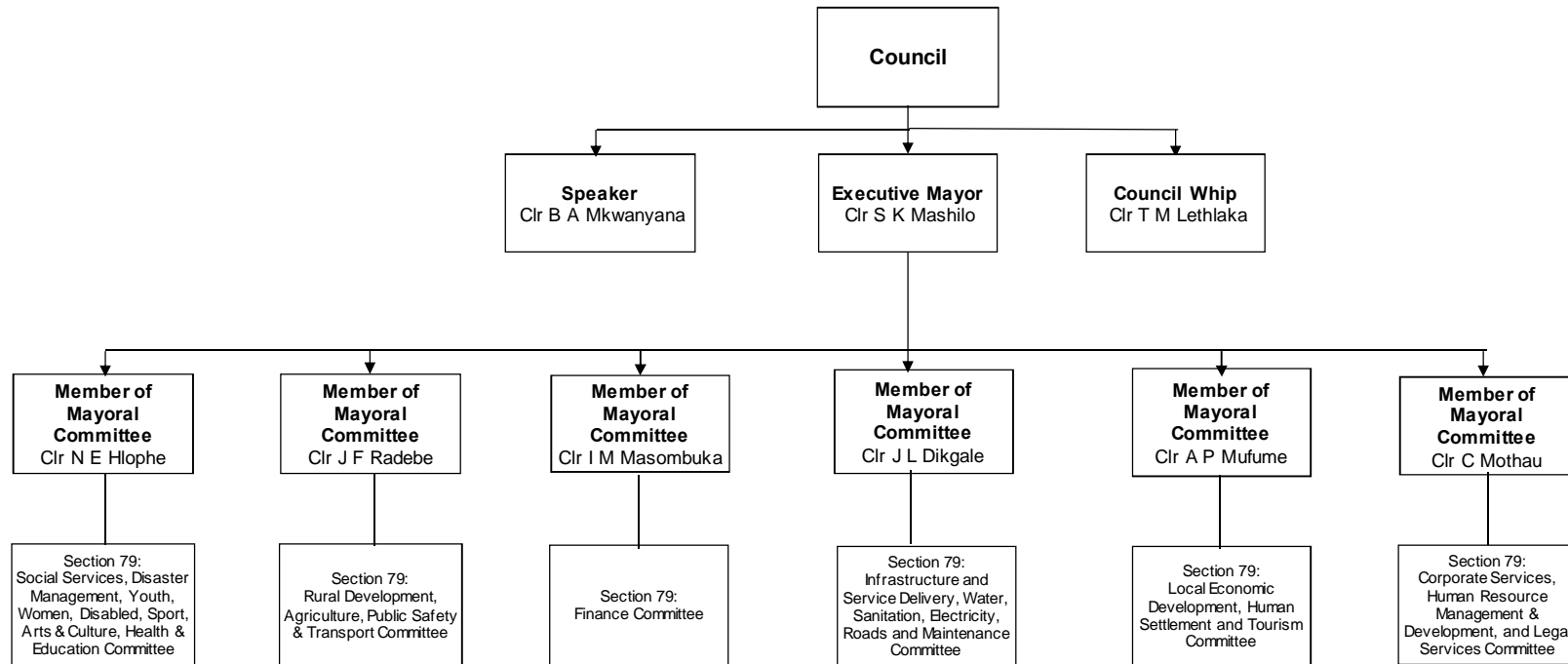
I, A.G. ZIMBWA, Acting Municipal Manager of Nkangala District Municipality, hereby certify that the 2013/2014 to 2015/2016 Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Adjustment Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Signature: _____

Acting Municipal Manager of Nkangala District Municipality (DC31)

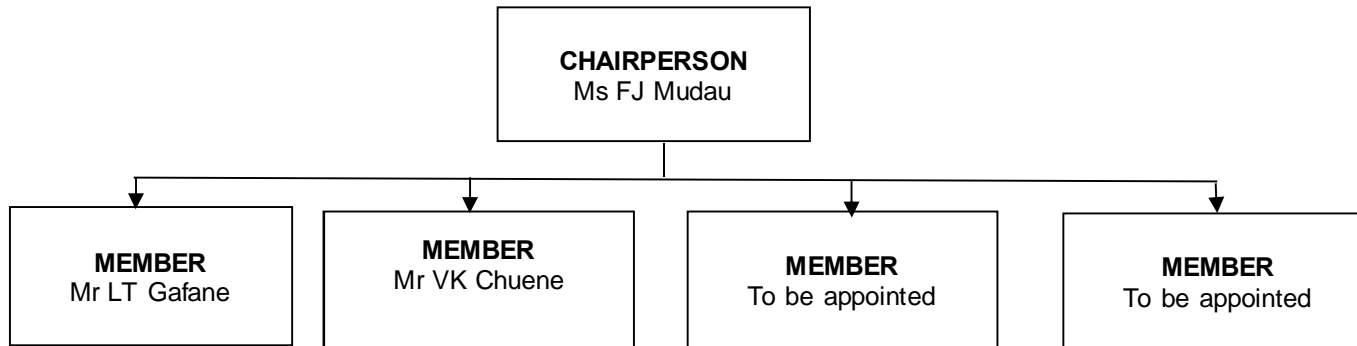
Date: 20-03-2013

Nkangala District Council



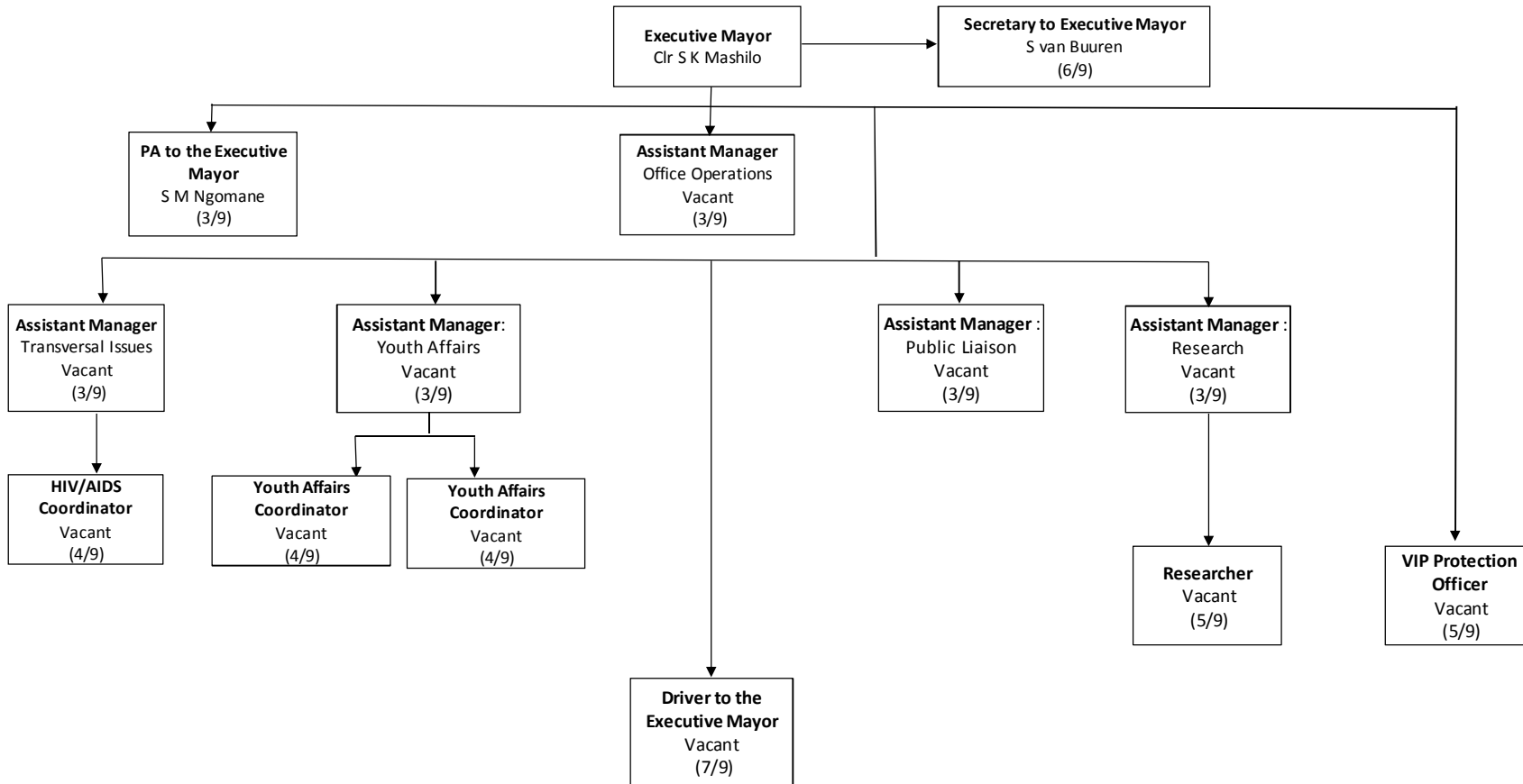
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FREEZE	
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Organogram : Audit Committee



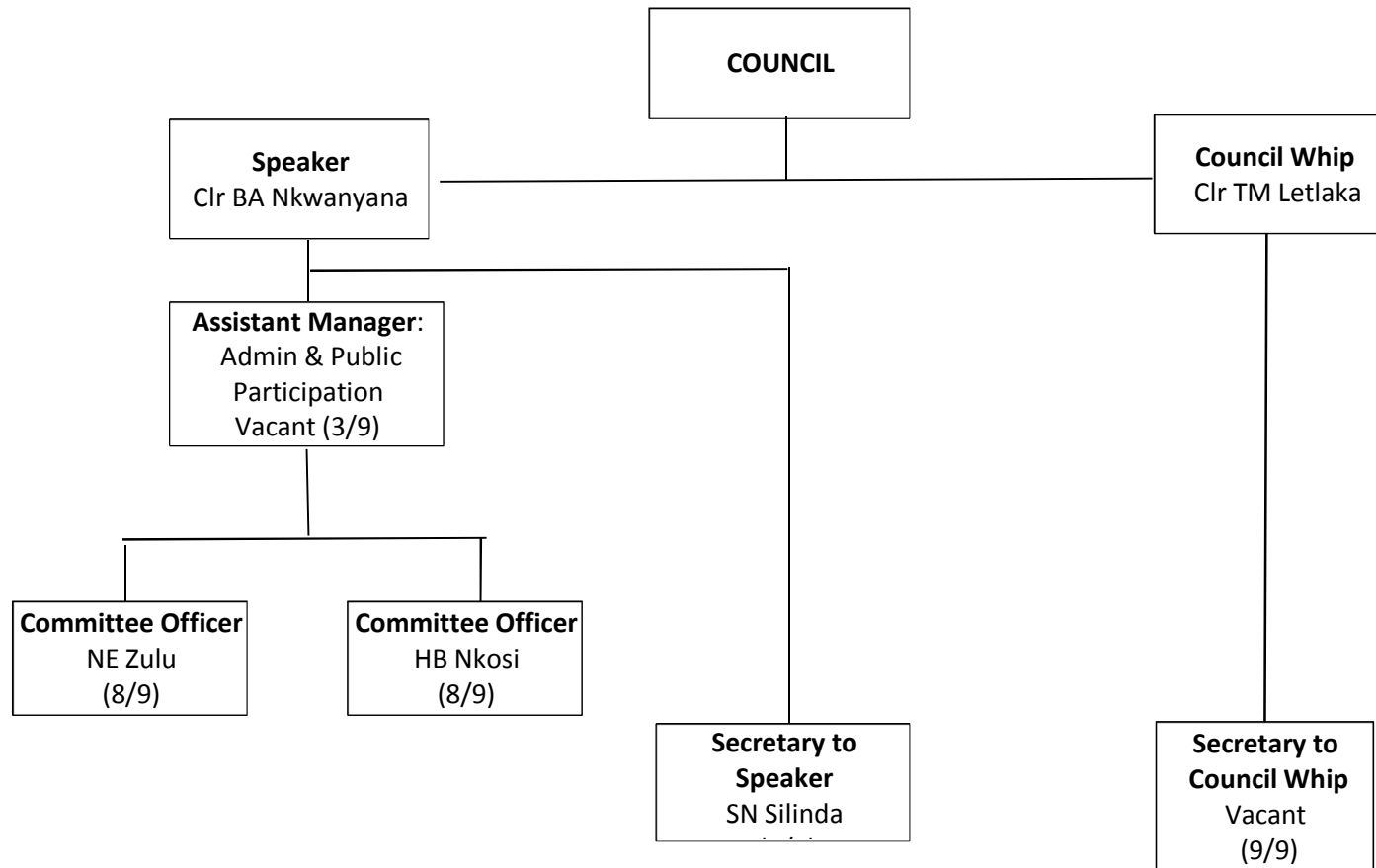
NEW	Green
FREEZE	Cyan
TRANSFER	Yellow

Office of the Executive Mayor



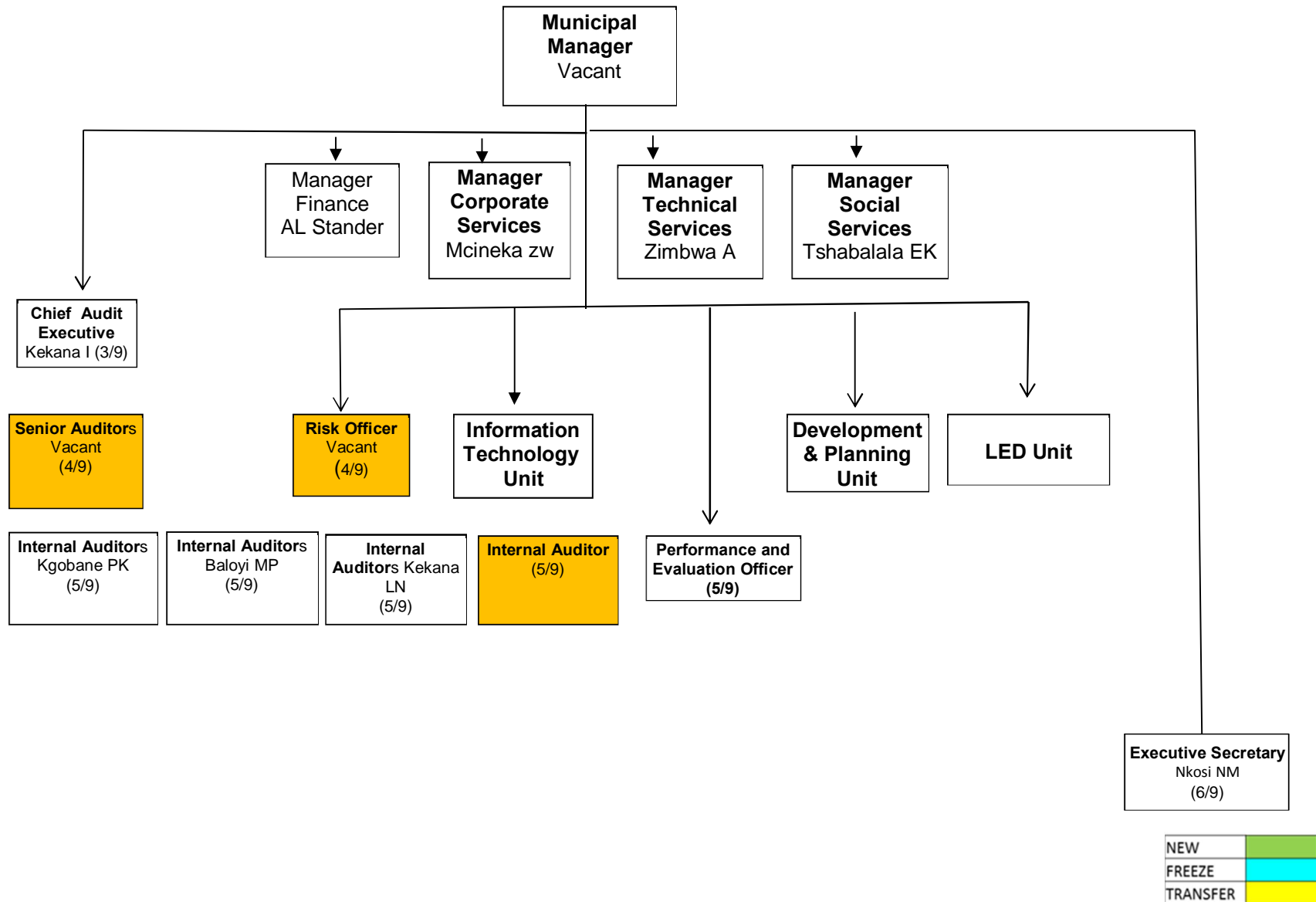
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Office of the Speaker & Council

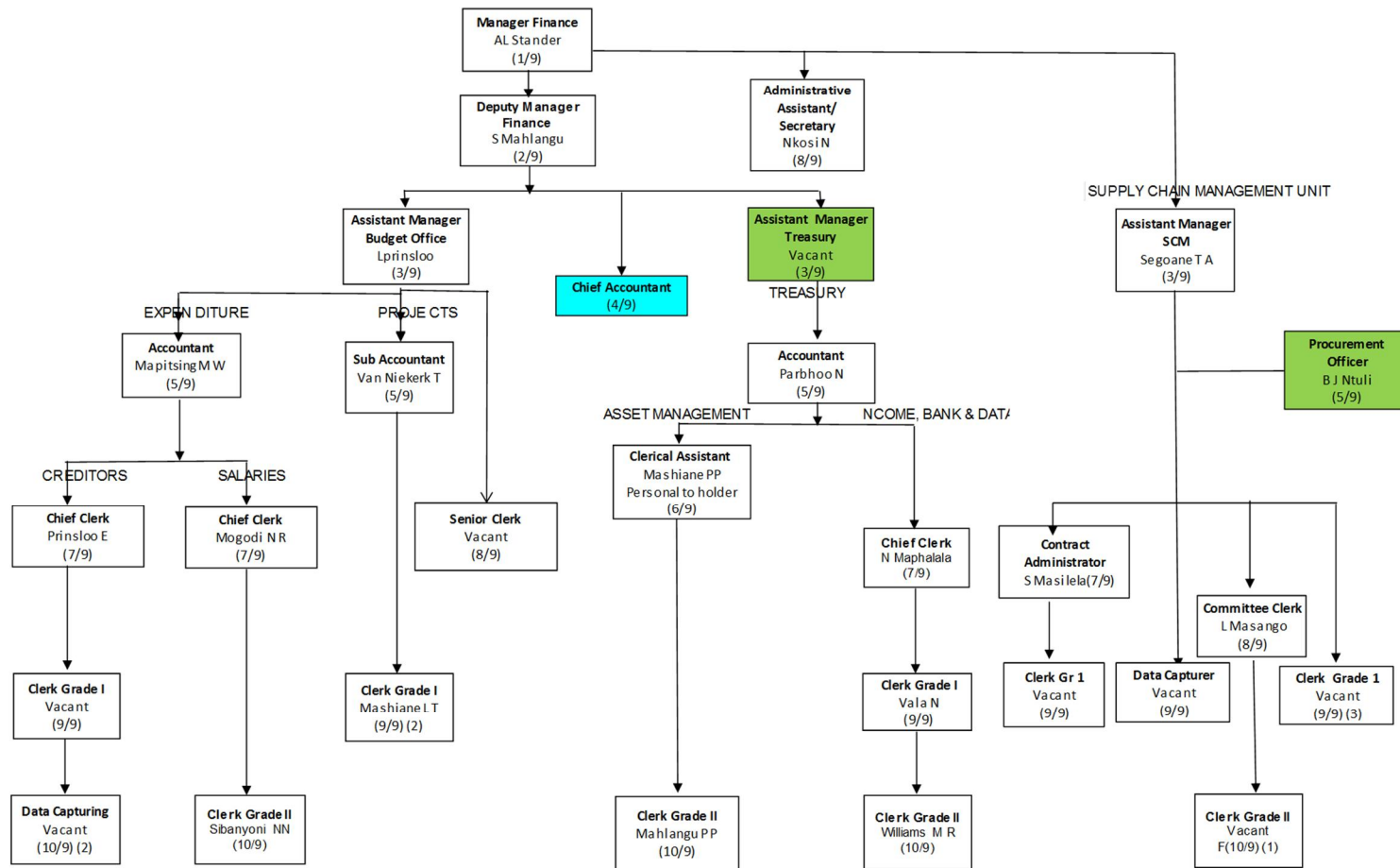


NEW	
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Organogram : Municipal Manager

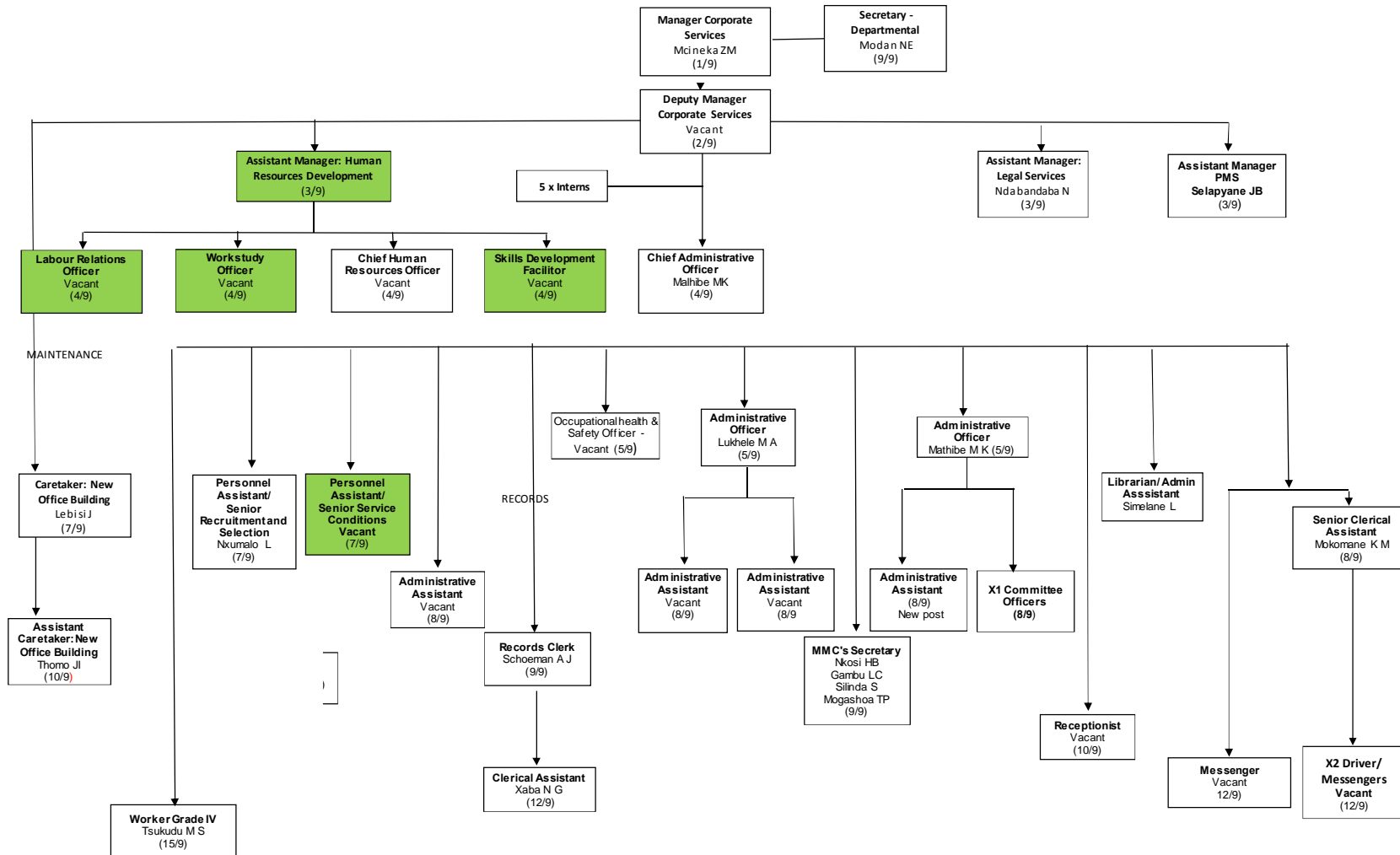


Organogram : Finance Department



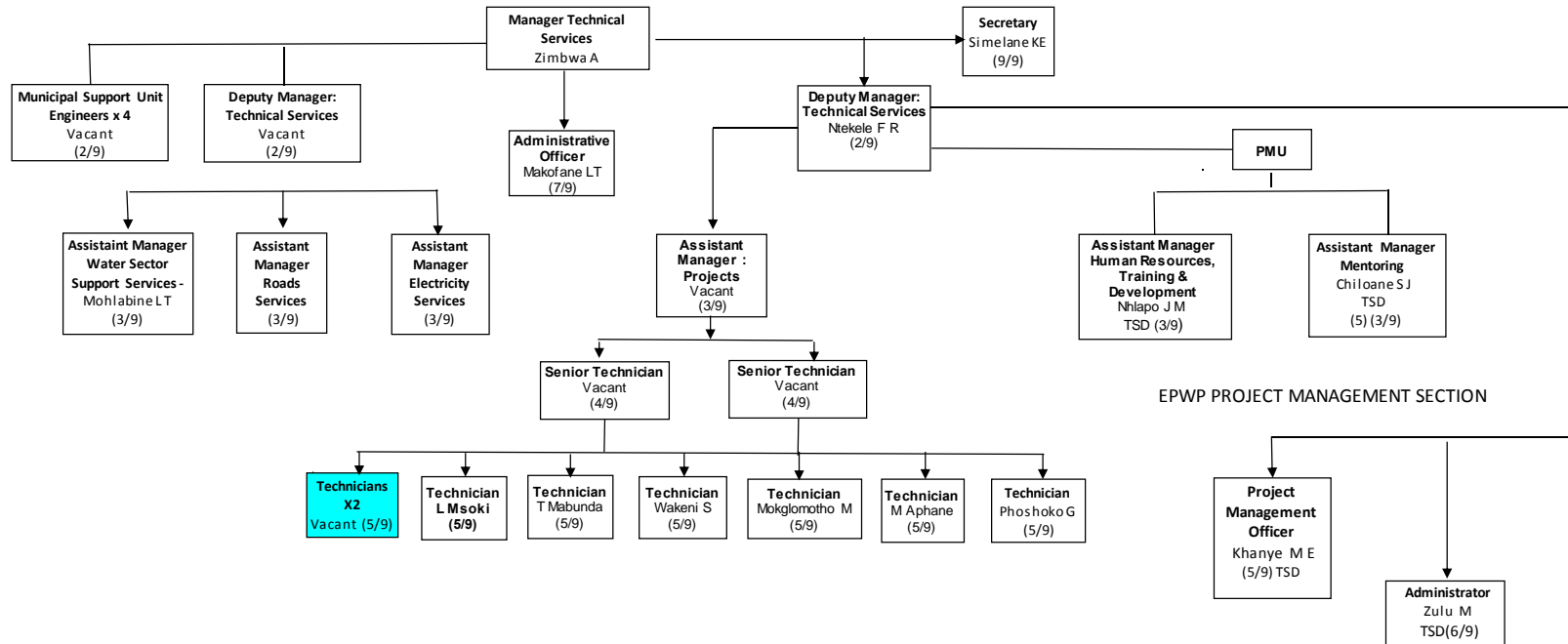
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Organogram : Corporate Services Department



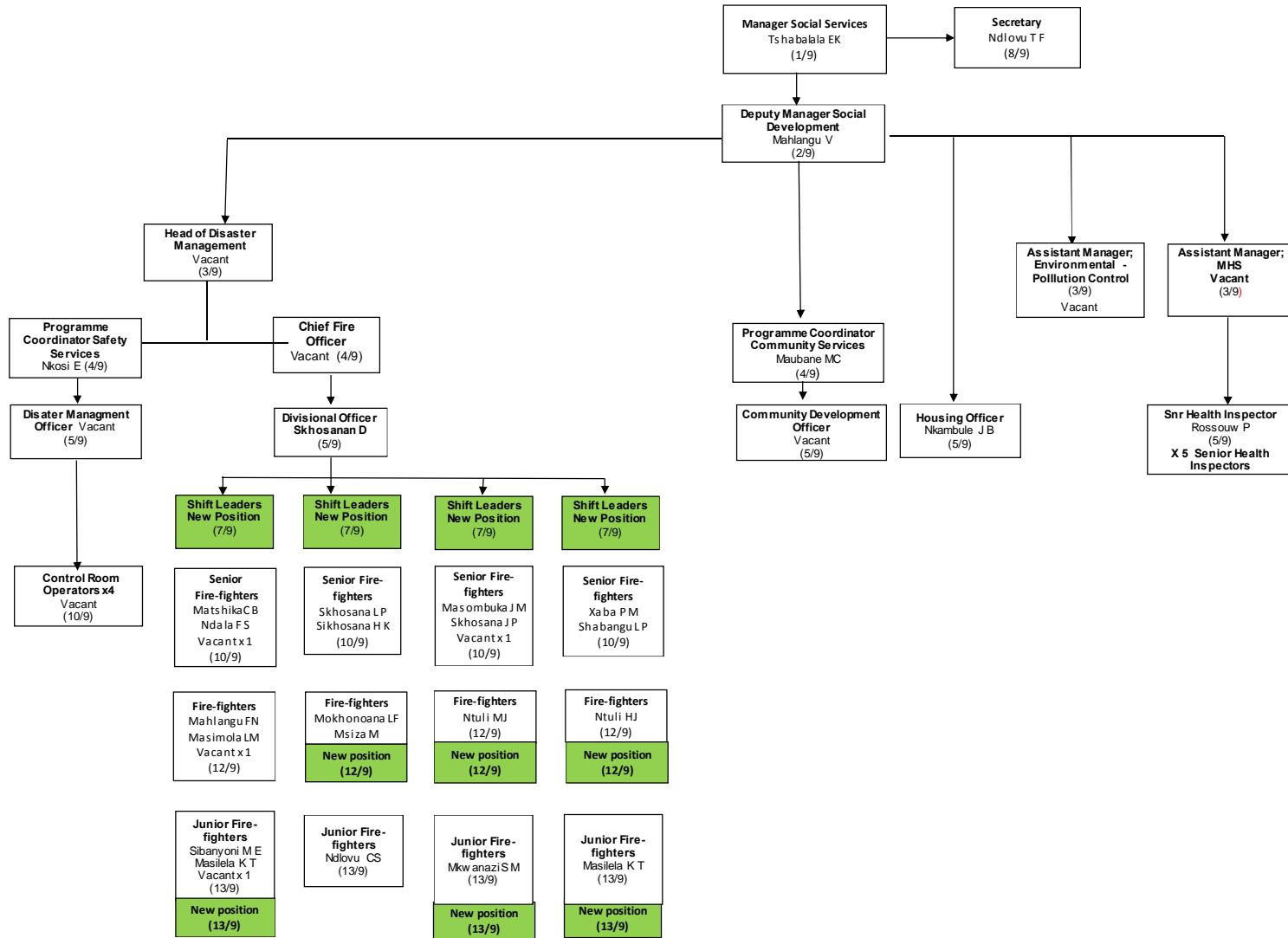
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Organogram : Technical Services Department



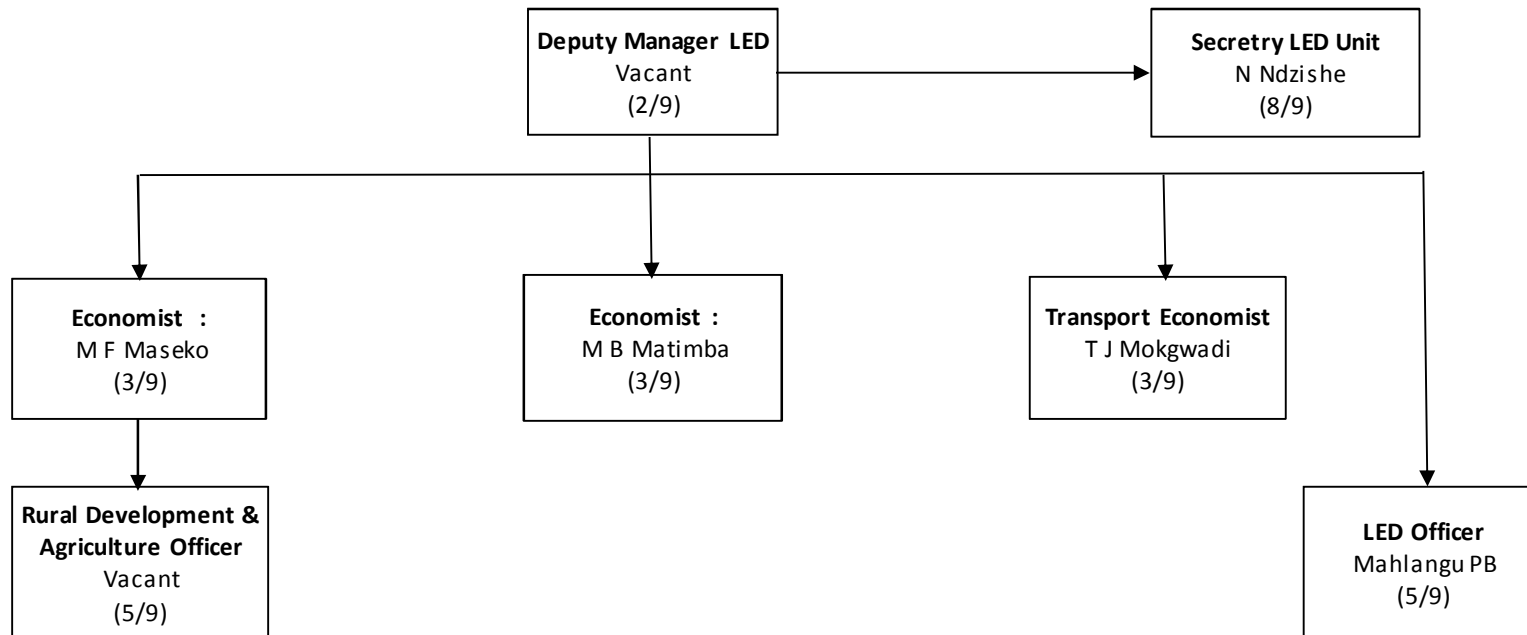
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Organogram : Social Development



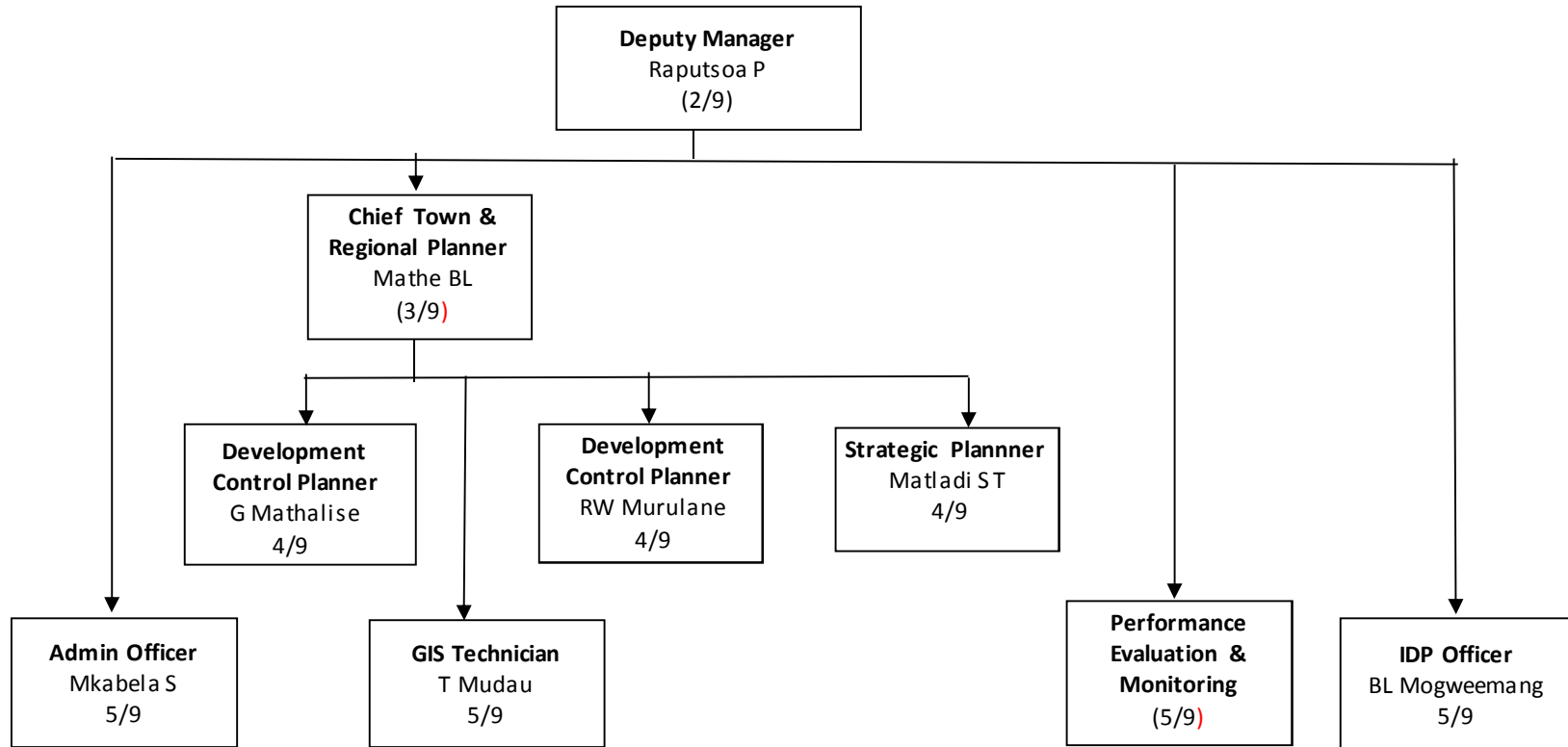
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Local Economic Development Unit



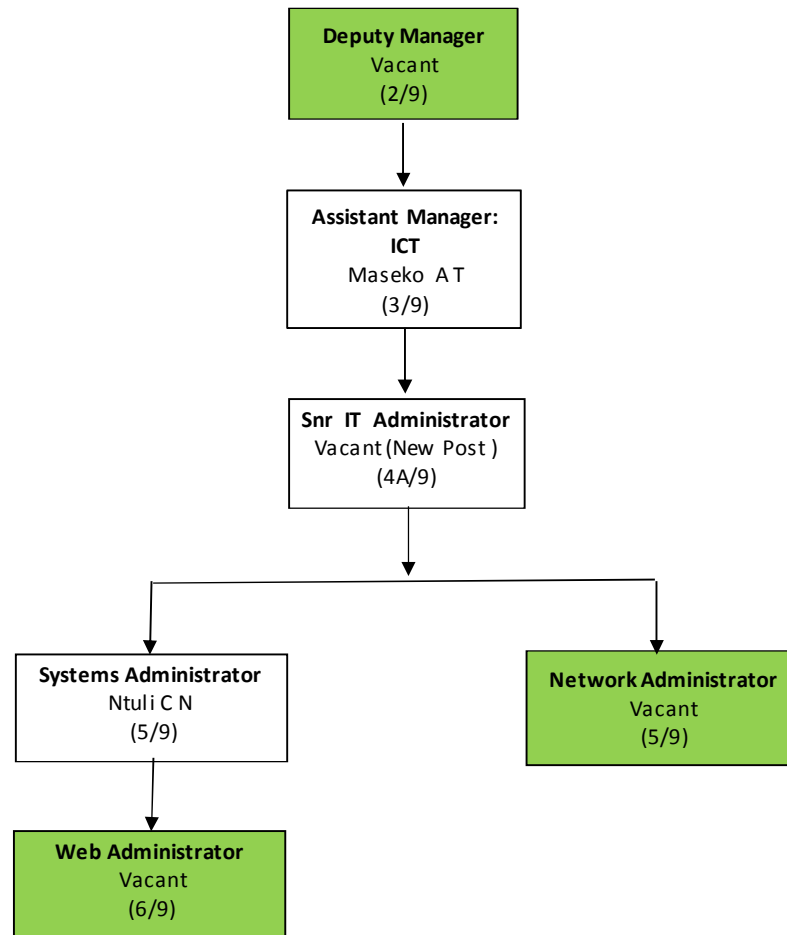
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Organogram : Development & Planning Unit



NEW	
FREEZE	
TRANSFER	

Organogram : Information Technology Unit



NEW	
FREEZE	
TRANSFER	

