



EMALAHLENI MUNICIPALITY

FINAL

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

ANNUAL BUDGET OF
EMALAHLENI
MUNICIPALITY

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

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Abbreviations and Acronyms

BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
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
IDP	Integrated Development Strategy	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kℓ	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator	SMME	Small Micro and Medium Enterprises
kWh	kilowatt		
ℓ	litre		
LED	Local Economic Development		
MEC	Member of the Executive Committee		

Part 1 – Annual Budget

1 INTEGRATED DEVELOPMENT PLAN AND MAYOR'S BUDGET SPEECH

- **Speaker**
- **Councillors**
- **Municipal Manager**
- **Senior Managers**
- **Traditional leaders**
- **Unions**
- **Guests**
- **Communities**
- **Stakeholders**
- **Media houses**

It is my great honour and privilege given to me by the African National Congress to table the integrated development plan for the next five years (2011-2016) (which is reviewed annually). IDP is a living strategic planning tool that must guide and direct resources where they are needed most. The community outreach programmes and public participation conducted in March 2013 culminated to a draft IDP, which was forwarded to the Department of Local Government and Traditional Affairs to assess its relevance, responsiveness to the needs of our communities as well as its credibility.

In this Special Council Meeting on this significant day, I am proud to announce that we have an IDP that is properly aligned to the three year budget. In the same token I am tabling before Emalahleni Municipal Council the MediumTerm Revenue and Expenditure framework (MTREF) for 2014 -2016.

We as Council committed ourselves to lead by example in ensuring strict financial oversight and compliance with the guidelines of National Treasury as set out in Circular 51- 59 and 66 of the MFMA (Act 53 of 2003).

In order to achieve this we as the Council and Executive Committee committed ourselves to providing leadership based on a culture of honesty, ethical business practices and good governance by exercising our oversight responsibility regarding financial and performance reporting as well as adherence to compliance and implementation of internal controls.

We identified the need to support the Accounting Officer and address the management of the financial affairs of the municipality as a matter of urgency.

Allow me now to highlight areas of focus within our Departments.

Strategic Management

Our public participation and community involvement is an area in which we pride ourselves on our achievements.

In the new financial year our focus will be on building on our achievements in this area and building on the co- operation between the office of the Mayor and the Office of the Speaker through accountability, responsiveness, transparency and good governance as our core values as we use IDP and Budget process plan as our guiding instruments that will inform our public participation efforts and initiatives. The approximate budget allocated to the office to undertake this very important task is minimum

The strategic plan that we have developed aligns to the IDP and budget and we will in the year ahead ensure the strategic plan is the basis on which we implement all projects.

Corporate Services

Our organogram has been reviewed to ensure that it is consistent with the needs of the organisation. In the months of April/May Council has engaged Labour and other internal stakeholders on the proposed organogram and the filling of critical vacancies will be dealt with within three months.

The effectiveness of the governance systems is being assessed and staff within the institution must work in an integrated and focussed manner driven by the OP.

We are striving that Emalahleni Municipality becomes an employer of choice that capacitates both the Councillors and staff. The number of employees is 230 with a total wage bill of R10.2 million Council and Section 56/7 Manager R8.5 million and Municipal staff is 830.6 million. The total cost of our wage bill is R49.5 million (see pages 80 and 81) of the full budget.

Community services

The areas I wish to highlight within the community services department relate to revenue enhancement and solid waste sites.

The development and establishment of a traffic section within Emalahleni municipality has been identified as a source of revenue enhancement coupled to ensuring the safety of our community and to this end we will be starting the process to establish such a department in the new financial year.

The solid waste site and its completion remain a priority and we will continue in the new financial year to access and allocate funds to this critical area within community services.

The Municipality has over the years built community halls to benefit communities in the following manner (Activities for example karate, training of young people on indoor sport, community meetings-stokvels). Sport fields have been upgraded to

improve norms and standards set by Sport Federations and also promote competitiveness of our sport codes.

Completion of pounds for example in Dordrecht, as required in terms of Section 152 (d) of Constitution 1996 (Act 108 of 1996) which states that to promote a safe and healthy environment." Dordrecht and Indwe have been identified as tourist attraction destination in the District and safety on our roads is a priority with no stray animals. The pounds will be closer to the owners of pounded animals. And building of pounds in Emalahleni Municipality will bring revenue to Council.

These are visible projects that will commence in 2013/14 financial year.

We have allocated R11 241 million to capital projects under community services.

IPED

The 5 year IDP which has been developed and is tabled for adoption today is a reflection of community, sectoral and stakeholder input and involvement and will be our guide over the remainder of our term of office.

In the new financial year starting on 1 July 2013, IPED will make sure that local economic development initiatives benefit all wards in terms of SMME support and skills development for emerging businesses. The primary aim of LED is to push frontiers of poverty, create job opportunities and this requires a full commitment of Council and support by all Councillors and officials.

The Elitheni Coal Mine development will have a positive economic effect on our economy with a hoped for impact on our level of unemployment and a major contribution toward our revenue base.

We have within the spatial development framework of our IDP focussed on potential areas of growth and despite our limited resources have accessed resources to develop these potential areas of economic growth through led projects.

We plan to utilise our interactions with business forums to assist them to bring together established and emerging businesses to share experience and ideas:

- SMME Hive
- Paving block machinery
- Bottled water feasibility study project
- Livestock pen auction
- Irrigation scheme
- SMME development (Beneficiaries of Elitheni Coal Mine)
- Skills Development Centre
- Brick making
- Agro-processing
- Small Scale farming

Infrastructure

The focus of MIG funding will be to ensure that projects are identified within IPED, community and infrastructure to ensure the maximum impact on our community.

The emphasis will be on finalising our road projects at Ntsinga-njombela in Wards 17, R392 —Ward 9 in Fani Village and Dukathole-Mmngweni in Ward 9. We will continue to with the electrification of the following Wards (1, 2, 9 and 10).

An area we will focus on in the next financial year will be to address the shortage of office accommodation and building of a new Council Chamber for the Municipality in Lady Frere.

We have allocated R14 043 million toward infrastructure, economic and environmental services

We plan to utilise our interactions with business forums to assist them to bring together established and emerging businesses to share experience and ideas:

Finance

The process is ongoing to ensure credible data that forms the basis of our financial reporting and to this end we will ensure that the SEBATA system is implemented and used as a management tool.

As a municipality we are grant dependant and to this end it is necessary to develop a plan for revenue enhancement to reduce our dependence and improve our financial viability. Hence one of the projects under financial viability is the development of a revenue enhancement strategy.

In the new financial year we will look to ward councillors and committees in assisting us with our debt management and will further table to Council strategies and plans to improve our current collection and payment rate of 15%.

Budget figures

The budget we table today projects the following:

Increases

The tariff increases on services will be an average of 5A%

The electricity increase of 7.0% is currently pending NERSA's approval. Once it has been approved by NERSA, it will be tabled to Council at a Special Council Meeting in June 2013.

The increase will be tabled to council by 30 June 2013

By-laws and policies

Council has by- laws and policies in place which will be subjected to a review process in

Income and expenditure

Operating budget

Total revenue:	R194 243 million
Total expenditure:	R189 257 million

We plan to utilise our interactions with business forums to assist them to bring together established and emerging businesses to share experience and ideas:

Projected surplus: R 4 986 thousand

The implication of this is to alert us to the need for strict budget implementation and control during the financial year.

Capital budget:

Grant funding: R25 917 million

Own funds: R13 825 million

Total capital expenditure: R 39 742 million

Speaker, firstly as Mayor and deployee of the ANC, I formally table before Council our reviewed Integrated Development Plan for 2014/2015 financial year in terms of Section 34 of Municipal Systems Act 2000 as amended. Speaker Council must note that this IDP is a product of meaningful consultation with communities and engagement with stakeholders in which they told us as Councillors their needs and priorities, and the budget must be responsive to such needs and priorities.

Secondly, Speaker I now table the Medium Term Revenue and Expenditure Framework for 2014 to 2016 for adoption by the Emalahleni Council in terms of Section 14 (1) of Municipal Finance Management Regulations as per the resolutions below:



CLLR N. NYUKWANA

MAYOR

1.1 Council Resolutions

It is recommended that the Council approves and take following resolutions for the draft annual budget of 2013/14 financial year:

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

- 1.1. The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budget Summary reflected in Table A1
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by standard classification) reflected in Table A2;
 - 1.1.3. Budgeted Financial Performance (revenue and expenditure by municipal vote) reflected in Table A3;
 - 1.1.4. Budgeted Financial Performance (Revenue and Expenditure) reflected in Table A4;
 - 1.1.5. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source reflected in Table A5 as well as individual capital projects reflected under SA36;
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management, basic service delivery targets and measurable performance objectives are approved as set out in the following tables and supporting tables attached in the budget documentation:
 - 1.2.1. Budgeted Financial Position reflected in Table A6;
 - 1.2.2. Budgeted Cash Flows reflected in Table A7;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation reflected in table A8;
 - 1.2.4. Asset management in Table A9; and
 - 1.2.5. Basic service delivery measurement reflected in Table A10.
 - 1.2.6. IDP strategic objectives reflected in Supporting Table SA4-SA6
2. The Council of Emalahleni Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following tariffs as attached in the budget documentation, with effect from 1 July 2013:
 - 2.1. the tariffs for property rates which are increasing on average by 5.4 % (percent);
 - 2.2. the tariffs for electricity which on average increasing by 7,0 percent is awaits NERSA's approval before Council can approves it;
 - 2.3. the tariffs for the supply of water on behalf of Chris Hani District Municipality as set by them, be approved;

Domestic Consumers:	0 – 6kl :	R14.41
Domestic Consumers:	6 – 15kl:	R18.01
Domestic Consumers:	15 – 25kl:	R22.52
Domestic Consumers:	25 – 40kl:	R28.14
Domestic Consumers:	40 – 500kl:	R42.22
Domestic Consumers:	>500:	R84.43
 - 2.4. the tariffs for sanitation services on behalf of Chris Hani District Municipality as set by them, be approved; and
 - 2.5. the tariffs for solid waste services which are increasing on average by 5.4 % (percent).

3. The Council of Emalahleni Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013 the tariffs for other services, which are increasing on average by 5.4 percent, as set out in the attached budget documentation as (**Annexure**).

4. Council resolves that the budget related policies reflected in Annexure A and listed below are approved for the budget year 2012/13.
 - Property Rates policy
 - Budget Policy

 - Tariff policy
 - Indigency Policy
 - Credit control and Debt collection
 - Cash Management and Investments policy
 - Asset and Disposal Management policies
 - Funding and Reserve policy
 - Debt and Borrowing policy
 - Fleet Management policy
 - Virement policy
 - Petty Cash Policy

 - Supply Chain Management policy

5. Council resolves that the filling of the vacant posts as identified by Municipal Manger and tabled to Executive Committee, be approved.

6. To give proper effect to the municipality's annual budget, the Council of Emalahleni Municipality approves:
 - 6.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.2 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The Municipal Budget and Reporting Regulations, as well as various circulars issued by National Treasury, provides the guidance for budget preparation by local government.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. In addition, the municipality during January 2013 proactively embarked on a strategic long-term financial sustainability exercise in order to ensure that this budget, as well as future budgets, are compiled to ensure that services to the community remains at high levels without overburdening the consumers of municipal services with excessive tariffs.

The main items identified by the strategic planning exercise can be summarised as follows:

- Improved service delivery;
- Underdeveloped areas;
- Impoverished communities;
- Co-operative governance;
- Unfunded mandates, core functions service delivery agents;
- Land availability for e.g. economic development;
- Land availability for establishing tip-sites;
- Alternative service delivery options;
- Obtaining a "clean audit" inclusive of performance management;
- Delegation- and procedure manuals;
- Risk management;
- Improved planning and beyond 5 years;
- High crime rate;
- Service delivery backlogs;
- Improved maintenance programs;
- Local economic development facilitation;
- Adequacy of municipal reserves and financial sustainability;
- Curtail electricity losses;
- Tourism initiatives; and
- Improved public participation.

For each of these risk areas the municipality is compiling business plans in order to prioritise expenditure according to the risk ratings. These business plans will all be implemented over the MTREF period according to available funding, however, in the 2013/2014 financial year limited provision was made for the implementation of the business plans.

The Municipality has also embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The municipality, however, acknowledges that there can never be too much information and involvement in its interaction with the public at large, and for that reason it is still identified as a major risk area.

National Treasury's MFMA Circulars No. 58, 59 and 66 as well as the Strategic Workshops and IDP consultation processes, were mainly used to guide the compilation of the 2013/14 MTREF. Some of the key challenges faced by the municipality when compiling the budget were:

- The ongoing difficulties in the national and local economy;
- Aging roads and electricity infrastructure;
- The need to prioritise projects and expenditure within the existing resource envelope;
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Similarly the effect of the water tariffs, as determined by the Chris Hani District Municipality, on consumers. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects and the resultant operational costs associated with new infrastructure projects; and

The municipality is in a healthy financial position, however, it needs to at least stabilise and further strive to continuously better its financial position, coupled with acceptable levels of service delivery at affordable tariffs. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality. The municipality is striving to establishing a Capital Replacing Reserve to fund future capital projects to help mitigate the over dependence on grants for funding capital projects.

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

- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- 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;
- The budget must be spent in full, and all grants should be utilised in full.;

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

EC136 Emalahleni (EC) - 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
Financial Performance										
Property rates	3 065	1 772	3 397	2 680	2 550	2 550	2 550	5 200	5 450	5 661
Service charges	5 686	6 899	14 743	15 853	15 031	15 031	15 031	17 937	18 798	19 528
Investment revenue	2 387	1 830	1 911	14	2 516	2 516	2 516	1 516	1 588	1 650
Transfers recognised - operational	46 465	87 337	72 148	79 541	99 274	99 274	99 274	104 225	107 072	132 858
Other own revenue	6 570	3 544	33 096	30 722	19 274	19 274	19 274	39 448	41 341	42 945
Total Revenue (excluding capital transfers and contributions)	64 174	101 382	125 295	128 810	138 644	138 644	138 644	168 326	174 250	202 642
Employee costs	3 194	27 500	40 637	30 798	40 295	40 295	40 295	39 224	41 107	42 702
Remuneration of councillors	5 934	6 776	8 270	8 597	8 977	8 977	8 977	10 297	10 791	11 210
Depreciation & asset impairment	-	-	20 119	3 642	23 784	23 784	23 784	22 695	23 784	24 707
Finance charges	47	21	340	133	373	373	373	389	408	424
Materials and bulk purchases	5 062	7 291	15 627	12 363	13 163	13 163	13 163	13 432	14 077	14 623
Transfers and grants	-	-	-	4 301	1 571	1 571	1 571	5 223	5 473	5 686
Other expenditure	27 305	35 093	95 262	64 971	74 096	74 096	74 096	97 997	102 701	106 686
Total Expenditure	41 542	76 681	180 254	124 805	162 260	162 260	162 260	189 257	198 341	206 037
Surplus/(Deficit)	22 632	24 701	(54 959)	4 004	(23 616)	(23 616)	(23 616)	(20 931)	(24 092)	(3 395)
Transfers recognised - capital	26 470	0	1 425	22 145	22 145	22 145	22 145	25 917	29 441	31 542
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	49 103	24 701	(53 534)	26 150	(1 470)	(1 470)	(1 470)	4 986	5 350	28 147
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	49 103	24 701	(53 534)	26 150	(1 470)	(1 470)	(1 470)	4 986	5 350	28 147
Capital expenditure & funds sources										
Capital expenditure	27 076	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119
Transfers recognised - capital	20 314	-	1 955	23 299	23 311	23 311	23 311	25 917	29 441	31 542
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	6 761	-	1 637	651	4 137	4 137	4 137	13 825	1 670	1 577
Total sources of capital funds	27 075	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119

Total operating revenue has increased by 21.4 per cent for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue will increase by 3.5 and 16.3 per cent respectively. The main reason for the increase in revenue is a increase in operational grants.

Total operating expenditure for the 2013/14 financial year has been appropriated at R194 243 million and translates into a budgeted surplus of R4 986 after capital transfers. When compared to the 2012/13 Adjustments Budget, operational expenditure has increased by 15.3 per cent in the 2012/13 budget and increases by 4.8 and 3.9 per cent for each of the respective outer years of the MTREF. The operating surplus, after capital grant transfers, for the two outer years increases to R4 986 million for the 2013/2014 financial year and then increases to R5 350 million. The main reason for the increase in expenditure is the increase in bulk electricity price and employee cost.

The capital budget of R39 742 million for 2013/14 show a huge percentage increase when compared to the 2012/13 Adjustment Budget. The latter has to do how the municipality has implemented its capital programmes and specifically its MIG allocation in the pass. The capital programme further decrease to R31 111 million in the 2014/15 financial year and then further in 2015/16 increase to R33 119 million.

As indicated above no borrowing for capital projects is planned. The municipality is still well within the limits of its borrowing capacity but will raise very limited loans in the near future in order to curtail possible rising debt servicing costs.

1.3 Operating Revenue Framework

For Emalahleni Municipality to continue improving the quality of services provided to its citizens 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 tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality will also have to seek for funding to developed a revenue enhancement strategy. The latter will assist the municipality to identify areas to improve their revenue collection. In the absence of a revenue enhancement strategy, the following information were use to help the municipality's revenue management

- National Treasury's guidelines and macroeconomic policy;
- Limited growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure an improve percentage increase in annual collection rate for property rates and other key service charges. This percentage is low compared to past history, but is being calculated conservatively due to the signs of financial stress currently being experienced;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The inflation forecasts for the MTREF period is on average 5,5% per annum. The municipality's aim is to not exceed inflation in its annual tariff adjustments but external factors such as the Eskom increases and which are beyond the control of the municipality hampers this goal.

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

Description	2009/10	2010/11	2011/12	rent Year 2012/13				2013/14 Medium Term		
	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	3 065	1 772	3 397	2 680	2 550	2 550	2 550	5 200	5 450	5 661
Service charges	5 686	6 899	14 743	15 853	15 031	15 031	15 031	17 937	18 798	19 528
Investment revenue	2 387	1 830	1 911	14	2 516	2 516	2 516	1 516	1 588	1 650
Transfers recognised - operational	46 465	87 337	72 148	79 541	99 274	99 274	99 274	104 225	107 072	132 858
Other own revenue	6 570	3 544	33 096	30 722	19 274	19 274	19 274	39 448	41 341	42 945
Total Revenue (excluding capital transfers and contributions)	64 174	101 382	125 295	128 810	138 644	138 644	138 644	168 326	174 250	202 642

The percentage revenue from own sources increases during the budget year. In the two outer years of the MTREF the increases in revenue is fairly consistent, except electricity which is projected to increase by much higher percentages due to the increases allowed by NERSA. The growth in revenue contributions are indicated below (Excluding Capital Transfers). 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.

Description	2011/12	2012/13		2013/14 Medium Term Revenue & Expenditure Framework				
				Audited Outcome	Adjusted Budget	% Increase	Budget Year 2013/14	% Increase
Revenue By Source								
Property rates	3 397	2 550	103.9%	5 200	4.8%	5 450	3.9%	5 661
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–
Service charges - electricity revenue	5 562	6 178	5.0%	6 485	4.8%	6 796	3.9%	7 059
Service charges - water revenue	2 965	2 566	49.5%	3 835	4.8%	4 019	3.9%	4 175
Service charges - sanitation revenue	3 648	3 537	-3.4%	3 418	4.8%	3 582	3.9%	3 721
Service charges - refuse revenue	2 568	2 750	52.7%	4 200	4.8%	4 402	3.9%	4 572
Service charges - other	–	–	–	–	–	–	–	–
Rental of facilities and equipment	739	647	-24.2%	491	4.8%	514	3.9%	534
Interest earned - external investments	1 911	2 516	-39.8%	1 516	4.8%	1 588	3.9%	1 650
Interest earned - outstanding debtors	5 611	5 678	-24.7%	4 278	4.8%	4 483	3.9%	4 657
Dividends received	–	–	–	–	–	–	–	–
Fines	1	0	53.8%	0	4.8%	0	3.9%	0
Licences and permits	5	736	-2.7%	716	4.8%	750	3.9%	779
Agency services	325	10 464	91.6%	20 047	4.8%	21 010	3.9%	21 825
Transfers recognised - operational	72 148	99 274	5.0%	104 225	2.7%	107 072	24.1%	132 858
Other revenue	26 416	1 538	795.2%	13 766	4.8%	14 427	3.9%	14 987
Gains on disposal of PPE	–	210	-28.6%	150	4.8%	157	3.9%	163
Total Revenue (excluding capital transfers and contributions)	125 295	138 644	21.4%	168 326	3.5%	174 250	16.3%	202 642
Expenditure By Type								
Employee related costs	40 637	40 295	-2.7%	39 224	4.8%	41 107	3.9%	42 702
Remuneration of councillors	8 270	10 831	-7.0%	10 070	4.8%	10 554	3.9%	10 963
Debt impairment	45 237	3 659	11.2%	4 069	4.8%	4 264	3.9%	4 429
Depreciation & asset impairment	20 119	23 784	-4.6%	22 695	4.8%	23 784	3.9%	24 707
Finance charges	340	373	4.4%	389	4.8%	408	3.9%	424
Bulk purchases	9 699	13 163	2.0%	13 432	4.8%	14 077	3.9%	14 623
Other materials	5 927	–	–	–	–	–	–	–
Contracted services	–	2 950	2 950	2 278	–	2 387	–	2 479
Transfers and grants	–	1 571	232.4%	5 223	4.8%	5 473	3.9%	5 686
Other expenditure	50 024	67 488	36.1%	91 877	4.8%	96 288	3.9%	100 024
Loss on disposal of PPE	–	–	–	–	–	–	–	–
Total Expenditure	180 254	164 114	15.3%	189 257	4.8%	198 341	3.9%	206 037

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality, but operating grants forms the major funding source.

This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. **Details in this regard are contained below:**

EC136 Emalahleni (EC) - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	4 252	4 776	3 901	3 200	2 550	2 550	2 550	5 200	5 450	5 661
less Revenue Foregone		1 187	3 003	504	520						
Net Property Rates		3 065	1 772	3 397	2 680	2 550	2 550	2 550	5 200	5 450	5 661
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	3 722	5 398	5 817	6 204	6 178	6 178	6 178	6 485	6 796	7 059
less Revenue Foregone		411	416	255							
Net Service charges - electricity revenue		3 311	4 982	5 562	6 204	6 178	6 178	6 178	6 485	6 796	7 059
Service charges - water revenue											
Total Service charges - water revenue	6			3 101	3 618	2 566	2 566	2 566	3 835	4 019	4 175
less Revenue Foregone			7	136							
Net Service charges - water revenue		-	(7)	2 965	3 618	2 566	2 566	2 566	3 835	4 019	4 175
Service charges - sanitation revenue											
Total Service charges - sanitation revenue				3 815	3 224	3 537	3 537	3 537	3 418	3 582	3 721
less Revenue Foregone			440	167							
Net Service charges - sanitation revenue		-	(440)	3 648	3 224	3 537	3 537	3 537	3 418	3 582	3 721
Service charges - refuse revenue											
Total refuse removal revenue	6	2 376	2 559	2 686	2 807	2 750	2 750	2 750	4 200	4 402	4 572
Total landfill revenue		-	-								
less Revenue Foregone		-	195	118							
Net Service charges - refuse revenue		2 376	2 364	2 568	2 807	2 750	2 750	2 750	4 200	4 402	4 572

Tariffs for indigent households are set out below:

1	Rates free of charge to the value based on market value of his property to the maximum of R50 000
2	50 kWh free electricity per month
3	10 kiloliters of water free per month (6kl of water consumption and 4 for sanitation use)
4	Free refuse x 4 removal per month
5	Free sewerage per month

Operating grants and transfers totals R130 142 million in the 2013/14 financial year and increases to R164 400 million by 2015/16. Operating grants usually fluctuates upwards or downwards from year-to-year, as the revenue recognition for such grants depends only on compliance with any conditions attached to such grants and it is also dependant on the funding available from the other spheres of Government. The unconditional Equitable Share Grant, however, is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis. The contribution for Councillors Allowances also increased significantly for the budget year. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

EC136 Emalahleni (EC) - Supporting Table SA18 Transfers and grant receipts

Description	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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		46 465	51 330	72 148	79 021	81 977	81 977	103 653	106 473	132 235
Local Government Equitable Share		46 465	51 330	61 056	69 797	68 503	68 503	78 749	92 189	117 658
Finance Management				1 911	1 500	1 500	1 500	1 650	1 800	1 950
Municipal Systems Improvement				854	800	800	800	890	934	967
Integrated National Electrification Programme				5 134	4 000	9 000	9 000	20 000	10 000	10 000
EPWP Incentive				-	1 358	1 358	1 358	1 000	-	-
Municipal Infrastructure Grant (MIG)					1 166	816	816	1 364	1 550	1 660
Other Grants				3 193	400	-	-	-	-	-
Provincial Government:		-	-	-	520	884	884	572	599	623
Other Grants					520	884	884	572	599	623
District Municipality:		-	-	-	-	16 413	16 413	-	-	-
Other Grants					-	16 413	16 413			
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	46 465	51 330	72 148	79 541	99 274	99 274	104 225	107 072	132 858
Capital Transfers and Grants										
National Government:		20 314	23 017	1 425	22 145	22 145	22 145	25 917	29 441	31 542
Municipal Infrastructure Grant (MIG)		20 314	23 017	1 425	22 145	22 145	22 145	25 917	29 441	31 542
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]					-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other Grants										
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	20 314	23 017	1 425	22 145	22 145	22 145	25 917	29 441	31 542
TOTAL RECEIPTS OF TRANSFERS & GRANTS		66 779	74 347	73 574	101 686	121 419	121 419	130 142	136 513	164 400

Revenue from capital transfers is indicated below is growing steadily from R25 917 in 2014 to R31 542 in 2016 million over the MTREF period.

Transfers recognised - capital	26 470	0	1 425	22 145	22 145	22 145	22 145	25 917	29 441	31 542
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	49 103	24 701	(53 534)	26 150	(3 324)	(3 324)	(3 324)	4 986	5 350	28 147

Total revenue per municipal vote, including capital transfers, is listed below:

EC136 Emalahleni (EC) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	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
Revenue by Vote										
Vote 1 - Executive and Council	1	1 892	1 150	600	2 528	2 528	2 528	5 336	6 204	6 442
1.1 - Council		1 892	1 150	480	2 528	2 528	2 528	5 336	6 204	6 442
1.2 - Municipal Manager				120	-	-	-	-	-	-
Vote 2 - Budget and Treasury		51 271	56 316	70 163	75 415	76 069	76 069	85 906	99 150	124 968
2.1 - Financial Services		48 060	53 576	70 163	72 235	72 419	72 419	79 661	92 605	118 170
2.2 - Assessment Rates		3 211	2 739	-	3 180	3 650	3 650	6 245	6 544	6 798
Vote 3 - Corporate Services		77	81	90	12	1	1	0	0	0
3.1 - Human Resources		77	81	90	12	1	1	0	0	0
Vote 4 - Community and Social Services		3 395	4 274	5 067	4 436	6 533	6 533	6 655	6 975	7 245
4.1 - Administration Buildings		(0)	-	-	1	-	-	-	-	-
4.2 - Commonage Pounds		179	430	-	319	337	337	335	351	365
4.3 - Community and Social Services		-	37	1 100	-	-	-	-	-	-
4.4 - Parks and Public Open Spaces		-	-	-	-	-	-	-	-	-
4.5 - Cemetery		30	28	-	38	32	32	33	34	35
4.6 - Community Town Halls		205	123	-	185	67	67	71	74	77
4.7 - Library		221	3	-	521	809	809	575	602	626
4.8 - Sport and Recreation		4	3	-	8	3	3	2	2	2
4.9 - Tourism Resorts		179	107	-	267	235	235	140	147	153
4.10 - Refuse		2 579	3 543	3 967	3 096	5 050	5 050	5 500	5 764	5 988
Vote 5 - IPED		1 449	1	1 578	403	3 179	3 179	12	12	13
5.1 - IPED		1 347	1	1 578	403	3 179	3 179	12	12	13
5.2 - Housing		102	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		32 561	39 561	49 223	68 162	72 479	72 479	96 334	91 350	95 515
6.1 - Licencing and Registration		1 685	24	-	-	736	736	1 399	1 466	1 522
6.2 - Roads and Stormwater		26 762	0	2 277	24 669	24 319	24 319	28 281	30 991	33 202
6.3 - Technical Services Administration		107	57	-	339	65	65	-	-	-
6.4 - Sanatation		-	(440)	-	5 425	9 133	9 133	14 688	15 393	15 990
6.5 - Water		-	34 198	36 272	27 393	22 839	22 839	25 281	26 495	27 523
6.6 - Streetlights		1 510	66	-	916	-	-	-	-	-
6.7 - Electricity		2 498	5 656	10 674	9 419	15 387	15 387	26 685	17 006	17 278
Total Revenue by Vote	2	90 645	101 382	126 721	150 955	160 790	160 790	194 243	203 691	234 184

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by an external agency, the impact it has on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. The contribution for bad debt is increasing from R3 659 million in 2012/13 to R4 069 million in 2013/14 financial year.

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 utilised 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, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R50 000;
- The limit for indigent households is twice the amount of government social pensions.

The municipality investigates a tariff structure consistent with operational requirements but also to ensure that the ratepayers are not over-burdened.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on a general 5.4 per cent increase from 1 July 2013.

ASSESSMENT RATES								
Ratios								
Undeveloped land	1.0							
Institutional	1.5							
Land and Buildings	1.0							
Business	1.5							
Government	1.5							
Agricultural	0.25							
Public service infrastructure	0.25							
Public benefit organisation	0.25							
Percentage of increase					1.050	1.048	1.054	1.054
							1.060	1.060
FINANCIAL YEARS								
		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
LADY FRERE		0.0059	0.0062	0.0065	0.0068	0.0072	0.0076	0.0081
DORDRECHT		0.0059	0.0062	0.0065	0.0068	0.0072	0.0076	0.0081
INDWE		0.0059	0.0062	0.0065	0.0068	0.0072	0.0076	0.0081
Interest will be charged on all late payments. Property rates for registered indigent customers will be subsidized as per the Indigent policy.								

1.3.2 Sale of Water and Sanitation and the Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. In addition, recent droughts caused water carting to be introduced by the Chris Hani District Municipality. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

The municipality obtains water from the Chris Hani District Municipality (CHDM) and deliver the service on behalf of the CHDM. The CHDM reimburses the municipality for the difference in expenditure incurred in delivering the service and the cash received from consumers as payment for the services. The municipality is concerned, that claims are not properly done monthly which ends up annually that the District owns monies to the local municipality.

Furthermore, the CHDM indicated that the water tariffs to the consumers are not cost reflective and as such the tariffs will increase substantially from the 2013/2014 financial year. Similarly, the CHDM also indicated the tariffs for sanitation are not cost reflective and may be subjected to significant increases.

WATER							
FINANCIAL YEARS	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
Tarrifs exclude VAT							
Domestic Consumers : (Metered)							
Basic/Availability Charge per month (6kl free water included)		1.06	1.048	1.06	1.06	1.06	
DORDRECHT	29.66	31.44	32.95	34.93	37.02	39.24	
INDWE	29.66	31.44	32.95	34.93	37.02	39.24	
Per KL consumed							
DORDRECHT: 0 - 6kl	3.33	3.53	3.70	3.92	14.41	15.27	
DORDRECHT: 6 - 15kl	3.33	3.53	3.70	3.92	18.01	19.09	
DORDRECHT: 15 - 25kl	3.33	3.53	3.70	3.92	22.52	23.87	
DORDRECHT: 25 - 40kl	3.33	3.53	3.70	3.92	28.14	29.83	
DORDRECHT: 40 - 500kl	3.33	3.53	3.70	3.92	42.22	44.75	
DORDRECHT: > 500kl	3.33	3.53	3.70	3.92	84.43	89.50	
INDWE: 0 - 6kl	3.33	3.53	3.70	3.92	14.41	15.27	
INDWE: 6 - 15kl	3.33	3.53	3.70	3.92	18.01	19.09	
INDWE: 15 - 25kl	3.33	3.53	3.70	3.92	22.52	23.87	
INDWE: 25 - 40kl	3.33	3.53	3.70	3.92	28.14	29.83	
INDWE: 40 - 500kl	3.33	3.53	3.70	3.92	42.22	44.75	
INDWE: > 500kl	3.33	3.53	3.70	3.92	84.43	89.50	
Domestic Consumers: (Unmetered)							
Basic/Availability Charge per month (Unmetered on site)							
LADY FRERE	43.15	45.74	47.93	50.81	53.86	57.09	
DORDRECHT	43.15	45.74	47.93	50.81	53.86	57.09	
INDWE	43.15	45.74	47.93	50.81	53.86	57.09	
Basic/Availability Charge per month (Standpipes)							
LADY FRERE	43.15	45.74	47.93	50.81	53.86	57.09	
Commercial Consumers: (Metered)							
Basic/Availability Charge per month							
DORDRECHT	43.15	45.74	47.93	50.81	53.86	57.09	
INDWE	43.15	45.74	47.93	50.81	53.86	57.09	
Per KL consumed							
DORDRECHT	3.33	3.53	3.70	3.92	4.16	4.41	
INDWE	3.33	3.53	3.70	3.92	4.16	4.41	
LADY FRERE (FLAT RATE)				27.00	28.62	30.34	
DORDRECHT (UPCOMING STRUCTURES)				42.00	44.52	47.19	
INDWE (UPCOMING STUCTRES)				42.00	44.52	47.19	
Government Consumers: (Metered)							
Basic/Availability Charge per month							
DORDRECHT	179.69	190.47	199.61	211.59	224.29	237.74	
Per KL consumed							
DORDRECHT	3.33	3.53	3.70	3.92	4.16	4.41	
Indigents							
LADY FRERE	0	0.00	0.00	0.00	0.00	0.00	
DORDRECHT	0	0.00	0.00	0.00	0.00	0.00	
INDWE	0	0.00	0.00	0.00	0.00	0.00	
6 kl free plus 2 kl for HIV/AIDS possitive, usage exceding 6 kl standard tariff will apply							
New connection fees							
Residential		625.00	655.00	694.30	735.96	780.12	
Business		1 590.00	1 666.32	1 766.30	1 872.28	1984.61	

Although water inventory belongs to the CHDM, the municipality continuously explores ways to limit the water losses to an acceptable level. There will always be water line losses due to burst pipes and as repairs thereof requires flushing of systems before being distributed again. However any losses above 13% to 15 %is considered excessive by the Auditor-General's office and regarded as fruitless expenditure.

1.3.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 8 per cent increase in the Eskom bulk electricity was given by NERSA. However, NERSA has indicated a 6% to 8% tariff increase to municipalities will be effective from 1 July 2013.

Considering the Eskom increases, the consumer tariff had to be increased by 7% per cent to offset the additional bulk purchase cost from 1 July 2013. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

ELECTRICITY TARIFFS & CHARGES (Excl VAT)

Standard interest + 1.00% would be charged on all late payments

Implementation subject to NERSA approval

Tariffs are applicable throughout Emalahleni Municipality unless indicated otherwise

ELECTRICITY							
All The Tariffs are VAT exclusive							
Fees exclude cables, trenching and circuit breaker.							
FINANCIAL YEARS		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Domestic Consumers: (Pre-paid)							
Single Phase (per KWh consumed)			1.2	1.2238	BLOCK 3	BLOCK 3	BLOCK 3
DORDRECHT	1.01	0.76	0.92	1.12	1.0247	1.10	1.17
INDWE	1.01	0.76	0.92	1.12	1.0247	1.10	1.17
Domestic Three Phase (per KWh consumed/Energy Charge)							
DORDRECHT	Leave as is:1.26	0.86	1.03	1.26	1.26	1.35	1.44
Domestic Consumers: (Metered)							
Basic/Availability Charge per month (Single Phase)							
DORDRECHT		48.60	58.32	71.37	81.00	86.67	92.74
INDWE		48.60	58.32	71.37	81.00	86.67	92.74
Basic/Availability Charge per month (Three Phase)							
DORDRECHT		104.31	125.17	153.18	172.90	185.00	197.95
Per KWh consumed							
DORDRECHT		0.61	0.73	0.89	1.00	1.07	1.14
INDWE		0.61	0.73	0.89	1.00	1.07	1.14
COMMERCIAL TARIFFS							
Commercial Consumers: (Metered)							
Basic/Availability Charge per month (Single Phase)					Commercial	Commercial	Commercial
DORDRECHT		170.00	204.00	249.66	278.00	297.46	318.28
INDWE		170.00	204.00	249.66	278.00	297.46	318.28
Basic/Availability Charge per month (Three Phase)							
DORDRECHT		346.27	415.52	508.52	568.60	608.40	650.99
Per Kwh consumed/Energy Charge.							
DORDRECHT		0.61	0.73	0.89	1.00	1.07	1.14
INDWE		0.61	0.73	0.89	1.00	1.07	1.14
Small Commercial Consumers: (Pre-paid meters)							
Single Phase (per KWh consumed)							
DORDRECHT	1.22 was approved	0.86	1.03	1.22	1.33	1.42	1.52
INDWE		0.86	1.03	1.22	1.33	1.42	1.52
Three Phase (per consumed)/Energy.							
DORDRECHT	1.24 was approved	0.86	1.04	1.24	1.35	1.44	1.55
INDWE		0.86	1.04	1.24	1.35	1.44	1.55
Large Commercial Consumers: (Metered)							
Basic/Availability Charge per month (Single Phase).							
DORDRECHT		333.75	400.50	490.13	572.00	612.04	654.88
INDWE	skip for now	433.79	520.54	637.04	637.04	681.63	729.35
Per KWh consumed/energy Charge.							
DORDRECHT		0.33	0.40	0.49	0.56	0.60	0.64
INDWE		0.30	1.50	1.84	1.84	1.97	2.11
Demand Charge.							
DORDRECHT		108.31	129.97	159.06	172.98	185.09	198.04
INDWE		108.31	129.97	159.06	159.06	170.19	182.11
Indigent Households							
50 Kw free electricity					Block 1	Block 1	Block 1
Per KVA consumed							
DORDRECHT	0.84 was appr	0.58	0.69	0.84	0.84	0.90	0.96
INDWE		0.58	0.69	0.84	0.84	0.90	0.96
Percentage of increase					1.1103	1.11	1.1103
Re-connection fee:			183.00	223.96	248.66	266.06	284.69
Tampering with meters			2 200.60	2 693.09	2 990.14	3199.45	3423.41
New connections:							
Single phase:- Residential			512.00	626.59	695.70	744.40	796.50
Business			963.04	1 178.57	1 308.56	1400.16	1498.18
Three phase:- Business Commercial(50KVA)			2 900.00	3 549.02	3 940.48	4216.31	4511.45
Business/Commercial (100KVA)			7 400.00	9 056.12	10 055.01	10758.86	11511.98

Electricity is regarded as a trading account which should make a profit, although NERSA monitors and limits this profit to about 10% if possible. The municipality does not make a profit on electricity and must implement ways of achieving a profit, without overburdening the consumers with exorbitant tariffs. The municipality needs to established the causes for electricity losses. The loss on the electricity service over the MTREF is 13,7 percent for 2013/2014 and 13,9 percent and 14,1 percent for the outer years

Electricity line losses should be continuously monitored as it can represent a significant financial loss for the municipality. In general electricity line losses of 10% is being regarded as “acceptable” in the industry and Emalahleni Municipality is well above that norm.

Comparison between current electricity charges and increases

It should further be noted that NERSA has advised that a stepped tariff structure must be used. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality should comply with this requirement.

1.3.4 Waste Removal and Impact of Tariff Increases

The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main cost drivers for this section are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. In addition, the cost of new landfill sites, the effect of depreciation and rehabilitation on these landfill sites all plays an important role as cost drivers. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation should be incorporated into the next planning cycle.

Higher increases than inflation will not be viable in 2013/14 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 6 per cent would not only be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt, but also, although on a small scale, not assisting the national government in reaching the CPIX target of between 3 and 6 percent.

The following table compares current and proposed amounts payable from 1 July 2013:

Comparison between current waste removal fees and increases

REFUSE REMOVAL								
FINANCIAL YEARS	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	
Tariffs exclude VAT								
Domestic Consumers:								
Basic/Availability Charge per month		1.057	1.048	1.054	1.054	1.054	1.054	
LADY FRERE	50.83	53.73	56.31	59.35	62.55	65.93	69.49	
DORDRECHT	50.83	53.73	56.31	59.35	62.55	65.93	69.49	
INDWE	50.83	53.73	56.31	59.35	62.55	65.93	69.49	
Commercial Consumers:								
Basic/Availability Charge per month								
LADY FRERE	101.65	107.44	112.60	118.68	125.09	131.85	138.97	
DORDRECHT	101.65	107.44	112.60	118.68	125.09	131.85	138.97	
INDWE	101.65	107.44	112.60	118.68	125.09	131.85	138.97	
Government Consumers:								
Basic/Availability Charge per month								
LADY FRERE	253.90	268.37	281.25	296.44	312.45	329.32	347.11	
DORDRECHT	253.90	268.37	281.25	296.44	312.45	329.32	347.11	
INDWE	253.90	268.37	281.25	296.44	312.45	329.32	347.11	
Indigents:								
Basic/Availability Charge per month								
LADY FRERE	-	-	-	-	-	-	-	
DORDRECHT	-	-	-	-	-	-	-	
INDWE	-	-	-	-	-	-	-	
Special Refuse collection	185.93	196.53	205.96	217.08	228.81	241.16	254.18	
Collection of Garden Refuse	185.93	196.53	205.96	217.08	228.81	241.16	254.18	
Special Refuse collection - Government and Commercial	220.95	233.54	244.75	257.97	271.90	286.58	302.06	
Tree- cutting inside yard :	2 100.00	2 219.70	2 326.25	2 451.86	2 584.26	2 723.81	2 870.90	
Rubble per load/building remains	-	-	238.14	251.00	264.55	278.84	293.90	

1.3.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on different households.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to about 4.9%, excluding the electricity adjustments.

EC136 Emalahleni (EC) - Supporting Table SA14 Household bills

Description	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 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		344.17	346.30	348.55	396.67	396.67	396.67	5.4%	420.00	443.33	472.50
Electricity: Basic levy		48.60	58.32	71.37	1.09	1.09	1.09	7.0%	54.50	58.50	62.50
Electricity: Consumption		610.00	730.00	890.00	1 024.70	1 024.70	1 024.70	7.0%	1 090.00	1 090.00	1 170.00
Water: Basic levy		29.66	31.44	32.95	37.02	37.02	37.02	5.4%	39.24	41.60	44.09
Water: Consumption		99.90	105.90	111.00	117.60	117.60	117.60	5.4%	432.30	458.10	485.70
Sanitation		55.71	59.05	61.89	68.75	68.75	68.75	5.4%	72.88	77.25	81.88
Refuse removal		50.83	53.73	56.31	62.55	62.55	62.55	5.4%	65.93	69.49	73.24
Other											
sub-total		1 238.87	1 384.74	1 572.07	566.08	566.08	566.08	15.3%	652.55	690.17	734.21
VAT on Services		125.26	145.38	171.29	23.72	23.72	23.72		32.56	34.56	36.64
Total large household bill:		1 364.12	1 530.12	1 743.36	589.79	589.79	589.79	16.2%	685.11	724.73	770.85
% increase/-decrease			12.2%	13.9%	(66.2%)	-	-		16.2%	5.8%	6.4%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		245.83	247.36	248.97	283.33	283.33	283.33	5.4%	300.00	316.67	337.50
Electricity: Basic levy		48.60	58.32	71.37	81.00	81.00	81.00	7.0%	54.50	54.50	54.50
Electricity: Consumption		305.00	365.00	445.00	512.35	512.35	512.35	7.0%	545.00	545.00	585.00
Water: Basic levy		29.66	31.44	32.95	34.93	34.93	34.93	5.4%	37.02	39.24	41.60
Water: Consumption		83.25	88.25	92.50	98.00	98.00	98.00	5.4%	360.25	381.75	404.75
Sanitation		55.71	59.05	61.89	65.23	65.23	65.23	5.4%	68.75	72.88	77.25
Refuse removal		50.83	53.73	56.31	59.35	59.35	59.35	5.4%	62.55	65.93	69.49
Other											
sub-total		818.88	903.15	1 008.99	523.84	523.84	523.84	(0.2%)	522.82	549.22	580.34
VAT on Services		80.23	91.81	106.40	33.67	33.67	33.67		31.19	32.56	34.00
Total small household bill:		899.11	994.96	1 115.39	557.51	557.51	557.51	(0.6%)	554.01	581.77	614.34
% increase/-decrease			10.7%	12.1%	(50.0%)	-	-		(0.6%)	5.0%	5.6%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		147.50	148.41	149.38	170.00	170.00	170.00	5.4%	180.00	190.00	202.50
Electricity: Basic levy		48.60	58.32	71.37	81.00	81.00	81.00	7.0%	270.00	288.00	309.00
Electricity: Consumption		183.00	219.00	267.00	358.65	358.65	358.65	7.0%	381.50	381.50	409.50
Water: Basic levy		29.66	31.44	32.95	34.93	34.93	34.93	5.4%	37.02	39.24	41.60
Water: Consumption		93.54	99.54	104.64	78.40	78.40	78.40	5.4%	201.74	213.78	226.66
Sanitation		55.71	59.05	61.89	65.23	65.23	65.23	5.4%	68.75	72.88	77.25
Refuse removal		50.83	53.73	56.31	59.35	59.35	59.35	5.4%	62.55	65.93	69.49
Other											
sub-total		608.84	669.49	743.54	404.15	404.15	404.15	(1.9%)	396.46	416.19	438.98
VAT on Services		64.59	72.95	83.18	32.78	32.78	32.78		30.30	31.67	33.11
Total small household bill:		673.43	742.45	826.72	436.93	436.93	436.93	(2.3%)	426.76	447.86	472.09
% increase/-decrease			10.2%	11.4%	(47.1%)	-	-		(2.3%)	4.9%	5.4%

1.4 Operating Expenditure Framework

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

- Guidance provided by National Treasury in Circulars 58, 59 and 66;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Limitation on tariff increases.

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

EC136 Emalahleni (EC) - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	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
Expenditure - Standard										
Municipal governance and administration		21 206	43 085	44 653	46 693	55 015	55 015	59 847	62 720	65 154
Executive and council		(5 167)	16 131	20 597	23 219	21 562	21 562	23 490	24 617	25 572
<i>Mayor and Council</i>		(7 703)	11 553	14 552	17 034	17 577	17 577	17 370	18 204	18 910
<i>Municipal Manager</i>		2 535	4 578	6 045	6 185	3 985	3 985	6 119	6 413	6 662
Budget and treasury office		18 993	16 995	14 196	12 213	19 393	19 393	21 139	22 153	23 013
Corporate services		7 381	9 959	9 859	11 261	14 059	14 059	15 219	15 950	16 569
<i>Human Resources</i>		7 381	9 959	9 859	11 261	14 059	14 059	15 219	15 950	16 569
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Property Services</i>		-	-	-	-	-	-	-	-	-
<i>Other Admin</i>		-	-	-	-	-	-	-	-	-
Community and public safety		3 959	6 098	8 435	20 700	24 390	24 390	27 170	28 474	29 579
Community and social services		2 631	4 337	6 026	7 832	9 855	9 855	13 199	13 832	14 369
<i>Libraries and Archives</i>		246	280	6 026	323	809	809	381	399	414
<i>Museums & Art Galleries etc</i>		-	-	-	-	-	-	-	-	-
<i>Community halls and Facilities</i>		375	616	-	576	507	507	578	606	630
<i>Cemeteries & Crematoriums</i>		47	205	-	469	340	340	523	549	570
<i>Child Care</i>		-	-	-	-	-	-	-	-	-
<i>Aged Care</i>		-	-	-	-	-	-	-	-	-
<i>Other Community</i>		1 962	3 236	-	6 465	8 199	8 199	11 716	12 279	12 755
<i>Other Social</i>		-	-	-	-	-	-	-	-	-
Sport and recreation		144	217	854	322	312	312	352	369	384
Public safety		362	314	-	11 087	12 830	12 830	11 954	12 528	13 014
<i>Police</i>		-	-	-	-	-	-	-	-	-
<i>Fire</i>		-	-	-	-	-	-	-	-	-
<i>Civil Defence</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		362	314	-	11 087	12 830	12 830	11 954	12 528	13 014
<i>Other</i>		-	-	-	-	-	-	-	-	-
Housing		822	1 230	1 554	1 459	1 394	1 394	1 665	1 745	1 812
Health		-	-	-	-	-	-	-	-	-
<i>Clinics</i>		-	-	-	-	-	-	-	-	-
<i>Ambulance</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Economic and environmental services		8 962	10 955	37 684	17 710	29 451	29 451	27 481	28 800	29 918
Planning and development		3 097	3 645	5 758	8 241	9 837	9 837	8 597	9 010	9 359
<i>Economic Development/Planning</i>		3 097	3 645	5 212	8 241	9 837	9 837	8 597	9 010	9 359
<i>Town Planning/Building</i>		-	-	-	-	-	-	-	-	-
<i>Licensing & Regulation</i>		-	-	546	-	-	-	-	-	-
Road transport		5 865	7 310	31 926	9 469	19 614	19 614	18 884	19 790	20 558
<i>Roads</i>		4 499	7 256	31 926	9 441	19 614	19 614	18 884	19 790	20 558
<i>Public Buses</i>		-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>		-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>		1 366	54	-	28	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-
<i>Biodiversity & Landscape</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Trading services		7 414	16 542	89 483	39 027	54 939	54 939	74 050	77 604	80 615
Electricity		4 636	13 193	15 091	3 241	13 271	13 271	25 826	27 065	28 115
<i>Electricity Distribution</i>		4 636	13 193	15 091	3 241	13 271	13 271	25 826	27 065	28 115
<i>Electricity Generation</i>		-	-	-	-	-	-	-	-	-
Water		(0)	-	34 253	19 066	22 839	22 839	25 223	26 434	27 459
<i>Water Distribution</i>		(0)	-	34 253	19 066	22 839	22 839	25 223	26 434	27 459
<i>Water Storage</i>		-	-	-	-	-	-	-	-	-
Waste water management		-	-	27 626	13 387	9 133	9 133	14 675	15 379	15 976
<i>Sewerage</i>		-	-	27 626	13 387	9 133	9 133	14 675	15 379	15 976
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>		-	-	-	-	-	-	-	-	-
Waste management		2 778	3 349	12 513	3 332	9 696	9 696	8 326	8 726	9 065
<i>Solid Waste</i>		2 778	3 349	12 513	3 332	9 696	9 696	8 326	8 726	9 065
Other		-	-	-	676	319	319	709	743	772
<i>Air Transport</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Tourism</i>		-	-	-	676	319	319	709	743	772
<i>Forestry</i>		-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	41 542	76 681	180 254	124 805	164 114	164 114	189 257	198 341	206 037
Surplus/(Deficit) for the year		49 103	24 701	(53 534)	26 150	(3 324)	(3 324)	4 986	5 350	28 147

The budgeted allocation for employee related costs for the 2013/14 financial year totals R39 224 million, which equals 20.7 per cent of the total operating expenditure. This percentage remain to 20.7 and 20.7 per cent in the outer years of the MTREF period. Should electricity bulk purchases and depreciation be excluded, in order to compare it with other municipalities on an more equal basis, the costs represent 25.6 per cent of the expenditure and remain to 25.6 and 25.6 per cent in the outer years. Based on the guidance provided by National Treasury in Circular 58 and in the absence on a new collective agreement on increases, salary increases have been factored into this budget at a percentage increase of 9.0 per cent (including the notch increases of 2.5 %) for the 2013/14 financial year. An annual increase of 4.8 and 3.9 per cent has been included in the two outer years of the MTREF.

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

The provision of debt impairment was determined based on an annual collection rate of 15 per cent and the Debt Write-off Policy of the Municipality. For the 2013/14 financial year this amount equates to R4 069 million and escalates to R4 429 million by 2015/16. 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 of asset consumption. Budget appropriations in this regard total R22 695 million for the 2013/14 financial and equates to 12.0 per cent of the total operating expenditure. In order to measure it against other municipalities, if electricity bulk purchases are eliminated, it represents 12.9 per cent of the expenditure. The average for local municipalities in recent research is 11,76 per cent, and this small difference indicating that expected useful lives and depreciation rates are realistic.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. Electricity bulk purchases represents 7.1 per cent of expenditure and increase to 7.1 per cent and 7.1 per cent in the outer years. If depreciation is excluded, the percentage is 8.1 per cent for the budget year and increasing to 8.1 per cent and 8.1 per cent in the outer years.

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

Main operational expenditure categories for the 2012/13 financial year

1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2013/14 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset management policy and repairs and maintenance plan of the Municipality. 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 these cost drivers, National Treasury requires municipalities to adapt their costing systems to reflect these costs as Repairs and Maintenance. The municipality financial systems, as yet, cannot provide for this request and it will be implemented in future budgets.

During the compilation of the 2013/14 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, the municipality identified this, together with other strategic items, as priority to be investigated and changes to be incorporated into the next budget, if not already to the 2013/2014 Adjustments Budget. The table below provides a breakdown of the repairs and maintenance in relation to asset class:

EC136 Emalahleni (EC) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	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
Repairs and maintenance expenditure by Asset Class/Sub-class	1									
Infrastructure		279	891	-	4 950	4 950	4 950	7 948	8 329	8 652
Infrastructure - Road transport		211	447	-	828	828	828	836	876	910
<i>Roads, Pavements & Bridges</i>		191	342		552	552	552	557	584	607
<i>Storm water</i>		20	105		276	276	276	279	292	303
Infrastructure - Electricity		68	445	-	701	701	701	966	1 012	1 052
<i>Generation</i>		-	-							
<i>Transmission & Reticulation</i>		57	366		110	110	110	323	339	352
<i>Street Lighting</i>		11	78		590	590	590	643	674	700
Infrastructure - Water		-	-	-	3 422	3 422	3 422	3 872	4 058	4 216
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>					3 422	3 422	3 422	3 872	4 058	4 216
Infrastructure - Sanitation		-	-	-	-	-	-	2 273	2 382	2 475
<i>Reticulation</i>								2 273	2 382	2 475
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>	2									
<i>Gas</i>	3									
<i>Other</i>										
Community		58	41	-	394	394	394	342	359	373
Parks & gardens	4	7			86	86	86	87	91	95
Sportsfields & stadia		26	15		46	46	46	47	49	51
Swimming pools		-	-							
Community halls		-	-							
Libraries		-	-							
Recreational facilities		-	-							
Fire, safety & emergency		-	-							
Security and policing		-	-		120	120	120			
Buses	7	-	-							
Clinics		-	-							
Museums & Art Galleries		-	-							
Cemeteries		29	19		142	142	142	143	150	156
Social rental housing	8	-	-					66	69	71
Other		-	-							
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		1 014	1 574	-	5 488	5 437	5 437	7 705	8 074	8 388
General vehicles		831	892		1 865	1 865	1 865	3 730	3 909	4 061
Specialised vehicles		-	-		-	-	-	-	-	-
Plant & equipment		58	156		2 231	2 180	2 180	1 256	1 316	1 367
Computers - hardware/equipment		-	-		32	32	32	33	35	36
Furniture and other office equipment		59	63		295	295	295	296	310	322
Abattoirs		-	-							
Markets		-	-							
Civic Land and Buildings		-	-					2 390	2 504	2 601
Other Buildings		66	463		1 066	1 066	1 066			
Other Land		-	-							
Surplus Assets - (Investment or Inventory)		-	-							
Other		-	-							
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	1 351	2 506	-	10 832	10 781	10 781	15 995	16 762	17 413

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register all indigent households during the 2013/14 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained below.(Note that Water and Sanitation, although provided by the municipality, is the function of CHDM)

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The Transfer of grants as a result of free basic services totals R5 223 million in the budget year of 2013/14 and increasing to R5 473 million and R5 686 million in the outer years.

1.5 Capital expenditure

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

EC136 Emalahleni (EC) - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	6 795	6 381	6 381	6 381	15 556	16 599	13 880
Vote 5 - IPED		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		-	-	-	-	3 140	3 140	3 140	10 341	9 125	16 001
Capital multi-year expenditure sub-total	7	-	-	-	6 795	9 521	9 521	9 521	25 898	25 724	29 881
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	312	-	205	205	205	6 380	210	138
Vote 2 - Budget and Treasury		1 810	-	260	1 005	1 745	1 745	1 745	970	1 010	1 060
Vote 3 - Corporate Services		-	-	534	-	155	155	155	140	120	100
Vote 4 - Community and Social Services		4 103	-	493	4 200	1 780	1 780	1 780	940	120	100
Vote 5 - IPED		1 035	-	38	-	1 699	1 699	1 699	2 784	1 640	1 740
Vote 6 - Technical Services		20 127	-	1 955	11 950	12 343	12 343	12 343	2 630	2 288	100
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		27 075	-	3 592	17 155	17 927	17 927	17 927	13 844	5 388	3 238
Total Capital Expenditure - Vote		27 075	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119
Capital Expenditure - Standard											
Governance and administration		1 810	-	1 106	1 005	2 105	2 105	2 105	7 490	1 340	1 298
Executive and council		-	-	312	-	205	205	205	6 380	210	138
Budget and treasury office		1 810	-	260	1 005	1 745	1 745	1 745	970	1 010	1 060
Corporate services		-	-	534	-	155	155	155	140	120	100
Community and public safety		4 368	-	493	10 795	7 361	7 361	7 361	11 496	12 719	8 000
Community and social services		2 267	-	493	3 400	2 910	2 910	2 910	2 814	5 450	4 900
Sport and recreation		822	-	-	5 300	2 360	2 360	2 360	6 892	4 649	3 000
Public safety		264	-	-	2 095	2 091	2 091	2 091	1 790	2 620	100
Housing		1 015	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		14 687	-	1 993	11 950	17 182	17 182	17 182	15 756	13 053	17 841
Planning and development		20	-	38	-	1 699	1 699	1 699	2 784	1 640	1 740
Road transport		14 667	-	1 955	11 950	15 483	15 483	15 483	12 971	11 413	16 101
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		6 210	-	-	200	800	800	800	5 000	4 000	5 980
Electricity		810	-	-	-	-	-	-	-	-	-
Water		4 650	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		750	-	-	200	800	800	800	5 000	4 000	5 980
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	27 076	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119
Funded by:											
National Government		14 696	-	1 955	22 499	23 311	23 311	23 311	25 917	29 441	31 542
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		4 650	-	-	800	-	-	-	-	-	-
Other transfers and grants		968	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	20 314	-	1 955	23 299	23 311	23 311	23 311	25 917	29 441	31 542
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		6 761	-	1 637	651	4 137	4 137	4 137	13 825	1 670	1 577
Total Capital Funding	7	27 075	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119

The following table provides more information on the breakdown of the capital budget and the related maintenance of assets.

EC136 Emalahleni (EC) - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	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
Capital expenditure on New assets by Asset Class	1									
Infrastructure		15 457	-	1 492	15 945	17 757	17 757	11 706	12 843	17 661
Infrastructure - Road transport		14 547	-	1 492	11 950	15 333	15 333	10 341	11 293	16 001
Roads, Pavements & Bridges		14 547	-	1 492	11 950	15 333	15 333	10 341	11 293	16 001
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		400	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		400	-	-	-	-	-	-	-	-
Infrastructure - Water		510	-	-	-	-	-	-	-	-
Dams & Reservoirs		400	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		110	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	3 995	2 424	2 424	1 364	1 550	1 660
Waste Management		-	-	-	-	800	800	-	-	-
Transportation		-	-	-	2 000	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	1 995	1 624	1 624	1 364	1 550	1 660
Community		550	-	-	6 400	5 320	5 320	9 706	10 099	7 900
Parks & gardens		-	-	-	200	200	200	350	-	-
Sportsfields & stadia		50	-	-	3 500	2 360	2 360	6 892	4 649	3 000
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	500	500	500	2 064	2 800	2 900
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		500	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	700	60	60	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Cinemas		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	1 500	1 500	1 500	-	2 650	2 000
Social residential housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	700	700	400	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		11 068	-	2 100	1 455	4 371	4 371	18 330	8 170	7 558
General vehicles		4 510	-	1 220	600	1 175	1 175	1 150	750	800
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		350	-	34	-	200	200	3 250	-	-
Computers - hardware/equipment		1 135	-	727	415	685	685	510	500	480
Furniture and other office equipment		1 300	-	118	440	400	400	6 500	370	258
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	1 711	1 711	6 320	6 550	6 020
Other Buildings		3 773	-	-	-	200	200	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	600	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	150	-	-	-	-	-
Computers - software & programming		-	-	-	150	-	-	-	-	-
Other (<i>List sub-class</i>)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on New assets	1	27 075	-	3 592	23 950	27 448	27 448	39 742	31 111	33 119

1.5.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 6 MBRR SA35 on page 91. This table shows that future operational costs associated with the capital programme totals R4,1 million in 2012/13 and escalates to R13,8 million by 2014/15. This concomitant operational expenditure is expected to escalate to R1,6 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.

EC136 Emalahleni (EC) - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	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	1							
Vote 1 - Executive and Council		6 380	210	138				
Vote 2 - Budget and Treasury		970	1 010	1 060				
Vote 3 - Corporate Services		140	120	100				
Vote 4 - Community and Social Services		16 496	16 719	13 980				
Vote 5 - IPED		2 784	1 640	1 740				
Vote 6 - Technical Services		12 971	11 413	16 101				
-		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		39 742	31 111	33 119	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive and Council								
Vote 2 - Budget and Treasury								
Vote 3 - Corporate Services								
Vote 4 - Community and Social Services								
Vote 5 - IPED								
Vote 6 - Technical Services								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		39 742	31 111	33 119	-	-	-	-

1.6 Annual Budget Tables

(The following 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 to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.)

EC136 Emalahleni (EC) - 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	3 065	1 772	3 397	2 680	2 550	2 550	2 550	5 200	5 450	5 661
Service charges	5 686	6 899	14 743	15 853	15 031	15 031	15 031	17 937	18 798	19 528
Investment revenue	2 387	1 830	1 911	14	2 516	2 516	2 516	1 516	1 588	1 650
Transfers recognised - operational	46 465	87 337	72 148	79 541	99 274	99 274	99 274	104 225	107 072	132 858
Other own revenue	6 570	3 544	33 096	30 722	19 274	19 274	19 274	39 448	41 341	42 945
Total Revenue (excluding capital transfers and contributions)	64 174	101 382	125 295	128 810	138 644	138 644	138 644	168 326	174 250	202 642
Employee costs	3 194	27 500	40 637	30 798	40 295	40 295	40 295	39 224	41 107	42 702
Remuneration of councillors	5 934	6 776	8 270	8 597	8 977	8 977	8 977	10 297	10 791	11 210
Depreciation & asset impairment	-	-	20 119	3 642	23 784	23 784	23 784	22 695	23 784	24 707
Finance charges	47	21	340	133	373	373	373	389	408	424
Materials and bulk purchases	5 062	7 291	15 627	12 363	13 163	13 163	13 163	13 432	14 077	14 623
Transfers and grants	-	-	-	4 301	1 571	1 571	1 571	5 223	5 473	5 686
Other expenditure	27 305	35 093	95 262	64 971	74 096	74 096	74 096	97 997	102 701	106 686
Total Expenditure	41 542	76 681	180 254	124 805	162 260	162 260	162 260	189 257	198 341	206 037
Surplus/(Deficit)	22 632	24 701	(54 959)	4 004	(23 616)	(23 616)	(23 616)	(20 931)	(24 092)	(3 395)
Transfers recognised - capital	26 470	0	1 425	22 145	22 145	22 145	22 145	25 917	29 441	31 542
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	49 103	24 701	(53 534)	26 150	(1 470)	(1 470)	(1 470)	4 986	5 350	28 147
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	49 103	24 701	(53 534)	26 150	(1 470)	(1 470)	(1 470)	4 986	5 350	28 147
Capital expenditure & funds sources										
Capital expenditure	27 076	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119
Transfers recognised - capital	20 314	-	1 955	23 299	23 311	23 311	23 311	25 917	29 441	31 542
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	6 761	-	1 637	651	4 137	4 137	4 137	13 825	1 670	1 577
Total sources of capital funds	27 075	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119
Financial position										
Total current assets	75 706	77 440	80 319	126 385	93 931	93 931	93 931	99 216	98 111	114 691
Total non current assets	203 517	225 490	392 436	243 120	253 216	253 216	253 216	256 788	262 103	268 624
Total current liabilities	29 474	28 581	15 957	26 652	26 652	26 652	26 652	16 418	17 155	17 947
Total non current liabilities	1 314	1 219	7 332	1 106	1 106	1 106	1 106	7 306	8 429	9 591
Community wealth/Equity	248 435	273 131	449 467	341 747	319 389	319 389	319 389	332 281	334 630	355 777
Cash flows										
Net cash from (used) operating	116 905	12 966	832	33 592	25 973	25 973	25 973	31 749	33 398	57 283
Net cash from (used) investing	(126 803)	(34 157)	(2 998)	(23 950)	(25 448)	(25 448)	(25 448)	(31 742)	(31 111)	(33 119)
Net cash from (used) financing	(75)	(104)	837	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	65 052	43 757	42 428	52 070	42 953	42 953	42 953	42 961	45 247	69 411
Cash backing/surplus reconciliation										
Cash and investments available	39 745	18 450	42 428	56 699	63 814	63 814	63 814	92 961	92 247	109 411
Application of cash and investments	(11 234)	29 449	(3 887)	(15 199)	(1 329)	(1 329)	(1 329)	1 432	2 199	3 136
Balance - surplus (shortfall)	50 979	(10 999)	46 315	71 898	65 143	65 143	65 143	91 529	90 048	106 275
Asset management										
Asset register summary (WDV)	203 517	225 490	392 436	243 120	253 216	253 216	256 788	256 788	262 103	268 624
Depreciation & asset impairment	-	-	20 119	3 642	23 784	23 784	22 695	22 695	23 784	24 707
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	1 351	2 506	-	10 832	10 781	10 781	15 995	15 995	16 762	17 413
Free services										
Cost of Free Basic Services provided	1 076	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	1 470	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

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

- compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. There is no provision for any borrowing in the cash flows;
 - iii. Internally generated funds is 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 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.
 5. Significant assistance is being given to the indigent households.

EC136 Emalahleni (EC) - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term		
		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								
Revenue - Standard										
Municipal governance and administration		53 239	57 546	70 853	77 955	78 598	78 598	91 242	105 354	131 411
Executive and council		1 892	1 150	600	2 528	2 528	2 528	5 336	6 204	6 442
<i>Mayor and Council</i>		1 892	1 150	600	2 528	2 528	2 528	5 336	6 204	6 442
<i>Municipal Manager</i>		-	-	-	-	-	-	-	-	-
Budget and treasury office		51 271	56 316	70 163	75 415	76 069	76 069	85 906	99 150	124 968
Corporate services		77	81	90	12	1	1	0	0	0
<i>Human Resources</i>		77	81	90	12	1	1	0	0	0
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Property Services</i>		-	-	-	-	-	-	-	-	-
<i>Other Admin</i>		-	-	-	-	-	-	-	-	-
Community and public safety		2 427	797	1 745	1 989	1 249	1 249	1 015	1 064	1 105
Community and social services		812	728	1 096	1 065	1 245	1 245	1 013	1 062	1 103
<i>Libraries and Archives</i>		221	3	1 096	521	809	809	575	602	626
<i>Museums & Art Galleries etc</i>		-	-	-	-	-	-	-	-	-
<i>Community halls and Facilities</i>		205	123	-	185	67	67	71	74	77
<i>Cemeteries & Crematoriums</i>		30	28	-	38	32	32	33	34	35
<i>Child Care</i>		-	-	-	-	-	-	-	-	-
<i>Aged Care</i>		-	-	-	-	-	-	-	-	-
<i>Other Community</i>		357	573	-	320	337	337	335	351	365
<i>Other Social</i>		-	-	-	-	-	-	-	-	-
Sport and recreation		4	3	4	8	3	3	2	2	2
Public safety		1 510	66	645	916	-	-	-	-	-
<i>Police</i>		-	-	-	-	-	-	-	-	-
<i>Fire</i>		-	-	-	-	-	-	-	-	-
<i>Civil Defence</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		1 510	66	-	916	-	-	-	-	-
<i>Other</i>		-	-	645	-	-	-	-	-	-
Housing		102	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Clinics</i>		-	-	-	-	-	-	-	-	-
<i>Ambulance</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Economic and environmental services		29 901	82	3 855	25 411	28 300	28 300	29 691	32 469	34 737
Planning and development		1 347	1	1 578	403	3 179	3 179	12	12	13
<i>Economic Development/Planning</i>		1 347	1	1 578	403	3 179	3 179	12	12	13
<i>Town Planning/Building</i>		-	-	-	-	-	-	-	-	-
<i>Licensing & Regulation</i>		-	-	-	-	-	-	-	-	-
Road transport		28 554	81	2 277	25 008	25 120	25 120	29 680	32 457	34 724
<i>Roads</i>		26 869	57	2 277	25 008	24 384	24 384	28 281	30 991	33 202
<i>Public Buses</i>		-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>		-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>		1 685	24	-	-	736	736	1 399	1 466	1 522
<i>Other</i>		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-
<i>Biodiversity & Landscape</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Trading services		5 077	42 957	50 268	45 333	52 409	52 409	72 154	64 658	66 778
Electricity		2 498	5 656	10 029	9 419	15 387	15 387	26 685	17 006	17 278
<i>Electricity Distribution</i>		2 498	5 656	10 029	9 419	15 387	15 387	26 685	17 006	17 278
<i>Electricity Generation</i>		-	-	-	-	-	-	-	-	-
Water		-	34 198	30 898	27 393	22 839	22 839	25 281	26 495	27 523
<i>Water Distribution</i>		-	34 198	30 898	27 393	22 839	22 839	25 281	26 495	27 523
<i>Water Storage</i>		-	-	-	-	-	-	-	-	-
Waste water management		-	(440)	5 374	5 425	9 133	9 133	14 688	15 393	15 990
<i>Sewerage</i>		-	(440)	5 374	5 425	9 133	9 133	14 688	15 393	15 990
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>		-	-	-	-	-	-	-	-	-
Waste management		2 579	3 543	3 967	3 096	5 050	5 050	5 500	5 764	5 988
<i>Solid Waste</i>		2 579	3 543	3 967	3 096	5 050	5 050	5 500	5 764	5 988
Other		-	-	-	267	235	235	140	147	153
<i>Air Transport</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Tourism</i>		-	-	-	267	235	235	140	147	153
<i>Forestry</i>		-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	90 645	101 382	126 721	150 955	160 790	160 790	194 243	203 691	234 184

EC136 Emalahleni (EC) - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	rent Year 2012/13			2013/14		
					Original Budget	Adjusted Budget	Full Year Forecast	Medium Term		
R thousand	1	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 - Standard										
Municipal governance and administration		21 206	43 085	44 653	46 693	55 015	55 015	59 847	62 720	65 154
Executive and council		(5 167)	16 131	20 597	23 219	21 562	21 562	23 490	24 617	25 572
<i>Mayor and Council</i>		(7 703)	11 553	14 552	17 034	17 577	17 577	17 370	18 204	18 910
<i>Municipal Manager</i>		2 535	4 578	6 045	6 185	3 985	3 985	6 119	6 413	6 662
Budget and treasury office		18 993	16 995	14 196	12 213	19 393	19 393	21 139	22 153	23 013
Corporate services		7 381	9 959	9 859	11 261	14 059	14 059	15 219	15 950	16 569
<i>Human Resources</i>		7 381	9 959	9 859	11 261	14 059	14 059	15 219	15 950	16 569
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Property Services</i>		-	-	-	-	-	-	-	-	-
<i>Other Admin</i>		-	-	-	-	-	-	-	-	-
Community and public safety		3 959	6 098	8 435	20 700	24 390	24 390	27 170	28 474	29 579
Community and social services		2 631	4 337	6 026	7 832	9 855	9 855	13 199	13 832	14 369
<i>Libraries and Archives</i>		246	280	6 026	323	809	809	381	399	414
<i>Museums & Art Galleries etc</i>		-	-	-	-	-	-	-	-	-
<i>Community halls and Facilities</i>		375	616	-	576	507	507	578	606	630
<i>Cemeteries & Crematoriums</i>		47	205	-	469	340	340	523	549	570
<i>Child Care</i>		-	-	-	-	-	-	-	-	-
<i>Aged Care</i>		-	-	-	-	-	-	-	-	-
<i>Other Community</i>		1 962	3 236	-	6 465	8 199	8 199	11 716	12 279	12 755
<i>Other Social</i>		-	-	-	-	-	-	-	-	-
Sport and recreation		144	217	854	322	312	312	352	369	384
Public safety		362	314	-	11 087	12 830	12 830	11 954	12 528	13 014
<i>Police</i>		-	-	-	-	-	-	-	-	-
<i>Fire</i>		-	-	-	-	-	-	-	-	-
<i>Civil Defence</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		362	314	-	11 087	12 830	12 830	11 954	12 528	13 014
<i>Other</i>		-	-	-	-	-	-	-	-	-
Housing		822	1 230	1 554	1 459	1 394	1 394	1 665	1 745	1 812
Health		-	-	-	-	-	-	-	-	-
<i>Clinics</i>		-	-	-	-	-	-	-	-	-
<i>Ambulance</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Economic and environmental services		8 962	10 955	37 684	17 710	29 451	29 451	27 481	28 800	29 918
Planning and development		3 097	3 645	5 758	8 241	9 837	9 837	8 597	9 010	9 359
<i>Economic Development/Planning</i>		3 097	3 645	5 212	8 241	9 837	9 837	8 597	9 010	9 359
<i>Town Planning/Building</i>		-	-	-	-	-	-	-	-	-
<i>Licensing & Regulation</i>		-	-	546	-	-	-	-	-	-
Road transport		5 865	7 310	31 926	9 469	19 614	19 614	18 884	19 790	20 558
<i>Roads</i>		4 499	7 256	31 926	9 441	19 614	19 614	18 884	19 790	20 558
<i>Public Buses</i>		-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>		-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>		1 366	54	-	28	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-
<i>Biodiversity & Landscape</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Trading services		7 414	16 542	89 483	39 027	54 939	54 939	74 050	77 604	80 615
Electricity		4 636	13 193	15 091	3 241	13 271	13 271	25 826	27 065	28 115
<i>Electricity Distribution</i>		4 636	13 193	15 091	3 241	13 271	13 271	25 826	27 065	28 115
<i>Electricity Generation</i>		-	-	-	-	-	-	-	-	-
Water		(0)	-	34 253	19 066	22 839	22 839	25 223	26 434	27 459
<i>Water Distribution</i>		(0)	-	34 253	19 066	22 839	22 839	25 223	26 434	27 459
<i>Water Storage</i>		-	-	-	-	-	-	-	-	-
Waste water management		-	-	27 626	13 387	9 133	9 133	14 675	15 379	15 976
<i>Sewerage</i>		-	-	27 626	13 387	9 133	9 133	14 675	15 379	15 976
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>		-	-	-	-	-	-	-	-	-
Waste management		2 778	3 349	12 513	3 332	9 696	9 696	8 326	8 726	9 065
<i>Solid Waste</i>		2 778	3 349	12 513	3 332	9 696	9 696	8 326	8 726	9 065
Other		-	-	-	676	319	319	709	743	772
<i>Air Transport</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Tourism</i>		-	-	-	676	319	319	709	743	772
<i>Forestry</i>		-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	41 542	76 681	180 254	124 805	164 114	164 114	189 257	198 341	206 037
Surplus/(Deficit) for the year		49 103	24 701	(53 534)	26 150	(3 324)	(3 324)	4 986	5 350	28 147

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for any of the trading services. As already noted above, the municipality will be undertaking a detailed study of these functions to explore ways of improving efficiencies and provide a basis for re-evaluating these functions' tariff structures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

EC136 Emalahleni (EC) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	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
Revenue by Vote	1									
Vote 1 - Executive and Council		1 892	1 150	600	2 528	2 528	2 528	5 336	6 204	6 442
1.1 - Council		1 892	1 150	480	2 528	2 528	2 528	5 336	6 204	6 442
1.2 - Municipal Manager				120						
Vote 2 - Budget and Treasury		51 271	56 316	70 163	75 415	76 069	76 069	85 906	99 150	124 968
2.1 - Financial Services		48 060	53 576	70 163	72 235	72 419	72 419	79 661	92 605	118 170
2.2 - Assessment Rates		3 211	2 739		3 180	3 650	3 650	6 245	6 544	6 798
Vote 3 - Corporate Services		77	81	90	12	1	1	0	0	0
3.1 - Human Resources		77	81	90	12	1	1	0	0	0
Vote 4 - Community and Social Services		3 395	4 274	5 067	4 436	6 533	6 533	6 655	6 975	7 245
4.1 - Administration Buildings		(0)			1					
4.2 - Commonage Pounds		179	430		319	337	337	335	351	365
4.3 - Community and Social Services			37	1 100						
4.4 - Parks and Public Open Spaces										
4.5 - Cemetery		30	28		38	32	32	33	34	35
4.6 - Community Town Halls		205	123		185	67	67	71	74	77
4.7 - Library		221	3		521	809	809	575	602	626
4.8 - Sport and Recreation		4	3		8	3	3	2	2	2
4.9 - Tourism Resorts		179	107		267	235	235	140	147	153
4.10 - Refuse		2 579	3 543	3 967	3 096	5 050	5 050	5 500	5 764	5 988
Vote 5 - IPED		1 449	1	1 578	403	3 179	3 179	12	12	13
5.1 - IPED		1 347	1	1 578	403	3 179	3 179	12	12	13
5.2 - Housing		102								
Vote 6 - Technical Services		32 561	39 561	49 223	68 162	72 479	72 479	96 334	91 350	95 515
6.1 - Licencing and Registration		1 685	24			736	736	1 399	1 466	1 522
6.2 - Roads and Stormwater		26 762	0	2 277	24 669	24 319	24 319	28 281	30 991	33 202
6.3 - Technical Services Administration		107	57		339	65	65			
6.4 - Sanitation			(440)		5 425	9 133	9 133	14 688	15 393	15 990
6.5 - Water			34 198	36 272	27 393	22 839	22 839	25 281	26 495	27 523
6.6 - Streetlights		1 510	66		916					
6.7 - Electricity		2 498	5 656	10 674	9 419	15 387	15 387	26 685	17 006	17 278
Total Revenue by Vote	2	90 645	101 382	126 721	150 955	160 790	160 790	194 243	203 691	234 184

EC136 Emalahleni (EC) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	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
Expenditure by Vote										
Vote 1 - Executive and Council	1	(5 167)	16 131	20 598	23 219	21 562	21 562	23 490	24 617	25 572
1.1 - Council		(7 703)	11 553	14 553	17 034	17 577	17 577	17 370	18 204	18 910
1.2 - Municipal Manager		2 535	4 578	6 045	6 185	3 985	3 985	6 119	6 413	6 662
Vote 2 - Budget and Treasury		18 993	16 995	14 196	12 213	19 393	19 393	21 139	22 153	23 013
2.1 - Financial Services		18 993	16 995	14 196	11 583	18 243	18 243	19 573	20 513	21 309
2.2 - Assessment Rates		-	-	-	630	1 150	1 150	1 565	1 640	1 704
Vote 3 - Corporate Services		7 381	9 959	9 859	11 261	14 059	14 059	15 219	15 950	16 569
3.1 - Human Resources		7 381	9 959	9 859	11 261	14 059	14 059	15 219	15 950	16 569
Vote 4 - Community and Social Services		5 553	7 903	19 394	12 161	20 182	20 182	22 586	23 670	24 589
4.1 - Administration Buildings		1 119	1 043	-	1 779	1 825	1 825	2 195	2 301	2 390
4.2 - Commonage Pounds		2	444	-	1 021	861	861	1 114	1 167	1 212
4.3 - Community and Social Services		617	1 375	6 026	3 160	5 066	5 066	7 936	8 317	8 639
4.4 - Parks and Public Open Spaces		85	217	-	505	447	447	472	494	513
4.5 - Cemetery		47	205	-	469	340	340	523	549	570
4.6 - Community Town Halls		375	616	-	576	507	507	578	606	630
4.7 - Library		246	280	-	323	809	809	381	399	414
4.8 - Sport and Recreation		144	217	854	322	312	312	352	369	384
4.9 - Tourism Resorts		139	156	-	676	319	319	709	743	772
4.10 - Refuse		2 778	3 349	12 513	3 332	9 696	9 696	8 326	8 726	9 065
Vote 5 - IPED		3 919	4 875	6 766	9 700	11 231	11 231	10 262	10 755	11 172
5.1 - IPED		3 097	3 645	5 212	8 241	9 837	9 837	8 597	9 010	9 359
5.2 - Housing		822	1 230	1 554	1 459	1 394	1 394	1 665	1 745	1 812
Vote 6 - Technical Services		10 863	20 817	109 442	56 251	77 687	77 687	96 561	101 196	105 123
6.1 - Licencing and Registration		1 366	54	546	28	-	-	-	-	-
6.2 - Roads and Stormwater		2 093	3 156	31 926	6 911	17 497	17 497	17 182	18 007	18 705
6.3 - Technical Services Administration		2 406	4 101	-	2 530	2 117	2 117	1 702	1 784	1 853
6.4 - Sanitation		-	-	27 626	13 387	9 133	9 133	14 675	15 379	15 976
6.5 - Water		(0)	-	34 253	19 066	22 839	22 839	25 223	26 434	27 459
6.6 - Streetlights		362	314	-	11 087	12 830	12 830	11 954	12 528	13 014
6.7 - Electricity		4 636	13 193	15 091	3 241	13 271	13 271	25 826	27 065	28 115
Total Expenditure by Vote	2	41 542	76 681	180 254	124 805	164 114	164 114	189 257	198 341	206 037
Surplus/(Deficit) for the year	2	49 103	24 701	(53 534)	26 150	(3 324)	(3 324)	4 986	5 350	28 147

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. This table is the main driver of management- responsibility and performance in terms of the operating budget and also the benchmark against which any unauthorised expenditure will be measured.

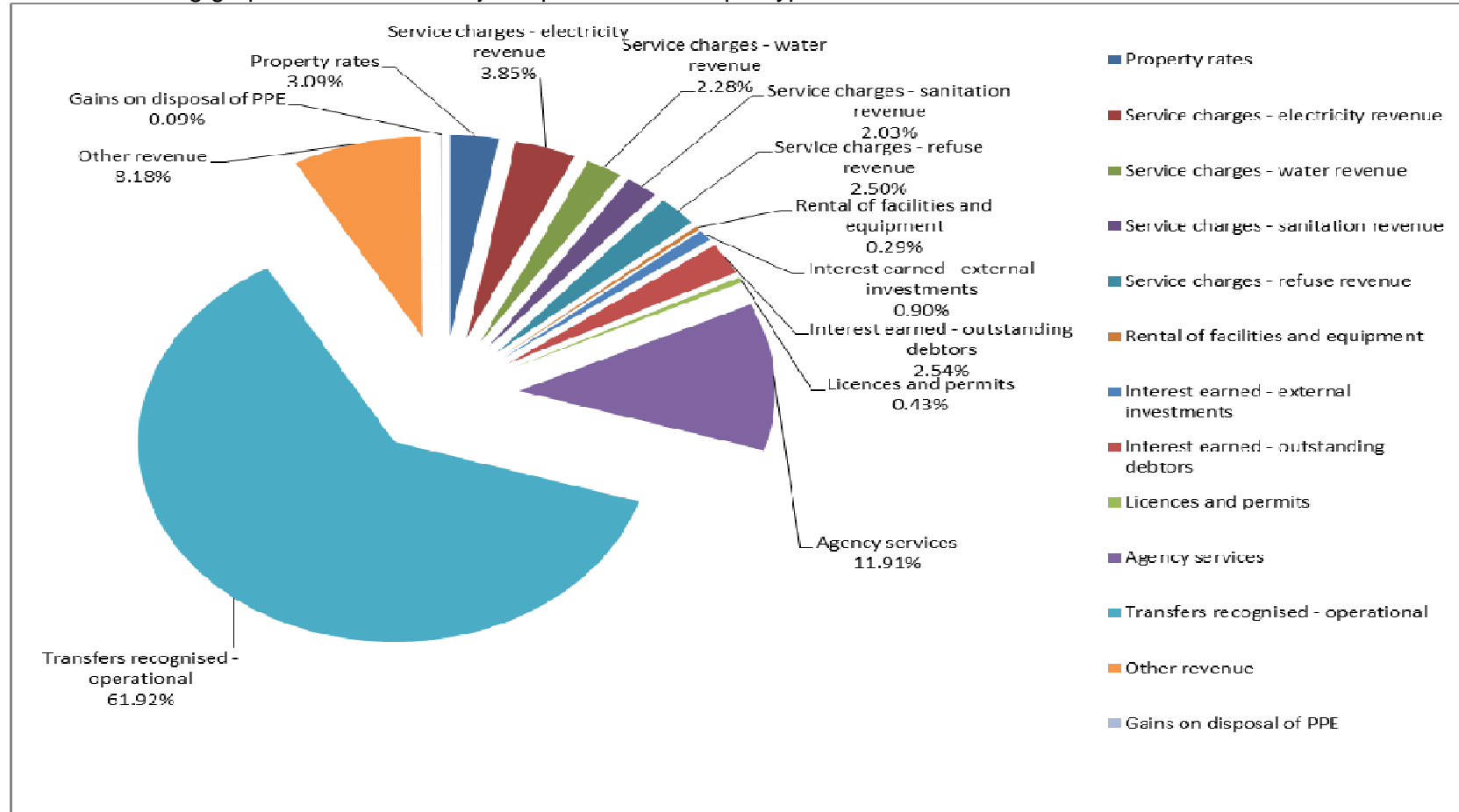
EC136 Emalahleni (EC) - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13						2013/14			
		2009/10	2010/11	2011/12	rent Year 2012/13			Medium Term			
		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
Revenue By Source											
Property rates	2	3 065	1 772	3 397	2 680	2 550	2 550	2 550	5 200	5 450	5 661
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	3 311	4 982	5 562	6 204	6 178	6 178	6 178	6 485	6 796	7 059
Service charges - water revenue	2	-	(7)	2 965	3 618	2 566	2 566	2 566	3 835	4 019	4 175
Service charges - sanitation revenue	2	-	(440)	3 648	3 224	3 537	3 537	3 537	3 418	3 582	3 721
Service charges - refuse revenue	2	2 376	2 364	2 568	2 807	2 750	2 750	2 750	4 200	4 402	4 572
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		431	656	739	856	647	647	647	491	514	534
Interest earned - external investments		2 387	1 830	1 911	14	2 516	2 516	2 516	1 516	1 588	1 650
Interest earned - outstanding debtors		365	2 284	5 611	2 495	5 678	5 678	5 678	4 278	4 483	4 657
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		3	0	1	0	0	0	0	0	0	0
Licences and permits		-	-	5	4	736	736	736	716	750	779
Agency services		362	48	325	24 979	10 464	10 464	10 464	20 047	21 010	21 825
Transfers recognised - operational		46 465	87 337	72 148	79 541	99 274	99 274	99 274	104 225	107 072	132 858
Other revenue	2	5 410	556	26 416	2 321	1 538	1 538	1 538	13 766	14 427	14 987
Gains on disposal of PPE		-	-	-	68	210	210	210	150	157	163
Total Revenue (excluding capital transfers and contributions)		64 174	101 382	125 295	128 810	138 644	138 644	138 644	168 326	174 250	202 642
Expenditure By Type											
Employee related costs	2	3 194	27 500	40 637	30 798	40 295	40 295	40 295	39 224	41 107	42 702
Remuneration of councillors		5 934	6 776	8 270	8 597	10 831	10 831	10 831	10 070	10 554	10 963
Debt impairment	3	12 360	7 792	45 237	3 801	3 659	3 659	3 659	4 069	4 264	4 429
Depreciation & asset impairment	2	-	-	20 119	3 642	23 784	23 784	23 784	22 695	23 784	24 707
Finance charges		47	21	340	133	373	373	373	389	408	424
Bulk purchases	2	5 062	7 291	9 699	12 363	13 163	13 163	13 163	13 432	14 077	14 623
Other materials	8	-	-	5 927	-	-	-	-	-	-	-
Contracted services		-	-	-	2 062	2 950	2 950	2 950	2 278	2 387	2 479
Transfers and grants		-	-	-	4 301	1 571	1 571	1 571	5 223	5 473	5 686
Other expenditure	4, 5	14 945	27 301	50 024	59 109	67 488	67 488	67 488	91 877	96 288	100 024
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		41 542	76 681	180 254	124 805	164 114	164 114	164 114	189 257	198 341	206 037
Surplus/(Deficit)		22 632	24 701	(54 959)	4 004	(25 469)	(25 469)	(25 469)	(20 931)	(24 092)	(3 395)
Transfers recognised - capital		26 470	0	1 425	22 145	22 145	22 145	22 145	25 917	29 441	31 542
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		49 103	24 701	(53 534)	26 150	(3 324)	(3 324)	(3 324)	4 986	5 350	28 147
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		49 103	24 701	(53 534)	26 150	(3 324)	(3 324)	(3 324)	4 986	5 350	28 147
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		49 103	24 701	(53 534)	26 150	(3 324)	(3 324)	(3 324)	4 986	5 350	28 147
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		49 103	24 701	(53 534)	26 150	(3 324)	(3 324)	(3 324)	4 986	5 350	28 147

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

- Total revenue, excluding capital transfers, is R168 326 million in 2013/14 and escalates to R202 642 million by 2015/16. This represents a year-on-year increase of 21.4 per cent for the 2013/14 and year-on-year increases of 3.5 per cent for the 2014/15 financial year and 16.3 per cent for the 2015/16 financial year.
- Revenue to be generated from property rates is R5 200 million in the 2013/14 financial year and increases to R5 661 million by 2015/16 which represents only 3.1 per cent of the operating revenue base (excluding capital transfers) of the Municipality and therefore does not remain a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 5.4 per cent, 4.8 per cent and 3.9 per cent for each of the respective financial years of the MTREF.
- Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R17 937 million for the 2013/14 financial year and increasing to R19 528 million by 2015/16. For the 2013/14 financial year services charges amount to 10.7 per cent of the total revenue base and stays relatively constant over the MTREF period.

4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Transfers are fluctuating according to grants provided for by the respective governments.
5. The following graph illustrates the major expenditure items per type.



Expenditure by major type

6. Bulk purchases have significantly increased over the 2008/09 to 2013/14 period escalating from R4 114 million to R13 432 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs, depreciation, operating grant expenditure and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

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

EC136 Emalahleni (EC) - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	6 795	6 381	6 381	6 381	15 556	16 599	13 880
Vote 5 - IPED		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		-	-	-	-	3 140	3 140	3 140	10 341	9 125	16 001
		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	6 795	9 521	9 521	9 521	25 898	25 724	29 881
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	312	-	205	205	205	6 380	210	138
Vote 2 - Budget and Treasury		1 810	-	260	1 005	1 745	1 745	1 745	970	1 010	1 060
Vote 3 - Corporate Services		-	-	534	-	155	155	155	140	120	100
Vote 4 - Community and Social Services		4 103	-	493	4 200	1 780	1 780	1 780	940	120	100
Vote 5 - IPED		1 035	-	38	-	1 699	1 699	1 699	2 784	1 640	1 740
Vote 6 - Technical Services		20 127	-	1 955	11 950	12 343	12 343	12 343	2 630	2 288	100
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		27 075	-	3 592	17 155	17 927	17 927	17 927	13 844	5 388	3 238
Total Capital Expenditure - Vote		27 075	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119
Capital Expenditure - Standard											
Governance and administration		1 810	-	1 106	1 005	2 105	2 105	2 105	7 490	1 340	1 298
Executive and council		-	-	312	-	205	205	205	6 380	210	138
Budget and treasury office		1 810	-	260	1 005	1 745	1 745	1 745	970	1 010	1 060
Corporate services		-	-	534	-	155	155	155	140	120	100
Community and public safety		4 368	-	493	10 795	7 361	7 361	7 361	11 496	12 719	8 000
Community and social services		2 267	-	493	3 400	2 910	2 910	2 910	2 814	5 450	4 900
Sport and recreation		822	-	-	5 300	2 360	2 360	2 360	6 892	4 649	3 000
Public safety		264	-	-	2 095	2 091	2 091	2 091	1 790	2 620	100
Housing		1 015	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		14 687	-	1 993	11 950	17 182	17 182	17 182	15 756	13 053	17 841
Planning and development		20	-	38	-	1 699	1 699	1 699	2 784	1 640	1 740
Road transport		14 667	-	1 955	11 950	15 483	15 483	15 483	12 971	11 413	16 101
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		6 210	-	-	200	800	800	800	5 000	4 000	5 980
Electricity		810	-	-	-	-	-	-	-	-	-
Water		4 650	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		750	-	-	200	800	800	800	5 000	4 000	5 980
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	27 076	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119
Funded by:											
National Government		14 696	-	1 955	22 499	23 311	23 311	23 311	25 917	29 441	31 542
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		4 650	-	-	800	-	-	-	-	-	-
Other transfers and grants		968	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	20 314	-	1 955	23 299	23 311	23 311	23 311	25 917	29 441	31 542
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		6 761	-	1 637	651	4 137	4 137	4 137	13 825	1 670	1 577
Total Capital Funding	7	27 075	-	3 592	23 950	27 448	27 448	27 448	39 742	31 111	33 119

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. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
3. The capital program is funded from national grants and transfers and internally generated funds from current and prior year surpluses. and is listed above.

MBRR Table A6 - Budgeted Financial Position

EC136 Emalahleni (EC) - Table A6 Budgeted Financial Position

Description	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		13 848	12 384	15 911	18 814	18 814	18 814	18 814	42 961	45 247	69 411
Call investment deposits	1	25 897	6 066	26 517	37 885	45 000	45 000	45 000	50 000	47 000	40 000
Consumer debtors	1	2 286	892	27 138	1 960	1 960	1 960	1 960	1 772	1 350	733
Other debtors		33 427	57 850	10 381	67 453	27 884	27 884	27 884	4 184	4 184	4 184
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	248	248	373	273	273	273	273	300	330	363
Total current assets		75 706	77 440	80 319	126 385	93 931	93 931	93 931	99 216	98 111	114 691
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	25 009	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	202 810	224 783	367 142	242 413	252 508	252 508	252 508	256 080	261 396	267 916
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		707	707	286	707	707	707	707	707	707	707
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		203 517	225 490	392 436	243 120	253 216	253 216	253 216	256 788	262 103	268 624
TOTAL ASSETS		279 223	302 931	472 756	369 505	347 147	347 147	347 147	356 004	360 214	383 315
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	104	96	293	-	-	-	-	-	-	-
Consumer deposits		35	35	153	40	40	40	40	42	45	47
Trade and other payables	4	19 544	18 491	9 637	15 540	15 540	15 540	15 540	5 082	5 590	6 149
Provisions		9 792	9 959	5 874	11 073	11 073	11 073	11 073	11 294	11 520	11 750
Total current liabilities		29 474	28 581	15 957	26 652	26 652	26 652	26 652	16 418	17 155	17 947
Non current liabilities											
Borrowing		96	-	1 105	-	-	-	-	-	-	-
Provisions		1 219	1 219	6 227	1 106	1 106	1 106	1 106	7 306	8 429	9 591
Total non current liabilities		1 314	1 219	7 332	1 106	1 106	1 106	1 106	7 306	8 429	9 591
TOTAL LIABILITIES		30 788	29 799	23 289	27 758	27 758	27 758	27 758	23 724	25 584	27 538
NET ASSETS	5	248 435	273 131	449 467	341 747	319 389	319 389	319 389	332 281	334 630	355 777
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		248 435	273 131	449 467	332 800	310 441	310 441	310 441	332 281	334 630	355 777
Reserves	4	-	-	-	8 948	8 948	8 948	8 948	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	248 435	273 131	449 467	341 747	319 389	319 389	319 389	332 281	334 630	355 777

Explanatory notes to Table A6 - Budgeted Financial Position

- The Budgeted Financial Position 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).
- 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.
- This table is supported by an extensive table of notes (SA3 which can be found on later in this report providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

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.

MBRR Table A7 - Budgeted Cash Flow Statement

EC136 Emalahleni (EC) - Table A7 Budgeted Cash Flows

Description	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts		85 492	86 304	99 565	150 955	160 790	160 790	160 790	194 243	203 691	234 184
Ratepayers and other		13 205	(2 279)	18 469	21 782	20 712	20 712	20 712	38 260	40 097	41 653
Government - operating	1	43 065	84 468	72 148	104 519	109 738	109 738	109 738	124 272	128 082	154 683
Government - capital	1	26 470	-	1 425	22 145	22 145	22 145	22 145	25 917	29 441	31 542
Interest		2 752	4 114	7 522	2 508	8 194	8 194	8 194	5 793	6 071	6 307
Dividends		-	-	-	-	-	-	-	-	-	-
Payments		31 413	(73 338)	(98 733)	(117 363)	(134 817)	(134 817)	(134 817)	(162 493)	(170 293)	(176 900)
Suppliers and employees		31 460	(73 317)	(98 392)	(112 929)	(132 873)	(132 873)	(132 873)	(156 881)	(164 412)	(170 791)
Finance charges		(47)	(21)	(340)	(133)	(373)	(373)	(373)	(389)	(408)	(424)
Transfers and Grants	1	-	-	-	(4 301)	(1 571)	(1 571)	(1 571)	(5 223)	(5 473)	(5 686)
NET CASH FROM/(USED) OPERATING ACTIVITIES		116 905	12 966	832	33 592	25 973	25 973	25 973	31 749	33 398	57 283
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					-	2 000	2 000	2 000	8 000	-	-
Payments											
Capital assets		(126 803)	(34 157)	(2 998)	(23 950)	(27 448)	(27 448)	(27 448)	(39 742)	(31 111)	(33 119)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(126 803)	(34 157)	(2 998)	(23 950)	(25 448)	(25 448)	(25 448)	(31 742)	(31 111)	(33 119)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing				844							
Increase (decrease) in consumer deposits				118							
Payments											
Repayment of borrowing		(75)	(104)	(125)							
NET CASH FROM/(USED) FINANCING ACTIVITIES		(75)	(104)	837	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(9 973)	(21 295)	(1 329)	9 642	525	525	525	8	2 287	24 164
Cash/cash equivalents at the year begin:	2	75 025	65 052	43 757	42 428	42 428	42 428	42 428	42 953	42 961	45 247
Cash/cash equivalents at the year end:	2	65 052	43 757	42 428	52 070	42 953	42 953	42 953	42 961	45 247	69 411

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC136 Emalahleni (EC) - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	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	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	1	65 052	43 757	42 428	52 070	42 953	42 953	42 953	42 961	45 247	69 411
Other current investments > 90 days		(25 307)	(25 307)	(1)	4 629	20 861	20 861	20 861	50 000	47 000	40 000
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		39 745	18 450	42 428	56 699	63 814	63 814	63 814	92 961	92 247	109 411
Application of cash and investments											
Unspent conditional transfers		17 098	14 292	3 138	10 920	10 920	10 920	10 920	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(28 332)	15 158	(7 025)	(26 119)	(12 249)	(12 249)	(12 249)	1 432	2 199	3 136
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(11 234)	29 449	(3 887)	(15 199)	(1 329)	(1 329)	(1 329)	1 432	2 199	3 136
Surplus(shortfall)		50 979	(10 999)	46 315	71 898	65 143	65 143	65 143	91 529	90 048	106 275

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. The 2013/14 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Cash and cash equivalents totals R42 961 million as at the end of the 2013/14 financial year and increase to R69 411 million by 2015/16.

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. 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.
2. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". The municipality's budget is cash-funded and thus in compliance with the requirements of the MFMA.
3. 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.

MBRR Table A9 - Asset Management

EC136 Emalahleni (EC) - Table A9 Asset Management

Description	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										
CAPITAL EXPENDITURE										
Total New Assets	1	27 075	-	3 592	23 950	27 448	27 448	39 742	31 111	33 119
Infrastructure - Road transport		14 547	-	1 492	11 950	15 333	15 333	10 341	11 293	16 001
Infrastructure - Electricity		400	-	-	-	-	-	-	-	-
Infrastructure - Water		510	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	3 995	2 424	2 424	1 364	1 550	1 660
Infrastructure		15 457	-	1 492	15 945	17 757	17 757	11 706	12 843	17 661
Community		550	-	-	6 400	5 320	5 320	9 706	10 099	7 900
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	11 068	-	2 100	1 455	4 371	4 371	18 330	8 170	7 558
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	150	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		14 547	-	1 492	11 950	15 333	15 333	10 341	11 293	16 001
Infrastructure - Electricity		400	-	-	-	-	-	-	-	-
Infrastructure - Water		510	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	3 995	2 424	2 424	1 364	1 550	1 660
Infrastructure		15 457	-	1 492	15 945	17 757	17 757	11 706	12 843	17 661
Community		550	-	-	6 400	5 320	5 320	9 706	10 099	7 900
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	11 068	-	2 100	1 455	4 371	4 371	18 330	8 170	7 558
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	150	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	27 075	-	3 592	23 950	27 448	27 448	39 742	31 111	33 119
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	62 103	80 568	249 319	112 739	110 719	110 719	125 223	126 702	119 941
Infrastructure - Electricity		21 820	22 724	19 614	19 614	19 614	19 614	19 614	19 614	19 614
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	3 995	6 419	6 419	7 783	7 969	9 443
Infrastructure		83 923	103 292	268 933	136 348	136 752	136 752	152 620	154 285	148 998
Community		-	-	76 833	83 233	88 553	88 553	57 928	71 739	65 828
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	25 009	-	-	-	-	-	-
Other assets		118 887	121 491	21 376	22 831	27 202	27 202	45 532	35 372	53 090
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		707	707	286	707	707	707	707	707	707
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	203 517	225 490	392 436	243 120	253 216	253 216	256 788	262 103	268 624
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		-	-	20 119	3 642	23 784	23 784	22 695	23 784	24 707
Repairs and Maintenance by Asset Class	3	1 351	2 506	-	10 832	10 781	10 781	15 995	16 762	17 413
Infrastructure - Road transport		211	447	-	828	828	828	836	876	910
Infrastructure - Electricity		68	445	-	701	701	701	966	1 012	1 052
Infrastructure - Water		-	-	-	3 422	3 422	3 422	3 872	4 058	4 216
Infrastructure - Sanitation		-	-	-	-	-	-	2 273	2 382	2 475
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		279	891	-	4 950	4 950	4 950	7 948	8 329	8 652
Community		58	41	-	394	394	394	342	359	373
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1 014	1 574	-	5 488	5 437	5 437	7 705	8 074	8 388
TOTAL EXPENDITURE OTHER ITEMS		1 351	2 506	20 119	14 474	34 566	34 566	38 690	40 547	42 120
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		0.7%	1.1%	0.0%	4.5%	4.3%	4.3%	6.2%	6.4%	6.5%
Renewal and R&M as a % of PPE		1.0%	1.0%	0.0%	4.0%	4.0%	4.0%	6.0%	6.0%	6.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.
3. An analysis between depreciation and operational repairs and maintenance over the MTREF is not yet possible until the municipality changes its financial systems to include all maintenance costs, also those incurred internally, to the maintenance votes. When implemented it will highlight the Municipality's maintenance backlog.

EC136 Emalahleni (EC) - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling		-								
Piped water inside yard (but not in dwelling)	2	5 000								
Using public tap (at least min.service level)	2	5 000								
Other water supply (at least min.service level)	4	-								
<i>Minimum Service Level and Above sub-total</i>		10 000	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-								
Other water supply (< min.service level)	4	-								
No water supply		-								
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	10 000	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		6 000								
Flush toilet (with septic tank)		-								
Chemical toilet		1 000								
Pit toilet (ventilated)		6 000								
Other toilet provisions (> min.service level)		-								
<i>Minimum Service Level and Above sub-total</i>		13 000	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	13 000	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		1 000								
Electricity - prepaid (min.service level)		10 000								
<i>Minimum Service Level and Above sub-total</i>		11 000	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	11 000	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		6 000								
<i>Minimum Service Level and Above sub-total</i>		6 000	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	6 000	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		8 000								
Sanitation (free minimum level service)		6 000								
Electricity/other energy (50kwh per household per month)		8 000								
Refuse (removed at least once a week)		6 000								
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		160								
Sanitation (free sanitation service)		359								
Electricity/other energy (50kwh per household per month)		230								
Refuse (removed once a week)		327								
Total cost of FBS provided (minimum social package)		1 076	-	-	-	-	-	-	-	-
Highest level of free service provided										
Property rates (R value threshold)		15 000								
Water (kilolitres per household per month)		6								
Sanitation (kilolitres per household per month)		-								
Sanitation (Rand per household per month)		56								
Electricity (kwh per household per month)		50								
Refuse (average litres per week)		-								
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		394								
Property rates (other exemptions, reductions and rebates)		-								
Water		160								
Sanitation		359								
Electricity/other energy		230								
Refuse		327								
Municipal Housing - rental rebates		-								
Housing - top structure subsidies	6	-								
Other		-								
Total revenue cost of free services provided (total social package)		1 470	-	-	-	-	-	-	-	-

Part 2 – Supporting Documentation

1.7 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 Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head Councillor of Financial Services/Mayor.

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

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

1.7.1 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 2012) 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 by 31 August 2012.

2013/2014 IDP AND BUDGET SCHEDULE OF KEY DEADLINES

Month	Action to be taken Administratively – Municipality Administration
July	Accounting officers and senior officials of Emalahleni Local Municipality begin planning for next three-year budget MFMA s 68, 77 Accounting officers and senior officials of the municipality review options and contracts for service delivery MSA s 76-81
August	Accounting Officer to assist Mayor to prepare the schedule of key deadlines and align the IDP and Budget process
August / September / October	Budget office of Emalahleni Local Municipality determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives. Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)
September / October	Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials MFMA s 35, 36, 42; MTBPS
October / November	Accounting officer reviews and drafts initial changes to IDP MSA s 34
November / December	Accounting officer submits draft budget and plans for next financial year to the Mayor for tabling Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others Accounting officer to notify relevant municipalities of projected allocations for next three budget years
MUNICIPAL ELECTIONS AND CONSULTATION ON THE BUDGET	

<p>January</p>	<p>Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling.</p> <p style="text-align: center;">MFMA s 36</p> <p>The Accounting Officer must by 25 January assess the performance of the municipality for the first six months of the 2012/2013 financial year and submits a report on such assessment to the Mayor, National Treasury and Provincial Treasury.</p> <p style="text-align: center;">MFMA s 72</p>
<p>February</p>	<p>The Accounting Officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous year's audited financial statements and annual report.</p> <p>The Accounting Officer of Emalahleni Local Municipality must liaise with the Accounting Officer of Chris Hani District Municipality 120 days prior to the start of the budget year to obtain projected allocations for 2013/2014, 2014/2015 & 2015/2016.</p> <p style="text-align: center;">MFMA s 37(2)</p>
<p>March</p>	<p>The Accounting Officer must publish the tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to National Treasury, Provincial Treasury and others as prescribed.</p> <p style="text-align: center;">MFMA s 22 & 37; MSA Ch 4 as amended</p> <p>The Accounting Officer must review any changes in prices for bulk electricity & water purchases as communicated by NERSA & DWA as well as submit proposal of increasing prices of sale of electricity & water to the executive authority & the regulator for approval if national legislation requires such approval.</p> <p style="text-align: center;">MFMA s 42</p>
<p>April</p>	<p>Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year</p>
<p>May</p>	<p>Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into</p>

	account consultative processes and any other new information of a material nature
June	Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. MFMA s 69; MSA s 57 Accounting Officer must publish the adopted budget and all budget-related documents. MFMA s 75, 87
<p><u>Abbreviations:</u> IDP - Integrated Development Plan; MFMA - Local Government: Municipal Finance Management Act, No. 56 of 2003; MSA - Local Government: Municipal Systems Act, No. 32 of 2000, as amended; MTBPS - National Treasury annual publication, Medium Term Budget and Policy Statement; NT - National Treasury; PT - Provincial Treasuries; SDBIP - Service Delivery and Budget Implementation Plan</p> <p>Shaded Area: Consultation on the budget and municipal elections.</p>	

There were some deviations from the key dates set out in the Budget Time Schedule tabled in Council. However, the schedule attached is the revised one as from time to time adjusted by council and its programmes.

1.7.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as adopted by Council in March 2011 and again by the new Council in May 2012. It started in September 2012 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2013/14 MTREF in August.

The Municipality'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:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- 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 2015/16 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.

1.7.3 Financial Modelling 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:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2012/13 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 58 and 59 has been taken into consideration in the planning and prioritisation process.

1.8 Overview of alignment of annual budget with IDP

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

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

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

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

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

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

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

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

IDP Strategic Objectives

2012/13 Financial Year	2013/14 MTREF
1. The provision of quality basic services and infrastructure	1. To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)
2. Acceleration of higher and shared economic growth and development	2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.)
4. Fostering participatory democracy and adherence to Emalahleni Municipality principles through a caring, accessible and accountable service	4. To have a transparent and performance driven organisation (KPA Good governance and public participation)
5. Good governance, Financial viability and institutional governance	5. To implement good financial management (KA Financial management and viability)

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality 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. To have a transparent and performance driven organisation
2. To ensure that cost effective, appropriate and efficient services are delivered
3. To ensure that conditions are created which stimulate the growth of the local economy
4. To implement good financial management
5. To have an effective and efficient administration

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

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.

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.

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

EC136 Emalahleni (EC) - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	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
Good Governance & Municipal transformation	Public Participation, Co-Operative governance & Corruption, Youth Development,SPU			1 969	1 231	690	2 540	2 529	2 529	5 336	6 204	6 442
Financial Viability	Clean Audit & Improved revenue collection			51 271	56 316	70 163	75 415	76 069	76 069	85 906	99 150	124 968
Local Economic Development	Grow th,Jobs,Markets,SMME's,Tourism & Partnerships			2 163	732	2 678	1 475	4 428	4 428	1 027	1 076	1 118
Service Delivery	Ensure that adequate services are provided			35 242	43 104	53 190	71 525	77 764	77 764	101 974	97 261	101 655
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	90 644	101 382	126 721	150 955	160 790	160 790	194 243	203 691	234 184

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

EC136 Emalahleni (EC) - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	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													
Good Governance & Municipal transformation	Public Participation, Co-Operative governance& Corruption, Youth Dev,SPU			2 214	26 090	30 457	34 480	35 621	35 621	38 709	40 567	42 141	
Financial Viability	Clean Audit& Improved revenue collection			18 993	16 995	14 196	12 213	19 393	19 393	21 139	22 153	23 013	
Local Economic Development	Growth,Jobs,Markets,SMME's,Tourism & Partnerships			5 873	8 199	12 639	16 395	20 004	20 004	22 148	23 211	24 112	
Service Delivery	Ensure that adequate services are provided			14 462	25 396	122 963	61 717	89 096	89 096	107 261	112 410	116 771	
Allocations to other priorities													
Total Expenditure				1	41 541	76 681	180 254	124 805	164 114	164 114	189 257	198 341	206 037

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

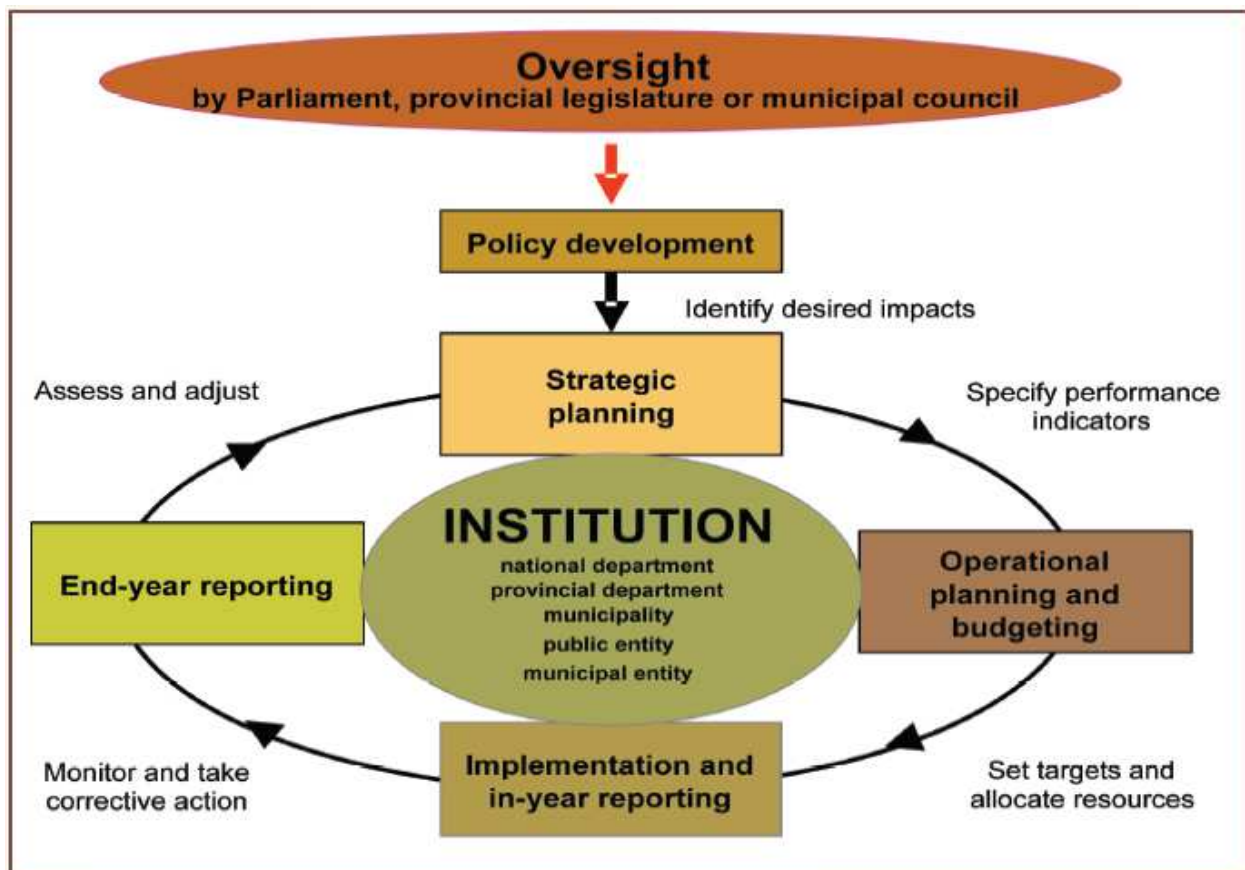
EC136 Emalahleni (EC) - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	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													
Good Governance & Municipal transformation	Public Participation, Co-Operative governance& Corruption, Youth Dev,SPU	A				846	-	360	360	6 520	330	238	
Financial Viability	Clean Audit& Improved revenue collection	B		1 810		260	1 005	1 745	1 745	970	1 010	1 060	
Local Economic Development	Growth, Jobs,Markets,SMME's,Tourism & Partnerships	C		3 373		531	8 700	6 969	6 969	12 490	11 738	9 640	
Service Delivery	Ensure that adequate services are provided	D		21 892		1 955	14 245	18 374	18 374	19 761	18 033	22 181	
		P											
Allocations to other priorities				3									
Total Capital Expenditure				1	27 075	-	3 592	23 950	27 448	27 448	39 742	31 111	33 119

1.9 Measurable performance objectives and indicators

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

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

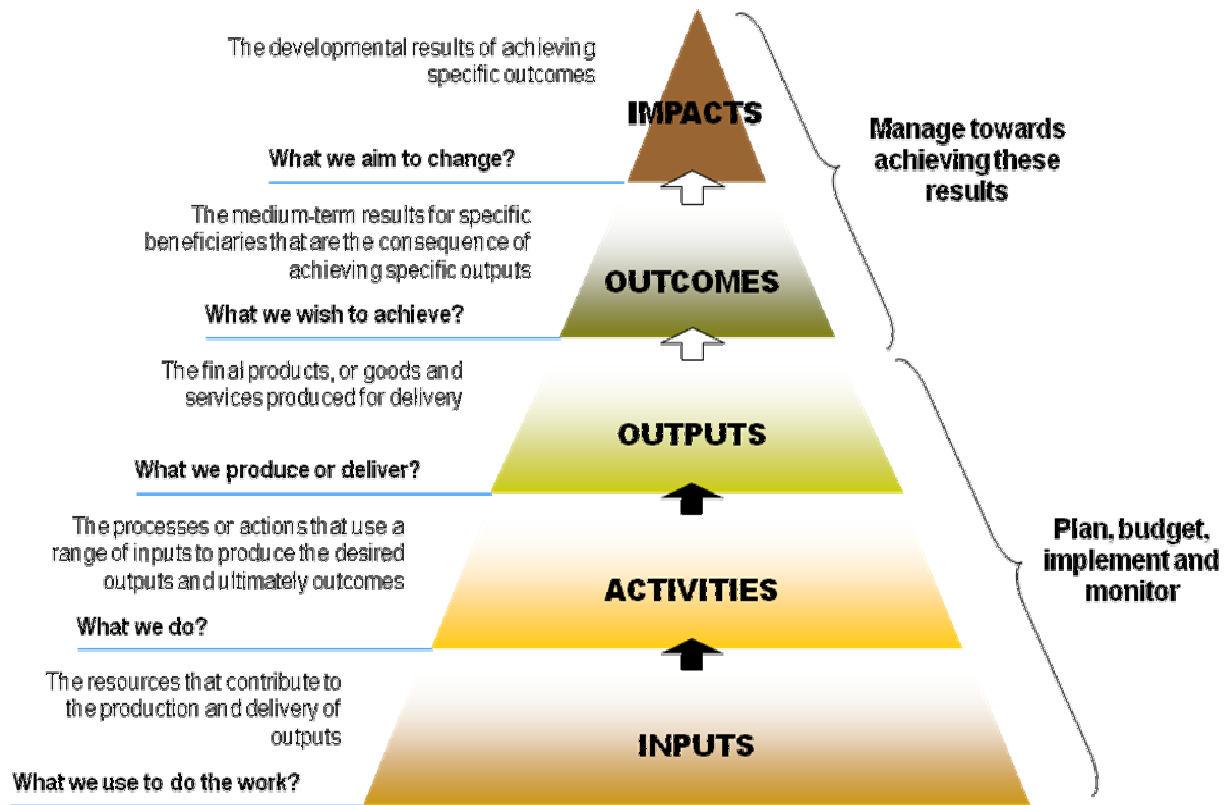


The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which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

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);

- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

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



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

MBRR Table SA7 - Measurable performance objectives

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

MBRR Table SA8 - Performance indicators and benchmarks

EC136 Emalahleni (EC) - 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											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.3%	0.2%	0.3%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.7%	0.9%	0.9%	0.3%	0.9%	0.9%	0.9%	0.6%	0.6%	0.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	51.6%	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	2.6	2.7	5.0	4.7	3.5	3.5	3.5	6.0	5.7	6.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.6	2.7	5.0	4.7	3.5	3.5	3.5	6.0	5.7	6.4
Liquidity Ratio	Monetary Assets/Current Liabilities	1.3	0.6	2.7	2.1	2.4	2.4	2.4	5.7	5.4	6.1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		86.2%	-18.7%	36.0%	44.3%	56.5%	56.5%	56.5%	61.3%	61.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			86.2%	-18.7%	36.0%	44.3%	56.5%	56.5%	56.5%	61.3%	61.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	55.7%	57.9%	29.9%	53.9%	21.5%	21.5%	21.5%	3.5%	3.2%	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))										
Creditors to Cash and Investments		3.8%	9.6%	15.3%	8.9%	10.8%	10.8%	10.8%	11.8%	12.4%	8.9%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	5.0%	27.1%	32.4%	23.9%	29.1%	29.1%	29.1%	23.3%	23.6%	21.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	16.9%	33.8%	39.0%	31.2%	35.6%	35.6%		29.4%	29.8%	26.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.1%	2.5%	0.0%	8.4%	7.8%	7.8%		9.5%	9.6%	8.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.1%	0.0%	16.3%	2.9%	17.4%	17.4%	17.4%	13.7%	13.9%	12.4%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	4.2	1.8	21.2	6.0	6.0	6.0	6.8	10.6	10.7	11.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	388.9%	629.8%	198.7%	358.0%	163.7%	163.7%	163.7%	25.2%	22.3%	19.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	24.0	8.7	4.0	7.3	5.3	5.3	5.3	4.6	4.6	6.9

1.9.1 Performance indicators and benchmarks

1.9.1.1 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, Emalahleni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The

following financial performance indicators have formed part of the compilation of the 2013/14 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. This ratio is by far below the borrowing capacity of the municipality, but it needs to be noted that capital grants and transfers has contributed significantly to the municipality's capital expenditure programs, thus limiting the need for borrowing.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is steady 0.1 per cent throughout the MTREF period..While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality should limit external interest charges to the minimum..
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality does not intend borrowing any money during the MTREF period.

The Municipality's debt profile provides some interesting insights on the Municipality'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.

The Municipality has bought vehicles on hire purchase and will pay instalments monthly for a five year period.

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 Municipality 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. As part of the compilation of the 2013/14MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

1.9.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. This ratio is well below the norm, indicating a strong financial position.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. h.

1.9.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of more than 2 which is a general benchmark, hence at no point in time should this ratio be less than 2. For the 2013/14 MTREF the current ratio is 2.1, and 2.4 and 3.1 respectively for the two outer years of the MTREF. Going forward it will be good financial practices if these levels can be maintained.
- *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 0.7 and as part of the financial planning strategy it has been increased to 2.1 in the 2013/14 and has increased to 2.8 in 2015/16 financial year.

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1.9.1.4 Revenue Management

- As part of the financial sustainability, an aggressive revenue management framework should be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the framework should be to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. The collection rates in this indicator is based on all cash receipts, also for direct income. The collection rate used for the calculation of debtors' payments was 15 per cent and should increase if the municipality wants to be financial as a going concern. ly conservative approach in order to cater for the current negative economic climate.

1.9.1.5 Creditors Management

- The Municipality 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 Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

1.9.1.6 Other Indicators

- The municipality needs to know what causes high electricity losses. The municipality has then to developed mechanism to determine what is an acceptable distribution loss and what should be contributed to theft.
- Employee costs as a percentage of operating revenue is fairly constant over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also fairly constant owing directly to cost drivers such as bulk purchases increasing far above inflation. The expenditure on repairs and maintenance is well below acceptable levels, but the actual cost will only be determined when a costing system is implemented.

1.9.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the MTREF 1903 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water for consumption

and 4 for sanitation, 50 kwh of electricity, free sanitation and free waste removal equivalent once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained elsewhere in this report.

1.10 Overview of budget related-policies

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

There will be a policy review workshop during the month of April and May 2013 so as to make sure all users of it understand it. The following is a broad framework of all the policies the council have:

1.10.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council annually is currently under review. 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. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services.

The 2013/14 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 15 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels.

1.10.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

1.10.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the

financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

1.10.4 Supply Chain Management Policy

The Supply Chain Management Policy was reviewed and adopted by Council in October 2012. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

1.10.5 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 Municipality's system of delegations.

1.10.6 Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

1.10.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available at main municipal building, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).
- Debt and Borrowing Policy
- Fleet Management Policy
- Petty Cash policy

1.11 Overview of budget assumptions

1.11.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from

this deterioration will be slow and uneven and that growth for 2014 will be minimal with a slightly better growth in the outer years.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

1.11.2 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:

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

1.11.3 Credit rating outlook

The Municipality did not perform a credit rating outlook.

1.11.4 Interest rates for borrowing and investment of funds

The municipality will not borrow any funds during the MTREF period. It is expected that interest rates will be adjusted slightly upwards during the MTREF period and it was budget for as such.

1.11.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (20 per cent) of annual billings. Cash flow is assumed to be 20 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.11.6 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no

consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

1.11.7 Salary increases

There is a collective agreement on salary increases in place for the budget year, and the guidance on increases as contained in Circular 66 of National Treasury was also used during the compilation of budget accordingly.

1.11.8 Impact of national, provincial and local policies

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

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

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

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

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2013/14 MTREF of which performance has been factored into the cash flow budget.

1.12 Overview of budget funding

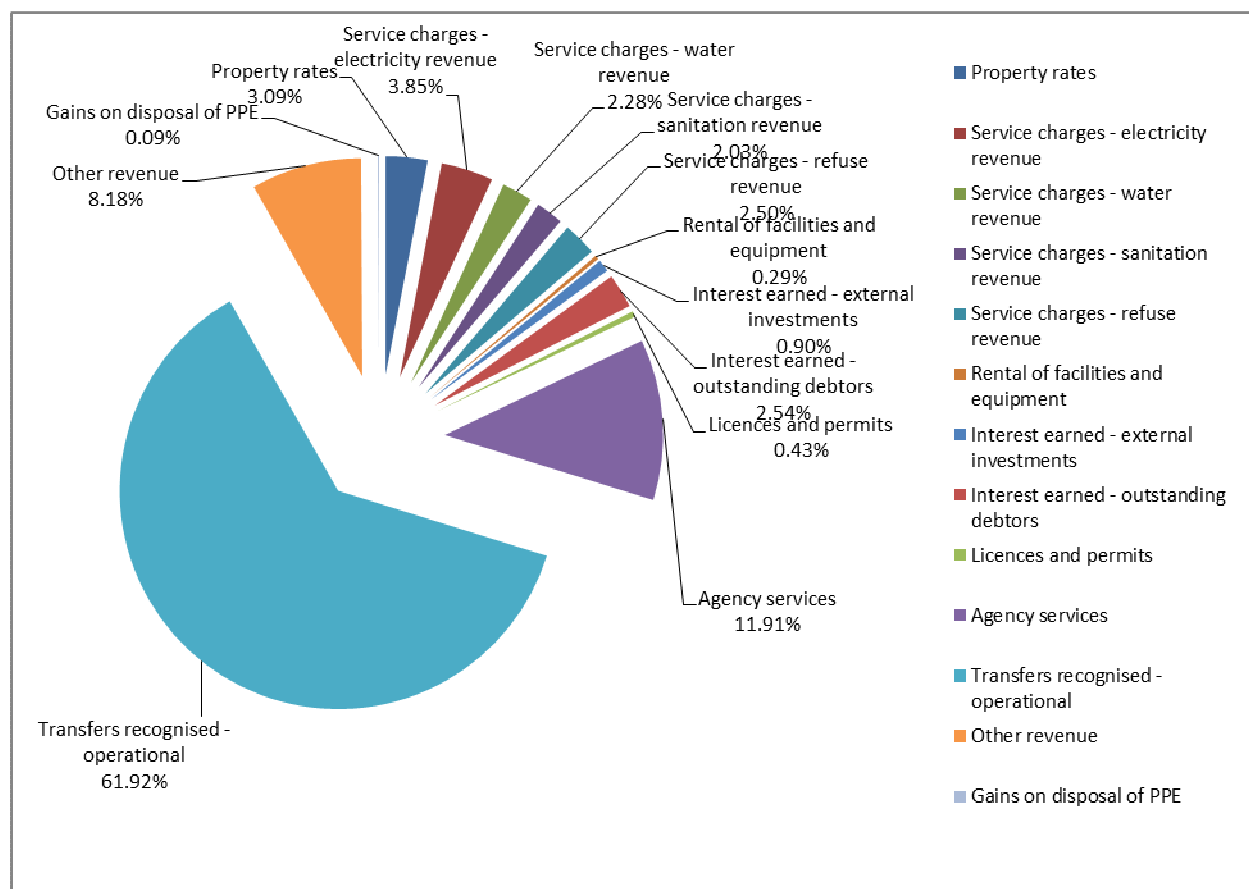
1.12.1 Medium-term outlook: operating revenue

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

EC136 Emalahleni (EC) - Table A1 Budget Summary										
Description	2009/10	2010/11	2011/12	rent Year 2012/13				2013/14		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Medium Term Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	3 065	1 772	3 397	2 680	2 550	2 550	2 550	5 200	5 450	5 661
Service charges	5 686	6 899	14 743	15 853	15 031	15 031	15 031	17 937	18 798	19 528
Investment revenue	2 387	1 830	1 911	14	2 516	2 516	2 516	1 516	1 588	1 650
Transfers recognised - operational	46 465	87 337	72 148	79 541	99 274	99 274	99 274	104 225	107 072	132 858
Other own revenue	6 570	3 544	33 096	30 722	19 274	19 274	19 274	39 448	41 341	42 945
Total Revenue (excluding capital transfers and contributions)	64 174	101 382	125 295	128 810	138 644	138 644	138 644	168 326	174 250	202 642

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

Breakdown of operating revenue over the 2013/14 MTREF



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored.

Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

MBRR SA15 – Detail Investment Information

EC136 Emalahleni (EC) - 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										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		25 897	6 066	26 517	37 885	45 000	45 000	50 000	47 000	40 000
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	25 897	6 066	26 517	37 885	45 000	45 000	50 000	47 000	40 000
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		25 897	6 066	26 517	37 885	45 000	45 000	50 000	47 000	40 000

MBRR SA16 – Investment particulars by maturity

EC136 Emalahleni (EC) - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months								Rand thousand	
Parent municipality											
Invesic		Months	Notice Deposit	No	Variable	5	0	0	Notice	30 000	909
FNB		Months	Notice Deposit	No	Variable	5	0	0	Notice	20 000	607
Municipality sub-total										50 000	1 516
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST	1									50 000	1 516

1.12.2 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:

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

MBRR Table A7 - Budget cash flow statement

EC136 Emalahleni (EC) - Table A7 Budgeted Cash Flows

Description	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts		85 492	86 304	99 565	150 955	160 790	160 790	160 790	194 243	203 691	234 184
Ratepayers and other		13 205	(2 279)	18 469	21 782	20 712	20 712	20 712	38 260	40 097	41 653
Government - operating	1	43 065	84 468	72 148	104 519	109 738	109 738	109 738	124 272	128 082	154 683
Government - capital	1	26 470	-	1 425	22 145	22 145	22 145	22 145	25 917	29 441	31 542
Interest		2 752	4 114	7 522	2 508	8 194	8 194	8 194	5 793	6 071	6 307
Dividends		-	-	-	-	-	-	-	-	-	-
Payments		31 413	(73 338)	(98 733)	(117 363)	(134 817)	(134 817)	(134 817)	(162 493)	(170 293)	(176 900)
Suppliers and employees		31 460	(73 317)	(98 392)	(112 929)	(132 873)	(132 873)	(132 873)	(156 881)	(164 412)	(170 791)
Finance charges		(47)	(21)	(340)	(133)	(373)	(373)	(373)	(389)	(408)	(424)
Transfers and Grants	1	-	-	-	(4 301)	(1 571)	(1 571)	(1 571)	(5 223)	(5 473)	(5 686)
NET CASH FROM/(USED) OPERATING ACTIVITIES		116 905	12 966	832	33 592	25 973	25 973	25 973	31 749	33 398	57 283
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					-	2 000	2 000	2 000	8 000	-	-
Payments											
Capital assets		(126 803)	(34 157)	(2 998)	(23 950)	(27 448)	(27 448)	(27 448)	(39 742)	(31 111)	(33 119)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(126 803)	(34 157)	(2 998)	(23 950)	(25 448)	(25 448)	(25 448)	(31 742)	(31 111)	(33 119)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing				844							
Increase (decrease) in consumer deposits				118							
Payments											
Repayment of borrowing		(75)	(104)	(125)							
NET CASH FROM/(USED) FINANCING ACTIVITIES		(75)	(104)	837	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(9 973)	(21 295)	(1 329)	9 642	525	525	525	8	2 287	24 164
Cash/cash equivalents at the year begin:	2	75 025	65 052	43 757	42 428	42 428	42 428	42 428	42 953	42 961	45 247
Cash/cash equivalents at the year end:	2	65 052	43 757	42 428	52 070	42 953	42 953	42 953	42 961	45 247	69 411

1.12.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

EC136 Emalahleni (EC) - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	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	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	1	65 052	43 757	42 428	52 070	42 953	42 953	42 953	42 961	45 247	69 411
Other current investments > 90 days		(25 307)	(25 307)	(1)	4 629	20 861	20 861	20 861	50 000	47 000	40 000
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		39 745	18 450	42 428	56 699	63 814	63 814	63 814	92 961	92 247	109 411
Application of cash and investments											
Unspent conditional transfers		17 098	14 292	3 138	10 920	10 920	10 920	10 920	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(28 332)	15 158	(7 025)	(26 119)	(12 249)	(12 249)	(12 249)	1 432	2 199	3 136
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(11 234)	29 449	(3 887)	(15 199)	(1 329)	(1 329)	(1 329)	1 432	2 199	3 136
Surplus(shortfall)		50 979	(10 999)	46 315	71 898	65 143	65 143	65 143	91 529	90 048	106 275

From the above table it can be seen that the cash and investments available total R65.143 million in the 2012/13 financial year and progressively increase to R91.529 million by 2014/15, 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:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.

- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the Capital Replacement Reserve, Employee Benefits Reserves and the Rehabilitation of landfill sites and quarries.

1.12.4 Funding compliance measurement

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

MBRR SA10 – Funding compliance measurement

EC136 Emalahleni (EC) Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	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	1	65 052	43 757	42 428	52 070	42 953	42 953	42 953	42 961	45 247	69 411
Cash + investments at the yr end less applications - R'000	18(1)b	2	50 979	(10 999)	46 315	71 898	65 143	65 143	65 143	91 529	90 048	106 275
Cash year end/monthly employee/supplier payments	18(1)b	3	24.0	8.7	4.0	7.3	5.3	5.3	5.3	4.6	4.6	6.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	49 103	24 701	(53 534)	26 150	(1 470)	(1 470)	(1 470)	4 986	5 350	28 147
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.9%)	103.2%	(3.8%)	(11.1%)	(6.0%)	(6.0%)	25.6%	(1.2%)	(2.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	86.2%	(18.7%)	36.0%	44.3%	56.5%	56.5%	56.5%	61.3%	61.3%	61.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	134.6%	83.5%	239.6%	19.6%	20.1%	20.1%	20.1%	17.2%	17.2%	17.2%
Capital payments % of capital expenditure	18(1)c;19	8	468.3%	0.0%	83.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	51.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	64.5%	(36.1%)	85.0%	(57.0%)	0.0%	0.0%	(80.0%)	(7.1%)	(11.1%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.7%	1.1%	0.0%	4.5%	4.3%	4.3%	6.3%	6.2%	6.4%	6.5%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

1.12.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, 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.

1.12.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

1.12.4.3 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 Municipality 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 such as rate boycotts.

1.12.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2013/14 MTREF and outer years the municipality has a small surpluses.

It needs to be noted that a surplus or deficit 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.

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

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth is higher than forecasted CPIX for the respective financial year of the 2013/14 MTREF which is mainly due to higher electricity tariff increase. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

1.12.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to 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 62.2 per cent for 2013/14 and 62.2 percent for the outer financial years. Given that the assumed collection rate was based on a 20 per cent performance target, the cash flow statement has been conservatively determined. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. 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.

1.12.4.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 20 per cent over the MTREF. .

1.12.4.8 Capital payments percentage of capital expenditure

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

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

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

1.12.4.10 Consumer debtors change (Current and Non-current)

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

1.12.4.11 Repairs and maintenance expenditure level

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

1.12.4.12 Asset renewal/rehabilitation expenditure level

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

1.13 Expenditure on grants and reconciliations of unspent funds

MBRR SA19 - Expenditure on transfers and grant programmes

EC136 Emalahleni (EC) - Supporting Table SA19 Expenditure on transfers and grant programme

Description	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
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		46 465	51 330	69 010	79 021	81 977	81 977	103 653	106 473	132 235
Local Government Equitable Share		46 465	51 330	61 056	69 797	68 503	68 503	78 749	92 189	117 658
Finance Management				1 911	1 500	1 500	1 500	1 650	1 800	1 950
Municipal Systems Improvement				854	800	800	800	890	934	967
Integrated National Electrification Programme				5 134	4 000	9 000	9 000	20 000	10 000	10 000
EPWP Incentive					1 358	1 358	1 358	1 000		
Municipal Infrastructure Grant (MIG)					1 166	816	816	1 364	1 550	1 660
Other Grants				54	400					
Provincial Government:					520	884	884	572	599	623
Other Grants					520	884	884	572	599	623
District Municipality:						16 413	16 413			
Other Grants						16 413	16 413			
Other grant providers:										
<i>[insert description]</i>										
Total operating expenditure of Transfers and Grants		46 465	51 330	69 010	79 541	99 274	99 274	104 225	107 072	132 858
Capital expenditure of Transfers and Grants										
National Government:		20 314	23 017	1 425	22 145	22 145	22 145	25 917	29 441	31 542
Municipal Infrastructure Grant (MIG)		20 314	23 017	1 425	22 145	22 145	22 145	25 917	29 441	31 542
Other capital transfers/grants <i>[insert desc]</i>										
Provincial Government:										
Other capital transfers/grants <i>[insert description]</i>										
District Municipality:										
Other Grants										
Other grant providers:										
<i>[insert description]</i>										
Total capital expenditure of Transfers and Grants		20 314	23 017	1 425	22 145	22 145	22 145	25 917	29 441	31 542
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		66 779	74 347	70 436	101 686	121 419	121 419	130 142	136 513	164 400

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

EC136 Emalahleni (EC) - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	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
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					-	-	-	-	-	-
Current year receipts		46 465	87 337	72 148	79 021	81 977	81 977	103 653	106 473	132 235
Conditions met - transferred to revenue		46 465	87 337	72 148	79 021	81 977	81 977	103 653	106 473	132 235
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year					-	-	-	-	-	-
Current year receipts					520	884	884	572	599	623
Conditions met - transferred to revenue		-	-	-	520	884	884	572	599	623
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year					-	-	-	-	-	-
Current year receipts					-	16 413	16 413	-	-	-
Conditions met - transferred to revenue		-	-	-	-	16 413	16 413	-	-	-
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		46 465	87 337	72 148	79 541	99 274	99 274	104 225	107 072	132 858
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					-	-	-	-	-	-
Current year receipts		20 314		1 954	23 299	23 311	23 311	25 917	29 441	31 542
Conditions met - transferred to revenue		20 314	-	1 954	23 299	23 311	23 311	25 917	29 441	31 542
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 capital transfers and grants revenue		20 314	-	1 954	23 299	23 311	23 311	25 917	29 441	31 542
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		66 779	87 337	74 103	102 840	122 585	122 585	130 142	136 513	164 400
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

1.14 Councillor and employee benefits

MBRR SA22 - Summary of councillor and staff benefits

EC136 Emalahleni (EC) - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	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
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4 261	4 821	8 270	9 257	8 977	8 977	10 297	10 791	11 210
Pension and UIF Contributions		703	631							
Medical Aid Contributions		691	-							
Motor Vehicle Allowance		1 562	963							
Cellphone Allowance		397	316							
Housing Allowances		-	-							
Other benefits and allowances		44	46							
Sub Total - Councillors		7 658	6 776	8 270	9 257	8 977	8 977	10 297	10 791	11 210
% increase	4		(11.5%)	22.0%	11.9%	(3.0%)	-	14.7%	4.8%	3.9%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 110	5 537	5 630	5 990	4 575	5 990	7 381	6 004	6 545
Pension and UIF Contributions		560								
Medical Aid Contributions		102								
Overtime		-								
Performance Bonus		578			701	640	701	1 033	808	840
Motor Vehicle Allowance	3	634								
Cellphone Allowance	3	88			115	115	115	147	137	150
Housing Allowances	3	74								
Other benefits and allowances	3	127								
Payments in lieu of leave		-								
Long service awards		-								
Post-retirement benefit obligations	6	-								
Sub Total - Senior Managers of Municipality		5 273	5 537	5 630	6 806	5 330	6 806	8 561	6 950	7 534
% increase	4		5.0%	1.7%	20.9%	(21.7%)	27.7%	25.8%	(18.8%)	8.4%
Other Municipal Staff										
Basic Salaries and Wages		(6 462)	12 221	19 975	13 253	25 556	24 140	21 052	23 794	24 409
Pension and UIF Contributions		1 367	2 974	4 948	3 979	3 363	3 363	3 904	4 092	4 251
Medical Aid Contributions		531	835	-	1 694	1 029	1 029	1 175	1 231	1 279
Overtime		858	824	1 314	1 872	1 331	1 331	1 121	1 175	1 220
Performance Bonus		91	1 444	682	800	1 683	1 622	1 116	1 444	1 500
Motor Vehicle Allowance	3	(1)	734	-	705	117	117	117	122	127
Cellphone Allowance	3	48	147	-	154	99	99	46	64	59
Housing Allowances	3	234	452	585	494	163	163	23	24	25
Other benefits and allowances	3	724	1 205	7 292	344	276	276	358	376	390
Payments in lieu of leave		531	1 128	-	813	648	648	813	852	885
Long service awards		-	-	212	-	386	386	377	395	410
Post-retirement benefit obligations	6	-	-	-	-	429	429	562	589	612
Sub Total - Other Municipal Staff		(2 079)	21 964	35 008	24 107	35 080	33 604	30 663	34 157	35 168
% increase	4		(1 156.5%)	59.4%	(31.1%)	45.5%	(4.2%)	(8.7%)	11.4%	3.0%
Total Parent Municipality		10 852	34 276	48 907	40 170	49 387	49 387	49 521	51 898	53 912
			215.9%	42.7%	(17.9%)	22.9%	-	0.3%	4.8%	3.9%
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		10 852	34 276	48 907	40 170	49 387	49 387	49 521	51 898	53 912
% increase	4		215.9%	42.7%	(17.9%)	22.9%	-	0.3%	4.8%	3.9%
TOTAL MANAGERS AND STAFF	5,7	3 194	27 500	40 637	30 913	40 410	40 410	39 224	41 107	42 702

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

EC136 Emalahleni (EC) - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		568 083		21 864			589 947
Chief Whip			-		-			-
Executive Mayor			710 104		43 811			753 915
Deputy Executive Mayor								-
Executive Committee			2 662 889		109 819			2 772 708
Total for all other councillors			5 825 841		354 473			6 180 314
Total Councillors	8	-	9 766 917	-	529 967			10 296 884
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 210 000		23 760	169 400		1 403 160
Chief Finance Officer			1 089 000		20 460	152 460		1 261 920
Corporate Services Manager			968 000		20 460	135 520		
Strategic Manager			1 028 500		20 460	143 990		1 192 950
IPED			1 028 500		20 460	143 990		1 192 950
Technical Services Manager			1 028 500		20 460	143 990		1 192 950
Community Services Manager			1 028 500		20 460	143 990		1 192 950
List of each official with packages >= senior manager								-
								-
Total Senior Managers of the Municipality	8,10	-	7 381 000	-	146 520	1 033 340		7 436 880
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	17 147 917	-	676 487	1 033 340		17 733 764

MBRR SA24 – Summary of personnel numbers**EC136 Emalahleni (EC) - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers Number	Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		34	-	34	34	-	34	36	-	36
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	7	-	7	7	-	7	7	-	7
Other Managers	7	3	2	1	4	2	2	4	2	2
Professionals		25	24	1	27	26	1	27	26	1
Finance		6	6	-	7	7	-	7	7	-
Spatial/town planning		3	2	1	3	2	1	3	2	1
Information Technology		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		1	1	-	1	1	-	1	1	-
Water		2	2	-	3	3	-	3	3	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		13	13	-	13	13	-	13	13	-
Technicians		30	27	3	41	38	3	41	38	3
Finance		-	-	-	4	4	-	4	4	-
Spatial/town planning		-	-	-	2	2	-	2	2	-
Information Technology		1	1	-	1	1	-	1	1	-
Roads		1	1	-	1	1	-	1	1	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		28	25	3	33	30	3	33	30	3
Clerks (Clerical and administrative)		-	-	-	-	-	-	-	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		6	6	-	6	6	-	6	6	-
Plant and Machine Operators		17	17	-	22	22	-	22	22	-
Elementary Occupations		84	84	-	89	89	-	99	99	-
TOTAL PERSONNEL NUMBERS	9	206	160	46	230	183	47	242	193	49
% increase					11.7%	14.4%	2.2%	5.2%	5.5%	4.3%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

1.15 Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure

EC136 Emalahleni (EC) - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	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		433	433	433	433	433	433	433	433	433	433	433	433	5 200	5 450	5 661
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		540	540	540	540	540	540	540	540	540	540	540	540	6 485	6 796	7 059
Service charges - water revenue		320	320	320	320	320	320	320	320	320	320	320	320	3 835	4 019	4 175
Service charges - sanitation revenue		285	285	285	285	285	285	285	285	285	285	285	285	3 418	3 582	3 721
Service charges - refuse revenue		350	350	350	350	350	350	350	350	350	350	350	350	4 200	4 402	4 572
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		41	41	41	41	41	41	41	41	41	41	41	41	491	514	534
Interest earned - external investments		126	126	126	126	126	126	126	126	126	126	126	126	1 516	1 588	1 650
Interest earned - outstanding debtors		356	356	356	356	356	356	356	356	356	356	356	356	4 278	4 483	4 657
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Licences and permits		60	60	60	60	60	60	60	60	60	60	60	60	716	750	779
Agency services		1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	20 047	21 010	21 825
Transfers recognised - operational		8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	104 225	107 072	132 858
Other revenue		1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	13 766	14 427	14 987
Gains on disposal of PPE		13	13	13	13	13	13	13	13	13	13	13	13	150	157	163
Total Revenue (excluding capital transfers and contributions)		14 027	14 027	14 027	14 027	14 027	14 027	14 027	14 027	14 027	14 027	14 027	14 027	168 326	174 250	202 642
Expenditure By Type																
Employee related costs		3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	39 224	41 107	42 702
Remuneration of councillors		858	858	858	858	858	858	858	858	858	858	858	858	10 297	10 791	11 210
Debt impairment		339	339	339	339	339	339	339	339	339	339	339	339	4 069	4 264	4 429
Depreciation & asset impairment		1 891	1 891	1 891	1 891	1 891	1 891	1 891	1 891	1 891	1 891	1 891	1 891	22 695	23 784	24 707
Finance charges		32	32	32	32	32	32	32	32	32	32	32	32	389	408	424
Bulk purchases		1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	13 432	14 077	14 623
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		171	171	171	171	171	171	171	171	171	171	171	171	2 051	2 149	2 233
Transfers and grants		435	435	435	435	435	435	435	435	435	435	435	435	5 223	5 473	5 686
Other expenditure		7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	91 877	96 288	100 024
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	189 257	198 341	206 037
Surplus/(Deficit)		(1 744)	(1 744)	(1 744)	(1 744)	(1 744)	(1 744)	(1 744)	(1 744)	(1 744)	(1 744)	(1 744)	(1 744)	(20 931)	(24 092)	(3 395)
Transfers recognised - capital		2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	25 917	29 441	31 542
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		415	415	415	415	415	415	415	415	415	415	415	415	4 986	5 350	28 147
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	415	415	415	415	415	415	415	415	415	415	415	415	4 986	5 350	28 147

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

EC136 Emalahleni (EC) - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	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>		7 604	7 604	7 604	7 604	7 604	7 604	7 604	7 604	7 604	7 604	7 604	7 604	91 242	105 354	131 411	
Executive and council		445	445	445	445	445	445	445	445	445	445	445	445	5 336	6 204	6 442	
Budget and treasury office		7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	85 906	99 150	124 968	
Corporate services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Community and public safety</i>		85	85	85	85	85	85	85	85	85	85	85	85	1 015	1 064	1 105	
Community and social services		84	84	84	84	84	84	84	84	84	84	84	84	1 013	1 062	1 103	
Sport and recreation		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2	
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		2 474	2 474	2 474	2 474	2 474	2 474	2 474	2 474	2 474	2 474	2 474	2 474	29 691	32 469	34 737	
Planning and development		1	1	1	1	1	1	1	1	1	1	1	1	12	12	13	
Road transport		2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	29 680	32 457	34 724	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		6 013	6 013	6 013	6 013	6 013	6 013	6 013	6 013	6 013	6 013	6 013	6 013	72 154	64 658	66 778	
Electricity		2 224	2 224	2 224	2 224	2 224	2 224	2 224	2 224	2 224	2 224	2 224	2 224	26 685	17 006	17 278	
Water		2 107	2 107	2 107	2 107	2 107	2 107	2 107	2 107	2 107	2 107	2 107	2 107	25 281	26 495	27 523	
Waste water management		1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	14 688	15 393	15 990	
Waste management		458	458	458	458	458	458	458	458	458	458	458	458	5 500	5 764	5 988	
<i>Other</i>		12	12	12	12	12	12	12	12	12	12	12	12	140	147	153	
Total Revenue - Standard		16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	194 243	203 691	234 184	
Expenditure - Standard																	
<i>Governance and administration</i>		4 987	4 987	4 987	4 987	4 987	4 987	4 987	4 987	4 987	4 987	4 987	4 987	59 847	62 720	65 154	
Executive and council		1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	23 716	24 855	25 819	
Budget and treasury office		1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	20 912	21 916	22 766	
Corporate services		1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	15 219	15 950	16 569	
<i>Community and public safety</i>		2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	27 170	28 474	29 579	
Community and social services		1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	13 199	13 832	14 369	
Sport and recreation		29	29	29	29	29	29	29	29	29	29	29	29	352	369	384	
Public safety		996	996	996	996	996	996	996	996	996	996	996	996	11 954	12 528	13 014	
Housing		139	139	139	139	139	139	139	139	139	139	139	139	1 665	1 745	1 812	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		2 290	2 290	2 290	2 290	2 290	2 290	2 290	2 290	2 290	2 290	2 290	2 290	27 481	28 800	29 918	
Planning and development		716	716	716	716	716	716	716	716	716	716	716	716	8 597	9 010	9 359	
Road transport		1 574	1 574	1 574	1 574	1 574	1 574	1 574	1 574	1 574	1 574	1 574	1 574	18 884	19 790	20 558	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	74 050	77 604	80 615	
Electricity		2 152	2 152	2 152	2 152	2 152	2 152	2 152	2 152	2 152	2 152	2 152	2 152	25 826	27 065	28 115	
Water		2 102	2 102	2 102	2 102	2 102	2 102	2 102	2 102	2 102	2 102	2 102	2 102	25 223	26 434	27 459	
Waste water management		1 223	1 223	1 223	1 223	1 223	1 223	1 223	1 223	1 223	1 223	1 223	1 223	14 675	15 379	15 976	
Waste management		694	694	694	694	694	694	694	694	694	694	694	694	8 326	8 726	9 065	
<i>Other</i>		59	59	59	59	59	59	59	59	59	59	59	59	709	743	772	
Total Expenditure - Standard		15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	189 257	198 341	206 037	
Surplus/(Deficit) before assoc.		415	415	415	415	415	415	415	415	415	415	415	415	4 986	5 350	28 147	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	415	415	415	415	415	415	415	415	415	415	415	415	4 986	5 350	28 147	

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

EC136 Emalahleni (EC) - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	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 and Council		445	445	445	445	445	445	445	445	445	445	445	445	5 336	6 204	6 442	
Vote 2 - Budget and Treasury		7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	7 159	85 906	99 150	124 968	
Vote 3 - Corporate Services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Vote 4 - Community and Social Services		555	555	555	555	555	555	555	555	555	555	555	555	6 655	6 975	7 245	
Vote 5 - IPED		1	1	1	1	1	1	1	1	1	1	1	1	12	12	13	
Vote 6 - Technical Services		8 028	8 028	8 028	8 028	8 028	8 028	8 028	8 028	8 028	8 028	8 028	8 028	96 334	91 350	95 515	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote		16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	16 187	194 243	203 691	234 184	
Expenditure by Vote to be appropriated																	
Vote 1 - Executive and Council		1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	1 976	23 716	24 855	25 819	
Vote 2 - Budget and Treasury		1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	1 743	20 912	21 916	22 766	
Vote 3 - Corporate Services		1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	15 219	15 950	16 569	
Vote 4 - Community and Social Services		1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	22 586	23 670	24 589	
Vote 5 - IPED		855	855	855	855	855	855	855	855	855	855	855	855	10 262	10 755	11 172	
Vote 6 - Technical Services		8 047	8 047	8 047	8 047	8 047	8 047	8 047	8 047	8 047	8 047	8 047	8 047	96 561	101 196	105 123	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote		15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	189 257	198 341	206 037	
Surplus/(Deficit) before assoc.		415	415	415	415	415	415	415	415	415	415	415	415	4 986	5 350	28 147	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	415	415	415	415	415	415	415	415	415	415	415	415	4 986	5 350	28 147	

MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

EC136 Emalahleni (EC) - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	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	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	15 556	16 599	13 880
Vote 5 - IPED		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		862	862	862	862	862	862	862	862	862	862	862	862	10 341	9 125	16 001
Capital multi-year expenditure sub-total	2	2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	25 898	25 724	29 881
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		532	532	532	532	532	532	532	532	532	532	532	532	6 380	210	138
Vote 2 - Budget and Treasury		81	81	81	81	81	81	81	81	81	81	81	81	970	1 010	1 060
Vote 3 - Corporate Services		12	12	12	12	12	12	12	12	12	12	12	12	140	120	100
Vote 4 - Community and Social Services		78	78	78	78	78	78	78	78	78	78	78	78	940	120	100
Vote 5 - IPED		232	232	232	232	232	232	232	232	232	232	232	232	2 784	1 640	1 740
Vote 6 - Technical Services		219	219	219	219	219	219	219	219	219	219	219	219	2 630	2 288	100
Capital single-year expenditure sub-total	2	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	13 844	5 388	3 238
Total Capital Expenditure	2	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	39 742	31 111	33 119

MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

EC136 Emalahleni (EC) - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	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	1															
Governance and administration		624	624	624	624	624	624	624	624	624	624	624	624	7 490	1 340	1 298
Executive and council		532	532	532	532	532	532	532	532	532	532	532	532	6 380	210	138
Budget and treasury office		81	81	81	81	81	81	81	81	81	81	81	81	970	1 010	1 060
Corporate services		12	12	12	12	12	12	12	12	12	12	12	12	140	120	100
Community and public safety		958	958	958	958	958	958	958	958	958	958	958	958	11 496	12 719	8 000
Community and social services		235	235	235	235	235	235	235	235	235	235	235	235	2 814	5 450	4 900
Sport and recreation		574	574	574	574	574	574	574	574	574	574	574	574	6 892	4 649	3 000
Public safety		149	149	149	149	149	149	149	149	149	149	149	149	1 790	2 620	100
Housing														-	-	-
Health														-	-	-
Economic and environmental services		1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	1 313	15 756	13 053	17 841
Planning and development		232	232	232	232	232	232	232	232	232	232	232	232	2 784	1 640	1 740
Road transport		1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	12 971	11 413	16 101
Environmental protection														-	-	-
Trading services		417	417	417	417	417	417	417	417	417	417	417	417	5 000	4 000	5 980
Electricity														-	-	-
Water														-	-	-
Waste water management														-	-	-
Waste management		417	417	417	417	417	417	417	417	417	417	417	417	5 000	4 000	5 980
Other														-	-	-
Total Capital Expenditure - Standard	2	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	39 742	31 111	33 119

MBRR SA30 - Budgeted monthly cash flow

EC136 Emalahleni (EC) - 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																
Property rates	433	433	433	433	433	433	433	433	433	433	433	433	433	5 200	5 450	5 661
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	540	540	540	540	540	540	540	540	540	540	540	540	540	6 485	6 796	7 059
Service charges - water revenue	320	320	320	320	320	320	320	320	320	320	320	320	320	3 835	4 019	4 175
Service charges - sanitation revenue	285	285	285	285	285	285	285	285	285	285	285	285	285	3 418	3 582	3 721
Service charges - refuse revenue	350	350	350	350	350	350	350	350	350	350	350	350	350	4 200	4 402	4 572
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	41	41	41	41	41	41	41	41	41	41	41	41	41	491	514	534
Interest earned - external investments	126	126	126	126	126	126	126	126	126	126	126	126	126	1 516	1 588	1 650
Interest earned - outstanding debtors	356	356	356	356	356	356	356	356	356	356	356	356	356	4 278	4 483	4 657
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Licences and permits	60	60	60	60	60	60	60	60	60	60	60	60	60	716	750	779
Agency services	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	1 671	20 047	21 010	21 825
Transfer receipts - operational	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	8 685	104 225	107 072	132 858
Other revenue	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 297	13 916	14 584	15 150
Cash Receipts by Source	14 015	14 015	14 015	14 015	14 015	14 015	14 015	14 015	14 015	14 015	14 015	14 165	168 326	174 250	202 642	
Other Cash Flows by Source																
Transfer receipts - capital	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	2 160	25 917	29 441	31 542
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	8 000	8 000	-	-
Total Cash Receipts by Source	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	24 324	202 243	203 691	234 184	
Cash Payments by Type																
Employee related costs	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	39 224	41 107	42 702
Remuneration of councillors	858	858	858	858	858	858	858	858	858	858	858	858	858	10 297	10 791	11 210
Finance charges	32	32	32	32	32	32	32	32	32	32	32	32	32	389	408	424
Bulk purchases - Electricity	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	12 291	12 881	13 381
Bulk purchases - Water & Sewer	95	95	95	95	95	95	95	95	95	95	95	95	95	1 141	1 195	1 242
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	171	171	171	171	171	171	171	171	171	171	171	171	171	2 051	2 149	2 233
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	435	435	435	435	435	435	435	435	435	435	435	435	435	5 223	5 473	5 686
Other expenditure	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	7 656	91 877	96 288	100 024
Cash Payments by Type	13 541	13 541	13 541	13 541	13 541	13 541	13 541	13 541	13 541	13 541	13 541	13 541	162 493	170 293	176 900	
Other Cash Flows/Payments by Type																
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	39 742	39 742	31 111	33 119
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flow s/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	13 541	13 541	13 541	13 541	13 541	13 541	13 541	13 541	13 541	13 541	13 541	53 283	202 235	201 404	210 020	
NET INCREASE/(DECREASE) IN CASH HELD	2 633	2 633	2 633	2 633	2 633	2 633	2 633	2 633	2 633	2 633	2 633	(28 958)	8	2 287	24 164	
Cash/cash equivalents at the month/year begin:	42 953	45 586	48 220	50 853	53 486	56 119	58 753	61 386	64 019	66 653	69 286	71 919	42 953	42 961	45 247	45 247
Cash/cash equivalents at the month/year end:	45 586	48 220	50 853	53 486	56 119	58 753	61 386	64 019	66 653	69 286	71 919	42 961	42 961	45 247	49 411	69 411

Contracts having future budgetary implications

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

1.16 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

SA36 - Detailed capital budget per municipal vote

EC136 Emalahleni (EC) - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework		
										Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality:														
<i>List all capital projects grouped by Municipal Vote</i>														
PED		MIG: Erection of Hwaker Stalls Lady Frere	1 624		Yes	Other Assets	Other		4 160	1 140	1 541	1 140	1 541	1 660
PED		MIG: IPED project to be provided	1 660 000		Yes	Other Assets	Other		1 660					
Roads and Storm Water		MIG: Construction from R392 to Fani Village	5 900 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		5 900	1 140	1 541	1 140	1 541	1 660
Roads and Storm Water		MIG: Dukhale to Mmangweni	5 900 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		5 900	1 000	4 400	1 000	4 400	500
Roads and Storm Water		MIG: Ntsinga to Njombela	5 900 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		5 900	1 000	4 400	1 000	4 400	500
Roads and Storm Water		MIG: Gudlume via Thaleri	4 906 450		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		4 906					4 906
Roads and Storm Water		MIG: Bankies Access Road	3 510 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		3 510					3 510
Roads and Storm Water		MIG: Main L/F to Zakhele Phase 2	9 500 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		9 500					9 500
Roads and Storm Water		MIG: Ngcuke Access Road	3 281 400		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		3 281					3 281
Roads and Storm Water		MIG: Construction of Rwantana Access Road	6 510 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		6 510	6 510				
Roads and Storm Water		MIG: Construction of Diamini Access Road & Low Level Bridge	5 440 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		5 440	4 683				
Roads and Storm Water		MIG:Oboshane Bride	15 201 710		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		1 000	1 000				
Roads and Storm Water		MIG: Construction of Access Road (To be provided)	2 168 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		2 168					2 168
Community Services Admin		MIG: Traffic Testing Station Lady Frere	5 381		Yes	Community	Civic Land and Buildings		5 381	1 681	1 200	2 500	2 500	
Community Services Admin		MIG:Renovation and Upgrade Frere Stadium	9 149 504		Yes	Other Assets	Sportsfields & stadia		16 541	2 000	6 892	4 649	3 000	
Community Services Admin		MIG:Renovation and Upgrade Dordrecht	500 000		Yes	Other Assets	Sportsfields & stadia		360	360				
Community Services Admin		MIG: Dev of Landfill Site Lady Frere	2 000 000		Yes	Other Assets	Civic Land and Buildings		14 980		5 000	4 000	5 980	
Community Services Admin		MIG: Upgrading of Cemeteries in ward 4;14 & 16	1 500 000		Yes	Other Assets	Other		6 150	1 500	2 650	2 650	2 000	
Community Services Admin		MIG:Community Hall Ward 17	1 364 050		Yes	Other Assets	Other		1 364		1 364			
Community Services Admin		MIG:Community Hall Ward 5	1 400 000		Yes	Other Assets	Other		1 400			1 400		
Community Services Admin		MIG:Community Hall Ward 3	1 450 000		Yes	Other Assets	Other		1 450				1 450	
Community Services Admin		MIG:Community Hall Ward 10	1 400 000		Yes	Other Assets	Other		1 400			1 400		
Community Services Admin		MIG:Community Hall Ward 1	1 450 000		Yes	Other Assets	Other		1 450				1 450	
Community Services Admin		Renovations to Harry Gwala Hall			Yes	Other Assets	Other			500	700			
Community Services Admin		Park Homes-Testing Station			Yes	Other Assets	Other Buildings		200					
Technical Services Admin		Computers			Yes	Other Assets	Computers - hardware/equipment		70	70		60	50	
Technical Services Admin		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment		80	60	60	60	50	
Technical Services Admin		Plant and equipment			Yes	Other Assets	Plant & equipment			2 500				
IPED		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment		35	40	60	50		
IPED		Paving Block Machine			Yes	Other Assets	Plant & equipment			750				
IPED		Computers			Yes	Other Assets	Computers - hardware/equipment		40	30	30	30		
IPED		Dipping Tanks			Yes	Other Assets	Other			600				
Financial Services		Vehicles			Yes	Other Assets	General vehicles		1 175	700	750	800		
Human Resources		Computers			Yes	Other Assets	Computers - hardware/equipment		70	70	60	50		
Human Resources		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment		85	70	60	50		
Financial Services		Software and Server Room Security			Yes	Other Assets	Computers - hardware/equipment		230	100	140	160		
Financial Services		Computers			Yes	Other Assets	Computers - hardware/equipment		70	70	60	50		
Financial Services		Back-up generators			Yes	Other Assets	Plant & equipment		200					
Financial Services		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment		70	100	60	50		
Community Services Admin		Computers			Yes	Other Assets	Computers - hardware/equipment		80	70	60	50		
Community Services Admin		Fencing Landfill Site (CH District Mun)			Yes	Other Assets	Waste Management		800					
Community Services Admin		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment		70	70	60	50		
Community Services Admin		Tractor and trailer			Yes	Other Assets	General vehicles			450				
Community Services Admin		Construction of Pounds			Yes	Community	Other		700	400				
Community Services Admin		Fire Fighting equipment			Yes	Other Assets	Other		60					
Parks and Public Open Spaces		Construction of Park in Dodrecht/Indwe			Yes	Other Assets	Plant & equipment		200	350				
Resorts		Furniture and Equipment			Yes	Other Assets	Furniture and other office equipment		10					
Council		Computers			Yes	Other Assets	Computers - hardware/equipment		50	30	30	20		
Council		Furniture and office equipment			Yes	Other Assets	Civic Land and Buildings		30	120	50	40		
Council		Building New Offices Phase 2			Yes	Other Assets	Furniture and other office equipment			6 000				
Management		Computers			Yes	Other Assets	Computers - hardware/equipment		50	40	30	30		
Management		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment		20	120	40	4		
Strategic		Computers			Yes	Other Assets	Computers - hardware/equipment		25	30	30	40		
Strategic		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment		30	40	30	4		
Parent Capital expenditure	1									27 448	39 742	31 111	33 119	
Entities:														
<i>List all capital projects grouped by Entity</i>														
Entity A														
Water project A														
Entity B														
Electricity project B														
Entity Capital expenditure														
Total Capital expenditure														

1.17 Legislation compliance status

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

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns two has been appointed permanently from 01 August 2010 and 01 December 2011 respectively. In the remaining three two have been extended contracts for a year till end of December 2012, and one has been appointed as from 1st of December 2012 . Since the introduction of the Internship programme the Municipality has successfully employed and trained 33 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions such as KPMG, Ernest &Young, SARS, Auditor General, National Treasury.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2013/14 MTREF in May 2013 directly aligned and informed by the 2013/14 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

BRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

EC136 Emalahleni (EC) - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 -	Vote 2 -	Vote 3 -	Vote 4 -	Vote 5 - IPED	Vote 6 -	Total
		Executive and Council	Budget and Treasury	Corporate Services	Community and Social Services		Technical Services	
R thousand	1							
Revenue By Source								
Property rates		-	5 200	-	-	-	-	5 200
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	6 485	6 485
Service charges - water revenue		-	-	-	-	-	3 835	3 835
Service charges - sanitation revenue		-	-	-	-	-	3 418	3 418
Service charges - refuse revenue		-	-	-	4 200	-	-	4 200
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	491	-	-	491
Interest earned - external investments		-	1 516	-	-	-	-	1 516
Interest earned - outstanding debtors		-	1 045	-	1 319	-	1 914	4 278
Dividends received		-	-	-	-	-	-	-
Fines		-	-	-	0	-	-	0
Licences and permits		-	-	-	4	1	711	716
Agency services		-	42	-	-	-	20 005	20 047
Other revenue		-	2 001	0	70	11	11 685	13 766
Transfers recognised - operational		5 336	75 953	-	572	-	22 364	104 225
Gains on disposal of PPE		-	150	-	-	-	-	150
Total Revenue (excluding capital transfers and contributions)		5 336	85 906	0	6 655	12	70 417	168 326
Expenditure By Type								
Employee related costs		3 990	5 375	7 836	9 397	4 317	8 309	39 224
Remuneration of councillors		10 297	-	-	-	-	-	10 297
Debt impairment		-	1 040	-	-	-	3 029	4 069
Depreciation & asset impairment		-	3 945	-	5 292	-	13 458	22 695
Finance charges		-	229	160	-	-	-	389
Bulk purchases		-	-	-	-	-	13 432	13 432
Other materials		-	-	-	-	-	-	-
Contracted services		-	1 773	123	-	-	155	2 051
Transfers and grants		-	525	-	300	-	4 397	5 223
Other expenditure		9 429	8 024	7 100	7 598	5 945	53 782	91 877
Loss on disposal of PPE		-	-	-	-	-	-	-
Total Expenditure		23 716	20 912	15 219	22 586	10 262	96 561	189 257
Surplus/(Deficit)		(18 380)	64 994	(15 219)	(15 931)	(10 250)	(26 145)	(20 931)
Transfers recognised - capital		-	-	-	-	-	25 917	25 917
Contributions recognised - capital		-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(18 380)	64 994	(15 219)	(15 931)	(10 250)	(228)	4 986

MBRR Table SA3 – Supporting detail to Statement of Financial Position

EC136 Emalahleni (EC) - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	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	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		25 897	6 066	26 517	37 885	45 000	45 000	45 000	50 000	47 000	40 000
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	25 897	6 066	26 517	37 885	45 000	45 000	45 000	50 000	47 000	40 000
Consumer debtors											
Consumer debtors		20 697	23 471	98 518	29 138	29 138	29 138	29 138	33 018	36 860	40 673
Less: Provision for debt impairment		(18 411)	(22 578)	(71 380)	(27 178)	(27 178)	(27 178)	(27 178)	(31 246)	(35 510)	(39 940)
Total Consumer debtors	2	2 286	892	27 138	1 960	1 960	1 960	1 960	1 772	1 350	733
Debt impairment provision											
Balance at the beginning of the year		22 200	18 411	-	23 377	23 377	23 377	23 377	27 178	31 246	35 510
Contributions to the provision		(3 789)	4 167	-	3 801	3 801	3 801	3 801	4 069	4 264	4 429
Bad debts written off		-	-	-	-	-	-	-	-	-	-
Balance at end of year		18 411	22 578	-	27 178	27 178	27 178	27 178	31 246	35 510	39 940
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		202 810	224 783	387 015	250 254	260 350	260 350	260 350	286 617	315 717	346 945
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	-	19 872	7 842	7 842	7 842	7 842	30 537	54 321	79 028
Total Property, plant and equipment (PPE)	2	202 810	224 783	367 142	242 413	252 508	252 508	252 508	256 080	261 396	267 916
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		104	96	293	-	-	-	-	-	-	-
Total Current liabilities - Borrowing		104	96	293	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		2 446	4 200	6 499	4 620	4 620	4 620	4 620	5 082	5 590	6 149
Unspent conditional transfers		17 098	14 292	3 138	10 920	10 920	10 920	10 920	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	2	19 544	18 491	9 637	15 540	15 540	15 540	15 540	5 082	5 590	6 149
Non current liabilities - Borrowing											
Borrowing	4	-	-	1 105	-	-	-	-	-	-	-
Finance leases (including PPP asset element)		96	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		96	-	1 105	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits		1 219	1 219	3 519	1 106	1 106	1 106	1 106	7 166	8 289	9 451
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	2 708	-	-	-	-	140	140	140
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions - non-current		1 219	1 219	6 227	1 106	1 106	1 106	1 106	7 306	8 429	9 591
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		110 183	248 435	503 000	310 292	315 553	315 553	315 553	327 295	329 281	327 630
GRAP adjustments		89 149	-	-	-	-	-	-	-	-	-
Restated balance		199 332	248 435	503 000	310 292	315 553	315 553	315 553	327 295	329 281	327 630
Surplus/(Deficit)		49 103	24 701	(53 534)	26 150	(1 470)	(1 470)	(1 470)	4 986	5 350	28 147
Appropriations to Reserves		-	-	-	(3 642)	(3 642)	(3 642)	(3 642)	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	(5)	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	248 435	273 131	449 467	332 800	310 441	310 441	310 441	332 281	334 630	355 777
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	7 842	7 842	7 842	7 842	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	1 106	1 106	1 106	1 106	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	-	8 948	8 948	8 948	8 948	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	248 435	273 131	449 467	341 747	319 389	319 389	319 389	332 281	334 630	355 777

MBRR Table SA9 – Social, economic and demographic statistics and assumptions

EM135 Emalahleni (EC) - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographic												
Population												
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
Monthly household income (no. of households)	1, 12											
No income												
R1 - R1 000												
R1 001 - R2 000												
R2 001 - R3 000												
R3 001 - R4 000												
R4 001 - R5 000												
R5 001 - R6 000												
R6 001 - R8 000												
R8 001 - R10 000												
R10 001 - R20 000												
R20 001 - R30 000												
R30 001 - R40 000												
R40 001 - R50 000												
R50 001 - R819 000												
> R 819 000												
Poverty profiles (no. of households)	13											
< R2 000 per household per month												
Insert description	2											
Household characteristics (000)												
Number of people in municipal area												
Number of poor people in municipal area												
Number of house holds in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics	3											
Formal												
Informal												
Total number of households												
Dwellings provided by municipality	4											
Dwellings provided by province												
Dwellings provided by private sector	6											
Total new housing dwellings												
Economic	5											
Interest/inflation outlook (CPI)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electronic)												
Consumption growth (total)												
Collection rates	7											
Property services charges												
Rental facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												



1.1 Municipal Manager's quality certificate

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

(MBRR –GN393 in GG32141 dated 17 April 2009 section 5)

Print Name SITEMBELE WISEMAN VATALA

Municipal Manager of Emalahleni Municipality

Signature

Date

2013/06/04