

FINAL MTERF FOR
2014/15-16/17



MATATIELE

LOCAL MUNICIPALITY

ANNUAL BUDGET OF

MATATIELELOCAL

MUNICIPALITY

2014/15 TO 2016/17
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

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

PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

1.2 Council Resolutions

On 31 March 2014 the Council of Matatiele Local Municipality met in Cedarville Town Hall to consider the Draft annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:

1. That the Draft IDP 2014/15 be approved;
2. That the Draft Budget 2014/15 be approved as per section 21 of the MFMA.
3. That the Council approves the Draft Annual Budget of the Municipality for the financial year 2014/15; and indicative for the two projected outer years 2014/2015 and 2016/2017 be approved as set out in the following;
 - Operating Revenue by Source 1.4
 - Operating Expenditure by Source 1.6
 - Capital Expenditure by vote 1.4
 - Capital Funding by source 2.6.2
4. That Council approves the property rates reflected in item number 2.5 and any other municipal taxes reflected in item number 2.5 are imposed for the budget year 2014/15.
5. Council approves that the Tariffs of Charges reflected in item number 2.5 are approved for the budget year 2014/15.
6. Council approves that the measurable performance objectives for each vote reflected in item number 2.3 are approved for the budget year 2014/15.
7. Council approves that the amended policies for the Credit, Debt Collection and Indigent as reflected in item number 2.4 are approved for the budget year 2014/15.
8. Council approves that the other proposed amended budget related policies reflected in item number 2.4 are approved for the budget year 2014/15.
9. Council notes the Draft SDBIP tabled with the budget for subsequent approval by the Mayor.

1.3 Executive Summary

METHOD OF PREPARATION

The Budget was prepared according to the Zero Based Method. In terms of the method all votes and line items were reduced to zero and every amount allocated had to be motivated. General Managers were requested to hand their requests to the Chief Financial Officer for inclusion on the budget. The information was requested to reach the Chief Financial Officer by the 30 December 2014. All departments gave input.

In terms of Section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), hereafter called the MFMA, the Mayor must table the Annual Budget at least 90 days before the start of the budget year, that is 31 March. Council must therefore consider any views of the community on the tabled budget (Section 22 of the MFMA) and approve the budget before the start of the financial year which is 1 July (Section 16(1) of the MFMA).

Operating Budget

In terms of GRAP format Capital Grants receivable are included in the Operating Budget. Capital Expenditure are not included in Operating Budget.

Operating expenditure is the day to day management items of the Municipality, i.e.:

Salaries and Wages, Repairs and Maintenance, Debt Servicing, Depreciation on Assets, Insurance, Electricity, Telephone, Subsistence and Travelling Allowances, Fuel etc.

The total budget amounts to R423 034 721. Table 1 hereunder summarizes the budget per department. General Managers must manage their own budgets consulting with the Chairpersons of the Standing Committees and the Standing Committees where necessary.

Allocations per line item are done by the departments themselves, as long as they don't exceed the amounts allocated per Table 1. Table 1 which is Consolidated Overview of the 2014/15 Medium Term Revenue Expenditure Forecast.

Table 1

	Adjusted Budget 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Total Revenue (excluding capital transfers and contributions)	366 038 656	393 520 175	339 246 456	357 635 156
Total Expenditure	245 421 481	275 737 329	279 303 166	295 006 056
Surplus/(Deficit) for the year	120 617 175	117 182 846	59 943 290	62 629 100
Total capital expenditure	123 692 263	147 292 392	23 560 000	6 711 402

Total Revenue by source

Income	Amount	Percentage
Property Rates	42 297 947	10.74%
Service Charges	48 690 405	12.37%
Rental of Facilities	599 165	0.15%
Interest earned - external	4 000 000	1.02%
Interest earned - internal	1 943 340	0.49%
Fines	450 000	0.11%
Licenses and Permits	2 704 000	0.69%
Government Grants	163 113 748	41.45%
Capital Grants	74 771 050	19%
Other	54 950 520	13.96%
Total	393 520 175	100%

Total Expenditure by type

Expenditure	Amount	Percentage
Employee Related Costs	88 906 593	32.24%
Remuneration of Councillors	16 950 834	6.15%
Provisions	4 677 597	1.70%
Depreciation	14 065 850	5.10%
Repairs and Maintenance	10 065 000	3.65%
Bulk purchases	28 000 000	10.15%
Contracted Services	16 223 895	5.88%
Grants and Subsidies paid	33 834 748	12.27%
General Expenses	63 012 812	22.85%
Sub-total	275 737 329	100%
Capital	147 292 392	
TOTAL	423 034 721	

Budget per Department

Department	Expenditure	Income	Capital
Executive & Council	44 614 683	8 970 501	221 000
Budget & Finance	68 532 211	238 114 236	1 891 200
Corporate Services	30 911 885	300 000	1 843 000
Community Services	36 155 139	19 930 883	7 343 000
EDP	14 136 010	176 774	915 000
Infrastructure	81 387 400	126 027 781	81 752 192
Capital			147 297 392
Surplus		485 455	
TOTAL	361 490 096	423 034 720	147 297 392

Capital Budget

Capital expenditure is the expenditure incurred on items used over a period of time longer than 12 months to generate future income.

Capital projects amounting to R147 297 392 has been included in this budget. Included in this amount is a current incomplete MIG projects which are rolled over amounting to R12 000 000 . Own sources available to fund these projects amount to R52 786 490. Our MIG allocation for 2014/2015 is R45 759 000, DOE will fund a sum of R19 300 000 for electricity installation. An application of a loan of R 30 000 000 to be made.

All projects presented in this report are the priorities as per the approved Integrated Development Plan which was reviewed in May 2013 during community review meetings in all 26 wards of the municipality.

Funding of Capital Budget

DOE	19 300 000
MIG	45 210 902
<i>Sub Total</i>	<i>64 510 902</i>
CRR	52 786 490
External Loan (to be raised)	30 000 000
TOTAL	147 297 392

Grants and Subsidies allocations

In terms of the Revenue Bill 2014 Matatiele Local Municipality will receive an Equitable Share of R138 979 000. This amount is always not enough to meet all the community needs on service delivery as is always utilised for the day to day operations of the municipality which some are strategic programs to deal with special programs in improving community welfare like gender, youth, indigent support, sport and recreation and many more as identified and approved by council through operational plans. It is operational grants allocated to Matatiele for the 2014/2015 is indicated as follows. Kindly note that these amounts are included in the revenue table as indicated on page 3.

TARIFFS

All charges excluding electricity and property rates are calculated to increase by 5%, for the 2014/2015 financial year, starting 1 July 2014 and this is based on the Consumer Price Index as at 5.78%.

Property Rates

The new Property Valuation Roll came into effect the 1 July 2013 and this will come to expire at the end of 2016/17 financial year ending 30 June 2017. The new General Valuation Roll has been prepared and draft available of which notifications are done to Rate Payers through letters to each Ratepayer and notices on notice boards and print media circulating provincially and locally. This is to give Ratepayers aggrieved by new General Valuation Values of their Properties to lodge objections as per requirements of Local Government: Municipal Property Rates Act. The final General Valuation Roll will be available before the implementation of the budget which will be July 2014 and final rates revenue will be calculated on the new values of the Valuation Roll. Based on the draft Valuation Roll, there will be no increase in this year's tariff.

Electricity

Electricity tariffs will increase between 5.4% and 7.8% in terms of the directive from NT and National Electricity Regulator of South Africa.

Refuse Removal and Other Tariff of Charges

Refuse tariffs will be increased by 5% and all other tariffs are kept to increase at same level.

EXTERNAL SERVICE DELIVERY MECHANISIMS

External service providers are used for the refuse removal and grass cutting in the towns of Matatiele, Cedarville and Maluti.

ACCUMULATED SURPLUS

This budget will result in a surplus of R485 455. This should be noted that is budget surplus to ensure that the budget is balanced.

1.4 Operating Revenue Framework

For Matatiele Local 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's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- 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;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- 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 following table is a summary of the 2014/15MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

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
Revenue By Source											
Property rates	2	12 776	13 235	15 501	27 040	42 298	42 298	42 298	42 298	44 413	46 633
Property rates - penalties & collection charges	3280	-	-	-	1 700	1 701	1 701	1 701	-	-	-
Service charges - electricity revenue	2	25 838	32 489	33 912	42 966	42 966	42 966	42 966	41 500	43 575	45 754
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	5 743	5 773	6 411	6 848	6 848	6 848	6 848	7 190	7 550	7 927
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	3070	499	483	534	571	587	587	587	599	597	621
Interest earned - external investments	3210	6 364	6 926	7 834	5 500	5 500	5 500	5 500	4 000	4 200	4 410
Interest earned - outstanding debtors	3270	-	-	-	151	151	151	151	1 943	1 951	1 960
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines	3310	966	1 651	1 509	450	451	451	451	450	474	496
Licences and permits	3370	1 059	1 897	2 094	2 704	2 704	2 704	2 704	2 744	2 839	2 981
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	3410	135 377	125 711	152 460	213 606	197 753	197 754	197 754	237 885	252 783	269 416
Other revenue	2	1 397	794	5 296	59 955	65 047	65 047	65 047	54 911	35 609	35 635
Gains on disposal of PPE	3700	15	293	-	-	35	35	35	-	-	-
Total Revenue (excluding capital transfers and contributions)		190 034	189 252	225 550	361 491	366 040	366 040	366 040	393 520	393 990	415 834

Table 3 Percentage growth in revenue by main revenue source

Description	R thousand	Adjusted Budget 2013/14	%	2014/15 Medium Term Revenue & Expenditure Framework					
				Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Revenue By Source									
Property rates		42 297 947	9.83	42 297 947	10.75	44 412 844	11.27	46 633 000	11.21
Property rates - penalties & collection charges		0	0.00	0	0.00	0	0.00	0	0.00
Service charges - electricity revenue		41 500 000	9.65	41 500 000	10.55	43 575 000	11.06	45 754 000	11.00
Service charges - water revenue		0	0.00	0	0.00	0	0.00	0	0.00
Service charges - sanitation revenue		0	0.00	0	0.00	0	0.00	0	0.00
Service charges - refuse revenue		7 190 405	1.67	7 190 405	1.83	7 549 926	1.92	7 927 422	1.91
Service charges - other		0	0.00	0	0.00	0	0.00	0	0.00
Rental of facilities and equipment		599 165	0.14	599 165	0.15	596 781	0.15	621 000	0.15
Interest earned - external investments		4 000 000	0.93	4 000 000	1.02	4 200 000	1.07	4 410 000	1.06
Interest earned - outstanding debtors		1 943 000	0.45	1 943 000	0.49	1 951 000	0.50	1 960 000	0.47
Dividends received		0	0.00	0	0.00	0	0.00	0	0.00
Fines		450 000	0.10	450 000	0.11	473 540	0.12	496 000	0.12
Licences and permits		2 744 000	0.64	2 744 000	0.70	2 839 200	0.72	2 981 000	0.72
Agency services		0	0.00	0	0.00	0	0.00	0	0.00
Transfers recognised - operational		274 572 717	63.82	237 884 717	60.45	252 782 590	64.16	269 416 190	64.79
Other revenue		54 910 970	12.76	54 910 970	13.95	35 609 000	9.04	35 635 065	8.57
Gains on disposal of PPE		0	0.00	0	0.00	0	0.00	0	0.00
Total Revenue (excluding capital transfers and contributions)		430 208 204	100	393 520 204	100	393 989 881	100	415 833 677	100

The budget will be funded as per table 1. Kindly note that of a total budget of R393 520 175 Council generates R155 635 487(36% and Grant amount to R237 884 798(63.8%). Therefore the Council is 63 % dependant on grants.

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.

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 to residential properties to be 1:025. 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). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy i.e. the market value less R 55 000.00;

- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a minimum total rebate of 40 per cent will be granted to owners of rateable property if the total gross income of the applicant and/or his/her spouse, if any, is the following:
 - Income not exceeding R3 000.00

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse.
- The applicant must submit proof of his/her age, identity and also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.

Additional:

- Residential properties a 45% rebate
- Properties categorized commercial 15% rebate on rates.
- Farms/ Smallholdings used for agricultural purposes 65% rebates.
- The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain Classes such as churches, registered welfare organizations, institutions or organizations performing charitable work, Sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

Table 4 Operating 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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		73 767	94 491	107 826	120 689	120 689	120 689	145 998	178 652	179 459
Local Government Equitable Share		71 817	92 449	105 328	118 249	118 249	118 249	138 979	176 035	176 741
Finance Management		1 200	1 450	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement		750	592	998	890	890	890	934	967	1 018
EPWP Incentive								4 485	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	73 767	94 491	107 826	120 689	120 689	120 689	145 998	178 652	179 459
Capital Transfers and Grants										
National Government:		16 820	24 994	38 926	30 000	10 000	10 000	65 059	67 386	69 464
Municipal Infrastructure Grant (MIG)		16 070	24 994	34 926				45 759	48 086	50 164
Regional Bulk Infrastructure		750	-	4 000	30 000	10 000	10 000	19 300	19 300	19 300
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	16 820	24 994	38 926	30 000	10 000	10 000	65 059	67 386	69 464
TOTAL RECEIPTS OF TRANSFERS & GRANTS		90 587	119 485	146 752	150 689	130 689	130 689	211 057	246 038	248 923

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 external agencies, the impact they have 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.

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.

Table 5 Comparison of proposed rated levies for the 2014/15 financial year

Category	Current Tariff (1 July 2013)	Proposed tariff (from 1 July 2014)
Residential	0.01805	0.01505
Vacant Land	0.01805	0.01805
Commercial 10 % Rebate	0.01805	0.01805
Farms	0.00376	0.00376

Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An increase of 8 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

Considering the Eskom increases, the consumer tariff had to be increased by between 5 and 7.36 per cent to offset the additional bulk purchase cost from 1 July 2014. 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.

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

Table 8 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
Basic Charge	272.71	292.86	20.15	7%
0-50	0.64	0.68	0.04	5.5%
51-350	0.83	0.88	0.05	6.5%
351-600	1.09	1.17	0.08	7%
601 and over	1.28	1.37	0.09	7%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2014. 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).

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 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 contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 5 per cent increase in the waste tariff is proposed from 1 July 2014. Higher increases will not be violable in 2014/2015 owing to significant increases implemented in previous financial years as well as the overall impact of higher inflation increases of other services. Any increase higher than 10 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 11 Comparison between current waste removal fees and increases

	CURRENT TARIFFS	PROPOSED TARIFFS	% INCREASE
	Jul-13	Jul-14	
Solid waste	WASTE REMOVAL	WASTE REMOVAL	WASTE REMOVAL
Domestic Removals			
Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	93.48	98.15	5.00%
Commercial Removals			
Each individual/separate business shall be charged a basic service charge per month.	140.2	147.21	5.00%
In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	140.2	147.21	5.00%

Tariff	WASTE REMOVAL	MUNICIPALITY CLEANING	WASTE REMOVAL	MUNICIPALITY CLEANING
	Per month (R) 2013/14		Per month (R) 2014/2015	
Domestic refuse removed X2 weekly	93.48	93.48	98.15	98.15
Basic Charge each business/individual	140.20	140.20	147.21	147.21
In addition to above every owner shall pay Council a fee of per bag per month, removed X2	140.20	140.20	147.21	147.21

1.3.1 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 bills has been kept between 8 and 12 per cent.

Table 11EC441 MATATIELELOCALMUNICIPALITY 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		190.39	226.56	269.61	307.35	307.35	307.35	-	307.35	319.64	332.43
Electricity : Basic levy		136.10	157.88	183.14	208.78	208.78	208.78	0.07	224.20	240.77	260.03
Electricity : Consumption		460.00	533.60	576.29	628.15	628.15	628.15	0.07	674.64	724.56	
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		40.32	44.35	46.13	48.43	48.43	48.43	0.05	50.85	53.40	56.07
Other											
sub-total		826.81	962.39	1 075.16	1 192.71	1 192.71	1 192.71	0.05	1 257.05	1 338.37	648.53
VAT on Services											
Total large household bill:		826.81	962.39	1 075.16	1 192.71	1 192.71	1 192.71	0.05	1 257.05	1 338.37	648.53
% increase/-decrease		-	16.4%	11.7%	10.9%	-	-		5.4%	6.5%	(51.5%)
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity : Basic levy											
Electricity : Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-	-	-	-	-	-
Monthly Account for Household - 'Indigent Household receiving free basic services'	3										
Rates and services charges:											
Property rates		30 000.00	30 000.00	30 000.00	30 000.00	30 000.00	30 000.00	55 000.00	55 000.00	55 000.00	55 000.00
Electricity : Basic levy											
Electricity : Consumption		50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		60 480.00	63 504.00	66 044.16	69 346.37	72 813.69	72 813.69	52.00	91 800.00	98 050.00	106 400.00
Other											
sub-total		90 480.00	93 504.00	96 044.16	99 346.37	102 813.69	102 813.69	0.48	146 800.00	153 050.00	161 400.00
VAT on Services											
Total small household bill:		90 480.00	93 504.00	96 044.16	99 346.37	102 813.69	102 813.69	0.48	146 800.00	153 050.00	161 400.00
% increase/-decrease		-	3.3%	2.7%	3.4%	3.5%	-	(100.0%)	5.5%	4.3%	5.5%

1.5 Operating Expenditure Framework

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

- 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;
- Strict adherences 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 13 Summary of operating expenditure by standard classification item

Description	Ref	2010/11	2011/12	2012/13	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
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome							
Expenditure By Type											
Employee related costs		37 770 238	46 428 912	57 368 402	76 333 351	76 333 351	76 333 351	76 333 351	88 906 626	97 275 058	104 225 811
Remuneration of councillors		11 345 845	13 275 609	13 899 578	16 778 549	16 778 549	16 778 549	16 778 549	16 950 834	17 798 376	18 688 295
Debt impairment		1 394 822	2 609 770	63 893 245	3 000 000	3 000 000	3 000 000	3 000 000	-	-	-
Depreciation & asset impairment		14 709 303	15 905 291	17 084 085	9 831 085	13 053 023	13 053 023	9 831 085	14 065 850	14 769 019	15 507 468
Finance charges		1 250 057	563 438	4 274 158	2 000 000	-	-	-	-	-	-
Bulk purchases		16 078 220	21 898 140	24 556 468	28 000 000	28 000 000	28 000 000	28 000 000	28 000 000	29 400 000	30 870 000
Other materials		8 417 981	9 450 048	10 290 019	11 250 000	12 559 000	12 559 000	12 559 000	10 065 000	10 545 750	10 998 038
Contracted services		5 710 644	9 363 486	12 328 827	14 932 984	14 962 984	14 962 984	14 932 984	16 223 894	16 961 869	17 809 962
Transfers and grants		35 504 453	8 467 660	23 662 852	19 851 000	28 889 000	28 889 000	28 889 000	33 834 748	21 228 548	21 966 840
Other expenditure		15 574 715	23 703 363	26 308 413	35 562 263	51 841 763	51 841 763	51 841 763	67 690 409	71 325 007	74 940 011
Loss on disposal of PPE		114940	2507181	5064153	-	-	-	-	-	-	-
Total Expenditure		147 871 218	154 172 898	258 730 199	217 539 232	245 417 670	245 417 670	242 165 732	275 737 361	279 303 627	295 006 426

The budgeted allocation for employee related costs for the 2014/15 financial year totals R88,9 million, which equals 32 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.78 per cent for the 2014/15 financial year. An annual increase of 8 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 85 per cent and the Debt Write-off Policy of the Municipality. For the 2014/15 financial year this amount equates to R3 million and escalates to R3.3 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 asset consumption. Budget appropriations in this regard total R14 million for the 2014/15 financial and equates to 5 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

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.

Other material comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2014/15 the appropriation against this group of expenditure is by 4 per cent and continues to grow at 4, 5 and 5 per cent for the two outer years.

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. Growth has been limited to 9 per cent for 2014/15 and curbed at 6 and 6.2 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 64 MBRR SA1 (see page 100).

The following table gives a breakdown of the main expenditure categories for the 2014/15 financial year.

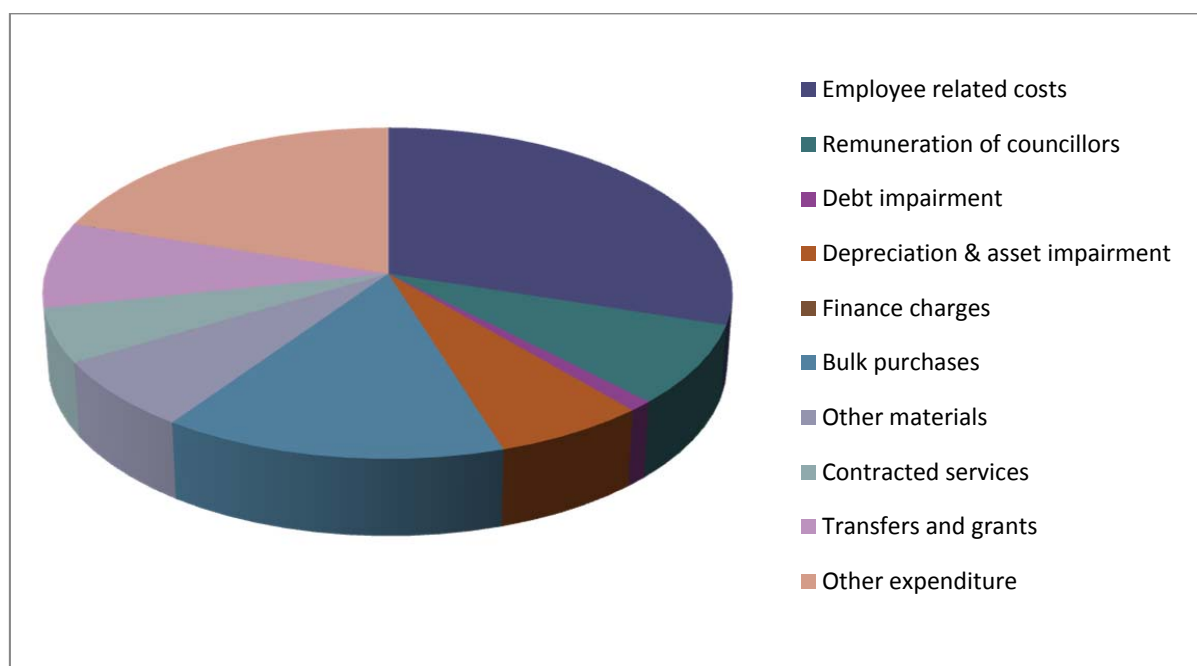


Figure 1 Main operational expenditure categories for the 2014/15 financial year

1.3.2 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 and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy 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.

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

Table 14 Repairs and maintenance per asset class

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
Depreciation & Asset Impairment										
Repairs and Maintenance by Asset Class										
<i>Infrastructure - Roads</i>	-	-	-	2 700	2 700	2 700	2 700	6 312	7 259	8 348
<i>Infrastructure - Electricity</i>	-	-	-	-	-	-	-			
<i>Infrastructure - Other</i>	-	-	-	-	-	-	-			
Infrastructure										
Community	-	-	-	-	-	-	-			
Other										
TOTAL OPERATING EXPENDITURE	-	-	-	2 700	2 700	2 700	2 700	6 312	7 259	8 348

For the 2014/15 financial year 5 per cent or R6,3 of total repairs and maintenance will be spent on infrastructure assets. Roads infrastructure has received a 5 per cent (R6 312 Million), followed by outer years another 5 per cent amounting to 7, 259 million and 8, 348 million.

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. The target is to register 15 500 or more indigent households during the 2014/2015 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 in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

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.

1.6 Capital expenditure

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

Table 6 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
R thousand	1										
Capital expenditure - Vote											
<i>Multi-year expenditure to be appropriated</i>	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community		-	-	-	-	-	-	-	-	-	-
Vote 5 - Development & Planning		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	1 194	40 874	59 933	68 430	68 430	68 430	85 662	23 560	6 711
Capital multi-year expenditure sub-total	7	-	1 194	40 874	59 933	68 430	68 430	68 430	85 662	23 560	6 711
<i>Single-year expenditure to be appropriated</i>	2										
Vote 1 - Executive & Council		933	6	23	1 555	1 555	1 555	1 555	221	-	-
Vote 2 - Budget & Finance		2 656	527	11 900	11 300	11 300	11 300	11 300	1 891	-	-
Vote 3 - Corporate		14	36	638	1 400	1 400	1 400	1 400	1 843	-	-
Vote 4 - Community		6 280	4 304	2 178	7 420	6 464	6 464	6 464	5 013	-	-
Vote 5 - Development & Planning		264	498	786	20 255	16 605	16 605	16 605	915	-	-
Vote 6 - Infrastructure		25 470	29 933	4 336	41 930	17 939	17 939	17 939	51 752	54 473	58 197
Capital single-year expenditure sub-total		35 616	35 304	19 861	83 860	55 263	55 263	55 263	61 635	54 473	58 197
Total Capital Expenditure - Vote		35 616	36 498	60 735	143 793	123 692	123 692	123 692	147 297	78 033	64 908
Funded by:											
National Government		27 561	25 932	33 118	85 433	48 915	48 915	48 915	45 211	78 033	64 908
Provincial Government									19 300		
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	27 561	25 932	33 118	85 433	48 915	48 915	48 915	64 511	78 033	64 908
Public contributions & donations	5										
Borrowing	6				11 500	11 500	11 500	11 500	30 000		
Internally generated funds		8 055	10 565	27 617	46 860	63 277	63 277	63 277	52 786		
Total Capital Funding	7	35 616	36 498	60 735	143 793	123 692	123 692	123 692	147 297	78 033	64 908

For 2014/15 an amount of R51 million has been appropriated for the development of infrastructure. This represents 35% of the total capital budget.

Total new assets represents 95 per cent or R140 million of the total capital. Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Assets Management) on page 37. In addition to the A9 MBBR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to page 95). Some of the salient project to be undertaken over the medium term includes, amongst others. Furthermore page 97 contains a detail breakdown of the capital per project over the MTRF.

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

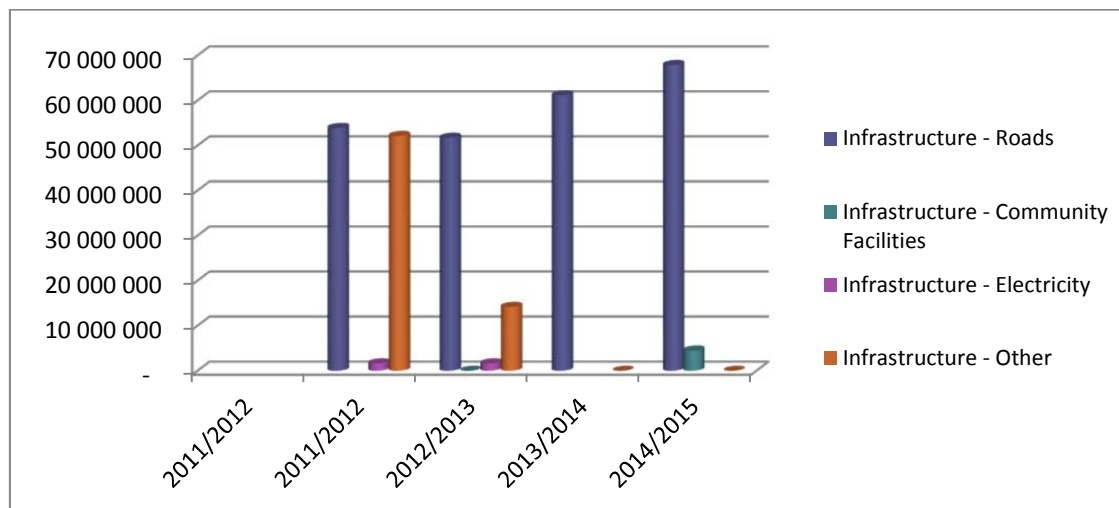


Figure 2 Capital Infrastructure Programme

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61MBRR SA35 on page 96. It needs to be noted that as part of the 2014/15 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 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 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

Table 17 MBRR 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
R thousands										
Financial Performance										
Property rates	12 776	13 235	15 501	28 740	43 999	43 999	43 999	42 298	44 413	46 633
Service charges	31 581	38 262	40 323	49 814	49 814	49 814	49 814	48 690	51 125	53 681
Investment revenue	6 364	6 926	7 834	5 500	5 500	5 500	5 500	4 000	4 200	4 410
Transfers recognised - operational	135 377	125 711	152 460	213 606	197 753	197 754	197 754	237 885	252 783	269 416
Other own revenue	3 937	5 118	9 433	63 831	68 974	68 974	68 974	60 647	41 470	41 693
Total Revenue (excluding capital transfers and contributions)	190 034	189 252	225 550	361 491	366 040	366 040	366 040	393 520	393 990	415 834
Employee costs	37 770	46 429	57 368	76 333	76 333	76 333	76 333	88 907	97 275	104 226
Remuneration of councillors	11 346	13 276	13 900	16 779	16 779	16 779	16 779	16 951	17 798	18 688
Depreciation & asset impairment	14 709	15 905	17 084	9 831	13 053	13 053	9 831	14 066	14 769	15 507
Finance charges	1 250	563	4 274	2 000	-	-	-	-	-	-
Materials and bulk purchases	24 496	31 348	34 846	39 250	40 559	40 559	40 559	38 065	39 946	41 868
Transfers and grants	35 504	8 468	23 663	19 851	28 889	28 889	28 889	33 835	21 229	21 967
Other expenditure	22 795	38 184	107 595	53 495	69 805	69 805	69 775	83 914	88 287	92 750
Total Expenditure	147 871	154 173	258 730	217 539	245 418	245 418	242 166	275 737	279 304	295 006
Surplus/(Deficit)	42 163	35 079	(33 180)	143 951	120 622	120 623	123 874	117 783	114 686	120 827
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	42 163	35 079	(33 180)	143 951	120 622	120 623	123 874	117 783	114 686	120 827
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	42 163	35 079	(33 180)	143 951	120 622	120 623	123 874	117 783	114 686	120 827
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	27 561	25 932	33 118	85 433	48 915	48 915	48 915	64 511	78 033	64 908
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	11 500	11 500	11 500	11 500	30 000	-	-
Internally generated funds	8 055	10 565	27 617	46 860	63 277	63 277	63 277	52 786	-	-
Total sources of capital funds	35 616	36 498	60 735	143 793	123 692	123 692	123 692	147 297	78 033	64 908
Financial position										
Total current assets	103 231	118 300	110 547	110 547	110 547	110 547	110 547	110 547	110 547	110 547
Total non current assets	380 293	398 623	431 655	431 655	431 655	431 655	431 655	470 906	556 906	621 815
Total current liabilities	43 528	39 895	29 857	29 857	29 857	29 857	29 857	21 082	23 190	25 509
Total non current liabilities	8 557	11 758	16 916	16 916	16 916	16 916	16 916	10 970	10 970	10 970
Community wealth/Equity	431 439	465 271	495 428	495 428	495 428	495 428	495 428	714 843	798 735	861 324
Cash flows										
Net cash from (used) operating	45 972	66 684	38 056	143 801	120 436	120 437	123 689	115 840	112 735	118 867
Net cash from (used) investing	(35 926)	(37 286)	(63 321)	(59 583)	350	350	350	350	350	350
Net cash from (used) financing	(135)	(34)	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	73 137	102 500	77 235	161 453	282 240	403 027	527 065	643 255	756 340	875 558
Cash backing/surplus reconciliation										
Cash and investments available	73 137	102 500	84 224	84 224	84 224	84 224	84 224	84 224	84 224	84 224
Application of cash and investments	17 422	19 639	4 403	2 437	2 434	2 434	2 434	(4 366)	(2 221)	87
Balance - surplus (shortfall)	55 715	82 861	79 821	81 787	81 790	81 790	81 790	88 590	86 445	84 137
Asset management										
Asset register summary (WDV)	374 930	392 538	431 655	431 655	431 655	431 655	470 906	470 906	556 906	621 815
Depreciation & asset impairment	14 709	15 905	17 084	9 831	13 053	13 053	14 066	14 066	14 769	15 507
Renewal of Existing Assets	-	-	-	2 780	2 780	2 780	2 780	6 312	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
Free services										
Cost of Free Basic Services provided	566	1 551	3 456	4 154	4 154	4 154	4 569	4 569	5 026	5 529
Revenue cost of free services provided	566	1 551	9 045	9 966	10 198	4 154	11 218	11 218	12 340	13 574
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	4	4	5	5	5	5	5	5	5	5

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the 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. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2014/15, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 18 MBRR 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
Revenue - Standard	1									
<i>Governance and administration</i>		90 901	112 031	138 903	161 227	181 796	181 796	247 385	206 137	214 635
Executive and council		1 811	474	477	1 926	5 577	5 577	8 971	-	-
Budget and treasury office		88 655	111 241	136 826	157 702	174 619	174 619	238 114	205 927	214 415
Corporate services		434	317	1 600	1 600	1 600	1 600	300	210	221
<i>Community and public safety</i>		5 530	5 285	11 342	20 869	21 595	21 595	19 931	16 210	16 807
Community and social services		2 666	1 738	1 329	6 867	7 593	7 593	19 931	16 210	16 807
Sport and recreation		2 752	3 547	3 602	3 154	3 154	3 154	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		112	-	6 411	10 848	10 848	10 848	-	-	-
<i>Economic and environmental services</i>		22 954	27 393	38 023	79 378	87 469	87 468	58 822	41 413	43 182
Planning and development		1 658	1 447	1 558	10 748	11 414	11 414	177	173	189
Road transport		21 296	25 946	36 466	68 630	76 054	76 053	58 645	41 240	42 992
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		70 650	44 542	37 309	100 016	75 179	75 180	67 383	130 230	141 208
Electricity		60 070	33 963	37 309	100 016	75 179	75 180	67 383	130 230	141 208
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10 580	10 580	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	190 034	189 252	225 577	361 490	366 039	366 039	393 520	393 990	415 832
Expenditure - Standard										
<i>Governance and administration</i>		47 722	66 828	141 307	97 199	118 949	116 503	144 059	143 185	151 665
Executive and council		20 140	26 366	29 224	32 689	37 136	37 136	44 615	37 870	40 048
Budget and treasury office		17 672	29 213	95 386	40 588	56 662	54 216	68 533	72 356	76 412
Corporate services		9 911	11 249	16 697	23 922	25 150	25 150	30 912	32 959	35 206
<i>Community and public safety</i>		12 871	13 360	19 614	35 328	36 487	38 934	36 155	34 861	36 341
Community and social services		10 806	8 004	101	12 259	13 027	15 473	36 155	34 861	36 341
Sport and recreation		2 065	5 356	6 803	7 628	8 006	8 006	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	12 710	15 441	15 454	15 454	-	-	-
<i>Economic and environmental services</i>		28 323	38 251	52 399	46 086	50 427	50 427	55 434	59 016	64 759
Planning and development		5 781	5 781	10 104	15 453	18 740	18 740	14 136	15 227	16 239
Road transport		22 542	32 470	42 295	30 633	31 687	31 687	41 298	43 789	48 519
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		58 955	35 734	39 981	38 927	39 555	39 555	40 089	42 242	42 242
Electricity		52 747	27 782	39 981	38 927	39 555	39 555	40 089	42 242	42 242
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		6 208	7 952	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	147 871	154 173	253 302	217 539	245 418	245 418	275 737	279 304	295 006
Surplus/(Deficit) for the year		42 163	35 079	(27 725)	143 951	120 622	120 622	117 783	114 686	120 826

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, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue.

Table 7 MBRR 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
Revenue by Vote	1									
Vote 1 - Executive & Council		1 811	474	477	1 926	5 577	5 577	8 971	-	-
Vote 2 - Budget & Finance		92 520	111 240	136 826	157 702	172 619	172 619	238 114	205 927	214 415
Vote 3 - Corporate		436	318	661	1 600	1 600	1 600	300	210	221
Vote 4 - Community		15 603	5 285	11 347	20 869	23 596	23 596	19 931	16 210	16 807
Vote 5 - Development & Planning		1 658	1 447	1 558	10 748	11 414	11 414	177	173	189
Vote 6 - Infrastructure		78 006	70 488	74 707	168 646	151 233	151 233	126 028	171 469	184 201
Total Revenue by Vote	2	190 034	189 252	225 577	361 490	366 040	366 040	393 520	393 989	415 833
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		20 140	26 366	29 224	32 689	37 136	37 136	44 615	37 869	40 047
Vote 2 - Budget & Finance		17 672	29 286	95 387	41 345	56 252	56 252	68 532	72 356	76 412
Vote 3 - Corporate		9 911	11 249	16 697	23 922	25 150	25 150	30 912	32 959	35 205
Vote 4 - Community		20 652	13 360	25 170	35 328	36 897	36 897	36 155	34 861	36 341
Vote 5 - Development & Planning		4 200	5 781	10 103	14 806	18 740	18 740	14 136	15 227	16 239
Vote 6 - Infrastructure		75 296	68 131	82 176	69 449	71 241	71 241	81 387	86 031	90 761
Total Expenditure by Vote	2	147 871	154 173	258 757	217 539	245 417	245 417	275 737	279 303	295 006
Surplus/(Deficit) for the year	2	42 163	35 079	(33 180)	143 951	120 622	120 623	117 783	114 686	120 827

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 20 Surplus/Deficit calculations for the trading services

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
Electricity										
Total revenue	60 070	33 963	39 178	65 016	65 179	65 179	64 179	48 083	50 487	53 011
Operating expenditure	52 747	27 782	39 880	38 926	39 555	39 555	39 555	40 089	42 242	44 481
Surplus/(Deficit) for the year	7 323	6 181	(702)	26 090	25 625	25 625	24 625	7 994	8 245	8 530
Percentage Surplus	10.29%	18.20%	-1.79%	40.13%	39.31%	39.31%	38.37%	16.63%	16.33%	16.09%

2. The electricity trading surplus is maintained over the 2014/15MTREF at 16 per cent . Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and are not used to cross-subsidise other municipal services.*

Table 21MBRRTable 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
Revenue By Source											
Property rates	2	12 776	13 235	15 501	27 040	42 298	42 298	42 298	42 298	44 413	46 633
Property rates - penalties & collection charges	3280	-	-	-	1 700	1 701	1 701	1 701	-	-	-
Service charges - electricity revenue	2	25 838	32 489	33 912	42 966	42 966	42 966	42 966	41 500	43 575	45 754
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	5 743	5 773	6 411	6 848	6 848	6 848	6 848	7 190	7 550	7 927
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	3070	499	483	534	571	587	587	587	599	597	621
Interest earned - external investments	3210	6 364	6 926	7 834	5 500	5 500	5 500	5 500	4 000	4 200	4 410
Interest earned - outstanding debtors	3270	-	-	-	151	151	151	151	1 943	1 951	1 960
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines	3310	966	1 651	1 509	450	451	451	451	450	474	496
Licences and permits	3370	1 059	1 897	2 094	2 704	2 704	2 704	2 704	2 744	2 839	2 981
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	3410	135 377	125 711	152 460	213 606	197 753	197 754	197 754	237 885	252 783	269 416
Other revenue	2	1 397	794	5 296	59 955	65 047	65 047	65 047	54 911	35 609	35 635
Gains on disposal of PPE	3700	15	293	-	-	35	35	35	-	-	-
Total Revenue (excluding capital transfers and contributions)		190 034	189 252	225 550	361 491	366 040	366 040	366 040	393 520	393 990	415 834
Expenditure By Type											
Employee related costs	2	37 770	46 429	57 368	76 333	76 333	76 333	76 333	88 907	97 275	104 226
Remuneration of councillors	4340	11 346	13 276	13 900	16 779	16 779	16 779	16 779	16 951	17 798	18 688
Debt impairment	4560	1 395	2 610	63 893	3 000	3 000	3 000	3 000	-	-	-
Depreciation & asset impairment	2	14 709	15 905	17 084	9 831	13 053	13 053	9 831	14 066	14 769	15 507
Finance charges	4810	1 250	563	4 274	2 000	-	-	-	-	-	-
Bulk purchases	2	16 078	21 898	24 556	28 000	28 000	28 000	28 000	28 000	29 400	30 870
Other materials	4610	8 418	9 450	10 290	11 250	12 559	12 559	12 559	10 065	10 546	10 998
Contracted services		5 711	9 363	12 329	14 933	14 963	14 963	14 933	16 224	16 962	17 810
Transfers and grants	4970	35 504	8 468	23 663	19 851	28 889	28 889	28 889	33 835	21 229	21 967
Other expenditure	4, 5	15 575	23 703	26 308	35 562	51 842	51 842	51 842	67 690	71 325	74 940
Loss on disposal of PPE	3511	115	2 507	5 064	-	-	-	-	-	-	-
Total Expenditure		147 871	154 173	258 730	217 539	245 418	245 418	242 166	275 737	279 304	295 006
Surplus/(Deficit)		42 163	35 079	(33 180)	143 951	120 622	120 623	123 874	117 783	114 686	120 827
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		42 163	35 079	(33 180)	143 951	120 622	120 623	123 874	117 783	114 686	120 827
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		42 163	35 079	(33 180)	143 951	120 622	120 623	123 874	117 783	114 686	120 827
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		42 163	35 079	(33 180)	143 951	120 622	120 623	123 874	117 783	114 686	120 827
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		42 163	35 079	(33 180)	143 951	120 622	120 623	123 874	117 783	114 686	120 827

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

1. Total revenue is R393,5 million in 2014/15 and escalates to R415,8 million by 2016/17.
2. Revenue to be generated from property rates is R42million in the 2014/15 financial year and increases to R46 million by 2016/17 which represents 10 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have

been factored in at 5 per cent, 6 per cent and 6 per cent for each of the respective financial years of the MTREF.

3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R49 million for the 2014/15 financial year and increasing to R51 million by 2015/16. For the 2014/15 financial year services charges amount to 12 per cent of the total revenue base. This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases.
5. The following graph illustrates the major expenditure items per type.

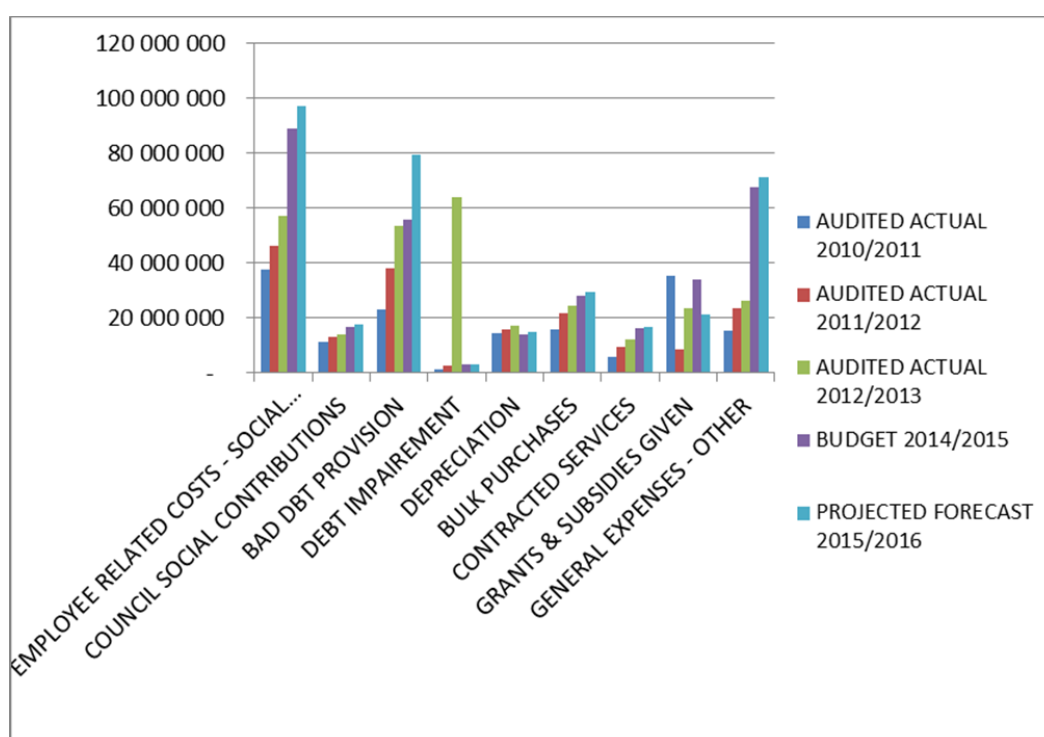


Figure 3 Expenditure by major type

6. Bulk purchases have significantly increased over the 2009/10 to 2014/15 period escalating from R8million to R28million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs 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.

Table 8 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

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
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community		-	-	-	-	-	-	-	-	-	-
Vote 5 - Development & Planning		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	1 194	40 874	59 933	68 430	68 430	68 430	85 662	23 560	6 711
Capital multi-year expenditure sub-total	7	-	1 194	40 874	59 933	68 430	68 430	68 430	85 662	23 560	6 711
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		933	6	23	1 555	1 555	1 555	1 555	221	-	-
Vote 2 - Budget & Finance		2 656	527	11 900	11 300	11 300	11 300	11 300	1 891	-	-
Vote 3 - Corporate		14	36	638	1 400	1 400	1 400	1 400	1 843	-	-
Vote 4 - Community		6 280	4 304	2 178	7 420	6 464	6 464	6 464	5 013	-	-
Vote 5 - Development & Planning		264	498	786	20 255	16 605	16 605	16 605	915	-	-
Vote 6 - Infrastructure		25 470	29 933	4 336	41 930	17 939	17 939	17 939	51 752	54 473	58 197
Capital single-year expenditure sub-total		35 616	35 304	19 861	83 860	55 263	55 263	55 263	61 635	54 473	58 197
Total Capital Expenditure - Vote		35 616	36 498	60 735	143 793	123 692	123 692	123 692	147 297	78 033	64 908
Funded by:											
National Government		27 561	25 932	33 118	85 433	48 915	48 915	48 915	45 211	78 033	64 908
Provincial Government									19 300		
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	27 561	25 932	33 118	85 433	48 915	48 915	48 915	64 511	78 033	64 908
Public contributions & donations	5										
Borrowing	6				11 500	11 500	11 500	11 500	30 000		
Internally generated funds		8 055	10 565	27 617	46 860	63 277	63 277	63 277	52 786		
Total Capital Funding	7	35 616	36 498	60 735	143 793	123 692	123 692	123 692	147 297	78 033	64 908

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

- 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.
- The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations..
- 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.
- The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 23 MBRR Table A6 - Budgeted Financial Position
Explanatory notes to 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
ASSETS											
Current assets											
Cash											
Call investment deposits	1	79 061	102 500	84 224	84 224	84 224	84 224	84 224	84 224	84 224	84 224
Consumer debtors	1	6 270	5 507	10 971	10 971	10 971	10 971	10 971	10 971	10 971	10 971
Other debtors		17 347	9 761	14 807	14 807	14 807	14 807	14 807	14 807	14 807	14 807
Current portion of long-term receivables					-	-	-	-	-	-	-
Inventory	2	553	532	545	545	545	545	545	545	545	545
Total current assets		103 231	118 300	110 547	110 547	110 547	110 547	110 547	110 547	110 547	110 547
Non current assets											
Long-term receivables											
Investments											
Investment property		9 758	9 758	9 898	9 898	9 898	9 898	9 898	9 898	9 898	9 898
Investment in Associate											
Property, plant and equipment	3	364 737	382 349	421 234	421 234	421 234	421 234	421 234	461 008	547 008	611 917
Agricultural											
Biological											
Intangible		435	430	523	523	523	523	523			
Other non-current assets		5 363	6 086								
Total non current assets		380 293	398 623	431 655	431 655	431 655	431 655	431 655	470 906	556 906	621 815
TOTAL ASSETS		483 524	516 924	542 202	542 202	542 202	542 202	542 202	581 454	667 454	732 362
LIABILITIES											
Current liabilities											
Bank overdraft	1	5 924									
Borrowing	4	34									
Consumer deposits		306	242	240	240	240	240	240			
Trade and other payables	4	34 801	37 807	28 188	28 188	28 188	28 188	28 188	21 082	23 190	25 509
Provisions		2 463	1 846	1 430	1 430	1 430	1 430	1 430			
Total current liabilities		43 528	39 895	29 857	29 857	29 857	29 857	29 857	21 082	23 190	25 509
Non current liabilities											
Borrowing											
Provisions		8 557	11 758	16 916	16 916	16 916	16 916	16 916	10 970	10 970	10 970
Total non current liabilities		8 557	11 758	16 916	16 916	16 916	16 916	16 916	10 970	10 970	10 970
TOTAL LIABILITIES		52 085	51 653	46 774	46 774	46 774	46 774	46 774	32 052	34 160	36 479
NET ASSETS	5	431 439	465 271	495 428	495 428	495 428	495 428	495 428	549 402	633 294	695 883
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		35 394	183 861	167 405	167 405	167 405	167 405	167 405	334 819	418 711	481 300
Reserves	4	396 045	281 410	328 024	328 024	328 024	328 024	328 024	380 024	380 024	380 024
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	431 439	465 271	495 428	495 428	495 428	495 428	495 428	714 843	798 735	861 324

- Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table 66 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;

- Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24MBRRTable A7 - Budgeted Cash Flow Statement

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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		35 528	67 017	60 212	142 234	162 601	162 600	162 600	149 692	135 056	140 047
Government - operating	1	135 377	125 711	144 908	213 606	197 753	197 754	197 754	237 885	252 783	269 416
Government - capital	1										
Interest		6 364	6 927	7 861	5 500	5 500	5 500	5 500	4 000	4 200	4 410
Dividends											
Payments											
Suppliers and employees		(130 046)	(132 407)	(170 650)	(217 539)	(245 418)	(245 418)	(242 166)	(275 737)	(279 304)	(295 006)
Finance charges		(1 250)	(564)	(4 275)							
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		45 972	66 684	38 056	143 801	120 436	120 437	123 689	115 840	112 735	118 867
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		375		40	350	350	350	350	350	350	350
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables				6 085							
Decrease (increase) in non-current investments											
Payments											
Capital assets		(36 301)	(37 286)	(69 446)	(59 933)	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(35 926)	(37 286)	(63 321)	(59 583)	350	350	350	350	350	350
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing		(135)	(34)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		(135)	(34)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		9 910	29 363	(25 265)	84 218	120 786	120 787	124 039	116 190	113 085	119 217
Cash/cash equivalents at the year begin:	2	63 227	73 137	102 500	77 235	161 453	282 240	403 027	527 065	643 255	756 340
Cash/cash equivalents at the year end:	2	73 137	102 500	77 235	161 453	282 240	403 027	527 065	643 255	756 340	875 558

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality stayed consistent over the 2010/2011 to 2014/2015 period owing directly to a well-oiled finance department.
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 R643 million as at the end of the 2014/15.

Table 25MBRRTable 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
Cash and investments available											
Cash/cash equivalents at the year end	1	73 137	102 500	77 235	161 453	282 240	403 027	527 065	643 255	756 340	875 558
Other current investments > 90 days		-	-	6 989	(77 229)	(198 016)	(318 803)	(442 841)	(559 031)	(672 116)	(791 334)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		73 137	102 500	84 224	84 224	84 224	84 224	84 224	84 224	84 224	84 224
Application of cash and investments											
Unspent conditional transfers		19 596	23 779	16 227	16 227	16 227	16 227	16 227	12 582	13 840	15 224
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(2 174)	(4 140)	(11 824)	(13 790)	(13 793)	(13 793)	(13 793)	(16 948)	(16 061)	(15 137)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		17 422	19 639	4 403	2 437	2 434	2 434	2 434	(4 366)	(2 221)	87
Surplus(shortfall)		55 715	82 861	79 821	81 787	81 790	81 790	81 790	88 590	86 445	84 137

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2010/11 the surplus increased from R55million to R88million IN 2014/15. For the rest of the MTREF a surplus is indicated.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2013/14 MTREF was not funded owing to the significant deficit.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As can be seen the budget has been modelled to progressively move from a surplus of R55 million in 2010/11 to R88 million by 2014/15.

Table 26 MBRR 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
CAPITAL EXPENDITURE										
Total New Assets	1	35 616	36 498	60 735	141 013	121 412	121 412	140 985	23 560	6 711
Infrastructure - Road transport		34 410	30 535	35 295	46 655	68 430	68 430	75 402	23 560	6 711
Infrastructure - Electricity		-	-	4 216	39 150	15 159	15 159	53 150	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		34 410	30 535	39 511	85 805	83 588	83 588	128 552	23 560	6 711
Community		1 031	2 859	7 561	9 310	12 494	12 494	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	122	-	-	-	-	-	-
Other assets	6	-	3 061	13 381	45 897	25 330	25 330	12 433	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		175	42	160	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	2 780	2 780	2 780	6 312	-	-
Infrastructure - Road transport		-	-	-	2 780	2 780	2 780	6 312	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	2 780	2 780	2 780	6 312	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	2 780	2 780	2 780	6 312	-	-
Infrastructure - Road transport		34 410	30 535	35 295	49 435	71 210	71 210	81 714	23 560	6 711
Infrastructure - Electricity		-	-	4 216	39 150	15 159	15 159	53 150	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		34 410	30 535	39 511	88 585	86 368	86 368	134 864	23 560	6 711
Community		1 031	2 859	7 561	9 310	12 494	12 494	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	122	-	-	-	-	-	-
Other assets		-	3 061	13 381	45 897	25 330	25 330	12 433	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		175	42	160	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	35 616	36 498	60 735	143 793	124 192	124 192	147 297	23 560	6 711
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		364 737	382 349	421 234	421 234	421 234	421 234	461 008	547 008	611 917
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		364 737	382 349	421 234	421 234	421 234	421 234	461 008	547 008	611 917
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		9 758	9 758	9 898	9 898	9 898	9 898	9 898	9 898	9 898
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		435	430	523	523	523	523	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	374 930	392 538	431 655	431 655	431 655	431 655	470 906	556 906	621 815
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		14 709	15 905	17 084	9 831	13 053	13 053	14 066	14 769	15 507
Repairs and Maintenance by Asset Class	3	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		14 709	15 905	17 084	9 831	13 053	13 053	14 066	14 769	15 507
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	1.9%	2.2%	2.2%	4.3%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	28.3%	21.3%	21.3%	44.9%	0.0%	0.0%
<i>R&M as a % of PPE</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and R&M as a % of PPE</i>		0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	0.0%	0.0%

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.

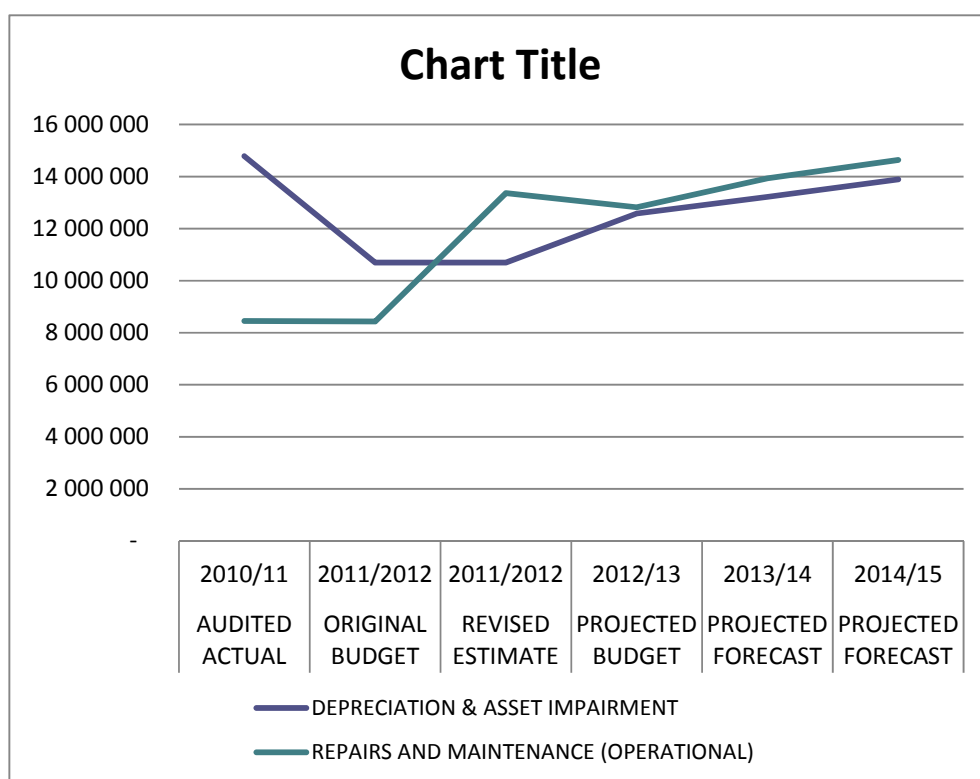


Figure 4 Deprecation in relation to repair and maintenance over the MTREF

Table 9 MBRR 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
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)	2	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)	3	3	3	3	4	4	4	4	4	5
<i>Minimum Service Level and Above sub-total</i>		3 400	3 400	3 400	3 800	3 800	3 800	4 000	4 200	4 500
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	3 400	3 400	3 400	3 800	3 800	3 800	4 000	4 200	4 500
Refuse:										
Removed at least once a week	4	4	4	5	5	5	5	5	5	5
<i>Minimum Service Level and Above sub-total</i>		4 400	4 400	4 500	4 550	4 550	4 557	4 600	4 650	5 000
Removed less frequently than once a week	4	4	4	5	5	5	5	5	5	5
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	8 800	8 800	9 000	9 100	9 100	9 114	9 200	9 300	10 000
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	0	1	2	4	4	4	9	12	18	
Refuse (removed at least once a week)	0	1	2	4	4	4	9	12	18	
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	239	1 316	420	2 160	2 160	2 160	2 376	2 614	2 875	
Refuse (removed once a week)	327	235	3 036	1 994	1 994	1 994	2 193	2 413	2 654	
Total cost of FBS provided (minimum social package)		566	1 551	3 456	4 154	4 154	4 154	4 569	5 026	5 529
Highest level of free service provided										
Property rates (R value threshold)		-	-	30 000	30 000	30 000	30 000	30 000	30 000	30 000
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)	37	40	44	89	89	89	95	102	109	
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		-	-	5 588	5 812	6 044	6 649	7 314	8 045	
Water		-	-	-	-	-	-	-	-	
Sanitation		-	-	-	-	-	-	-	-	
Electricity/other energy	239	1 316	420	2 160	2 160	2 160	2 376	2 614	2 875	
Refuse	327	235	3 036	1 994	1 994	1 994	2 193	2 413	2 654	
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	
Total revenue cost of free services provided (total social package)		566	1 551	9 045	9 966	10 198	4 154	11 218	12 340	13 574

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 budget provides for 13500 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services. The number is set to increase to 175 00 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
3. It is anticipated that these Free Basic Services will cost the municipality R10 million in 2014/15, increasing to R15 million in 2014/15. This is covered by the municipality's equitable share allocation from national government.

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

1. The process followed in compiling the 2014/15 Budget can be summarised as follows:
 - a) Council Adopted a Budget Timetable on 02 August 2013.
 - b) The Budget & Finance Standing Committee Compiled Budget Assumptions and recommended same to Council for adoption. During this meeting the Budget, Tariff, Rates, Indigent and SCM Policies were reviewed. No amendments were recommended as the policies were approved less than 4 months prior to this meeting;
 - c) The CFO presented the Budget Assumptions and Guideline to the General Manager in September 2013;
 - d) IDP / Budget Outreaches were held in September 2013. Councillors, Managers and support staff were divided in six (6) teams and all wards were visited during one (1) week.
 - e) In February 2014 a Strategic Planning Workshop was held in Durban during which Standing Committees in their various commissions developed their respective KPA's and objectives for 2014/2015;
 - f) The Budget Office compiled a Draft Budget which was present to Management, the Budget & Finance Standing Committee and EXCO during March 2014;
 - g) The Draft Budget for 2014/2015 was tabled to Council by the Mayor on 31 March 2014;
 - h) The Draft Budget was submitted to Provincial Treasury and to National Treasury during 31 March 2014;
 - i) On the 31 March 2014 Council will consider and adopt the IDP, Budget, Tariffs and all budget related schedules and policies.

2. Input from Stakeholders

The following input was received:

- a) National Treasury

- i. Grants must equal those as indicated by Dora, especially MIG.
- ii. Big variances between previous year's figures and current year's figures must be verified; and
- iii. The Budget Document must comply with the new format, e.g. Mayors Report, Municipal Manager Quality Certificate and support schedules must be attached.

b) Certain Ward Residents

- i. Certain Maize fields to be fenced.

c) General Input during Outreaches

- i. The Budget must be ward based; and
- ii. The Budget must indicate all programmes and activities that will be held in the wards.

2.2 Overview of alignment of annual budget with IDP

The development of the IDP of 2013-2018 and the 2014/2015 Budget Compilation were done simultaneously. During the Community Participation Process IDP priorities and the implications it will have on the current and future budgets were discussed. Community input in this regard was invited and included in both the IDP and the 2014/2015 Budget. Only capital items listed in the IDP was included in the Budget, funds permitting.

The Municipal Departments are aligned with the 5 Local Government Key Performance Areas. The Department's strategies are therefore linked to the 5 KRA's Details of the Budgets allocated to the various departments are reflected in schedules SA4-6.

The Departmental SDBIP contains projects and programmes listed in the IDP. The General Manager's performances plan is linked to the Departmental SDBIP.

The SDBIP marries the Performance Management System with the budget and the IDP. Thus the strategic Direction mapped out in the IDP is matched with financial resources and delivery of services as specified in the PMS.

The SDBIP allows the budget to be implemented fully as it identifies:

- The Strategic Imperative – Through link with the IDP.
- The Financial Imperative – Through links with the Budget
- The Performance Imperative – Through links to the PMS

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South Africa society can only be realised 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 other, 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 Nation 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 City, 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 City strategically complies with the key national and provincial priorities.

The aim of the revision cycle was 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 City's response to these requirements.

The national and provision priorities, policies

- Green Paper on National Strategic
- Government Programme of Action
- Development Facilitation Act of
- Provincial Growth and Development
- National and Provincial Spatial Development Perspectives;
- Relevant Sector plans such as transportation, Legislation and policy;
- National Key Performance Indicators (NKPI's);
- Accelerated and Shared Growth
- National 2014 Vision;
- National Spatial Development
- 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 2014/2015 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 28 IDP Strategic Objectives

2013/2014 Financial Year		2014/2015 MTREF	
1	The Provision of quality Basic Services and Infrastructure	1	Provision of quality Basic Services and Infrastructure
2	Acceleration of higher and shared economic growth and development	2	Economic growth and development that leads to sustainable job creation
3	Fighting of Poverty, building clean, healthy, safe and sustainable communities	3.1	Fighting of Poverty, building clean, healthy, safe and sustainable communities
		3.2	Integrated Social Services for empowered and sustainable communities
4	Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4	Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5	Good governance, Financial viability and institutional governance	5.1	Promote sound governance
		5.2	Ensure financial sustainability
		5.3	Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the city to align its budget with that of national and provincial government. All

spheres of government place a high priority on infrastructure development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

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

1. Provision of quality basic service and infrastructure which includes, amongst others:
 - Provide Electricity
 - Provide Water
 - Provide Sanitation
 - Provide Waste Removal
 - Provide Housing
 - Provide Roads and Storm Water
 - Provide Public Transport
 - Provide City Planning Service; and
 - Maintaining the Infrastructure of the City
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the city;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
3. Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the Provincial Department of Health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.1 Integrated Social Services for empowered and sustained communities
 - Work with Provincial Departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the Revenue Management Strategy.

- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personal;

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

In addition to the five-year IDP, the City 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 City 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 City's IDP, associated scrolal plans and strategies, and the allocation of resources of the City and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building Social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals

Lessons learned with Previous IDP revision planning cycles as well as changing environments were taken into consideration in the compilation for the fourth revised IDP, including;

- Strengthening the analysis and strategic planning processes of the City;
- Initiating zoned planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

Table 10MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	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
Good Governance and Public Participation	Executive & Council			1 811	474	477	1 926	5 577	5 577	8 971	-	-
Municipal Financial Viability and Management	Budget & Finance			88 655	111 241	136 826	157 702	174 619	174 619	238 114	205 927	214 415
Transformation and Institutional Development	Corporate Services			434	317	1 600	1 600	1 600	1 600	300	210	221
Basic Service Delivery and Infrastructure Investment	Community Services			5 530	5 285	11 342	20 869	21 595	21 595	19 931	16 210	16 807
Local Economic Development	Economic & Development Planning			22 954	27 393	38 023	79 378	87 469	87 468	58 822	41 413	43 182
Basic Service Delivery and Infrastructure Investment	Technical Services			70 650	44 542	37 309	100 016	75 179	75 180	67 383	130 230	141 208
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	190 034	189 252	225 577	361 490	366 039	366 039	393 520	393 990	415 832

Table 30MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	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
Good Governance and Public Participation	Executive & Council			20 140	26 366	29 224	32 689	37 136	37 136	44 615	37 870	40 048
Municipal Financial Viability and Management	Budget & Finance			17 672	29 213	95 386	40 588	56 662	54 216	68 533	72 356	76 412
Transformation and Institutional Development	Corporate Services			9 911	11 249	16 697	23 922	25 150	25 150	30 912	32 959	35 206
Basic Service Delivery and Infrastructure Investment	Community Services			12 871	13 360	19 614	35 328	36 487	38 934	36 155	34 861	36 341
Local Economic Development	Economic & Development Planning			28 323	38 251	52 399	46 086	50 427	50 427	55 434	59 016	64 759
Basic Service Delivery and Infrastructure Investment	Technical Services			58 955	35 734	39 981	38 927	39 555	39 555	40 089	42 242	42 242
Allocations to other priorities												
Total Expenditure			1	147 871	154 173	253 302	217 539	245 418	245 418	275 737	279 304	295 006

Table 11MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	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
Good Governance and Public Participation	Executive & Council	A		933	6	23	1 555	1 555	1 555	221	-	-
Municipal Financial Viability and Management	Budget & Finance	B		2 656	527	11 900	11 300	11 300	11 300	1 891	-	-
Transformation and Institutional Development	Corporate Services	C		14	36	638	1 400	1 400	1 400	1 843	-	-
Basic Service Delivery and Infrastructure Investment	Community Services	D		6 280	4 304	2 178	7 420	6 464	6 464	5 013	-	-
Local Economic Development	Economic & Development Planning	E		264	498	786	20 255	16 605	16 605	915	-	-
Basic Service Delivery and Infrastructure Investment	Technical Services	F		25 470	31 127	45 210	101 863	86 368	86 368	137 414	78 033	64 908
Allocations to other priorities			3									
Total Capital Expenditure			1	35 616	36 498	60 735	143 793	123 692	123 692	147 297	78 033	64 908

2.3 Measurable performance objectives and indicators

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

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



Figure 5 Planning, Budgeting and Reporting Cycle

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 monitor 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 (marking 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:

Figure 6 Definition of performance information concepts

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

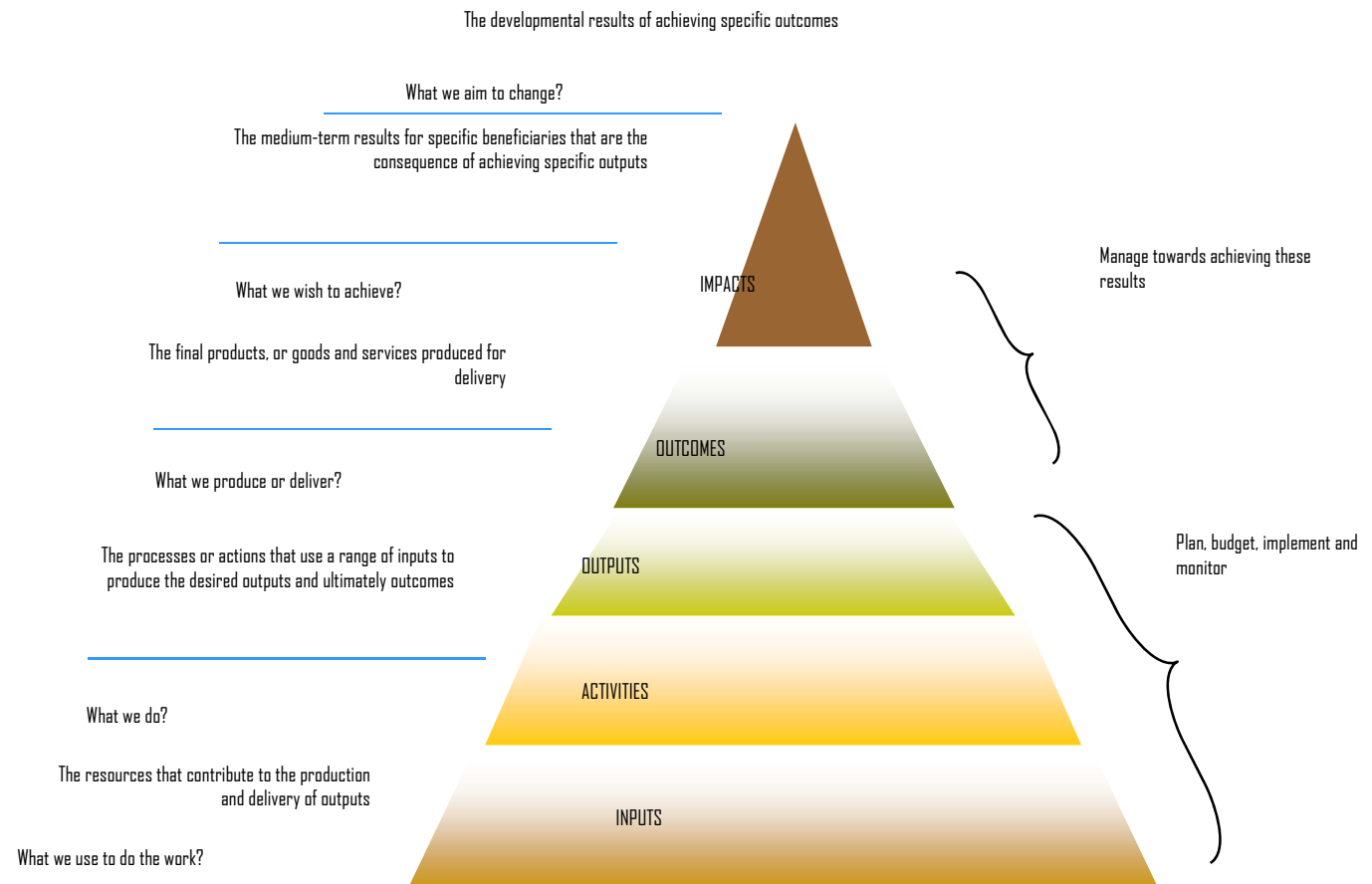


Figure 6 Definition of performance information concepts

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

Table 32MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget
Vote 1 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
Function 1 - BUDGET & FINANCE										
Sub-function 1 - Good Governance										
No of staff trained in finance management	Training schedule							No of people formally trained.		
No of staff meetings	Minutes							12		
To launch a program aimed at accrediting Financial/ non-technical officials/councillors with IMFO	Registration Certificates							30/06/2014		
Launch a program aimed at accrediting Financial officials as CA/CPA's	CA/CPA's Training							30/06/2014		
Computer Training	No. of staff trained							No of people formally trained.		
Undertake a study aimed at identifying and address critical gaps in line with JIPSA and Competency levels of Financial Officers/ SCM	Competency levels							Annually		
Issue of staff with PC's	No. of staff issued							20		
Installation of antivirus software	Update Reports							Monthly		
Updating of Abacus Financial System	New Release Dates							Half Yearly		
Updating of Payday Payroll System	New Release Dates							Annually		

Maintenance of hardware	Asset Verification Report							Quarterly		
Valuation Roll Maintenance	Amended Valuation Roll							Quarterly		
Develop and implement an IT Strategy for Department	Strategy Document							Annually		
Table for consideration and approval of draft	Risk Management Plan							1		
Risk Management & Fraud Prevention Plan	Fraud Prevention Workshop							1		
Develop a comprehensive office requirement plan informed through needs analysis	Plan							Annually		
Communicate needs through applicable department	Plan							Annually		
Identify economic opportunities and liaise with internal structures	Plan							Annually		
Appointment of Department Safety Liaison Officer	Letter of Appointment							31/09/2010		
Review written delegations in line with delegations policy. Review powers and functions, roles and responsibilities	Delegation Framework Policy							Annually		
To comply with the MFMA	% compliance with the requirements of the MFMA							Monthly		
To enhance financial management practices within Matatiele to sustain the institution as a going concern	Debt coverage (Asset Test Ratio)							Monthly		
To enhance financial management practices within Matatiele to sustain the institution	Cost Coverage Ratio							Monthly		

as a going concern										
To enhance financial management practices within Matatiele to sustain the institution as a going concern	Outstanding debtors days (Debt Coverage Ratio)							Monthly		
Sub-function 2 - Budget Planning & Financial Reporting										
No of staff trained in finance management	No. of monthly reports							12		
Quarterly reporting to council	No. of quarterly reports							4		
Annual details of bank account (Sec.9b)	Before 30 June each year							30-Jun-13		
Quarterly reporting on withdrawals	No. of quarterly reports							4		
Mid-year budget (Sec.72)	Before 25 January each year							25-Jan-14		
Bank reconciliation's	No. of reconciliations							12		
Investments	No. of bank certificates							4		
Investment policy (annual review)	Date approved							30-Jun-13		
Review of policies	Date policies reviewed by Council - Credit Control and Debt Collection, Tariff, Procurement, Indigent Management, Budget, Risk Management, Rates, Fixed Assets and Accounting, Banking and Investment							30-Feb-14		
Payment of interest & redemption	Cheque vouchers							Bi-annually		

Reconciliation with general ledger	Reconciliation							Bi-annually		
Inclusion in financial statements	Appendix A							Annually		
Time schedule	Date approved							31-Aug-114		
Tabling of annual budget	Date tabled							31-Mar-14		
Approval of annual budget	Date approved							31-May-14		
Public meetings	No. of meetings							7		
Undertake tariff setting during budget preparation process								Annually		
Align Budget with IDP								Annually		
Monthly reports to Managers I & E	No. of budget reports							Monthly		
Age Creditors Analysis	12 Monthly Budget Reports							10 working days after end of month		
Age Debtors Analysis	12 Monthly Budget Reports							10 working days after end of month		
Capital Acquisition Actual	12 Monthly Budget Reports							10 working days after end of month		
Statement of Financial Performance (actual)	12 Monthly Budget Reports							10 working days after end of month		
Cash Flow actual	12 Monthly Budget Reports							10 working days after end of month		
Finance Management Grant	12 Monthly Budget Reports							10 working days after end of month		
Restructuring Grant	12 Monthly Budget Reports							10 working days after end of		

								month		
Municipal Systems Implementation Grant	12 Monthly Budget Reports							10 working days after end of month		
Municipal Infrastructure Grant	12 Monthly Budget Reports							10 working days after end of month		
List of Municipal Entities	4 Quarterly Reports							24 Working days after end of quarter		
Long Term Contracts	4 Quarterly Reports							24 Working days after end of quarter		
Implementation Priorities	4 Quarterly Reports							24 Working days after end of quarter		
Borrowing Monitoring	4 Quarterly Reports							24 Working days after end of quarter		
Competency Levels	2 Half yearly Reports							24 working days after end of six months		
MFMA Evaluation by MM S72	1 Yearly Reports							25-Jan		
Standard Budget return form to analyst	1 Yearly Reports							24-Jan		

Table 12MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	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
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.8%	0.4%	1.7%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.3%	0.9%	5.8%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	-1.7%	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	2.4	3.0	3.7	3.7	3.7	3.7	3.7	5.2	4.8	4.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.4	3.0	3.7	3.7	3.7	3.7	3.7	5.2	4.8	4.3
Liquidity Ratio	Monetary Assets/Current Liabilities	1.8	2.6	2.8	2.8	2.8	2.8	2.8	4.0	3.6	3.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		73.6%	119.0%	101.6%	99.9%	99.9%	99.9%	99.9%	98.7%	98.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		73.6%	119.0%	92.3%	99.9%	99.9%	99.9%	99.9%	98.7%	98.6%	98.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.4%	8.1%	11.4%	7.1%	7.0%	7.0%	7.0%	6.0%	6.5%	6.2%
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		20.8%	13.7%	15.5%	7.4%	4.2%	3.0%	2.3%	1.3%	1.2%	1.1%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
Employee costs	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	19.9%	24.5%	25.4%	21.1%	20.9%	20.9%	20.9%	20.7%	24.7%	25.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	6.2%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.4%	8.7%	9.5%	3.3%	3.6%	3.6%	2.7%	3.3%	3.7%	3.7%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.9	8.1	13.3	26.9	26.9	26.9	42.1	37.1	32.0	33.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	52.7%	29.4%	45.7%	32.6%	27.3%	27.3%	27.3%	28.1%	26.8%	25.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.4	10.6	4.3	10.8	17.5	25.0	32.7	37.9	44.2	48.0

Vote Indicator	Unit of Measurement
Municipal Finance Management Act, Monthly reporting to Mayor (Section 71) Quarterly reporting to council Annual details of bank account (Sec.9b) Quarterly reporting on withdrawals Mid-year budget (Sec.72) Bank reconciliation's Investments Investment policy (annual review) Review of policies	No. of monthly reports No. of quarterly reports Before 30 June each year No. of quarterly reports Before 25 January each year No. of reconciliations No. of bank certificates Date approved Date policies reviewed by Council - Credit Control and Debt Collection, Tariff, Procurement, Indigent Management, Budget, Risk Management, Rates, Fixed Assets and Accounting, Banking and Investment
Multi-year budget Time schedule Tabling of annual budget Approval of annual budget Public meetings	Date approved Date tabled Date approved No. of meetings
Financial Statements Trial balance preparation Reconciliation with general ledger Working papers for year-end transactions Accounting policies i.r.o statements CFO report on statements Completed financial statements Submission to A-G & Province GAMAP/GRAP conversion	Date completed Date completed Date completed Date completed Date completed Date completed Date completed Ledger and trial balance and I & E statement in GRAP format - date finalised
Budget Control Monthly reports to Managers i.e. I & E Age Creditors Analysis Age Debtors Analysis Capital Acquisition Actual Statement of Financial Performance (actual) Cash Flow actual Finance Management Grant Restructuring Grant Municipal Systems Implementation Grant Municipal Infrastructure Grant	No. of budget reports 12 Monthly Budget Reports 12 Monthly Budget Reports 12 Monthly Budget Reports 12 Monthly Budget Reports 12 Monthly Budget Reports 12 Monthly Budget Reports 12 Monthly Budget Reports 12 Monthly Budget Reports 12 Monthly Budget Reports

List of Municipal Entities	4 Quarterly Reports
Long Term Contracts	4 Quarterly Reports
Implementation Priorities	4 Quarterly Reports
Borrowing Monitoring	4 Quarterly Reports
Competency Levels	2 Half yearly Reports
MFMA Evaluation by MM S72	1 Yearly Reports
Standard Budget return form to analyst	1 Yearly Reports
Raised Capital Budget	1 Yearly Reports
Revised Operating Budget	1 Yearly Reports
Revised Balance Sheet	1 Yearly Reports
Capital Acquisition Audit	1 Yearly Reports
Operating Audited	1 Yearly Reports
Balance Sheet Audited	1 Yearly Reports
Adjustment budget	Date revised budget approved
Asset Register	
Inventory control	Frequency of inventory lists
Updating of assets register	Frequency of updates
Disposal of assets	Date of report to Council
Loans Register	
Payment of interest & redemption	Cheque vouchers
Reconciliation with general ledger	Reconciliation
Inclusion in financial statements	Appendix A
Revenue Management	
Credit control & debt collecting	Report to sub committee
Debt Reduction	Outstanding Debt
Tariff adjustments	Date Advertised
Debtors reconciliation	No. of reconciliations
Expenditure Management	
Creditors paid	Creditors reconciliation
Salaries and allowances paid on time	Payroll
Insurance of assets & liabilities	Premiums
Financial regulations review	Regulations
Delegations review	Delegations
Training of staff	
No of staff trained in finance management	Training schedule
No of staff meetings competency levels	Survey
Supply Chain Management	
Compliance with SCM Regulations	Survey
Supply Chain Management Policy Review	Policy
Tender Adjudications	Committee Meetings
Department: Chief Financial Officer	
Vote: Information Technology	

<p>Computer literacy</p> <p>Issue of staff with PC's</p> <p>Installation of antivirus software</p> <p>Updating of Web page</p> <p>Updating of Abacus Financial System</p> <p>Updating of Payday Payroll System</p> <p>Maintenance of hardware</p> <p>Valuation Roll Maintenance</p> <p>GIS System Maintenance</p> <p>Review powers and functions, roles and responsibilities</p> <p>Draft revised organizational structure to address key recommendations</p> <p>Table for consideration and approval a draft establishment plan</p> <p>Undertake a study aimed at identifying g and address critical gaps in line with JIPSA and Competency levels of Financial Officers/ SCM</p> <p>To launch a program aimed at accrediting Financial/ non-technical officials/councillors with IMFO</p> <p>Launch a program aimed at accrediting Financial officials as CA/CPA's</p> <p>Develop a comprehensive office requirement plan informed through needs analysis</p> <p>Communicate needs through applicable department</p>	<p>No. of staff trained</p> <p>No. of staff issued</p> <p>Updates</p> <p>Contents</p> <p>Reports</p> <p>Reports</p> <p>As Required</p> <p>Amended Valuation Roll</p> <p>As Required</p>
<p>Launch on-going data cleansing programme (in-house)</p> <p>Undertake tariff setting during budget preparation process</p> <p>Implement full blown credit control in accordance with Council Policy</p> <p>Procure debt management and credit control operating system</p> <p>Identify economic opportunities and liaise with internal structures</p> <p>To improve key financial viability and liquidity indicators:</p> <ul style="list-style-type: none"> · Acid Test Ratio · Cost Coverage Ratio · Debt Coverage Ratio <p>Budget framework is balances and modelled on actual revenue collected</p>	

<p>Implement Division of Revenue Act (DORA)</p> <p>Ensure compliance with prescribed accounting standards (Compliance with AFS preparation framework)</p> <p>Ensure compliance with prescribed accounting standards (Compliance with AFS preparation framework) and Council Policies</p> <p>Compile AFS in line with AFS preparations framework (GRAP)</p> <p>Preparation of section 52, 71 (DORA) & 72 reports</p> <p>Review written delegations in line with delegations policy</p> <p>Develop and implement and IT Strategy</p> <p>Supply Chain Management</p> <p>Development and implementation of Supply Management Policy</p> <p>Compile delegations</p> <p>Establish SCM unit under CFO</p> <p>Align with new threshold values</p> <p>Establish new bid committees</p> <p>Compile internal procedures and processes</p> <p>Compile list of suppliers</p> <p>Training of practitioners</p> <p>Approval of tenders not recommended in the normal course of the implementation of SCM</p> <p>Separation of duties in SCM</p> <p>Revenue Management</p> <p>Additional revenue</p>	<p>Monthly monitoring</p> <p>SCM delegations</p> <p>SCM units</p> <p>Policy</p> <p>Committees</p> <p>Policy</p> <p>Updated suppliers data base</p> <p>Training courses</p> <p>Monthly reports to AG, PT and NT</p> <p>Implementation of SCM policy</p> <p>Rand value of additional revenue secured</p>
<p>Department: Municipal Managers Office</p> <p>Vote: Administration</p> <p>Full Council meetings</p> <p>Executive Committee meetings</p> <p>Budget Control for departmental expenditure.</p> <p>Vote: Executive and Council</p> <p>Oversee the strategic planning for the Municipality that will ensure alleviation of poverty and the facilitation of sustainable development</p> <p>Strategically manage the use of Council resources so that an economic, effective and efficient service is delivered</p> <p>Maintain overall responsibility as Chief Accounting Officer for all income and expenditure</p>	<p>Minutes</p> <p>Minutes</p> <p>Review budget</p> <p>IDP Review</p> <p>Proof of IDP review meetings</p> <p>Internal submissions</p> <p>Budget inputs to Mayor</p> <p>Develop and monitor SDBIP</p> <p>Link IDP to budget</p> <p>Budget approval by 31 May 2013</p>

<p>of Council, all assets and discharge of liabilities Lead direct and manage staff so that they are able to meet objectives of Council</p> <p>Oversee the implementation of the Employment Equity Plan so that it is dealt with in accordance with legislation</p> <p>Monitor and control the budget for the office of the Municipal Manager and Mayor</p> <p>Ensure good governance within the municipality so that transparency, public accountability, access to information, administrative justice and responsiveness to complaints are dealt with</p> <p>Develop and maintain relations with all other spheres of Government and to apply the spirit of co operative governance</p>	<p>Adoption of multi-year budget</p> <p>Monthly Mancos meetings</p> <p>Bi annual review of performance Agreements</p> <p>Quarterly reports</p> <p>Monthly budget reports</p> <p>Exco meetings</p> <p>Council meetings</p> <p>Publication of budget</p> <p>Availability of web site</p> <p>No of meetings with COGTA</p> <p>Provincial Treasury</p> <p>District Council</p>
<p>Vote: Executive and Council</p> <p>Ensure that all the planning and reporting of the performance of the Municipality conforms to the requirements of the Municipal Systems Act and Municipal Finance Management Act</p> <p>Implementation of policies, by-laws and regulations</p> <p>Credit control and debt collection policy</p> <p>Indigent policy</p> <p>Tariff policy</p> <p>Subsistence and travel policy</p> <p>Asset management policy</p> <p>Investment and cash management policy</p> <p>Debt management policy</p> <p>Investment regulations</p> <p>Public private partnership regulations</p> <p>Department: Corporate Services</p> <p>Vote: Administration</p> <p>Monthly reporting to Mayor (Section 71)</p> <p>Quarterly reporting to council</p> <p>Budget Control for departmental expenditure.</p> <p>Vote: Human Resources</p> <p>Recruitment and selection of staff</p>	<p>Tabling of audit report and financial statements</p> <p>Policy</p> <p>Policy</p> <p>Policy</p> <p>Policy</p> <p>Policy</p> <p>Policy</p> <p>Policy</p> <p>Regulations</p> <p>Regulations</p> <p>No. of monthly reports</p> <p>No. of quarterly reports</p> <p>Review budget</p> <p>Number</p>

Training and development	Number
Management training - senior management	Number
Labour relations. Disciplinary hearings and grievances	Number
Occupational health and safety	Number
Change management, via sense of belonging, sense of ownership and pride in workshop in service delivery	Number
Induction training	Number
Operator/training IT, finance training and development	Number
Learner ships for in house staff and communities	Number
Sexual harassment at the workplace	Number
Every employee to have a job description which is available for inspection and links to overall strategic objectives of the department	Number
Individual training plans including career development issues and progress against plans for inspection.	Number
Plans to be in accordance with the format Stipulated by the skills development plan.	Number
HR strategy developed with the participation of relevant stakeholders to include EE, SD, Salary Parity.	Number
Performance management remuneration etc	Number
Department: Community Services	
Vote: Administration	
Monthly reporting to Mayor (Section 71)	No. of monthly reports
Quarterly reporting to council	No. of quarterly reports
Budget Control for departmental expenditure.	Review budget
Vote: Library	
Membership	
Membership	Number
Circulation	
Books circulated	Number of books circulated
Lost Books	
Lost Books	Rand value of lost books
Vote: Protection Services	
Prosecutions	Number of prosecutions
Warrants	Number of warrants executed
Vehicle check points	Number conducted
Speed - camera	Number conducted

Road blocks	Number conducted
Vote: Public Amenities	
Town Hall Hire Matatiele	Hall hire per occasion
Town Hall Hire Cedarville	Hall hire per occasion
Nokhwezi Hall Hire	Hall hire per occasion
Harry Gwala Hall Hire	Hall hire per occasion
Msingisi Hall Hire	Hall hire per occasion
Library Hall Matatiele	Hall hire per occasion
Library Hall Cedarville	Hall hire per occasion
Community Functions	Hall hire per occasion
Rural Hall Hire	Hall hire per occasion
Various Site Rental	No of rental
Vote: Housing	
Housing consumer education	No. of beneficiaries trained
Completion of new houses	No. of houses completed
Applications captured	Number
Properties transferred	Number
Projects conditionally approved	Number
Vote: Cemetery	
Burials	No of
Plots	No of
Exhumation of body	No of
Widening of grave	No of
Memorial	No of
Vote: Sports, Recreation & Youth Development	
Matatiele sport council	No. of meetings
Matatiele youth council	No. of meetings
Children Per Occasion	No.of tickets sold
Adult Per Occasion	No.of tickets sold
Season Children	No.of tickets sold
Part Season Children	No.of tickets sold
Season Adults	No.of tickets sold
Part season Adult	No.of tickets sold
Local Club for practice per practice	No.of Games
Local Clubs per Game	No.of Games
Outside Clubs per game	No.of Games
Non sport function per day	No.of Games
Vote: Museum	
Visitors	Number of visitors
Vote: Nature Reserve	
various Farm rentals	
Chalet:6 bedded	Accommodation per room

Chalet:4 bedded	Accommodation per room
Angling: Annual	Accommodation per year
Angling: Daily	Accommodation per day
Camping p/p	Accommodation per day
Wood Sales	wood per ton
Vote: Pound	
Donkeys ,Horses, cattle, pigs, ostriches per head	No of
Sheep, goat per head	No of
Trespass fee per head	
Donkeys ,Horses, cattle, pigs ostriches per head	No of
Sheep, goat per head	No of
Substance per head per day	
Donkeys ,Horses, cattle ,pigs, ostriches per head	No of
Sheep, goat per head	No of
Cattle sales	No of
Driving fees with Vehicle p km	km Per Hr
Driving fees per foot km	km Per Hr
Vote: Property Services	
Unused municipal property that will be disposed by sale	Number
Lease agreements that will be signed	Number
Renewal and maintenance of existing leases	Number
Vote: Cemetery	
<u>Operating and maintenance</u>	
Cut grass at cemetery 3 times each per season	
Cycle 1 end of September	Cycle
Cycle 2 end of December	Cycle
Cycle 3 end of March	Cycle
<u>Grave Markers</u>	
Design and purchase grave markers and place	Number
<u>Excavate graves</u>	
In-house or outsourced T.L.B and trim graves with labour	Number
<u>Maintain records and plans</u>	Percentage
<u>Maintain facilities</u>	
Erect public ablution facilities	No. of facilities erected
<u>Maintain fencing</u>	
As and when required	Meters of fencing maintained
<u>Capex</u>	
Public ablution facilities	No. of ablution facilities
<u>Training</u>	

Training on register <u>Administration</u> Budget Control for departmental expenditure.	No. of staff trained Review budget
Department: Planning and Development Vote: Administration Monthly reporting to Mayor (Section 71) Quarterly reporting to council Budget Control for departmental expenditure. Vote: Local economic development 1. No of learner ship/interns appointed 2. No of projects initiated 3. Appointment of LED co-ordinator Vote: Land Use Management 1. LUMS: initiated and in place 2. IDP development 3. Subdivisions approved 4. Planning applications processed	No. of monthly reports No. of quarterly reports Review budget Number Number Number Number Number Number Number
Vote: Publicity Association Establishment of publicity association	Establishment of Association
Department: Technical Services Vote: Roads	
<u>Operating and maintenance</u> <u>Repair Surfaced Roads - Potholes</u> 10m ³ per day <u>Road Marking</u> Paint marking 10m ² per day <u>Erect Street Name Signs</u> SMME's <u>Traffic Signs</u> Erect traffic signs <u>Gravel Roads</u> Grade roads <u>Capex</u> <u>Construct roads</u> Construct roads to surfaced standards <u>Roads rehabilitation</u> Refurbish roads <u>Training</u> Vote: Storm water Management	 m ² m ² Number Number KM KM m ² Number
<u>Operating and maintenance</u>	

<u>Catch pits</u> Clear catch pits and manholes of silt and soil <u>Kerbs and channels</u> Desalt and clear kerbs and channels SMME's <u>Capex</u> New Kerbing and channelling <u>Training</u> Kerbing Vote: Landfill Site	No. of catch pits cleared Meters of kerbing and channelling constructed No. of staff trained
<u>Operating and maintenance</u> <u>Access Control</u> Restrict access to authorised persons without permit and measure by loose volume incoming refuse 1. Garden Refuse 2. Domestic Refuse <u>Processing</u> Process domestic refuse on site by spreading, covering and compacting in 1.5m high benches <u>Earthworks</u> Annually carry out earth works clear with dozer <u>Audit</u> Carry out external audit Carry out internal audit <u>Capital</u> New Dump <u>Training</u> Environmental Control Vote: Refuse Removal	 m ² m ² Daily Number Number Number Number Number
<u>Operating and maintenance</u> Collect refuse from all urban properties Maintain staff compliment for essential services at 100% <u>Capital</u> <u>Training</u> Vote: Street Cleaning	Percentage Percentage
<u>Operating and maintenance</u> Maintain suburbs every two weeks Vote: Technical Services	Percentage
Prepare monthly reports to portfolio committee	Number

Departmental MANCO meetings	Number
Prepare O&M and Capital items for MANCO	Number
Prepare O&M and Capital budget to Legislative time frames	Percentage
Complete all capital projects	Percentage
Complete all grant funded capital projects	Percentage
Manage consultants and contractors on approved projects to complete within financial year	Percentage
Establish GIS unit	Number
Compile business plans	No. of business plans
Monthly reporting to Mayor (Section 71)	No. of monthly reports
Quarterly reporting to council	No. of quarterly reports
Vote: Revenue Management Income generation	% of budgeted income raised for Department
Vote: Sport and Recreation	
<u>Operating and maintenance</u> <u>Grass verge clearance</u> Thandanani Stadium Matatiele	Percentage
Bottom Fields Matatiele	Percentage
North End Stadium Matatiele	Percentage
DavisParkHarryGwalaPark	Percentage
Cedarville Stadium Cedarville	Percentage
Vote: Electricity Distribution	
<u>Operating and maintenance</u> Carry out pole inspections	Number
Respond to faults within one day	Percentage
<u>Capex</u> Upgrade old cables	KM
<u>Training</u> LV Lines	No. of staff trained

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Matatiele Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayment. 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 2014/2015 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to

The operating expenditure. It can be seen that the cost of borrowing has steadily increased from 7 per cent in 2009/10 to 8.2 per cent in 2014/15. This increase can be attributed to the raising of loans to fund portions of the capital programme. It is estimated that the cost of borrowing as a percentage of the operating expenditure will reach 9.7 per cent in 2014/15 and will then decrease to 8.8 per cent at the end of the MTREF. While borrowing is considered a prudent financial instrument in financial capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital Expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 64 per cent which substantiates the above mentioned statement that the Municipality has reached its prudential borrowing limits.

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 raised main amortising loans over the past five years, hence effectively "front-loading" its debt service costs. This is reflected in the Municipality's debt service profile, which predicts large debt service costs between 2013 and 2018. Debt service costs are expected to peak in 2018 due to the redemption of the last few term loans held by the Municipality.

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 2014/15 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014/15 MTREF the current ratio is 1.2 in the 2014/15 financial

year and 1.1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

- *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.

2.3.1.4 Revenue Management

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

2.3.1.5 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.

2.3.1.6 Other Indicators

- The electricity distribution losses have been managed downwards from 14 per cent in the 2013/14 financial year to 9 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

2.3.2 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 2014/15 financial year 90 000 registered indigents have been provided for in the budget with this figured increasing to 105 000 by 2014/15. In terms of the Municipality's indigent policy registered households are entitled to 50 kWh of electricity and free waste removal as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 39.

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

2.4 OVERVIEW OF BUDGET RALATED POLICIES

As listed hereunder are all the policies that are current adopted by

Matatiele Local Municipality. All these policies can be viewed on the official municipal website www.matatiele.org.za

Approved Policies

- 1 Credit Control & Debt Collection Policy
- 2, 3 Banking & Investment Policy & Implementation Guide
- 4, 5 Fixed Asset Management Policy & Implementation Guide
- 6, 7 Budget Policy & Implementation Guide
- 8 Property Rates Policy
- 9 Transport Policy
- 10 Tariff Policy
- 11, 12 Supply Chain Management Policy & Code of Conduct
- 13 Indigent Policy
- 14 GRAP Framework Policy
- 15 Risk Management Policy
- 16 Data Backup Policy
- 17 Cash Management Policy
- 18 Special Service Tariff Policy
- 19 Grant & Donation Policy
- 20 Donor Finance Policy
- 21 Procurement Policy
- 22 Payment Policy
- 23 Virement Policy
- 24 Cash-Up Policy
- 25 Cash Shortage Policy
- 26 Electricity Policy
- 27 Credit Card Policy
- 28 Entertainment / Refreshment Policy
- 29 Customer Incentive Scheme Policy
- 30 Strategy to Improve Debtor Payment Policy
- 31 Customer Care Policy
- 32 Fraud Prevention & Response Plan Policy
- 33 Debt Capacity Policy
- 34 All Promulgated By-Laws
- 35 Borrowing Policy
- 36 Funding & Reserves Policy

2.5 Overview of Budget Assumptions

Arising from the above Overview of Economic Analysis, the following Budget Assumptions were made and are affected in the 2014/15 budget:

- ✚ Estimate Salary Increases
 - 2014/15 – 6.78%
 - 2015/16 – 8%
 - 2016/17 – 8%
- ✚ Debt Impairment: the overall collection levels are estimate around 90% overall for the MLM.
Payment levels for the following revenue streams have been estimated as follows:
 - Property Rates 95% (89% in 2014 / 2015)
 - Electricity 90% (66% in 2014 / 2015)
 - Refuse 90% (65% in 2014 / 2015)
- ✚ Indigent Support to increase from 1% to 30% of all registered indigents;
- ✚ Bulk Electricity purchases: MLM has assumed no tariff increase from Eskom and will increase its tariffs with 8% as determined by NERSA;
- ✚ Other expenditure: In order to accommodate the increases in salaries, bulk purchases, debt Impairment and depreciation, it means that all other expenditure will increase at a reduced rate or maintained at the current levels;
- ✚ Matatiele Local Municipality will continue with its current powers and functions;
- ✚ The Budget is based on current service levels. However, provision is made for a pilot project to expand refuse removal services to 5 rural areas;
- ✚ Government grants for the years 2014/2015 to 2016/2017 are as per the Division of Revenue Act, assuming that all allocations will be received;
- ✚ The inflation rate has been estimated at 6,5% per annum;
- ✚ Growth in staff related costs has been provided for in the budget at 6.7% per annum, growth in the remaining expense items range from 0% to 10%;
- ✚ Provision has been made for tariff increases relating to services at an average rate of 4% per annum; and

- ✚ Provision was made to contribute to the Provision for Leave Reserve. However, staff will be encouraged to redeem their leave.

Table 34 Credit Rating outlook

	Currency	Rating	Annual rating	Previous Rating
Security class			Oct-13	
Short term	Rand	Prime -1	20-Apr-13	Prime -1
Long-term	Rand	Aa3	20-Apr-13	Aa3
Outlook	Rand	Negative	20-Apr-13	Negative

WITHOUT VAT		New Tariff Vat Excluded	Increase	New Tariff Vat Excluded	Increase
1	REFUSE REMOVAL CHARGES	2012/2013		2014/2015	
1.1	<i>Domestic Removals</i>				
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	R 89.03	4%	R 93.48	5%
1.2	<i>Commercial Removals</i>				
(a)	Each individual/separate business shall be charged a basic service charge per month.	R 133.53	4%	R 140.20	5%
1.3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	R 133.53	4%	R 140.20	5%
1.4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.				
1.5	<i>Removal from Separate Consumers on same Premises</i>				
	Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.				
1.6	<i>Availability Charge</i>				
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	R 200.00	0%	R 200.00	0%

	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	R 100.00	0%	R 100.00	0%
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2

BUILDING PLAN FEES

2.1	The fees payable for plans of any building submitted in terms of the building regulations shall be calculated at R6.00 per R1 000 or part thereof in respect of total estimated cost of the work, subject to a minimum charge of R1 000. Building Cost is calculated at R2 500 per m². This calculation is used to calculate the building plan fees for buildings in excess of 100m² and major alterations to existing buildings.				
2.1.1	Building less than 80m².	R 201.75	R 0.00	R 201.75	R 0.00
2.1.2	Building less than 100m².	R 543.86	R 0.00	R 543.86	R 0.00
2.1.3	Building more than 100m². Tariff 2.1 is applicable				
2.2	Builders Deposits The following deposits must be paid by building contractors/owners in a developed area, prior to the commencement of any work:				
(a)	Extensions less than 100m ² or part thereof as determined by the Building Inspector but not more than	R 207.02	R 0.00	R 207.02	R 0.00
(b)	Extensions more than 100m ² but less than 200m ² or part thereof	R 942.11	R 0.00	R 942.11	R 0.00
(c)	Extensions more than 200m ² but less than 500m ²	R 3 923.68	R 0.00	R 3 923.68	R 0.00
(d)	Extensions more than 500m ² or part thereof	R 5 492.11	R 0.00	R 5 492.11	R 0.00
2.3	Penalty Deposits will be forfeited after 7 days from date of completion certificate, should the Developer/Contractor not have the sidewalk/pavement cleared within such period.				

2.4 Exemption Certificate				
Fee payable for minor building work as contemplated in Section 13 of the National Building Regulations and Building Standards Act, 1977(Act 103 of 1977) as amended				
	R 100.00	0%	R 100.00	0%

3 POUND FEES

3.1	Schedule B: Rate of Compensation for all animals delivered to the pound, per head.	R 16.67	0%	R 16.67	0%
3.2	Schedule C: Trespass on private land Description of animal				
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	R 13.16	0%	R 13.16	0%
	Sheep and goats per head per day	R 8.77	0%	R 8.77	0%
3.3	Schedule E: Pound Fees Description of animal				
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	R 13.16	0%	R 13.16	0%
	Sheep and Goats, per head per day	R 8.77	0%	R 8.77	0%
3.4	Schedule F: Sustenance fees Description of animal				
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	R 21.93	0%	R 21.93	0%
	Sheep and Goats, per head per day	R 13.16	0%	R 13.16	0%

4 SWIMMING BATH

4.1	<i>Single Tickets</i>				
	Entrance, per occasion				
(a)	Adults	R 8.77	0%	R 10.53	20%
(b)	Scholars and Children	R 4.39	0%	R 5.26	20%
4.2	<i>Season Tickets</i>				

	Bath only, not transferable				
(a)	Adult (Full Season)	R 131.58	0%	R 157.89	20%
(b)	Adult (Part Season - valid for one month from day issue)	R 65.79	0%	R 78.95	20%
(c)	Scholars and children (Full Season)	R 65.79	0%	R 78.95	20%
(d)	Scholars and children (Part Season valid for one month from day of issue)	R 26.32	0%	R 31.58	20%
	For the purposes of this Section "scholars" shall mean any scholars attending a primary or secondary school and "children" shall mean any children who have not reached the age of 17 years; provided that children have not reached the age of five years may be admitted free of charge if accompanied and under the care of a responsible adult.				
	School Swimming Classes				
	The Council may permit school swimming classes to use the bath free of charge at such times as the Council may determine from time to time provided that the pupils of such swimming classes are accompanied by and under the control of a responsible teacher.				

5 FIRE SERVICES

The charges payable for services rendered or materials supplied by the Council's Fire Department and for the use or the Department's Equipment, appliances and water, in connection with the preservation of life and property against fire, accident or other mishap, whether on private property or otherwise shall be as follows:

5.1	For the services rendered involving the making available of any appliances, together with the attendance of personnel, the charges shall be as follows:				
(a)	Fire fighting and life-saving, per hour or part thereof	R 359.65	0%	R 359.65	0%
(b)	Travelling costs: Fire tenders per km or part thereof	R 13.16	0%	R 13.16	0%
(c)	Subsidized vehicles and any other equipment, materials used during a fire by officials of the Council	Cost plus 10%		Cost plus 10%	

6 ELECTRICITY CHARGES

The charges payable by consumers for the supply of electricity shall be as follows:

Subject to the approval by the National Electricity Regulator.

6.1	Scale 1: <i>Domestic Consumers</i>				
(a)	Basic charge, single or three phase per household per month. Plus the following kWh charges per month.	R 254.40	11%	R 272.21	7%
	0-50	0.61	5.40%	0.64	5.40%
	51-350	0.76	13.56%	0.83	9.00%
	351-600	1.03	11.00%	1.09	6.00%
	600 over	1.21	11%	1.28	6%
(b)	Scale 2: <i>Commercial & Other Consumers</i>				
	Basic charge of consumers with the following kVA installed per month				
	0 - 25 KVA	287.81	11%	307.96	7%
	26 - 64 KVA	1053.57	11%	1127.32	7%
	65 KVA and more	6313.67	11%	6755.63	7%
	plus the following kWh charge per month:				
	0 - 2000 kWh	1.12		1.20	7%
	2000 - and more	1.12	11%	1.20	7%
(c)	Scale 3: <i>Pre-Paid Metre Units</i>				
	Domestic:				
	0-50	0.61	5.40%	0.64	5.40%
	51-350	0.76	13.56%	0.83	9.00%

	351-600	1.03	11.00%	1.09	6.00%
	600 over	1.21	11%	1.28	6%
	Commercial:				
	0 - 2000 kWh	1.12	11%	1.20	7%
	2000 - and more	1.12	19%	1.20	7%
(d)	<i>Scale 4: Schools/School Hostels</i>				
	"Schools defined as the majority of its Teachers paid for by the Government or State Education Department."				
	Basic Charges per month,	202.96	11%	217.17	7%
	0 - 2000 kWh	0.77	11%	0.82	7%
	2000 - and more	0.77	11%	0.82	7%
6.2	<i>Special Agreements</i>				
	The Council reserves the right in special circumstances to enter into special agreements subject to the approval of the Premier of the supply of electrical energy to consumers.				
6.3	<i>Change of Scale</i>				
	Where a consumer elects to change from any one scale to any other scale, he shall notify the Town Clerk in writing at least 30 days prior to the date on which the elected scale shall take effect, and shall remain on such elected scale for a period of not less than 12 months.				
6.4	<i>Supply to Separate Consumers on same Premises</i>				
	Where electricity is supplied to shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the supply of electricity shall be as prescribed in applicable scales.				

<p>6.5 <i>Payment of Accounts</i></p> <p>(a) All accounts for the supply of electricity shall become due and payable on demand but not later than the last working day of the month following the month to which such accounts relate. Any account which remains unpaid after such date shall be subject to a penalty of 1,5%.</p> <p>(b) The Council may disconnect the supply of electricity where any account remains unpaid at the end of the month following the month in respect of which such account was rendered and the supply of electricity shall only be resumed on payment of a charge of R46.64.00 in addition to all other outstanding charges.</p> <p>(c) Consumers shall be responsible for obtaining statements of their accounts so as to enable them to effect payment thereof within the prescribed period.</p>		<p>R 54.00</p>	<p>16%</p>	<p>R 63.18</p>	<p>17%</p>
<p>6.6 <i>Deposits</i></p> <p>Every consumer shall when making application for a supply of electricity deposit with the Council the applicable amount as tabled hereunder.</p>					
<p>(a) Domestic consumers</p> <p>(b) Small power consumers with installation not exceeding 25 KVA</p> <p>(c) Medium power consumers with a demand exceeding 25kVA but not exceeding 64 Kva</p> <p>(d) Large power consumers with a demand exceeding 65KVA to supply a bank guarantee equal to two months estimated average usage.</p> <p>(e) Pre-paid metre consumers</p>		<p>R 2 789.86</p> <p>R 6 975.97</p> <p>R 12 205.90</p>	<p>17%</p> <p>17%</p> <p>17%</p>	<p>R 3 070.00</p> <p>R 7 675.00</p> <p>R 13 430.00</p>	<p>10%</p> <p>10%</p> <p>10%</p>
<p>6.7 <i>Connection Fees and other Charges</i></p>					

(a)	Commercial and other consumers electricity connection fees and be charged at cost of materials, labour, supervision plus 10% payable in advance.				
(b)	Domestic consumers electricity connection fees payable in advance. Cost plus 10% provided that the cost be taken from the boundary of the Erf per property of the applicant.				
(c)	For a connection after a disconnection at consumers request, or in case of a faulty installation R223.88exc vat payable in advance.	R 261.94	17%	R 306.47	17%
(d)	For the testing of a metre cost plus 10%				
(e)	For a special reading of metre R50.00 payable in advance.				
(f)	For an investigation to establish the cause of a defect in consumers installation - R60.00 payable in advance.				
(g)	For each inspection and testing of an installation after failure to pass the first inspection and test - R100.00 payable in advance.				
(h)	<i>Conversion</i> On application from a consumer to convert from the conventional electricity metre to a pre-paid metre the following fee is applicable:	R 3 274.27	17%	R 3 830.90	17%
(i)	On application from a consumer to convert from the conventional electricity metre or any other meter to a pre-paid metre the following fee is applicable on condition that such application and payment is made before 30 September 2004. After 30 September 2004 - (h) apply.	N/A		N/A	
(j)	Where supply has been disconnected as a result of unauthorized reconnection, illegal bypassing of meter or for tempering; per disconnection and additional sum for units stolen.	R 4 186.12	17%	R 4 897.76	17%

	NOTE: In addition to the amounts contained in item (i), reconnection shall only occur once any arrears consumption charges; estimated charges for unmetered consumption and/or additional deposits owed by the consumer have been paid.				
6.8	<i>Availability Charge</i> A fee equal to that mentioned in 6.1 (a) and 6.1 (b) above, depending on the zoning of the applicable erf, is charged to any vacant erf located in the town areas of Cedarville, Matatiele and Maluti.				

7 CEMETERY CHARGES

The following fees shall be payable to the Council in respect of burials and other services in the public cemetery.

7.1	<i>Burial Plots - Charge per Burial Plot</i> A non-refundable charge of:	R 127.20	0%	R 132.29	4%
7.2	<i>Burial Fees</i>				
(a)	Adult	R 210.53	0%	R 218.95	4%
(b)	Child	R 210.53	0%	R 218.95	4%
7.3	<i>Miscellaneous Charges</i>				
(a)	Exhumation of body	R 1 592.11	0%	R 1 655.79	4%
(b)	Widening or deepening of grave	R 214.91	0%	R 223.51	4%
(c)	Permit to erect a memorial	R 87.72	0%	R 91.23	4%
7.4	Fees for non-residents of the municipal area shall be the prescribed fees in (7.1) and (7.2) above, plus 50%				
7.5	After hours burial request as in (7.1) plus 100%				
7.6	At least 16 working hours' notice must be given of a burial				
7.7	Pauper burial fees	R 394.74	0%	R 394.74	0%
7.8	Internment of ashes in excising graves	R 30.70	0%	R 30.70	0%

8 PUBLIC HALLS TARIFF

8.1	<i>Town Hall (Matatiele)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 2 412.28	0%	R 2 653.51	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	R 2 807.02	0%	R 3 087.72	10%
8.2	<i>Town Hall (Maluti Civic Centre)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 2 412.28	0%	R 2 653.51	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	R 2 807.02	0%	R 3 087.72	10%
	<i>Town Hall (Cedarville)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 912.28	0%	R 1 003.51	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	R 1 315.79	0%	R 1 447.37	10%
(c)	Old Cedarville Boardroom	R 87.72	0%	R 96.49	10%
8.3	<i>Harry Gwala Park Community Hall</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 394.74	0%	R 434.21	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	R 394.74	0%	R 434.21	10%
8.4	<i>Nokhwezi&Msingizi Community Hall</i>				
(a)	Hall per 12 hour period per day	R 394.74	0%	R 434.21	10%
(b)	Hall per kitchen per function exceeding 12 hours	R 394.74	0%	R 434.21	10%
8.5	<i>Library Hall (Matatiele)</i>				
(a)	Hall per 12 hour period per day	131.58	0%	R 144.74	10%
8.6	<i>Library Hall (Cedarville)</i>				
(a)	Hall per 12 hour period per day	114.04	0%	R 125.44	10%

8.7	Community Halls (Rural Area)				
(a)	Hall per 12 hour period per day	R 87.72	0%	R 96.49	10%
8.8	<i>Equipment</i>				
	The public address system per day or part thereof	R 302.63	0%	R 314.74	4%
8.9	In addition to 8.1 to 8.6 above the hirer shall purchase pre-paid electricity cards for the supply of electricity.				
8.10	Where the hall is hired there shall first be deposited with the Chief Financial Officer the following amounts which amounts shall be refunded when the premises is handed over in satisfactory condition.				
	Town Hall (Matatiele)	R 2 400.00	0%	R 2 640.00	10%
	Town Hall (Cedarville)	R 950.00	0%	R 1 045.00	10%
	Harry Gwala Park Community Hall	R 385.00	0%	R 423.50	10%
	Nokhwezi&Msingizi Community Hall	R 385.00	0%	R 423.50	10%
	Library Hall (Matatiele)	R 130.00	0%	R 143.00	10%
	Library Hall (Cedarville)	R 100.00	0%	R 110.00	10%
8.11	<i>Community Halls</i>				
	The Municipal Manager has delegated Authority to hire the Community Halls to Matatiele Local Registered Non-Profit Organisations/Institutions and to resident members of the community for memorial/personal social activities at a variable charge not less than the following amount per occasion	R 43.86	0%	R 48.25	10%

CONDITIONS OF HIRE

- 1 The Council reserves the right to refuse any booking or cancel any engagement if the function be not approved.

- 2 No booking will be made and no date reserved unit the full charges for the hire accommodation required has been paid. In the event of the hirer cancelling or postponing any booking 25% of the hire fees shall be forfeited to the Council, provided the Council is notified of such cancellation at least 5 days prior to the date booked.
- 3 Advance bookings will not be accepted for any date more than thirteen months ahead, provided that prior bookings may be accepted in respect of a conference congress or festival celebrations at the discretion of the Town Clerk.
- 4 Every hirer shall specify the times and hours for which has wishes to hire the accommodation concerned and he shall not be entitled to exceed the period of the hire period, the hirer shall be liable for the payment to the Council of any additional charges calculated as above but nothing herein shall prejudice the right of the Council to require him to vacate the accommodation upon the expiration of the hire period specified by him.
- 5 No additional or special lighting may be installed in the City Hall without the written approval of the Municipal Manager, and any additional lights so authorized shall be carried out by the Electricity Department of the council on terms and conditions to be arranged.
- 6 Hirers shall be responsible for making good any breakage or damage of any description to the hall, furniture, fittings or any other property of the Council. If any furniture, equipment or any other property of the Council be found defective by the hirer, the same must be pointed out to the Caretaker before being used, failing this, everything will be considered to be in proper order.
- 7 The hirer shall ensure that all accommodation or equipment hired and the adjoining City Hall corridors are kept and left in a clean and tidy condition, failing which the Council will have the premises cleaned at the hirers expense.
- 8 From the deposit of the amount set out in the tariff of charges, the Council shall be entitled to deduct from such amount the cost of repairing, replacing or making good any damage, breakage, loss or disfigurement to the property of the Council sustained during hiring to hirer. Should the amount of the said deposit be insufficient to cover such cost, the hirer shall be liable for the payment of any additional amount involved. In the event of no damage, breakage, loss or disfigurement to the property of the Council being sustained

as aforesaid, the deposit shall be refunded to the hirer.

- 9 Cooking in the hall, other than in the kitchen and utensils provided for that purpose is prohibited.
- 10 The Council shall not be responsible for any loss occasioned by the temporary failure of the electric light supply in the building.
- 11 The Council shall not be responsible for any damage howsoever caused to, or for the loss of, articles or goods brought into, or left in the City Hall by the hirer or any other person.
- 12 The hirer shall be responsible for the control and behaviour of all children attending the functions, and shall prevent undue noise or nuisance being caused by children running about the Town Hall offices or otherwise.
- 13 No furniture, fittings, musical instruments, produce or refreshments shall be brought into, or removed from the building except by the Councillors car park entrance.
- 14 Standing on seats or chairs shall not be permitted.
- 15 No portion of the City Hall may be used for business purposes involving the sale of goods. The condition shall not apply to bazaars and fetes for charitable or other public purposes not to the sale or programmes or refreshments incidental to the use of the hall premises for public performances or functions.

9 MISCELLANEOUS SERVICES

<i>Sundry Charges</i>					
9.1	Search Fees				
(a)	Other than from the Minutes of proceedings of the Council, for any document or information required dated back:				
(b)	More than 12 months but not more than 24 months.	R 65.79	0%	R 65.79	0%

(c)	24 Months or more but not more than 48 months.	R 122.81	0%	R 122.81	0%
(d)	48 months or more	R 245.61	0%	R 245.61	0%
9.2	Copy of valuation roll	R 614.04	0%	R 614.04	0%
9.3	Copy of voters roll (per ward)	R 614.04	0%	R 614.04	0%
9.4	Rates clearance certificates as laid down in Section 175(2) of Ordinance No. 25 of 1974	R 8.50	0%	R 8.50	0%
9.5	Appeals to property valuations in terms of Section 160(3) of Ordinance No. 25 of 1974	R 57.02	0%	R 57.02	0%
9.6	Services rendered by Council but not covered in tariffs of charges.	Cost plus 10%		Cost plus 10%	
9.7	Valuation and/or housing loan certificate as laid down in Section 265(5) of Ordinance No. 25 of 1974	R 70.18	0%	R 70.18	0%
9.8	Copy of estimates	R 263.16	0%	R 263.16	0%
9.9	Special consent applications in terms of the Town Planning Scheme, which amount is not refundable.	R 2 105.26	0%	R 2 315.79	10%
	Consent/Conditional use or temporary land use				
	House Shop			R 170.00	NEW
	Place of instruction/Worship			R 170.00	NEW
	Second Dwelling			R 400.00	NEW
9.10	Application for relaxation of building line and/or side space requirements.	R 495.61	0%	R 495.61	0%
(a)	Other temporal land use departures			R 500.00	New
(b)	Other/conditional use			R 1 200.00	New
9.11	<i>Rezoning applications</i>				
	Fees payable shall not exceed the following maximum amounts:				
	Areas of land being rezoned				
(a)	Areas of land being rezoned less than 2000sq/m			R 700.00	NEW
(b)	Area of land to be rezoned less than 1ha	R 710.53	0%	R 1 278.95	80%
(c)	1ha but less than 5ha	R 3 070.18	0%	R 4 298.25	40%
(d)	5ha and over	R 4 035.09	0%	R 5 649.12	40%
	R30.00 for every hectare or part thereof in excess of 5ha				

9.12	Subdivision				
(a)	Up to 3 erven created			R 740.00	New
(b)	4-10 erven			R 1 368.00	New
	Per erf above 10 (This fee must be added to the basic fee for subdivision up to 10 erven.)				
(c)	Amendment / Cancellation of approved Subdivision			R 1 200.00	New
9.13	Site Development Plan				
(a)	erf with one dwelling House			R 285.00	New
(b)	Any other residential use or development			R 399.00	New
(c)	Any other business/ commercial/ Industrial use			R 1 300.00	New
(d)	Amendment of Approved site development plan and approval of HOA constitutions and design manual			R 239.00	New
9.14	Amendments of conditions of approval (per condition)			R 220.00	New
9.13	Vehicle pound fees on all impounded vehicles per vehicle per day plus tow-in costs Impounded vehicles not released within 90 (ninety) days will be sold.	R 35.09	0%	R 59.65	70%
9.14	Chemical toilet hire per toilet per day:				
	Fee	R 614.04	0%	R 614.04	0%
	Deposit per toilet	R 307.02	0%	R 307.02	0%
9.15	<i>Sports grounds rental</i>				
	Local clubs for practices per practice	R 35.09	0%	R 43.86	25%
	Local clubs per game	R 175.44	0%	R 219.30	25%
	Outside clubs per game	R 263.16	0%	R 328.95	25%
	Stadium hire for non sporting events.	R 438.60	New	R 438.60	New
	Pre-paid Electricity Metering cards to be purchased for the use of lights at the stadium at the Domestic Rates.				
9.16	A penalty will be charged for any dishonoured cheque.	R 96.49	0%	R 110.96	15%
9.17	Damage to any Council property	R 1 754.39	0%	R 1 754.39	0%
9.18	Cleaning of over grown property after failing to respond to councils instruction to clean this said property.	R 2 192.98	0%	R 2 631.58	20%
9.19	<i>Dog Licenses</i>				

	Dogs	R 17.54	0%	R 17.54	0%
9.20	<i>Library Fines</i>				
	Lost books + cost of the book.	26.32	0%	26.32	0%
	Book/s per day	R 2.63	0%	R 2.63	0%
	Video/s per day	R 2.63	0%	R 2.63	0%
	Photocopies per copy	R 2.63	0%	R 2.63	0%
	Internet per 30 minutes	R 26.32	0%	R 26.32	0%
	Internet E-Mail address per 6 months.	R 30.70	0%	R 30.70	0%
9.21	<i>Transport & Plant Hire</i>				
	Bomag	R 43.86	0%	R 43.86	0%
	NCX 2721 Bobcat	R 175.44	0%	R 175.44	0%
	NCX 2661 JCB	R 307.02	0%	R 307.02	0%
	Bush Cutter	R 263.16	0%	R 263.16	0%
	Petrol Saw	R 394.74	0%	R 394.74	0%
	Wacked	R 175.44	0%	R 175.44	0%
	Lawn Mower	R 175.44	0%	R 175.44	0%
	Generator (without petrol)	R 219.30	0%	R 219.30	0%
	Water Pump	R 219.30	0%	R 219.30	0%
	Angle Grinder (230mm)	R 87.72	0%	R 87.72	0%
	Drill	R 131.58	0%	R 131.58	0%
	Welding Machine (220 amp)	R 219.30	0%	R 219.30	0%
	Welding Machine (250 amp)	R 219.30	0%	R 219.30	0%
	Compressor (380 Volt)	R 219.30	0%	R 219.30	0%
	High Pressure Washer	R 131.58	0%	R 131.58	0%
	Extension Lead	R 13.16	0%	R 13.16	0%
	Tar Spray	R 394.74	0%	R 394.74	0%
9.22	Tender Documents A fee of not less than R100 will be charged for a tender document. The fee will increase according to the size of the tender document.				

10 RANKS/STANDS FOR PUBLIC BUSES

The following fees shall be payable to the Council in respect of ANNUAL RANK/STAND permits for Public buses making use of the

MATATIELE BUS RANK.

10.1	<i>Long Distance Bus Operators</i> 1 -5 Bus Permits per Bus per Permit per Annum 6 and more Bus permits per Bus per Permit per Annum			
10.2	<i>Local Bus Operators</i> Bus Permit per Bus per Permit per Annum			
10.3	Local bus operators, "local", shall mean operators operating routes within a one (1) hundred kilometer radius of Matatiele. All other operators shall deemed to be "long distance" by operation.			
10.4	Applicants are to be made by no later than December of such year in order for permits to be issued.			

11 BUSINESS LICENSES

11.1	Food Vendors in caravans & carts or similar vessel	R 150.00	New	R 150.00	New
11.2	General Dealers	R 500.00	New	R 500.00	New
11.3	Supermarkets, Wholesalers & Butcheries	R 500.00	New	R 500.00	New
11.4	Restaurants, B&B's, Hotels, Guest Houses, Lodges	R 500.00	New	R 500.00	New
11.5	Spaza Shops	R 300.00	New	R 300.00	New
11.6	Funeral Parlours	R 500.00	New	R 500.00	New
11.7	Hawker License: Trucks & Vans	R 150.00	New	R 150.00	New
11.8	Hawker License: Street Vendors	R 150.00	New	R 150.00	New
11.9	Hawker License: (Special Application – Events)	R 300.00	New	R 300.00	New
11.10	Clothing Shops	R 500.00	New	R 500.00	New
11.11	Hardware	R 500.00	New	R 500.00	New
11.12	Garages	R 500.00	New	R 500.00	New
11.13	Livestock Sales	R 200.00	New	R 200.00	New
11.14	Car wash	R 200.00	New	R 200.00	New
11.15	Laundromat/Dry Cleaning	R 500.00	New	R 500.00	New
11.16	Financial Institution	R 500.00	New	R 500.00	New
11.17	Beauty Parlour: Hair Salons, Barber Shops etc	R 200.00	New	R 200.00	New
11.18	Furniture Shops	R 500.00	New	R 500.00	New
11.19	Legal Practice	R 500.00	New	R 500.00	New
11.20	Surgeries	R 500.00	New	R 500.00	New

11.21	Transport Industry	R 500.00	New	R 500.00	New
11.22	Liquor: Bottle Stores, Taverns	R 500.00	New	R 500.00	New
11.23	Book Shops	R 500.00	New	R 500.00	New
11.24	Brokers: Insurance, Estate agents etc	R 500.00	New	R 500.00	New

12 ASSESMENT RATES

12.1	<u>Residential</u> First R55 000 discount 35% Rebate	0.015045056	4%	0.015045056	0%
12.2	<u>Vacant Land</u>	0.018054067	4%	0.018054067	0%
12.3	<u>Commercial</u> 10% Rebate	0.018054067	4%	0.018054067	0%
12.4	<u>Farms</u> 65 % Rebate	0.003761264	4%	0.003761264	0%

13 NATURE RESERVE

13.1	<u>Accommodation</u>				
	4 bed chalet per day	R 241.23	0%	R 241.23	0%
	6 bed chalet per day	R 337.72	0%	R 337.72	0%
	Camping p p p d	R 43.86	0%	R 43.86	0%
13.2	<u>Fishing</u>				
	per annum per member	R 372.81	0%	R 372.81	0%
	per day	R 87.72	0%	R 87.72	0%
13.3	<u>Wood Sales</u>				
	Per one ton van load	R 87.72	0%	R 157.89	80%

14 TAXATION

The amounts referred to in these tariffs do not include any tax which may be payable in accordance with the provisions of any other Acts of Ordinances.

15 ADVERTISING & SIGNAGE

15.1	Billboards				
	non-refundable application fee per board/sign (annually)	R 1 315.78	0%	R 1 578.94	20%
	+ Approval fee per applicant	R 35.08	0%	R 42.10	20%
15.2	Ground Signs				
	non-refundable application fee per board/sign (annually)	R 219.29	0%	R 219.29	0%
	+ Approval fee per applicant	R 35.08	0%	R 35.08	0%
15.3	Wall Sign - Flat				
	non-refundable application fee per board/sign (annually)	R 394.73	0%	R 394.73	0%
	+ Approval fee per applicant	R 35.08	0%	R 35.08	0%
15.4	Roof, Veranda, Balcony, Canopy and Under awning Sign				
	non-refundable application fee per board/sign (annually)	R 394.73	0%	R 394.73	0%
15.5	Estate Agent Boards				
	non-refundable application fee (annually)	R 526.31	0%	R 526.31	0%
	+ per board/sign (annually)	R 43.85	0%	R 43.85	0%
15.6	Portable Boards / Collapsible Structures / Signs				
	non-refundable application fee per board/sign (annually)	R 219.29	0%	R 219.29	0%
15.7	Aerial Advertisement				
	non-refundable application fee per board/sign (annually)	R 438.59	0%	R 438.59	0%
15.8	Advertising Vehicles				
	non-refundable application fee per board/sign (annually)	R 1 052.63	0%	R 1 052.63	0%
15.9	Temporary Signs (Posters, Flags & Others)				
	non-refundable application fee per board/sign	R 43.85	0%	R 43.85	0%
	+ non-commercial fee per signs, posters, flags & others	R 2.19	0%	R 2.19	0%
	+ commercial fee per signs, posters, flags & others	R 4.38	0%	R 4.38	0%
15.10	Banners				
	non-refundable application fee per board/sign	R 131.57	0%	R 131.57	0%

EC441 Matatiele - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
							Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
							Exemptions, reductions and rebates (Rands)		
<i>Domestic Removals</i>		Every owner or occupier of	39	78	86	89	93	93	103
<i>Commercial Removals</i>		Each individual/separate	58	117	128	134	140	147	155
		Every owner or occupier of	58	117	128	134	140	147	155
		Availability charge to any	200	200	200	200	200	210	221
		Availability fee charge to	100	100	100	100	100	105	110
<i>Assesment</i>		Residential First R30 000	-	-	-	-	-	-	-
		Vacant Land	-	-	-	-	-	-	-
		Commercial 10% Rebate	-	-	-	-	-	-	-
Water tariffs									
<i>[Insert blocks as applicable]</i>		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in thresholds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Waste water tariffs									
<i>[Insert blocks as applicable]</i>		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		(fill in structure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Electricity tariffs									
<i>Scale 1: Domestic Consumers</i>		Basic charge, single/ three	160	190	229	254	272	291	312
		0-25 KVA	180	215	259	288	308	330	353
		26-64 KVA	663	788	949	1 054	1 127	1 206	1 291
		65 KVA and more	3 971	4 725	5 688	6 314	6 756	7 229	7 735
<i>Scale 4: Schools/School Hotels</i>		Basic charge per month	128	152	183	203	217	232	249

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Table 13 Breakdown of the operating revenue over the medium-term

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
R thousand	1										
Funded by:											
National Government		27 561	25 932	33 118	85 433	48 915	48 915	48 915	45 211	78 033	64 908
Provincial Government									55 988		
District Municipality											
Other transfers and grants											
Transfers recognised - capital		27 561	25 932	33 118	85 433	48 915	48 915	48 915	101 199	78 033	64 908
Public contributions & donations											
Borrowing					11 500	11 500	11 500	11 500	30 000		
Internally generated funds		8 055	10 565	27 617	46 860	63 277	63 277	63 277	52 786		
Total Capital Funding		35 616	36 498	60 735	143 793	123 692	123 692	123 692	183 985	78 033	64 908

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).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
 - Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
 - The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2014/15 MTREF on the different revenue categories are:

Table 14 Proposed tariff increases over the medium-term

Revenue Category	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
Property Rates	4	4	4	0	0	0	0	4	4
Solid Waste	4	4	4	5	5	5	0	5	5
Electricity	11.3	19	16	9	9	9	7.8	7.8	7.8

Revenue to be generated from property rates is R42 million in the 2014/15 financial year and increases to R44 million by 2015/16 which represents 9 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality is still in a process of further data verification and validation relating to the valuation roll.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R48 million for the 2014/15 financial year.

Operational grants and subsidies amount to R274million, R252 million and R269 million for each of the respective financial years. It needs to be noted that Matatiele Local Municipality is dependent on government grants.

Investment revenue contributed marginally to the revenue base of the Municipality with a budget allocation of R4, R4.2 and R4.3 million for the respective three financial years of the 2014/2015 MTREF. 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 adjustment budget.

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

Table 37MBRR SA15 – Detail Investment Information

Table 15MBRR SA16 – Investment particulars by maturity

	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	Opening balance	Interest to be realised	Closing Balance
Name of institution & investment ID	1	Yrs/Months										
Parent municipality												
CALL ACC STD		DAILY	DAILY	No		3.50%	-	-	DAILY			25 905
CALL ACC STD		DAILY	DAILY	No		3.50%	-	-	DAILY			31 854
CALL ACC FNB		DAILY	DAILY	No		3.90%	-	-	DAILY			1 510
NEDCOR		21/05/2014	21/05/2014	No		13.93%	-	-	21/05/2014			7 580
NEDBANK		DAILY	DAILY	No		4.50%	-	-	DAILY			19 280
NEDBANK MIG ACC		DAILY	DAILY	No		4.50%	-	-	DAILY			2 538
FNB ESTABLISHMENT PLAN		DAILY	DAILY	No		3.40%	-	-	DAILY			2 329
FNB HOUSING DEV FUND		DAILY	DAILY	No		3.40%	-	-	DAILY			1 746
FNB DEDEA GREENEST TOWN		DAILY	DAILY	No		3.40%	-	-	DAILY			169
FNB TOURISM		DAILY	DAILY	No		3.40%	-	-	DAILY			808
Municipality sub-total												93 719
Entities												
Entities sub-total										-		-
TOTAL INVESTMENTS AND INTEREST	1									-		93 719

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

Table 16 Sources of capital revenue over the MTREF

EC441 Matatiele - 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
R thousand	1										
Funded by:											
National Government		27 561	25 932	33 118	85 433	48 915	48 915	48 915	45 211	78 033	64 908
Provincial Government									19 300		
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	27 561	25 932	33 118	85 433	48 915	48 915	48 915	64 511	78 033	64 908
Public contributions & donations	5										
Borrowing	6				11 500	11 500	11 500	11 500	30 000		
Internally generated funds		8 055	10 565	27 617	46 860	63 277	63 277	63 277	52 786		
	7	35 616	36 498	60 735	143 793	123 692	123 692	123 692	147 297	78 033	64 908

Figure 8 Sources of capital revenue for the 2014/15 financial year

FUNDING OF CAPITAL BUDGET	R'000
DOE	19 300
Grants Available, carried forward from previous years.	0
Municipal Infrastructure Grant (MIG)	45 210
Capital Replacement Reserve (CRR)	52 786
External Loan (To be raised)	30 000
TOTAL	147 297 392

The above table is graphically represented as follows for the 2014/15 financial year.

The following table is of the Municipality's borrowing liability, which is not applicable as we have no long term debt

Table 17MBRR Table SA 17 - Detail of borrowings

EC441 Matatiele - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	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
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entitles										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entitles sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entitles										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entitles sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Table 41 MBRR Table SA 18 - Capital 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
R thousand										
RECEIPTS:										
Operating Transfers and Grants										
National Government:	1, 2	73 767	94 491	107 826	120 689	120 689	120 689	145 998	178 652	179 459
Local Government Equitable Share		71 817	92 449	105 328	118 249	118 249	118 249	138 979	176 035	176 741
Finance Management		1 200	1 450	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement		750	592	998	890	890	890	934	967	1 018
EPWP Incentive								4 485	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	73 767	94 491	107 826	120 689	120 689	120 689	145 998	178 652	179 459
Capital Transfers and Grants										
National Government:		16 820	24 994	38 926	30 000	10 000	10 000	65 059	67 386	69 464
Municipal Infrastructure Grant (MIG)		16 070	24 994	34 926				45 759	48 086	50 164
Regional Bulk Infrastructure		750	-	4 000	30 000	10 000	10 000	19 300	19 300	19 300
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	16 820	24 994	38 926	30 000	10 000	10 000	65 059	67 386	69 464
TOTAL RECEIPTS OF TRANSFERS & GRANTS		90 587	119 485	146 752	150 689	130 689	130 689	211 057	246 038	248 923

2.6.3 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 understand ability 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 provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
 - Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 MBRR Table A7 - Budget cash flow statement

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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		35 528	67 017	60 212	142 234	162 601	162 600	162 600	149 692	135 056	140 047
Government - operating	1	135 377	125 711	144 908	213 606	197 753	197 754	197 754	237 885	252 783	269 416
Government - capital	1										
Interest		6 364	6 927	7 861	5 500	5 500	5 500	5 500	4 000	4 200	4 410
Dividends											
Payments											
Suppliers and employees		(130 046)	(132 407)	(170 650)	(217 539)	(245 418)	(245 418)	(242 166)	(275 737)	(279 304)	(295 006)
Finance charges		(1 250)	(564)	(4 275)							
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		45 972	66 684	38 056	143 801	120 436	120 437	123 689	115 840	112 735	118 867
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		375		40	350	350	350	350	350	350	350
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables				6 085							
Decrease (increase) in non-current investments											
Payments											
Capital assets		(36 301)	(37 286)	(69 446)	(59 933)	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(35 926)	(37 286)	(63 321)	(59 583)	350	350	350	350	350	350
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing		(135)	(34)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		(135)	(34)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		9 910	29 363	(25 265)	84 218	120 786	120 787	124 039	116 190	113 085	119 217
Cash/cash equivalents at the year begin:	2	63 227	73 137	102 500	77 235	161 453	282 240	403 027	527 065	643 255	756 340
Cash/cash equivalents at the year end:	2	73 137	102 500	77 235	161 453	282 240	403 027	527 065	643 255	756 340	875 558

2.6.4 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.

Table 43 MBRR 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		
					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		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
Cash and investments available											
Cash/cash equivalents at the year end	1	73 137	102 500	77 235	161 453	282 240	403 027	527 065	643 255	756 340	875 558
Other current investments > 90 days		-	-	6 989	(77 229)	(198 016)	(318 803)	(442 841)	(559 031)	(672 116)	(791 334)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		73 137	102 500	84 224	84 224	84 224	84 224	84 224	84 224	84 224	84 224
Application of cash and investments											
Unspent conditional transfers		19 596	23 779	16 227	16 227	16 227	16 227	16 227	12 582	13 840	15 224
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(2 174)	(4 140)	(11 824)	(13 790)	(13 793)	(13 793)	(13 793)	(16 948)	(16 061)	(15 137)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		17 422	19 639	4 403	2 437	2 434	2 434	2 434	(4 366)	(2 221)	87
Surplus(shortfall)		55 715	82 861	79 821	81 787	81 790	81 790	81 790	88 590	86 445	84 137

From the above table it can be seen that the cash and investments available total R73million in the 2010/11 financial year and progressively increase to R84million 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. During the 2011/12 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants.

There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.

Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations.

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, as was experienced by the Municipality in 2011/12 resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.

Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

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 not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.

2.6.5 Funding compliance measurement

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

Table 44MBRR SA10 – Funding compliance measurement

Description	MFMA section	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
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	73 137	102 500	77 235	161 453	282 240	403 027	527 065	643 255	756 340	875 558
Cash + investments at the yr end less applications - R'000	18(1)b	2	55 715	82 861	79 821	81 787	81 790	81 790	81 790	88 590	86 445	84 137
Cash year end/monthly employee/supplier payments	18(1)b	3	7.4	10.6	4.3	10.8	17.5	25.0	32.7	35.9	42.1	46.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	35 394	183 861	167 377	167 405	144 076	144 076	167 405	130 726	128 924	136 489
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	10.1%	2.4%	34.7%	13.4%	(6.0%)	(6.0%)	(9.0%)	(1.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	73.6%	119.0%	92.3%	99.9%	99.9%	99.9%	99.9%	98.7%	98.6%	98.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	3.1%	5.0%	113.4%	3.8%	3.2%	3.2%	3.2%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	101.9%	102.2%	114.3%	41.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(1.7%)	(0.3%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(35.3%)	68.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	1.9%	2.2%	2.2%	0.0%	4.3%	0.0%	0.0%

2.6.5.1 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. The forecasted cash and cash equivalents for the 2014/15 MTREF shows R643million, R756million and R875million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 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. It is especially important to consider the position should the municipality be faced with an expected disaster that threatens revenue collection such as rate boycotts. As part of the 2014/2015 MTREF the municipalities improving cash position causes the ratio to move upwards to 7.3 and then increase slightly to 9 for outer years. As indicated above the Municipality aims to archive at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 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.

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

2.6.5.5 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 present). 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 totals 19, 2.2 and .080 per cent for the respective financial year of the 2012/13 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from

rates and services charges is 9 per cent, with the increase in electricity at 11 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. 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.

2.6.5.6 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 60.1, 66.4 and 63.1 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 65 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 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. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 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 2 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. Further details relating to the borrowing strategy of the Municipality can be found on 66.

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

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (Dora) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. A detail of the Municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C on page 90.

2.6.5.13 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. Further details in this regard are contained in Table 59 MBRR SA34b on page 89.

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

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
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		73 767	94 491	107 826	120 689	120 689	120 689	145 998	178 652	179 459
Local Government Equitable Share		71 817	92 449	105 328	118 249	118 249	118 249	138 979	176 035	176 741
Finance Management		1 200	1 450	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement		750	592	998	890	890	890	934	967	1 018
EPWP Incentive		-	-	-	-	-	-	4 485	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		73 767	94 491	107 826	120 689	120 689	120 689	145 998	178 652	179 459
Capital expenditure of Transfers and Grants										
National Government:		16 820	24 994	38 926	30 000	10 000	10 000	65 059	67 386	69 464
Municipal Infrastructure Grant (MIG)		16 070	24 994	34 926	-	-	-	45 759	48 086	50 164
Regional Bulk Infrastructure		750	-	4 000	30 000	10 000	10 000	19 300	19 300	19 300
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		16 820	24 994	38 926	30 000	10 000	10 000	65 059	67 386	69 464
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		90 587	119 485	146 752	150 689	130 689	130 689	211 057	246 038	248 923

Table 46 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

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
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		135 377	125 712	152 460	213 606	197 753	197 753	237 885	252 783	269 416
Conditions met - transferred to revenue		135 377	125 712	152 460	213 606	197 753	197 753	237 885	252 783	269 416
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		135 377	125 712	152 460	213 606	197 753	197 753	237 885	252 783	269 416
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		10 741	938							
Current year receipts		16 820	24 994	33 118	85 433	48 915	48 915	64 511	78 033	64 908
Conditions met - transferred to revenue		27 561	25 932	33 118	85 433	48 915	48 915	64 511	78 033	64 908
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		27 561	25 932	33 118	85 433	48 915	48 915	64 511	78 033	64 908
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		162 938	151 644	185 578	299 039	246 668	246 668	302 396	330 816	334 324
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.7 Councillor and employee benefits

Table 18MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councilor remuneration R thousand	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
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		6 482	8 282	9 095	10 095	10 095	10 095	9 540	10 095	10 095
Pension and UIF Contributions		896	422	344	500	500	500	527	500	500
Medical Aid Contributions		659	297	329	500	500	500	527	500	500
Motor Vehicle Allowance		1 135	1 074	901	2 577	2 577	2 577	1 295	1 793	1 793
Cellphone Allowance		589	659	689	845	845	845	2 532	2 262	2 262
Housing Allowances		1 585	2 542	2 541	2 262	2 262	2 262	2 590	2 577	2 577
Other benefits and allowances										
Sub Total - Councillors		11 346	13 276	13 900	16 779	16 779	16 779	17 012	17 727	17 727
% increase	4		17.0%	4.7%	20.7%	-	-	1.4%	4.2%	-
Senior Managers of the Municipality	2									
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Municipal Staff										
Basic Salaries and Wages		28 676	34 762	44 210	61 074	61 074	61 074	69 342	60 456	61 074
Pension and UIF Contributions		4 128	3 968	4 709	6 453	6 453	6 453	7 714	6 453	6 453
Medical Aid Contributions		685	840	1 035	1 355	1 355	1 355	5 800	1 355	1 355
Overtime		1 297	1 163	1 478	1 233	1 233	1 233	1 580	1 851	1 233
Performance Bonus										
Motor Vehicle Allowance	3	1 606	1 872	2 043	1 793	1 793	1 793	1 295	1 793	1 793
Cellphone Allowance	3	44	42	37	5	5	5	4	5	5
Housing Allowances	3	242	438	803	633	633	633	76	633	633
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		36 679	43 084	54 314	72 545	72 545	72 545	85 811	72 545	72 545
% increase	4		17.5%	26.1%	33.6%	-	-	18.3%	(15.5%)	-
Total Parent Municipality		48 025	56 360	68 214	89 323	89 323	89 323	102 823	90 272	90 272
			17.4%	21.0%	30.9%	-	-	15.1%	(12.2%)	-
TOTAL SALARY, ALLOWANCES & BENEFITS		48 025	56 360	68 214	89 323	89 323	89 323	102 823	90 272	90 272
% increase	4		17.4%	21.0%	30.9%	-	-	15.1%	(12.2%)	-
TOTAL MANAGERS AND STAFF	5,7	36 679	43 084	54 314	72 545	72 545	72 545	85 811	72 545	72 545

Table 19MBRR SA23 - Salaries, allowances and 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								
Councillors	3							
Speaker	4		390 720	11 451	153 929			556 100
Chief Whip			377 036		145 551			522 587
Executive Mayor			437 143	65 571	187 443			690 157
Deputy Executive Mayor			-	-	-	-		-
Executive Committee			1 664 135	113 667	898 783			2 676 585
Total for all other councillors			7 040 173	244 529	3 109 503			10 394 205
Total Councillors	8	-	9 909 207	435 218	4 495 209			14 839 634
Senior Managers of the Municipality	5							
Municipal Manager (MM)			813 806	1 713	364 235			1 179 754
Chief Finance Officer			686 837	1 713	277 310			965 860
Manager: Corporate			481 518	1 118	151 891			634 527
Manager: Community			578 974	93 200	284 166			956 340
Manager: EDP			568 929	7 363	93 762			670 054
Manager: Infrastructure			580 131	695	82 310			663 136
<i>List of each official with packages >= senior manager</i>								
Total Senior Managers of the Municipality	8,10	-	3 710 195	105 802	1 253 674	-		5 069 671
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	-	13 619 402	541 020	5 748 883	-		19 909 305

Table 49 MBRR SA24–Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
		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)		52	–	52	52	–	52	52	–	52
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	–	6	6	–	6	6	–	6
Other Managers	7	10	–	10	10	–	10	18	–	18
Professionals		307	260	47	307	227	86	287	246	45
Finance		42	30	12	42	30	12	34	25	19
Spatial/town planning		41	32	9	41	32	9	8	8	–
Information Technology		1	1	–	1	–	1	1	1	–
Roads		90	90	–	90	90	–	92	87	5
Electricity		14	14	–	14	14	–	16	13	3
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		38	38	–	38	–	38	2	2	–
Other		81	55	26	81	55	26	128	110	18
Technicians		7	7	–	7	7	–	2	2	–
Finance										
Spatial/town planning		3	3	–	3	3	–	–	–	–
Information Technology										
Roads		2	2	–	2	2	–	2	2	–
Electricity		2	2	–	2	2	–	–	–	–
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	382	267	115	382	228	154	359	248	121

2.9 Monthly targets for revenue, expenditure and cash flow

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source																
Property rates		3 525	3 525	3 525	3 525	3 525	3 525	3 525	3 525	3 525	3 525	3 525	3 525	42 298	44 413	46 633
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	41 500	43 575	45 754
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		599	599	599	599	599	599	599	599	599	599	599	599	7 190	7 550	7 927
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		50	50	50	50	50	50	50	50	50	50	50	50	599	597	621
Interest earned - external investments		333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 200	4 410
Interest earned - outstanding debtors		162	162	162	162	162	162	162	162	162	162	162	162	1 943	1 951	1 960
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		38	38	38	38	38	38	38	38	38	38	38	38	450	474	496
Licences and permits		229	229	229	229	229	229	229	229	229	229	229	229	2 744	2 839	2 981
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	19 824	237 885	252 783	269 416
Other revenue		4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	54 911	35 609	35 635
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	393 520	393 990	415 834
Expenditure By Type																
Employee related costs		7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	88 907	97 275	104 226
Remuneration of councillors		1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	16 951	17 798	18 688
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	14 066	14 769	15 507
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases		2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	28 000	29 400	30 870
Other materials		839	839	839	839	839	839	839	839	839	839	839	839	10 065	10 546	10 998
Contracted services		1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	16 224	16 962	17 810
Transfers and grants		2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	33 835	21 229	21 967
Other expenditure		5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	67 690	71 325	74 940
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	275 737	279 304	295 006
Surplus/(Deficit)		9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	117 783	114 686	120 827
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	117 783	114 686	120 827
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	117 783	114 686	120 827

Table 20MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote																
Vote 1 - Executive & Council		748	748	748	748	748	748	748	748	748	748	748	748	8 971	-	-
Vote 2 - Budget & Finance		19 843	19 843	19 843	19 843	19 843	19 843	19 843	19 843	19 843	19 843	19 843	19 843	238 114	205 927	214 415
Vote 3 - Corporate		25	25	25	25	25	25	25	25	25	25	25	25	300	210	221
Vote 4 - Community		1 661	1 661	1 661	1 661	1 661	1 661	1 661	1 661	1 661	1 661	1 661	1 661	19 931	16 210	16 807
Vote 5 - Development & Planning		15	15	15	15	15	15	15	15	15	15	15	15	177	173	189
Vote 6 - Infrastructure		10 502	10 502	10 502	10 502	10 502	10 502	10 502	10 502	10 502	10 502	10 502	10 502	126 028	171 469	184 201
Total Revenue by Vote		32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	32 793	393 520	393 989	415 833
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council		3 718	3 718	3 718	3 718	3 718	3 718	3 718	3 718	3 718	3 718	3 718	3 718	44 615	37 869	40 047
Vote 2 - Budget & Finance		5 711	5 711	5 711	5 711	5 711	5 711	5 711	5 711	5 711	5 711	5 711	5 711	68 532	72 356	76 412
Vote 3 - Corporate		2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	30 912	32 959	35 205
Vote 4 - Community		3 013	3 013	3 013	3 013	3 013	3 013	3 013	3 013	3 013	3 013	3 013	3 013	36 155	34 861	36 341
Vote 5 - Development & Planning		1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	14 136	15 227	16 239
Vote 6 - Infrastructure		6 782	6 782	6 782	6 782	6 782	6 782	6 782	6 782	6 782	6 782	6 782	6 782	81 387	86 031	90 761
Total Expenditure by Vote		22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	22 978	275 737	279 303	295 006
Surplus/(Deficit) before assoc.		9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	117 783	114 686	120 827
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	9 815	117 783	114 686	120 827

Table 21MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Development & Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	85 662	23 560	6 711
Capital multi-year expenditure sub-total	2	7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	7 139	85 662	23 560	6 711
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council		18	18	18	18	18	18	18	18	18	18	18	23	221	-	-
Vote 2 - Budget & Finance		158	158	158	158	158	158	158	158	158	158	158	154	1 891	-	-
Vote 3 - Corporate		154	154	154	154	154	154	154	154	154	154	154	149	1 843	-	-
Vote 4 - Community		418	418	418	418	418	418	418	418	418	418	418	415	5 013	-	-
Vote 5 - Development & Planning		76	76	76	76	76	76	76	76	76	76	76	79	915	-	-
Vote 6 - Infrastructure		4 313	7 370	7 370	7 370	7 370	7 370	7 370	7 370	7 370	7 370	7 370	(26 261)	51 752	54 473	58 197
Capital single-year expenditure sub-total	2	5 136	8 194	8 194	8 194	8 194	8 194	8 194	8 194	8 194	8 194	8 194	(25 441)	61 635	54 473	58 197
Total Capital Expenditure	2	12 275	15 333	15 333	15 333	15 333	15 333	15 333	15 333	15 333	15 333	15 333	(18 303)	147 297	78 033	64 908

Table 22MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													0			
Property rates	4 230	4 230	4 230	4 230	4 230	4 230	4 230	4 230	4 230	4 230	4 230		42 298	44 413	46 633	
Property rates - penalties & collection	-	-	-	142	142	142	142	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	41 500	43 575	45 754	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue	599	599	599	599	599	599	599	599	599	599	599	599	7 190	7 550	7 927	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	50	50	50	50	50	50	50	50	50	50	50	50	599	597	621	
Interest earned - external investment	333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 200	4 410	
Interest earned - outstanding debtors	-	-	-	13	13	13	13	13	162	163	163	-	-	1 943	1 951	1 960
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	38	38	38	38	38	38	38	38	38	38	38	38	450	474	496	
Licences and permits	229	229	229	229	229	229	229	229	229	229	229	229	2 744	2 839	2 981	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operational	19 824	22 881	22 881	22 881	22 881	22 881	22 881	22 881	22 881	22 881	22 881	22 881	237 885	252 783	269 416	
Other revenue	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	54 911	35 609	35 635	
Cash Receipts by Source	33 336	36 394	36 394	36 548	36 548	36 548	36 548	36 556	36 557	36 557	32 164	32 164	393 520	393 990	415 834	
Other Cash Flows by Source																
Transfer receipts - capital													-			
Contributions recognised - capital & Contributed assets													-			
Total Cash Receipts by Source	33 336	36 394	36 394	36 548	36 548	36 548	36 548	36 556	36 557	36 557	32 164	32 164	393 520	393 990	415 834	
Cash Payments by Type																
Employee related costs	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 408	88 907	97 275	104 226	
Remuneration of councillors	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 408	16 951	17 798	18 688	
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulk purchases - Electricity	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 174	14 066	14 769	15 507	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 337	28 000	29 400	30 870	
Contracted services	839	839	839	839	839	839	839	839	839	839	839	836	10 065	10 546	10 998	
Transfers and grants - other municipal	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	16 224	16 962	17 810	
Transfers and grants - other	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 815	33 835	21 229	21 967	
Other expenditure	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 640	67 690	71 325	74 940	
Cash Payments by Type	22 978	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 969	275 737	279 304	295 006	
Other Cash Flows/Payments by Type																
Capital assets													-			
Repayment of borrowing													-			
Other Cash Flow/Payments													-			
Total Cash Payments by Type	22 978	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 969	275 737	279 304	295 006	
NET INCREASE/(DECREASE) IN CASH HELD	10 358	13 415	13 415	13 569	13 569	13 569	13 569	13 577	13 578	13 578	9 185	9 195	117 783	114 686	120 827	
Cash/cash equivalents at the month/year begin:		10 358	23 773	37 188	50 758	64 327	77 896	91 465	105 042	118 620	132 198	141 383	-	117 783	232 469	
Cash/cash equivalents at the month/year	10 358	23 773	37 188	50 758	64 327	77 896	91 465	105 042	118 620	132 198	141 383	150 578	117 783	232 469	353 296	

2.10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, there were contracts awarded beyond the medium-term revenue and expenditure framework (three years). List attached:-

Table 57

EC441 Matatiele - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding	Current Year	2014/15 Medium Term Revenue & Expenditure Framework			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Years	2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Contract Value
R thousand	1,3	Total	Original Budget				Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.11 Capital expenditure details

The following two 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.

Table 58MBRR SA 34a - Capital expenditure on new assets by asset class**Table 61MBRR SA35 - Future financial implications of the capital budget**

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive & Council		221	-	-				
Vote 2 - Budget & Finance		1 891	-	-				
Vote 3 - Corporate		1 843	-	-				
Vote 4 - Community		5 013	-	-				
Vote 5 - Development & Planning		915	-	-				
Vote 6 - Infrastructure		137 414	78 033	64 908				
Total Capital Expenditure		147 297	78 033	64 908	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive & Council								
Vote 2 - Budget & Finance								
Vote 3 - Corporate								
Vote 4 - Community								
Vote 5 - Development & Planning								
Vote 6 - Infrastructure								
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		147 297	78 033	64 908	-	-	-	-

2.13 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 Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed three interns undergoing training in various divisions of the Financial Services Department.

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 2014/2015 MTREF in May 2014 directly aligned and informed by the 2014/15 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 on-going.

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.

2.14 Other supporting documents

Table 23MBRR 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											
REVENUE ITEMS:											
<u>Property rates</u>											
Total Property Rates	6	12 776	13 235	15 501	27 040	42 298	42 298	42 298	42 298	44 413	46 633
<i>less Revenue Foregone</i>	3010										
Net Property Rates		12 776	13 235	15 501	27 040	42 298	42 298	42 298	42 298	44 413	46 633
<u>Service charges - electricity revenue</u>											
Total Service charges - electricity revenue	6	25 838	32 489	33 912	42 966	42 966	42 966	42 966	41 500	43 575	45 754
<i>less Revenue Foregone</i>	3061										
Net Service charges - electricity revenue		25 838	32 489	33 912	42 966	42 966	42 966	42 966	41 500	43 575	45 754
<u>Service charges - refuse revenue</u>											
Total refuse removal revenue	6	5 743	5 773	6 411	6 848	6 848	6 848	6 848	7 190	7 550	7 927
Total landfill revenue	3060										
<i>less Revenue Foregone</i>											
Net Service charges - refuse revenue		5 743	5 773	6 411	6 848	6 848	6 848	6 848	7 190	7 550	7 927
<u>Other Revenue by source</u>											
<i>List other revenue by source</i>	3510	1 397	794	5 296	59 955	65 047	65 047	65 047	54 911	35 609	35 635
Total 'Other' Revenue	1	1 397	794	5 296	59 955	65 047	65 047	65 047	54 911	35 609	35 635
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	4010	29 305	34 762	44 210	60 456	60 456	60 456	60 456	67 883	75 062	80 902
Pension and UIF Contributions	4210	4 128	3 968	5 744	7 808	7 808	7 808	7 808	13 293	14 221	14 932
Medical Aid Contributions	4070	685	840	2 950	2 568	2 568	2 568	2 568	2 696	2 552	2 679
Overtime	4040	1 297	1 163	840	638	638	638	638	80	86	90
Performance Bonus	4030	-	-	1 478	1 851	1 851	1 851	1 851	1 580	1 706	1 792
Motor Vehicle Allowance	4061	1 606	1 699	165	1 650	1 650	1 650	1 650	1 762	1 903	1 998

Cellphone Allowance	4065			164	308	308	308	308	-	-	-
Housing Allowances	4060	242	438	1 145	748	748	748	748	1 613	1 745	1 832
Other benefits and allowances	4066	507	676	672	308	308	308	308	-	-	
Payments in lieu of leave				-	-	-	-	-			
Long service awards				-	-	-	-	-			
Post-retirement benefit obligations	4		2 883	-	-	-	-	-			
<i>sub-total</i>	5	37 770	46 429	57 368	76 333	76 333	76 333	76 333	88 907	97 275	104 226
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	37 770	46 429	57 368	76 333	76 333	76 333	76 333	88 907	97 275	104 226
<u>Contributions recognised - capital</u>											
<i>List contributions by contract</i>											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment	4570	14 709	15 905	17 084	9 831	13 053	13 053	9 831	14 066	14 769	15 507
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	14 709	15 905	17 084	9 831	13 053	13 053	9 831	14 066	14 769	15 507
<u>Bulk purchases</u>											
Electricity Bulk Purchases	4870	16 078	21 898	24 556	28 000	28 000	28 000	28 000	28 000	29 400	30 870
Water Bulk Purchases											
Total bulk purchases	1	16 078	21 898	24 556	28 000	28 000	28 000	28 000	28 000	29 400	30 870
<u>Transfers and grants</u>											
Cash transfers and grants		35 504	8 468	23 663	19 851	28 889	28 889	28 889	33 835	21 229	21 967
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	35 504	8 468	23 663	19 851	28 889	28 889	28 889	33 835	21 229	21 967
<u>Contracted services</u>											
<i>List services provided by contract</i>											
Allocations to organs of state: Electricity	4910	5 711	9 363	12 329	14 963	14 963	14 963	14 933	16 224	16 962	17 810
<i>sub-total</i>	1	5 711	9 363	12 329	14 963	14 963	14 963	14 933	16 224	16 962	17 810
Total contracted services		5 711	9 363	12 329	14 963	14 963	14 963	14 933	16 224	16 962	17 810
<u>Other Expenditure By Type</u>											
Collection costs											
Contributions to 'other' provisions									4 678	4 945	5 242
Consultant fees					-	-	-	-			
Audit fees	5130	3 061	3 483	4 150	4 800	3 275	3 275	3 275	4 000	4 200	4 500
General expenses	3	5 969	3 169	7 341	11 932	27 171	27 171	27 171	-	-	-
Advertising	5120	364	442	635	788	788	788	788	600	630	680

<i>Bank Charges</i>	5140	266	152	154	-	200	200	200	220	231	261
<i>Cartage & Railage</i>	5160		61	-	5	5	5	5	10	11	23
<i>Chemicals</i>	5170		20	37	160	160	160	160	1 640	1 722	1 722
<i>Conferences</i>	5180		87	766	1 100	2 158	2 158	2 158	2 414	2 534	2 734
<i>Consulting Fees</i>	5190	2 888	3 292	4 455	7 064	5 990	5 990	5 990	11 124	11 680	11 700
<i>Contingencies</i>	5210								4 420	4 641	4 873
<i>Delegates Expenses</i>	5240	1 946	3 455	3 788	4 212	5 443	5 443	5 443	-	-	-
<i>Elec & Water</i>	5250		537	111	22	42	42	42	70	74	515
<i>Feed</i>	5260		-	23	25	25	25	25	-	-	-
<i>Fuel & Oil</i>	5300		926	1 251	660	1 360	1 360	1 360	1 500	1 575	1 654
	5305		-	-	-	-	-	-	-	-	-
<i>Mayoral Projects</i>	5306		3 260	1 004	2 892	2 807	2 807	2 807	4 323	4 539	4 766
<i>Insurance</i>	5310	492	205	310	400	900	900	900	1 500	1 575	1 654
<i>Public Participation</i>	5320		3 260	1 004	-	-	-	-	5	5	6
<i>Legal Costs</i>	5340		151	219	300	300	300	300	-	-	-
<i>Lost Books</i>	5350		-	-	-	-	-	-	-	-	-
<i>Obselete Stock</i>	5356		1	2	-	-	-	-	50	211	222
<i>Photo Copies</i>	5357		89	123	165	75	75	75	99	104	109
<i>Plant Hire</i>	5360	-	81	91	6	6	6	6	175	184	193
<i>Postage</i>	5380	73	78	125	112	127	127	127	120	126	132
<i>Printing & Stationery</i>	5390	517	954	720	920	1 010	1 010	1 010	30 744	32 339	33 956
Total 'Other' Expenditure	1	15 575	23 703	26 308	35 562	51 842	51 842	51 842	67 690	71 325	74 940
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	-	-	-	-	-	-	-	-	-	-

Table 65 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Ref	Vote 1 - Executive & Council	Vote 2 - Budget & Finance	Vote 3 - Corporate	Vote 4 - Community	Vote 5 - Development & Planning	Vote 6 - Infrastructure	Total
R thousand	1							
Revenue By Source								
Property rates			42 298					42 298
Property rates - penalties & collection charges			-					-
Service charges - electricity revenue							41 500	41 500
Service charges - water revenue								-
Service charges - sanitation revenue								-
Service charges - refuse revenue					7 190			7 190
Service charges - other								-
Rental of facilities and equipment					599			599
Interest earned - external investments			4 000					4 000
Interest earned - outstanding debtors			1 785				158	1 943
Dividends received								-
Fines					450			450
Licences and permits					2 704			2 704
Agency services								-
Other revenue					53 995	920	447	55 362
Transfers recognised - operational		8 971	136 513	8 642		83 347		237 473
Gains on disposal of PPE								-
Total Revenue (excluding capital transfers and contributions)		8 971	184 596	8 642	64 939	84 267	42 106	393 520
Expenditure By Type								
Employee related costs		8 485	18 470	15 207	16 534	7 513	22 698	88 907
Remuneration of councillors		16 951						16 951
Debt impairment			-					-
Depreciation & asset impairment		223	906	200	386	91	12 259	14 066
Finance charges							-	-
Bulk purchases							28 000	28 000
Other materials				2 370	385	280	7 030	10 065
Contracted services				4 445	3 289	8 389	100	16 224
Transfers and grants		8 971		7 534	8 642	112	8 576	33 835
Other expenditure		9 985	7 091	39 932	1 818	6 140	2 725	67 690
Loss on disposal of PPE								-
Total Expenditure		44 615	26 467	69 688	31 055	22 525	81 387	275 737
Surplus/(Deficit)		(35 644)	158 129	(61 046)	33 883	61 742	(39 282)	117 783
Transfers recognised - capital								-
Contributions recognised - capital								-
Contributed assets								-
Surplus/(Deficit) after capital transfers & contributions		(35 644)	158 129	(61 046)	33 883	61 742	(39 282)	117 783

Table 24MBRR Table SA3 – Supporting detail to Statement of Financial Position

EC441 Matatiele - Supporting Table SA3 Supporting detail to '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
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		79 061	102 500	77 235	77 235	77 235	77 235	77 235	84 959	93 455	102 800
Other current investments > 90 days				6 989	6 989	6 989	6 989	6 989	-	-	-
Total Call investment deposits	2	79 061	102 500	84 224	84 224	84 224	84 224	84 224	84 959	93 455	102 800
Consumer debtors											
Consumer debtors		6 270	5 507	10 971	10 971	10 971	10 971	10 971	12 617	13 878	15 960
Less: Provision for debt impairment											
Total Consumer debtors	2	6 270	5 507	10 971	10 971	10 971	10 971	10 971	12 617	13 878	15 960
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		364 737	382 349	421 234	421 234	421 234	421 234	421 234	461 008	547 008	611 917
Leases recognised as PPE											
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	364 737	382 349	421 234	421 234	421 234	421 234	421 234	461 008	547 008	611 917
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		15 205	14 028	11 961	11 961	11 961	11 961	11 961	8 500	9 350	10 285
Unspent conditional transfers		19 596	23 779	16 227	16 227	16 227	16 227	16 227	12 582	13 840	15 224
VAT											
Total Trade and other payables	2	34 801	37 807	28 188	28 188	28 188	28 188	28 188	21 082	23 190	25 509
Non current liabilities - Borrowing											
Borrowing		16									
Finance leases (including PPP asset element)		18									
Total Non current liabilities - Borrowing	4	34	-	-	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits		2 750	5 107	5 947							
List other major provision items											
Refuse landfill site rehabilitation		5 807	6 651	10 970	10 970	10 970	10 970	10 970	10 970	10 970	10 970
Other											
Total Provisions - non-current		8 557	11 758	16 916	10 970	10 970	10 970	10 970	10 970	10 970	10 970
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance			-						167 405	289 787	344 813
GRAP adjustments											
Restated balance									167 405	289 787	344 813
Surplus/(Deficit)		42 163	35 079	(33 180)	143 951	143 951	143 951	123 874	154 471	114 686	120 827
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets		(6 769)	148 782	200 557	23 454	23 454	23 454	43 531	12 943	14 238	15 662
Other adjustments											
Accumulated Surplus/(Deficit)	1	35 394	183 861	167 377	167 405	167 405	167 405	167 405	334 819	418 711	481 302
Reserves											
Housing Development Fund		1 563									
Capital replacement		28 275	281 410	328 024	328 024	328 024	328 024	328 024	380 024	380 024	380 024
Self-insurance											
Other reserves		72 904									
Revaluation		293 303									
Total Reserves	2	396 045	281 410	328 024	328 024	328 024	328 024	328 024	380 024	380 024	380 024
TOTAL COMMUNITY WEALTH/EQUITY	2	431 439	465 270	495 401	495 429	495 429	495 429	495 429	714 843	798 735	861 325

Table 65MBRR Table SA9 – Social, economic and demographic statistics and assumptions

EC441 Matatiele - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Stats SA	16	267	204	267	267	267	307	353	353	353
Females aged 5 - 14		Stats SA		44		44	44	44	51	58	58	58
Males aged 5 - 14		Stats SA		36		36	36	36	42	48	48	48
Females aged 15 - 34		Stats SA		44		44	44	44	51	59	59	59
Males aged 15 - 34		Stats SA		36		36	36	36	42	48	48	48
Unemployment		Stats SA		12		12	12	12	12	12	12	12
Monthly household income (no. of households)												
No income	1, 12	Indigent Policy										
R1 - R1 600							19 053	19 053	21 911	25 198	25 198	25 198
R1 601 - R3 200							5 746	5 746	6 608	7 599	7 599	7 599
R3 201 - R6 400							12 272	12 272	14 133	16 230	16 230	16 230
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			16 226	440 166	203 843	440	440	440	505	578	578	578
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics												
Formal	3											
Informal												
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6											
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
Property tax/service charges	7											
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

2.8 Municipal Manager's quality certificate

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

Print Name _____

Municipal Manager of Matatiele Local Municipality (EC 441)

Signature _____

Date _____