



DRAFT ANNUAL BUDGET OF

# **West Coast District Municipality**

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

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## ABBREVIATIONS AND ACRONYMS

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

## Part 1 – Annual Budget

### 1.1 Mayor's Report / Speech

To be added at final budget

### 1.2 Council Resolutions

On May 2014 the Council of West Coast District Municipality met in the Council Chambers to consider the annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:

1. The Council of the West Coast District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 10 on page 22;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 11 on page 23;
    - 1.1.3. Budgeted Financial Performance (revenue and expenditure) as contained in Table 13 on page 25; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 14 on page 27.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 15 on page 29;
    - 1.2.2. Budgeted Cash Flows as contained in Table 16 on page 31;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 17 on page 31;
    - 1.2.4. Asset management as contained in Table 18 on page 33; and
    - 1.2.5. Basic service delivery measurement as contained in Table 19 on page 34.
2. The Council of the West Coast District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect the policies.
  - 2.1. All related policies – as set out in Annexure A

3. The Council of the West Coast District Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013 the tariffs for other services.
4. To give proper effect to the municipality's annual budget, the Council of the West Coast District Municipality approves:
  - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue from the RSC Levy Replacement Grant to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

### **1.3 Executive Summary / Financial Plan**

#### **1. Introduction**

The implementation of the Integrated Development Plan is largely reliant on the efficiency of the financial management system, and a strategy to enhance this capacity is necessary.

The principles, Strategic Financial Framework, the Medium Term Expenditure and Revenue Framework (for the next three years) and Capital Investment Programme, are outlined in this section. The emphasis for the initial year, i.e. 2014/2015, is on projects receiving committed funding, and priority projects. It is important for the Municipality to ensure that they source funding for projects in an aggressive way in order to ensure that the implementation process is sustainable.

The emphasis will fall on basic service delivery (bulk water supply), which will be funded, by all levels of government. Local economic development shall be encouraged as it could have a spill over effect, which will be beneficial to the municipality as a whole, triggering more investment.

#### **2. Arrangements**

The following arrangements regarding Resources and Guidelines will receive attention:

##### **2.1 Inventory of Resources**

###### **2.1.1 Staff**

- a) An organisational structure for the finance department will be regularly reviewed.
- b) Job Descriptions will be kept updated for all Finance staff.
- c) A Standard Operating Procedure manual needs to be documented as guidance to staff.
- d) Training of staff will be performed in terms of a Skills Development Plan.

### 2.1.2 Supervisory Authority

The Finance Committee deals with all financial issues. The Municipal Manager is the Accounting Officer, and is therefore responsible for financial management. The Chief Financial Officer will however be tasked with the day-to-day management of the Finance directorate in terms of his/her Performance agreement. The Audit Committee will perform a Monitoring and Evaluation function of External, Internal and Performance audit procedures and control systems.

### 2.1.3 Systems

- a) Debtors Billing, Receipting, Creditors and Main Ledger transactions is performed on the SAMRAS (DB4) Data Processing System. The compatibility of the system with Council's specifications will be regularly reviewed, inclusive of support services (hardware and software), and training for staff on the applications utilized.
- b) Payroll function is managed on the SAMRAS (DB4), and will suffice for the next three years.
- c) BAUD is used as an Assets management system and upgrading thereof is receiving Council's attention. Reconciliations are performed on a monthly basis between the financial management system and the asset management system. In the medium term the councils Asset Management system will be transferred to SAMRAS (DB4)
- d) Grant management, Investments, Cash at Bank (reconciliation), and External Loans will be managed with SAMRAS (DB4) and control spread sheets. Incorporation into the Financial Management System will be updated monthly.
- e) Systems procedure manuals (SOP's) to all staff will be developed.

### 2.1.4 Accommodation

- a) *Offices*: This space is restricted.
- b) *Registry*: Is shared with the other Departments in close proximity to Finance.
- c) *Archives*: An archiving system in place and conforms to legislation.

### 2.2 Management Guidelines

The formulation and adoption by Council of Policies and Bylaws to guide management towards the attainment of the vision and mission of the Municipality is a crucial aspect. The following policies will be reviewed on a regular basis:

- a) *Supply Chain Management Policy* - conforming to National legislation (including the Preferential Procurement Policy Framework Act, Broad Based Black Economic Empowerment Act, and Municipal Finance Management Act) and Council's own vision;
- b) *Investment Policy* - conforming to the guidelines supplied by the Institute of Municipal Finance Officers and the Municipal Finance Management Act;
- c) *Tariff Policy* - conforming to the principles contained in the Municipal Systems Act;
- d) *Rates Policy* - conforming to the principles outlined in the Property Rates Act, regulations;
- e) *Credit Control and Debt Collection Policy* - in accordance with the Municipal Systems Act and Case studies in this respect;
- f) *Indigent Policy* - from the National guidelines on this aspect;
- g) *Asset Management Policy* - to promote the efficient use and effective control over



Municipal assets, in terms of the Guidelines supplied by the Institute of Municipal Finance Officers, Local Government Capital Asset Management Guidelines and the Accounting Standards Board.

Legislation requires that certain policies e.g. Credit control and Debt collection be supported by Bylaws, to assist enforcement.

### **3. Strategy**

Strategies to be employed to improve the financial management efficiency and the financial position are as follows:

#### *3.1 Financial Guidelines and Procedures*

The Accounting policies will be reviewed to conform to the provisions contained in the Municipal Finance Management Act, and the Guidelines supplied by the Department of Finance and Accounting Standards Board. Procedures to give effect to these policies will be compiled. The Procedures will be aligned with Council's policies regarding the various aspects, with reference to the applicable Job descriptions, and Terms of Reference of the various Standing Committees, to affix responsibility. Alignment with the Performance Management System will ensure the necessary control to Council.

#### *3.2 Financing*

##### 3.2.1 Operating:

Revenue to finance the operating account is mainly attributed to bulk water supply, interest on investments, RSC Levy Replacement Grant (Equitable Share) and agency services in respect of road maintenance.

##### 3.2.2 Capital:

Capital expenditure is funded through revenue contributions, grants, capital contributions from Local Municipalities (Bulk water infrastructure).

##### 3.3 Local Economic Development:

Council will embark on an extended Local Economic Development Programme, structured to facilitate financing from internally generated funds as well as Government grants.

#### *3.4 Revenue raising*

##### 3.4.1 Tariffs:

Tariffs for all services will be reviewed to conform to the principles contained in the Tariff policy, the Indigent policy and National guidelines in respect of the provisions of Free Basic Services.

### 3.4.2 Other Services:

The possibility to raise revenue from services not previously provided by the Council, in accordance with the Schedules to the Constitution, and the Division of Powers and Functions (Section 84(1) of the Municipal Structures Act), will be investigated.

### 3.5 Asset Management:

All assets will be managed in terms of the applicable policy from Council. Maintenance plans will be drawn up and implemented for all major assets with an extended lifespan.

This municipality has a GRAP compliant Asset Register and utilize an external service provider to perform yearly asset counts, revision of useful lives, condition assessments and unbundling of assets. The Asset Register is updated on a monthly basis by the Asset Manager. The above procedures is done to mitigate risks and to segregate duties. The obsolescence and redundancy of assets are regularly monitored, with adequate replacement cycles being instituted, where applicable and affordable.

### 3.6 Cost-effectiveness

The Expenditure / Income and Supply Chain Management divisions will be tasked to perform costing exercises on major expenditure, goods and services, in respect of projects and continuous contracts, to ensure Council obtains maximum benefit. The applicable policies will provide the guidelines in this respect.

## 4. Revenue and Expenditure Forecast

### 4.1 Financial Position

#### 4.1.1 Cash Position:

Council have sufficient cash resources available to meet its medium to long term needs. Certain resources are representative of unspent funds held by Council in respect of Government Grants. The utilization of these monies to finance operating expenses, and projects other than their directed use is not permissible.

#### 4.1.2 Funds and Reserves:

The Accumulated surplus have been utilised to finance Capital expenditure by the Fire Protection and Finance and Administration directorates and partially the Water Provision directorate. Council's Retained Surplus / Working Capital, as well as the Provisions set aside for specific purposes e.g. Bad debts, Post – employment Health Care Benefits and Employee Benefits Accrual (Performance bonuses and Bonuses), represented by either Cash or Investments.

#### 4.1.3 Debtors:

The implementation of the procedures in terms of the Credit control and Debt collection Policy has facilitated the management of cash flow, and place Council in a position to finance operation expenses.

#### 4.1.4 Rates and Tariffs

The structure of Tariffs will be implemented in accordance with the applicable Council Policy documents.

#### 4.1.5 Equitable Share Allocation

One of Council's sources of revenue to finance its Operating expenses is the RSC Levy Replacement Grant. Increased allocations in terms of the Division of Revenue Act were published for the next three years.

#### 4.1.6 Depreciation

The Depreciation cost in the Expenditure forecast was equated.

#### 4.2 Operating Expenses

The following table detail the operating expenditure for the medium term revenue and expenditure framework:

<b>Medium Term Revenue and Expenditure Framework</b>			
<b>OPERATING EXPENDITURE</b>	<b>Budget Year 2014 / 2015</b>	<b>Budget Year +2015 / 2016</b>	<b>Budget Year +2016 / 2017</b>
	<b>Budget R</b>	<b>Budget R</b>	<b>Budget R</b>
<b>Operating Expenditure by Type</b>			
<b>Employee costs</b>	89,715	97,988	105,815
<b>Remuneration of councillors</b>	4,434	4,788	5,171
<b>Depreciation &amp; asset impairment</b>	16,584	21,707	24,022
<b>Finance charges</b>	11,847	10,664	9,299
<b>Bulk purchases</b>	9,800	10,388	11,011
<b>General / Other expenses</b>	148,720	159,819	174,554
<b>Total Operating Expenditure</b>	<b>281,100</b>	<b>305,354</b>	<b>329,872</b>

## 4.3 Operating Revenue

The following table detail the operating revenue for the medium term revenue and expenditure framework:

<b>Medium Term Revenue and Expenditure Framework</b>			
<b>OPERATING REVENUE</b>	<b>Budget Year 2014 / 2015</b>	<b>Budget Year +2015 / 2016</b>	<b>Budget Year +2016 / 2017</b>
	<b>Budget R</b>	<b>Budget R</b>	<b>Budget R</b>
<b>Operating Revenue by Type</b>			
Property rates	-	-	-
Service charges	104,679	119,346	137,177
Investment revenue	8,250	8,828	9,445
Transfers recognised - operational	78,894	83,668	87,153
Other own revenue	86,878	95,593	99,344
Contributions recognised – capital DORA	16,000	30,000	-
Local Municipalities - capital	3,500	-	-
<b>Total Operating Revenue</b>	<b>298,201</b>	<b>337,435</b>	<b>333,119</b>

## 4.4 Grant Receivable

The following table detail the grants receivable for the medium term revenue and expenditure framework:

<b>Medium Term Revenue and Expenditure Framework</b>			
<b>GRANT RECEIVABLE</b>	<b>Budget Year 2014 / 2015</b>	<b>Budget Year +2015 / 2016</b>	<b>Budget Year +2016 / 2017</b>
	<b>Budget R</b>	<b>Budget R</b>	<b>Budget R</b>
<b>Grant name</b>			
Financial management grant	1,250	1,250	-
Water services operating grant	-	-	-
Municipal systems improvement grant	934	967	-
LGSETA	504	539	577
Equitable share grant	76,206	80,912	86,576
Regional bulk infrastructure – capital	16,000	30,000	-
Local Municipalities - capital	3,500	71,750	68,000
<b>Total Operating Revenue</b>	<b>98,394</b>	<b>185,418</b>	<b>155,153</b>

**5. Capital Investment Programme**

Functional Sector	Programme & Project Description	Funding Source	Budget Year 2014/2015	Budget Year 2015/2016	Budget Year 2016/2017	Total
<b>Water Provision</b>	F Pipeline	Surplus	1,200	1,200	-	<b>2,400</b>
<b>Water Provision</b>	PVR System	Surplus	1,100	150	-	<b>1,250</b>
<b>Water Provision</b>	Pipeline Swartland	Surplus	-	26,000	3,000	<b>29,000</b>
<b>Water Provision</b>	Desalination Plant	Grant	16,000	30,000	-	<b>46,000</b>
<b>Water Provision</b>	Voëlvlei WTW filter	Surplus	500	10,000	32,000	<b>42,500</b>
<b>Water Provision</b>	Veldrift Pipeline	Surplus	-	1,000	2,000	<b>3,000</b>
<b>Water Provision</b>	Rural Scheme : Rooikaroo (WDM)	Surplus	-	450	-	<b>450</b>
<b>Water Provision</b>	Rural Scheme : Weltevrede	Surplus	-	1,250	-	<b>1,250</b>
<b>Water Provision</b>	Vergelee Reservoir Storage (29MI)	Surplus	7,000	24,000	13,000	<b>44,000</b>
<b>Water Provision</b>	Darling Reservoir (SL Mun)	Surplus	1,850	200	-	<b>2,050</b>
<b>Water Provision</b>	Besaansklip Storage P 1 and 2 (65MI)	Surplus	-	6,000	17,000	<b>23,000</b>
<b>Water Provision</b>	Rural Scheme : Rooikaroo Reservoir	Surplus	-	1,500	1,000	<b>2,500</b>
<b>Water Provision</b>	Vehicles	Surplus	750	500	600	<b>1,850</b>
<b>Water Provision</b>	Flow meters	Surplus	250	350	350	<b>950</b>
<b>Water Provision</b>	Computers & Network	Surplus	50	85	50	<b>185</b>
<b>Water Provision</b>	Valves	Surplus	1,500	1,500	1,500	<b>4,500</b>
<b>Water Provision</b>	Electronic equipment	Surplus	50	150	35	<b>235</b>
<b>Water Provision</b>	Laboratory equipment	Surplus	25	35	35	<b>95</b>
<b>Water Provision</b>	Furniture and office equipment	Surplus	28	20	20	<b>68</b>
<b>Water Provision</b>	Air conditioning	Surplus	15	15	15	<b>45</b>
<b>Water Provision</b>	Pipe FA & FB	Surplus	700	300	300	<b>1,300</b>
<b>Water Provision</b>	Motor & Pump	Surplus	200	200	200	<b>600</b>
<b>Health Inspectors</b>	Furniture and equipment	Surplus	50	-	-	<b>50</b>

<b>Fire fighting Services</b>	Fire Equipment	Fighting	Surplus	2,500	-	-	<b>2,500</b>
<b>Fire fighting Services</b>	Radio's		Surplus		-	-	
<b>Disaster Management</b>	Furniture equipment	and	Surplus	8	-	-	<b>8</b>
<b>Finance and Administration</b>	Furniture equipment	and	Surplus	17	-	-	<b>17</b>
<b>Ganzekraal</b>	Furniture equipment	and	Surplus	100	-	-	<b>100</b>
<b>Information Technology</b>	Computers & Network		Surplus	50	-	-	<b>50</b>
<b>Buildings</b>	Furniture equipment	and	Surplus	50	-	-	<b>50</b>
				<b>33,993</b>	<b>104,905</b>	<b>71,105</b>	<b>210,003</b>

## 6. Conclusion

The Financial planning imperatives contribute to ensuring that the Municipality remains financially viable and that municipal services are provided economically to all communities and stakeholders. The Multi-year Financial Plan contains realistic and credible revenue and expenditure forecasts which should provide a sound basis for improved financial management and institutional development as well as service delivery improvements and implementation. The strategy towards cash backing will certainly ensure the sustainability of the Municipality over the medium-to long-term.

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

<b>R thousand</b>	<b>Adjustment Budget 2013/14</b>	<b>Budget Year 2014/15</b>	<b>Budget Year +1 2015/16</b>	<b>Budget Year +2 2016/17</b>
Total Operating Revenue	278,208,430	298,200,720	337,434,980	333,118,600
Total Operating Expenditure	267,587,560	281,099,900	305,354,490	329,872,250
<i>(Surplus) / Deficit for the year</i>	10,620,870	17,100,820	32,080,490	3,246,350
Total Capital Expenditure	16,300,000	33,996,000	104,905,000	71,105,000

Total operating revenue has grown by R19.9 million for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by R34.9 million, equating to a total revenue growth of R54.9 million over the MTREF when compared to the 2013/14 financial year.

Total operating expenditure for the 2014/15 financial year has been appropriated at R298.2 million and translates into a budgeted surplus of R17.1 million. When compared to the 2013/14 Adjustments Budget, operational expenditure has grown to R13.5 million in the 2014/15 budget and by R24.2 million and R24.5 million for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R71.1 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget was R16.3 million for 2013/14. The capital programme increases to R33.9 million in the 2014/15 financial year and then increases out in 2016/17 to R71.1 million. Capital expenditure in each of the MTREF years will mainly be funded from capital grants and internally generated funds.

## 1.4 Operating Revenue Framework

For West Coast to continue improving the quality of services provided to its customers 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 expenditure required to address 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 municipal area 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;
- 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;
- Increase ability to extend new services and recover costs;
- Tariff policies of the Municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

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

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Financial Performance</b>										
Property rates	868	-	-	-	-	-	-	-	-	-
Service charges	74 341	80 575	88 808	96 511	96 511	96 511	96 511	104 679	119 346	137 177
Investment revenue	9 549	8 076	8 925	8 000	8 000	8 000	8 000	8 250	8 828	9 445
Transfers recognised - operational	81 517	78 037	75 641	76 281	76 761	76 761	76 761	78 894	83 668	87 153
Other own revenue	83 176	80 125	81 466	89 635	80 570	80 570	80 570	86 878	95 593	99 343
Total Revenue (excluding capital transfers and contributions)	249 451	246 813	254 840	270 426	261 841	261 841	261 841	278 701	307 435	333 119

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

Grants and service charge revenues comprise more than two thirds of the total revenue mix. In the 2014/15 financial year, revenue from grants and services charges totalled R183.5 million. This increases to R203.0 million and R224.3 million in the respective financial years of the MTREF. The third largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees and agency services (roads).

Operating grants and transfers totals R98.3 million in the 2014/15 financial year and steadily increases to R155.1 million by 2016/17.

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

**Table 3 Operating Transfers and Grant Receipts**

<b>Medium Term Revenue and Expenditure Framework</b>			
<b>GRANT RECEIVABLE</b>	<b>Budget Year 2014 / 2015</b>	<b>Budget Year +2015 / 2016</b>	<b>Budget Year +2016 / 2017</b>
	<b>Budget R</b>	<b>Budget R</b>	<b>Budget R</b>
<b>Grant name</b>			
<b>Financial management grant</b>	1,250	1,250	-
<b>Water services operating grant</b>	-	-	-
<b>Municipal systems improvement grant</b>	934	967	-
<b>LGSETA</b>	504	539	577
<b>Equitable share grant</b>	76,206	80,912	86,576
<b>Regional bulk infrastructure – capital</b>	16,000	30,000	-
<b>Local Municipalities - capital</b>	3,500	71,750	68,000
<b>Total Operating Revenue</b>	<b>98,394</b>	<b>185,418</b>	<b>155,153</b>

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When 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.

Municipalities must justify in their budget documentation all increases in excess of the 5.9 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 Water bulk tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impacts they have on the municipality's bulk water supply are largely outside the control of the municipality.

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 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.

#### 1.4.1 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

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

Better maintenance of infrastructure, new pipeline construction, desalination plant and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Bulk water tariffs will increase on average with 9.73 per cent from 1 July 2013.

**Table 4 Proposed Water Tariffs**

CATEGORY	CURRENT TARIFFS 2013/14	PROPOSED TARIFFS 2014/15
	Rand per kℓ	Rand per kℓ
<b>Bulk Sales</b>		
Water Sales - All Municipalities (Water Restrictions 0%)	3.80	4.30
Water Sales - All Municipalities (Water Restrictions 5%)	3.94	4.46
Water Sales - All Municipalities (Water Restrictions 10%)	4.10	4.64
Water Sales - All Municipalities (Water Restrictions 15%)	4.27	4.83
Water Sales - All Municipalities (Water Restrictions 20%)	4.27	5.06
Water Sales - All Municipalities (Water Restrictions 25%)	4.69	5.31
Water Sales - All Municipalities (Water Restrictions 30%)	4.94	5.59
Water Sales - All Municipalities (Water Restrictions 35%)	5.23	5.92
<b>Private users</b>		
Water Sales - All Municipalities (Water Restrictions 0%)	4.75	5.37
Water Sales - All Municipalities (Water Restrictions 5%)	4.93	5.58
Water Sales - All Municipalities (Water Restrictions 10%)	5.13	5.80
Water Sales - All Municipalities (Water Restrictions 15%)	5.34	6.04
Water Sales - All Municipalities (Water Restrictions 20%)	5.59	6.33
Water Sales - All Municipalities (Water Restrictions 25%)	5.86	6.63
Water Sales - All Municipalities (Water Restrictions 30%)	6.18	6.99
Water Sales - All Municipalities (Water Restrictions 35%)	6.54	7.40

## 1.5 Operating Expenditure Framework

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

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- 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 2013/14 budget and MTREF (classified per main type of operating expenditure):

**Table 5 Summary of operating expenditure by standard classification item**

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
<b>R thousands</b>										
<u>Financial Performance</u>										
Employee costs	64 818	66 184	67 151	74 916	76 296	72 481	72 481	89 715	97 988	105 815
Remuneration of councillors	4 700	3 652	3 951	4 784	4 784	4 545	4 545	4 434	4 788	5 171
Depreciation & asset impairment	18 351	19 526	12 485	24 764	24 764	23 525	23 525	16 584	21 707	24 022
Finance charges	8 174	11 164	10 793	12 930	12 930	12 284	12 284	11 847	10 664	9 299
Materials and bulk purchases	72 764	28 770	21 352	88 061	35 419	35 683	35 683	79 245	88 241	93 531
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	81 240	152 915	136 561	64 350	107 027	103 710	103 710	79 275	81 966	92 034
<b>Total Expenditure</b>	<b>250 045</b>	<b>282 211</b>	<b>252 295</b>	<b>269 806</b>	<b>261 221</b>	<b>252 228</b>	<b>252 228</b>	<b>281 100</b>	<b>305 354</b>	<b>329 872</b>

The budgeted allocation for employee related costs for the 2014/15 financial year totals R89.7 million, which equals 31.9 per cent of the total operating expenditure. This budget adds a salary increase of 8 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. As part of the municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

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 98 per cent and the Credit Control and Debt Management Policy of the Municipality. For the 2014/15

financial year this amount equates to R0.06 million and stays flat at R0.06 million by 2016/17. 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 R16.5 million for the 2014/15 financial year and equates to 5.9 per cent of the total operating expenditure.

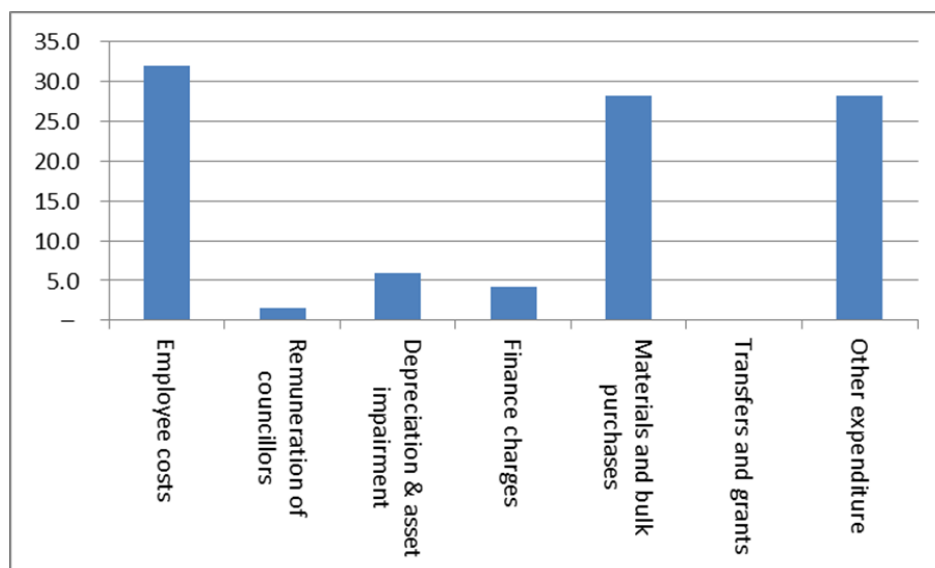
Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 4.2 per cent (R11.8 million) of operating expenditure excluding annual redemption for 2014/15 and decreases to R9.2 million by 2016/17.

Bulk purchases are directly informed by the purchase of water from The Department of Water Affairs and Forestry. 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. For 2014/15 the appropriation against this group of expenditure has grown by 28.2 per cent (R79 million) and continues to grow of which budget allocation is in excess of R93 million by 2016/17.

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. For 2014/15 the appropriation against this group of expenditure has grown by 28.2 per cent (R79 million) and continues to grow of which budget allocation is in excess of R92 million by 2016/17. Further details relating to contracted services can be seen in Table 54 MBRR SA1 (see page 86 and 87).

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**

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2014/15 budget 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. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 6 Operational repairs and maintenance**

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2013/14 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 thousands	Audited Outcome	Audited Outcome	Audited Outcome							
<b>Financial Performance</b>										
Materials and bulk purchases	72 764	28 770	21 352	88 061	35 419	35 683	35 683	79 245	88 241	93 531

During the compilation of the 2014/15 MTREF operational repairs and maintenance was substantially increased from R79.2 million to R93.5 million. This is due to costing method within our agency services.

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

**Table 7 Repairs and maintenance per asset class**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		63 794	19 276	55 066	73 225	20 960	19 912	63 994	71 285	75 547
Infrastructure - Road transport		60 775	15 767	50 341	70 265	18 000	17 100	60 924	67 992	72 072
<i>Roads, Pavements &amp; Bridges</i>		60 775	15 767	50 341	70 265	18 000	17 100	60 924	67 992	72 072
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		122	-	-	-	-	-	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		122	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		2 897	3 508	4 726	2 960	2 960	2 812	3 070	3 292	3 475
<i>Dams &amp; Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	4 726	2 960	2 960	2 812	250	265	281
<i>Reticulation</i>		2 897	3 508	-	-	-	-	2 820	3 027	3 194
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-
<i>Gas</i>	3	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Community</b>		937	-	1 908	800	423	402	439	465	504
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	838	800	423	402	439	465	504
Fire, safety & emergency		552	-	1 045	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		385	-	25	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	309	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	309	-	-	-	-	-	-	-
<b>Other assets</b>		700	1 529	1 757	4 175	4 175	3 967	5 013	6 104	6 470
General vehicles		-	-	-	1 419	1 419	1 348	2 287	2 922	3 098
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		-	501	-	135	135	129	217	262	278
Computers - hardware/equipment		-	18	200	170	170	162	10	11	11
Furniture and other office equipment		-	211	10	131	131	124	116	123	131
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		148	799	805	2 075	2 075	1 971	2 082	2 467	2 615
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		553	-	742	245	245	233	301	319	338
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other ( <i>list sub-class</i> )		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	65 431	21 114	58 731	78 200	25 558	24 281	69 445	77 853	82 520
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
<b>R&amp;M as a % of PPE</b>		19.6%	6.8%	17.5%	16.3%	5.3%	7.4%	20.0%	18.1%	17.3%
<b>R&amp;M as % Operating Expenditure</b>		26.2%	7.5%	23.3%	29.0%	9.8%	9.6%	24.7%	25.5%	25.0%

For the 2014/15 financial year, R63.9 million of total repairs and maintenance will be spent on infrastructure assets. Road infrastructure has received a significant proportion of this allocation totalling R60.9 million, followed by water infrastructure at R3 million. Community assets have been allocated R0.4 million of total repairs and maintenance.

## 1.6 Capital expenditure

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

**Table 8 2014/15 Medium-term capital budget per vote**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		51 935	28 877	33 166	15 200	15 200	14 440	27 650	101 750	68 000
Infrastructure - Road transport		3 336	-	-	-	-	-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>		3 336								
<i>Storm water</i>										
Infrastructure - Electricity		-	582	-	-	-	-	-	-	-
<i>Generation</i>										
<i>Transmission &amp; Reticulation</i>			582							
<i>Street Lighting</i>										
Infrastructure - Water		48 600	28 295	33 166	15 200	15 200	14 440	27 650	101 750	68 000
<i>Dams &amp; Reservoirs</i>		1 591	4 299	-	-	-	-	8 850	31 700	31 000
<i>Water purification</i>				1 025						
<i>Reticulation</i>		47 009	23 997	32 141	15 200	15 200	14 440	18 800	70 050	37 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>										
<i>Gas</i>										
<i>Other</i>										
<b>Community</b>		1 667	-	-	-	-	-	100	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls		1 667								
Libraries								100		
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		9 363	2 781	3 078	1 100	1 100	1 045	6 243	3 155	3 105
General vehicles		2 959	26	925	60	60	57	750	500	600
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	725	330	330	314	2 725	2 550	2 435
Computers - hardware/equipment		231		308	232	232	221	50	85	50
Furniture and other office equipment		178	598	140	122	122	116	28	20	20
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			2		356	356	338			
Other Land		4 335								
Surplus Assets - (Investment or Inventory)										
Other		1 660	2 155	979				2 690		
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<b>Intangibles</b>		-	13	24	-	-	-	-	-	-
Computers - software & programming			13	24						
<i>(List sub-class)</i>										
<b>Total Capital Expenditure on new assets</b>	1	62 965	31 671	36 268	16 300	16 300	15 485	33 993	104 905	71 105

For 2014/15 an amount of R27.6 million has been appropriated for the development of water infrastructure which represents 81.3 per cent of the total capital budget. In the outer years this amount totals R101.7, and R68 million, respectively for each of the financial years.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 18 MBRR A9 (Asset Management) on page 33. In addition to the MBRR Table A9, MBRR Tables SA34a, c and d provides a detailed breakdown of the capital programme relating to new asset construction, as well as operational repairs and maintenance by asset class (refer to pages 79, 80 and 81). Some of the capital projects to be undertaken over the medium-term includes, amongst others:

Functional Sector	Programme & Project Description	Funding Source	Budget Year 2014/2015	Budget Year 2015/2016	Budget Year 2016/2017	Total
<b>Water Provision</b>	F Pipeline	Surplus	1,200	1,200	-	<b>2,400</b>
<b>Water Provision</b>	PVR System	Surplus	1,100	150	-	<b>1,250</b>
<b>Water Provision</b>	Pipeline Swartland	Surplus	-	26,000	3,000	<b>29,000</b>
<b>Water Provision</b>	Desalination Plant	Grant	16,000	30,000	-	<b>46,000</b>
<b>Water Provision</b>	Voëlvele WTW filter	Surplus	500	10,000	32,000	<b>42,500</b>
<b>Water Provision</b>	Veldrift Pipeline	Surplus	-	1,000	2,000	<b>3,000</b>
<b>Water Provision</b>	Rural Scheme : Rooikaroo (WDM)	Surplus	-	450	-	<b>450</b>
<b>Water Provision</b>	Rural Scheme : Weltevrede	Surplus	-	1,250	-	<b>1,250</b>
<b>Water Provision</b>	Vergelee Reservoir Storage (29MI)	Surplus	7,000	24,000	13,000	<b>44,000</b>
<b>Water Provision</b>	Darling Reservoir (SL Mun)	Surplus	1,850	200	-	<b>2,050</b>
<b>Water Provision</b>	Besaansklip Storage P 1 and 2 (65MI)	Surplus	-	6,000	17,000	<b>23,000</b>
<b>Water Provision</b>	Rural Scheme : Rooikaroo Reservoir	Surplus	-	1,500	1,000	<b>2,500</b>
<b>Water Provision</b>	Vehicles	Surplus	750	500	600	<b>1,850</b>
<b>Water Provision</b>	Flow meters	Surplus	250	350	350	<b>950</b>
<b>Water Provision</b>	Computers & Network	Surplus	50	85	50	<b>185</b>
<b>Water Provision</b>	Valves	Surplus	1,500	1,500	1,500	<b>4,500</b>
<b>Water Provision</b>	Electronic equipment	Surplus	50	150	35	<b>235</b>
<b>Water Provision</b>	Laboratory equipment	Surplus	25	35	35	<b>95</b>

<b>Water Provision</b>	Furniture and office equipment	Surplus	28	20	20	<b>68</b>
<b>Water Provision</b>	Air conditioning	Surplus	15	15	15	<b>45</b>
<b>Water Provision</b>	Pipe FA & FB	Surplus	700	300	300	<b>1,300</b>
<b>Water Provision</b>	Motor & Pump	Surplus	200	200	200	<b>600</b>
<b>Health Inspectors</b>	Furniture and equipment	Surplus	50	-	-	<b>50</b>
<b>Fire fighting Services</b>	Fire Fighting Equipment	Surplus	2,500	-	-	<b>2,500</b>
<b>Fire fighting Services</b>	Radio's	Surplus		-	-	
<b>Disaster Management</b>	Furniture and equipment	Surplus	8	-	-	<b>8</b>
<b>Finance and Administration</b>	Furniture and equipment	Surplus	17	-	-	<b>17</b>
<b>Ganzekraal</b>	Furniture and equipment	Surplus	100	-	-	<b>100</b>
<b>Information Technology</b>	Computers & Network	Surplus	50	-	-	<b>50</b>
<b>Buildings</b>	Furniture and equipment	Surplus	50	-	-	<b>50</b>
			<b>33,993</b>	<b>104,905</b>	<b>71,105</b>	<b>210,003</b>

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

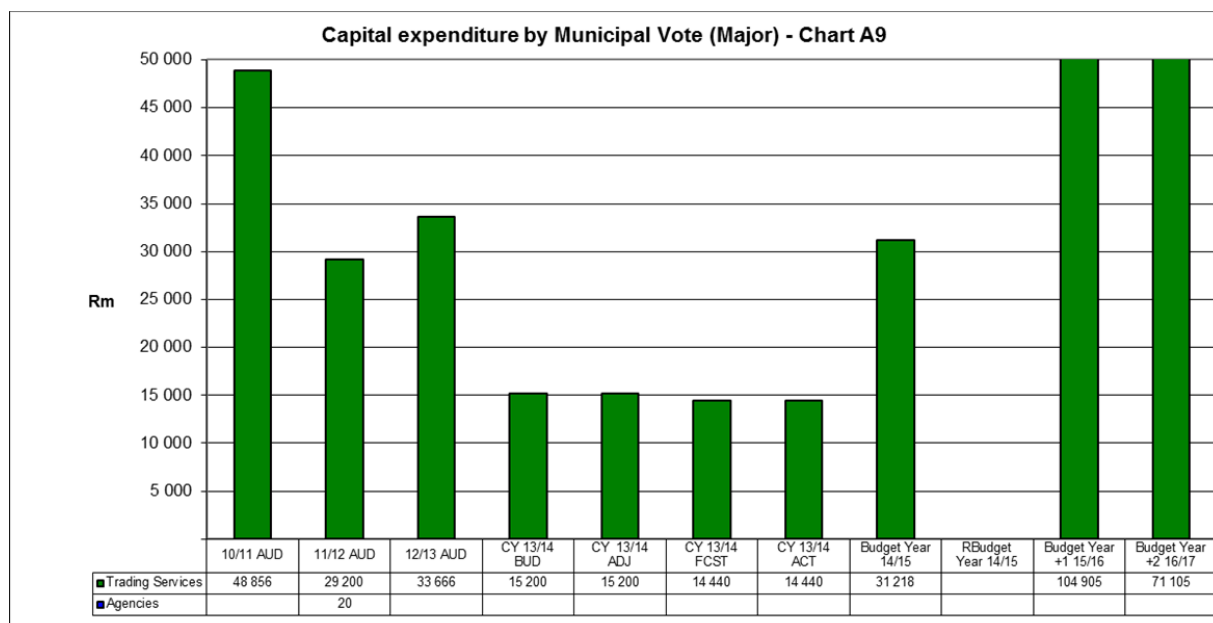


Figure 2 Capital Infrastructure Programme per service



### 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 51 MBRR SA35 on page 82. This table shows that future operational costs associated with the capital programme totals R33.9 million in 2014/15 and escalates to R71.1 million by 2016/17.

## 1.7 Annual Budget Tables - Parent Municipality

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 9 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
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	868	-	-	-	-	-	-	-	-	-
Service charges	74 341	80 575	88 808	96 511	96 511	96 511	96 511	104 679	119 346	137 177
Investment revenue	9 549	8 076	8 925	8 000	8 000	8 000	8 000	8 250	8 828	9 445
Transfers recognised - operational	81 517	78 037	75 641	76 281	76 761	76 761	76 761	78 894	83 668	87 153
Other own revenue	83 176	80 125	81 466	89 635	80 570	80 570	80 570	86 878	95 593	99 343
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>249 451</b>	<b>246 813</b>	<b>254 840</b>	<b>270 426</b>	<b>261 841</b>	<b>261 841</b>	<b>261 841</b>	<b>278 701</b>	<b>307 435</b>	<b>333 119</b>
<b>Employee costs</b>	<b>64 818</b>	<b>66 184</b>	<b>67 151</b>	<b>74 916</b>	<b>76 296</b>	<b>72 481</b>	<b>72 481</b>	<b>89 715</b>	<b>97 988</b>	<b>105 815</b>
Remuneration of councillors	4 700	3 652	3 951	4 784	4 784	4 545	4 545	4 434	4 788	5 171
Depreciation & asset impairment	18 351	19 526	12 485	24 764	24 764	23 525	23 525	16 584	21 707	24 022
Finance charges	8 174	11 164	10 793	12 930	12 930	12 284	12 284	11 847	10 664	9 299
Materials and bulk purchases	72 764	28 770	21 352	88 061	35 419	35 683	35 683	79 245	88 241	93 531
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	81 240	152 915	136 561	64 350	107 027	103 710	103 710	79 275	81 966	92 034
<b>Total Expenditure</b>	<b>250 045</b>	<b>282 211</b>	<b>252 295</b>	<b>269 806</b>	<b>261 221</b>	<b>252 228</b>	<b>252 228</b>	<b>281 100</b>	<b>305 354</b>	<b>329 872</b>
<b>Surplus/(Deficit)</b>	<b>(594)</b>	<b>(35 399)</b>	<b>2 545</b>	<b>621</b>	<b>621</b>	<b>9 613</b>	<b>9 613</b>	<b>(2 399)</b>	<b>2 080</b>	<b>3 246</b>
Transfers recognised - capital	-	-	6 421	10 000	10 000	10 000	10 000	19 500	101 750	68 000
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(594)</b>	<b>(35 399)</b>	<b>8 966</b>	<b>10 621</b>	<b>10 621</b>	<b>19 613</b>	<b>19 613</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(594)</b>	<b>(35 399)</b>	<b>8 966</b>	<b>10 621</b>	<b>10 621</b>	<b>19 613</b>	<b>19 613</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>62 965</b>	<b>31 672</b>	<b>36 268</b>	<b>16 300</b>	<b>16 300</b>	<b>15 485</b>	<b>15 485</b>	<b>33 993</b>	<b>104 905</b>	<b>71 105</b>
Transfers recognised - capital	9 124	-	6 421	10 000	10 000	10 000	10 000	19 500	101 750	68 000
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	35 000	-	25 679	-	-	-	-	-	-	-
Internally generated funds	18 841	31 671	4 168	6 300	6 300	5 485	5 485	14 493	3 155	3 105
<b>Total sources of capital funds</b>	<b>62 965</b>	<b>31 671</b>	<b>36 268</b>	<b>16 300</b>	<b>16 300</b>	<b>15 485</b>	<b>15 485</b>	<b>33 993</b>	<b>104 905</b>	<b>71 105</b>
<b>Financial position</b>										
Total current assets	166 420	150 763	178 664	181 394	176 697	192 691	192 691	181 349	189 825	200 868
Total non current assets	339 704	317 180	341 672	486 202	486 202	334 202	334 202	351 611	434 809	481 892
Total current liabilities	42 332	39 841	48 172	24 409	19 713	34 330	34 330	37 649	44 226	51 611
Total non current liabilities	141 372	137 331	169 798	161 002	161 002	170 153	170 153	155 801	137 066	116 562
Community wealth/Equity	322 419	290 770	302 367	482 185	482 185	322 410	322 410	339 510	443 341	514 587
<b>Cash flows</b>										
Net cash from (used) operating	37 320	(2 942)	51 353	40 584	35 384	47 206	47 206	33 685	125 538	95 269
Net cash from (used) investing	(62 830)	4 097	(36 022)	(16 300)	(16 300)	(15 485)	(15 485)	(33 993)	(104 905)	(71 105)
Net cash from (used) financing	21 281	(18 239)	9 665	(8 861)	(8 861)	(8 861)	(8 861)	(12 944)	(14 127)	(15 493)
Cash/cash equivalents at the year end	151 325	134 241	159 237	174 156	169 460	182 097	182 097	168 845	175 350	184 021
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	151 325	134 240	159 237	174 156	169 460	182 097	182 097	168 845	175 350	184 021
Application of cash and investments	65 158	60 912	85 509	65 866	4 606	86 084	86 084	85 661	90 294	94 890
<b>Balance - surplus (shortfall)</b>	<b>86 166</b>	<b>73 328</b>	<b>73 728</b>	<b>108 290</b>	<b>164 854</b>	<b>96 013</b>	<b>96 013</b>	<b>83 184</b>	<b>85 056</b>	<b>89 131</b>
<b>Asset management</b>										
Asset register summary (WDV)	339 704	317 180	341 672	486 202	486 202	334 202	351 611	351 611	434 809	481 892
Depreciation & asset impairment	18 351	19 526	12 485	24 764	24 764	23 525	16 584	16 584	21 707	24 022
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	65 431	21 114	58 731	78 200	25 558	24 281	69 445	69 445	77 853	82 520
<b>Free services</b>										
Cost of Free Basic Services provided	51	26	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	1	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

### **Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. 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 Council as well as managements continued efforts to make this municipality financially viable and sustainable in the medium to long-term.

**Table 10 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
R thousand										
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		89 912	81 848	82 995	75 686	76 166	76 166	79 186	82 007	83 077
Executive and council	2	48	48	752	2 098	2 578	2 578	2 733	2 867	2 035
Budget and treasury office	83 066	75 852	70 374	73 573	73 573	73 573	76 448	79 134	81 036	
Corporate services	6 843	5 948	11 869	15	15	15	5	6	6	
<i>Community and public safety</i>	11 869	14 562	15 089	15 485	15 485	15 485	22 303	28 472	30 462	
Community and social services	106	2 562	2 821	2 796	2 796	2 796	3 044	3 364	3 600	
Sport and recreation	2 465	-	-	-	-	-	-	-	-	
Public safety	3 399	5 481	5 557	5 263	5 263	5 263	11 432	15 105	16 160	
Housing	1 465	1 474	1 602	1 589	1 589	1 589	1 777	1 902	2 035	
Health	4 435	5 045	5 109	5 837	5 837	5 837	6 050	8 100	8 667	
<i>Economic and environmental services</i>	65 571	63 619	69 706	81 368	72 303	72 303	71 556	76 565	81 284	
Planning and development	872	15	26	-	-	-	-	-	-	
Road transport	64 699	63 604	69 680	81 368	72 303	72 303	71 556	76 565	81 284	
Environmental protection	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>	82 099	86 785	93 470	107 888	107 888	107 887	125 156	222 142	206 296	
Electricity	2 016	-	-	-	-	-	-	-	-	
Water	78 595	86 785	93 470	107 888	107 888	107 887	125 156	222 142	206 296	
Waste water management	1 488	-	-	-	-	-	-	-	-	
Waste management	-	-	-	-	-	-	-	-	-	
<i>Other</i>	4	-	-	-	-	-	-	-	-	
<b>Total Revenue - Standard</b>	2	249 451	246 813	261 260	280 426	271 841	271 841	298 201	409 185	401 119
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		64 020	85 465	50 962	34 122	35 102	33 347	35 511	37 935	36 014
Executive and council	14 689	10 250	12 840	14 065	14 630	13 898	15 616	16 609	16 823	
Budget and treasury office	34 042	60 955	25 029	9 822	10 322	9 806	11 179	12 064	9 249	
Corporate services	15 289	14 260	13 093	10 235	10 150	9 642	8 717	9 261	9 943	
<i>Community and public safety</i>	46 632	46 449	44 991	50 373	49 873	47 380	58 813	64 820	69 643	
Community and social services	4 039	3 187	3 501	3 907	3 907	3 711	4 176	4 493	4 887	
Sport and recreation	286	-	-	-	-	-	-	-	-	
Public safety	27 947	28 072	26 761	29 296	28 796	27 356	36 576	40 881	43 819	
Housing	482	500	983	1 216	1 216	1 155	1 004	1 074	1 150	
Health	13 877	14 690	13 747	15 955	15 955	15 157	17 058	18 372	19 788	
<i>Economic and environmental services</i>	71 488	67 330	73 809	84 335	75 270	75 122	74 904	80 127	85 140	
Planning and development	6 319	3 726	4 129	2 967	2 819	2 819	3 348	3 562	3 856	
Road transport	65 170	63 604	69 680	81 368	72 303	72 303	71 556	76 565	81 284	
Environmental protection	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>	67 905	82 968	82 532	100 975	100 975	96 380	111 872	122 473	139 076	
Electricity	2 014	-	-	-	-	-	-	-	-	
Water	65 167	82 968	82 532	100 975	100 975	96 380	111 872	122 473	139 076	
Waste water management	723	-	-	-	-	-	-	-	-	
Waste management	-	-	-	-	-	-	-	-	-	
<i>Other</i>	4	-	-	-	-	-	-	-	-	
<b>Total Expenditure - Standard</b>	3	250 045	282 211	252 295	269 806	261 221	252 228	281 100	305 354	329 872
<b>Surplus/(Deficit) for the year</b>		(594)	(35 399)	8 966	10 621	10 621	19 613	17 101	103 830	71 246

**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 expenditure. The table highlights that this is the case for the water function.

4. Other functions that show a deficit between revenue and expenditure are being financed from grants and other revenue sources reflected under the Budget and Treasury office.

**Table 11 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
<b>Revenue by Vote</b>	1									
Vote 1 - COMMUNITY SERVICES		94 880	85 028	86 718	81 513	81 993	81 993	85 234	90 105	91 742
Vote 2 - SUBSIDISED SERVICES		3 843	7 361	6 969	6 650	6 650	6 650	12 811	16 581	17 739
Vote 3 - ECONOMIC SERVICES		3 953	2 562	2 821	2 796	2 796	2 796	3 044	3 364	3 600
Vote 4 - HOUSING SERVICES		1 465	1 474	1 602	1 589	1 589	1 589	1 777	1 902	2 035
Vote 5 - TRADING SERVICES		80 611	86 784	93 470	106 511	106 511	106 511	123 779	220 668	204 719
Vote 6 - AGENCIES		64 699	63 604	69 680	81 368	72 303	72 303	71 556	76 565	81 284
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	249 451	246 813	261 260	280 426	271 841	271 841	298 201	409 185	401 119
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - COMMUNITY SERVICES		78 882	97 849	65 842	52 045	53 025	50 374	54 551	57 211	56 821
Vote 2 - SUBSIDISED SERVICES		34 610	34 104	29 757	35 014	34 514	32 788	42 363	47 063	50 410
Vote 3 - ECONOMIC SERVICES		4 190	3 187	3 501	3 907	3 907	3 711	4 176	4 493	4 887
Vote 4 - HOUSING SERVICES		482	500	983	1 216	1 216	1 155	1 004	1 074	1 150
Vote 5 - TRADING SERVICES		67 182	82 968	82 532	96 256	96 256	91 897	107 451	118 949	135 322
Vote 6 - AGENCIES		64 699	63 604	69 680	81 368	72 303	72 303	71 556	76 565	81 284
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	250 045	282 211	252 295	269 806	261 221	252 228	281 100	305 354	329 872
<b>Surplus/(Deficit) for the year</b>	2	(594)	(35 399)	8 966	10 621	10 621	19 613	17 101	103 830	71 246

**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. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

**Table 12 Surplus/ (Deficit) calculations for the trading services**

Vote 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	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>		<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>						
<b>Revenue by Vote</b>	1									
Vote 5 - TRADING SERVICES		80 611	86 784	93 470	106 511	106 511	106 511	123 779	220 668	204 719
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 5 - TRADING SERVICES		67 182	82 968	82 532	96 256	96 256	91 897	107 451	118 949	135 322
<b>Surplus/(Deficit) for the year</b>	2	<b>13 429</b>	<b>3 816</b>	<b>10 938</b>	<b>10 255</b>	<b>10 255</b>	<b>14 614</b>	<b>16 328</b>	<b>101 719</b>	<b>69 397</b>

2. The surplus on the water account increases over the MTREF translating into a surplus of R16.3 million, R101.7 million and R69.3 million for each of the respective financial years.
3. 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.*

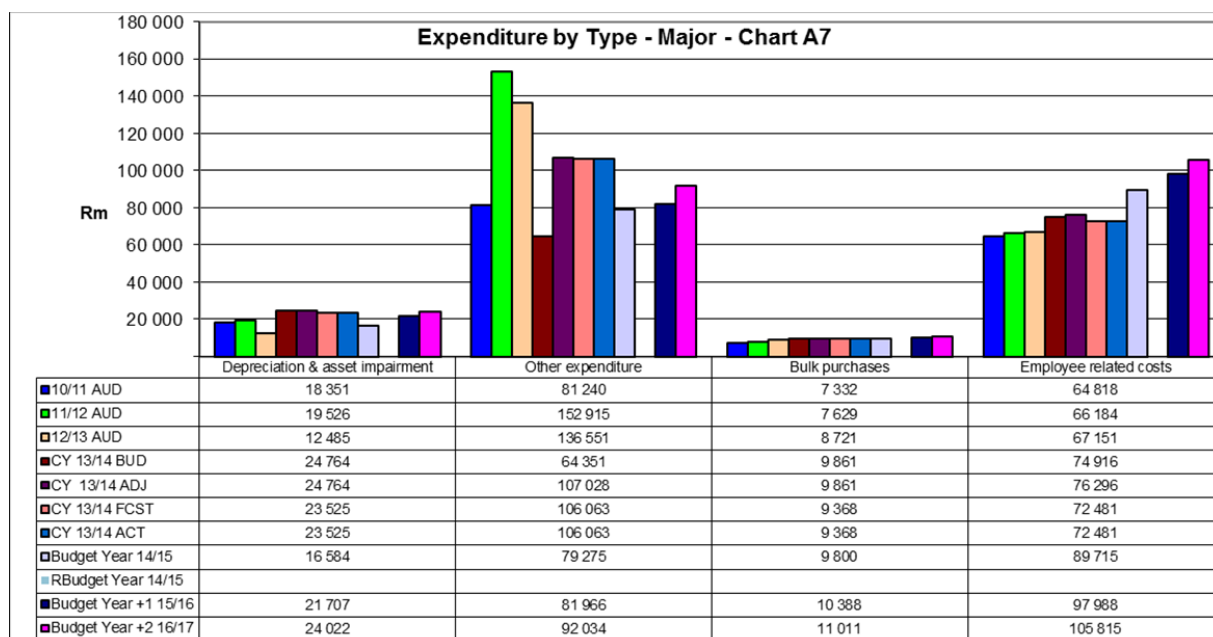
**Table 13 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	868	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	1 186	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	72 571	80 575	88 808	96 511	96 511	96 511	96 511	104 679	119 346	137 177
Service charges - sanitation revenue	2	585	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment				4 231	5 279	5 279	5 279	5 279	3 044	3 364	3 600
Interest earned - external investments		9 549	8 076	8 925	8 000	8 000	8 000	8 000	8 250	8 828	9 445
Interest earned - outstanding debtors									53	57	61
Dividends received											
Fines											
Licences and permits				54	120	120	120	120	59	63	68
Agency services		64 699	64 439	69 680	81 368	72 303	72 303	72 303	71 556	76 565	81 284
Transfers recognised - operational		81 517	78 037	75 641	76 281	76 761	76 761	76 761	78 894	83 668	87 153
Other revenue	2	18 353	15 260	7 500	2 868	2 868	2 868	2 868	12 165	15 543	14 331
Gains on disposal of PPE		125	426								
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>249 451</b>	<b>246 813</b>	<b>254 840</b>	<b>270 426</b>	<b>261 841</b>	<b>261 841</b>	<b>261 841</b>	<b>278 701</b>	<b>307 435</b>	<b>333 119</b>
<b>Expenditure By Type</b>											
Employee related costs	2	64 818	66 184	67 151	74 916	76 296	72 481	72 481	89 715	97 988	105 815
Remuneration of councillors		4 700	3 652	3 951	4 784	4 784	4 545	4 545	4 434	4 788	5 171
Debt impairment	3										
Depreciation & asset impairment	2	18 351	19 526	12 485	24 764	24 764	23 525	23 525	16 584	21 707	24 022
Finance charges		8 174	11 164	10 793	12 930	12 930	12 284	12 284	11 847	10 664	9 299
Bulk purchases	2	7 332	7 629	8 720	9 861	9 861	9 368	9 368	9 800	10 388	11 011
Other materials	8	65 431	21 141	12 632	78 200	25 558	26 314	26 314	69 445	77 853	82 520
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	81 240	152 915	136 550	64 350	107 027	103 710	103 710	79 275	81 966	92 034
Loss on disposal of PPE				11							
<b>Total Expenditure</b>		<b>250 045</b>	<b>282 211</b>	<b>252 295</b>	<b>269 806</b>	<b>261 221</b>	<b>252 228</b>	<b>252 228</b>	<b>281 100</b>	<b>305 354</b>	<b>329 872</b>
<b>Surplus/(Deficit)</b>		<b>(594)</b>	<b>(35 399)</b>	<b>2 545</b>	<b>621</b>	<b>621</b>	<b>9 613</b>	<b>9 613</b>	<b>(2 399)</b>	<b>2 080</b>	<b>3 246</b>
Transfers recognised - capital				6 421	10 000	10 000	10 000	10 000	19 500	101 750	68 000
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(594)</b>	<b>(35 399)</b>	<b>8 966</b>	<b>10 621</b>	<b>10 621</b>	<b>19 613</b>	<b>19 613</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(594)</b>	<b>(35 399)</b>	<b>8 966</b>	<b>10 621</b>	<b>10 621</b>	<b>19 613</b>	<b>19 613</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(594)</b>	<b>(35 399)</b>	<b>8 966</b>	<b>10 621</b>	<b>10 621</b>	<b>19 613</b>	<b>19 613</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(594)</b>	<b>(35 399)</b>	<b>8 966</b>	<b>10 621</b>	<b>10 621</b>	<b>19 613</b>	<b>19 613</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>

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

- Total revenue is R298.2 million in 2014/15 and escalates to R401.1 by 2016/17.
- Services charges relating to water constitutes the biggest component of the revenue basket of the municipality totalling R104.6 million for the 2014/15 financial year and increasing to R137.1 million by 2016/17.
- Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing slowly over the MTREF.

4. The following graph illustrates the major expenditure items per type.



**Figure 3 Expenditure by major type**

- Bulk purchases have significantly increased over the 2010/11 to 2016/17 period escalating from R7.3 million to R11 million. These increases can be attributed to the substantial increase in the cost water.
- Employee related costs and other expenditure are the main cost drivers within the municipality.

**Table 14 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
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - COMMUNITY SERVICES		9 774	1 231	979	671	671	637	637	-	-	-
Vote 2 - SUBSIDISED SERVICES		4 335	1 221	1 622	400	400	380	380	-	-	-
Vote 3 - ECONOMIC SERVICES		-	-	-	30	30	29	29	-	-	-
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		48 856	29 200	33 666	15 200	15 200	14 440	14 440	27 650	100 050	68 000
Vote 6 - AGENCIES		-	20	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	62 965	31 671	36 268	16 300	16 300	15 485	15 485	27 650	100 050	68 000
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - COMMUNITY SERVICES		-	-	-	-	-	-	-	167	-	-
Vote 2 - SUBSIDISED SERVICES		-	-	-	-	-	-	-	2 508	-	-
Vote 3 - ECONOMIC SERVICES		-	-	-	-	-	-	-	100	-	-
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		-	-	-	-	-	-	-	3 568	4 855	3 105
Vote 6 - AGENCIES		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	6 343	4 855	3 105
<b>Total Capital Expenditure - Vote</b>		62 965	31 671	36 268	16 300	16 300	15 485	15 485	33 993	104 905	71 105
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>		6 399	1 037	979	659	659	626	626	117	-	-
Executive and council		35	12	979	-	-	-	-	-	-	-
Budget and treasury office		6 364	1 023	-	243	243	231	231	2	-	-
Corporate services		0	2	-	416	416	395	395	115	-	-
<i>Community and public safety</i>		4 374	1 416	1 622	430	430	408	408	2 658	-	-
Community and social services		49	100	-	30	30	29	29	100	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		4 286	1 221	1 622	400	400	380	380	2 508	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		39	95	-	-	-	-	-	50	-	-
<i>Economic and environmental services</i>		3 336	20	-	11	11	11	11	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		3 336	20	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	11	11	11	11	-	-	-
<i>Trading services</i>		48 856	29 200	33 666	15 200	15 200	14 440	14 440	31 218	104 905	71 105
Electricity		11	596	-	-	-	-	-	-	-	-
Water		48 845	28 603	33 666	15 200	15 200	14 440	14 440	31 218	104 905	71 105
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	62 965	31 672	36 268	16 300	16 300	15 485	15 485	33 993	104 905	71 105
<b>Funded by:</b>											
National Government		3 336	-	-	10 000	10 000	10 000	10 000	16 000	30 000	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		5 788	-	6 421	-	-	-	-	3 500	71 750	68 000
Transfers recognised - capital	4	9 124	-	6 421	10 000	10 000	10 000	10 000	19 500	101 750	68 000
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	35 000	-	25 679	-	-	-	-	-	-	-
Internally generated funds		18 841	31 671	4 168	6 300	6 300	5 485	5 485	14 493	3 155	3 105
<b>Total Capital Funding</b>	7	62 965	31 671	36 268	16 300	16 300	15 485	15 485	33 993	104 905	71 105



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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2014/15 R33.9 million has been allocated of the total R71.1 million capital budget.
3. Single-year capital expenditure has been appropriated at R6.3 million for the 2014/15 financial year.
4. 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. 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.
5. The capital program is funded from capital grants and internally generated funds from current year surpluses. For 2014/15, capital transfers totals R16 million and escalates to R30 million by 2015/16. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

**Table 15 MBRR Table A6 - Budgeted Financial Position**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		151 325	134 240	159 237	174 156	169 460	182 097	182 097	168 845	175 350	184 021
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	6 292	6 624	7 511	5 566	5 566	9 331	9 331	10 932	13 002	15 475
Other debtors		7 610	8 473	10 243	410	410					
Current portion of long-term receivables											
Inventory	2	1 194	1 426	1 672	1 262	1 262	1 262	1 262	1 572	1 472	1 372
<b>Total current assets</b>		<b>166 420</b>	<b>150 763</b>	<b>178 664</b>	<b>181 394</b>	<b>176 697</b>	<b>192 691</b>	<b>192 691</b>	<b>181 349</b>	<b>189 825</b>	<b>200 868</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property		5 033	4 931	4 812	5 474	5 474	4 673	4 673	4 534	4 396	4 257
Investment in Associate											
Property, plant and equipment	3	334 670	311 803	336 540	480 727	480 727	329 356	329 356	347 051	430 413	477 635
Agricultural											
Biological											
Intangible			445	320			173	173	26		
Other non-current assets											
<b>Total non current assets</b>		<b>339 704</b>	<b>317 180</b>	<b>341 672</b>	<b>486 202</b>	<b>486 202</b>	<b>334 202</b>	<b>334 202</b>	<b>351 611</b>	<b>434 809</b>	<b>481 892</b>
<b>TOTAL ASSETS</b>		<b>506 124</b>	<b>467 943</b>	<b>520 336</b>	<b>667 595</b>	<b>662 899</b>	<b>526 893</b>	<b>526 893</b>	<b>532 960</b>	<b>624 634</b>	<b>682 760</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	7 050	7 944	10 916	8 861	8 861	8 861	8 861	14 127	15 493	17 004
Consumer deposits											
Trade and other payables	4	35 034	26 985	31 847	15 548	10 852	21 198	21 198	18 726	23 953	29 865
Provisions		248	4 912	5 409			4 272	4 272	4 796	4 781	4 742
<b>Total current liabilities</b>		<b>42 332</b>	<b>39 841</b>	<b>48 172</b>	<b>24 409</b>	<b>19 713</b>	<b>34 330</b>	<b>34 330</b>	<b>37 649</b>	<b>44 226</b>	<b>51 611</b>
<b>Non current liabilities</b>											
Borrowing		91 116	83 146	100 756	104 285	104 285	99 785	99 785	86 531	71 038	54 034
Provisions		50 257	54 185	69 042	56 717	56 717	70 368	70 368	69 270	66 029	62 527
<b>Total non current liabilities</b>		<b>141 372</b>	<b>137 331</b>	<b>169 798</b>	<b>161 002</b>	<b>161 002</b>	<b>170 153</b>	<b>170 153</b>	<b>155 801</b>	<b>137 066</b>	<b>116 562</b>
<b>TOTAL LIABILITIES</b>		<b>183 704</b>	<b>177 173</b>	<b>217 969</b>	<b>185 411</b>	<b>180 714</b>	<b>204 484</b>	<b>204 484</b>	<b>193 450</b>	<b>181 293</b>	<b>168 173</b>
<b>NET ASSETS</b>	5	<b>322 419</b>	<b>290 770</b>	<b>302 367</b>	<b>482 185</b>	<b>482 185</b>	<b>322 410</b>	<b>322 410</b>	<b>339 510</b>	<b>443 341</b>	<b>514 587</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		322 419	290 770	302 367	482 185	482 185	322 410	322 410	339 510	443 341	514 587
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>322 419</b>	<b>290 770</b>	<b>302 367</b>	<b>482 185</b>	<b>482 185</b>	<b>322 410</b>	<b>322 410</b>	<b>339 510</b>	<b>443 341</b>	<b>514 587</b>

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

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 15 is supported by an extensive table of notes (SA3 which can be found on page 89) 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 16 MBRR Table 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
Receipts											
Ratepayers and other		227 395	236 199	168 045	199 345	185 080	185 080	185 080	199 807	223 767	245 966
Government - operating	1			75 641	76 281	76 761	76 761	76 761	78 894	83 668	87 153
Government - capital	1			6 421	10 000	10 000	10 000	10 000	19 500	101 750	68 000
Interest		9 549	8 076	8 899							
Dividends											
Payments											
Suppliers and employees		(199 625)	(247 217)	(196 859)	(232 112)	(223 527)	(212 351)	(212 351)	(252 669)	(272 983)	(296 552)
Finance charges				(10 793)	(12 930)	(12 930)	(12 284)	(12 284)	(11 847)	(10 664)	(9 299)
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>37 320</b>	<b>(2 942)</b>	<b>51 353</b>	<b>40 584</b>	<b>35 384</b>	<b>47 206</b>	<b>47 206</b>	<b>33 685</b>	<b>125 538</b>	<b>95 269</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Receipts											
Proceeds on disposal of PPE		134	35 768	246							
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(62 965)	(31 671)	(36 268)	(16 300)	(16 300)	(15 485)	(15 485)	(33 993)	(104 905)	(71 105)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(62 830)</b>	<b>4 097</b>	<b>(36 022)</b>	<b>(16 300)</b>	<b>(16 300)</b>	<b>(15 485)</b>	<b>(15 485)</b>	<b>(33 993)</b>	<b>(104 905)</b>	<b>(71 105)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts											
Short term loans		29 454	(7 075)	20 581							
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(8 174)	(11 164)	(10 916)	(8 861)	(8 861)	(8 861)	(8 861)	(12 944)	(14 127)	(15 493)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>21 281</b>	<b>(18 239)</b>	<b>9 665</b>	<b>(8 861)</b>	<b>(8 861)</b>	<b>(8 861)</b>	<b>(8 861)</b>	<b>(12 944)</b>	<b>(14 127)</b>	<b>(15 493)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(4 230)</b>	<b>(17 084)</b>	<b>24 996</b>	<b>15 424</b>	<b>10 223</b>	<b>22 861</b>	<b>22 861</b>	<b>(13 252)</b>	<b>6 506</b>	<b>8 671</b>
Cash/cash equivalents at the year begin:	2	155 555	151 325	134 241	158 732	159 237	159 237	159 237	182 097	168 845	175 350
Cash/cash equivalents at the year end:	2	151 325	134 241	159 237	174 156	169 460	182 097	182 097	168 845	175 350	184 021

**Table 17 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		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	151 325	134 241	159 237	174 156	169 460	182 097	182 097	168 845	175 350	184 021
Other current investments > 90 days		(0)	(0)	(0)	0	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>151 325</b>	<b>134 240</b>	<b>159 237</b>	<b>174 156</b>	<b>169 460</b>	<b>182 097</b>	<b>182 097</b>	<b>168 845</b>	<b>175 350</b>	<b>184 021</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		2 320	1 408	1 725	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	12 740	3 328	12 462	9 149	4 606	11 445	11 445	7 323	10 417	13 772
Other provisions		50 099	56 176	71 322	56 717		74 640	74 640	78 338	79 877	81 118
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>65 158</b>	<b>60 912</b>	<b>85 509</b>	<b>65 866</b>	<b>4 606</b>	<b>86 084</b>	<b>86 084</b>	<b>85 661</b>	<b>90 294</b>	<b>94 890</b>
<b>Surplus(shortfall)</b>		<b>86 166</b>	<b>73 328</b>	<b>73 728</b>	<b>108 290</b>	<b>164 854</b>	<b>96 013</b>	<b>96 013</b>	<b>83 184</b>	<b>85 056</b>	<b>89 131</b>

**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 are stable over the 2010/11 to 2016/17 financial years.
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 R168.8 million as at the end of the 2014/15 financial year and increases to R184 million by 2016/17.

**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 64 – 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 2011/15 to 2016/17 the surplus increases slightly from R83 million to R89 million.

**Table 18 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
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	62 965	31 671	36 268	16 300	16 300	15 485	33 993	104 905	71 105
Infrastructure - Road transport		3 336	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	582	-	-	-	-	-	-	-
Infrastructure - Water		48 600	28 295	33 166	15 200	15 200	14 440	27 650	101 750	68 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		51 936	28 877	33 166	15 200	15 200	14 440	27 650	101 750	68 000
Community		1 667	-	-	-	-	-	100	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	9 363	2 781	3 078	1 100	1 100	1 045	6 243	3 155	3 105
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	13	24	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	3 336	582	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	582	-	-	-	-	-	-	-
Infrastructure - Water		48 600	28 295	33 166	15 200	15 200	14 440	27 650	101 750	68 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		51 936	28 877	33 166	15 200	15 200	14 440	27 650	101 750	68 000
Community		1 667	-	-	-	-	-	100	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	9 363	2 781	3 078	1 100	1 100	1 045	6 243	3 155	3 105
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	13	24	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	62 965	31 671	36 268	16 300	16 300	15 485	33 993	104 905	71 105
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		7 429	33	146	43	43	136	125	115	104
Infrastructure - Electricity		3 657	377	488	662	662	461	435	408	382
Infrastructure - Water		205 491	226 197	256 729	344 027	344 027	259 555	278 186	366 925	418 768
Infrastructure - Sanitation		13 424	3 247	4 491	4 450	4 450	4 344	4 196	4 049	3 901
Infrastructure - Other		1 422	882	-	15 240	15 240	-	-	-	-
Infrastructure		231 423	230 736	261 855	364 422	364 422	264 496	282 942	371 497	423 155
Community		-	-	41 307	59 374	59 374	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		5 033	4 931	4 812	5 474	5 474	4 673	4 534	4 396	4 257
Other assets		103 247	81 067	33 378	56 932	56 932	64 860	64 109	58 916	54 480
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	445	320	-	-	173	26	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	339 704	317 180	341 672	486 202	486 202	334 202	351 611	434 809	481 892
<b>EXPENDITURE OTHER ITEMS</b>										
Depreciation & asset impairment		18 351	19 526	12 485	24 764	24 764	23 525	16 584	21 707	24 022
<b>Repairs and Maintenance by Asset Class</b>	3									
Infrastructure - Road transport		65 431	21 114	58 731	78 200	25 558	24 281	69 445	77 853	82 520
Infrastructure - Electricity		60 775	15 767	50 341	70 265	18 000	17 100	60 924	67 992	72 072
Infrastructure - Water		122	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		2 897	3 508	4 726	2 960	2 960	2 812	3 070	3 292	3 475
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		63 794	19 276	55 066	73 225	20 960	19 912	63 994	71 285	75 547
Community		937	-	1 908	800	423	402	439	465	504
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	309	-	-	-	-	-	-	-
Other assets	6, 7	700	1 529	1 757	4 175	4 175	3 967	5 013	6 104	6 470
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		83 781	40 640	71 217	102 964	50 322	47 806	86 029	99 561	106 542
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&amp;M as a % of PPE</i>		19.6%	6.8%	17.5%	16.3%	5.3%	7.4%	20.0%	18.1%	17.3%
<i>Renewal and R&amp;M as a % of PPE</i>		19.0%	7.0%	17.0%	16.0%	5.0%	7.0%	20.0%	18.0%	17.0%

**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.

**Table 19 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
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		1 871	973	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)				-	-	-	-	-	-	-
Using public tap (at least min.service level)	2			-	-	-	-	-	-	-
Other water supply (at least min.service level)	4			-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		1 871	973	-	-	-	-	-	-	-
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	1 871	973	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)			84	-	-	-	-	-	-	-
Flush toilet (with septic tank)		310		-	-	-	-	-	-	-
Chemical toilet				-	-	-	-	-	-	-
Pit toilet (ventilated)				-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		470		-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		780	84	-	-	-	-	-	-	-
Bucket toilet				-	-	-	-	-	-	-
Other toilet provisions (< min.service level)				-	-	-	-	-	-	-
No toilet provisions				-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	780	84	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		76	84	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		336		-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		412	84	-	-	-	-	-	-	-
Electricity (< min.service level)				-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		904		-	-	-	-	-	-	-
Other energy sources		904		-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		904	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	1 316	84	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		904	84	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		904	84	-	-	-	-	-	-	-
Removed less frequently than once a week				-	-	-	-	-	-	-
Using communal refuse dump				-	-	-	-	-	-	-
Using own refuse dump				-	-	-	-	-	-	-
Other rubbish disposal				-	-	-	-	-	-	-
No rubbish disposal				-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	904	84	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		1 871	973	-	-	-	-	-	-	-
Sanitation (free minimum level service)		217	973	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		871	973	-	-	-	-	-	-	-
Refuse (removed at least once a week)		643	973	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		9	25	-	-	-	-	-	-	-
Sanitation (free sanitation service)		7	0	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		16	1	-	-	-	-	-	-	-
Refuse (removed once a week)		19	0	-	-	-	-	-	-	-
<b>Total cost of FBS provided (minimum social package)</b>		51	26	-	-	-	-	-	-	-
<b>Highest level of free service provided</b>										
Property rates (R value threshold)				-	-	-	-	-	-	-
Water (kilolitres per household per month)			6	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)			1	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		32	1	-	-	-	-	-	-	-
Electricity (kwh per household per month)			100	-	-	-	-	-	-	-
Refuse (average litres per week)		30	1	-	-	-	-	-	-	-
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)				-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)				-	-	-	-	-	-	-
Water				-	-	-	-	-	-	-
Sanitation				-	-	-	-	-	-	-
Electricity/other energy				-	-	-	-	-	-	-
Refuse				-	-	-	-	-	-	-
Municipal Housing - rental rebates				-	-	-	-	-	-	-
Housing - top structure subsidies	6			-	-	-	-	-	-	-
Other				-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>		-	-	-	-	-	-	-	-	-

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

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality's DMA area was transferred in the 2011/12 financial year to the Local Municipalities which makes this table not applicable.

## **Part 2 – Supporting Documentation**

### **1.8 Overview of the annual budget process**

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

#### **1.8.1 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget. The process plan will be added to this document as an appendix. There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council. This plan is attached as Annexure B.

#### **1.8.2 IDP and Service Delivery and Budget Implementation Plan**

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

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

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



The IDP has been taken into a business and financial planning process leading up to the 2014/15 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2013/14 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **1.8.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2014/15 MTREF extensive financial modelling were taken into account to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014/15 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation)
- Performance trends
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 70 has been taken into consideration in the planning and prioritisation process.

## **1.9 Overview of alignment of annual budget with IDP**

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

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

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning

provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

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

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 20 IDP Strategic Objectives**

<b>2014/15 MTREF</b>	
1.	Ensuring Environmental Integrity for the West Coast
2.	Pursuing economic growth and the facilitation of job opportunities
3.	Promoting the social wellbeing of the community
4.	Providing essential bulk services to the district
5.	Ensuring good governance and financial viability

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

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

1. Ensuring Environmental Integrity for the West Coast:
  - o Implement an integrated environmental programme;
  - o Implement the air quality management plan;
  - o Carrying forward the disaster management plan; and
  - o Climate change strategy to be developed.
2. Pursuing economic growth and the facilitation of job opportunities:
  - o Review of spatial development framework providing a framework;
  - o Implementation of the regional economic development strategy;
  - o Technical and capacity support to B-Municipalities;
  - o Revision and updating in collaboration with economic development partners; and
  - o Support regional investment promotion.
3. Promoting the social wellbeing of the community:
4. Providing essential bulk services to the district:
  - o Develop integrated transport plan;
  - o Use and update the master plan for bulk water system;
  - o Environmental impact assessment is currently underway for a proposed desalination plant in the Saldanha Bay area; and
  - o The municipality is currently developing a regional waste disposal site for Matzikama and Cederberg municipalities.
5. Ensuring good governance and financial viability:
  - o Strategic human resource and building of human capital (internally);
  - o Corporate training and development in the district;
  - o Employee wellness and assistance programme; and
  - o Each post is linked to a full job description.

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

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

- Strengthening the analysis and strategic planning processes of the municipality;
- 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.

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 21 MBRR 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
R thousand												
HUMAN WELL-BEING				3 122								
HUMAN RESOURCES DEVELOPMENT				754								
ECONOMY				2 114								
CO-OPERATION				102 791								
SAFE ENVIROMENT				3 350								
NATURAL AND BUILD ENVIROMENT				163								
INFRASTRUCTURE MUNICIPAL				137 157								
TRANSFORMATION & INST. DEVELOPMENT					17	1 000	890	890	890	934	967	
BASIC SERVICE DELIVERY MUNICIPAL					164 225	175 419	201 945	192 880	192 880	215 971	323 814	314 442
TRANSFORMATION & INST. DEVELOPMENT					78 832	81 244	73 573	74 053	74 053	77 048	79 752	81 699
GOOD GOVERNANCE & PUBLIC PARTICIPATION					1 134	752	1 213	1 213	1 213	1 202	1 286	1 376
LOCAL ECONOMIC DEVELOPMENT					2 605	2 847	2 806	2 806	2 806	3 046	3 366	3 602
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	249 451	246 813	261 261	280 426	271 841	271 841	298 201	409 185	401 119

**Table 22 MBRR 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
R thousand												
HUMAN WELL-BEING				13 877								
HUMAN RESOURCE DEVELOPMENT				3 642								
ECONOMY				5 735								
CO-OPERATION				45 689								
SAFE ENVIROMENT				27 947								
NATURAL AND BUILD ENVIROMENT				4 780								
INFRASTRUCTURE				148 375								
MUNICIPAL TRANSFORMATION & INST.DEVELOPMENT					6 846	8 595	4 026	4 026	3 824	5 469	5 802	5 224
BASIC SERVICE DELIVERY					198 483	200 479	228 810	219 745	208 758	238 065	259 365	285 116
MUNICIPAL TRANSFORMATION & INST.DEVELOPMENT					58 212	21 853	11 641	12 121	15 584	16 766	18 013	15 636
GOOD GOVERNANCE & PUBLIC PARTICIPATION					13 376	15 251	19 115	19 115	18 159	14 146	15 024	16 173
LOCAL ECONOMIC DEVELOPMENT					5 294	6 117	6 214	6 214	5 903	6 654	7 150	7 723
Allocations to other priorities												
<b>Total Expenditure</b>			1	250 045	282 211	252 295	269 806	261 221	252 228	281 100	305 354	329 872

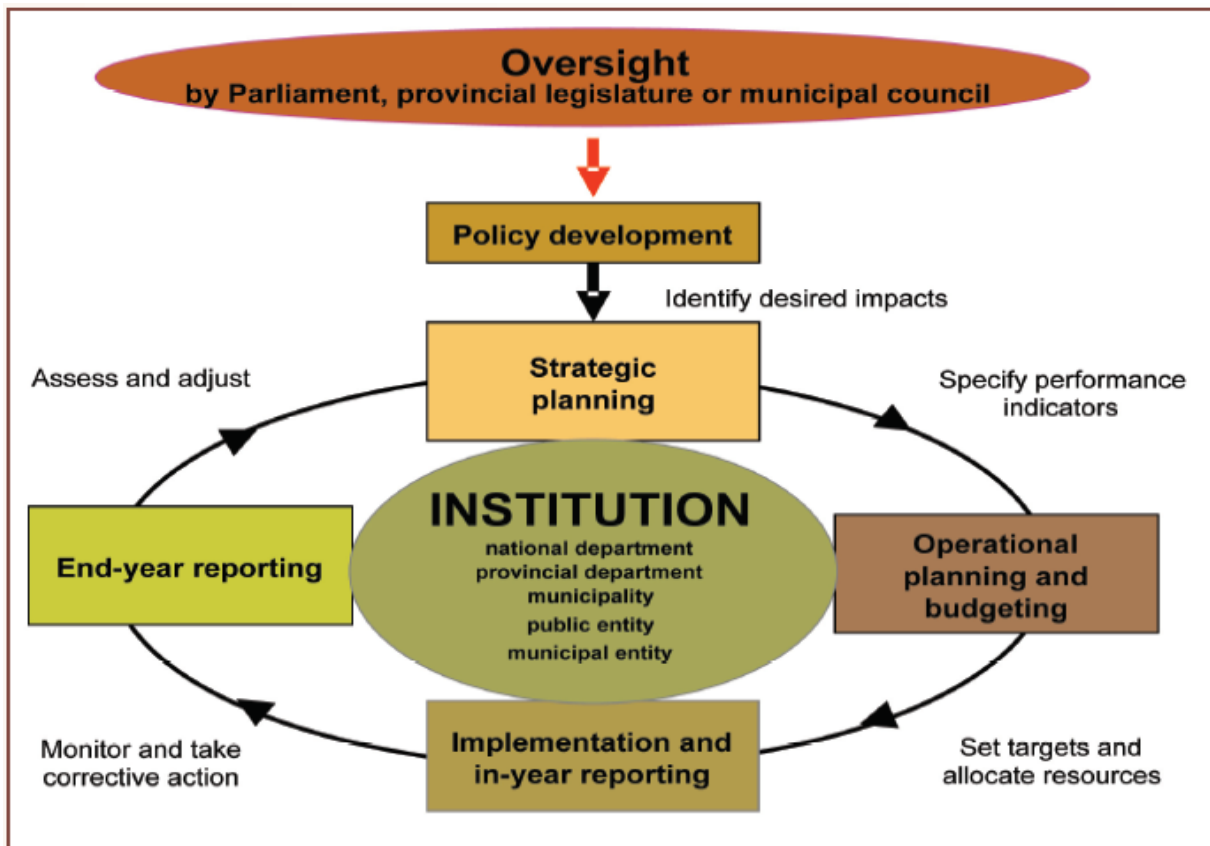
**Table 23 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

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
R thousand												
HUMAN WELL- BEING		A		-								
HUMAN RESOURCE DEVELOPMENT		B		-								
ECONOMY		C		-								
CO - OPERATION		D		-								
SAFE ENVIROMENT		E		-								
NATURAL AND BUILD ENVIROMENT		F		-								
INFRASTRUCTURE		G		-								
MUNICIPAL TRANSFORMATION & INST. DEVELOPMENT		H										
BASIC SERVICE DELIVERY		I		56 467	30 535	33 666	15 997	15 997	15 197	33 876	104 905	71 105
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT		J		6 498	1 136	2 602	303	303	288	117		
LOCAL ECONOMIC DEVELOPMENT		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
<b>Total Capital Expenditure</b>			1	<b>62 965</b>	<b>31 671</b>	<b>36 268</b>	<b>16 300</b>	<b>16 300</b>	<b>15 485</b>	<b>33 993</b>	<b>104 905</b>	<b>71 105</b>

### 1.10 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 target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee’s performance.

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

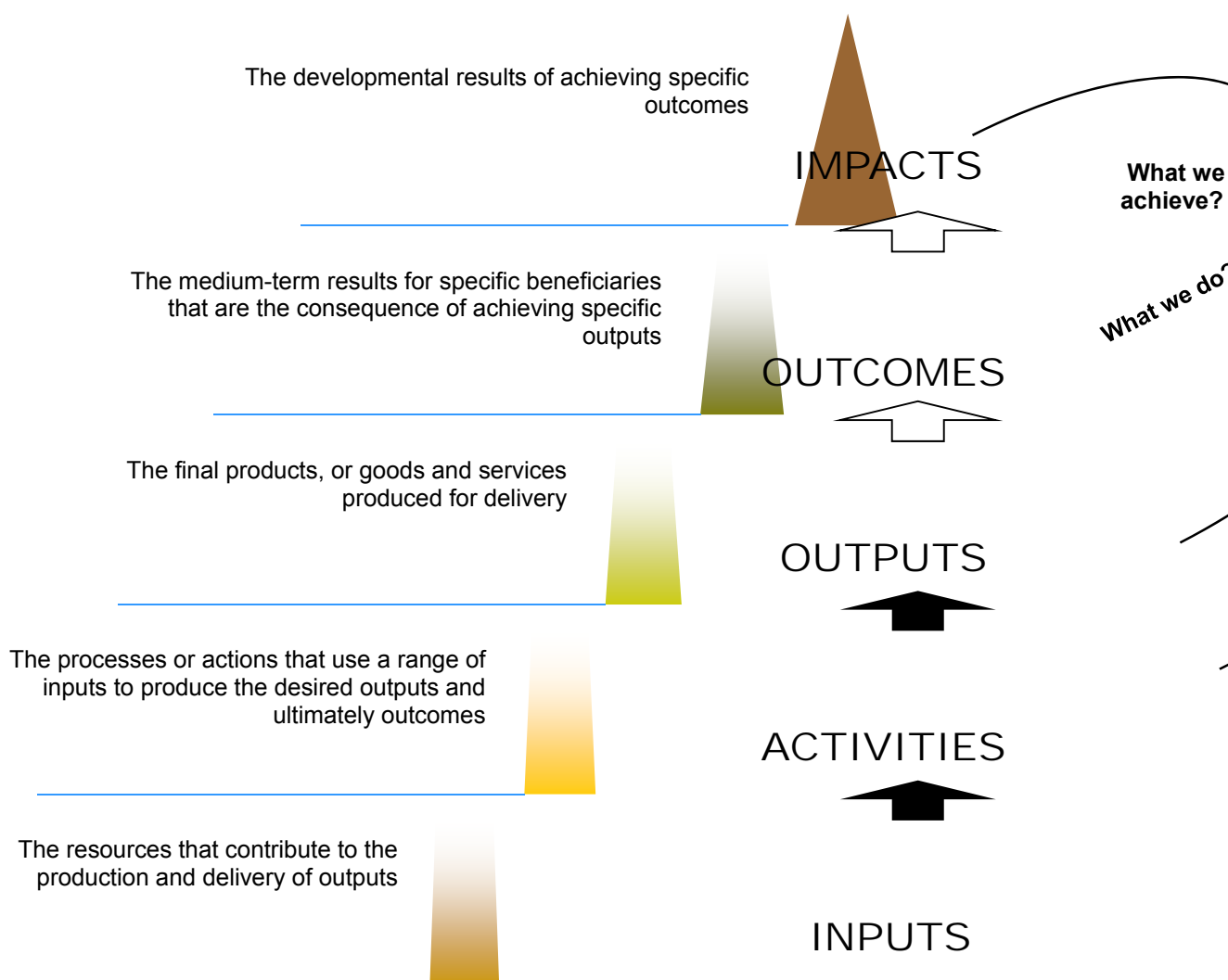


**Figure 4 Planning, budgeting and reporting cycle**

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

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



**Figure 5 Definition of performance information concepts**

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





**Table 24 MBRR Table SA7 - Measurable performance objectives will be attached as an appendix.**

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Vote 1 - vote name</b>										
Facilitate the functioning of council	Number of council meetings per annum	generation IDP, new key performance			4	4	4	4	4	4
Facilitate the functioning of the portfolio committees	Number of sec 80 committee meetings per committee per annum	generation IDP, new key performance			11	11	11	11	11	11
Submit the main budget to council for approval by legislative deadline	Main budget submitted by 31 May annually	generation IDP, new key performance			1	1	1	1	1	1
Submit the Mid-Year performance and budget assessment to the Executive Mayor & Treasury by 25 January	Mid-year budget and performance assessment submitted to the Executive Mayor	generation IDP, new key performance			1	1	1	1	1	1
Submit the Top Layer SDBIP to the Mayor within 28 days after the budget has been approved	Top Layer SDBIP submitted to the Mayor	generation IDP, new key performance			1	1	1	1	1	1
Appoint personnel in terms of the approved Employment Equity plan	Number of Personnel appointed in to the equity targets	generation IDP, new key performance			1	1	1	1	1	1
Submit the draft annual report to council by 31 January	Draft annual report submitted to Council	generation IDP, new key performance			1	1	1	1	1	1
Maintain human capital by limiting the vacancy rate to less than 10% of budgeted posts	Vacancy rate	generation IDP, new key performance			0	0	0	0	0	0
Facilitate the meeting of the Local Labour Forum for effective and healthy labour relations	Number of Local Labour Forum meetings initiated by the employer	generation IDP, new key performance			9	9	9	9	9	9
Revise Human Resources policies to ensure compliance with regulatory framework	No of policies revised	generation IDP, new key performance			6	6	6	6	6	6
Train staff in terms of the workplace skills plan (Number of staff that completed training/ Total number of staff identified for training)	% of staff who completed training	generation IDP, new key performance			100%	100%	100%	100%	100%	100%
Submitting of quarterly fraud declarations by senior managers and internal auditor	Number of fraud declarations submitted by senior managers and internal auditor	generation IDP, new key performance			20	20	20	20	20	20
Perform quarterly risk assessments per the Risk implementation plan.	No of quarterly risk assessments per annum.	generation IDP, new key performance			4	4	4	4	4	4
Implement an individual performance management system	Implemented to one post level down on KPI owner level	generation IDP, new key performance			1	1	1	1	1	1
Co-ordinate the functioning of the audit committee and submit the minutes to council	Number of meetings held	generation IDP, new key performance			4	4	4	4	4	4
Risk based audit plan is compiled and approved by the Audit Committee annually.	Number of RBAP compiled annually.	generation IDP, new key performance			1	1	1	1	1	1
Provide inter-municipal co-operation / shared support in the district (Number of actual inter-municipal co-operation & shared support provided)	% of requests received attended to	generation IDP, new key performance			75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Compile reports for the monitoring and management of shared services to governance and management committees (DCF DCFTECH)	Number of reports submitted	generation IDP, new key performance			4	4	4	4	4	4
Facilitation of IGR in the district measured by the number of DCF (Tech) meetings initiated for policy support.	No of DCF Tech meetings initiated.	generation IDP, new key performance			4	4	4	4	4	4
Compile and submit the IDP process schedule to council by 31 August	IDP Process Schedule submitted to council	generation IDP, new key performance			1	1	1	1	1	1
Review the Integrated Development Plan and submit to council by legislative deadline	Reviewed IDP submitted to council by 31 May	generation IDP, new key performance			1	1	1	1	1	1

**Table 24 MBRR Table SA7 - Measurable performance objectives will be attached as an appendix. (Continued)**

Consult with local municipalities on the District IDP before the end of May	Number of local municipalities consulted by the end of May	new 3rd generation IDP, new key performance	5	5	5	5	5	5
Facilitate the regular meeting of the district IDP Co-ordinating forum	Number of meetings initiated	new 3rd generation IDP, new key performance	4	4	4	4	4	4
Sign the performance agreements of the municipal manager and section 56 managers by 31 July	Number of performance agreements signed	new 3rd generation IDP, new key performance	4	4	4	4	4	4
Submit feedback to the portfolio committee on by-laws to be revised by 31 December	Feedback submitted to portfolio committee by 31 December	new 3rd generation IDP, new key performance	1	1	1	1	1	1
The financial viability of the WCDM is healthy and the organisation is able to service its annual debt.	Cost coverage measured by the total operating revenue from grants and service	new 3rd generation IDP, new key performance	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Financial viability is healthy with a low level of outstanding service debts within the year	revenue – Total outstanding service debtors/ revenue	new 3rd generation IDP, new key performance	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Financial viability measured by the available cash to cover fixed operating expenditure is healthy	Cost coverage of fixed operating expenditure	new 3rd generation IDP, new key performance	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Comply with GRAP to enhance effective asset management	Zero findings in the audit report on non-compliance	new 3rd generation IDP, new key performance	0	0	0	0	0	0
Submit the financial statements to the Auditor-General by 31 August	Financial statements submitted by 31 August	new 3rd generation IDP, new key performance	1	1	1	1	1	1
Spend at least 95% of capital conditional grants	% of capital conditional grants spent	new 3rd generation IDP, new key performance	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
Spend operational conditional grants	% of operational conditional grants spent	new 3rd generation IDP, new key performance	100%	100%	100%	100%	100%	100%
Comply with the Supply Chain Management regulations measured by the limitation of successful appeals against the municipality	Number successful appeals	new 3rd generation IDP, new key performance	0	0	0	0	0	0
Facilitate the meeting of District Coordinating Forum	Number of DCF meetings initiated	new 3rd generation IDP, new key performance	4	4	4	4	4	4
Develop and implement the drafting of a consolidated implementation plan for social development interventions in the district and submit to council for approval by 30 September	Implementation plan submitted to council	new 3rd generation IDP, new key performance	1	1	1	1	1	1
Monitor air pollution to comply with legislated standards	Number of Section 21 NEM:QA listed activity visits	new 3rd generation IDP, new key performance	16	16	16	16	16	16
Monitor and quality control the bacteriological levels of potable water in towns, farms and communities in the district through tests and monitoring inspections per year	Number of monitoring inspections per year and corrective actions.	new 3rd generation IDP, new key performance	300	300	300	300	300	300
Form strategic partnerships to enhance resource mobilisation	Number of strategic partnerships agreements documented	new 3rd generation IDP, new key performance	2	2	2	2	2	2
Submit regional tourism reports to the municipal managers, Mayco and council to promote regional tourism	Number of regional tourism reports submitted	new 3rd generation IDP, new key performance	10	10	10	10	10	10
Complete regional tourism promotion activities (Number of activities completed/ Total number of activities identified for completion)	Percentage of targeted tourism promotion activities completed	new 3rd generation IDP, new key performance	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Create full time equivalent (FTE's) through government expenditure with the EPWP	Number of full time equivalent (FTE's) created	new 3rd generation IDP, new key performance	30	30	30	30	30	30

**Table 24 MBRR Table SA7 - Measurable performance objectives will be attached as an appendix. (Continued)**

Create temporary job opportunities through capital projects	Number of man days created	New 3rd generation IDP, new key performance indicators	1100	1100	1100	1100	1100	1100
Environmental pollution is monitored to comply with legislated standards	Number of complaints responded to (measured by number of responses/number of	New 3rd generation IDP, new key performance indicators	100%	100%	100%	100%	100%	100%
<b>Vote 2 - Subsidised Services</b>								
Raise disaster risk awareness in communities	Number of awareness initiatives	New 3rd generation IDP, new key performance indicators	4	4	4	4	4	4
Co-ordinate the functioning of the disaster management forum advisory forum meetings	Number of meetings held	New 3rd generation IDP, new key performance indicators	2	2	2	2	2	2
Facilitate meetings with local municipalities to standardise fire service delivery and formalise service delivery protocols	Number of meetings held	New 3rd generation IDP, new key performance indicators	4	4	4	4	4	4
<b>Vote 3 - Economic Services</b>								
Source funding for the development of a regional solid waste disposal site for Matzikama and Cederberg	Funding application submitted	New 3rd generation IDP, new key performance indicators	1	1	1	1	1	1
<b>Vote 5 - Trading Services</b>								
Update the Bulk Water System Master Plan and submit to council by 30 June	Updated plan submitted to council by 30 June	New 3rd generation IDP, new key performance indicators	1	1	1	1	1	1
Spend the approved capital budget allocation for bulk water projects	% spent of capital budget allocation for bulk water projects	New 3rd generation IDP, new key performance indicators	100%	100%	100%	100%	100%	100%
Source funding by 31 December for the development of the Saldanha Desalination Plant as an additional supply source for Bulk water	Funding application submitted	New 3rd generation IDP, new key performance indicators	1	1	1	1	1	1
<b>Vote 6 - Agencies</b>								
Review of the Integrated transport plan for the district completed and submitted to council by 30 June	Reviewed plan submitted to council	New 3rd generation IDP, new key performance indicators	100%	100%	100%	100%	100%	100%
Compile and submit the annual performance plan for the maintenance of provincial roads to the Provincial Government by 30 November	Annual Performance submitted by 30 November	New 3rd generation IDP, new key performance indicators	1	1	1	1	1	1
Spend the provincial roads conditional grant budget allocation	% of the budget spent	New 3rd generation IDP, new key performance indicators	100%	100%	100%	100%	100%	100%

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

**Table 25 MBRR 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
<b>Borrowing Management</b>											
Credit Rating		A-	A-	A-	A-	A-	A-	A-			
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	6.5%	7.9%	8.6%	8.1%	8.3%	8.4%	8.4%	8.8%	8.1%	7.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	9.7%	13.2%	12.1%	11.2%	11.8%	11.4%	11.4%	12.4%	11.1%	10.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	54.7%	-22.3%	69.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
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%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	3.9	3.8	3.7	7.4	9.0	5.6	5.6	4.8	4.3	3.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.9	3.8	3.7	7.4	9.0	5.6	5.6	4.8	4.3	3.9
Liquidity Ratio	Monetary Assets/Current Liabilities	3.6	3.4	3.3	7.1	8.6	5.3	5.3	4.5	4.0	3.6
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		143.7%	147.4%	98.7%	107.1%	104.5%	104.5%	104.5%	104.3%	104.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		143.7%	147.4%	98.7%	107.1%	104.5%	104.5%	104.5%	104.3%	104.1%	104.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	5.6%	6.1%	7.0%	2.2%	2.3%	3.6%	3.6%	3.9%	4.2%	4.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		21.6%	19.1%	18.8%	8.9%	6.4%	11.6%	11.6%	11.1%	13.7%	16.2%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	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)	11.68%	5.07%	4.49%	5%			5%	5%	5%	5%
Employee costs	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated	26.0%	26.8%	26.4%	27.7%	29.1%	27.7%	27.7%	32.2%	31.9%	31.8%
Remuneration	Employee costs/(Total Revenue - capital revenue)	27.9%	28.3%	29.0%	29.5%	31.0%	29.3%	29.3%	33.8%	33.4%	33.3%
Repairs & Maintenance	Total remuneration/(Total Revenue - capital revenue)	26.2%	8.6%	23.0%	28.9%	9.8%	9.3%	9.3%	24.9%	25.3%	24.8%
Finance charges & Depreciation	R&M/(Total Revenue excluding capital revenue)	10.6%	12.4%	9.1%	13.9%	14.4%	13.7%	13.7%	10.2%	10.5%	10.0%
	FC&D/(Total Revenue - capital revenue)										
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	8.7	8.5	20.2	21.9	21.9	21.9	14.3	14.1	14.4	15.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	18.5%	18.7%	19.1%	5.9%	5.9%	9.2%	9.2%	10.1%	10.6%	11.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	13.4	11.0	13.7	13.9	13.7	15.4	15.4	12.5	12.1	11.9

## 1.10.1 Performance indicators and benchmarks

### 1.10.1.1 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. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the MTREF from 8.8 per cent to 7.5 per cent in 2016/17.

### 1.10.1.2 Liquidity

- For the 2014/15 MTREF the current ratio is 4.8 in the 2013/14.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year the ratio was 4.5.

### 1.10.1.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

### 1.10.1.4 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality.

### 1.10.1.5 Other Indicators

- The water distribution losses have been significantly reduced to 5 per cent in 2013/14. It is planned to further reduce distribution losses in 2014/15.
- Employee costs as a percentage of operating revenue continues to be stable over the MTREF.
- Repairs and maintenance as percentage of operating revenue is also decreasing owing directly to the costing method adopted for agency services.

### **1.10.2 Providing clean water**

The municipality provides bulk water services provider to 22 towns as well as 876 farmers. The Municipality's bulk water needs are provided by the Department of Water Affairs and Forestry in the form of raw water.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop award for water treatment works that meet certain criteria of excellence.

The municipality were awarded Blue Drop status in 2010/11 and 2011/12, indicating that the municipality's drinking water is of exceptional quality.

## **1.11 Overview of budget related-policies**

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

### **1.11.1 Review of credit control and debt collection procedures/policies**

The Collection Policy was approved by Council in 2013. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

The 2014/15 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 95 per cent on current billings.

### **1.11.2 Asset Management Policy**

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

The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to new assets as well as asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

### **1.11.3 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in September 2005. An amended policy was considered by Council in December 2012.

#### **1.11.4 Cash Management and Investment Policy**

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

#### **1.11.5 Tariff Policies**

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

All the above policies are available on the municipality's website, as well as other budget related policies:

### **1.12 Overview of budget assumptions**

#### **1.12.1 External factors**

Owing to the economic slowdown which started in 2008, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

#### **1.12.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook;
- The impact of municipal cost drivers;
- The increase in prices for electricity and bulk water; and
- The increase in the cost of remuneration. Employee related costs comprise 31.9 per cent of total operating expenditure in the 2014/15 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.



### 1.12.3 Credit rating outlook

**Table 26 Credit rating outlook**

Security class	Currency	Rating	Annual rating 2013/14	Previous Rating
Short term	Rand	A1	May 2013	A1
Long-term	Rand	A	May 2013	A
Outlook	Rand	Stable	May 2013	Stable

### 1.12.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality's borrowing will decrease of the MTREF.

### 1.12.5 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (98 per cent) of annual billings. Cash flow is assumed to be 100 per cent of billing.

### 1.12.6 Salary increases

The assumption is that for the three years an across the board increase of 8 per cent is allowed.

### 1.12.7 Impact of national, provincial and local policies

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

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

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

### 1.12.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 95 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget.

## 1.13 Overview of budget funding

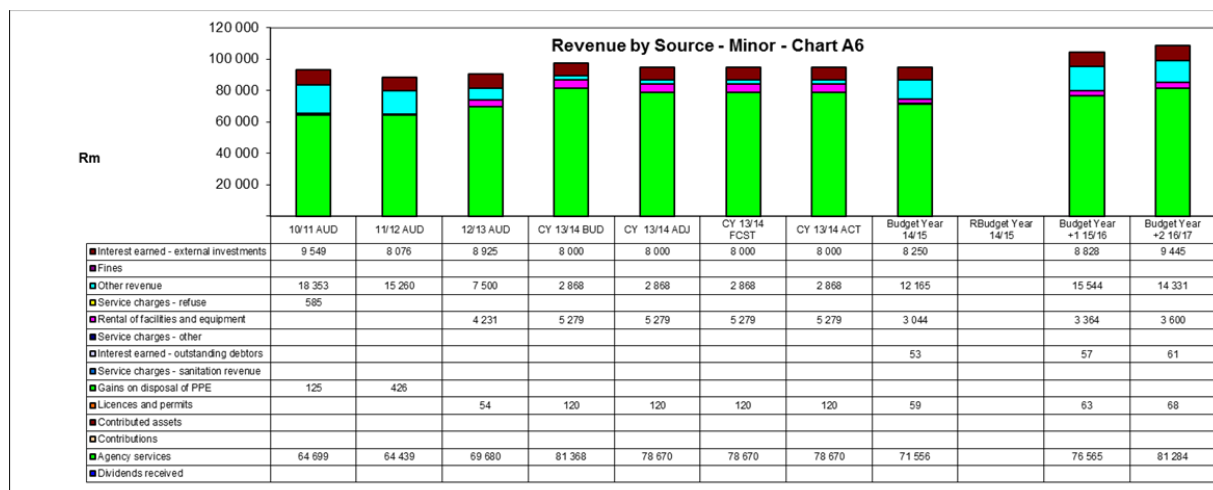
### 1.13.1 Medium-term outlook: operating revenue

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

**Table 27 Breakdown of the operating revenue over the medium-term**

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Financial Performance</b>										
Property rates	868	-	-	-	-	-	-	-	-	-
Service charges	74 341	80 575	88 808	96 511	96 511	96 511	96 511	104 679	119 346	137 177
Investment revenue	9 549	8 076	8 925	8 000	8 000	8 000	8 000	8 250	8 828	9 445
Transfers recognised - operational	81 517	78 037	75 641	76 281	76 761	76 761	76 761	78 894	83 668	87 153
Other own revenue	83 176	80 125	81 466	89 635	80 570	80 570	80 570	86 878	95 593	99 343
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>249 451</b>	<b>246 813</b>	<b>254 840</b>	<b>270 426</b>	<b>261 841</b>	<b>261 841</b>	<b>261 841</b>	<b>278 701</b>	<b>307 435</b>	<b>333 119</b>

**Figure 6 Breakdown of operating revenue over the 2014/15 MTREF**



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from bulk water services; agency services (Roads), 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 100 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements.

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

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

**Table 28 Proposed tariff increases over the medium-term**

Revenue category	2014/15 proposed tariff increase	2015/16 proposed tariff increase	2016/17 proposed tariff increase	2014/15 additional revenue for each 1% tariff increase	2014/15 additional revenue owing to 2% tariff increases	2014/15 Total Budgeted revenue
	%	%	%	R'000	R'000	R'000
Water	13.16	14.20	15.20	1 047	2 094	104 679
Total				1 047	2 094	104 679

Services charges relating to bulk water constitutes the second biggest component of the revenue basket of the municipality totalling R104.6 million for the 2014/15 financial year and increasing to R137.1 million by 2016/17. For the 2014/15 financial year services charges amounts to 37.6 per cent of the total revenue base. This growth can mainly be attributed to the increase in the bulk prices water.

Operational grants and subsidies amount to R78.8 million, R83.6 million and R87.1 million for each of the respective financial years of the MTREF, or 28.3, 27.2 and 26.2 per cent of operating revenue.

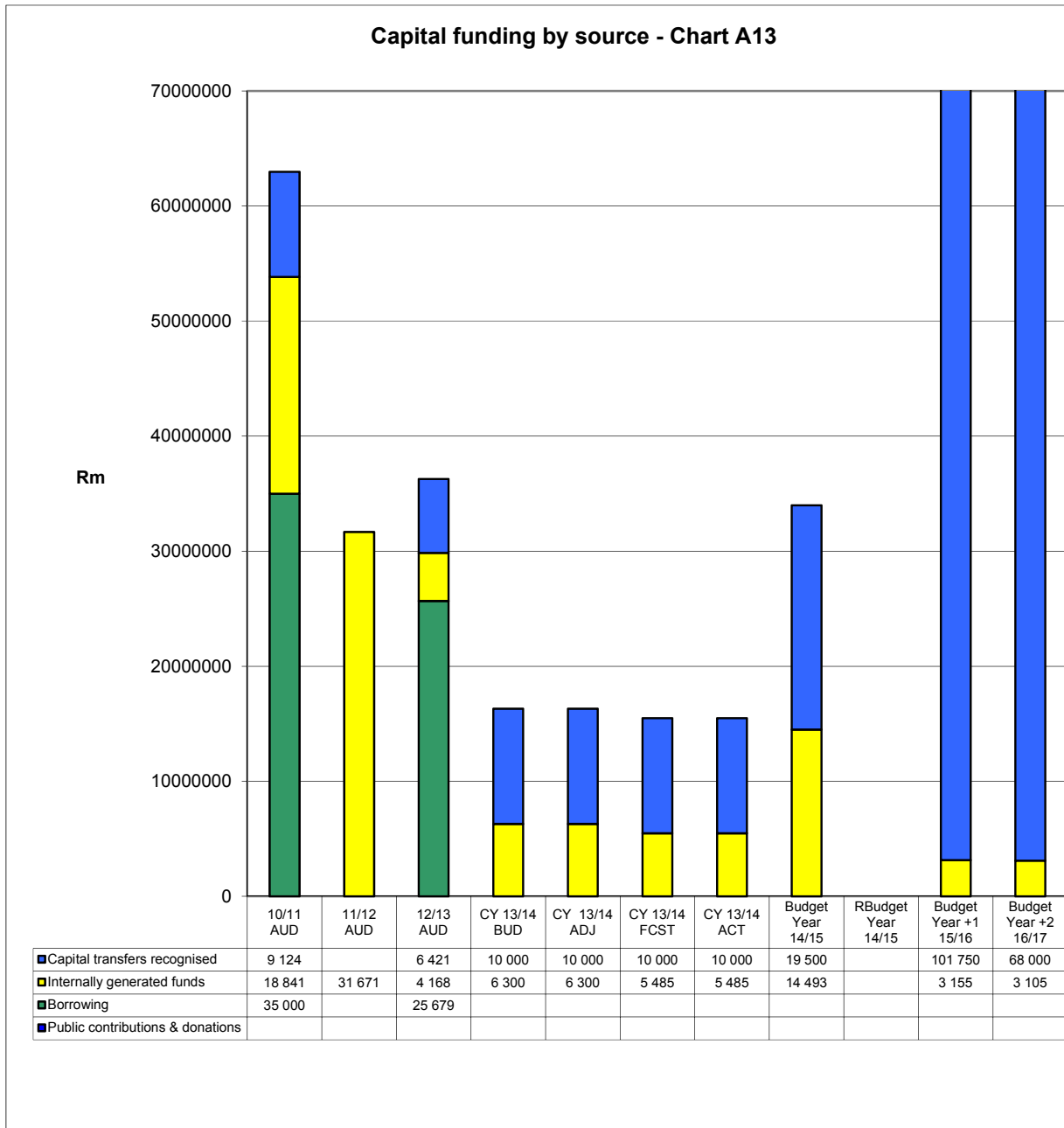
Investment revenue contributes marginally to the revenue base with a budget allocation of R8.2 million, R8.8 million and R9.4 million for the respective three financial years of the 2014/15 MTREF. It should be noted that all cash are classified under cash and cash equivalents as per GRAP. The municipality accounts for cash to comply with GRAP 24.

**Table 29 Sources of capital revenue over the MTREF**

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
<b>Funded by:</b>											
National Government		3 336			10 000	10 000	10 000	10 000	16 000	30 000	
Provincial Government											
District Municipality											
Other transfers and grants		5 788		6 421					3 500	71 750	68 000
Transfers recognised - capital	4	9 124		6 421	10 000	10 000	10 000	10 000	19 500	101 750	68 000
Public contributions & donations	5										
Borrowing	6	35 000		25 679							
Internally generated funds	6	18 841	31 671	4 168	6 300	6 300	5 485	5 485	14 493	3 155	3 105
<b>Total Capital Funding</b>	7	62 965	31 671	36 268	16 300	16 300	15 485	15 485	33 993	104 905	71 105

*References*

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



**Figure 7 Sources of capital revenue for the 2014/15 financial year**

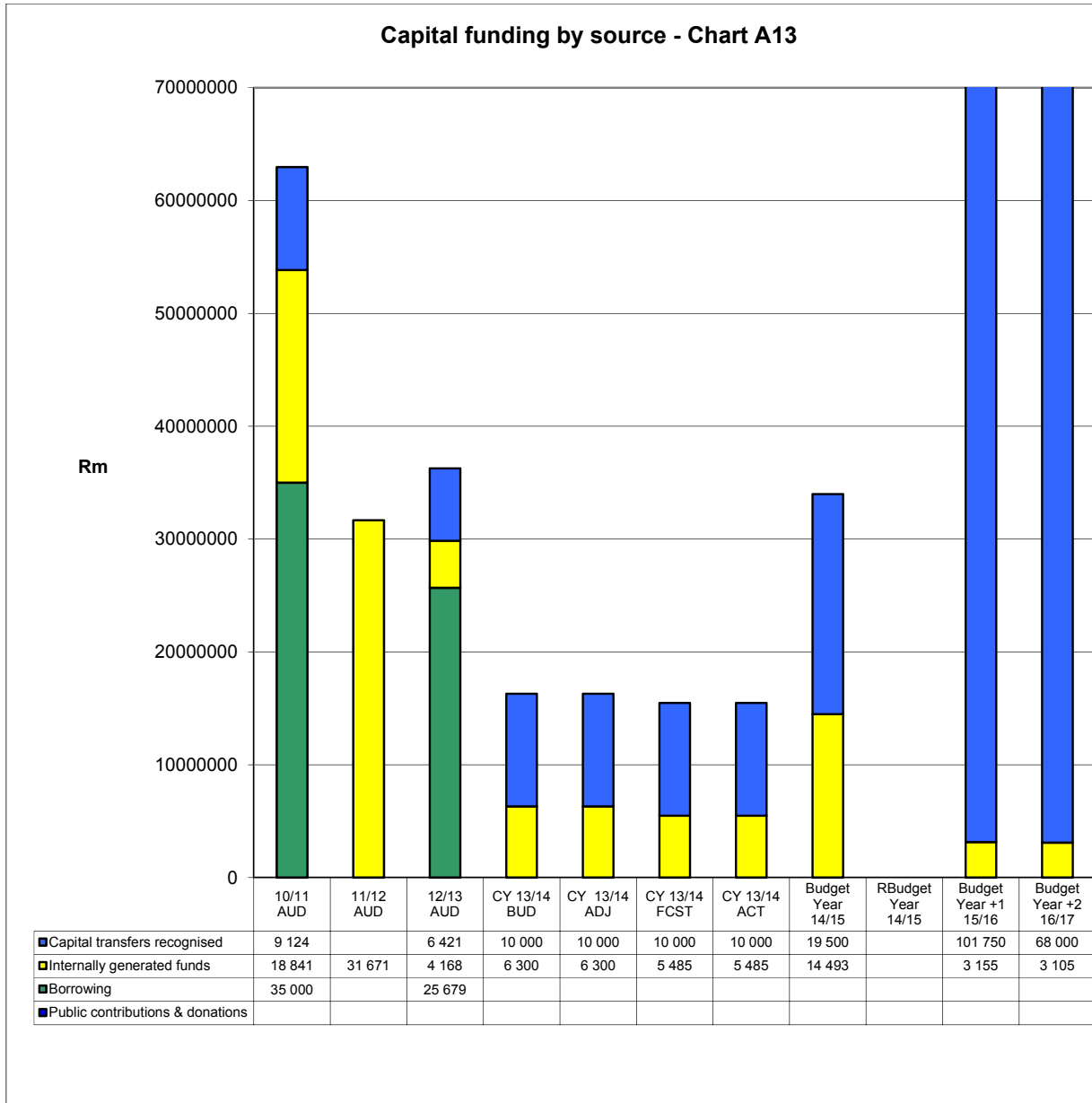
Capital grants and receipts equates to 57.4 per cent of the total funding source which represents R19.5 million for the 2014/15 financial year and increase to R68 million by 2016/17.

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

**Table 30 MBRR Table SA 17 - Detail of borrowings**

Borrowing - Categorized by type 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
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		91 116	83 146	100 756	104 285	104 285	99 785	86 531	71 038	54 034
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	91 116	83 146	100 756	104 285	104 285	99 785	86 531	71 038	54 034
<b>Entities</b>										
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										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	91 116	83 146	100 756	104 285	104 285	99 785	86 531	71 038	54 034

The following graph illustrates the growth in outstanding borrowing for the 2010/11 to 2016/17 period.



**Figure 8 Growth in outstanding borrowing (long-term liabilities)**

No borrowings are foreseen in the near future. This municipality is in the process of finding other sources to finance its capital budget.

**Table 31 MBRR Table SA 18 - Capital transfers and grants receipts**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		59 315	61 966	75 641	75 766	75 766	75 766	78 390	83 129	86 576
Local Government Equitable Share		57 565	59 294	70 000	72 626	72 626	72 626	76 206	80 912	86 576
Finance Management		1 000	1 579	1 250	1 250	1 250	1 250	1 250	1 250	1 250
Municipal Systems Improvement		750	790	1 000	890	890	890	934	967	
EPWP Incentive				1 063	1 000	1 000	1 000	-		
Other transfers/grants [WSOG]			303	2 328						
Provincial Government:		11 139	-	-	-	480	480	-	-	-
Finance Management						480	480			
EQUITABLE SHARE		11 139								
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		7 975	16 071	6 421	515	515	515	504	539	577
<i>OTHER GRANTS/TRANSFERS</i> <i>Rural Roads Asset Management System</i>		7 975	16 071	6 421	515	515	515	504	539	577
<b>Total Operating Transfers and Grants</b>	5	78 429	78 037	82 062	76 281	76 761	76 761	78 894	83 668	87 153
<b>Capital Transfers and Grants</b>										
National Government:		-	-	-	10 000	10 000	10 000	16 000	30 000	-
Regional Bulk Infrastructure					10 000	10 000	10 000	16 000	30 000	
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		5 788	-	-	-	-	-	3 500	71 750	68 000
<i>MIG</i> <i>Local Municipalities</i>		5 788						3 500	71 750	68 000
<b>Total Capital Transfers and Grants</b>	5	5 788	-	-	10 000	10 000	10 000	19 500	101 750	68 000
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		84 217	78 037	82 062	86 281	86 761	86 761	98 394	185 418	155 153

### 1.13.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding 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 32 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
Receipts											
Ratepayers and other		227 395	236 199	168 045	199 345	185 080	185 080	185 080	199 807	223 767	245 966
Government - operating	1			75 641	76 281	76 761	76 761	76 761	78 894	83 668	87 153
Government - capital	1			6 421	10 000	10 000	10 000	10 000	19 500	101 750	68 000
Interest		9 549	8 076	8 899							
Dividends											
Payments											
Suppliers and employees		(199 625)	(247 217)	(196 859)	(232 112)	(223 527)	(212 351)	(212 351)	(252 669)	(272 983)	(296 552)
Finance charges				(10 793)	(12 930)	(12 930)	(12 284)	(12 284)	(11 847)	(10 664)	(9 299)
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>37 320</b>	<b>(2 942)</b>	<b>51 353</b>	<b>40 584</b>	<b>35 384</b>	<b>47 206</b>	<b>47 206</b>	<b>33 685</b>	<b>125 538</b>	<b>95 269</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Receipts											
Proceeds on disposal of PPE		134	35 768	246							
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(62 965)	(31 671)	(36 268)	(16 300)	(16 300)	(15 485)	(15 485)	(33 993)	(104 905)	(71 105)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(62 830)</b>	<b>4 097</b>	<b>(36 022)</b>	<b>(16 300)</b>	<b>(16 300)</b>	<b>(15 485)</b>	<b>(15 485)</b>	<b>(33 993)</b>	<b>(104 905)</b>	<b>(71 105)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts											
Short term loans		29 454	(7 075)	20 581							
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(8 174)	(11 164)	(10 916)	(8 861)	(8 861)	(8 861)	(8 861)	(12 944)	(14 127)	(15 493)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>21 281</b>	<b>(18 239)</b>	<b>9 665</b>	<b>(8 861)</b>	<b>(8 861)</b>	<b>(8 861)</b>	<b>(8 861)</b>	<b>(12 944)</b>	<b>(14 127)</b>	<b>(15 493)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(4 230)</b>	<b>(17 084)</b>	<b>24 996</b>	<b>15 424</b>	<b>10 223</b>	<b>22 861</b>	<b>22 861</b>	<b>(13 252)</b>	<b>6 506</b>	<b>8 671</b>
Cash/cash equivalents at the year begin:	2	155 555	151 325	134 241	158 732	159 237	159 237	159 237	182 097	168 845	175 350
Cash/cash equivalents at the year end:	2	151 325	134 241	159 237	174 156	169 460	182 097	182 097	168 845	175 350	184 021

The above table shows that cash and cash equivalents of the municipality equals a positive cash balance of R151.3 million in 2010/11 to R184 million in 2016/17. With the 2013/14 adjustments budget various cost efficiencies and savings had to be realised to ensure the municipality could meet its operational expenditure commitments.

### 1.13.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 64 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).

**Table 33 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		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	151 325	134 241	159 237	174 156	169 460	182 097	182 097	168 845	175 350	184 021
Other current investments > 90 days		(0)	(0)	(0)	0	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>151 325</b>	<b>134 240</b>	<b>159 237</b>	<b>174 156</b>	<b>169 460</b>	<b>182 097</b>	<b>182 097</b>	<b>168 845</b>	<b>175 350</b>	<b>184 021</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		2 320	1 408	1 725	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	12 740	3 328	12 462	9 149	4 606	11 445	11 445	7 323	10 417	13 772
Other provisions		50 099	56 176	71 322	56 717	-	74 640	74 640	78 338	79 877	81 118
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>65 158</b>	<b>60 912</b>	<b>85 509</b>	<b>65 866</b>	<b>4 606</b>	<b>86 084</b>	<b>86 084</b>	<b>85 661</b>	<b>90 294</b>	<b>94 890</b>
<b>Surplus(shortfall)</b>		<b>86 166</b>	<b>73 328</b>	<b>73 728</b>	<b>108 290</b>	<b>164 854</b>	<b>96 013</b>	<b>96 013</b>	<b>83 184</b>	<b>85 056</b>	<b>89 131</b>

From the above table it can be seen that the cash and investments available total R83 million in the 2014/15 financial year and progressively increases to R89 million by 2016/17, 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.
- 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.
- Against other provisions an amount R76.3 million has been provided for the 2014/15 financial year and these increases to R81.1 million by 2016/17. This liability is informed by, amongst others, the supplementary pension liability.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation. The 2014/15 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA.

The following graph supplies an analysis of the activities relating cash and cash equivalent over a seven year perspective.

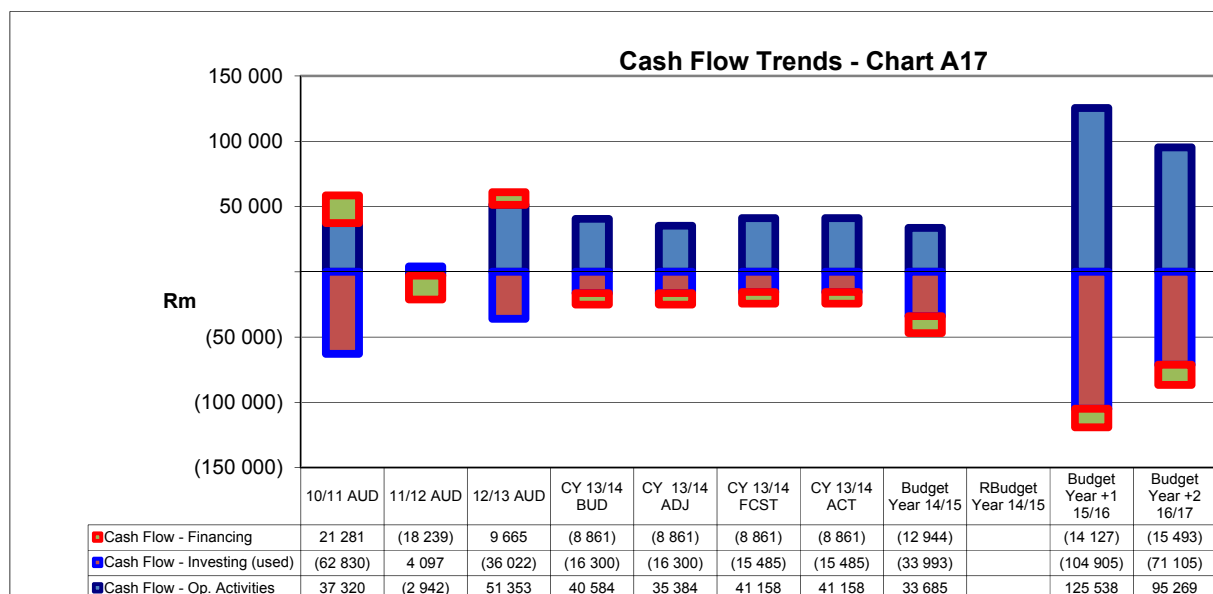


Figure 9 Cash and cash equivalents activities

1.13.4 Funding compliance measurement

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

Table 34 MBRR 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
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	151 325	134 241	159 237	174 156	169 460	182 097	182 097	168 845	175 350	184 021
Cash + investments at the yr end less applications - R'000	18(1)b	2	86 166	73 328	73 728	108 290	164 854	96 013	96 013	83 184	85 056	89 131
Cash year end/monthly employee/supplier payments	18(1)b	3	13.4	11.0	13.7	13.9	13.7	15.4	15.4	12.5	12.1	11.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(594)	(35 399)	8 966	10 621	10 621	19 613	19 613	17 101	103 830	71 246
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	1.1%	4.2%	2.7%	(6.0%)	(6.0%)	(6.0%)	2.5%	8.0%	8.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	143.7%	147.4%	98.7%	107.1%	104.5%	104.5%	104.5%	104.3%	104.1%	104.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								104.2%	163.9%	179.2%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	8.6%	17.6%	(66.3%)	0.0%	56.2%	0.0%	82.9%	18.9%	19.0%
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	19.6%	6.8%	17.5%	16.3%	5.3%	7.4%	21.1%	20.0%	18.1%	17.3%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

#### *1.13.4.1 Cash/cash equivalent position*

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

The forecasted cash and cash equivalents for the 2014/15 MTREF shows R168.8 million, R175.3 million and R184.0 million for each respective financial year.

#### *1.13.4.2 Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 17, on page 31. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *1.13.4.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. Notably, the ratio is steady.

#### *1.13.4.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. For the 2014/15 MTREF the indicative outcome is a surplus of R17.1 million, R103.8 million and R71.2 million.

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.

#### *1.13.4.5 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 104, 104 and 104 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 98 per cent performance target, the cash flow statement has been conservatively determined. Should performance with the mid-year review and adjustments, be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *1.13.4.6 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 municipality is a bulk water supplier to local municipalities this ratio is less than 0%.

#### *1.13.4.7 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

#### *1.13.4.8 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. It can be seen that borrowing equates to 0 per cent of own funded capital.

#### *1.13.4.9 Transfers/grants revenue as a percentage of Government transfers/grants available*

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

#### *1.13.4.10 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.

#### *1.13.4.11 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 49 MBRR SA34c on page 80.

## 1.14 Expenditure on grants and reconciliations of unspent funds

**Table 35 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
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		59 315	61 966	75 641	75 766	75 766	75 766	78 390	83 129	86 576
Local Government Equitable Share		57 565	59 294	70 000	72 626	72 626	72 626	76 206	80 912	86 576
Finance Management		1 000	1 579	1 250	1 250	1 250	1 250	1 250	1 250	
Municipal Systems Improvement		750	790	1 000	890	890	890	934	967	
EPWP Incentive				1 063	1 000	1 000	1 000	-		
<b>Other transfers/grants [WSOG]</b>			303	2 328						
Provincial Government:		11 139	-	-	-	480	480	-	-	-
Finance Management						480	480			
<b>EQUITABLE SHARE</b>		11 139								
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		7 975	16 071	6 421	515	515	515	504	539	577
<i>OTHER GRANTS/TRANSFERS</i>		7 975	16 071	6 421	515	515	515	504	539	577
<i>RURAL ROADS ASSET MANAGEMENT SYSTEM</i>										
<b>Total operating expenditure of Transfers and Grants</b>		78 429	78 037	82 062	76 281	76 761	76 761	78 894	83 668	87 153
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	-	-	10 000	10 000	10 000	16 000	30 000	-
Regional Bulk Infrastructure					10 000	10 000	10 000	16 000	30 000	
<b>Other capital transfers/grants [insert desc]</b>										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		5 788	-	-	-	-	-	3 500	71 750	68 000
<i>MIG</i>		5 788								
<i>Local Municipalities</i>								3 500	71 750	68 000
<b>Total capital expenditure of Transfers and Grants</b>		5 788	-	-	10 000	10 000	10 000	19 500	101 750	68 000
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		84 217	78 037	82 062	86 281	86 761	86 761	98 394	185 418	155 153

**Table 36 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
<b>Operating transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		81 517	78 037	75 641	75 766	76 246	76 246	78 390	83 129	86 576
Conditions met - transferred to revenue		81 517	78 037	75 641	75 766	76 246	76 246	78 390	83 129	86 576
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					515	515	515	504	539	577
Conditions met - transferred to revenue		-	-	-	515	515	515	504	539	577
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		<b>81 517</b>	<b>78 037</b>	<b>75 641</b>	<b>76 281</b>	<b>76 761</b>	<b>76 761</b>	<b>78 894</b>	<b>83 668</b>	<b>87 153</b>
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		9 124		6 421	10 000	10 000	10 000	16 000	30 000	
Conditions met - transferred to revenue		9 124	-	6 421	10 000	10 000	10 000	16 000	30 000	-
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							3 500	71 750	68 000	
Conditions met - transferred to revenue		-	-	-	-	-	3 500	71 750	68 000	
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		<b>9 124</b>	<b>-</b>	<b>6 421</b>	<b>10 000</b>	<b>10 000</b>	<b>10 000</b>	<b>19 500</b>	<b>101 750</b>	<b>68 000</b>
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>90 641</b>	<b>78 037</b>	<b>82 062</b>	<b>86 281</b>	<b>86 761</b>	<b>86 761</b>	<b>98 394</b>	<b>185 418</b>	<b>155 153</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

### 1.15 Councillor and employee benefits

**Table 37 MBRR SA22 - Summary of councillor and staff benefits**

Summary of Employee and Councillor 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
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		3 656	2 930	2 839	3 601	3 601	3 421	3 451	3 728	4 026
Pension and UIF Contributions		349	137	438	479	479	75	174	187	202
Medical Aid Contributions								56	61	65
Motor Vehicle Allowance		451	444	878	514	514	489	518	560	604
Cellphone Allowance		163	130	183	154	154	146	200	216	234
Housing Allowances										
Other benefits and allowances		81	11	34	36	36	34	34	37	39
<b>Sub Total - Councillors</b>		<b>4 700</b>	<b>3 652</b>	<b>4 372</b>	<b>4 784</b>	<b>4 784</b>	<b>4 165</b>	<b>4 434</b>	<b>4 788</b>	<b>5 171</b>
% increase	4		(22.3%)	19.7%	9.4%	-	(12.9%)	6.5%	8.0%	8.0%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		5 195	3 545	3 913	4 000	4 000	3 800	4 392	4 744	5 124
Pension and UIF Contributions		404	435	198	107	107	102	361	390	421
Medical Aid Contributions		72	59	62	131	131	124	137	148	160
Overtime										
Performance Bonus		175	203	192	213	213	202	275	297	321
Motor Vehicle Allowance	3	276	261	382	333	333	317	172	185	200
Cellphone Allowance	3				78	78	74	61	65	71
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave		122	101	83	16	16	15	21	23	25
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>		<b>6 244</b>	<b>4 604</b>	<b>4 906</b>	<b>4 878</b>	<b>4 878</b>	<b>4 634</b>	<b>5 419</b>	<b>5 853</b>	<b>6 322</b>
% increase	4		(26.3%)	6.6%	(0.6%)	-	(5.0%)	16.9%	8.0%	8.0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		36 845	36 995	42 467	45 044	46 424	44 102	53 346	57 197	61 772
Pension and UIF Contributions		6 246	6 532	7 367	8 202	8 202	7 792	9 053	9 599	10 367
Medical Aid Contributions		1 922	4 547	2 156	0	0	0	2 808	3 033	3 276
Overtime		4 713	4 021	2 053	2 255	2 255	2 143	3 125	3 374	3 644
Performance Bonus		2 772	2 813		3 672	3 672	3 488	4 096	4 392	4 743
Motor Vehicle Allowance	3	4 233	4 531	4 448	4 746	4 746	4 509	5 144	5 556	6 000
Cellphone Allowance	3	566	607	559	583	583	554	549	580	626
Housing Allowances	3	321	343	365	382	382	363	353	382	412
Other benefits and allowances	3	955	907	5 287	4 991	4 991	4 741	5 559	7 756	8 376
Payments in lieu of leave										
Long service awards			284		163	163	155	264	266	275
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>		<b>58 574</b>	<b>61 580</b>	<b>64 702</b>	<b>70 038</b>	<b>71 418</b>	<b>67 848</b>	<b>84 297</b>	<b>92 134</b>	<b>99 492</b>
% increase	4		5.1%	5.1%	8.2%	2.0%	(5.0%)	24.2%	9.3%	8.0%
<b>Total Parent Municipality</b>		<b>69 518</b>	<b>69 836</b>	<b>73 980</b>	<b>79 700</b>	<b>81 080</b>	<b>76 646</b>	<b>94 149</b>	<b>102 776</b>	<b>110 986</b>
% increase			0.5%	5.9%	7.7%	1.7%	(5.5%)	22.8%	9.2%	8.0%
<b>Board Members of Entities</b>										
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									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Board Members of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
% increase	4									
<b>Senior Managers of Entities</b>										
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									
<b>Sub Total - Senior Managers of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
% increase	4									
<b>Other Staff of Entities</b>										
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									
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
% increase	4									
<b>Total Municipal Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>69 518</b>	<b>69 836</b>	<b>73 980</b>	<b>79 700</b>	<b>81 080</b>	<b>76 646</b>	<b>94 149</b>	<b>102 776</b>	<b>110 986</b>
% increase	4		0.5%	5.9%	7.7%	1.7%	(5.5%)	22.8%	9.2%	8.0%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>64 818</b>	<b>66 184</b>	<b>69 608</b>	<b>74 916</b>	<b>76 296</b>	<b>72 481</b>	<b>89 715</b>	<b>97 987</b>	<b>105 814</b>





**Table 39 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)		25	7	17	24	7	17	27	9	18
Board Members of municipal entities	4	10	4	-	3	3	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	-	-	-	4	4	-	4	4	-
Other Managers	7	-	-	-	-	-	-	-	-	-
Professionals		115	107	4	114	106	4	133	112	16
Finance		28	22	4	25	21	4	31	22	4
Spatial/town planning		-	2	-	2	2	-	1	1	-
Information Technology		-	2	-	2	2	-	2	2	1
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		4	-	-	4	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		2	-	-	-	-	-	-	-	-
Other		81	81	-	81	81	-	99	87	11
Technicians		487	330	158	493	345	158	411	339	34
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		267	170	98	267	170	98	202	185	28
Electricity		-	-	-	-	-	-	-	-	-
Water		105	97	8	104	96	8	131	98	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		115	63	52	122	79	52	78	56	6
Clerks (Clerical and administrative)		-	-	-	-	-	-	-	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		20	19	1	26	19	1	29	25	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	657	467	180	664	484	180	604	489	68
% increase					1.1%	3.6%	-	(9.0%)	1.0%	(62.2%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

**1.16 Monthly targets for revenue, expenditure and cash flow**

Table 40 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
<b>Revenue By Source</b>																
Property rates														-	-	-
Property rates - penalties & collection charges														-	-	-
Service charges - electricity revenue														-	-	-
Service charges - water revenue		5 234	5 234	6 281	6 281	7 328	10 468	10 468	8 374	11 515	16 749	10 468	6 281	104 679	119 346	137 177
Service charges - sanitation revenue														-	-	-
Service charges - refuse revenue														-	-	-
Service charges - other														-	-	-
Rental of facilities and equipment		152	152	183	183	213	304	304	244	335	487	304	183	3 044	3 364	3 600
Interest earned - external investments		413	413	495	495	578	825	825	660	908	1 320	825	495	8 250	8 828	9 445
Interest earned - outstanding debtors		3	3	3	3	4	5	5	4	6	9	5	3	53	57	61
Dividends received														-	-	-
Fines														-	-	-
Licences and permits		3	3	4	4	4	6	6	5	7	9	6	4	59	63	68
Agency services		3 578	3 578	4 293	4 293	5 009	7 156	7 156	5 724	7 871	11 449	7 156	4 293	71 556	76 565	81 284
Transfers recognised - operational		26 298					26 298			26 298				-	78 894	83 668
Other revenue		63	63	76	76	89	127	127	101	139	202	127	10 976	12 165	15 543	14 331
Gains on disposal of PPE														-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>35 743</b>	<b>9 445</b>	<b>11 334</b>	<b>11 334</b>	<b>13 223</b>	<b>45 189</b>	<b>18 891</b>	<b>15 113</b>	<b>47 078</b>	<b>30 225</b>	<b>18 891</b>	<b>22 235</b>	<b>278 701</b>	<b>307 435</b>	<b>333 119</b>
<b>Expenditure By Type</b>																
Employee related costs		4 486	4 486	5 383	5 383	6 280	8 972	8 972	7 177	9 869	14 354	8 972	5 383	89 715	97 988	105 815
Remuneration of councillors		222	222	266	266	310	443	443	355	488	709	443	266	4 434	4 788	5 171
Debt impairment														-	-	-
Depreciation & asset impairment		829	829	995	995	1 161	1 658	1 658	1 327	1 824	2 653	1 658	995	16 584	21 707	24 022
Finance charges							5 924						5 924	11 847	10 664	9 299
Bulk purchases		490	490	588	588	686	980	980	784	1 078	1 568	980	588	9 800	10 388	11 011
Other materials		3 472	3 472	4 167	4 167	4 861	6 945	6 945	5 556	7 639	11 111	6 945	4 167	69 445	77 853	82 520
Contracted services														-	-	-
Transfers and grants														-	-	-
Other expenditure		3 964	3 964	4 757	4 757	5 549	7 928	7 928	6 342	8 720	12 684	7 928	4 756	79 275	81 966	92 034
Loss on disposal of PPE														-	-	-
<b>Total Expenditure</b>		<b>13 463</b>	<b>13 463</b>	<b>16 155</b>	<b>16 155</b>	<b>18 848</b>	<b>32 849</b>	<b>26 925</b>	<b>21 540</b>	<b>29 618</b>	<b>43 080</b>	<b>26 925</b>	<b>22 079</b>	<b>281 100</b>	<b>305 354</b>	<b>329 872</b>
<b>Surplus/(Deficit)</b>		<b>22 281</b>	<b>(4 017)</b>	<b>(4 821)</b>	<b>(4 821)</b>	<b>(5 624)</b>	<b>12 340</b>	<b>(8 035)</b>	<b>(6 428)</b>	<b>17 460</b>	<b>(12 855)</b>	<b>(8 035)</b>	<b>156</b>	<b>(2 399)</b>	<b>2 080</b>	<b>3 246</b>
Transfers recognised - capital		5 333					5 333			5 333			3 500	19 500	101 750	68 000
Contributions recognised - capital														-	-	-
Contributed assets														-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>27 614</b>	<b>(4 017)</b>	<b>(4 821)</b>	<b>(4 821)</b>	<b>(5 624)</b>	<b>17 673</b>	<b>(8 035)</b>	<b>(6 428)</b>	<b>22 793</b>	<b>(12 855)</b>	<b>(8 035)</b>	<b>3 656</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>27 614</b>	<b>(4 017)</b>	<b>(4 821)</b>	<b>(4 821)</b>	<b>(5 624)</b>	<b>17 673</b>	<b>(8 035)</b>	<b>(6 428)</b>	<b>22 793</b>	<b>(12 855)</b>	<b>(8 035)</b>	<b>3 656</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>

**Table 41 MBRR 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
<b>Revenue by Vote</b>																
Vote 1 - COMMUNITY SERVICES		4 262	4 262	5 114	5 114	5 966	8 523	8 523	6 819	9 376	13 637	8 523	5 114	85 234	90 105	91 742
Vote 2 - SUBSIDISED SERVICES		641	641	769	769	897	1 281	1 281	1 025	1 409	2 050	1 281	768	12 811	16 581	17 739
Vote 3 - ECONOMIC SERVICES		152	152	183	183	213	304	304	244	335	487	304	183	3 044	3 364	3 600
Vote 4 - HOUSING SERVICES		89	89	107	107	124	178	178	142	195	284	178	107	1 777	1 902	2 035
Vote 5 - TRADING SERVICES		6 189	6 189	7 427	7 427	8 665	12 378	12 378	9 902	13 616	19 805	12 378	7 426	123 779	220 668	204 719
Vote 6 - AGENCIES		3 578	3 578	4 293	4 293	3 578	3 578	3 578	3 578	3 578	3 578	3 578	30 769	71 556	76 565	81 284
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>14 910</b>	<b>14 910</b>	<b>17 892</b>	<b>17 892</b>	<b>19 443</b>	<b>26 242</b>	<b>26 242</b>	<b>21 709</b>	<b>28 509</b>	<b>39 841</b>	<b>26 242</b>	<b>44 368</b>	<b>298 201</b>	<b>409 185</b>	<b>401 119</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - COMMUNITY SERVICES		2 728	2 728	3 273	3 273	3 819	5 455	5 455	4 364	6 001	8 728	5 455	3 273	54 551	57 211	56 821
Vote 2 - SUBSIDISED SERVICES		2 118	2 118	2 542	2 542	2 965	4 236	4 236	3 389	4 660	6 778	4 236	2 542	42 363	47 063	50 410
Vote 3 - ECONOMIC SERVICES		209	209	251	251	292	418	418	334	459	668	418	250	4 176	4 493	4 887
Vote 4 - HOUSING SERVICES		50	50	60	60	70	100	100	80	110	161	100	60	1 004	1 074	1 150
Vote 5 - TRADING SERVICES		5 373	5 373	6 447	6 447	7 522	10 745	10 745	8 596	11 820	17 192	10 745	6 447	107 451	118 949	135 322
Vote 6 - AGENCIES		3 578	3 578	4 293	4 293	5 009	7 156	7 156	5 724	7 871	11 449	7 156	4 293	71 556	76 565	81 284
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>14 055</b>	<b>14 055</b>	<b>16 866</b>	<b>16 866</b>	<b>19 677</b>	<b>28 110</b>	<b>28 110</b>	<b>22 488</b>	<b>30 921</b>	<b>44 976</b>	<b>28 110</b>	<b>16 865</b>	<b>281 100</b>	<b>305 354</b>	<b>329 872</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>855</b>	<b>855</b>	<b>1 026</b>	<b>1 026</b>	<b>(234)</b>	<b>(1 868)</b>	<b>(1 868)</b>	<b>(779)</b>	<b>(2 412)</b>	<b>(5 135)</b>	<b>(1 868)</b>	<b>27 503</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>855</b>	<b>855</b>	<b>1 026</b>	<b>1 026</b>	<b>(234)</b>	<b>(1 868)</b>	<b>(1 868)</b>	<b>(779)</b>	<b>(2 412)</b>	<b>(5 135)</b>	<b>(1 868)</b>	<b>27 503</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>

**Table 42 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

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
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		3 959	3 959	4 751	4 751	5 543	7 919	7 919	6 335	8 710	12 670	7 919	4 751	79 186	82 007	83 077
Executive and council		137	137	164	164	191	273	273	219	301	437	273	163	2 733	2 867	2 035
Budget and treasury office		3 822	3 822	4 587	4 587	5 351	7 645	7 645	6 116	8 409	12 232	7 645	4 587	76 448	79 134	81 036
Corporate services		0	0	0	0	0	1	1	0	1	1	1	1	5	6	6
<i>Community and public safety</i>		1 115	1 115	1 338	1 338	1 561	2 230	2 230	1 784	2 453	3 568	2 230	1 338	22 303	28 472	30 462
Community and social services		152	152	183	183	213	304	304	244	335	487	304	183	3 044	3 364	3 600
Sport and recreation																
Public safety		572	572	686	686	800	1 143	1 143	915	1 258	1 829	1 143	686	11 432	15 105	16 160
Housing		89	89	107	107	124	178	178	142	195	284	178	107	1 777	1 902	2 035
Health		303	303	363	363	424	605	605	484	666	968	605	363	6 050	8 100	8 667
<i>Economic and environmental services</i>		3 578	3 578	4 293	4 293	5 009	7 156	7 156	5 724	7 871	11 449	7 156	4 293	71 556	76 565	81 284
Planning and development																
Road transport		3 578	3 578	4 293	4 293	5 009	7 156	7 156	5 724	7 871	11 449	7 156	4 293	71 556	76 565	81 284
Environmental protection																
<i>Trading services</i>		6 258	6 258	7 509	7 509	8 761	12 516	12 516	10 012	13 767	20 025	12 516	7 509	125 156	222 142	206 296
Electricity																
Water		6 258	6 258	7 509	7 509	8 761	12 516	12 516	10 012	13 767	20 025	12 516	7 509	125 156	222 142	206 296
Waste water management																
Waste management																
<i>Other</i>																
<b>Total Revenue - Standard</b>		<b>14 910</b>	<b>14 910</b>	<b>17 892</b>	<b>17 892</b>	<b>20 874</b>	<b>29 820</b>	<b>29 820</b>	<b>23 856</b>	<b>32 802</b>	<b>47 712</b>	<b>29 820</b>	<b>17 892</b>	<b>298 201</b>	<b>409 185</b>	<b>401 119</b>
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		1 778	1 778	2 133	2 133	2 489	3 556	3 556	2 845	3 911	5 689	3 556	2 087	35 511	37 935	36 014
Executive and council		783	783	940	940	1 096	1 566	1 566	1 253	1 723	2 506	1 566	894	15 616	16 609	16 823
Budget and treasury office		559	559	671	671	783	1 118	1 118	894	1 230	1 789	1 118	670	11 179	12 064	9 249
Corporate services		436	436	523	523	610	872	872	697	959	1 395	872	523	8 717	9 261	9 943
<i>Community and public safety</i>		2 941	2 941	3 529	3 529	4 117	5 881	5 881	4 705	6 470	9 410	5 881	3 527	58 813	64 820	69 643
Community and social services		209	209	251	251	292	418	418	334	459	668	418	250	4 176	4 493	4 887
Sport and recreation																
Public safety		1 829	1 829	2 195	2 195	2 560	3 658	3 658	2 926	4 023	5 852	3 658	2 194	36 576	40 881	43 819
Housing		50	50	60	60	70	100	100	80	110	161	100	60	1 004	1 074	1 150
Health		853	853	1 023	1 023	1 194	1 706	1 706	1 365	1 876	2 729	1 706	1 023	17 058	18 372	19 788
<i>Economic and environmental services</i>		3 745	3 745	4 494	4 494	5 243	7 490	7 490	5 992	8 239	11 985	7 490	4 495	74 904	80 127	85 140
Planning and development		167	167	201	201	234	335	335	268	368	536	335	201	3 348	3 562	3 856
Road transport		3 578	3 578	4 293	4 293	5 009	7 156	7 156	5 724	7 871	11 449	7 156	4 293	71 556	76 565	81 284
Environmental protection																
<i>Trading services</i>		5 594	5 594	6 712	6 712	7 831	11 187	11 187	8 950	12 306	17 900	11 187	6 712	111 872	122 473	139 076
Electricity																
Water		5 594	5 594	6 712	6 712	7 831	11 187	11 187	8 950	12 306	17 900	11 187	6 712	111 872	122 473	139 076
Waste water management																
Waste management																
<i>Other</i>																
<b>Total Expenditure - Standard</b>		<b>14 057</b>	<b>14 057</b>	<b>16 869</b>	<b>16 869</b>	<b>19 680</b>	<b>28 115</b>	<b>28 115</b>	<b>22 492</b>	<b>30 926</b>	<b>44 984</b>	<b>28 115</b>	<b>16 821</b>	<b>281 100</b>	<b>305 354</b>	<b>329 872</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>853</b>	<b>853</b>	<b>1 023</b>	<b>1 023</b>	<b>1 194</b>	<b>1 705</b>	<b>1 705</b>	<b>1 364</b>	<b>1 876</b>	<b>2 729</b>	<b>1 705</b>	<b>1 071</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>
Share of surplus/ (deficit) of associate																
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>853</b>	<b>853</b>	<b>1 023</b>	<b>1 023</b>	<b>1 194</b>	<b>1 705</b>	<b>1 705</b>	<b>1 364</b>	<b>1 876</b>	<b>2 729</b>	<b>1 705</b>	<b>1 071</b>	<b>17 101</b>	<b>103 830</b>	<b>71 246</b>

**Table 43 MBRR 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
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - COMMUNITY SERVICES														-	-	-
Vote 2 - SUBSIDISED SERVICES														-	-	-
Vote 3 - ECONOMIC SERVICES														-	-	-
Vote 4 - HOUSING SERVICES														-	-	-
Vote 5 - TRADING SERVICES		1 383	1 383	1 659	1 659	1 936	2 765	2 765	2 212	3 042	4 424	2 765	1 659	27 650	100 050	68 000
Vote 6 - AGENCIES														-	-	-
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	1 383	1 383	1 659	1 659	1 936	2 765	2 765	2 212	3 042	4 424	2 765	1 659	27 650	100 050	68 000
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - COMMUNITY SERVICES		8	8	10	10	12	17	17	13	18	27	17	10	167	-	-
Vote 2 - SUBSIDISED SERVICES		125	125	150	150	176	251	251	201	276	401	251	150	2 508	-	-
Vote 3 - ECONOMIC SERVICES		5	5	6	6	7	10	10	8	11	16	10	6	100	-	-
Vote 4 - HOUSING SERVICES														-	-	-
Vote 5 - TRADING SERVICES		178	178	214	214	250	357	357	285	392	571	357	214	3 568	4 855	3 105
Vote 6 - AGENCIES														-	-	-
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
<b>Capital single-year expenditure sub-total</b>	2	317	317	381	381	444	634	634	507	698	1 015	634	381	6 343	4 855	3 105
<b>Total Capital Expenditure</b>	2	1 700	1 700	2 040	2 040	2 380	3 399	3 399	2 719	3 739	5 439	3 399	2 040	33 993	104 905	71 105

**Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

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
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		6	6	7	7	8	12	12	9	13	19	12	7	117	-	-
Executive and council													-	-	-	-
Budget and treasury office		5	5	6	6	7	10	10	8	11	16	10	(94)	2	-	-
Corporate services		1	1	1	1	1	2	2	1	2	2	2	101	115	-	-
<i>Community and public safety</i>		133	133	159	159	186	266	266	213	292	425	266	159	2 658	-	-
Community and social services		5	5	6	6	7	10	10	8	11	16	10	6	100	-	-
Sport and recreation													-	-	-	-
Public safety		125	125	150	150	176	251	251	201	276	401	251	150	2 508	-	-
Housing													-	-	-	-
Health		3	3	3	3	4	5	5	4	6	8	5	3	50	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development													-	-	-	-
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		1 561	1 561	1 873	1 873	2 185	3 122	3 122	2 497	3 434	4 995	3 122	1 873	31 218	104 905	71 105
Electricity													-	-	-	-
Water		1 561	1 561	1 873	1 873	2 185	3 122	3 122	2 497	3 434	4 995	3 122	1 873	31 218	104 905	71 105
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	1 700	1 700	2 040	2 040	2 380	3 399	3 399	2 719	3 739	5 439	3 399	2 040	33 993	104 905	71 105
<b>Funded by:</b>																
National Government		5 333					5 333			5 333			-	16 000	30 000	-
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants		3 500											-	3 500	71 750	68 000
Transfers recognised - capital		8 833	-	-	-	-	5 333	-	-	5 333	-	-	-	19 500	101 750	68 000
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		14 493											-	14 493	3 155	3 105
<b>Total Capital Funding</b>		23 326	-	-	-	-	5 333	-	-	5 333	-	-	-	33 993	104 905	71 105

**Table 45 MBRR 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
<b>Cash Receipts By Source</b>													1			
Property rates													-			
Property rates - penalties & collection charges													-			
Service charges - electricity revenue													-			
Service charges - water revenue	5 234	5 234	6 281	6 281	7 328	10 468	10 468	8 374	11 515	16 749	10 468	6 281	104 679	119 346	137 177	
Service charges - sanitation revenue													-			
Service charges - refuse revenue													-			
Service charges - other													-			
Rental of facilities and equipment	152	152	183	183	213	304	304	244	335	487	304	183	3 044	3 364	3 600	
Interest earned - external investments	413	413	495	495	578	825	825	660	908	1 320	825	495	8 250	8 828	9 445	
Interest earned - outstanding debtors	3	3	3	3	4	5	5	4	6	9	5	3	53	57	61	
Dividends received													-			
Fines													-			
Licences and permits	3	3	4	4	4	6	6	5	7	9	6	4	59	63	68	
Agency services	3 578	3 578	4 293	4 293	5 009	7 156	7 156	5 724	7 871	11 449	7 156	4 293	71 556	76 565	81 284	
Transfer receipts - operational	26 298					26 298			26 298				-	78 894	83 668	87 153
Other revenue	608	608	730	730	851	1 216	1 216	973	1 338	1 946	1 216	730	12 164	15 543	14 331	
<b>Cash Receipts by Source</b>	<b>36 288</b>	<b>9 990</b>	<b>11 988</b>	<b>11 988</b>	<b>13 986</b>	<b>46 279</b>	<b>19 981</b>	<b>15 984</b>	<b>48 277</b>	<b>31 969</b>	<b>19 981</b>	<b>11 988</b>	<b>278 700</b>	<b>307 435</b>	<b>333 119</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	5 333					5 333			5 333				-	16 000	30 000	
Contributions recognised - capital & Contributed	1 167					1 167			1 167				-	3 500	71 750	68 000
Proceeds on disposal of PPE													-			
Short term loans													-			
Borrowing long term/refinancing													-			
Increase (decrease) in consumer deposits													-			
Decrease (increase) in non-current debtors													-			
Decrease (increase) other non-current receivables													-			
Decrease (increase) in non-current investments													-			
<b>Total Cash Receipts by Source</b>	<b>42 788</b>	<b>9 990</b>	<b>11 988</b>	<b>11 988</b>	<b>13 986</b>	<b>52 779</b>	<b>19 981</b>	<b>15 984</b>	<b>54 777</b>	<b>31 969</b>	<b>19 981</b>	<b>11 988</b>	<b>298 200</b>	<b>409 185</b>	<b>401 119</b>	
<b>Cash Payments by Type</b>																
Employee related costs	4 486	4 486	5 383	5 383	6 280	8 972	8 972	7 177	9 869	14 354	8 972	5 383	89 715	97 988	105 815	
Remuneration of councillors	222	222	266	266	310	443	443	355	488	709	443	266	4 434	4 788	5 171	
Finance charges						5 924							5 924	11 847	9 299	
Bulk purchases - Electricity													-			
Bulk purchases - Water & Sewer	490	490	588	588	686	980	980	784	1 078	1 568	980	588	9 800	10 388	11 011	
Other materials	3 472	3 472	4 167	4 167	4 861	6 945	6 945	5 556	7 639	11 111	6 945	4 167	69 445	77 853	82 520	
Contracted services													-			
Transfers and grants - other municipalities													-			
Transfers and grants - other													-			
Other expenditure	3 964	3 964	4 756	4 756	5 549	7 927	7 927	6 342	8 720	12 684	7 927	4 756	79 275	81 966	92 034	
<b>Cash Payments by Type</b>	<b>12 633</b>	<b>12 633</b>	<b>15 160</b>	<b>15 160</b>	<b>17 687</b>	<b>31 190</b>	<b>25 267</b>	<b>20 214</b>	<b>27 794</b>	<b>40 427</b>	<b>25 267</b>	<b>21 084</b>	<b>264 516</b>	<b>283 647</b>	<b>305 850</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	1 700	1 700	2 040	2 040	2 380	3 399	3 399	2 719	3 739	5 439	3 399	2 040	33 993	104 905	71 105	
Repayment of borrowing						6 472	-					6 472	12 944	14 127	15 493	
Other Cash Flow s/Payments													-			
<b>Total Cash Payments by Type</b>	<b>14 333</b>	<b>14 333</b>	<b>17 200</b>	<b>17 200</b>	<b>20 066</b>	<b>41 062</b>	<b>28 666</b>	<b>22 933</b>	<b>31 533</b>	<b>45 866</b>	<b>28 666</b>	<b>29 595</b>	<b>311 453</b>	<b>402 680</b>	<b>392 448</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>28 455</b>	<b>(4 343)</b>	<b>(5 211)</b>	<b>(5 211)</b>	<b>(6 080)</b>	<b>11 717</b>	<b>(8 686)</b>	<b>(6 949)</b>	<b>23 244</b>	<b>(13 897)</b>	<b>(8 686)</b>	<b>(17 607)</b>	<b>(13 254)</b>	<b>6 505</b>	<b>8 671</b>	
Cash/cash equivalents at the month/year begin:	183 659	212 114	207 771	202 560	197 349	191 269	202 985	194 300	187 351	210 595	196 698	188 012	183 659	170 405	176 911	
Cash/cash equivalents at the month/year end:	212 114	207 771	202 560	197 349	191 269	202 985	194 300	187 351	210 595	196 698	188 012	170 405	170 405	176 911	185 581	

## 1.17 Annual budgets and SDBIPs – internal departments

### 1.17.1 Water Services Department – Vote 5

The department is primarily responsible for the distribution of bulk water, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

**Table 46 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure**

Description	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>							
<b>Financial Performance</b>							
Service charges	106 511	106 511	106 511	106 511	123 779	220 668	204 719
Total Revenue (excluding capital transfers and contributions)							
Employee related cost	22 551	22 511	21 386	21 386	34 542	31 702	34 238
Debt impairment	200	200	200	200	400	450	400
Depreciation & Asset impairment	14 579	14 579	13 850	13 850	8 834	13 490	15 312
Finance Charges	12 930	12 930	12 284	12 284	11 847	10 663	9 298
Bulk Purchases	9 861	9 861	9 368	9 368	9 800	10 388	11 011
Other Materials	4 012	4 012	3 812	3 812	4 131	4 416	4 666
Other Expenditure	32 123	32 123	30 997	30 997	37 897	47 840	60 397
Total Expenditure	96 254	96 254	91 897	91 897	107 451	118 949	135 322
Surplus / (Deficit)	257	257	14 614	14 614	16 328	101 719	69 397
Transfers – Capital	10 000	10 000	10 000	10 000	19 500	101 750	68 000
Surplus / (Deficit) after Capital Transfers	10 257	10 257	5 485	5 485	11 718	3 155	3 105
Capital Expenditure	16 300	16 300	15 485	15 485	31 218	104 905	71 105

**Table 47 Water Services Department – Performance objectives and indicators**

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17

<b>Vote 5 - Trading Services</b>										
----------------------------------	--	--	--	--	--	--	--	--	--	--

Update the Bulk Water System Master Plan and submit to council by 30 June	Updated plan submitted to council by 30 June	New 3rd generation IDP, new key performance indicators	1	1	1	1	1	1	1	1
Spend the approved capital budget allocation for bulk water projects	% spent of capital budget allocation for bulk water projects	New 3rd generation IDP, new key performance indicators	100%	100%	100%	100%	100%	100%	100%	100%
Source funding by 31 December for the development of the Saldanha Desalination Plant as an additional supply source for Bulk water	Funding application submitted	New 3rd generation IDP, new key performance indicators	1	1	1	1	1	1	1	1



There are currently no unfilled positions in the top management structure of the Water Services Department. The top management structure consists of the Director, senior manager and 1 professional engineer.

Significant capital projects to be undertaken over the medium term includes, amongst others:

- Vergeleë Storage (29mi) – R7 million; and
- Desalination Plant – R16 million;

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R4.1 million, R4.4 million and R4.6 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water of which budget appropriation for the 2014/15 financial year is R123.7 million and increases to R204.7 million by 2016/17 and has been informed by a collection rate of 100 per cent and distribution losses of 5 per cent.

The reduction of distribution losses is considered a priority and hence the departmental objectives and targets. Past performance has been irregular with a total distribution loss of 11.68 per cent in 2010/11, dropping to 5 per cent the next year resulting in a total distribution loss of 15 per cent for the years.

**Note: Municipalities would be required to undertake the aforementioned for each department/vote within the municipality.**

## **1.18 Contracts having future budgetary implications**

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

## **1.19 Capital expenditure details**

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

Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		51 935	28 877	33 166	15 200	15 200	14 440	27 650	101 750	68 000
Infrastructure - Road transport		3 336	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		3 336	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	582	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	582	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		48 600	28 295	33 166	15 200	15 200	14 440	27 650	101 750	68 000
Dams & Reservoirs		1 591	4 299	-	-	-	-	8 850	31 700	31 000
Water purification		-	-	1 025	-	-	-	-	-	-
Reticulation		47 009	23 997	32 141	15 200	15 200	14 440	18 800	70 050	37 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
<b>Community</b>		1 667	-	-	-	-	-	100	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		1 667	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	100	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics	7	-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other	8	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		9 363	2 781	3 078	1 100	1 100	1 045	6 243	3 155	3 105
General vehicles		2 959	26	925	60	60	57	750	500	600
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	725	330	330	314	2 725	2 550	2 435
Computers - hardware/equipment		231	-	308	232	232	221	50	85	50
Furniture and other office equipment		178	598	140	122	122	116	28	20	20
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	2	-	356	356	338	-	-	-
Other Land		4 335	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		1 660	2 155	979	-	-	-	2 690	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	13	24	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	13	24	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	62 965	31 671	36 268	16 300	16 300	15 485	33 993	104 905	71 105
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

Table 49 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		63 794	19 276	55 066	73 225	20 960	19 912	63 994	71 285	75 547
Infrastructure - Road transport		60 775	15 767	50 341	70 265	18 000	17 100	60 924	67 992	72 072
<i>Roads, Pavements &amp; Bridges</i>		60 775	15 767	50 341	70 265	18 000	17 100	60 924	67 992	72 072
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		122	-	-	-	-	-	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		122	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		2 897	3 508	4 726	2 960	2 960	2 812	3 070	3 292	3 475
<i>Dams &amp; Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	4 726	2 960	2 960	2 812	250	265	281
<i>Reticulation</i>		2 897	3 508	-	-	-	-	2 820	3 027	3 194
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-
<i>Gas</i>	3	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Community</b>		937	-	1 908	800	423	402	439	465	504
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	838	800	423	402	439	465	504
Fire, safety & emergency		552	-	1 045	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		385	-	25	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	309	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	309	-	-	-	-	-	-	-
<b>Other assets</b>		700	1 529	1 757	4 175	4 175	3 967	5 013	6 104	6 470
General vehicles		-	-	-	1 419	1 419	1 348	2 287	2 922	3 098
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		-	501	-	135	135	129	217	262	278
Computers - hardware/equipment		-	18	200	170	170	162	10	11	11
Furniture and other office equipment		-	211	10	131	131	124	116	123	131
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		148	799	805	2 075	2 075	1 971	2 082	2 467	2 615
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		553	-	742	245	245	233	301	319	338
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other ( <i>list sub-class</i> )		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	65 431	21 114	58 731	78 200	25 558	24 281	69 445	77 853	82 520
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
<b>R&amp;M as a % of PPE</b>		19.6%	6.8%	17.5%	16.3%	5.3%	7.4%	20.0%	18.1%	17.3%
<b>R&amp;M as % Operating Expenditure</b>		26.2%	7.5%	23.3%	29.0%	9.8%	9.6%	24.7%	25.5%	25.0%

**Table 50 MBRR SA34d – Depreciation by asset class**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Depreciation by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		6 647	7 798	4 922	14 580	14 580	13 851	6 294	11 418	13 732
Infrastructure - Road transport		42	57	8	2	2	2	2	2	2
<i>Roads, Pavements &amp; Bridges</i>		42	57	8	2	2	2	2	2	2
<i>Storm water</i>										
Infrastructure - Electricity		324	157	17	-	-	-	-	-	-
<i>Generation</i>										
<i>Transmission &amp; Reticulation</i>		324	157	17						
<i>Street Lighting</i>										
Infrastructure - Water		6 114	7 437	4 789	14 488	14 488	13 764	6 192	11 316	13 630
<i>Dams &amp; Reservoirs</i>		1 863	2 361	1 461				1 500	1 500	1 500
<i>Water purification</i>			1 445	661				800	800	800
<i>Reticulation</i>		4 251	3 632	2 667	14 488	14 488	13 764	3 892	9 016	11 330
Infrastructure - Sanitation		167	148	109	90	90	85	100	100	100
<i>Reticulation</i>										
<i>Sewerage purification</i>		167	148	109	90	90	85	100	100	100
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>	2									
<i>Gas</i>	3									
<i>Other</i>										
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		92	102	139	114	114	108	120	120	120
Housing development										
Other		92	102	139	114	114	108	120	120	120
<b>Other assets</b>		11 612	11 402	7 278	9 844	9 844	9 352	10 020	10 020	10 020
General vehicles		5 015	5 172	3 276	5 063	5 063	4 810	5 000	5 000	5 000
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		670		435						
Computers - hardware/equipment		954	632	339	424	424	403	340	340	340
Furniture and other office equipment			975	304	277	277	263	280	280	280
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		3 000	2 826	1 811	1 636	1 636	1 554	2 000	2 000	2 000
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		1 973	1 797	1 114	2 445	2 445	2 322	2 400	2 400	2 400
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<b>Intangibles</b>		-	223	147	226	226	214	150	150	150
Computers - software & programming			223	147	226	226	214	150	150	150
Other ( <i>list sub-class</i> )			-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	18 351	19 526	12 485	24 764	24 764	23 525	16 584	21 707	24 022
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

**Table 51 MBRR SA35 - Future financial implications of the capital budget**

Vote Description R thousand	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
<b>Capital expenditure</b>	1							
Vote 1 - COMMUNITY SERVICES		167	-	-	-	-	-	-
Vote 2 - SUBSIDISED SERVICES		2 508	-	-	-	-	-	-
Vote 3 - ECONOMIC SERVICES		100	-	-	-	-	-	-
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		31 218	104 905	71 105	-	-	-	-
Vote 6 - AGENCIES		-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>					-	-	-	-
<b>Total Capital Expenditure</b>		33 993	104 905	71 105	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - COMMUNITY SERVICES		-	-	-	-	-	-	-
Vote 2 - SUBSIDISED SERVICES		-	-	-	-	-	-	-
Vote 3 - ECONOMIC SERVICES		-	-	-	-	-	-	-
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		-	-	-	-	-	-	-
Vote 6 - AGENCIES		-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	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>		-	-	-	-	-	-	-
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		33 993	104 905	71 105	-	-	-	-

**Table 52 MBRR SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Water Supply / Reticulation		F Pipeline			No	Infrastructure - Water	Reticulation					1 200	1 200			new
Water Supply / Reticulation		PVR System			No	Infrastructure - Water	Reticulation					1 100	150			new
Water Supply / Reticulation		Swartland Pipeline			No	Infrastructure - Water	Reticulation		26 746	4 940		26 000	3 000			new
Water Supply / Reticulation		Desalination Plant			No	Infrastructure - Water	Reticulation		6 421	9 500	16 000	30 000				new
Water Supply / Reticulation		Voelvlei WTW filter			No	Infrastructure - Water	Reticulation				500	10 000	32 000			new
Water Supply / Reticulation		Velddrift Pipeline			No	Infrastructure - Water	Reticulation					1 000	2 000			new
Water Supply / Reticulation		Rural Scheme : Rooikaroo (WCMD)			No	Infrastructure - Water	Reticulation					450				new
Water Supply / Reticulation		Rural Scheme : Weltevrede			No	Infrastructure - Water	Reticulation					1 250				new
Reservoir Structures		Vergelee			No	Infrastructure - Water	Dams & Reservoirs				7 000	24 000	13 000			new
Reservoir Structures		Darling			No	Infrastructure - Water	Dams & Reservoirs				1 850	200				new
Reservoir Structures		Besaanskip			No	Infrastructure - Water	Dams & Reservoirs					6 000	17 000			new
Reservoir Structures		Rural Scheme : Rooikaroo			No	Infrastructure - Water	Dams & Reservoirs					1 500	1 000			new
Other Assets		Other Assets			No	Other Assets	Plant & equipment		3 077	1 045	6 343	3 155	3 105			new
Intangible Assets		Computer Software			No	Intangibles	Computers - software & programming		24							new
Parent Capital expenditure	1											33 993	104 905	71 105		
Entities:																
<i>List all capital projects grouped by Entity</i>																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure												-	-	-		
Total Capital expenditure												36 267	15 485	33 993	104 905	71 105

**Table 53 MBRR SA37 - Projects delayed from previous financial year**

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
								R thousand				
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>												
		<i>Examples</i>		<i>Examples</i>								
Water Provision	1	Swartland Pipeline	1	Infrastructure - Water	Reticulation		2013/14	5 200	4 940	-	26 000	
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name		Project name										

## 1.20 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.
2. Internship programme  
The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department and Internal Audit. Of the five interns two has been appointed permanently from 2012 and 2013.
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 2014/15 MTREF in February 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. MFMP Training  
The MFMP training is provided by Stellenbosch University in line with the minimum competency levels prescribed in legislation.



## 1.21 Other supporting documents

Table 54 MBRR 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											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6	868									
less Revenue Foregone											
Net Property Rates		868	-	-	-	-	-	-	-	-	-
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6	1 186									
less Revenue Foregone											
Net Service charges - electricity revenue		1 186	-	-	-	-	-	-	-	-	-
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6	72 571	80 575	88 808	96 511	96 511	96 511	96 511	104 679	119 346	137 177
less Revenue Foregone											
Net Service charges - water revenue		72 571	80 575	88 808	96 511	96 511	96 511	96 511	104 679	119 346	137 177
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue		585									
less Revenue Foregone											
Net Service charges - sanitation revenue		585	-	-	-	-	-	-	-	-	-
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6										
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-
<b>Other Revenue by source</b>											
List other revenue by source		18 353	15 260	7 500	2 868	2 868	2 868	2 868	3 689	4 750	2 784
Fire Subsidy (Saldanhabay)									5 323	7 418	7 935
Housing (Not investment Property)									1 777	1 902	2 035
Land and Buildings									1 377	1 473	1 576
Total 'Other' Revenue	3	18 353	15 260	7 500	2 868	2 868	2 868	2 868	12 165	15 543	14 331
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	44 035	32 732	41 043	49 044	50 424	47 903	47 903	57 737	61 941	66 896
Pension and UIF Contributions		8 657	16 699	7 075	8 309	8 309	7 894	7 894	9 414	9 989	10 788
Medical Aid Contributions					131	131	124	124	2 945	3 181	3 436
Overtime		4 713	4 021	4 396	2 255	2 255	2 143	2 143	3 125	3 374	3 644
Performance Bonus		2 947	4 267	1 992	3 849	3 849	3 656	3 656	4 371	4 689	5 064
Motor Vehicle Allowance		3 988	7 539	8 198	5 080	5 080	4 826	4 826	5 316	5 741	6 200
Cellphone Allowance					661	661	628	628	610	645	697
Housing Allowances		321	535	339	382	382	363	363	353	382	412
Other benefits and allowances				3 684	5 042	5 042	4 790	4 790	5 580	7 780	8 402
Payments in lieu of leave											
Long service awards		158	391	423	163	163	155	155	264	266	275
Post-retirement benefit obligations	4										
sub-total	5	64 818	66 184	67 151	74 916	76 296	72 481	72 481	89 715	97 988	105 815
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	64 818	66 184	67 151	74 916	76 296	72 481	72 481	89 715	97 988	105 815
<b>Contributions recognised - capital</b>											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		18 351	19 526	12 485	24 764	24 764	23 525	23 525	16 584	21 707	24 022
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	18 351	19 526	12 485	24 764	24 764	23 525	23 525	16 584	21 707	24 022
<b>Bulk purchases</b>											
Electricity Bulk Purchases		1 278									
Water Bulk Purchases		6 055	7 629	8 720	9 861	9 861	9 368	9 368	9 800	10 388	11 011
Total bulk purchases	1	7 332	7 629	8 720	9 861	9 861	9 368	9 368	9 800	10 388	11 011



**Table 55 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

Description	Ref	Vote 1 - COMMUNITY SERVICES	Vote 2 - SUBSIDISED SERVICES	Vote 3 - ECONOMIC SERVICES	Vote 4 - HOUSING SERVICES	Vote 5 - TRADING SERVICES	Vote 6 - AGENCIES	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total	
R thousand	1																	
<b>Revenue By Source</b>																		
Property rates																		-
Property rates - penalties & collection charges																		-
Service charges - electricity revenue																		-
Service charges - water revenue						104 679												104 679
Service charges - sanitation revenue																		-
Service charges - refuse revenue																		-
Service charges - other																		-
Rental of facilities and equipment				3 044														3 044
Interest earned - external investments		8 250																8 250
Interest earned - outstanding debtors		53																53
Dividends received																		-
Fines																		-
Licences and permits		59																59
Agency services							71 556											71 556
Other revenue		3 284	8 717		1 777	3 500												17 278
Transfers recognised - operational		73 187	5 707															78 894
Gains on disposal of PPE																		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>84 834</b>	<b>14 424</b>	<b>3 044</b>	<b>1 777</b>	<b>108 179</b>	<b>71 556</b>	-	-	-	-	-	-	-	-	-	-	<b>283 814</b>
<b>Expenditure By Type</b>																		
Employee related costs		28 844	24 818	2 481	506	28 358	5 784											90 791
Remuneration of councillors		4 434																4 434
Debt impairment																		-
Depreciation & asset impairment		1 071	6 578	102		8 832												16 584
Finance charges						11 847												11 847
Bulk purchases						9 800												9 800
Other materials		328	3 893	439	475	4 131	60 924											70 190
Contracted services																		-
Transfers and grants																		-
Other expenditure		19 874	8 686	1 154	22	44 483	4 849											79 068
Loss on disposal of PPE																		-
<b>Total Expenditure</b>		<b>54 551</b>	<b>43 976</b>	<b>4 176</b>	<b>1 004</b>	<b>107 451</b>	<b>71 556</b>	-	-	-	-	-	-	-	-	-	-	<b>282 713</b>
<b>Surplus/(Deficit)</b>		<b>30 283</b>	<b>(29 552)</b>	<b>(1 132)</b>	<b>774</b>	<b>728</b>	-	-	-	-	-	-	-	-	-	-	-	<b>1 101</b>
Transfers recognised - capital						16 000												16 000
Contributions recognised - capital																		-
Contributed assets																		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>30 283</b>	<b>(29 552)</b>	<b>(1 132)</b>	<b>774</b>	<b>16 728</b>	-	-	-	-	-	-	-	-	-	-	-	<b>17 101</b>

**Table 56 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits < 90 days											
Other current investments > 90 days											
<b>Total Call investment deposits</b>	2	-	-	-	-	-	-	-	-	-	-
<b>Consumer debtors</b>											
Consumer debtors		6 292	6 624	7 939	5 566	5 566	9 870	9 870	11 933	14 320	17 064
Less: Provision for debt impairment				(428)			(538)	(538)	(1 001)	(1 318)	(1 589)
<b>Total Consumer debtors</b>	2	6 292	6 624	7 511	5 566	5 566	9 331	9 331	10 932	13 002	15 475
<b>Debt impairment provision</b>											
Balance at the beginning of the year				150	428	428	428	428	538	1 001	1 318
Contributions to the provision				960	110	110	310	310	663	517	471
Bad debts written off				(681)			(200)	(200)	(200)	(200)	(200)
<b>Balance at end of year</b>				428	538	538	538	538	1 001	1 318	1 589
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)	3	334 670	311 803	442 359	505 491	505 491	457 844	457 844	491 837	596 742	667 847
Leases recognised as PPE											
Less: Accumulated depreciation				105 818	24 764	24 764	128 488	128 488	144 786	166 328	190 211
<b>Total Property, plant and equipment (PPE)</b>	2	334 670	311 803	336 540	480 727	480 727	329 356	329 356	347 051	430 413	477 635
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		7 050	7 944	10 916	8 861	8 861	8 861	8 861	14 127	15 493	17 004
<b>Total Current liabilities - Borrowing</b>		7 050	7 944	10 916	8 861	8 861	8 861	8 861	14 127	15 493	17 004
<b>Trade and other payables</b>											
Trade and other creditors		32 714	25 577	29 984	15 548	10 852	21 198	21 198	18 726	23 953	29 865
Unspent conditional transfers		2 320	1 408	1 725							
VAT				138							
<b>Total Trade and other payables</b>	2	35 034	26 985	31 847	15 548	10 852	21 198	21 198	18 726	23 953	29 865
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	91 116	83 146	100 756	104 285	104 285	99 785	99 785	86 531	71 038	54 034
Finance leases (including PPP asset element)											
<b>Total Non current liabilities - Borrowing</b>		91 116	83 146	100 756	104 285	104 285	99 785	99 785	86 531	71 038	54 034
<b>Provisions - non-current</b>											
Retirement benefits		50 099	54 185	69 042	56 717	56 717	70 368	70 368	69 270	66 029	62 527
<i>List other major provision items</i>											
Refuse landfill site rehabilitation		158									
Other											
<b>Total Provisions - non-current</b>		50 257	54 185	69 042	56 717	56 717	70 368	70 368	69 270	66 029	62 527
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		323 013	323 091	290 770	471 564	471 564	302 796	302 796	322 410	339 510	443 341
GRAP adjustments			3 078	2 280							
Restated balance		323 013	326 169	293 050	471 564	471 564	302 796	302 796	322 410	339 510	443 341
Surplus/(Deficit)		(594)	(35 399)	8 966	10 621	10 621	19 613	19 613	17 101	103 830	71 246
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments				351							
<b>Accumulated Surplus/(Deficit)</b>	1	322 419	290 770	302 367	482 185	482 185	322 410	322 410	339 510	443 341	514 587
<b>Reserves</b>											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	322 419	290 770	302 367	482 185	482 185	322 410	322 410	339 510	443 341	514 587
<b>Total capital expenditure includes expenditure on nationally significant priorities:</b>											
Provision of basic services											

**Table 57 MBRR 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
<b>Demographics</b>												
Population			-	-	-	-	392	-	-	-	-	-
Females aged 5 - 14			-	-	-	-	10	-	-	-	-	-
Males aged 5 - 14			-	-	-	-	9	-	-	-	-	-
Females aged 15 - 34			-	-	-	-	68.5 percent	-	-	-	-	-
Males aged 15 - 34			-	-	-	-	-	-	-	-	-	-
Unemployment			-	-	-	-	6 percent	-	-	-	-	-
<b>Monthly household income (no. of households)</b>												
No income	1, 12		-	-	-	-	-	-	-	-	-	-
R1 - R1 600			-	-	-	-	-	-	-	-	-	-
R1 601 - R3 200			-	-	-	-	-	-	-	-	-	-
R3 201 - R6 400			-	-	-	-	-	-	-	-	-	-
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			-	-	-	-	-	-	-	-	-	-
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13		-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insert description	2		-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Household demographics (000)</b>												
Number of people in municipal area			-	-	-	-	-	-	-	-	-	-
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)			-	-	-	-	-	-	-	-	-	-
<b>Housing statistics</b>												
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			-	-	-	-	-	-	-	-	-	-
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6							6.0%				
Interest rate - borrowing								0.0%				
Interest rate - investment								8.0%				
Remuneration increases								8.1%				
Consumption growth (electricity)								0.0%				
Consumption growth (water)								10.4%				
<b>Collection rates</b>												
Property tax/service charges	7							0.0%				
Rental of facilities & equipment								100.0%				
Interest - external investments								100.0%				
Interest - debtors								0.0%				
Revenue from agency services								100.0%				

**Table 57 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (Continued)**

Detail on the provision of municipal services for A10												
Total municipal services	Ref.		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
		<b>Household service targets (000)</b>										
		<u>Water:</u>										
		Piped water inside dwelling	--	--	--	--	--	--	--	--	--	--
		Piped water inside yard (but not in dwelling)	--	--	--	--	--	--	--	--	--	--
	8	Using public tap (at least min.service level)	--	--	--	--	--	--	--	--	--	--
	10	Other water supply (at least min.service level)	--	--	--	--	--	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	--	--	--	--	--	--	--	--	--	--
	9	Using public tap (< min.service level)	--	--	--	--	--	--	--	--	--	--
	10	Other water supply (< min.service level)	--	--	--	--	--	--	--	--	--	--
		No water supply	--	--	--	--	--	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	--	--	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--	--	--
		<u>Sanitation/sewerage:</u>										
		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>	--	--	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--	--	--
		<u>Energy:</u>										
		Electricity (at least min.service level)	--	--	--	--	--	--	--	--	--	--
		Electricity - prepaid (min.service level)	--	--	--	--	--	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	--	--	--	--	--	--	--	--	--	--
		Electricity (< min.service level)	--	--	--	--	--	--	--	--	--	--
		Electricity - prepaid (< min. service level)	--	--	--	--	--	--	--	--	--	--
		Other energy sources	--	--	--	--	--	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	--	--	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--	--	--
		<u>Refuse:</u>										
		Removed at least once a week	--	--	--	--	--	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	--	--	--	--	--	--	--	--	--	--
		Removed less frequently than once a week	--	--	--	--	--	--	--	--	--	--
		Using communal refuse dump	--	--	--	--	--	--	--	--	--	--
		Using own refuse dump	--	--	--	--	--	--	--	--	--	--
		Other rubbish disposal	--	--	--	--	--	--	--	--	--	--
		No rubbish disposal	--	--	--	--	--	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	--	--	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--	--	--

Municipal in-house services	Ref.		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
		<b>Household service targets (000)</b>										
		<u>Water:</u>										
		Piped water inside dwelling	--	--	--	--	--	--	--	--	--	--
		Piped water inside yard (but not in dwelling)	--	--	--	--	--	--	--	--	--	--
	8	Using public tap (at least min.service level)	--	--	--	--	--	--	--	--	--	--
	10	Other water supply (at least min.service level)	--	--	--	--	--	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	--	--	--	--	--	--	--	--	--	--
	9	Using public tap (< min.service level)	--	--	--	--	--	--	--	--	--	--
	10	Other water supply (< min.service level)	--	--	--	--	--	--	--	--	--	--
		No water supply	--	--	--	--	--	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	--	--	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--	--	--
		<u>Sanitation/sewerage:</u>										
		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>	--	--	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--	--	--
		<u>Energy:</u>										
		Electricity (at least min.service level)	--	--	--	--	--	--	--	--	--	--
		Electricity - prepaid (min.service level)	--	--	--	--	--	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	--	--	--	--	--	--	--	--	--	--
		Electricity (< min.service level)	--	--	--	--	--	--	--	--	--	--
		Electricity - prepaid (< min. service level)	--	--	--	--	--	--	--	--	--	--
		Other energy sources	--	--	--	--	--	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	--	--	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--	--	--
		<u>Refuse:</u>										
		Removed at least once a week	--	--	--	--	--	--	--	--	--	--
		<i>Minimum Service Level and Above sub-total</i>	--	--	--	--	--	--	--	--	--	--
		Removed less frequently than once a week	--	--	--	--	--	--	--	--	--	--
		Using communal refuse dump	--	--	--	--	--	--	--	--	--	--
		Using own refuse dump	--	--	--	--	--	--	--	--	--	--
		Other rubbish disposal	--	--	--	--	--	--	--	--	--	--
		No rubbish disposal	--	--	--	--	--	--	--	--	--	--
		<i>Below Minimum Service Level sub-total</i>	--	--	--	--	--	--	--	--	--	--
		<b>Total number of households</b>	--	--	--	--	--	--	--	--	--	--







### 1.22 Municipal manager's quality certificate

I H F Prins, municipal manager of West Coast District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_

Municipal manager of West Coast District Municipality (DC1)

Signature \_\_\_\_\_

Date \_\_\_\_\_