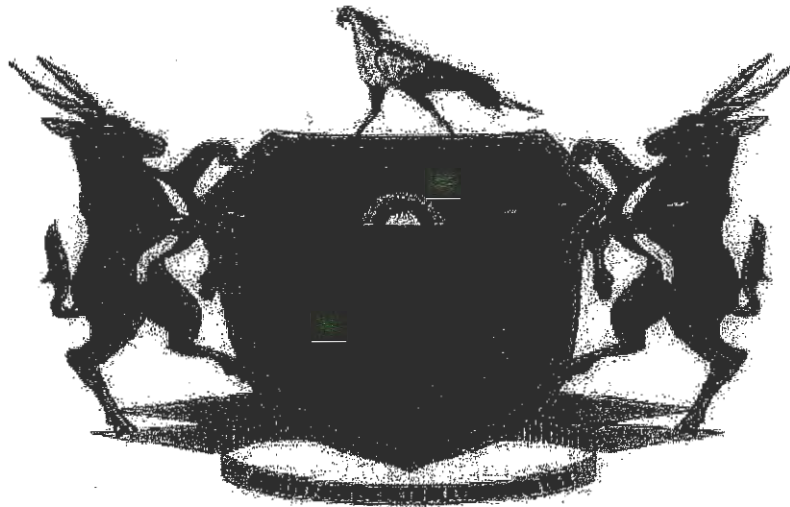


**KING SABATA DALINDYEBO MUNICIPALITY**

**BUDGET AND TREASURY DIRECTORATE**

MUNICIPAL MANAGER  
King Sabata Dalindyebo  
Municipality  
26/03/2014



**DRAFT MTREF BUDGET TO COUNCIL MEETING**

**31 MARCH 2014**

**10H00**

**TOWN HALL**

## **EXECUTIVE SUMMARY**

### **Purpose**

The purpose of the report is to present the draft MTREF budget 2014-2017 to Council for approval..

### **Legal and or Statutory Requirements**

In terms of section 16(2) of the MFMA 56 of 2003 the Mayor of a Municipality must for each financial year table the annual budget at a council meeting atleast 90 days before start of the financial year

### **Recommendations**

1. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 14 on page 22;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 15 on page 23;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 17 on page 25; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 18 on page 26.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 19 on page 27;
    - 1.2.2. Budgeted Cash Flows as contained in Table 20 on page 29;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 21 on page 30;
    - 1.2.4. Asset management as contained in Table 22 on page 31; and
    - 1.2.5. Basic service delivery measurement as contained in Table 23 on page 33.

2. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:
  - 2.1. Draft tariffs for property rates – as set out in Table 5 page 11,
  - 2.2. Draft tariffs for electricity – as set out in Table 6 page 12
  - 2.3. Draft tariffs for solid waste services – as set out in Table 7 page 13-14
  
3. The Council of King Sabata Dalindyebo Local 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 2014 the draft tariffs for other services, as set out in Annexures A respectively.
  
4. To give proper effect to the municipality's annual budget, the Council of King Sabata Dalindyebo Local Municipality approves:
  - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all provisions, long-term loans and unspent conditional grants are cash backed as required in terms of the municipality' budget policy .
  
5. Approve the following draft policies inline with 17(2)(e) when an annual budget is tabled in terms of 16(2) it must be accompanied by any proposed amendments to the budget related polices in Annexure B:
  - 5.1 Approve the draft reviewed Budget Policy
  - 5.2 Approve the draft reviewed Credit Control Policy and By law
  - 5.3 Approve the draft reviewed Investment Policy
  - 5.4 Approve the draft reviewed Property Rates Policy and By law
  - 5.5 Approve the draft reviewed Supply Chain Management policy
  - 5.6 Approve the draft reviewed Asset Management Policy
  - 5.7 Approve draft reviewed fleet Management Policy
  - 5.8 Approve draft developed irregular,wastefull and unauthorised policy
  - 5.9 Approve the draft reviewed Indigent Policy
  - 5.10 Approve the draft reviewed tariff policy

5.11 Approve the draft reviewed write off policy

5.12 Allow the Month of April to be Public Participation Process and finalisation of draft budget in  
May 2014



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**Clir N Ngqongwa**  
**Executive Mayor**

- Consultant Fees;
- Furniture and office equipment;
- Special Events;
- Refreshments and entertainment;
- Ad-hoc travelling; and
- Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2014/15 MTREF**

Description	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework					
	Original Budget	Adjusted Budget	Full Year Forecast	% Change	Budget Year 2014/15	% Change	Budget Year +1 2015/16	% Change	Budget Year +2 2016/17	
	R' 000	R' 000	R' 000		R' 000		R' 000		R' 000	
Operating Income	922,707	936,609	936,609	1%	920,956	-2%	1,017,022	9%	1,051,320	3%
Operating Expenditure	907,449	937,866	937,866	3%	893,114	-5%	956,955	7%	969,116	1%
Surplus	15,258	(1,257)	(1,257)	1314%	27,842	105%	60,067	54%	82,204	27%
Contributions to capital outlay	15,258	29,982	29,982	49%	27,842	-8%	28,204	1%	29,727	5%
Capital expenditure	217,850	259,412	259,412	16%	112,850	-130%	125,039	10%	131,792	5%
	233,108	258,155	258,155	10%	140,692	-83%	153,243	8%	161,519	10%

- Total operating revenue has been reduced by 2% for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 9 and 3%.
- Total operating expenditure for the 2014/15 financial year has been appropriated at R893 million and R27 million for contributions to capital outlay and translates into a budgeted of R920 million. When compared to the 2013/14 Adjustments Budget, Operational expenditure has reduced by 5% in the 2014/15 budget and increased by 7 and 1% for each of the respective outer years of the MTREF.
- The capital budget of R112.8 million for 2014/15 is 130 % less when compared to the 2013/14 Adjustment Budget. The reduction is due to various projects being finalised in the previous financial year as well as reduction in capital grants that have been confirmed.

**Table 2 Summary of revenue classified by main revenue source**

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	122,569	128,537	131,782	146,761	146,761	153,931	-	184,717	195,800	207,548
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	187,943	195,363	231,009	237,528	237,528	237,528	-	255,081	273,932	294,175
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	17,983	17,818	27,597	21,038	21,038	22,297	-	22,511	24,086	25,772
Service charges - other					6,691	8,076	8,076		7,320	7,760	8,225
Rental of facilities and equipment		10,924	12,276	12,505	15,418	16,256	16,256		16,488	17,636	18,869
Interest earned - external investments		8,538	7,017	9,483	9,381	7,336	7,336		7,776	8,282	8,820
Interest earned - outstanding debtors		23,383	22,099	27,209	23,655	23,655	23,655		25,074	26,579	28,173
Dividends received				12	-	-	-				
Fines		1,806	1,936	1,607	3,601	3,601	3,601		3,954	4,210	4,463
Licences and permits		11,322	10,140	11,011	15,297	15,621	15,621		16,214	17,268	18,304
Agency services											
Transfers recognised - operational		127,258	147,888	248,348	210,180	211,634	211,634		230,944	275,564	261,860
Other revenue	2	8,203	25,274	162,807	36,223	36,223	71,333	-	38,395	40,866	43,318
Gains on disposal of PPE		254	-						-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>520,203</b>	<b>568,346</b>	<b>863,369</b>	<b>725,772</b>	<b>727,729</b>	<b>771,268</b>	<b>-</b>	<b>808,475</b>	<b>891,982</b>	<b>919,528</b>

**Table 3 Percentage growth in revenue by main revenue source****EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework					
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15		Budget Year +1 2015/16		Budget Year +2 2016/17	
<b>Revenue By Source</b>										
Property rates	146,761	146,761	153,931	–	184,717	17%	195,800	6%	207,548	6%
Service charges - electricity revenue	237,528	237,528	237,528	–	255,081	7%	273,932	7%	294,175	7%
Service charges - refuse revenue	21,038	21,038	22,297	–	22,511	1%	24,086	7%	25,772	7%
Service charges - other	6,691	8,076	8,076		7,320	10%	7,760	6%	8,225	6%
Rental of facilities and equipment	15,418	16,256	16,256		16,488	1%	17,636	7%	18,869	7%
Interest earned - external investments	9,381	7,336	7,336		7,776	6%	8,282	6%	8,820	6%
Interest earned - outstanding debtors	23,655	23,655	23,655		25,074	6%	26,579	6%	28,173	6%
Fines	3,601	3,601	3,601		3,954	9%	4,210	6%	4,463	6%
Licenses and permits	15,297	15,621	15,621		16,214	4%	17,268	6%	18,304	6%
Transfers recognized - operational	210,180	211,634	211,634		230,944	8%	275,564	16%	261,860	-5%
Other revenue	36,223	36,223	71,333	–	38,395	86%	40,866	6%	43,318	6%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>725,772</b>	<b>727,729</b>	<b>771,268</b>	<b>–</b>	<b>808,475</b>	<b>5%</b>	<b>891,982</b>	<b>9%</b>	<b>919,528</b>	<b>3%</b>

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality.

- Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2014/15 financial year, revenue from rates and services charges totaled R462 million.
- The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.
- Property rates is the second largest revenue source.
- The third largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees.
- Operating grants and transfers totals R230 million in the 2014/15 financial year.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

EC157 King Sabata Dalindyebo - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		130,334	153,818	165,084	196,451	200,517	196,451	222,316	266,526	261,860
Local Government Equitable Share		127,858	151,093	161,236	184,567	184,567	184,567	206,246	250,585	254,142
Finance Management		1,200	1,450	2,084	1,550	1,550	1,550	1,600	1,650	1,700
Municipal Systems Improvement		1,276	790	764	890	890	890	934	967	1,018
Electricity Demand Side Management					5,000	5,574	5,000	5,000	5,000	
EPWP Incentive			485	1,000	1,000	1,000	1,000	1,529		
Municipal Infrastructure Grant					3,444	3,444	3,444	4,007	4,324	
Infrastructure Skills Development					-	3,492	-	3,000	4,000	5,000
<b>Provincial Government:</b>		5,853	13,395	8,037	12,229	12,229	12,229	8,629	9,038	-
Health subsidy		5,853	13,392			-	-			
Various			2	8,009	10,515	10,515	10,515	6,915	7,212	
Housing										
Sport and Recreation				28	1,714	1,714	1,714	1,714	1,825	
EPWP Incentive						-	-			
<b>District Municipality:</b> <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	136,187	167,213	173,121	208,680	212,746	208,680	230,944	275,564	261,860
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		38,185	65,679	53,826	164,428	215,990	164,428	96,126	107,488	113,292
Municipal Infrastructure Grant (MIG)		30,742	46,279	27,573	65,428	94,069	65,428	76,126	82,163	86,599
Neighbourhood Development Partnership								-		
Rural Households Infrastructure				6,978	4,000	4,000	4,000	5,000	5,325	5,613
Integrated National Electrification Programme		7,442	17,400	19,275	95,000	117,921	95,000	15,000	20,000	21,080
Public Transport and Systems			2,000							
Other capital transfers/grants <i>[insert desc]</i>										
<b>Provincial Government:</b>		-	93,760	47,461	27,507	37,488	27,507	16,481	17,552	18,500
Various			93,760	47,461	27,507	37,488	27,507	16,481	17,552	18,500
<b>District Municipality:</b> <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	38,185	159,439	101,287	191,935	253,478	191,935	112,607	125,039	131,792
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		174,372	326,652	274,408	400,614	466,224	400,614	343,551	400,604	393,652



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% 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 both Eskom tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these 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.

#### 1.4.1 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.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the City's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
  - The rate-able property concerned must be occupied by the applicant and his/her spouse, if any, and by dependents without income;
  - The applicant must submit proof of his/her age and identity and, proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2014/15 financial year based on a 6 % increase with effect from 1 July 2014 is contained below:

**Table 5 Comparison of proposed rates to levied for the 2014/15 financial year**

<b>ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS</b>				
<b>AS FROM 01 JULY 2014</b>				
	<b>2013/2014</b>		<b>2014/2015</b>	
<b>PROPERTY PRATES AND LEVIES</b>				
<b><u>Proposed increment 2014/15 at 6%</u></b>				
<b>General Rate</b>				
Domestic (cents in a Rand)	1.02	<b>Cents in a Rand</b>	1.078656	<b>Cents in a Rand</b>
Business/ Commercial (cents in a Rand)	2.04	<b>Cents in a Rand</b>	2.157312	<b>Cents in a Rand</b>
Government/ Parastatals (State Owned) (cents in a Rand)	2.80	<b>Cents in a Rand</b>	2.966304	<b>Cents in a Rand</b>
Agricultural (cents in a Rand)	1.02	<b>Cents in a Rand</b>	1.078656	<b>Cents in a Rand</b>
PSI (cents in a Rand)	2.04	<b>Cents in a Rand</b>	2.157312	<b>Cents in a Rand</b>
Parking Development Rate (cents in a Rand)	0.16	<b>Cents in a Rand</b>	0.16854	<b>Cents in a Rand</b>
<b>Fire Levy</b>				
Domestic - Per annum	276.77		293.37196	
Business/ Commercial Per Annum	498.19		528.08076	

#### 1.4.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 8.06 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

In terms of the NERSA communication dated 20 November 2013 an increase of 7.39 % is recommended based on the following assumptions:

- I. Bulk purchases have been increased by 8.06 % in line with Eskom's electricity tariff increase to municipalities.
- II. A consumer price index of 5.5%
- III. Salary and wage increase of 1% above the CPI as directed by Circular 6 of 2012: Salary and Wage Collective agreement.
- IV. Repairs and maintenance, capital charges and other service costs have been increased by the CPI.

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 be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the water charges for domestic customers:

Table 6 Comparison between current electricity charges and increases (Domestic)

## NERSA TARIFF APPLICATION 2014/2015

	ELECTRICITY	2013/2014		2014/2015	
	TARIFFS				
1	ELECTRICITY TARIFFS	ELECTRICITY TARIFFS			
	DOMESTIC PREPAYMENT	DOMESTIC PREPAYMENT			
1	(TARRIF 1)	(TARIFF 1)			
		BLOCK 1	70C/kwh	74.00	c/kw
		BLOCK 2	85.60c/kwh	90.73	c/kw
		BLOCK 3	115.56c/kwh	124.09	c/kw
		BLOCK 4	126.26c/kwh	137.71	c/kw
1.1	DOMESTIC PREPAYMET	BLOCK 1	67.55C/kwh	73.85	c/kw
	(TARIFF 2)	BLOCK 2	80c/kwh	90.73	c/kw
	INDIGENT	BLOCK 3	108c/kwh	124.09	c/kw
		BLOCK 4	118.80c/kwh	137.99	c/kw
2	COMMERCIAL CONVENTIONAL				
2.1	Basic charge/month	282.5		298.04	
2.2	ENERGY CHARGE	128.67		135.68	C/KWh
3	COMMERCIAL PREPAYMENT	138.09		145.68	
	Energy charge/kwh				
	Small (tariff 3)	145		155.71	C/KWh
	Big (tariff 4)	145		155.71	C/KWh
	INDUSTRIAL LOW				
4	≤ 100KVA				
				R	
	Basic charge/month	840.23		902.323	/per month
	Energy charge/kwh	50		53.695	C/KWh
	Demand charge/kva	203.89		218.9575	/kva
4.1	INDUSTRIAL HIGH >100KVA				
	Basic charge per month	788.63		846.9098	
	Energy charge	43.26		46.45691	C/KWh
	Demand charge (kva)	191.41		205.5552	/KVA
	A minimum of 70% will be charged on all NMD readings per month				
5	CHARGE5 FOR SERVICES RENDERED				
5.1	Call out during working hours	303.06		321.2436	
5.2	Call out after working hours	435.31		461.4286	
5.3	Disconnect at request of consumer	297.28		315.1168	
5.4	Disconnect for improper use of service or illegal connection	541.56		574.0536	
5.5	Disconnection for nonpayment of account	443.76		470.3856	

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The municipality has implemented the steeped up tariff on the 01 July 2011 as recommended by NERSA. The impact of the implementation of the steeped up tariff resulted in municipality losing out on the basic service availability charge for consumers other than domestic. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality.

### 1.4.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality has to develop and 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 contributors to this deficit are vehicles costs mainly due to increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 7 per cent increase in the waste removal tariff is proposed from 1 July 2014, this is one percent higher than the inflations rate. This should be utilized to reduce deficit in this trading section of allocated to the relevant. Higher increases will not be viable in 2014/15 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 7 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2014:

**Table 7 Comparison between current waste removal fees and increases**

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
AS FROM 01 JULY 2014			
		2013/2014	2014/2015
<b>3.0</b>	<b>SOLID WASTE : Proposed increment 7%</b>		
	Refuse Removal : Full Level of Service		
	<b>Annual Charges</b>		
3.1.1	Domestic (2 bags or bins once per week)	1823.13	1950.75
3.1.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	3667.08	3923.78
3.1.3	Per additional bag or bin	1823.13	1950.75
3.1.4	Per additional service removal per week	3667.08	3923.78
4.2	Refuse Removal : Full Level of Service		
	<b>Monthly Charges</b>	153.80	164.57
4.2.1	Domestic (2 bags or bins once per week)	3.79	4.05
4.2.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	153.80	164.57
4.2.3	Per additional bag or bin	309.32	330.97
4.2.4	Per additional service removal per week		

<b>4.3</b>	<b>Refuse Removal : Basic Level of Service</b>		
	<b>Annual Charges</b>		
4.3.1	Domestic	1041.78	1114.71
4.3.2	Business/Industry	2437.77	2608.41
4.3.3	Government Institutions	2437.77	2608.41
4.3.4	Coffee Bay & Hole-in-the-Wall		
<b>4.4</b>	<b>Refuse Removal : Basic Level of Service</b>		
	<b>Monthly Charges</b>		
4.4.1	Domestic	87.98	94.13
4.4.2	Business/Industry	205.24	219.60
4.4.3	Government Institutions	205.24	219.60
<b>4.5</b>	<b>Sales</b>		
4.5.1	Plastic Refuse bins (each)		
4.5.2	Plastic Refuse Bags (per pack)		
<b>4.6</b>	<b>Skips</b>		
4.6.1	Rental per skip per month	687.48	735.60
4.6.2	Rental per skip per year	8154.45	8725.26
4.6.3	Charge per clearance of skip	483.86	517.74
		0.00	0.00
<b>4.7</b>	<b>Excess Refuse</b>	0.00	0.00
4.7.1	Garden Refuse (per 2.5ft load)	289.91	310.20
4.7.2	Removal of scrap vehicles (per vehicle load)	405.92	434.33
4.7.3	Hire of skip container per day	220.38	235.80
<b>4.8</b>	<b>Penalty for Illegal Dumping : Proposed increment at 7%</b>		
4.8.1	Garden and/ or domestic refuse	321.21	343.70
<b>4.9</b>	<b>Trolley Bins</b>		
4.9.1	Rental (per bin per month)	321.21	343.70
4.9.2	Charge per clearance	321.21	343.70

#### 1.4.4 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 6 and 8 per cent.

**Table 8 MBRR Table SA14 – Household bills**

EC157 King Sabata Dalindyebo - Supporting Table SA14 Household bills

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		5,108.00	5,365.00				-	6.0%			
Electricity: Basic levy							-				
Electricity: Consumption		7,831.00	9,354.00		9,289.00	9,354.00	9,354.00	8.0%	10,102.32	10,910.51	11,783.35
Water: Basic levy							-				
Water: Consumption							-				
Sanitation							-				
Refuse removal		836.00	890.00		983.00	819.00	819.00	7.0%	876.33	937.67	1,003.31
Other			87.00								
sub-total		13,775.00	15,696.00	-	10,272.00	10,173.00	10,173.00	6.9%	10,978.65	11,848.18	12,786.66
VAT on Services											
Total large household bill:		13,775.00	15,696.00	-	10,272.00	10,173.00	10,173.00	6.9%	10,978.65	11,848.18	12,786.66
% increase/decrease			13.9%	(100.0%)	-	(1.0%)	-	7.9%	7.9%	7.9%	7.9%

## 1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- 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
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

**Table 9 Summary of operating expenditure by standard classification item**

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure By Type</b>											
Employee related costs	2	198,868	226,442	244,016	267,937	267,937	257,207	-	288,679	306,250	325,850
Remuneration of councillors		15,825	18,729	17,420	17,829	19,052	19,052		20,646	21,744	23,136
Debt impairment	3	109,266	51,104	22,132	16,932	56,932	56,932		30,000	30,000	31,620
Depreciation & asset impairment	2	97,077	179,044	97,077	125,237	125,237	112,742	-	102,800	128,102	135,019
Finance charges		5,042	8,639	9,107	6,001	4,910	4,910		5,400	5,692	5,999
Bulk purchases	2	110,470	144,976	162,454	181,850	181,850	181,850	-	196,507	212,346	229,461
Other materials	8	8,897	1,247								
Contracted services		5,553	17,236	17,142	10,936	10,936	13,936	-	13,885	13,054	13,759
Transfers and grants		18,756	21,360	26,198	4,400	4,400	4,400	-	25,080	26,434	27,862
Other expenditure	4, 5	115,624	139,846	118,572	224,949	224,949	252,428	-	210,113	218,970	216,264
Loss on disposal of PPE		-	16,863								
<b>Total Expenditure</b>		<b>685,377</b>	<b>825,487</b>	<b>714,118</b>	<b>856,071</b>	<b>896,204</b>	<b>903,457</b>	<b>-</b>	<b>893,111</b>	<b>962,592</b>	<b>1,008,970</b>
<b>Surplus/(Deficit)</b>		<b>(165,174)</b>	<b>(257,141)</b>	<b>149,251</b>	<b>(130,300)</b>	<b>(168,475)</b>	<b>(132,190)</b>	<b>-</b>	<b>(84,636)</b>	<b>(70,610)</b>	<b>(89,442)</b>
Transfers recognised - capital		166,151	62,576	72,605	90,389	151,924	151,924		112,481	125,039	131,792
Contributions recognised - capital	6	-	-	-	-	-	-		-	-	-
Contributed assets				4,746	8,618	(23,100)	(23,100)		(27,842)	(28,204)	(29,727)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>

- The budgeted allocation for employee related costs for the 2014/15 financial year totals R288 million excluding councillors remuneration, which equals 32 per cent of the total operating expenditure and including councillors remuneration is R309 million and equates 34% of total operating budget. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.8 per cent for the 2014/15 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF.
- The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the 2014/15 financial year this amount equates to R30 million based on the actual of R25 million in 2012/13 financial year.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R104 million for the 2014/15 financial and equates to 12 per cent of the total operating expenditure. This is based on the actual expenditure of R98 million in the 2013 financial year.
- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). The budget for the line item is set at R5 million.

- 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 annual increase is set at 8.06 percent and at R197 million.
- Contracted services are budgeted for at R13 million.
- Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The budget for other expenditure R168 million.
- Contribution to capital outlay is budgeted for at R27.8 million (Capital expenditure)

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipality's current infrastructure, the 2014/15 budget has provided for R28.8 million for the line item.

**Table 10 Operational repairs and maintenance**

EC157 King Sabata Dalindyebo - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Repairs and Maintenance	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		31,829		147,570	35,559	35,216	35,216		28,861	30,416	32,058
<b>Total Repairs and Maintenance Expenditure</b>	<b>9</b>	<b>31,829</b>	<b>-</b>	<b>147,570</b>	<b>35,559</b>	<b>35,216</b>	<b>35,216</b>	<b>-</b>	<b>28,861</b>	<b>30,416</b>	<b>32,058</b>

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



Table 11 Repairs and maintenance per asset class

EC157 King Sabata Dalindyebo - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		5,436	28,747	--	16,881	23,999	23,999	19,290	20,330	21,429
Infrastructure - Road transport		3,237	19,362	--	9,049	14,413	14,413	10,963	11,575	12,202
Roads, Pavements & Bridges		3,237	19,362	--	9,049	14,413	14,413	10,963	11,575	12,202
Storm water		--	--	--	--	--	--	--	--	--
Infrastructure - Electricity		2,199	9,386	--	7,832	9,586	9,586	8,306	8,755	9,228
Generation		--	--	--	--	--	--	--	--	--
Transmission & Reticulation		1,920	8,136	--	7,832	9,586	9,586	6,795	7,162	7,549
Street Lighting		278	1,249	--	--	--	--	1,511	1,593	1,679
Infrastructure - Water		--	--	--	--	--	--	--	--	--
Dams & Reservoirs		--	--	--	--	--	--	--	--	--
Water purification		--	--	--	--	--	--	--	--	--
Reticulation		--	--	--	--	--	--	--	--	--
Infrastructure - Sanitation		--	--	--	--	--	--	--	--	--
Reticulation		--	--	--	--	--	--	--	--	--
Sewerage purification		--	--	--	--	--	--	--	--	--
Infrastructure - Other		--	--	--	--	--	--	--	--	--
Waste Management		--	--	--	--	--	--	--	--	--
Transportation		--	--	--	--	--	--	--	--	--
Gas		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Community</b>		1,277	137	--	11,264	1,013	1,013	2,769	2,918	3,076
Parks & gardens		--	--	--	--	--	--	--	--	--
Sportsfields & stadia		1,212	--	--	11,264	1,013	1,013	1,732	1,825	1,924
Swimming pools		--	--	--	--	--	--	--	--	--
Community halls		--	--	--	--	--	--	801	844	890
Libraries		--	--	--	--	--	--	236	249	262
Recreational facilities		--	--	--	--	--	--	--	--	--
Fire, safety & emergency		--	--	--	--	--	--	--	--	--
Security and policing		--	--	--	--	--	--	--	--	--
Buses		--	--	--	--	--	--	--	--	--
Clinics		--	--	--	--	--	--	--	--	--
Museums & Art Galleries		--	--	--	--	--	--	--	--	--
Cemeteries		--	--	--	--	--	--	--	--	--
Social rental housing		--	--	--	--	--	--	--	--	--
Other		65	137	--	--	--	--	--	--	--
<b>Heritage assets</b>		--	--	--	--	--	--	--	--	--
Buildings		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Investment properties</b>		--	--	--	--	--	--	--	--	--
Housing development		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Other assets</b>		3,704	2,945	--	8,162	10,204	10,204	6,802	7,166	7,533
General vehicles		2,922	543	--	--	--	--	--	--	--
Specialised vehicles		--	--	--	--	--	--	--	--	--
Plant & equipment		--	--	--	2,022	4,315	4,315	2,517	2,649	2,772
Computers - hardware/equipment		36	55	--	1,445	70	70	74	78	82
Furniture and other office equipment		245	275	--	2,717	184	184	251	264	278
Abattoirs		--	--	--	--	--	--	--	--	--
Markets		--	--	--	--	--	--	--	--	--
Civic Land and Buildings		502	1,887	--	--	--	--	--	--	--
Other Buildings		--	--	--	1,979	5,635	5,635	3,712	3,912	4,123
Other Land		--	--	--	--	--	--	--	--	--
Surplus Assets - (Investment or Inventory)		--	--	--	--	--	--	--	--	--
Other		--	165	--	--	--	--	250	264	277
<b>Agricultural assets</b>		--	--	--	--	--	--	--	--	--
List sub-class		--	--	--	--	--	--	--	--	--
<b>Biological assets</b>		--	--	--	--	--	--	--	--	--
List sub-class		--	--	--	--	--	--	--	--	--
<b>Intangibles</b>		--	--	--	--	--	--	--	--	--
Computers - software & programming		--	--	--	--	--	--	--	--	--
Other (list sub-class)		--	--	--	--	--	--	--	--	--
<b>Total Repairs and Maintenance Expenditure</b>	1	10,417	31,829	--	36,307	35,216	35,216	28,861	30,414	32,038
<b>Specialised vehicles</b>		--	--	--	--	--	--	--	--	--
Refuse		--	--	--	--	--	--	--	--	--
Fire		--	--	--	--	--	--	--	--	--
Conservancy		--	--	--	--	--	--	--	--	--
Ambulances		--	--	--	--	--	--	--	--	--
<b>R&amp;M as a % of PPE</b>		1.2%	2.1%	0.0%	2.3%	2.3%	2.3%	1.9%	1.9%	2.1%
<b>R&amp;M as % Operating Expenditure</b>		1.6%	3.9%	0.0%	4.3%	4.0%	3.9%	3.0%	3.0%	3.1%

### 1.5.2 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. Indigent subsidy is budgeted for at R25 million.

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

Table 23 MBRR A10 (Basic Service Delivery Measurement) on page37.

## 1.6 Capital expenditure

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

**Table 12 2014/15 Medium-term capital budget per vote**

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<i>Single-year expenditure to be appropriated</i>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	104	-	537	1,325	2,292	2,292	710	717	756
Vote 2 - FINANCE & ASSET MANAGEMENT		179	858	-	4,312	6,293	3,950	3,950	5,494	5,127	5,403
Vote 3 - CORPORATE SERVICES		25	-	-	257	135	106	105	159	167	176
Vote 4 - COMMUNITY SERVICES		-	630	-	2,150	2,550	2,415	2,415	1,431	1,429	1,506
Vote 5 - PUBLIC SAFETY		12,397	2,888	-	3,551	3,242	11,293	11,293	3,226	3,400	3,583
Vote 6 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		-	10,685	-	1,789	1,163	13,483	13,483	1,106	797	840
Vote 7 - HUMAN SETTLEMENT		11	50,279	-	49,341	59,209	127,393	127,393	22,705	10,291	1,360
Vote 8 - INFRASTRUCTURE		60,709	76,289	-	171,020	249,662	137,891	137,891	105,616	125,528	129,996
Capital single-year expenditure sub-total		73,321	141,735	-	232,958	323,578	298,822	298,822	140,448	147,456	143,622

For 2014/15 an amount of R112 million has been appropriated for the development of infrastructure which represents 80. per cent of the total capital budget.

Table 13 MBRR Table A1 - Budget Summary

## EC157 King Sabata Dalindyebo - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Financial Performance</b>										
Property rates	122,589	128,537	131,782	146,761	146,761	153,931	-	184,717	195,800	207,548
Service charges	205,926	213,180	258,606	265,257	266,642	267,901	-	284,912	305,778	328,173
Investment revenue	8,538	7,017	9,483	9,381	7,336	7,336	-	7,776	8,282	8,820
Transfers recognised - operational	127,258	147,888	248,348	210,180	211,634	211,634	-	230,944	275,564	261,860
Other own revenue	55,892	71,725	215,161	94,193	95,356	130,466	-	100,125	106,558	113,127
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>520,203</b>	<b>568,346</b>	<b>863,389</b>	<b>725,772</b>	<b>727,729</b>	<b>771,268</b>	<b>-</b>	<b>808,475</b>	<b>891,982</b>	<b>919,528</b>
Employee costs	198,868	226,442	244,016	267,937	267,937	257,207	-	288,679	306,250	325,850
Remuneration of councillors	15,825	18,729	17,420	17,829	19,052	19,052	-	20,646	21,744	23,136
Depreciation & asset impairment	97,077	179,044	97,077	125,237	125,237	112,742	-	102,800	128,102	135,019
Finance charges	5,042	8,639	9,107	6,001	4,910	4,910	-	5,400	5,692	5,999
Materials and bulk purchases	119,367	146,223	162,454	181,850	181,850	181,850	-	196,507	212,346	229,461
Transfers and grants	18,756	21,360	26,198	4,400	4,400	4,400	-	25,080	26,434	27,862
Other expenditure	230,443	225,049	157,846	252,817	292,817	323,296	-	253,998	262,024	261,643
<b>Total Expenditure</b>	<b>685,377</b>	<b>825,487</b>	<b>714,116</b>	<b>856,071</b>	<b>896,204</b>	<b>903,457</b>	<b>-</b>	<b>893,111</b>	<b>962,592</b>	<b>1,006,970</b>
<b>Surplus/(Deficit)</b>	<b>(165,174)</b>	<b>(257,141)</b>	<b>149,251</b>	<b>(130,300)</b>	<b>(168,475)</b>	<b>(132,190)</b>	<b>-</b>	<b>(84,636)</b>	<b>(70,610)</b>	<b>(89,442)</b>
Transfers recognised - capital	166,151	62,576	72,805	90,389	151,924	151,924	-	112,461	125,039	131,792
Contributions recognised - capital & contributed	-	-	4,746	8,618	(23,100)	(23,100)	-	(27,842)	(28,204)	(29,727)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	73,321	141,735	-	232,958	323,578	298,822	298,822	140,448	173,691	29,727
Transfers recognised - capital	62,576	124,077	-	217,850	279,393	229,841	229,841	112,607	145,487	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	12,912	-	-	-	39,682	39,682	-	-	-
Internally generated funds	10,745	4,746	-	15,108	44,185	29,300	29,300	27,842	28,204	-
<b>Total sources of capital funds</b>	<b>73,321</b>	<b>141,735</b>	<b>-</b>	<b>232,958</b>	<b>323,578</b>	<b>298,822</b>	<b>298,822</b>	<b>140,448</b>	<b>173,691</b>	<b>-</b>
<b>Financial position</b>										
Total current assets	387,194	308,462	-	327,256	327,256	433,723	433,723	327,256	341,754	361,508
Total non current assets	924,858	1,588,898	-	1,650,366	1,650,366	1,589,028	1,342,454	1,546,380	1,570,349	1,542,699
Total current liabilities	184,643	190,478	-	172,655	178,595	178,289	178,289	171,055	171,055	171,055
Total non current liabilities	73,949	84,601	-	97,989	103,473	103,473	103,473	97,989	92,505	87,022
Community wealth/Equity	1,053,550	1,622,538	-	1,706,977	1,706,977	1,664,112	1,664,112	1,706,977	1,750,929	1,748,516
<b>Cash flows</b>										
Net cash from (used) operating	208,467	85,085	150,072	150,867	213,817	213,817	213,817	147,914	96,645	148,219
Net cash from (used) investing	(154,026)	(73,166)	(126,539)	(147,970)	(290,121)	(290,121)	(290,121)	(232,561)	(106,132)	(121,894)
Net cash from (used) financing	(4,241)	1,731	7,672	(5,484)	(5,484)	(5,484)	(5,484)	(5,484)	(5,484)	(5,484)
<b>Cash/cash equivalents at the year end</b>	<b>174,459</b>	<b>188,109</b>	<b>219,314</b>	<b>216,727</b>	<b>137,526</b>	<b>137,526</b>	<b>137,526</b>	<b>47,395</b>	<b>31,424</b>	<b>52,265</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	188,109	219,314	-	232,367	232,367	247,449	247,449	232,367	243,439	257,833
Application of cash and investments	77,358	120,394	-	81,317	87,628	79,558	161,345	77,571	74,891	70,492
<b>Balance - surplus (shortfall)</b>	<b>110,751</b>	<b>98,920</b>	<b>-</b>	<b>151,050</b>	<b>144,739</b>	<b>167,890</b>	<b>86,103</b>	<b>154,796</b>	<b>168,548</b>	<b>187,341</b>
<b>Asset management</b>										
Asset register summary (MDV)	42,242	103,432	1,485,310	1,358,879	1,476,366	1,415,029	1,575,290	1,575,290	1,706,252	1,855,790
Depreciation & asset impairment	97,077	179,044	97,077	125,237	125,237	112,742	102,800	102,800	128,102	135,019
Renewal of Existing Assets	-	-	-	-	-	-	-	12,732	-	-
Repairs and Maintenance	10,417	31,829	-	36,307	35,216	35,216	45,216	45,216	40,422	42,612
<b>Free services</b>										
Cost of Free Basic Services provided	4,887	4,887	4,887	5,161	5,347	5,546	5,935	5,935	6,351	6,795
Revenue cost of free services provided	10,007	10,071	10,327	11,305	11,491	11,690	26,614	26,614	28,112	14,245
<b>Households below minimum service level</b>										
Water:	52	52	52	0	42	42	42	42	42	42
Sanitation/sewerage:	41	41	41	15	15	15	15	15	15	15
Energy:	30	30	30	81	81	81	81	81	81	81
Refuse:	68	68	68	76	76	76	76	76	76	76

**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 emphasizes 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.

**Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

EC157 King Sabata Dalindyebo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		290,387	367,988	--	372,935	417,260	417,260	476,670	537,533	557,656
Executive and council		2,786	3,175	--	809	2,429	2,429	1,223	1,273	1,342
Budget and treasury office		286,653	364,175	--	370,563	413,296	413,296	474,330	535,072	555,866
Corporate services		948	638	--	1,563	1,535	1,535	1,117	1,188	448
<i>Community and public safety</i>		19,116	12,094	7,980	14,294	126,385	126,385	42,874	44,345	33,935
Community and social services		376	712	712	382	10,798	10,798	8,106	7,490	705
Sport and recreation		128	19	19	222	25	25	665	704	747
Public safety		6,896	4,396	5,671	5,339	11,569	11,569	12,623	13,274	8,371
Housing		--	1,114	1,578	8,352	103,993	103,993	21,481	22,877	24,112
Health		11,717	5,853	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		64,843	80,809	138,257	15,599	51,154	51,154	102,653	110,589	111,773
Planning and development		16,856	28,697	31,577	1,363	4,903	4,903	2,566	2,726	1,754
Road transport		47,987	52,112	106,681	14,236	46,250	46,250	100,089	107,864	110,019
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		172,447	217,586	235,544	248,897	268,064	268,064	298,758	324,554	347,956
Electricity		154,808	196,724	216,926	224,374	247,474	247,474	275,203	299,361	321,010
Water		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		17,639	20,863	18,618	24,524	20,591	20,591	23,555	25,193	26,945
<i>Other</i>	4	--	--	--	--	--	--	--	--	--
<b>Total Revenue - Standard</b>	2	546,794	678,478	381,781	651,726	862,863	862,863	920,956	1,017,022	1,051,320
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		236,045	228,438	364,243	236,066	409,098	409,098	417,828	448,249	436,904
Executive and council		32,491	52,752	47,260	52,104	74,667	74,667	70,150	72,761	76,120
Budget and treasury office		165,767	119,993	285,533	121,843	292,738	292,738	285,728	310,713	292,257
Corporate services		37,786	55,693	31,449	62,120	41,693	41,693	61,950	64,776	68,527
<i>Community and public safety</i>		75,516	99,942	128,696	102,073	119,368	119,368	127,886	135,542	137,062
Community and social services		5,932	4,472	12,868	8,684	26,498	26,498	24,388	26,067	21,818
Sport and recreation		6,182	10,404	7,178	12,719	10,789	10,789	13,885	14,364	15,244
Public safety		43,921	51,906	71,340	61,409	76,777	76,777	80,567	85,513	89,813
Housing		1,021	12,372	19,497	4,149	4,652	4,652	9,046	9,598	10,188
Health		18,460	20,788	17,814	15,100	652	652	--	--	--
<i>Economic and environmental services</i>		45,606	56,034	57,027	58,867	81,382	81,382	107,262	114,214	116,094
Planning and development		16,645	21,000	18,427	21,246	26,071	26,071	23,795	25,258	25,694
Road transport		28,961	35,034	35,546	37,621	50,188	50,188	78,103	83,254	84,337
Environmental protection		--	--	3,054	--	5,122	5,122	5,364	5,703	6,063
<i>Trading services</i>		168,984	182,257	227,689	254,720	253,015	253,015	267,979	287,152	308,783
Electricity		131,672	145,301	177,710	205,366	202,371	202,371	221,142	238,448	257,118
Water		--	--	--	--	--	--	--	--	--
Waste water management		1,293	1,213	1,455	2,933	3,558	3,558	3,106	3,296	3,498
Waste management		36,018	35,743	48,524	46,421	47,087	47,087	43,731	45,408	48,167
<i>Other</i>	4	--	--	--	--	--	--	--	--	--
<b>Total Expenditure - Standard</b>	3	526,151	566,671	777,656	651,726	862,863	862,863	920,956	985,158	998,843
<b>Surplus/(Deficit) for the year</b>		20,643	111,807	(395,874)	(0)	--	--	(0)	31,863	52,477

### 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 the case for electricity, but not the Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues.

### Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC157 King Sabata Dalindyebo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>										
Vote 1 - EXECUTIVE & COUNCIL	1	3,318	2,037	3,175	1,364	2,429	2,429	1,223	1,273	1,342
Vote 2 - FINANCE & ASSET MANAGEMENT		257,823	288,238	364,175	378,915	413,296	413,296	474,330	535,072	555,866
Vote 3 - CORPORATE SERVICES		2,590	369	1,173	1,100	1,910	1,910	1,511	1,605	890
Vote 4 - COMMUNITY SERVICES		29,356	26,772	18,647	24,544	29,120	29,120	29,352	30,228	26,982
Vote 5 - PUBLIC SAFETY		18,005	24,136	16,473	19,574	25,805	25,805	28,618	30,309	26,428
Vote 6 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		142,598	28,717	30,458	77	4,379	4,379	3,621	3,853	1,014
Vote 7 - HUMAN SETTLEMENT		721	1,114	2,721	1,492	106,435	106,435	23,004	24,492	25,824
Vote 8 - INFRASTRUCTURE		190,296	229,267	312,947	224,661	279,488	279,488	359,297	390,190	412,972
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>644,709</b>	<b>600,650</b>	<b>749,769</b>	<b>651,726</b>	<b>862,863</b>	<b>862,863</b>	<b>920,956</b>	<b>1,017,022</b>	<b>1,051,320</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - EXECUTIVE & COUNCIL	1	58,479	52,752	47,259	68,859	74,667	74,667	75,800	78,773	82,516
Vote 2 - FINANCE & ASSET MANAGEMENT		105,931	123,168	290,784	134,516	306,071	306,071	295,856	299,081	271,858
Vote 3 - CORPORATE SERVICES		24,974	29,075	28,136	31,612	33,340	33,340	50,152	52,331	95,924
Vote 4 - COMMUNITY SERVICES		68,990	65,483	76,564	62,536	70,943	70,943	63,053	66,120	64,324
Vote 5 - PUBLIC SAFETY		50,803	57,173	74,415	65,316	79,705	79,705	88,200	93,617	98,438
Vote 6 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		23,241	24,732	19,871	25,105	30,278	30,278	29,402	30,800	31,536
Vote 7 - HUMAN SETTLEMENT		14,016	19,051	13,263	15,033	18,229	18,229	26,880	28,551	30,328
Vote 8 - INFRASTRUCTURE		179,717	195,237	227,364	248,750	249,631	249,631	291,612	313,598	332,830
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>526,151</b>	<b>566,671</b>	<b>777,656</b>	<b>651,726</b>	<b>862,863</b>	<b>862,863</b>	<b>920,956</b>	<b>962,869</b>	<b>1,007,754</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>118,558</b>	<b>33,979</b>	<b>(27,886)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>54,152</b>	<b>43,565</b>

### 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 organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and services.

**Table 16 Surplus/(Deficit) calculations for the trading services**

EC157 King Sabata Dalindyebo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Electricity Rev	1	154,808	196,724	216,926	224,374	247,474	247,474	308,302	298,140	297,269
Electricity Ex		131,672	145,301	177,710	205,366	202,371	202,371	221,142	238,448	257,118
Surplus /Deficit										
Waste management		17,639	20,863	18,618	24,524	20,591	20,591	22,023	23,555	25,193
Waste management EX		36,018	35,743	48,524	46,421	47,087	47,087	43,731	45,408	48,167

**Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	122,589	128,537	131,782	146,761	146,761	153,931	-	184,717	195,800	207,548
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	187,943	195,363	231,009	237,528	237,528	237,528	-	255,081	273,932	294,175
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	17,983	17,818	27,597	21,038	21,038	22,297	-	22,511	24,086	25,772
Service charges - other					6,691	8,076	8,076		7,320	7,760	8,225
Rental of facilities and equipment		10,924	12,276	12,505	15,418	16,256	16,256		16,488	17,636	18,869
Interest earned - external investments		8,536	7,017	9,483	9,381	7,336	7,336		7,776	8,282	8,820
Interest earned - outstanding debtors		23,383	22,099	27,209	23,655	23,655	23,655		25,074	26,579	28,173
Dividends received				12	-	-	-				
Fines		1,806	1,936	1,607	3,601	3,601	3,601		3,954	4,210	4,463
Licences and permits		11,322	10,140	11,011	15,297	15,621	15,621		16,214	17,268	18,304
Agency services											
Transfers recognised - operational		127,258	147,888	248,348	210,180	211,634	211,634		230,944	275,564	261,860
Other revenue	2	8,203	25,274	162,807	36,223	36,223	71,333	-	38,395	40,866	43,318
Gains on disposal of PPE		254	-						-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>520,203</b>	<b>568,346</b>	<b>863,369</b>	<b>725,772</b>	<b>727,729</b>	<b>771,268</b>	<b>-</b>	<b>808,475</b>	<b>891,982</b>	<b>919,528</b>
<b>Expenditure By Type</b>											
Employee related costs	2	198,868	226,442	244,016	267,937	267,937	257,207	-	288,679	306,250	325,850
Remuneration of councillors		15,825	18,729	17,420	17,829	19,052	19,052		20,646	21,744	23,136
Debt impairment	3	109,266	51,104	22,132	16,932	56,932	56,932		30,000	30,000	31,620
Depreciation & asset impairment	2	97,077	179,044	97,077	125,237	125,237	112,742	-	102,800	128,102	135,019
Finance charges		5,042	8,639	9,107	6,001	4,910	4,910		5,400	5,692	5,999
Bulk purchases	2	110,470	144,976	162,454	181,850	181,850	181,850	-	196,507	212,346	229,461
Other materials	8	8,897	1,247								
Contracted services		5,553	17,236	17,142	10,936	10,936	13,936	-	13,885	13,054	13,759
Transfers and grants		18,756	21,360	26,198	4,400	4,400	4,400	-	25,080	26,434	27,862
Other expenditure	4, 5	115,624	139,846	118,572	224,949	224,949	252,428	-	210,113	218,970	216,264
Loss on disposal of PPE		-	16,863								
<b>Total Expenditure</b>		<b>685,377</b>	<b>825,487</b>	<b>714,118</b>	<b>856,071</b>	<b>896,204</b>	<b>903,457</b>	<b>-</b>	<b>893,111</b>	<b>962,592</b>	<b>1,008,970</b>
<b>Surplus/(Deficit)</b>											
Transfers recognised - capital		166,151	62,576	72,605	90,389	151,924	151,924		112,481	125,039	131,792
Contributions recognised - capital	6	-	-	-	-	-	-		-	-	-
Contributed assets				4,746	8,618	(23,100)	(23,100)		(27,842)	(28,204)	(29,727)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>977</b>	<b>(194,565)</b>	<b>226,601</b>	<b>(31,293)</b>	<b>(39,651)</b>	<b>(3,366)</b>	<b>-</b>	<b>3</b>	<b>26,226</b>	<b>12,623</b>



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

1. Revenue to be Total revenue is R 920 million in 2014/15.

### Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC157 King Sabata Dalindyebo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<i>Single-year expenditure to be appropriated</i>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	104	-	537	1,325	2,292	2,292	710	717	756
Vote 2 - FINANCE & ASSET MANAGEMENT		179	858	-	4,312	6,293	3,950	3,950	5,494	5,127	5,403
Vote 3 - CORPORATE SERVICES		25	-	-	257	135	105	105	159	167	176
Vote 4 - COMMUNITY SERVICES		-	630	-	2,150	2,550	2,415	2,415	1,431	1,429	1,506
Vote 5 - PUBLIC SAFETY		12,397	2,888	-	3,551	3,242	11,293	11,293	3,226	3,400	3,583
Vote 6 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		-	10,685	-	1,789	1,163	13,483	13,483	1,106	797	840
Vote 7 - HUMAN SETTLEMENT		11	50,279	-	49,341	59,209	127,393	127,393	22,705	10,291	1,360
Vote 8 - INFRASTRUCTURE		60,709	76,289	-	171,020	249,662	137,891	137,891	105,616	125,528	129,996
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		73,321	141,735	-	232,958	323,578	298,822	298,822	140,448	147,456	143,622
Total Capital Expenditure - Vote		73,321	141,735	-	232,958	323,578	298,822	298,822	140,448	147,456	143,622

### 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. Single-year capital expenditure has been appropriated at R million for the 2014/15 financial year and remains relatively constant over the MTREF at levels of R million and R million respectively for the two outer years.
3. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses.

Table 19 MBRR Table A6 - Budgeted Financial Position

## EC157 King Sabata Dalindyebo - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		28,298	39,129	21,293	36,908	36,908	51,989		36,908	47,980	62,374
Call investment deposits	1	159,811	180,185	216,895	195,459	195,459	195,459	195,459	195,459	195,459	195,459
Consumer debtors	1	81,127	68,043	68,336	68,317	68,317	68,317	68,317	68,317	64,636	60,757
Other debtors		42,306	18,224	14,807	23,691	23,691	42,532		23,691	30,799	40,038
Current portion of long-term receivables		226	-	-	-	-	-	-	-	-	-
Inventory	2	75,426	2,880	3,099	2,880	2,880	75,426		2,880	2,880	2,880
<b>Total current assets</b>		<b>387,194</b>	<b>308,462</b>	<b>324,430</b>	<b>327,256</b>	<b>327,256</b>	<b>433,723</b>	<b>263,776</b>	<b>327,256</b>	<b>341,754</b>	<b>361,508</b>
<b>Non current assets</b>											
Long-term receivables		157	156	-	157	157	157		157		
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		41,851	103,189	124,511	103,189	103,189	41,851	41,851	103,189	41,851	41,851
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	682,459	1,485,310	763,262	1,546,380	1,546,380	1,546,380	1,299,806	1,546,380	1,570,349	1,542,699
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		390	243	98,188	640	640	640		640	640	640
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>924,858</b>	<b>1,588,898</b>	<b>985,961</b>	<b>1,650,366</b>	<b>1,650,366</b>	<b>1,589,028</b>	<b>1,341,657</b>	<b>1,650,366</b>	<b>1,612,841</b>	<b>1,585,190</b>
<b>TOTAL ASSETS</b>		<b>1,312,051</b>	<b>1,897,360</b>	<b>1,310,391</b>	<b>1,977,621</b>	<b>1,977,621</b>	<b>2,022,751</b>	<b>1,605,434</b>	<b>1,977,621</b>	<b>1,954,595</b>	<b>1,946,699</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	5,484	6,928	385,868	15,650	15,650	15,650	15,650	15,650	15,650	15,650
Consumer deposits		1,294	1,600	3,047	1,600	1,600	1,294	1,600	1,600	1,294	1,294
Trade and other payables	4	167,699	181,950	145,758	155,405	161,345	161,345	161,345	155,405	155,405	155,405
Provisions		10,166	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>184,643</b>	<b>190,478</b>	<b>534,672</b>	<b>172,655</b>	<b>178,595</b>	<b>178,289</b>	<b>178,595</b>	<b>172,655</b>	<b>172,349</b>	<b>172,349</b>
<b>Non current liabilities</b>											
Borrowing		52,102	58,073	59,427	49,961	55,445	55,445	55,445	49,961	44,478	38,994
Provisions		21,757	26,271	-	48,028	48,028	48,028	48,028	48,028	48,028	48,028
<b>Total non current liabilities</b>		<b>73,859</b>	<b>84,344</b>	<b>59,427</b>	<b>97,989</b>	<b>103,473</b>	<b>103,473</b>	<b>103,473</b>	<b>97,989</b>	<b>92,505</b>	<b>87,022</b>
<b>TOTAL LIABILITIES</b>		<b>258,502</b>	<b>274,822</b>	<b>594,099</b>	<b>270,644</b>	<b>282,068</b>	<b>281,762</b>	<b>282,068</b>	<b>270,644</b>	<b>264,855</b>	<b>259,371</b>
<b>NET ASSETS</b>	5	<b>1,053,550</b>	<b>1,622,538</b>	<b>716,292</b>	<b>1,706,977</b>	<b>1,695,553</b>	<b>1,740,989</b>	<b>1,323,366</b>	<b>1,706,977</b>	<b>1,689,741</b>	<b>1,687,328</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		904,525	1,492,054	1,253,365	1,575,006	1,575,006	1,532,141	1,532,141	1,575,006	1,618,958	1,616,545
Reserves	4	149,024	130,483	132,221	131,971	131,971	131,971	131,971	131,971	131,971	131,971
Minorities' interests		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>1,053,550</b>	<b>1,622,538</b>	<b>1,385,586</b>	<b>1,706,977</b>	<b>1,706,977</b>	<b>1,664,112</b>	<b>1,664,112</b>	<b>1,706,977</b>	<b>1,750,929</b>	<b>1,748,516</b>

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

**Table 20 MBRR Table A7 - Budgeted Cash Flow Statement**

## EC157 King Sabata Dalindyebo - Table A7 Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		280,809	294,476	436,270	406,925	406,925	406,925	406,925	544,681	581,558	620,675
Government - operating	1	127,258	147,888	167,213	181,848	181,578	181,578	181,578	230,944	275,564	261,860
Government - capital	1	166,151	82,578	88,139	145,546	208,040	208,040	208,040	112,481	125,039	131,792
Interest		31,921	29,116	36,691	3,554	8,284	8,284	8,284	32,850	34,860	36,993
Dividends				12	-	-	-	-			
<b>Payments</b>											
Suppliers and employees		(392,629)	(440,332)	(569,147)	(577,206)	(577,874)	(577,874)	(577,874)	(777,995)	(617,267)	(655,063)
Finance charges		(5,042)	(8,639)	(9,107)	(5,401)	(4,310)	(4,310)	(4,310)	(5,242)	(5,525)	(5,823)
Transfers and Grants	1				(4,400)	(8,827)	(8,827)	(8,827)	(25,080)	(26,434)	(28,020)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>208,467</b>	<b>85,085</b>	<b>150,072</b>	<b>150,867</b>	<b>213,817</b>	<b>213,817</b>	<b>213,817</b>	<b>112,639</b>	<b>367,795</b>	<b>362,414</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		254	-	505							
Decrease (Increase) in non-current debtors		38	4								
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
<b>Payments</b>											
Capital assets		(154,319)	(73,170)	(127,044)	(147,970)	(290,121)	(290,121)	(290,121)	(112,481)	(125,039)	(131,792)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(154,026)</b>	<b>(73,166)</b>	<b>(126,539)</b>	<b>(147,970)</b>	<b>(290,121)</b>	<b>(290,121)</b>	<b>(290,121)</b>	<b>(112,481)</b>	<b>(125,039)</b>	<b>(131,792)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing		(95)	(82)								
Increase (decrease) in consumer deposits		270	346								
<b>Payments</b>											
Repayment of borrowing		(4,415)	1,467	7,672	(5,484)	(5,484)	(5,484)	(5,484)	(58,484)	(58,484)	(58,484)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(4,241)</b>	<b>1,731</b>	<b>7,672</b>	<b>(5,484)</b>	<b>(5,484)</b>	<b>(5,484)</b>	<b>(5,484)</b>	<b>(58,484)</b>	<b>(58,484)</b>	<b>(58,484)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>50,200</b>	<b>13,650</b>	<b>31,205</b>	<b>(2,587)</b>	<b>(81,788)</b>	<b>(81,788)</b>	<b>(81,788)</b>	<b>(58,325)</b>	<b>184,272</b>	<b>172,138</b>
Cash/cash equivalents at the year begin:	2	124,239	174,459	188,109	219,314	219,314	219,314	219,314	1,000	(57,325)	126,947
Cash/cash equivalents at the year end:	2	174,459	188,109	219,314	216,727	137,526	137,526	137,526	(57,325)	126,947	299,085

**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. As part of the 2013/14 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
4. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R1.1 million as at the end December 2013 of the 2013/14

**Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

EC157 King Sabata Dalindyebo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	174,459	188,109	219,314	216,727	137,526	137,526	137,526	47,395	31,424	52,265
Other current investments > 90 days		13,650	31,205	(219,314)	15,640	94,841	109,922	109,922	184,972	212,015	205,568
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>188,109</b>	<b>219,314</b>	<b>-</b>	<b>232,367</b>	<b>232,367</b>	<b>247,449</b>	<b>247,449</b>	<b>232,367</b>	<b>243,439</b>	<b>257,833</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		68,725	81,467	-	54,922	33,589	33,589	33,589	54,922	54,922	54,922
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	8,633	38,927	-	26,395	54,040	45,970	127,757	22,649	19,969	15,570
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>77,358</b>	<b>120,394</b>	<b>-</b>	<b>81,317</b>	<b>87,628</b>	<b>79,558</b>	<b>161,345</b>	<b>77,571</b>	<b>74,891</b>	<b>70,492</b>
<b>Surplus(shortfall)</b>		<b>110,751</b>	<b>98,920</b>	<b>-</b>	<b>151,050</b>	<b>144,739</b>	<b>167,890</b>	<b>86,103</b>	<b>154,796</b>	<b>168,548</b>	<b>187,341</b>

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

Table 22 MBRR Table A9 - Asset Management

EC157 King Sabata Dalindyebo - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	145,394	73,321	40,635	182,027	298,822	298,822	220,226	106,132	121,894
Infrastructure - Road transport		22,255	20,566	40,635	84,334	81,576	81,576	51,098	64,106	69,190
Infrastructure - Electricity		972	-	-	95,268	130,900	130,900	95,000	10,000	20,000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	40,138	40,138	48,690	4,500	4,000
Infrastructure		23,227	20,566	40,635	179,602	252,614	252,614	194,788	78,606	93,190
Community		120,076	49,796	-	-	27,399	27,399	10,331	12,020	12,973
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1,813	2,960	-	2,424	18,559	18,559	14,844	15,227	15,438
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		278	-	-	-	250	250	264	278	293
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	12,732	-	-
Infrastructure - Road transport		-	-	-	-	-	-	4,000	-	-
Infrastructure - Electricity		-	-	-	-	-	-	8,732	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	12,732	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	22,255	20,566	40,635	84,334	81,576	81,576	55,098	64,106	69,190
Infrastructure - Road transport		22,255	20,566	40,635	84,334	81,576	81,576	55,098	64,106	69,190
Infrastructure - Electricity		972	-	-	95,268	130,900	130,900	103,732	10,000	20,000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	40,138	40,138	48,690	4,500	4,000
Infrastructure		23,227	20,566	40,635	179,602	252,614	252,614	207,519	78,606	93,190
Community		120,076	49,796	-	-	27,399	27,399	10,331	12,020	12,973
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1,813	2,960	-	2,424	18,559	18,559	14,844	15,227	15,438
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		278	-	-	-	250	250	264	278	293
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	145,394	73,321	40,635	182,027	298,822	298,822	232,958	106,132	121,894
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>										
Infrastructure - Road transport	5	-	-	462,483	39,616	36,857	36,857	91,955	166,392	247,802
Infrastructure - Electricity		-	-	109,123	268,943	304,575	304,575	408,307	418,307	438,307
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	556,190	946,490	987,966	987,966	992,835	997,335	1,001,335
Infrastructure		-	-	1,127,796	1,255,049	1,329,398	1,329,398	1,493,097	1,582,034	1,687,243
Community		-	-	344,116	-	26,999	26,999	42,330	58,349	77,323
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		41,851	103,189	-	103,189	103,189	41,851	-	-	-
Other assets		-	-	13,398	-	16,140	16,140	39,864	64,869	91,224
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		390	243	-	640	640	640	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	42,242	103,432	1,485,310	1,358,879	1,478,366	1,415,029	1,575,290	1,706,252	1,855,790
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		97,077	179,044	97,077	125,237	125,237	112,742	102,800	128,102	135,019
<b>Repairs and Maintenance by Asset Class</b>	3	10,417	31,829	-	36,307	35,216	35,216	45,216	40,422	42,612
Infrastructure - Road transport		3,237	19,362	-	9,049	14,413	14,413	25,220	16,042	16,909
Infrastructure - Electricity		2,199	9,386	-	7,832	9,586	9,586	6,242	10,304	10,861
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		5,436	28,747	-	16,881	23,999	23,999	31,462	26,347	27,769
Community		1,277	137	-	11,264	1,013	1,013	3,408	2,960	3,120
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	3,704	2,945	-	8,162	10,204	10,204	10,346	11,115	11,722
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		107,494	210,874	97,077	161,544	160,453	147,958	148,016	168,524	177,631
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.5%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn*</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.4%	0.0%	0.0%
<b>R&amp;M as a % of PPE</b>		1.2%	2.1%	0.0%	2.3%	2.3%	2.3%	2.9%	2.6%	2.8%
<b>Renewal and R&amp;M as a % of PPE</b>		25.0%	31.0%	0.0%	3.0%	2.0%	2.0%	4.0%	2.0%	2.0%

**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 meets both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance backlog.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

EC157 King Sabata Dalindyebo - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)	2	21,413	21,413	21,413	42,626	42,626	42,626	42,626	42,626	42,626
Using public tap (at least min.service level)	4	16,771	16,771	16,771	24,405	24,405	24,405	24,405	24,405	24,405
Other water supply (at least min.service level)										
<i>Minimum Service Level and Above sub-total</i>	3	38,184	38,184	38,184	67,031	67,031	67,031	67,031	67,031	67,031
Using public tap (< min.service level)	4									
Other water supply (< min.service level)										
No water supply		51,512	51,512	51,512	5	42,434	42,434	42,434	42,434	42,434
<i>Below Minimum Service Level sub-total</i>		51,512	51,512	51,512	5	42,434	42,434	42,434	42,434	42,434
<b>Total number of households</b>	5	89,686	89,686	89,686	67,036	109,465	109,465	109,465	109,465	109,465
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)		22,174	22,174	22,174	37,356	37,356	37,356	37,356	37,356	37,356
Chemical toilet										
Pit toilet (ventilated)		26,191	26,191	26,191	53,138	53,138	53,138	53,138	53,138	53,138
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		48,365	48,365	48,365	90,494	90,494	90,494	90,494	90,494	90,494
Bucket toilet		1,458	1,458	1,458	496	496	496	496	496	496
Other toilet provisions (< min.service level)										
No toilet provisions		39,874	39,874	39,874	14,416	14,416	14,416	14,416	14,416	14,416
<i>Below Minimum Service Level sub-total</i>		41,332	41,332	41,332	14,912	14,912	14,912	14,912	14,912	14,912
<b>Total number of households</b>	5	89,697	89,697	89,697	105,406	105,406	105,406	105,406	105,406	105,406
<b>Energy:</b>										
Electricity (at least min.service level)		400	400	400	450	450	450	450	450	450
Electricity - prepaid (min.service level)		36,985	36,985	36,985	76,732	76,732	76,732	76,732	76,732	76,732
<i>Minimum Service Level and Above sub-total</i>		37,385	37,385	37,385	77,182	77,182	77,182	77,182	77,182	77,182
Electricity (< min.service level)		18,130	18,130	18,130	60,464	60,464	60,464	60,464	60,464	60,464
Electricity - prepaid (< min. service level)		12,230	12,230	12,230	20,888	20,888	20,888	20,888	20,888	20,888
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		30,360	30,360	30,360	81,352	81,352	81,352	81,352	81,352	81,352
<b>Total number of households</b>	5	67,745	67,745	67,745	158,534	158,534	158,534	158,534	158,534	158,534
<b>Refuse:</b>										
Removed at least once a week		21,498	21,498	21,498	27,562	27,562	27,562	27,562	27,562	27,562
<i>Minimum Service Level and Above sub-total</i>		21,498	21,498	21,498	27,562	27,562	27,562	27,562	27,562	27,562
Removed less frequently than once a week										
Using communal refuse dump		45,056	45,056	45,056	64,603	64,603	64,603	64,603	64,603	64,603
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal		23,143	23,143	23,143	11,494	11,494	11,494	11,494	11,494	11,494
<i>Below Minimum Service Level sub-total</i>		68,199	68,199	68,199	76,097	76,097	76,097	76,097	76,097	76,097
<b>Total number of households</b>	5	89,697	89,697	89,697	103,658	103,658	103,658	103,658	103,658	103,658
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		5,870	5,870	5,870	6,370	6,370	6,370	6,370	6,370	6,370
Refuse (removed at least once a week)		1,327	1,327	1,327	1,370	1,370	1,370	1,370	1,370	1,370
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)		2,400	2,400	2,400	2,500	2,500	2,500	2,676	2,863	3,063
Refuse (removed once a week)		2,487	2,487	2,487	2,661	2,847	3,046	3,259	3,488	3,732
<b>Total cost of FBS provided (Minimum social package)</b>		4,887	4,887	4,887	5,161	5,347	5,546	5,935	6,351	6,795
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		8	8	8	8	8	8	8	8	8
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		1,920	1,944	2,040	2,304	2,304	2,304	2,544	2,697	2,858
Property rates (other exemptions, reductions and rebates)		3,200	3,240	3,400	3,840	3,840	3,840	4,070	4,315	4,574
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		2,400	2,400	2,400	2,500	2,500	2,500	2,676	2,863	3,063
Refuse		2,487	2,487	2,487	2,661	2,847	3,046	3,259	3,488	3,732
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	14,085	14,749	18
<b>Total revenue cost of free services provided (total social package)</b>		10,007	10,071	10,327	11,305	11,491	11,690	26,614	28,112	14,245



**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
  - a. Electricity services – backlog will be reduced by 2000 households. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades. Once the most pressing network issues have been addressed, the electrification programme will be prioritised, with 6000 households budgeted to be electrified in 2013/14.
  - b. Refuse services – backlog will be reduced by 21 000 households in 2011/12, and a further 14 000 households in the outer two years of the MTREF. However it should be noted that this function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.
3. The budget provides for 15 000 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services.
4. the 'free services' represent about 4 per cent of total operating revenue.

**1.7 Municipal manager's quality certificate**

I Mosisa Mabuswe Soldati municipal manager of King Sabata Dalindyebo, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Mosisa Mabuswe Soldati

Municipal manager of King Sabata Dalindyebo (EC157)

Signature



Date

04-04-2014

Annexure A Draft Tariffs 2014-2015

Annexure B Draft Budget Policies

Annexure C Draft MTREF Capital Budget 2014-2017(Detailed)

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
AS FROM 01 JULY 2014			
		2013/2014	2014/2015
5.0	<b>PARKS AND RECREATION Proposed increment at 6%</b>		
5.1	<b>Recreation Grounds</b>		
5.1.1	<b>Deposits</b>		
5.1.1	2010 Wcup Stadium - With Gate Collection	5231.93	5545.84
5.1.2	Rotary With Gate Collection	1270.96	1347.22
5.1.2	<b>Rental (per day)</b>		0.00
5.1.2.1	Premier Division	6587.26	6982.50
5.1.2.2	Hire per day (1st Division/Festival	4680.84	4961.69
5.1.2.3	(2nd Division)	3940.31	4176.72
5.1.2.4	(3rd Division)	2479.91	2628.71
5.1.2.5	<b>Mqanduli Stadium</b>	452.07	479.19
	Without gate collection - deposit/ hire	1060.00	1123.60
5.2	<b>Cemeteries : Proposed increment at 6%</b>		
5.2.1	<b>Graves</b>		
5.2.1.1	Per Adult burial (Umtata)	847.29	898.13
5.2.1.2	Per Child burial (Umtata)	466.02	493.98
5.2.1.3	Per Adult or Child (Mqanduli -site only)	42.37	44.91
5.2.2	<b>Sale of Caskets (each)</b>	1241.68	1316.19
5.3	<b>Swimming Pools</b>		
5.3.1	<b>Sutherland Street</b>		
5.3.1.1	Adults per seession	17.21	18.25
5.3.1.2	Children per session	7.92	8.39
5.3.1.3	Group session (outside pool hours-per hour)		
5.3.2	<b>Ngangelizwe</b>		
5.3.2.1	Adults (per session)	8.36	8.87
5.3.2.2	Children (per session)	4.65	4.93
5.4	<b>Horticulture (Hire of Plants)</b>		
5.4.1	10-20 plants	234.22	248.27

5.4.2	21-30 plants	254.88	270.17
5.4.3	31-40 plants	275.55	292.08
5.4.4	41-50 plants	329.97	349.77
5.4.5	51-75 plants	372.51	394.86