

## **PART 1**

### **1.1. MAYOR'S REPORT**

Madam Speaker, my fellow councillors, municipal manager, municipal officials and the public representatives, allow me to express my appreciation for your support during the past financial year.

The financial sustainability and proper service delivery to our community remains our main priority.

Today it is my privilege to table the final IDP and budget for 2014/15. This is the IDP and budget that we as councillors have to consider, drive and implement. It is my wish that through this budget, which is the implementing tool for our IDP, we will be able to consider the needs of our community and contribute to creating a better life for all.

According to the legislative requirements set out in the Municipal Systems Act of 2000(MSA) as well as the Planning and Performance Management Regulations, all municipalities, both district and local have to prepare an IDP and subsequently submit the document to the MEC for Local Government.

In terms of Section 34 of the MSA: *A municipal council –*

**(a) *Must review its integrated development plan –***

**(i) *Annually in accordance with an assessment of its performance measurements in terms of section 41; and***

**(ii) *to the extent that changing circumstances so demand; and***

**(b) *May amend its IDP in accordance with a prescribed process***

### **IDP PRIORITIES**

The SRVM IDP has adapted and aligned to the ten (10) national medium-term priorities from which eight (8) were endorsed by the Provincial Strategic Framework (PSF). SRVM has adopted the local government Key Performance Areas as its key priorities for the current five year period. As such the SRVM priorities are:

- Basic Service Delivery and Infrastructure Development
- Local Economic development
- Community development
- Good Governance and Public Participation
- Institutional Transformation and Organizational Development
- Municipal Financial Viability and Management

The municipal vision, mission and values were not changed during the current review process. The review process was influenced by the following guiding parameters amongst others:

- Twelve government outcomes
- National Development Plan
- Government Party Manifesto

## **Performance Management System**

The municipality uses an electronic system that requires Directorates to populate performance information in their discharge. The electronic system with the information fed into it makes it easier to access such information, and to consequently compile the quarterly and annual performance reports mandated by legislation. It also allows management to assess the strides taken to achieve the objectives as set.

## **Achievements**

- A revenue enhancement strategy is yielding some positive results because revenue is gradually increasing
- All senior management positions were filled
- The performance management system policy was reviewed and performance agreements of senior managers were developed.
- Improved public participation
- All wards have operational ward committees and training has been provided for the ward committees
- The MPAC assisted Council with proper oversight over the affairs of the municipality.
- The Addo Waste Water Treatment Works is due to be completed in June 2014
- The EPWP funding was effectively utilised through the employment of local cooperatives to undertake technical maintenance work. Cacadu District has allocated its R1 200 000 EPWP share to SRVM to increase the funding to R2 200 000
- All seven sport fields were upgraded
- Community parks for children and adults were built in Bergsig community
- We produced athletes who participated in National championships for netball and boxers who participated in international championships in Britain
- The community gymnasium was established in Moses Mabhidia

## **CHALLENGES**

Despite significant achievements, there are still challenges that we face. These are among others:

### ***The challenges that we faced with the implementation of the billing system***

#### ***Revenue collection rate***

- The municipality's collection rate is still not at the required level and as mentioned has been influenced by the challenges faced during the implementation of the billing system. Revenue collection target is set at 60% for the 2014/15 financial year and management has made efforts in ensuring an increase revenue collection.
- Councillors should also remember that in terms of the Municipal Systems Act section 99(1)(a) it is the duty of the Executive Committee to oversee and monitor the implementation and enforcement of the credit control and debt collection policy. As such it could be said that each Councillor has the obligation to ensure that the municipality collects what is due to it.

#### ***Sufficient indigent registration***

- The municipality is still struggling to register all indigents. Public meetings were held

to try and register more indigents. The registration of indigents has a direct influence on the Equitable Share that the municipality will be getting in the future. At current only about 7911 indigents are registered.

- Management will be embarking on a data cleansing & indigent registration project as from July 2014 to try and increase the number of indigent registrations. Councillors are requested to assist where possible with the identification of indigents.

### ***Revenue enhancement***

- The municipality is still struggling with the identification and obtaining of additional funding to embark on much needed unfunded service delivery projects.
- Management has now appointed a service provider to assist with resource mobilisation.

### ***Service delivery***

- Challenges that faced us during this financial year was mainly on roads and water.
- The condition of our roads in all wards is currently a frustration for all and requires serious intervention.

## **BUDGET OVERVIEW**

In compiling the budget for 2014/15, consideration was given to the national priorities as communicated through National Treasury circular.

The Local Government Budgets and Expenditure Review released highlighted the following areas as requiring particular attention:

- Revenue management – To ensure the collection of revenues, municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow up to collect revenues owed.
- Collecting outstanding debts – This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable, especially for poor households.
- Pricing services correctly – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities.
- Under spending on repairs and maintenance – Often seen as a way to reduce spending in the short term, under spending on maintenance can shorten the life of assets, increase long-term maintenance and refurbishment costs, and cause a deterioration in the reliability of services.
- Spending on non-priorities – Many municipalities spend significant amounts on non-priority items including unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects. Consultants are often used to perform routine tasks.

Creating decent employment opportunities remains a national priority. In compiling our 2014/15 budgets and MTREFs all municipalities are urged to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Extended Public Works Programme.

Municipalities are further urged to not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term.

Circular 72 informs municipalities that expenditure priority ought to be given to:

- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- Protecting the poor;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- Securing the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance; and
- Expediting spending on capital projects that are funded by conditional grants.
- Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services and the renewal of the infrastructure of existing network services.

The increases in tariffs and charges were considered in light of the standard and cost of services that have been provided to the community over the past year and also with a view to funding resources for the improvement of these services in the coming financial year.

If we want to continue building on a more financially stable municipality and for the benefit of our community, we have to make some hard decisions. It is a reality that the level of services the municipality is currently providing is not up to the required level, and must be improved. Service level improvement was the key focus of the Turnaround Plan. SRVM can only improve if it enters into a social contract with the community, which will ensure that we collect the required revenue that will enable us to provide the best services.

It should be noted that no formal objections with regards to the budget were received from communities since the draft budget was tabled and published for public comments.

### **OPERATING REVENUE**

The operating revenue budget of SRVM amounts to R126.3 million for 2013/14 financial year. This represents an increase of R7.8 million (6.2%).

In revising our tariffs, we considered the inflation rate as well as increased cost to provide the service. To ensure a credible and funded budget SRVM had to increase tariffs in general by 6%. A consideration should be given to the fact that SRVM has been increasing tariffs marginally for a number of years in the past which results in tariffs not being cost effective. A review of the tariff structure needs to be performed in the near future.

Electricity increased with 7.39% as prescribed by NERSA.

### **OPERATING EXPENDITURE**

Sundays River Valley Municipality's budgeted expenditure for the 2013/14 MTREF amounts to R122.7 million. This represents an increase of R22.8 million (19%).

Personnel costs are currently representative of 36.7% of operating expenditure for the 2014/15 financial year.

We continue focusing on service delivery in our budget for 2014/15 and have managed to maintain repairs and maintenance at 2% due to financial constraints which means that much needed efforts are needed to address ageing infrastructure assets for service delivery to efficiently and effectively take place.

Bulk purchases increased by R1.06 million (8%) which is a result of the increase in bulk electricity which amounted to R13.5 million.

Non-cash items provisions, rebates and depreciation were considered in the operating expenditure budget to the amount of R28.5 million.

### **LIST OF BUDGETED POSTS**

<b>Department</b>	<b>Post</b>	<b>Post level</b>
<b>Municipal Manager</b>		
IDP	LED Manager	<b>13</b>
IDP	IDP Coordinator	<b>10</b>
MM	Communication Officer	<b>10</b>
I/A	Internal Auditor	<b>11</b>
<b>Budget and Treasury</b>		
SCM	SCM Manager	<b>13</b>
SCM	Asset Management Accountant	<b>12</b>
EXPENDITURE	Expenditure Clerk	<b>7</b>
<b>Community Services</b>		
POLICE	DLTC Clerk	<b>7</b>
LIBRARY	Assistant Librarian	<b>8</b>
LIBRARY	Librarian Aid	<b>7</b>
LIBRARY	Librarian Aid	<b>7</b>
Community Services	Caretakers	<b>6</b>
POLICE	Snr Clerk Traffic	<b>8</b>
<b>Corporate Services</b>		
HR	HR Clerk	<b>7</b>
<b>Technical Services</b>		
PMU	Technician	<b>11</b>
PLANNING & DEVELOPMENT	Town Planner	<b>11</b>
HOUSING	Building Control Officer	<b>11</b>

### **CAPITAL EXPENDITURE**

The capital budget of the municipality amounts to R26.9 million. This indicates an increase of R489 000(2%).

The main projects that are funded in the capital budget are:

- Upgrading of Addo Waste Water Treatment works – R2 067 950
- Upgrading of Gravel roads – R14 000 000
- Upgrading of Paterson Waste Water Treatment works – R1 000 000
- Rehabilitation of sports fields – R3 500 000
- Community Lighting – R1 760 000

- Rehabilitation of Parks & Playgrounds- R625 000
- Other- R4 022 050

These projects are funded by the Municipal Infrastructure Grant, Financial Management Grant, Municipal Systems Grant , Equitable Share and Internal funding.

### **GRANTS TO BE RECEIVED**

The following grants were gazetted in the DORA and provincial gazette to be received by SRVM:

- Equitable Share – R 46 351 000
- MIG – R24 147 000
- FMG – R1 800 000
- MSIG – R934 000
- EPWP – R2 200 000
- LIBRARY SUBSIDY – R2 157 000
- LED – R350 000

Grants from Cacadu includes:

- Environmental health subsidy - R1 089 000
- Fire– R375 000

### **MAJOR CHANGES MADE TO DRAFT BUDGET**

The only major changes made since the draft budget was tabled were the review of the posts to be activated. Attention was given to activate posts in all departments as requested and also the inclusion of Provincial and CDM Grants.

### **CONCLUSION**

Madam Speaker, in conclusion I would like to express my gratitude to the following people for their input and assistance in reviewing the IDP and compiling the budget :

The municipal manager  
The Head of Departments and staff  
The CFO  
Ward committees  
The community  
All Councillors

Honourable Speaker, I now formally tables the IDP 2014/15 and budget for 2014/15 with annexure for Council's consideration.

## **1.2. COUNCIL RESOLUTION**

On 29 May 2014 the Council of Sundays River Valley Municipality met in the Council Chambers of the municipality to consider the annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the Annual budget of the Sundays River Valley municipality for the financial year 2014/15; and indicative allocations for the two projected outer years 2015/16 and 2016/17; and the multi-year and single year capital appropriations are approved as set-out in the following tables:

- 1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
- 1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
- 1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
- 1.4. Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:

- 2.1 Budgeted Financial Position;
- 2.2 Budgeted Cash Flows;
- 2.3 Cash backed reserves and accumulated surplus reconciliation;
- 2.4 Asset management; and
- 2.5 Basic service delivery measurement.

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out in annexure A, that were used to prepare the estimates of revenue by source, are approved with effect from 1 July 2014.

4. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are approved.

5. That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the final IDP for 2014/15 – 2016/17 is to be approved

6. That the draft final budget be approved subject to the proposals made by the Mayor to be considered in the final budget.

### 1.3. **EXECUTIVE SUMMARY**

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

The development of the Budget was informed by the key service delivery priorities, as reflected in the IDP, and the need to maintain the Municipality's financial sustainability.

Specific revenue collection strategies to improve the collection of outstanding consumer debt are being implemented by the Municipality, such as the appointment of Debt collecting companies.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66,67, 70 and 72 were used to guide the compilation of the 2014/15 MTREF.

The Municipality faced the following significant challenges during the compilation of the 2014/15 MTREF:

- The priorities and targets relating to the key strategic focus areas as determined in the IDP.
- Maintaining revenue collection rates at the targeted levels;
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on tariff increases to consumers.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- No budget allocation has been made to programmes and projects, unless the respective programme and project plans have been submitted by the relevant Executive Directors.
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;

The following principles and guidelines had an impact:

- The municipality needs to focus on its core functions.
- The continued negative effect of the economic downturn;
- The funding constraints with regards to the low available funding for the Capital Budget through the Capital Replacement Reserve;
- The need to enhance the municipality's revenue base;

Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI. The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the



expansion of services.

An assessment of the relative human resources capacity to implement the Budget and Nersa's directive that bulk purchases will increase by 8.06% for municipalities and municipal electricity tariff increase should not exceed 7.39%.

In accordance with Section 19 of the Municipal Finance Management Act, the affected Executive Directors to submit comprehensive reports in relation to new projects, inter alia, dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.

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

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

R thousands	Adjustments Budget	Budget Year	Budget Year +1	Budget Year +2
	2013/14	2014/15	2015/16	2016/17
Total Operating Revenue	126,348	134,155	154,361	173,627
Total Operating Expenditure	122,692	145,490	145,256	151,795
Surplus/(Deficit)	3,656	(11, 335)	9, 105	21, 832
Total Capital Expenditure	26,486	26,975	24,915	25,870

#### **1.4. OPERATING REVENUE FRAMEWORK**

The continued provision and expansion of services is largely dependent on the Municipality generating the required revenues. Efficient and effective revenue management is thus critical in ensuring the ongoing financial sustainability of the Municipality. It is worth noting that, in accordance with the MFMA, expenditure has to be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard;
- Growth in the revenue base;
- Efficient revenue management, targeting a 95% annual collection rate for property rates and service charges, after discounting the Assistance to the Poor (ATTP) subsidies;
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Water bulk tariff increases as approved by the Department of Water Affairs (DWA);
- Ensuring fully cost reflective tariffs for trading services;
- The Property Rates Policy;
- The ATTP Policy and provision of free basic services;
- Tariff Policies;
- The level of property rates and tariff increases must ensure financially sustainable service delivery.

The following **table 2** is a summary of the 2014/15 MTREF (classified by main revenue source):

**Table 2 Summary of the 2014 MTREF**

Description R thousand	Ref 1	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 Source</b>										
Property rates		12 413	12 266	13 051	17 305	10 383	10 383	14 623	15 485	16 337
Property rates - penalties					46	46	46			
Service charges - electricity rev		12 752	14 375	15 556	16 297	9 778	9 778	10 501	11 120	11 732
Service charges - water revenue		14 040	13 227	14 313	12 250	7 350	7 350	7 806	8 266	8 721
Service charges - sanitation		1 653	2 695	2 916	3 896	2 338	2 338	2 483	2 629	2 774
Service charges - refuse revenue		3 530	5 415	5 860	7 177	4 306	4 306	4 573	4 843	5 109
Service charges – other						(4 000)	(4 000)			
Rental of facilities and equipment		66	142	115	127	127	127	134	142	150
Interest earned - external		287	1 525	288	201	201	201	213	226	238
Interest earned - outstanding		5 145			2 152	2 152	2 152	1 706	1 807	1 906
Dividends received									-	-
Fines		1 454	1 582	1 907	1 153	2 653	2 653	2 805	2 970	3 134
Licences and permits		2 650	1 327	1 327	1 212	1 212	1 212	1 284	1 360	1 435
Agency services			1 509	1 577	1 267	1 267	1 267	1 343	1 422	1 500
Transfers recognised - operational		35 973	43 932	42 607	49 108	52 215	52 215	54 456	71 522	86 643
Other revenue		2 603	3 148	2 436	3 232	7 232	7 232	7 081	7 499	7 912
Gains on disposal of PPE										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>92 566</b>	<b>101 143</b>	<b>101 953</b>	<b>115 423</b>	<b>97 259</b>	<b>97 260</b>	<b>109 008</b>	<b>129 292</b>	<b>147 590</b>

**Table 3 (Percentage growth in revenue by main revenue source)**

Description	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Property rates	10 383	11%	14 623	12%	15 485	11%	16 337	10%
Property rates - penalties & collection	46	0%		0%		0%		0%
Service charges - electricity revenue	9 778	10%	10 501	15%	11 120	14%	11 732	13%
Service charges - water revenue	7 350	8%	7 806	9%	8 266	8%	8 721	7%
Service charges - sanitation revenue	2 338	2%	2 483	3%	2 629	3%	2 774	2%
Service charges - refuse revenue	4 306	4%	4 573	6%	4 843	5%	5 109	5%
Service charges - other	(4 000)	-4%		0%		0%		0%
Rental of facilities and equipment	127	0%	134	0%	142	0%	150	0%
Interest earned - external investments	201	0%	213	0%	226	0%	238	0%
Interest earned - outstanding debtors	2 152	2%	1 706	1%	1 807	1%	1 906	1%
Dividends received				0%	-	0%	-	0%
Fines	2 653	3%	2 805	2%	2 970	2%	3 134	2%
Licences and permits	1 212	1%	1 284	1%	1 360	1%	1 435	1%
Agency services	1 267	1%	1 343	1%	1 422	1%	1 500	1%
Transfers recognised - operational	52 215	54%	54 456	44%	71 522	49%	86 643	53%
Other revenue	7 232	7%	7 081	6%	7 499	5%	7 912	5%
Gains on disposal of PPE								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>97 259</b>	<b>100%</b>	<b>109 008</b>	<b>100%</b>	<b>129 292</b>	<b>100%</b>	<b>147 590</b>	<b>100%</b>
<b>Total Revenue from rates and service charges</b>	<b>30 201</b>	<b>31%</b>	<b>39 985</b>	<b>37%</b>	<b>42 344</b>	<b>33%</b>	<b>44 673</b>	<b>30%</b>

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

Revenue generated from rates and services charges forms a substantial percentage of the revenue basket for the Sundays River Valley.

In the 2013/14 financial year, rates and service charges amounted to R30.2 million (adjusted). This increases to R39.9 million, R42.3 million and R44.7 million in the 2014/15, 2015/16 and 2016/17 financial years, respectively.

This growth is mainly attributable to increased electricity revenue, as a result of significant increases in the Eskom bulk electricity tariffs.

Property rates represent the second largest revenue source, amounting to 11% or R10.4 million in 2013/14 and increasing to 12% or R14.6 million in 2014/15.

Another contributor to revenue source with a substantial percentage is 'other revenue' which consists of items such as building plan fees and disconnection and reconnection fees. Directorates are required to review these charges on an annual basis to ensure that

they are cost reflective and market related, where applicable.

Operating grants and transfers (largest revenue source) amounted to R52.2 million in the 2013/14 financial year and increases to R54.5 million in 2014/15. The year-on-year growth for the 2014/15 financial year amounts to 4% and strengthens to 31% in 2015/16 and then flattens to 21% come 2016/17.

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

**Table 4 (Operating Transfers and Grant Receipts)**

Description 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
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		29 150	34 087	39 552	44 388	46 707	-	51 285	68 242	73 243
Local Government Equitable Share		25 710	31 991	36 314	40 404	40 327		46 351	55 166	59 358
EPWP Incentive				998	1 000	1 000		2 200		
Municipal Systems Improvement		1 200	742	779	890	890		934	967	1 018
Integrated National Electrification Programme		740	-		444	444		-	8 159	8 767
Finance Management		1 500	1 354	1 270	1 650	1 650		1 800	950 <sup>1</sup>	2 100
Disaster, Eskom				191		2 396			2 000	2 000
Provincial Government:		1 589	333	271	1 507	2 007	-	1 507	1 507	1 507
Health subsidy		1 091								
		445								
		53				500				
			333	271	350	350		350	350	350
COGTA-SIU,ldp,Library					1 157	1 157		1 157	1 157	1 157
District Municipality:		1 019	-	-	990	990	-	1 464	1 573	1 693
Environmental Health		1 019	-		990	990		1 089	1 198	1 318
Fire								375	375	375
Other grant providers:		-	9 512	2 784	-	-	-	200	200	10 200
DWAF			8 126							10 000
other grants			1 386	2 784				200	200	200
Total Operating Transfers and Grants	5	31 758	43 932	42 607	46 885	49 704	-	54 456	71 522	86 643

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Sundays River Valley has maintained an increase of 6.2% in line with the CPI but this is not a good measure for the municipality as the gap between cost drivers and tariff levies steadily widens.

Although excessive increases are likely to be counterproductive, resulting in higher levels of non-payment moving forward a review of tariff setting processes needs to be performed.

## **HOUSEHOLD BILLS**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		450.00	477.00	519.75	561.37	561.37	561.37		596.17	631.35	666.07
Electricity: Basic levy		108.00	130.00	144.30	173.20	173.20	173.20		186.00	200.88	216.95
Electricity: Consumption		697.00	860.00	956.50	1 147.5	1 147.50	1147.50		1 232.3	1 330.8	1 437.3
Water: Basic levy		20.30	21.52	23.46	25.33	25.33	25.33		26.90	28.49	30.05
Water: Consumption		137.36	152.04	165.66	178.89	178.89	178.89		189.98	201.19	212.26
Sanitation		23.83	45.26	49.33	53.28	53.28	53.28		56.58	59.92	63.22
Refuse removal		36.00	58.00	63.22	68.28	68.28	68.28		72.51	76.79	81.02
Other											
sub-total		1 472.49	1 743.82	1 922.22	2 207.8	2 207.85	2 207.8	6.9%	2 360.4	2 529.5	2 706.9
VAT on Services		143.15	177.36	196.34	230.50	230.50	230.50		247.00	265.74	285.72
Total large household bill:		1 615.64	1 921.18	2 118.56	2 438.3	2 438.35	2 438.3	6.9%	2 607.4	2 795.5	2 992.6
% increase/-decrease			18.9%	10.3%	15.1%	-	-		6.9%	7.2%	7.1%

	2										
<b><u>Monthly Account for Household - 'Affordable Range'</u></b>											
<b>Rates and services charges:</b>											
Property rates	316.67	335.66	365.75	395.04	395.04	395.04		419.53	444.28	468.72	
Electricity: Basic levy	108.00	130.00	144.30	173.20	173.20	173.20		186.00	200.88	216.95	
Electricity: Consumption	335.00	375.00	417.50	503.00	503.00	503.00		534.19	565.70	596.82	
Water: Basic levy	20.30	21.52	23.46	25.33	25.33	25.33		26.90	28.49	30.05	
Water: Consumption	107.46	117.04	127.51	127.51	127.51	127.51		135.42	143.41	151.29	
Sanitation	23.83	45.26	49.33	53.28	53.28	53.28		56.58	59.92	63.22	
Refuse removal	36.00	58.00	63.22	68.28	68.28	68.28		72.51	76.79	81.02	
Other											
sub-total	947.26	1 082.48	1 191.07	1 345.6	1 345.64	1 345.64	6.4%	1 431.1	1 519.4	1 608.0	
VAT on Services	88.28	104.55	115.54	133.08	133.08	133.08		141.62	150.53	159.51	
Total small household bill:	1 035.54	1 187.03	1 306.61	1 478.7	1 478.72	1 478.72	6.4%	1 572.7	1 670.0	1 767.5	
% increase/-decrease		14.6%	10.1%	13.2%	-	-		6.4%	6.2%	5.8%	
			0.31	0.31	1.00	-					
	3										
<b><u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u></b>											
<b>Rates and services charges:</b>											
Property rates	183.33	194.33	211.75	228.71	228.71	228.71		242.89	257.22	271.37	
Electricity: Basic levy	108.00	130.00	144.30	173.20	173.20	173.20		186.00	200.88	216.95	
Electricity: Consumption	162.50	204.00	228.00	317.00	317.00	317.00		340.43	367.66	397.07	
Water: Basic levy	20.30	21.52	23.46	25.33	25.33	25.33		26.90	28.49	30.05	
Water: Consumption	80.48	88.19	92.96	92.96	92.96	92.96		98.72	104.55	110.30	
Sanitation	23.83	45.26	49.33	53.28	53.28	53.28		56.58	59.92	63.21	

Refuse removal	36.00	58.00	63.22	68.28	68.28	68.28		72.51	76.79	81.01
Other										
sub-total	614.44	741.30	813.02	958.76	958.76	958.76	6.8%	1 024	1 096	1 170
VAT on Services	37.61	76.58	84.17	102.21	102.21	102.21		109.36	117.36	125.80
	652	818	898	1 061	1 061	1 061	6.8%	1 133	1 213	1 296
Total small household bill:										
% increase/decrease		25.4%	9.7%	18.3%	-	-		6.8%	7.0%	6.8%



## 1.5. OPERATING EXPENDITURE FRAMEWORK

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

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA;
- A balanced budget approach by limiting operating expenditure to the operating revenue;
- The asset renewal strategy and the repairs and maintenance plan;
- Strict adherence to the principle of "*no budget allocations without a project implementation plan*"; and
- Operational gains and efficiencies will be directed to funding the capital budget and other core services

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

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure By Type</b>	-										
Employee related costs		24 139	28 007	31 949	37 436	37 436	37 436	37 436	48 164	51 246	54 526
Remuneration of councillors		2 896	3 800	4 930	5 166	5 166	5 166	5 166	5 231	5 566	5 922
Debt impairment		12 693	10 892	11 176	10 847	10 847	10 847	10 847	10 000	10 000	10 000
Depreciation & asset impairment		17 099	17 388	267	17 500	17 500	17 500	17 500	17 500	17 500	17 500
Finance charges		1 330	2 404	2 720	1 185	1 185	1 185	1 185	1 038	1 100	1 160
Bulk purchases		9 181	11 834	13 724	13 120	13 120	13 120	13 120	14 178	15 320	16 555
Other materials								-			
Contracted services		277	461	2 446	2 559	2 559	2 559	2 559	2 684	2 843	2 999
Transfers and grants		2 857	8 102	11 200	6 977	6 977	6 977	6 977	7 244	7 671	8 093
Other expenditure		18 294	17 464	24 132	36 492	27 902	27 902	27 902	39 451	34 010	35 039
Loss on disposal of PPE								-			
<b>Total Expenditure</b>		<b>88 766</b>	<b>100 353</b>	<b>102 543</b>	<b>131 282</b>	<b>122 692</b>	<b>122 692</b>	<b>122 692</b>	<b>145 490</b>	<b>145 256</b>	<b>151 795</b>

The total operating expenditure increased by R 22.8 million (18.6%) from R122.7 million in 2013/14 to R145.5 million in 2014/15. Below is a discussion of the main expenditure components

### **Employee related costs**

The budgeted allocation for employee related costs for the 2014/15 financial year totals R48.2 million, which equals 33 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.79 per cent for the 2014/15 financial year. An annual increase of

6.4 per cent has been included in the two outer years of the MTREF.

As part of cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards and only critical vacancies have been catered for. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

### **Remuneration of Councillors**

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. The most recent proclamation in this regard has been taken into account in compiling the budget.

### **Debt Impairment**

The provision of debt impairment was determined based on the actual debt impairment raised in the previous year of assessment and related policy. For the 2014/15 financial year this amount equates to R10 million. 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.

### **Depreciation and Asset Impairment**

Provision for depreciation and asset impairment has been informed by the Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R17.5 million for the 2014/15 financial and equates to 8.3 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

### **Finance Charges**

Finance charges consist primarily of the repayment of interest on long-term borrowing. Finance charges make up 0.7 per cent (R1 million) of operating expenditure. It should be noted that the percentage of finance charges will be maintained at 0.07 per cent over the MTREF.

### **Bulk Purchases**

Bulk purchases are directly informed by the purchase of electricity from Eskom and Water Affairs. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

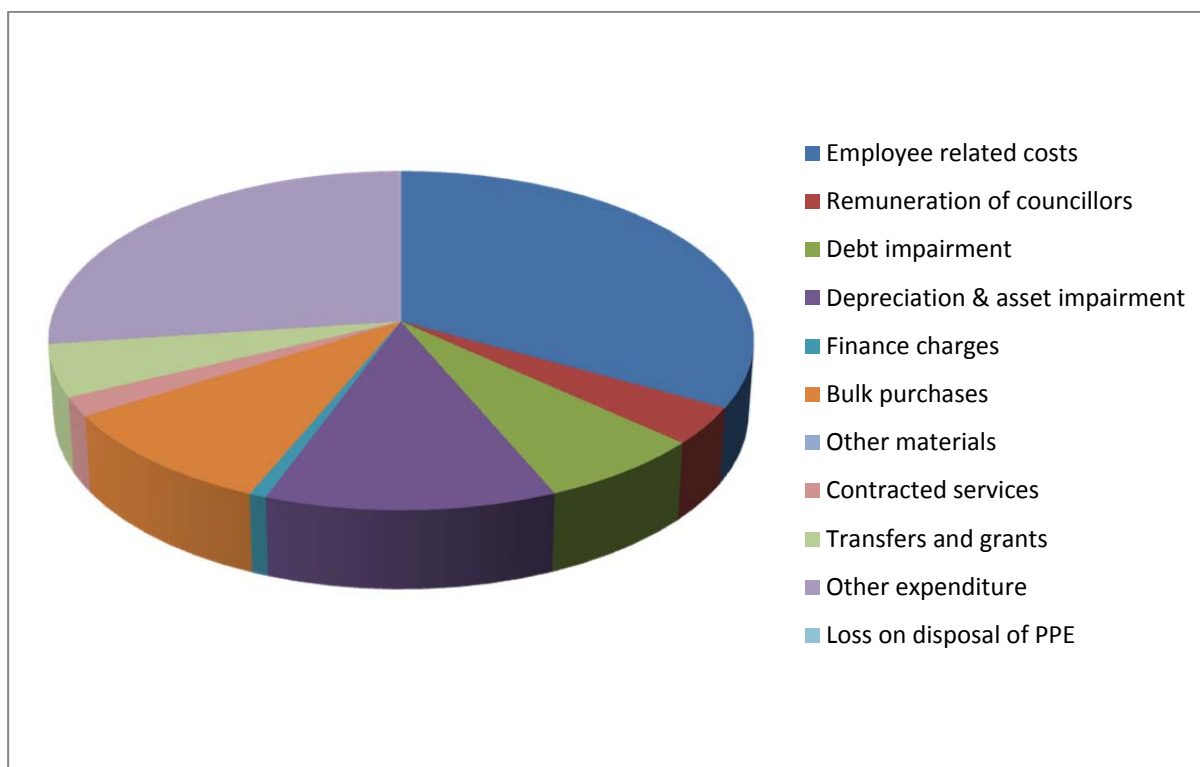
### **Contracted Services**

As part of the compilation of the 2014/15 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2014/15 financial year, this group of expenditure totals R2.7 million and has escalated by just 4.9 per cent, clearly demonstrating the application of cost efficiencies. For the two outer years growth has been limited to 5.9 and 5.5 per cent

## **Other Expenditure**

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 but for this budget cycle this has not been the case. This results from budgeting for all repayments thus decreasing out creditor thus ensuring sound financial management in the future.

The graph below reflects the expenditure components of the budgeted statement of financial performance



## **Priority relating to repairs and maintenance**

In line with the Municipality's stated intention to preserve and maintain its existing infrastructure, the 2014/15 budget and MTREF provide for reasonable growth in the asset maintenance budget, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic priority in view of the aging infrastructure and certain deferred maintenance but limited resources hampered on the allocation of funds to repairs and maintenance thus only allowing for an increase of flat 2% in the 2014/15 financial year, from R2.9 million to R3.3 million. In relation to the total operating expenditure, repairs and maintenance constitutes 2%.

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

**Table 6 (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
R thousand	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		1 564	3 377	1 559	3 944	1 957	1 957	2 008	1 707	1 801
<u>Community</u>		663	786	344	1 496	496	496	380	403	325
<u>Other assets</u>		581	781	2 490	787	517	517	938	374	493
Total Repairs and Maintenance Expenditure		2 808	4 943	4 393	6 227	2 971	2 971	3 327	2 483	2 619

For the 2012/13 financial year, 56.6 per cent or R2.5 million of total repairs and maintenance will be spent on other assets. For the 2014/15 MTREF 60.3 per cent of total repairs and maintenance will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totalling 21.8 per cent (R725 million), followed by water infrastructure at 15.2 per cent (R506 million), electricity at 11.2 per cent (R371 million), sanitation at 7.5 per cent (R249 million) and waste management at 5% (R158 million). Community assets has been allocated R380 million of total repairs and maintenance equating to 11.4 per cent. Other assets has been allocated R938 million which equates to 28.2%.

#### **Free Basic Services: Basic Social Services Package**

The social package assists indigent households that have limited financial ability to pay for municipal services. In order to qualify for free services the households are required to register in terms of the Municipality's Assistance to the Poor Policy. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

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

## 1.6. CAPITAL BUDGET EXPENDITURE

The Municipal Capital Budget is R with funding as follows:

There is not enough funding internally for capital and this must be turned around, as Sundays River Valley Municipality cannot perpetually depend on external grants for capital funding.

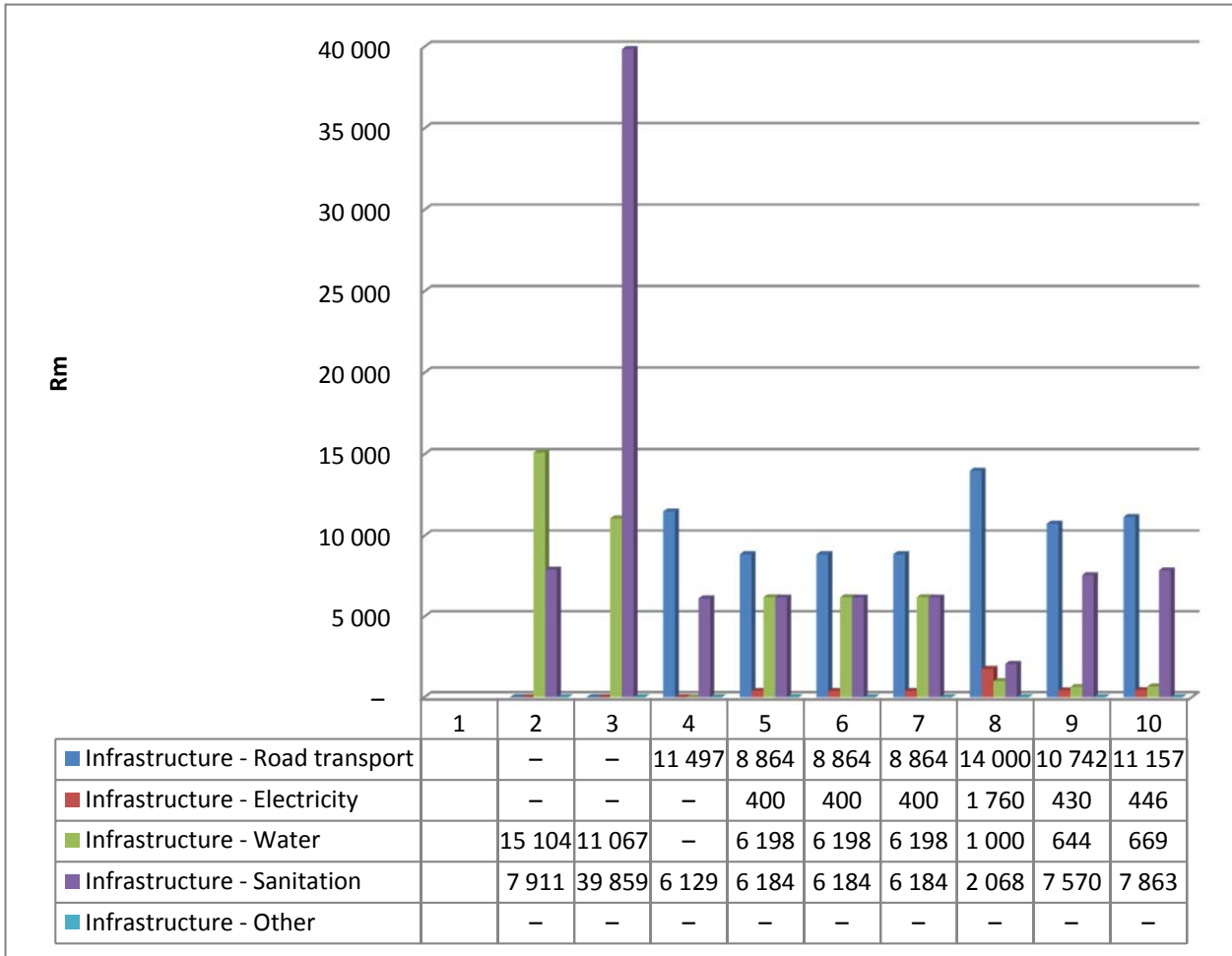
If the municipality raises more revenue internally, it will be able to allocate funding to all wards on an equitable basis; as currently the municipality cannot, due to the fact that most of the municipal capital budget comes from other departments who also have limited resources.

Total new assets represent 13.9 per cent or R3.7 million of the total capital budget while asset renewal equates to 86.1 per cent or R23.2 million.

Further detail can be found in , MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class . Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Upgrading of Addo Water Treatment Works- R2 067 950
- Upgrading of Paterson Water Treatment Works-R1 000 000
- Upgrading of Gravel Roads- R14 000 000
- Community Lighting, Paterson-R440 000
- Community Lighting, Enon Bersheba- R440 000
- Community Lighting, Addo- R440 000
- Community Lighting-,Kirkwood- R440 000
- Rehabilitation of Parks & Playground-R3 500 000
- Rehabilitation of Sportfield- R625 000
- Extension of Library-R1 000 000
- Office Buildings -R600 000
- Various Assets- R2 422 000

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



## 1.7. ANNUAL BUDGET TABLES

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 7 (Budget Summary)**

EC106 Sundays River Valley - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Financial Performance</b>										
Property rates	12 413	12 266	13 051	17 351	10 429	10 429	-	14 623	15 485	16 337
Service charges	31 975	35 712	38 645	39 619	19 771	19 772	-	25 362	26 859	28 336
Investment revenue	287	1 525	288	201	201	201	-	213	226	238
Transfers recognised - operational	35 973	43 932	42 607	49 108	52 215	52 215	-	54 456	71 522	86 643
Other own revenue	11 919	7 708	7 362	9 143	14 643	14 643	-	14 354	15 201	16 037
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>92 566</b>	<b>101 143</b>	<b>101 953</b>	<b>115 423</b>	<b>97 259</b>	<b>97 260</b>	<b>-</b>	<b>109 008</b>	<b>129 292</b>	<b>147 590</b>
Employee costs	24 139	28 007	31 949	37 436	37 436	37 436	-	48 164	51 246	54 526
Remuneration of councillors	2 896	3 800	4 930	5 166	5 166	5 166	-	5 231	5 566	5 922
Depreciation & asset impairment	17 099	17 388	267	17 500	17 500	17 500	-	17 500	17 500	17 500
Finance charges	1 330	2 404	2 720	1 185	1 185	1 185	-	1 038	1 100	1 160
Materials and bulk purchases	9 181	11 834	13 724	13 120	13 120	13 120	-	14 178	15 320	16 555
Transfers and grants	2 857	8 102	11 200	6 977	6 977	6 977	-	7 244	7 671	8 093
Other expenditure	31 264	28 817	37 753	49 898	41 308	41 308	-	52 135	46 852	48 038
<b>Total Expenditure</b>	<b>88 766</b>	<b>100 353</b>	<b>102 543</b>	<b>131 282</b>	<b>122 692</b>	<b>122 692</b>	<b>-</b>	<b>145 490</b>	<b>145 256</b>	<b>151 794</b>
<b>Surplus/(Deficit)</b>	<b>3 800</b>	<b>790</b>	<b>(590)</b>	<b>(15 859)</b>	<b>(25 433)</b>	<b>(25 432)</b>	<b>-</b>	<b>(36 483)</b>	<b>(15 964)</b>	<b>(4 204)</b>
Transfers recognised - capital	23 497	17 200	24 065	29 089	29 089	29 089	-	25 147	25 069	26 037
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>27 297</b>	<b>17 990</b>	<b>23 474</b>	<b>13 230</b>	<b>3 656</b>	<b>3 656</b>	<b>-</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>27 297</b>	<b>17 990</b>	<b>23 474</b>	<b>13 230</b>	<b>3 656</b>	<b>3 656</b>	<b>-</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	24 065	52 452	20 616	26 406	26 486	26 486	-	26 975	24 915	25 870
Transfers recognised - capital	23 569	50 926	20 182	23 790	23 790	23 790	-	25 685	23 816	24 735
Public contributions & donations	316	-	-	-	-	-	-	-	-	-
Borrowing	-	1 053	-	-	-	-	-	-	-	-
Internally generated funds	180	473	434	2 616	2 696	2 696	-	1 290	1 100	1 135
<b>Total sources of capital funds</b>	<b>24 065</b>	<b>52 452</b>	<b>20 616</b>	<b>26 406</b>	<b>26 486</b>	<b>26 486</b>	<b>-</b>	<b>26 975</b>	<b>24 915</b>	<b>25 870</b>
<b>Financial position</b>										
Total current assets	50 828	34 255	45 100	39 492	116 546	116 546	-	50 694	68 122	100 083
Total non current assets	353 759	363 488	383 936	404 681	404 681	404 681	-	413 390	419 433	427 041
Total current liabilities	47 043	37 474	45 894	24 597	68 303	68 303	-	62 017	47 479	38 700
Total non current liabilities	11 896	11 795	11 776	16 734	16 734	16 734	-	11 296	17 703	17 803
Community wealth/Equity	-	348 475	371 366	402 843	436 190	436 190	-	390 771	422 373	470 621
<b>Cash flows</b>										
Net cash from (used) operating	20 138	54 241	26 571	27 192	(10 739)	(10 739)	-	(19 728)	(20 892)	(22 041)
Net cash from (used) investing	(25 246)	(53 149)	(26 335)	(26 403)	(26 403)	(26 403)	-	(25 522)	(24 857)	(26 021)
Net cash from (used) financing	6 486	180	(764)	(2 620)	(2 620)	(2 620)	-	(858)	(908)	(958)
<b>Cash/cash equivalents at the year end</b>	<b>375</b>	<b>1 647</b>	<b>1 120</b>	<b>(541)</b>	<b>(38 472)</b>	<b>(38 472)</b>	<b>1 290</b>	<b>(84 580)</b>	<b>(131 238)</b>	<b>(180 259)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	374	2 223	7 316	1 309	(19 622)	(19 622)	-	2 080	2 202	2 324
Application of cash and investments	18 361	(15 696)	2 429	(15 161)	(90 263)	(90 261)	-	1 738	(15 996)	(47 426)
<b>Balance - surplus (shortfall)</b>	<b>(17 987)</b>	<b>17 920</b>	<b>4 887</b>	<b>16 469</b>	<b>70 641</b>	<b>70 639</b>	<b>-</b>	<b>342</b>	<b>18 198</b>	<b>49 750</b>
<b>Asset management</b>										
Asset register summary (WDV)	353 703	426 943	293 195	357 112	357 112	357 112	413 390	413 390	420 101	428 415
Depreciation & asset impairment	17 099	17 388	267	17 500	17 500	17 500	17 500	17 500	17 500	17 500
Renewal of Existing Assets	-	-	20 208	24 064	24 064	24 064	24 064	23 233	23 822	24 742
Repairs and Maintenance	2 808	4 943	4 393	6 227	2 971	2 971	3 327	3 327	2 483	2 619
<b>Free services</b>										
Cost of Free Basic Services provided	-	933	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055
Revenue cost of free services provided	-	19 234	22 040	22 040	22 040	22 040	23 371	23 371	24 750	26 111
<b>Households below minimum service level</b>										
Water:	-	1	0	0	0	0	0	0	0	0
Sanitation/sewerage:	-	3	0	0	0	0	3	3	3	3
Energy:	-	-	-	-	-	-	4	4	4	4
Refuse:	-	6	6	6	6	6	6	6	6	6

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

1. Table A1 is a budget summary and provides a concise overview of the Sunday River Valley 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:
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality promises to make progress in addressing service delivery backlogs.



**Table 8 (Budgeted Financial Performance SC)**

EC106 Sundays River Valley - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		49 324	50 155	57 036	26 751	20 540	20 540	30 800	32 984	36 271
Executive and council		-	21 289	36 434	2 511	2 511	2 511	8 148	8 986	10 923
Budget and treasury office		49 293	28 768	20 488	23 780	17 281	17 281	22 365	23 706	25 051
Corporate services		32	98	115	460	748	748	287	292	297
<i>Community and public safety</i>		2 978	4 534	3 234	9 687	11 186	11 186	13 662	17 648	20 361
Community and social services		91	75	-	4 409	4 409	4 409	9 394	13 105	15 535
Sport and recreation		229	5	-	4 133	4 133	4 133	-	-	-
Public safety		1 453	4 453	3 234	1 145	2 644	2 644	3 178	3 344	3 507
Housing		114	-	-	-	-	-	-	-	-
Health		1 091	-	-	-	-	-	1 090	1 199	1 319
<i>Economic and environmental services</i>		4 803	1 971	27 101	17 514	19 910	19 911	15 415	15 159	15 777
Planning and development		901	133	25 334	4 039	4 039	4 039	3 785	1 632	1 682
Road transport		2 787	206	1 788	12 485	14 881	14 881	11 630	13 527	14 095
Environmental protection		1 115	1 632	-	991	991	991	-	-	-
<i>Trading services</i>		58 958	61 683	38 645	90 560	74 712	74 712	74 277	88 570	101 219
Electricity		12 959	17 435	9 661	26 743	20 224	20 224	24 012	34 032	35 884
Water		31 551	21 360	9 661	29 879	24 980	24 980	17 685	19 843	30 251
Waste water management		9 878	17 466	9 661	19 459	17 901	17 901	20 259	21 587	22 093
Waste management		4 570	5 422	9 661	14 478	11 607	11 607	12 321	13 108	12 992
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	116 064	118 343	126 017	144 511	126 348	126 349	134 155	154 361	173 627
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		50 339	53 664	50 977	61 516	60 180	60 180	74 387	73 346	74 428
Executive and council		5 233	6 600	8 430	11 749	10 045	10 045	16 578	16 147	16 926
Budget and treasury office		42 312	44 219	39 401	42 014	43 517	43 517	45 602	46 009	46 719
Corporate services		2 795	2 845	3 146	7 753	6 617	6 617	12 207	11 191	10 784
<i>Community and public safety</i>		9 402	8 996	15 342	13 800	10 781	10 781	16 132	16 829	18 898
Community and social services		1 381	2 534	15 342	4 277	3 478	3 478	2 827	4 063	4 396
Sport and recreation		1 073	893	-	969	630	630	3 500	3 500	3 500
Public safety		5 633	5 440	-	8 330	6 496	6 496	9 805	9 266	11 002
Housing		187	129	-	223	178	178	-	-	-
Health		1 128	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 928	7 499	-	17 778	16 001	16 001	18 233	16 048	16 612
Planning and development		3 995	4 583	-	11 546	10 648	10 648	7 856	5 997	6 356
Road transport		2 140	1 881	-	5 239	4 412	4 412	9 296	8 903	9 039
Environmental protection		792	1 035	-	993	942	942	1 080	1 148	1 217
<i>Trading services</i>		22 098	30 195	36 224	38 187	35 730	35 730	36 739	39 033	41 855
Electricity		9 061	12 998	12 997	15 085	14 629	14 629	15 678	16 926	18 262
Water		6 950	7 825	727	10 935	10 352	10 352	10 337	11 008	11 693
Waste water management		2 695	3 537	11 200	4 981	4 469	4 469	5 779	6 161	6 550
Waste management		3 393	5 835	11 300	7 187	6 279	6 279	4 945	4 937	5 350
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	88 766	100 353	102 543	131 282	122 692	122 692	145 490	145 256	151 794
<b>Surplus/(Deficit) for the year</b>		27 297	17 990	23 474	13 230	3 656	3 656	(11 336)	9 105	21 833

**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 6 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

**Table 9 (Budgeted Financial Performance Vote)**

EC106 Sundays River Valley - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>										
Vote 1 - Executive Council	1	–	21 289	36 314	2 511	2 511	2 511	8 148	8 986	10 923
Vote 2 - Municipal Manager		156	–	391	1 850	1 850	1 850	–	–	–
Vote 3 - Budget & Treasury		49 308	28 753	20 488	23 780	17 281	17 281	15 135	16 046	16 971
Vote 4 - Corporate Service		32	170	115	460	748	748	287	292	297
Vote 5 - Community Services		11 183	11 602	14 473	27 637	26 265	26 265	28 437	33 621	36 740
Vote 6 - Technical Services		55 386	56 529	54 237	88 274	77 693	77 693	82 148	95 416	108 696
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>2</b>	<b>116 064</b>	<b>118 343</b>	<b>126 017</b>	<b>144 511</b>	<b>126 348</b>	<b>126 349</b>	<b>134 155</b>	<b>154 361</b>	<b>173 627</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - Executive Council	1	3 513	4 802	4 930	7 253	6 316	6 316	6 636	6 988	7 362
Vote 2 - Municipal Manager		3 109	1 798	3 500	9 432	7 883	7 883	9 943	9 158	9 563
Vote 3 - Budget & Treasury		41 262	43 925	39 401	42 014	43 516	43 516	45 602	46 009	46 719
Vote 4 - Corporate Service		2 796	2 845	3 146	7 753	6 617	6 617	12 207	11 191	10 784
Vote 5 - Community Services		14 411	16 563	15 342	23 155	19 337	19 337	21 529	22 245	24 756
Vote 6 - Technical Services		23 675	30 421	36 224	41 674	39 023	39 023	49 574	49 664	52 610
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>2</b>	<b>88 766</b>	<b>100 353</b>	<b>102 543</b>	<b>131 282</b>	<b>122 692</b>	<b>122 692</b>	<b>145 490</b>	<b>145 256</b>	<b>151 794</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>27 297</b>	<b>17 990</b>	<b>23 474</b>	<b>13 230</b>	<b>3 656</b>	<b>3 656</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure.

**Table 10 (Budgeted Financial Performance)**

EC106 Sundays River Valley - 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	12 413	12 266	13 051	17 305	10 383	10 383	-	14 623	15 485	16 337
Property rates - penalties & collection charges					46	46	46				
Service charges - electricity revenue	2	12 752	14 375	15 556	16 297	9 778	9 778	-	10 501	11 120	11 732
Service charges - water revenue	2	14 040	13 227	14 313	12 250	7 350	7 350	-	7 806	8 266	8 721
Service charges - sanitation revenue	2	1 653	2 695	2 916	3 896	2 338	2 338	-	2 483	2 629	2 774
Service charges - refuse revenue	2	3 530	5 415	5 860	7 177	4 306	4 306	-	4 573	4 843	5 109
Service charges - other						(4 000)	(4 000)				
Rental of facilities and equipment		66	142	115	127	127	127		134	142	150
Interest earned - external investments		287	1 525	288	201	201	201		213	226	238
Interest earned - outstanding debtors		5 145			2 152	2 152	2 152		1 706	1 807	1 906
Dividends received											
Fines		1 454	1 582	1 907	1 153	2 653	2 653		2 805	2 970	3 134
Licences and permits		2 650	1 327	1 327	1 212	1 212	1 212		1 284	1 360	1 435
Agency services		-	1 509	1 577	1 267	1 267	1 267		1 343	1 422	1 500
Transfers recognised - operational		35 973	43 932	42 607	49 108	52 215	52 215		54 456	71 522	86 643
Other revenue	2	2 603	3 148	2 436	3 232	7 232	7 232	-	7 081	7 499	7 912
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>92 566</b>	<b>101 143</b>	<b>101 953</b>	<b>115 423</b>	<b>97 259</b>	<b>97 260</b>	<b>-</b>	<b>109 008</b>	<b>129 292</b>	<b>147 590</b>
<b>Expenditure By Type</b>											
Employee related costs	2	24 139	28 007	31 949	37 436	37 436	37 436	-	48 164	51 246	54 526
Remuneration of councillors		2 896	3 800	4 930	5 166	5 166	5 166		5 231	5 566	5 922
Debt impairment	3	12 693	10 892	11 176	10 847	10 847	10 847		10 000	10 000	10 000
Depreciation & asset impairment	2	17 099	17 388	267	17 500	17 500	17 500	-	17 500	17 500	17 500
Finance charges		1 330	2 404	2 720	1 185	1 185	1 185		1 038	1 100	1 160
Bulk purchases	2	9 181	11 834	13 724	13 120	13 120	13 120	-	14 178	15 320	16 555
Other materials	8										
Contracted services		277	461	2 446	2 559	2 559	2 559	-	2 684	2 843	2 999
Transfers and grants		2 857	8 102	11 200	6 977	6 977	6 977	-	7 244	7 671	8 093
Other expenditure	4, 5	18 294	17 464	24 132	36 492	27 902	27 902	-	39 451	34 010	35 039
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>88 766</b>	<b>100 353</b>	<b>102 543</b>	<b>131 282</b>	<b>122 692</b>	<b>122 692</b>	<b>-</b>	<b>145 490</b>	<b>145 256</b>	<b>151 794</b>
<b>Surplus/(Deficit)</b>											
Transfers recognised - capital		3 800	790	(590)	(15 859)	(25 433)	(25 432)	-	(36 483)	(15 964)	(4 204)
Contributions recognised - capital		23 497	17 200	24 065	29 089	29 089	29 089		25 147	25 069	26 037
Contributed assets		-	-	-	-	-	-		-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>27 297</b>	<b>17 990</b>	<b>23 474</b>	<b>13 230</b>	<b>3 656</b>	<b>3 656</b>	<b>-</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>27 297</b>	<b>17 990</b>	<b>23 474</b>	<b>13 230</b>	<b>3 656</b>	<b>3 656</b>	<b>-</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>27 297</b>	<b>17 990</b>	<b>23 474</b>	<b>13 230</b>	<b>3 656</b>	<b>3 656</b>	<b>-</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>27 297</b>	<b>17 990</b>	<b>23 474</b>	<b>13 230</b>	<b>3 656</b>	<b>3 656</b>	<b>-</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>

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

- Total revenue is R126.3 million in 2013/14 and escalates to R174.6 million by 2016/17. This represents a year-on-year increase of 9 per cent for the 2014/15 financial year, 15 per cent and declines to 12.4 per cent at 2016/17 financial year.
- Revenue to be generated from property rates is R13 million in the 2012/13 financial year and increases to R14.6 billion by 2014/15 which represents 12.3 per cent of the operating revenue base of the Sundays River Valley and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6 per cent, 5.9 per cent and 5.5 per cent for each of the respective financial years of the MTREF.
- Services charges relating to electricity, water, sanitation and refuse removal constitutes the second component of the revenue basket of the municipality totalling R38.6 million for the 2012/13 financial year and increasing to R39.9 million by 2014/15. For the 2014/15 financial year services charges amount to 32 per cent of the total revenue base and declines by 3 per cent and 2 per cent per annum over the medium-term. This decline can mainly be attributed to the rapid growth in the transfers and grants recognised.
- 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 rapidly over the MTREF by 31.3 per cent and 21.1 per cent for the two outer years.

## Table 11 (Budgeted Capital Expenditure, Vote)

EC106 Sundays River Valley - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<i>Multi-year expenditure, to be appropriated</i>	2										
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Service		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<i>Single-year expenditure to be appropriated</i>	2										
Vote 1 - Executive Council		-	139	-	213	258	258	-	-	-	-
Vote 2 - Municipal Manager		-	23	434	32	32	32	-	320	327	334
Vote 3 - Budget & Treasury		734	1 136	-	67	76	76	-	1 450	200	200
Vote 4 - Corporate Service		-	73	-	37	37	37	-	670	167	174
Vote 5 - Community Services		316	80	2 556	4 411	4 438	4 438	-	5 707	4 781	4 971
Vote 6 - Technical Services		23 016	51 002	17 626	21 646	21 646	21 646	-	18 828	19 386	20 135
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]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		24 065	52 452	20 616	26 406	26 486	26 486	-	26 975	24 861	25 814
<b>Total Capital Expenditure - Vote</b>		24 065	52 452	20 616	26 406	26 486	26 486	-	26 975	24 861	25 814
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>		734	1 371	-	327	380	380	-	2 440	367	374
Executive and council			162		223	268	268		320		
Budget and treasury office		734	1 136		104	112	112		1 450	200	200
Corporate services			73		-				670	167	174
<i>Community and public safety</i>		223	80	2 556	4 322	4 349	4 349	-	5 082	4 961	5 161
Community and social services			5	58	285	311	311		1 432	1 044	1 090
Sport and recreation		223	75	2 498	3 618	3 618	3 618		3 500	3 758	3 903
Public safety					419	419	419		150	159	168
Housing											
Health											
<i>Economic and environmental services</i>		93	76	11 497	8 975	8 975	8 975	-	14 000	10 742	11 157
Planning and development			76		22	22	22				
Road transport				11 497	8 953	8 953	8 953		14 000	10 742	11 157
Environmental protection		93									
<i>Trading services</i>		23 016	50 926	6 129	12 782	12 782	12 782	-	4 828	8 645	8 978
Electricity					400	400	400		1 760	430	446
Water		15 104	11 067		6 198	6 198	6 198		1 000	644	669
Waste water management		7 911	39 859	6 129	6 184	6 184	6 184		2 068	7 571	7 863
Waste management											
<i>Other</i>				434					625	200	200
<b>Total Capital Expenditure - Standard</b>	3	24 065	52 452	20 616	26 406	26 486	26 486	-	26 975	24 915	25 870
<b>Funded by:</b>											
National Government		23 569	50 926	20 182	23 790	23 790	23 790		24 653	23 816	24 735
Provincial Government									1 000		
District Municipality									32		
Other transfers and grants											
Transfers recognised - capital	4	23 569	50 926	20 182	23 790	23 790	23 790	-	25 685	23 816	24 735
Public contributions & donations	5	316									
Borrowing	6		1 053								
Internally generated funds		180	473	434	2 616	2 696	2 696		1 290	1 100	1 135
<b>Total Capital Funding</b>	7	24 065	52 452	20 616	26 406	26 486	26 486	-	26 975	24 915	25 870

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

3. Single-year capital expenditure has been appropriated at R26.9 million for the 2014/15 financial year and declines slightly over the MTREF to levels of R24.9 million and R25.9 million respectively for the two outer years.

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 programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2013/14, capital transfers totals R23.8 million and escalates to R25.7 million by 2014/15.

## Table 12 (Budgeted Financial Position)

EC106 Sundays River Valley - 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		236	1 647	1 120							
Call investment deposits	1	529	576	6 196	1 850	18 850	18 850	-	2 080	2 202	2 324
Consumer debtors	1	18 155	17 645	24 782	23 958	84 012	84 012	-	34 622	51 112	82 147
Other debtors		31 524	14 226	12 841	13 465	13 465	13 465		13 820	14 635	15 440
Current portion of long-term receivables		3	3	4	4	4	4		4	4	4
Inventory	2	381	158	158	215	215	215		168	168	168
<b>Total current assets</b>		<b>50 828</b>	<b>34 255</b>	<b>45 100</b>	<b>39 492</b>	<b>116 546</b>	<b>116 546</b>	<b>-</b>	<b>50 694</b>	<b>68 122</b>	<b>100 083</b>
<b>Non current assets</b>											
Long-term receivables		56			52	52	52		52	52	52
Investments											
Investment property		42 174	42 174	42 174	42 174	42 174	42 174		42 174	42 174	42 174
Investment in Associate											
Property, plant and equipment	3	310 080	320 063	340 730	359 955	359 955	359 955	-	369 430	376 124	383 731
Agricultural											
Biological											
Intangible		1 448	1 198	983	2 500	2 500	2 500		1 733	1 083	1 083
Other non-current assets			52	49							
<b>Total non current assets</b>		<b>353 759</b>	<b>363 488</b>	<b>383 936</b>	<b>404 681</b>	<b>404 681</b>	<b>404 681</b>	<b>-</b>	<b>413 390</b>	<b>419 433</b>	<b>427 041</b>
<b>TOTAL ASSETS</b>		<b>404 587</b>	<b>397 743</b>	<b>429 036</b>	<b>444 174</b>	<b>521 227</b>	<b>521 227</b>	<b>-</b>	<b>464 083</b>	<b>487 555</b>	<b>527 124</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	391			541	38 472	38 472				
Borrowing	4	5 399	2 659	2 610	3 350	3 350	3 350	-	2 500	2 450	2 400
Consumer deposits		211	257	262	257	257	257		262	262	262
Trade and other payables	4	38 520	19 630	27 199	16 948	22 724	22 724	-	41 024	32 424	24 424
Provisions		2 522	14 928	15 823	3 500	3 500	3 500		18 231	12 343	11 614
<b>Total current liabilities</b>		<b>47 043</b>	<b>37 474</b>	<b>45 894</b>	<b>24 597</b>	<b>68 303</b>	<b>68 303</b>	<b>-</b>	<b>62 017</b>	<b>47 479</b>	<b>38 700</b>
<b>Non current liabilities</b>											
Borrowing		7 221	1 575	7 656	9 885	9 885	9 885	-	6 426	5 416	4 316
Provisions		4 675	10 220	4 120	6 849	6 849	6 849	-	4 870	12 287	13 487
<b>Total non current liabilities</b>		<b>11 896</b>	<b>11 795</b>	<b>11 776</b>	<b>16 734</b>	<b>16 734</b>	<b>16 734</b>	<b>-</b>	<b>11 296</b>	<b>17 703</b>	<b>17 803</b>
<b>TOTAL LIABILITIES</b>		<b>58 939</b>	<b>49 268</b>	<b>57 670</b>	<b>41 331</b>	<b>85 037</b>	<b>85 037</b>	<b>-</b>	<b>73 313</b>	<b>65 182</b>	<b>56 503</b>
<b>NET ASSETS</b>	5	<b>345 648</b>	<b>348 475</b>	<b>371 366</b>	<b>402 843</b>	<b>436 190</b>	<b>436 190</b>	<b>-</b>	<b>390 771</b>	<b>422 373</b>	<b>470 621</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)			348 475	371 366	402 843	436 190	436 190		390 025	422 373	470 621
Reserves	4	-	-	-	-	-	-	-	745	-	-
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>-</b>	<b>348 475</b>	<b>371 366</b>	<b>402 843</b>	<b>436 190</b>	<b>436 190</b>	<b>-</b>	<b>390 771</b>	<b>422 373</b>	<b>470 621</b>

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

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6 is supported by an extensive table of notes (SA3) 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.

**Table 13 (Budgeted Cash Flows)**

EC106 Sundays River Valley - Table A7 Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
Receipts											
Ratepayers and other		17 799	61 724	35 909	50 295	50 295	50 295		39 986	42 345	44 674
Government - operating	1		46 328	45 667	49 108	49 031	49 031		54 456	71 522	86 643
Government - capital	1		17 200	24 065	29 089	29 089	29 089		24 147	25 572	26 978
Interest		3 591	1 525	288	2 354	6 232	6 232		213	226	238
Dividends											
Payments											
Suppliers and employees			(31 807)	(76 638)	(102 469)	(145 001)	(145 001)		(120 248)	(127 343)	(134 346)
Finance charges		(1 252)	(2 404)	(2 720)	(1 185)	(385)	(385)		(1 038)	(1 100)	(1 160)
Transfers and Grants	1		(38 324)	-					(7 244)	(7 671)	(8 093)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>20 138</b>	<b>54 241</b>	<b>26 571</b>	<b>27 192</b>	<b>(10 739)</b>	<b>(10 739)</b>	<b>-</b>	<b>(9 728)</b>	<b>3 551</b>	<b>14 933</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors				3	3	3	3		3	4	4
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments			314	(5 619)							
Payments											
Capital assets		(25 246)	(53 463)	(20 719)	(26 406)	(26 406)	(26 406)		(25 525)	(24 861)	(26 025)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(25 246)</b>	<b>(53 149)</b>	<b>(26 335)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>-</b>	<b>(25 522)</b>	<b>(24 857)</b>	<b>(26 021)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts											
Short term loans											
Borrowing long term/refinancing		6 486									
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing			180	(764)	(2 620)	(2 620)	(2 620)		(858)	(908)	(958)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>6 486</b>	<b>180</b>	<b>(764)</b>	<b>(2 620)</b>	<b>(2 620)</b>	<b>(2 620)</b>	<b>-</b>	<b>(858)</b>	<b>(908)</b>	<b>(958)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1 378</b>	<b>1 272</b>	<b>(527)</b>	<b>(1 831)</b>	<b>(39 762)</b>	<b>(39 762)</b>	<b>-</b>	<b>(36 108)</b>	<b>(22 215)</b>	<b>(12 046)</b>
Cash/cash equivalents at the year begin:	2	(1 003)	375	1 647	1 290	1 290	1 290	1 290	(38 472)	(74 580)	(96 795)
Cash/cash equivalents at the year end:	2	375	1 647	1 120	(541)	(38 472)	(38 472)	1 290	(74 580)	(96 795)	(108 841)

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Sundays River fell significantly over the 2011/12 to 2012/13 period owing directly to a net decrease in cash for the 2012/13 financial year of R527 000.
4. The approved 2013/14 MTREF provide for a further net decrease in cash of R1.8 million for the 2013/14 financial year resulting in an overall projected negative cash position of R541 000 at year end.
5. As part of the 2013/14 mid-year review and Adjustments Budget this unsustainable cash position had been exacerbated as a result of as excessive expenditure allocations and non-containment of spending priorities.
7. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term, the cash flow statement reveals that our budget is unfunded due to cash flow challenges experienced in the past years i.e. repayment of loans not budgeted for and poor planning and high level expenditures.
8. Cash and cash equivalents totals a net decrease of R12 million as at the end of the 2014/15 financial year.

**Table 14 ( Cash backed Reserves Reconciliation)**

EC106 Sundays River Valley - 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	375	1 647	1 120	(541)	(38 472)	(38 472)	1 290	(84 580)	(131 238)	(180 259)
Other current investments > 90 days		(0)	577	6 196	1 850	18 850	18 850	(1 290)	86 659	133 440	182 582
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>374</b>	<b>2 223</b>	<b>7 316</b>	<b>1 309</b>	<b>(19 622)</b>	<b>(19 622)</b>	<b>-</b>	<b>2 080</b>	<b>2 202</b>	<b>2 324</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		1 739	988	1 613	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	16 622	(16 684)	816	(15 161)	(90 263)	(90 261)	-	1 738	(15 996)	(47 426)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>18 361</b>	<b>(15 696)</b>	<b>2 429</b>	<b>(15 161)</b>	<b>(90 263)</b>	<b>(90 261)</b>	<b>-</b>	<b>1 738</b>	<b>(15 996)</b>	<b>(47 426)</b>
<b>Surplus(shortfall)</b>		<b>(17 987)</b>	<b>17 920</b>	<b>4 887</b>	<b>16 469</b>	<b>70 641</b>	<b>70 639</b>	<b>-</b>	<b>342</b>	<b>18 198</b>	<b>49 750</b>

**Explanatory notes to Table A8 – Cash backed Reserves Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular – 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 audited outcomes, the period 2010/11 to 2012/13 the deficit deteriorated from R17.9 million to R4.8 million surplus.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2014/15 MTREF was not funded owing to the significant deficit.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.



**Table 15 ( Asset Management)**

EC106 Sundays River Valley - 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	24 065	52 452	408	2 342	2 422	2 422	3 742	1 039	1 072
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		15 104	11 067	-	600	600	600	-	-	-
Infrastructure - Sanitation		7 911	39 859	-	600	600	600	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		23 016	50 926	-	1 200	1 200	1 200	-	-	-
Community		-	-	-	-	-	-	1 000	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1 050	1 526	460	1 142	1 222	1 222	1 992	1 039	1 072
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	(52)	-	-	-	750	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	20 208	24 064	24 064	24 064	23 233	23 822	24 742
Infrastructure - Road transport		-	-	11 497	8 864	8 864	8 864	14 000	10 742	11 157
Infrastructure - Electricity		-	-	-	400	400	400	1 760	430	446
Infrastructure - Water		-	-	-	5 598	5 598	5 598	1 000	644	669
Infrastructure - Sanitation		-	-	6 129	5 584	5 584	5 584	2 068	7 570	7 863
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	17 626	20 446	20 446	20 446	18 828	19 386	20 135
Community		-	-	2 556	3 618	3 618	3 618	4 125	4 436	4 607
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	26	-	-	-	280	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	11 497	8 864	8 864	8 864	14 000	10 742	11 157
Infrastructure - Road transport		-	-	-	400	400	400	1 760	430	446
Infrastructure - Electricity		-	-	-	6 198	6 198	6 198	1 000	644	669
Infrastructure - Water		15 104	11 067	-	6 184	6 184	6 184	2 068	7 570	7 863
Infrastructure - Sanitation		7 911	39 859	6 129	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		23 016	50 926	17 626	21 646	21 646	21 646	18 828	19 386	20 135
Community		-	-	2 556	3 618	3 618	3 618	5 125	4 436	4 607
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1 050	1 526	485	1 142	1 222	1 222	2 272	1 039	1 072
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	(52)	-	-	-	750	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	24 065	52 452	20 616	26 406	26 486	26 486	26 975	24 861	25 814
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>										
Infrastructure - Road transport	5	55 829	69 123	250 037	59 741	59 741	59 741			
Infrastructure - Electricity		12 092	14 420	-	10 541	10 541	10 541			
Infrastructure - Water		62 571	96 561	-	84 140	84 140	84 140			
Infrastructure - Sanitation		87 801	99 811	-	98 522	98 522	98 522			
Infrastructure - Other		85 104	91 127	-	59 494	59 494	59 494	369 430	376 791	385 105
Infrastructure		303 397	371 043	250 037	312 437	312 437	312 437	369 430	376 791	385 105
Community		538	807	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		42 174	42 174	42 174	42 174	42 174	42 174	42 174	42 174	42 174
Other assets		6 146	11 721	-	-	-	-	52	52	52
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		1 448	1 198	983	2 500	2 500	2 500	1 733	1 083	1 083
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	353 703	426 943	293 195	357 112	357 112	357 112	413 390	420 101	428 415
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>	3	17 099	17 388	267	17 500	17 500	17 500	17 500	17 500	17 500
<b>Repairs and Maintenance by Asset Class</b>		2 808	4 943	4 393	6 227	2 971	2 971	3 327	2 483	2 619
Infrastructure - Road transport		169	935	655	1 388	888	888	725	668	705
Infrastructure - Electricity		495	740	396	850	450	450	371	392	414
Infrastructure - Water		288	687	411	703	403	403	506	384	405
Infrastructure - Sanitation		344	510	98	428	128	128	249	264	278
Infrastructure - Other		268	505	-	574	88	88	158	-	-
Infrastructure		1 564	3 377	1 559	3 944	1 957	1 957	2 008	1 707	1 801
Community		663	786	344	1 496	496	496	380	403	325
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	581	781	2 490	787	517	517	938	374	493
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		19 907	22 332	4 660	23 727	20 471	20 471	20 827	19 983	20 119
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	98.0%	91.1%	90.9%	90.9%	86.1%	95.8%	95.8%
<i>Renewal of Existing Assets as % of deprecn*</i>		0.0%	0.0%	7574.9%	137.5%	137.5%	137.5%	132.8%	136.1%	141.4%
<i>R&amp;M as a % of PPE</i>		0.9%	1.5%	1.3%	1.7%	0.8%	0.8%	0.9%	0.7%	0.7%
<i>Renewal and R&amp;M as a % of PPE</i>		1.0%	1.0%	8.0%	8.0%	8.0%	8.0%	6.0%	6.0%	6.0%

## **Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. Sundays River Valley meets only one of these recommendations and falls short of the Repairs and maintenance by a huge margin of 7.3%.

**Table 16 ( Basic Service Delivery Measurement)**

EC106 Sundays River Valley - 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			7 152	8 446	8 446	8 446	8 446	8 666	8 666	8 666
Piped water inside yard (but not in dwelling)			1 987	987	987	987	987	1 328	1 328	1 328
Using public tap (at least min.service level)	2		1 143	3 083	3 083	3 083	3 083	2 006	2 006	2 006
Other water supply (at least min.service level)	4		153	70	70	70	70			
<i>Minimum Service Level and Above sub-total</i>			10 435	12 586	12 586	12 586	12 586	12 000	12 000	12 000
Using public tap (< min.service level)	3		1 270	70	70	70	70	70	70	70
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>			1 270	70	70	70	70	70	70	70
<b>Total number of households</b>	5		11 705	12 656	12 656	12 656	12 656	12 070	12 070	12 070
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)			7 730	10 873	10 873	10 873	10 873	7 780	7 780	7 780
Flush toilet (with septic tank)			23	25	25	25	25	751	751	751
Chemical toilet			-	-	-	-	-	85	85	85
Pit toilet (ventilated)			855	219	219	219	219	527	527	527
Other toilet provisions (> min.service level)								2 578	2 578	2 578
<i>Minimum Service Level and Above sub-total</i>			8 608	11 117	11 117	11 117	11 117	11 721	11 721	11 721
Bucket toilet			254	250	250	250	250	1 060	1 060	1 060
Other toilet provisions (< min.service level)			2 704	166	166	166	166	839	839	839
No toilet provisions								958	958	958
<i>Below Minimum Service Level sub-total</i>			2 958	416	416	416	416	2 857	2 857	2 857
<b>Total number of households</b>	5		11 566	11 533	11 533	11 533	11 533	14 578	14 578	14 578
<b>Energy:</b>										
Electricity (at least min.service level)			5 046	5 046	5 046	5 046	5 046	8 026	8 026	8 026
Electricity - prepaid (min.service level)			1 500	1 500	1 500	1 500	1 500	2 675	2 675	2 675
<i>Minimum Service Level and Above sub-total</i>			6 546	6 546	6 546	6 546	6 546	10 701	10 701	10 701
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources								3 826	3 826	3 826
<i>Below Minimum Service Level sub-total</i>								3 826	3 826	3 826
<b>Total number of households</b>	5		6 546	6 546	6 546	6 546	6 546	14 527	14 527	14 527
<b>Refuse:</b>										
Removed at least once a week			3 585	3 585	3 585	3 585	3 585	8 134	8 134	8 134
<i>Minimum Service Level and Above sub-total</i>			3 585	3 585	3 585	3 585	3 585	8 134	8 134	8 134
Removed less frequently than once a week			468	468	468	468	468	468	468	468
Using communal refuse dump			4 236	4 236	4 236	4 236	4 236	4 236	4 236	4 236
Using own refuse dump			126	126	126	126	126	126	126	126
Other rubbish disposal			1 614	1 614	1 614	1 614	1 614	1 614	1 614	1 614
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>			6 444	6 444	6 444	6 444	6 444	6 444	6 444	6 444
<b>Total number of households</b>	5		10 029	10 029	10 029	10 029	10 029	14 578	14 578	14 578
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)			11 554	11 554	11 554	11 554	11 554	11 554	11 554	11 554
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)			3 585	3 585	3 585	3 585	3 585	3 585	3 585	3 585
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)			933	1 055	1 055	1 055	1 055	1 055	1 055	1 055
Refuse (removed once a week)										
<b>Total cost of FBS provided (minimum social package)</b>			933	1 055	1 055	1 055	1 055	1 055	1 055	1 055
<b>Highest level of free service provided</b>										
Property rates (R value threshold)			25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000
Water (kilolitres per household per month)			6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)			34	34	34	34	34	34	34	34
Electricity (kwh per household per month)			50	50	50	50	50	50	50	50
Refuse (average litres per week)										
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)			16 390	17 865	17 865	17 865	17 865	18 937	20 054	21 157
Property rates (other exemptions, reductions and rebates)										
Water			1 300	1 379	1 379	1 379	1 379	1 462	1 548	1 633
Sanitation			300	848	848	848	848	899	952	1 004
Electricity/other energy				630	630	630	630	677	716	756
Refuse			1 244	1 318	1 318	1 318	1 318	1 397	1 480	1 561
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of free services provided (total social package)</b>			19 234	22 040	22 040	22 040	22 040	23 371	24 750	26 111

**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 attempts to make good progress with the eradication of backlogs:
3. It is anticipated that these Free Basic Services will cost the municipality R1.6 million in 2014/15, increasing to R1.7 million in 2016/17. This is covered by the municipality's equitable share allocation from national government.

## **PART 2- SUPPORTING DOCUMENTATION**

### **2.1. OVERVIEW OF THE ANNUAL BUDGET PROCESS**

This section provides an overview of the Sundays River Valley Municipality's 2014/15 to 2016/17 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of Sundays River Valley Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in Sunday River Valley. Sundays River Valley alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

According to Circular No. 72, the following headline forecasts underpin the national 2015 Budget:

<b>Fiscal Year</b>	<b>2012/13 Actual</b>	<b>2013/14 Estimate</b>	<b>Forecast 2014/15</b>	<b>Forecast 2015/16</b>	<b>Forecast 2016/17</b>
Headline CPI	5.60%	5.70%	6.20%	5.90%	5.50%
Inflation					

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities, to ensure that all spheres of government support the national macroeconomic policies, unless it can be shown that external factors impact otherwise.

The entire budget process is prescribed by the Municipal Finance Management Act. Section 21(1) (b) of the MFMA requires the mayor to table not later than 10 months before the start of the budget year a time schedule outlining the key deadlines and processes for the preparation, tabling and approval of the Annual Budget, the review of the IDP and budget related policies and any consultation process which would be part of the process.

The time schedule was tabled to the Executive Committee meeting by end August 2013 .

The consultation process involves presenting and eliciting comments from the public by Ward and by placing an advert in the local press requesting budget input.

The following stakeholders are identified:

- communities
- senior management
- the work force
- trade unions
- rate payers association
- general public and interested parties
- district municipality
- national and provincial sector departments

Prescribed forms have been developed for both operating and capital inputs.

A presentation is delivered to the communities and responses are recorded. These are considered within the budget realm and capacity. Meetings are arranged by ward and the related Councillor manages the process.

A Draft Budget is prepared, based on budget assumption, and presented to Budget Committee members as a pre-draft budget so as to give an outlook for the year in question.

At this stage the budget still needs to be gauged against realistic income and expenditure which translated to budget performance.

Thereafter the eagerly awaited Division of Revenue is received during February and published the grant and subsidy allocation in terms of which budget parameters are set or adjusted. Information from other sources, District Councils and Provincial Authorities are confirmed. Any surplus capacity is consumed.

During this time the IDP process has started with steering committee meetings as well as public consultation to primary confirm and re-affirm priorities as well as to disclose any new development. Critical to this process is capital project funding in terms of MIG. The IDP and Budget, as policy documents are reflected against each for purpose of IDP preparation and budget finalization.

A final meeting with Budget Committee members is held to discuss any changes made and to prepare for final tabling of draft budget to Council.

The draft budget is then tabled to Council and then council authorizes that the budget is made public for comment. Once this period closes the comments received are once again considered and adjustments are brought about. The draft budget was tabled to Council on 31 March 2014.

### ***Political oversight of the process***

The schedule of key deadlines was submitted to management meeting to monitor the progress of the process by officials against the schedule tabled by the Mayor. The Mayor was regularly informed on the progress. The key deadlines were reviewed during the year and were submitted to council for approval.

### ***Consultations & advertisements***

Advertisements will be placed in the local newspapers circulating in the area of jurisdiction and district informing the community of the budget, indicating where they can view a copy and how to lodge comments.

A formal process for consultation has been conducted after the draft budget & IDP were approved by Council.

This was done by the following methods:

- The budget was be made public by making them available at SRVM's offices and website
- Notices were published in the area inviting members of the public to submit representations on the budget.
- Community meetings in all wards
- No submissions and or objections were received from community members.

Community hearings were conducted at all areas –

- Bergsig
- Moses Mabida
- Paterson
- Valencia
- Nomathamsanqa
- Kirkwood – Ratepayers Association
- Bersheba

Please also refer to IDP document for details of community participation.

## **2.2. ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN**

### **AMENDMENT AND ADJUSTMENT TO THE 2014/15IDP**

#### ***The review process focussed on:***

- Improving the **strategic nature** of the document, thereby ensuring effective use of available data, careful consideration of available resources, as well as exploring locally appropriate solutions to complex development issues.
- Increasing the usefulness of the document during **implementation** and monitoring.

#### ***The process was influenced by:***

- Project progress information as provided by Heads of Departments
- An extensive data search to update the analysis chapter.
- Inputs from community based planning initiatives

The alignment of the IDP with the budget is illustrated in schedules SA4, SA5, SA6. The schedules are attached.

These allocations are to link up with the Service Delivery and Budget Implementation plan.

A draft Service Delivery and Budget Implementation Plan has been developed and will be tabled with the budget to Council. The final SDBIP needs to be approved within 28 days after the adoption of the budget. KPA's and KPI's have been developed and strategic alignment between IDP, Budget and SDBIP is ascertained.

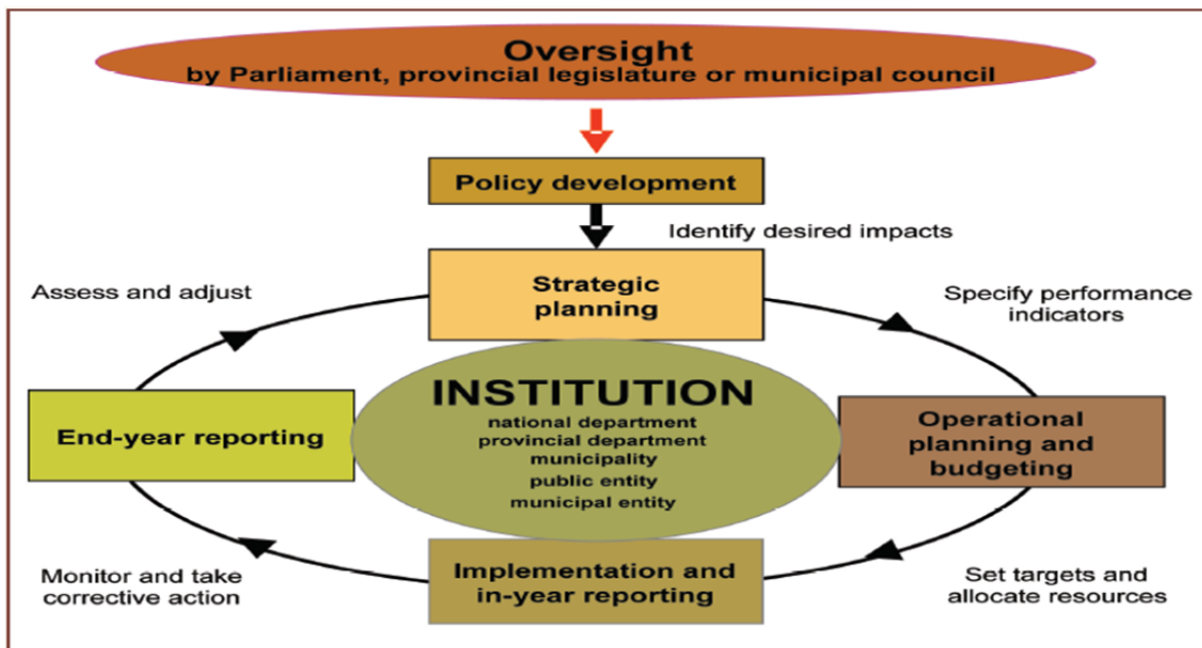


## **2.3 Measurable performance objectives and indicators**

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

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

The planning, budgeting and reporting cycle can be graphically illustrated as follows:

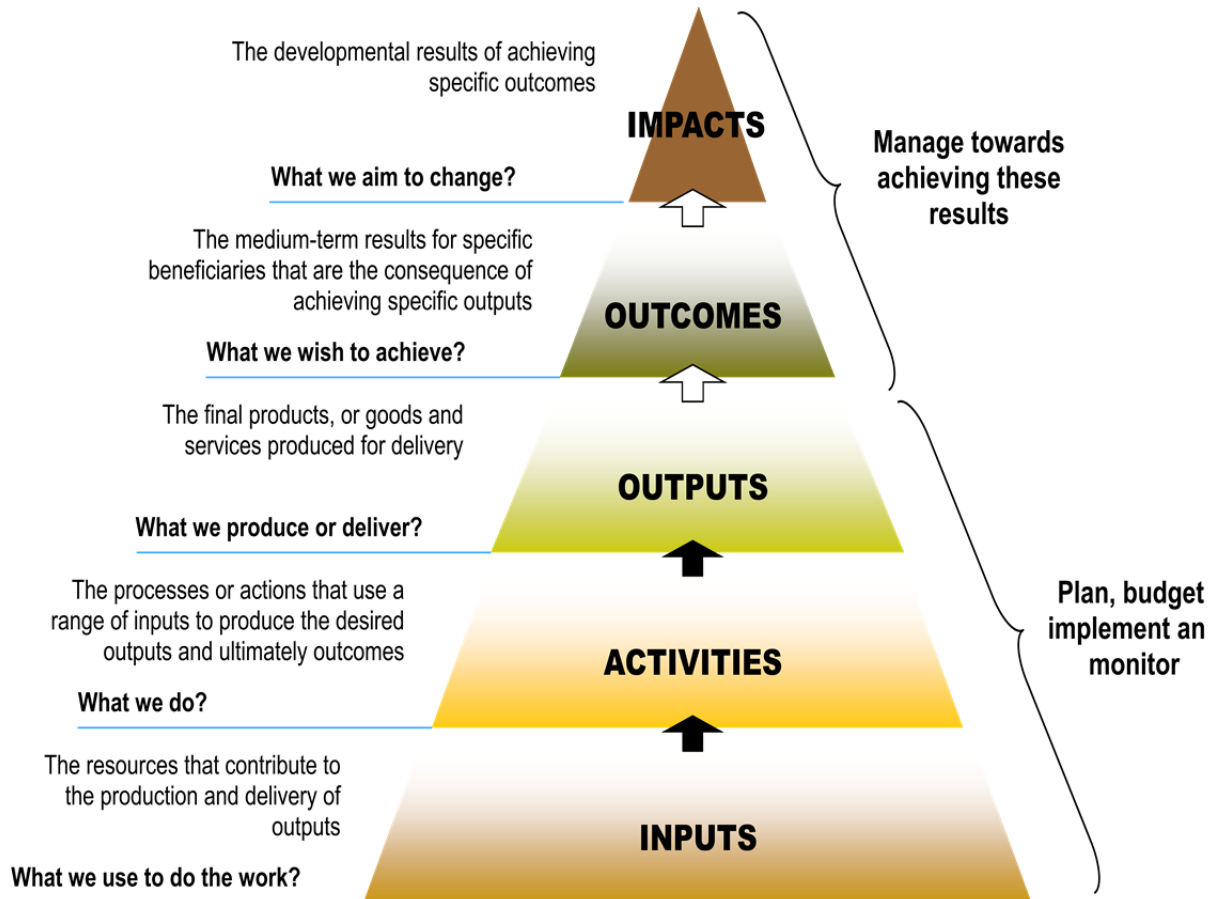


The performance of Sundays River Valley relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. Sundays River Valley therefore has adopted one integrated performance management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

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

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

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



The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF

**Table 17 ( Performance indicators and benchmarks)**

EC106 Sundays River Valley - Supporting 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											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.5%	2.2%	3.4%	2.9%	3.1%	3.1%	0.0%	1.3%	1.4%	1.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.4%	3.9%	5.9%	5.7%	8.4%	8.4%	0.0%	3.5%	3.5%	3.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	3603.5%	0.0%	0.0%	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%	862.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.1	0.9	1.0	1.6	1.7	1.7	-	0.8	1.4	2.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.1	0.9	1.0	1.6	1.7	1.7	-	0.8	1.4	2.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.1	0.2	0.1	0.3	0.3	-	0.0	0.0	0.1
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		31.6%	110.8%	60.8%	76.1%	112.2%	112.2%	0.0%	73.6%	73.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		31.6%	110.8%	60.8%	76.1%	112.2%	112.2%	0.0%	73.6%	73.6%	73.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	53.7%	31.5%	36.9%	32.5%	100.3%	100.3%	0.0%	44.5%	50.9%	66.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		8633.0%	1132.0%	2114.9%	-2466.9%	-49.7%	-49.7%	0.0%	-44.2%	-24.7%	-13.5%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kM)										
Employee costs	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.1%	27.7%	31.3%	32.4%	38.5%	38.5%	0.0%	44.2%	39.6%	36.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.6%	29.4%	36.2%	36.7%	43.5%	43.5%		49.0%	43.9%	41.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.0%	4.9%	4.3%	5.4%	3.1%	3.1%		3.1%	1.9%	1.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	19.9%	19.6%	2.9%	16.2%	19.2%	19.2%	0.0%	17.0%	14.4%	12.6%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	42.1	54.4	11.9	7.5	7.5	7.5	-	48.1	48.3	50.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	111.8%	66.2%	72.6%	65.6%	321.4%	321.4%	0.0%	120.8%	154.8%	217.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	0.3	0.2	(0.1)	(5.4)	(5.4)	-	(9.8)	(14.8)	(19.3)

## **Performance indicators and benchmarks**

### *Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Sundays River Valley's borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2011/12 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. It needs to be noted that the increased capital grants and transfers contributes to a decrease in the ratio and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily increased from 3.4 per cent in 2012/13 to 1.3 per cent in 2014/15. This decrease can be attributed to the non- rising of loans to fund portions of the capital programme. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored moving forward.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality will not be funding its capital expenditure through loans but rather through grants and internal resources.

### *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014/15 MTREF the current ratio is 0.8 in the 2014/15 financial year and 1.4 and 2.6 respectively, for the two outer years of the MTREF. Currently the municipality cannot meet its financial obligations as suggested by the ratio.
- *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. Sundays River cannot meet its obligation to its creditors and this needs to be considered a pertinent risk for the municipality as continued under collection of revenue will translate into serious financial challenges for the municipality.

### *Revenue Management*

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

### *Creditors Management*

- Sundays River Valley is unable to ensure timorous payment or settlement of creditors invoice within the legislated timeframe. This has had an unfavourable impact on

suppliers' perceptions of doing business with the municipality, which in turn hampers on the competitive pricing of tenders and rotation of suppliers amongst other issues.

### **Free Basic Services: Basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2014/15 financial year registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kℓ free water, 50 kwh of electricity, 6 kℓ sanitation and free waste removal equivalent to 85ℓ once a week, as well as a discount on their property rates.

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

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

### **Providing clean water and managing waste water**

Sundays River Valley Municipality is committed to providing quality services, in a cost effective and efficient manner. As such SRVM has embraced the Water Safety Planning Process as a way of effectively managing the water supply systems within the municipality. Hence the development of the first Water Safety Plan for SRVM and covers the Kirkwood, Enon, Addo, Paterson, Glenconnor and Kleinpoort supply systems.

Sundays River Valley Municipality was designated as the water service authority for its area of jurisdiction on [1 July 2003](#) in terms of Chapter 3 of the Water Services Act, Act No. 108 of 1997.

The various plants were first assessed as part of the Blue Drop Assessment in 2010. The results released in the National Blue Drop Report of [June 2012](#) by the DWA, SRVM had an overall Blue Drop Score of 60.69%. The Next round of Blue Drop assessment was conducted on the [6th of March](#) 2014 and the results are yet to be released by DWA, however with the compilation of the Water Safety Plan(PDNA),we are anticipating and increase of over 30% in the Blue Drop Score. The Green Drop Score remains steady at 46%,with the new assessment date yet to be announced.

This combination of demand exceeding system capacity, water losses, insufficient raw water storage provided by the Lower Sundays River Valley Water User's Association (LSRWUA). The Major Challenge for the upper Valley is the required augmentation of the Kirkwood Plant, through the RBIG, which is implemented by Amatola Water.

## **2.4 BUDGET RELATED POLICIES**

The prioritization of service delivery and the management of council functions is the key to the budget. Sundays River Valley municipality's budget process is guided and governed by legislation regulations and budget related policies.

Sundays River Valley Municipality will embarked on a process of reviewing all financial and budget related policies in the next budget cycle .

These policies need to be enacted into by-laws thereby enabling council to undertake its revenue collection effort to court and further securing income generation.

### ***Tariff Policy***

The Municipal Systems Act requires a municipality to have a tariff policy. One of the challenges in setting tariffs is ensuring affordable tariffs whilst maintaining financial stability. The tariff policy tries to address this issue and creates a foundation for the principles that address social, economic and financial imperatives that the process of tariff setting should take into account.

Changes proposed: None

### ***Rates policy***

Sundays River Valley has adopted a rates policy which is line with legislative requirements. The policy became effective 01 July 2009.

The policy provides that properties be rated based on their market value. The valuation roll is still valid for one year.

Changes proposed: None

### ***Indigent Policy***

This policy was reviewed and approved during the 2009/2010 financial year.

Sundays River Valley municipality is committed to ensure that all households have access to its services. Due to the fact that Sundays River Valley Municipality has a high level of unemployment and seasonal workers, the municipality decided to adopt an indigent policy. This policy will ensure that poor households have at least access to basic services.

Changes proposed: None

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

Municipalities are required in terms of section 111 of MFMA to have a supply chain management policy. Sundays River Valley Municipality has a policy within the framework of the legislation. The policy adheres to the following principles:

Procurement system which is fair, equitable, transparent, competitive and cost effective in terms of section 217 of the Constitution

Best practice within supply chain management

Uniformity in supply chain management systems between organs of state in all spheres

Changes proposed: None

### ***Credit control and debt management policy***

The credit control and debt management policy of Sundays River Valley Municipality was reviewed during 2009/2010. This policy provides the procedures and mechanisms for credit control and collection of debts. The primary objective is to ensure that all monies due to the municipality are collected efficiently and promptly.

Changes proposed: none

### ***Banking and Investment policy***

As custodians of public funds, the Council has an obligation to see to it that cash resources are managed as effectively as possible. Council has a responsibility to invest public funds with great care and are liable to the community in that regard.

The investment policy should be aimed at gaining the highest possible return without undue risk during those periods when funds are not needed. To bring this about, it is essential to have an effective cashflow management program.

Changes proposed: None

### ***Asset management policy***

The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Fixed Assets) owned or controlled by municipality.

Changes proposed: None

### ***Policy on the writing off of irrecoverable debt***

Despite strict enforcement of the credit control and indigent policies, Council will continuously be confronted by circumstances requiring the possible write-off of irrecoverable debt. To allow this the Credit Control Policy, inter alia, stipulated that:-

The Municipal Manager must establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the municipality.

In addition, the policy further stipulates that:-

The purpose of this policy is to ensure that the principles and procedures for writing off irrecoverable debt are formalized.

Changes proposed: None

### ***Financial management policy***

This policy incorporates amongst others regulations relating to:

- General budgeting principles and processes
- Levying of tariffs, fees and charges

- Collection and control of income
- Operating expenditure
- Capital expenditure
- Creditors and payments
- Salaries & Wages
- Petty Cash
- Asset management
- Investments
- Risk management and Insurance
- Loans

Changes proposed: None



## **2.5 Overview of budget assumptions**

Budgets are prepared in an environment of uncertainty. To prepare meaningful budget, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all assumptions used in preparing the budget.

### **National Treasury MFMA Circular No 70 & 72**

This Circular was issued on 3 December 2013 and 11 March 2014 respectively, and provides further guidance to municipalities for the preparation of the 2014/15 budget and MTREF. These circulars were utilised in the compilation of this budget. A copy of the Circulars is attached as an Annexure to this document

### **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 and the impact on Sundays River Valley residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

Employee related costs comprise 33 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. The wage agreement SALGBC must also be noted and preceding two years are set to increase by 6.4 per cent.

### **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. Sundays River Valley engages in few financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2014/15 MTREF is based on the assumption that no additional borrowings are to be undertaken for 2014/15. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the long term was noted. It should be noted that Sundays River Valley does not have any investments.

### **Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at an average rate as per CPI but moving forward an investigation in terms of tariff structure settings has to be performed thus ensuring cost reflective tariffs.

The rate of revenue collection is currently expressed as a percentage (60 per cent) of annual

billings.

### **Growth or decline in tax base of the municipality**

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of Sundays River Valley.

### **Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and shall remain in force until 30 June 2015. Year three is an across the board increase of 6.5 per cent.

### **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.

## **2.6. LEGISLATIVE COMPLIANCE**

### **Disclosure on implementation of the MFMA & other applicable legislation Municipal Finance Management Act – No 56 of 2003**

The MFMA became effective on 1<sup>st</sup> July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain and financial reporting.

The various sections of the Act are phased in according to the designated financial management of municipalities.

The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

#### **The MFMA and the budget**

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

##### *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.

##### *Internship programme*

Sundays River Valley Municipality is participating in the Municipal Financial Management Internship programme and has employed four interns undergoing training in various divisions of the Financial Services Department. Of the four interns two have been appointed on a contractual basis. The remaining has completed their two year contract on 30 April 2014, and extension for one year has been granted by National Treasury.

##### *Budget and Treasury Office*

The Budget and Treasury Office has been established in accordance with the MFMA.

##### *Audit Committee*

An Audit Committee has been established and is fully functional.

##### *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 May 2014 directly aligned and informed by the 2014/15 MTREF.

##### *Annual Report*

Annual report is compiled in terms of the MFMA and National Treasury requirements.

##### *MFMA Training*

The MFMA training module in electronic format is available and training is ongoing.

## Investment Particulars by Type

**Table 18 – SA15: Investment Particular-Type**

EC106 Sundays River Valley - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		529	576	6 199	1 850	1 850	1 850			
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	529	576	6 199	1 850	1 850	1 850	-	-	-

The municipality does not have any investments.

**Borrowings**  
**Table 19 – SA17: Borrowing**

EC106 Sundays River Valley - Supporting Table SA17 Borrowing

Borrowing - Categorised 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)			6 402	6 888	4 835	4 835		5 888	4 888	3 888
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases			2 929	1 729	5 050	5 050		538	528	428
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	9 331	8 617	9 885	9 885	-	6 426	5 416	4 316

## Grants and subsidies

### Table 20 – SA18: Transfers and grants receipt

EC106 Sundays River Valley - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		29 150	34 087	39 552	44 388	46 707	-	51 285	68 242	73 243
Local Government Equitable Share		25 710	31 991	36 314	40 404	40 327		46 351	55 166	59 358
EPWP Incentive				998	1 000	1 000		2 200		
Municipal Systems Improvement		1 200	742	779	890	890		934	967	1 018
Integrated National Electrification Programme		740	-		444	444		-	8 159	8 767
Finance Management		1 500	1 354	1 270	1 650	1 650		1 800	1 950	2 100
Disaster, Eskom				191		2 396			2 000	2 000
Provincial Government:		1 589	333	271	1 507	2 007	-	2 507	1 507	1 507
Health subsidy		1 091								
		445				500				
		53								
COGTA-SIU,Idp,Library			333	271	350	350		350	350	350
					1 157	1 157		2 157	1 157	1 157
District Municipality:		1 019	-	-	990	990	-	1 464	1 573	1 693
Environmental Health		1 019	-	-	990	990		1 089	1 198	1 318
Fire								375	375	375
Other grant providers:		-	9 512	2 784	-	-	-	200	200	10 200
DWAF			8 126							10 000
other grants			1 386	2 784				200	200	200
<b>Total Operating Transfers and Grants</b>	5	31 758	43 932	42 607	46 885	49 704	-	55 456	71 522	86 643
<b>Capital Transfers and Grants</b>										
National Government:		-	17 200	24 065	31 312	31 312	-	24 147	25 069	26 037
Municipal Infrastructure Grant (MIG)		-	17 200	24 065	23 346	23 346		24 147	25 069	26 037
Regional Bulk Infrastructure					6 466	6 466				
Other capital transfers/grants [insert desc]					1 500	1 500				
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Environmental Health										
Other grant providers:		-	-	-	-	-	-	-	-	-
DWAF										
<b>Total Capital Transfers and Grants</b>	5	-	17 200	24 065	31 312	31 312	-	24 147	25 069	26 037
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		31 758	61 132	66 671	78 197	81 016	-	79 603	96 591	112 680

**Table 21 – SA19: Expenditure on transfers and grants**

EC106 Sundays River Valley - Supporting Table SA19 Expenditure on transfers and grant programme

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>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		29 150	34 087	39 552	44 388	46 707	-	51 285	68 242	73 243
Local Government Equitable Share		25 710	31 991	36 314	40 404	40 327		46 351	55 166	59 358
EPWP Incentive				998	1 000	1 000		2 200		
Municipal Systems Improvement		1 200	742	779	890	890		934	967	1 018
Integrated National Electrification Programme		740	-		444	444		-	8 159	8 767
Finance Management		1 500	1 354	1 270	1 650	1 650		1 800	1 950	2 100
Disaster, Eskom				191		2 396			2 000	2 000
Provincial Government:		1 589	333	271	1 507	2 007	-	2 507	1 507	1 507
Health subsidy		1 091								
		445				500				
		53								
COGTA-SIU,Idp,Library			333	271	350	350		350	350	350
					1 157	1 157		2 157	1 157	1 157
District Municipality:		1 019	-	-	990	990	-	1 464	1 573	1 693
Environmental Health		1 019	-	-	990	990		1 089	1 198	1 318
								375	375	375
Other grant providers:		-	9 512	2 784	-	-	-	200	200	10 200
DWAF			8 126							10 000
			1 386	2 784				200	200	2 000
<b>Total operating expenditure of Transfers and Grants:</b>		<b>31 758</b>	<b>43 932</b>	<b>42 607</b>	<b>46 885</b>	<b>49 704</b>	<b>-</b>	<b>55 456</b>	<b>71 522</b>	<b>86 643</b>
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	17 200	24 065	31 312	31 312	-	24 147	25 069	26 037
Municipal Infrastructure Grant (MIG)		-	17 200	24 065	23 346	23 346		24 147	25 069	26 037
Regional Bulk Infrastructure					6 466	6 466				
Other capital transfers/grants [insert desc]					1 500	1 500				
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Environmental Health										
Other grant providers:		-	-	-	-	-	-	-	-	-
DWAF										
<b>Total capital expenditure of Transfers and Grants</b>		<b>-</b>	<b>17 200</b>	<b>24 065</b>	<b>31 312</b>	<b>31 312</b>	<b>-</b>	<b>24 147</b>	<b>25 069</b>	<b>26 037</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>31 758</b>	<b>61 132</b>	<b>66 671</b>	<b>78 197</b>	<b>81 016</b>	<b>-</b>	<b>79 603</b>	<b>96 591</b>	<b>112 680</b>

**Table 22 – SA20: Reconciliation of transfers, grants receipts and unspent**

EC106 Sundays River Valley - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
<b>Operating transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year				39 847	41 880	44 276	44 276	51 285	68 242	73 243
Current year receipts										
Conditions met - transferred to revenue		-	-	39 498	41 880	44 276	44 276	51 285	68 242	73 243
Conditions still to be met - transferred to liabilities				348						
Provincial Government:										
Balance unspent at beginning of the year				(335)						
Current year receipts				523	1 507	2 007	2 007	1 507	1 507	1 507
Conditions met - transferred to revenue		-	-	271	1 507	2 007	2 007	1 507	1 507	1 507
Conditions still to be met - transferred to liabilities				(84)						
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts				821	990	990	990	1 464	1 573	1 693
Conditions met - transferred to revenue		-	-	821	990	990	990	1 464	1 573	1 693
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year				1 333						
Current year receipts				1 963				200	200	10 200
Conditions met - transferred to revenue		-	-	1 963	-	-	-	200	200	10 200
Conditions still to be met - transferred to liabilities				1 333						
<b>Total operating transfers and grants revenue</b>		-	-	42 553	44 377	47 273	47 273	54 456	71 522	86 643
<b>Total operating transfers and grants - CTBM</b>	2	-	-	1 598	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year				(11)						
Current year receipts				23 659	31 312	31 312	31 312	24 653	23 816	24 735
Conditions met - transferred to revenue		-	-	23 634	31 312	31 312	31 312	24 653	23 816	24 735
Conditions still to be met - transferred to liabilities				14						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts								1 000		
Conditions met - transferred to revenue		-	-	-	-	-	-	1 000	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts								32		
Conditions met - transferred to revenue		-	-	-	-	-	-	32	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		-	-	23 634	31 312	31 312	31 312	25 685	23 816	24 735
<b>Total capital transfers and grants - CTBM</b>	2	-	-	14	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		-	-	66 188	75 689	78 585	78 585	80 141	95 338	111 378
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	1 613	-	-	-	-	-	-



**Table 23 – SA22: Summary of councillor and staff benefits**

EC106 Sundays River Valley - Supporting Table SA22 Summary 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		1 779	3 386	4 348	4 761	4 761	4 761	3 627	3 859	4 106
Pension and UIF Contributions		102	35	66						
Medical Aid Contributions		101								
Motor Vehicle Allowance		600								
Cellphone Allowance		285						334	356	378
Housing Allowances										
Other benefits and allowances		30	379	516	363	363	363	1 270	1 352	1 438
<b>Sub Total - Councillors</b>		<b>2 896</b>	<b>3 800</b>	<b>4 930</b>	<b>5 124</b>	<b>5 124</b>	<b>5 124</b>	<b>5 231</b>	<b>5 567</b>	<b>5 923</b>
% increase	4		31.2%	29.7%	3.9%	-	-	2.1%	6.4%	6.4%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		1 459	2 092	2 462	3 589	3 589	3 589	4 326	4 603	4 898
Pension and UIF Contributions		2	87	54	49	49	49	18	19	20
Medical Aid Contributions										
Overtime										
Performance Bonus			75	22	502	502	502	614	653	695
Motor Vehicle Allowance	3	194	295	308	231	231	231			
Cellphone Allowance	3	18			30	30	30	25	27	29
Housing Allowances	3									
Other benefits and allowances	3	10		188				400	426	453
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>		<b>1 683</b>	<b>2 549</b>	<b>3 034</b>	<b>4 401</b>	<b>4 401</b>	<b>4 401</b>	<b>5 383</b>	<b>5 728</b>	<b>6 094</b>
% increase	4		51.5%	19.0%	45.1%	-	-	22.3%	6.4%	6.4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		13 419	15 768	20 986	24 453	24 453	24 453	35 170	37 421	39 816
Pension and UIF Contributions		2 139	1 421	4 544	3 730	3 730	3 730	949	1 010	1 074
Medical Aid Contributions		1 533	2 459		1 363	1 363	1 363	1 321	1 406	1 496
Overtime		1 203	1 180	1 354	630	630	630	645	686	730
Performance Bonus		1 024	1 112		1 483	1 483	1 483			
Motor Vehicle Allowance	3	237			160	160	160			
Cellphone Allowance	3	58			317	317	317	153	163	174
Housing Allowances	3	184			146	146	146	115	122	130
Other benefits and allowances	3	1 173	1 406	1 654	510	510	510	4 352	4 631	4 927
Payments in lieu of leave										
Long service awards			64	208	4	4	4	75	80	85
Post-retirement benefit obligations	6			169						
<b>Sub Total - Other Municipal Staff</b>		<b>20 970</b>	<b>23 411</b>	<b>28 915</b>	<b>32 797</b>	<b>32 797</b>	<b>32 797</b>	<b>42 780</b>	<b>45 518</b>	<b>48 432</b>
% increase	4		11.6%	23.5%	13.4%	-	-	30.4%	6.4%	6.4%
<b>Total Parent Municipality</b>		<b>25 549</b>	<b>29 760</b>	<b>36 879</b>	<b>42 322</b>	<b>42 322</b>	<b>42 322</b>	<b>53 395</b>	<b>56 813</b>	<b>60 449</b>
			16.5%	23.9%	14.8%	-	-	26.2%	6.4%	6.4%

**Table 24 – SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers)**

EC106 Sundays River Valley - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		406 705		161 889			568 594
Chief Whip								-
Executive Mayor			508 381		195 781			704 162
Deputy Executive Mayor								-
Executive Committee			1 143 858		460 242			1 604 100
Total for all other councillors			1 568 355		786 011			2 354 366
<b>Total Councillors</b>	8	-	3 627 299	-	1 603 923			5 231 222
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			924 421	18 488	159 462	137 571		1 239 942
Chief Finance Officer			850 441	17 009	49 339	119 062		1 035 851
Director Community Services			850 441	17 009	49 339	119 062		1 035 851
Director Corporate Services			850 441	17 009	49 339	119 062		1 035 851
Director Technical Services			850 441	17 009	49 339	119 062		1 035 851
								-

**Table 25 – SA24: Summary of personnel numbers**

EC106 Sundays River Valley - Supporting Table 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)		16	16	–	16	16	–	16	16	–
Board Members of municipal entities	4	–			–			–		
Municipal employees	5									
Municipal Manager and Senior Managers	3	5		5	5		5	5		5
Other Managers	7	4	1	3	4	1	3	4	1	3
Professionals		11	9	9	11	9	9	11	9	9
Finance		5	3	2	5	3	2	5	3	2
Spatial/town planning										
Information Technology										
Roads										
Electricity		1	1	1	1	1	1	1	1	1
Water										
Sanitation										
Refuse										
Other		5	5	6	5	5	6	5	5	6
Technicians		24	19	5	24	19	5	24	19	5
Finance										
Spatial/town planning		1	1	–	1	1	–	1	1	–
Information Technology		1		1	1		1	1		1
Roads		2	2		2	2		2	2	
Electricity										
Water		2		2	2		2	2		2
Sanitation										
Refuse										
Other		18	16	2	18	16	2	18	16	2
Clerks (Clerical and administrative)		47	41	6	47	41	6	47	41	6
Service and sales workers		9	9		9	9		9	9	
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		9	9		9	9		9	9	
Elementary Occupations		92	92	10	92	92	10	92	92	10
<b>TOTAL PERSONNEL NUMBERS</b>	9	217	196	38	217	196	38	217	196	38
% increase					–	–	–	–	–	–
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10		31	2		31	2		31	2
Human Resources personnel headcount	8, 10		3	2		3	2		3	2

## Monthly targets for revenue, expenditure and cash flow

**Table 26 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type**

EC106 Sundays River Valley - Supporting Table 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		1 219	1 219	1 219	1 219	1 219	1 219	1 219	1 219	1 219	1 219	1 219	1 219	14 623	15 485	16 337
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	(6 335)	10 501	11 120	11 732
Service charges - water revenue		904	904	904	904	904	904	904	904	904	904	904	(2 143)	7 806	8 266	8 721
Service charges - sanitation revenue		293	293	293	293	293	293	293	293	293	293	293	(742)	2 483	2 629	2 774
Service charges - refuse revenue		576	576	576	576	576	576	576	576	576	576	576	(1 759)	4 573	4 843	5 109
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		11	11	11	11	11	11	11	11	11	11	11	11	134	142	150
Interest earned - external investments		18	18	18	18	18	18	18	18	18	18	18	18	213	226	238
Interest earned - outstanding debtors		142	142	142	142	142	142	142	142	142	142	142	1 706	1 807	1 906	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		234	234	234	234	234	234	234	234	234	234	234	2 805	2 970	3 134	
Licences and permits		107	107	107	107	107	107	107	107	107	107	107	1 284	1 360	1 435	
Agency services		112	112	112	112	112	112	112	112	112	112	112	1 343	1 422	1 500	
Transfers recognised - operational		4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	54 456	71 522	86 643	
Other revenue		590	590	590	590	590	590	590	590	590	590	590	7 081	7 499	7 912	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>10 274</b>	<b>10 274</b>	<b>10 274</b>	<b>10 274</b>	<b>10 274</b>	<b>10 274</b>	<b>10 274</b>	<b>10 274</b>	<b>10 274</b>	<b>10 274</b>	<b>10 274</b>	<b>(4 009)</b>	<b>109 008</b>	<b>129 292</b>	<b>147 590</b>
<b>Expenditure By Type</b>																
Employee related costs		2 952	2 952	2 952	2 952	2 952	2 952	2 952	2 952	2 952	2 952	2 952	15 692	48 164	51 246	54 526
Remuneration of councillors		436	436	436	436	436	436	436	436	436	436	436	436	5 231	5 566	5 922
Debt impairment		987	987	987	987	987	987	987	987	987	987	987	(859)	10 000	10 000	10 000
Depreciation & asset impairment		1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	1 458	17 500	17 500	17 500
Finance charges		87	87	87	87	87	87	87	87	87	87	87	87	1 038	1 100	1 160
Bulk purchases		1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	14 178	15 320	16 555
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		234	234	234	234	234	234	234	234	234	234	234	109	2 684	2 843	2 999
Transfers and grants		733	733	733	733	733	733	733	733	733	733	733	(823)	7 244	7 671	8 093
Other expenditure		3 043	3 043	3 043	3 043	3 043	3 043	3 043	3 043	3 043	3 043	3 043	5 980	39 451	34 010	35 039
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>23 262</b>	<b>145 490</b>	<b>145 256</b>	<b>151 794</b>
<b>Surplus/(Deficit)</b>		<b>(837)</b>	<b>(837)</b>	<b>(837)</b>	<b>(837)</b>	<b>(837)</b>	<b>(837)</b>	<b>(837)</b>	<b>(837)</b>	<b>(837)</b>	<b>(837)</b>	<b>(837)</b>	<b>(27 270)</b>	<b>(36 483)</b>	<b>(15 964)</b>	<b>(4 204)</b>
Transfers recognised - capital		2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	3 012	25 147	25 069	26 037
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>(24 258)</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>(24 258)</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>

References

**Table 27 – SA26: Budgeted monthly revenue and expenditure by municipal vote**

EC106 Sundays River Valley - Supporting Table 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 - Executive Council		679	679	679	679	679	679	679	679	679	679	679	679	8 148	8 986	10 923
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		1 261	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	(4 764)	15 135	16 046	16 971
Vote 4 - Corporate Service		24	24	24	24	24	24	24	24	24	24	24	24	287	292	297
Vote 5 - Community Services		2 370	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	978	28 437	33 621	36 740
Vote 6 - Technical Services		6 846	7 211	7 211	7 211	7 211	7 211	7 211	7 211	7 211	7 211	7 211	3 193	82 148	95 416	108 696
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>11 180</b>	<b>12 286</b>	<b>12 286</b>	<b>12 286</b>	<b>12 286</b>	<b>12 286</b>	<b>12 286</b>	<b>12 286</b>	<b>12 286</b>	<b>12 286</b>	<b>12 286</b>	<b>110</b>	<b>134 155</b>	<b>154 361</b>	<b>173 627</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive Council		566	566	566	566	566	566	566	566	566	566	566	412	6 636	6 988	7 362
Vote 2 - Municipal Manager		776	776	776	776	776	776	776	776	776	776	776	1 412	9 943	9 158	9 563
Vote 3 - Budget & Treasury		3 866	3 866	3 866	3 866	3 866	3 866	3 866	3 866	3 866	3 866	3 866	3 073	45 602	46 009	46 719
Vote 4 - Corporate Service		717	717	717	717	717	717	717	717	717	717	717	4 323	12 207	11 191	10 784
Vote 5 - Community Services		1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	3 051	21 529	22 245	24 756
Vote 6 - Technical Services		3 508	3 508	3 508	3 508	3 508	3 508	3 508	3 508	3 508	3 508	3 508	10 991	49 574	49 664	52 610
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>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>11 112</b>	<b>23 262</b>	<b>145 490</b>	<b>145 256</b>	<b>151 794</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>68</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>(23 151)</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>68</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>1 175</b>	<b>(23 151)</b>	<b>(11 336)</b>	<b>9 105</b>	<b>21 833</b>

## Table 28 – SA27: Budgeted monthly revenue and expenditure by standard classification

EC106 Sundays River Valley - Supporting Table 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>		2 567	2 567	2 567	2 567	2 567	2 567	2 567	2 567	2 567	2 567	2 567	2 567	30 800	32 984	36 271
Executive and council		679	679	679	679	679	679	679	679	679	679	679	679	8 148	8 986	10 923
Budget and treasury office		1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	22 365	23 706	25 051
Corporate services		24	24	24	24	24	24	24	24	24	24	24	24	287	292	297
<i>Community and public safety</i>		1 048	964	964	964	964	964	964	964	964	964	964	2 971	13 662	17 648	20 361
Community and social services		783	699	699	699	699	699	699	699	699	699	699	1 616	9 394	13 105	15 535
Sport and recreation																
Public safety		265	265	265	265	265	265	265	265	265	265	265		3 178	3 344	3 507
Housing																
Health														1 090	1 199	1 319
<i>Economic and environmental services</i>		1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	15 415	15 159	15 777
Planning and development		315	315	315	315	315	315	315	315	315	315	315	315	3 785	1 632	1 682
Road transport		969	969	969	969	969	969	969	969	969	969	969	969	11 630	13 527	14 095
Environmental protection																
<i>Trading services</i>		6 190	7 380	7 380	7 380	7 380	7 380	7 380	7 380	7 380	7 380	7 380	(5 713)	74 277	88 570	101 219
Electricity		2 001	2 604	2 604	2 604	2 604	2 604	2 604	2 604	2 604	2 604	2 604	(4 024)	24 012	34 032	35 884
Water		1 474	1 854	1 854	1 854	1 854	1 854	1 854	1 854	1 854	1 854	1 854		17 605	19 643	20 251
Waste water management		1 688	1 688	1 688	1 688	1 688	1 688	1 688	1 688	1 688	1 688	1 688		1 688	20 259	21 587
Waste management		1 027	1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235	(1 051)	12 321	13 108	12 992
<i>Other</i>																
<b>Total Revenue - Standard</b>		11 089	12 196	12 196	12 196	12 196	12 196	12 196	12 196	12 196	12 196	12 196	11 099	134 155	154 361	173 627
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		6 199	5 746	5 746	5 746	5 746	5 746	5 746	5 746	5 746	5 746	5 746	10 724	74 387	73 346	74 428
Executive and council		1 382	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	3 563	16 578	16 147	16 926
Budget and treasury office		3 800	3 666	3 666	3 666	3 666	3 666	3 666	3 666	3 666	3 666	3 666	3 139	45 602	46 009	46 719
Corporate services		1 017	717	717	717	717	717	717	717	717	717	717	4 023	12 207	11 191	10 784
<i>Community and public safety</i>		1 344	942	942	942	942	942	942	942	942	942	942	5 370	16 132	16 829	18 998
Community and social services		236	319	319	319	319	319	319	319	319	319	319	(598)	2 827	4 063	4 396
Sport and recreation		292	32	32	32	32	32	32	32	32	32	32	2 889	3 500	3 500	3 500
Public safety		817	591	591	591	591	591	591	591	591	591	591	3 079	9 805	9 266	11 002
Housing																
Health																
<i>Economic and environmental services</i>		1 519	1 300	1 300	1 300	1 300	1 300	1 300	1 300	1 300	1 300	1 300	3 715	18 233	16 048	16 612
Planning and development		655	833	833	833	833	833	833	833	833	833	833	(1 125)	7 856	5 997	6 356
Road transport		775	377	377	377	377	377	377	377	377	377	377	4 750	9 296	8 903	9 039
Environmental protection		90	90	90	90	90	90	90	90	90	90	90		1 080	1 148	1 217
<i>Trading services</i>		3 062	3 124	3 124	3 124	3 124	3 124	3 124	3 124	3 124	3 124	3 124	2 440	36 739	39 033	41 855
Electricity		1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 306	15 678	16 266	18 262
Water		861	861	861	861	861	861	861	861	861	861	861		10 337	11 008	11 693
Waste water management		482	482	482	482	482	482	482	482	482	482	482		5 779	6 161	6 550
Waste management		412	474	474	474	474	474	474	474	474	474	474	(210)	4 945	4 937	5 350
<i>Other</i>																
<b>Total Expenditure - Standard</b>		12 124	11 112	11 112	11 112	11 112	11 112	11 112	11 112	11 112	11 112	11 112	22 249	145 490	145 256	151 794
<b>Surplus/(Deficit) before assoc.</b>		(1 035)	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	(21 140)	(11 336)	9 105	21 833
Share of surplus/(deficit) of associate																
<b>Surplus/(Deficit)</b>	1	(1 035)	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	(21 140)	(11 336)	9 105	21 833

**Table 29 – SA28: Budgeted monthly capital expenditure by municipal vote**

<i>Single-year expenditure to be appropriated</i>																
Vote 1 - Executive Council																
Vote 2 - Municipal Manager				200			120									
Vote 3 - Budget & Treasury		500		200												
Vote 4 - Corporate Service		60		10		10	120		10		10					
Vote 5 - Community Services		455	455	455	455	455	455	455	455	455	455					
Vote 6 - Technical Services		1 569	1 569	1 569	1 569	1 569	1 569	1 569	1 569	1 569	1 569					
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]																
Capital single-year expenditure sub-total	2	2 584	2 024	2 434	2 024	2 034	2 144	2 144	2 024	2 034	2 024	2 034	3 474	26 975	24 861	25 814
Total Capital Expenditure	2	2 584	2 024	2 434	2 024	2 034	2 144	2 144	2 024	2 034	2 024	2 034	3 474	26 975	24 861	25 814

**Table 30 – SA29: Budgeted monthly capital expenditure by standard classification**

EC106 Sundays River Valley - Supporting Table 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>		77	77	77	77	77	77	77	77	77	77	77	1 597	2 440	367	374
Executive and council													320	320	-	-
Budget and treasury office		58	58	58	58	58	58	58	58	58	58	58	808	1 450	200	200
Corporate services		18	18	18	18	18	18	18	18	18	18	18	468	670	167	174
<i>Community and public safety</i>		455	455	455	455	455	455	455	455	455	455	455	80	5 082	4 961	5 161
Community and social services		155	155	155	155	155	155	155	155	155	155	155	(270)	1 432	1 044	1 090
Sport and recreation		292	292	292	292	292	292	292	292	292	292	292	292	3 500	3 758	3 903
Public safety		8	8	8	8	8	8	8	8	8	8	8	58	150	159	168
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	14 000	10 742	11 157
Planning and development													-	-	-	-
Road transport		1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	#REF!	#REF!	10 742	11 157
Environmental protection													-	-	-	-
<i>Trading services</i>		1 569	1 569	1 569	1 569	1 569	1 569	1 569	1 569	1 569	1 569	1 569	(12 431)	4 828	8 645	8 978
Electricity		147	147	147	147	147	147	147	147	147	147	147	147	1 760	430	446
Water		83	83	83	83	83	83	83	83	83	83	83	83	1 000	644	669
Waste water management		172	172	172	172	172	172	172	172	172	172	172	172	2 068	7 571	7 863
Waste management		1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	14 000	-	-
Other													625	625	200	200
<b>Total Capital Expenditure - Standard</b>	2	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	(8 963)	26 975	24 915	25 870
<b>Funded by:</b>																
National Government		1 913	1 913	1 913	1 913	1 913	1 913	1 913	1 913	1 913	1 913	1 913	3 615	24 653	23 816	24 735
Provincial Government													1 000	1 000	-	-
District Municipality													32	32	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		1 913	1 913	1 913	1 913	1 913	1 913	1 913	1 913	1 913	1 913	1 913	4 647	25 685	23 816	24 735
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		131	131	131	131	131	131	131	131	131	131	131	(151)	1 290	1 100	1 135
<b>Total Capital Funding</b>		2 044	2 044	2 044	2 044	2 044	2 044	2 044	2 044	2 044	2 044	2 044	4 496	26 975	24 915	25 870



**Table 31 – SA30: Budgeted monthly cash flow**

EC106 Sundays River Valley - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	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
R thousand															
<b>Cash Receipts By Source</b>													1	15 485	16 337
Property rates	1 219	587	587	587	587	587	587	587	587	587	587	7 531	14 623	15 485	16 337
Property rates - penalties & collection charges															
Service charges - electricity revenue	875	740	740	740	740	740	740	740	740	740	740	2 230	10 501	11 120	11 732
Service charges - water revenue	650	435	435	435	435	435	435	435	435	435	435	2 804	7 806	8 266	8 721
Service charges - sanitation revenue	207	131	131	131	131	131	131	131	131	131	131	971	2 483	2 629	2 774
Service charges - refuse revenue	381	283	283	283	283	283	283	283	283	283	283	1 363	4 573	4 843	5 109
Service charges - other															
Rental of facilities and equipment															
Interest earned - external investments	18	18	18	18	18	18	18	18	18	18	18	18	213	226	238
Interest earned - outstanding debtors															
Dividends received															
Fines															
Licences and permits															
Agency services															
Transfer receipts - operational	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	54 456	71 522	86 643
Other revenue															
<b>Cash Receipts by Source</b>	7 888	6 731	6 731	6 731	6 731	6 731	6 731	6 731	6 731	6 731	6 731	19 454	94 654	114 092	131 554
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	24 147	25 572	26 978
Contributions recognised - capital & Contributed assets															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables												3	3	4	4
Decrease (increase) in non-current investments															
<b>Total Cash Receipts by Source</b>	9 900	8 743	8 743	8 743	8 743	8 743	8 743	8 743	8 743	8 743	8 743	21 470	118 804	139 667	158 536
<b>Cash Payments by Type</b>															
Employee related costs	4 014	2 952	2 952	2 952	2 952	2 952	2 952	2 952	2 952	2 952	2 952	14 630	48 164	51 246	54 526
Remuneration of councillors	436	436	436	436	436	436	436	436	436	436	436	436	5 231	5 566	5 922
Finance charges	87	87	87	87	87	87	87	87	87	87	87	87	1 038	1 100	1 160
Bulk purchases - Electricity	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	13 544	14 636	15 816
Bulk purchases - Water & Sewer	53	53	53	53	53	53	53	53	53	53	53	53	633	684	739
Other materials															
Contracted services	234	234	234	234	234	234	234	234	234	234	234	234	2 809	2 934	3 057
Transfers and grants - other municipalities															
Transfers and grants - other	604	639	639	639	639	639	639	639	639	639	639	248	7 244	7 671	8 093
Other expenditure	4 156	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	21 986	49 866	52 277	54 287
<b>Cash Payments by Type</b>	10 711	7 902	7 902	7 902	7 902	7 902	7 902	7 902	7 902	7 902	7 902	38 802	128 530	136 114	143 600
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	25 625	24 861	26 025
Repayment of borrowing	71	71	71	71	71	71	71	71	71	71	71	71	858	908	958
Other Cash Flows/Payments															
<b>Total Cash Payments by Type</b>	12 909	10 100	10 100	10 100	10 100	10 100	10 100	10 100	10 100	10 100	10 100	41 001	154 913	161 884	170 584
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	(3 009)	(1 357)	(1 357)	(1 357)	(1 357)	(1 357)	(1 357)	(1 357)	(1 357)	(1 357)	(1 357)	(19 531)	(36 109)	(22 216)	(12 048)
Cash/cash equivalents at the month/year begin:	(38 472)	(41 481)	(42 838)	(44 195)	(45 552)	(46 909)	(48 266)	(49 623)	(50 979)	(52 336)	(53 693)	(55 050)	(38 472)	(74 581)	(96 797)
Cash/cash equivalents at the month/year end:	(41 481)	(42 838)	(44 195)	(45 552)	(46 909)	(48 266)	(49 623)	(50 979)	(52 336)	(53 693)	(55 050)	(74 581)	(74 581)	(96 797)	(108 845)

**Capital expenditure details**

The following three tables present details of the Municipality’s capital expenditure programme.

**Table 32 – SA34a: Capital Expenditure on new assets by asset class**

EC106 Sundays River Valley - Supporting Table SA34a 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>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		23 016	50 926	-	1 200	1 200	1 200	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		15 104	11 067	-	600	600	600	-	-	-
Dams & Reservoirs										
Water purification		15 104	11 067							
Reticulation					600	600	600			
Infrastructure - Sanitation		7 911	39 859	-	600	600	600	-	-	-
Reticulation										
Sewerage purification		7 911	39 859		600	600	600			
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
<b>Community</b>		-	-	-	-	-	-	1 000	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries								1 000		
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>		1 050	1 526	460	1 142	1 222	1 222	1 992	1 039	1 072
General vehicles		93								
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment			6					500		
Computers - hardware/equipment		152	1 521		1 142	1 150	1 150	470	40	40
Furniture and other office equipment		459		460		72	72	622	599	632
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		346						400	400	400
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	(52)	-	-	-	750	-	-
Computers - software & programming								750		
Other (list sub-class)				(52)						
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>24 065</b>	<b>52 452</b>	<b>408</b>	<b>2 342</b>	<b>2 422</b>	<b>2 422</b>	<b>3 742</b>	<b>1 039</b>	<b>1 072</b>
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

**Table 33 – SA34b: Capital Expenditure on the renewal of assets by asset class**

EC106 Sundays River Valley - Supporting Table SA34b Capital expenditure on the renewal of existing 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 renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	17 626	20 446	20 446	20 446	18 828	19 386	20 135
Infrastructure - Road transport		-	-	11 497	8 864	8 864	8 864	14 000	10 742	11 157
Roads, Pavements & Bridges					8 864	8 864	8 864	14 000	10 742	11 157
Storm water				11 497						
Infrastructure - Electricity		-	-	-	400	400	400	1 760	430	446
Generation										
Transmission & Reticulation										
Street Lighting					400	400	400	1 760	430	446
Infrastructure - Water		-	-	-	5 598	5 598	5 598	1 000	644	669
Dams & Reservoirs								1 000	644	669
Water purification										
Reticulation					5 598	5 598	5 598			
Infrastructure - Sanitation		-	-	6 129	5 584	5 584	5 584	2 068	7 570	7 863
Reticulation										
Sewerage purification				6 129	5 584	5 584	5 584	2 068	7 570	7 863
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
<b>Community</b>		-	-	2 556	3 618	3 618	3 618	4 125	4 436	4 607
Parks & gardens				58				625	677	704
Sportsfields & stadia				2 498	3 618	3 618	3 618	3 500	3 758	3 903
Swimming pools										
Community halls										
Libraries										
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>		-	-	26	-	-	-	280	-	-
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment								80		
Abattoirs										
Markets										
Civic Land and Buildings				26						
Other Buildings								200		
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on renewal of existing assets</b>	1	-	-	20 208	24 064	24 064	24 064	23 233	23 822	24 742
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	98.0%	91.1%	90.9%	90.9%	86.1%	95.8%	95.8%
<b>Renewal of Existing Assets as % of deprecn*</b>		0.0%	0.0%	7574.9%	137.5%	137.5%	137.5%	132.8%	136.1%	141.4%

**Table 34 – SA34d: Depreciation by asset class**

EC106 Sundays River Valley - Supporting Table 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>										
<b>Infrastructure</b>		12 963	13 388	–	13 588	13 588	–	13 588	13 588	13 588
Infrastructure - Road transport		4 145	4 145	–	4 145	4 145	–	4 145	4 145	4 145
Roads, Pavements & Bridges		4 145	4 145		4 145	4 145		4 145	4 145	4 145
Storm water										
Infrastructure - Electricity		776	776	–	776	776	–	776	776	776
Generation										
Transmission & Reticulation		776	776		776	776		776	776	776
Street Lighting										
Infrastructure - Water		5 991	6 047	–	6 147	6 147	–	6 147	6 147	6 147
Dams & Reservoirs										
Water purification		5 991	6 047		6 147	6 147		6 147	6 147	6 147
Reticulation										
Infrastructure - Sanitation		1 527	1 895	–	1 995	1 995	–	1 995	1 995	1 995
Reticulation		1 527	1 895		1 995	1 995		1 995	1 995	1 995
Sewerage purification		–								
Infrastructure - Other		525	525	–	525	525	–	525	525	525
Waste Management		525	525		525	525		525	525	525
Transportation										
Gas										
Other										
<b>Community</b>		90	90	–	90	90	–	90	90	90
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing		90	90		90	90		90	90	90
Other										
<b>Heritage assets</b>		–	–	–	–	–	–	–	–	–
Buildings										
Other										
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–
Housing development										
Other										
<b>Other assets</b>		3 777	3 636	267	3 823	3 823	–	3 823	3 823	3 823
General vehicles		383	391		391	391		391	391	391
Specialised vehicles		–	–	–	–	–	–	–	–	–
Plant & equipment		142	166		166	166		166	166	166
Computers - hardware/equipment		256	289		309	309		309	309	309
Furniture and other office equipment		275	304		324	324		324	324	324
Abattoirs										
Markets										
Civic Land and Buildings		1 562	1 573		1 620	1 620		1 620	1 620	1 620
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		1 158	912	267	1 012	1 012		1 012	1 012	1 012
<b>Agricultural assets</b>		–	–	–	–	–	–	–	–	–
List sub-class										
<b>Biological assets</b>		–	–	–	–	–	–	–	–	–
List sub-class										
<b>Intangibles</b>		269	275	–	–	–	–	–	–	–
Computers - software & programming		269	275							
Other (list sub-class)										
<b>Total Depreciation</b>	1	17 099	17 388	267	17 500	17 500	–	17 500	17 500	17 500

**Table 35 – SA34c: Repairs and maintenance expenditure by asset class**

EC106 Sundays River Valley - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		1 564	3 377	1 559	3 944	1 957	1 957	2 008	1 707	1 801
Infrastructure - Road transport		169	935	655	1 388	888	888	725	668	705
Roads, Pavements & Bridges		169	875	655	1 388	888	888	725	668	705
Storm water		60								
Infrastructure - Electricity		495	740	396	850	450	450	371	392	414
Generation										
Transmission & Reticulation		149	530	61	850	450	450	221	234	246
Street Lighting		346	210	336				150	159	168
Infrastructure - Water		288	687	411	703	403	403	506	384	405
Dams & Reservoirs				411				506	384	405
Water purification		96	200							
Reticulation		192	487		703	403	403			
Infrastructure - Sanitation		344	510	98	428	128	128	249	264	278
Reticulation		344	510		428	128	128	249	264	278
Sewerage purification				98						
Infrastructure - Other		268	505	-	574	88	88	158	-	-
Waste Management		268	505		574	88	88	158		
Transportation	2									
Gas										
Other	3									
<b>Community</b>		663	786	344	1 496	496	496	380	403	325
Parks & gardens								13	13	14
Sportsfields & stadia		2	150							
Swimming pools			10							
Community halls		43	50	155				263	278	243
Libraries		40	23							
Recreational facilities		8	40							
Fire, safety & emergency		38	105							
Security and policing		486	297							
Buses	7									
Clinics		23								
Museums & Art Galleries		1	5							
Cemeteries		22	90					105	111	67
Social rental housing	8									
Other			15	189	1 496	496	496			
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		581	781	2 490	787	517	517	938	374	493
General vehicles		332	134	861				421	256	374
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		31	49	3				42	44	47
Computers - hardware/equipment				419	50	50	50	26	28	29
Furniture and other office equipment		15	113		67	67	67	27	29	31
Abattoirs										
Markets										
Civic Land and Buildings				1 208						
Other Buildings		129	485		670	400	400	421	17	13
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		74								
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	1	2 808	4 943	4 393	6 227	2 971	2 971	3 327	2 483	2 619
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Consevanancy										
Ambulances										
<b>R&amp;M as a % of PPE</b>		0.9%	1.5%	1.3%	1.7%	0.8%	0.8%	1.0%	0.7%	0.7%
<b>R&amp;M as % Operating Expenditure</b>		3.2%	4.9%	4.3%	4.7%	2.4%	2.4%	2.3%	1.7%	1.7%

**Table 36 – SA35: Future financial implications of the capital budget**

EC106 Sundays River Valley - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
<b>Capital expenditure</b>	1							
Vote 1 - Executive Council		-	-	-				
Vote 2 - Municipal Manager		320	327	334				
Vote 3 - Budget & Treasury		1 450	200	200				
Vote 4 - Corporate Service		670	167	174				
Vote 5 - Community Services		5 707	4 781	4 971				
Vote 6 - Technical Services		18 828	19 386	20 135				
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>		<b>26 975</b>	<b>24 861</b>	<b>25 814</b>	-	-	-	-

# Detailed capital budget per municipal vote

## Table 37 – SA36: Detailed capital budget per municipal vote

EC106 Sundays River Valley - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	EP 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 2015/14 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		Bulk water					Water purification				5 598					
Roads		Upgrade of gravel roads					Roads, Pavements & Bridges				11 497	8 864	14 000	10 742	11 157	Renewal
Sports & Recreation		Rehabilitation and upgrade of 7 sport fields (phase 1)					Sportsfields & stadia				2 498	2 993	3 500	3 758	3 903	Renewal
Various (office equipment & furniture, etc)							Other				434	1 142	4 022	1 046	1 079	New & Renewal
Waste Water Management		Add: Upgrade of Bulk Waste Water Treatment Works					Sewerage purification				4 884					
Sports and recreation		Upgrading of Parks & Playgrounds					Parks & gardens				58	625	625	671	697	Renewal
Water		Water pumps					Water purification				600					
waste water management		Upgrade of Paterson Waste Water Treatment					Dams & Reservoirs				6 129	750	2 068	7 570	7 863	Renewal
Waste Water Management		Langkoo Sewerage Pumpstation & Outfall					Sewerage purification				600	1 000	644	669		Renewal
Electricity		Add: Community Lighting					Street Lighting				100	440				
Electricity		Paterson: Community Lighting					Street Lighting				100	440				
Electricity		Enon & Berseba Community Lighting					Street Lighting				100	440				
Electricity		Kilwood: Community Lighting					Street Lighting				100	440				
Electricity		Programmes for National Electrification Programme					Street Lighting						430	446		Renewal
Parent Capital expenditure	1												26 975	24 862	25 814	
Entity:																
<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											20 816	26 400	26 975	24 862	25 814	

# Supporting detail to A4 (Budgeted Financial Performance) and A6 (Budgeted Financial Position)

## Table 38 – SA1: Supporting detail to Statement of Financial Performance

FC106 Sandays River Valley - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6	12 413	12 266	13 051	17 305	10 383	10 383		14 623	15 485	16 337
Less Revenue Forgone											
Net Property Rates		12 413	12 266	13 051	17 305	10 383	10 383		14 623	15 485	16 337
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6	12 752	14 375	15 556	16 297	9 778	9 778		10 501	11 120	11 732
Less Revenue Forgone											
Net Service charges - electricity revenue		12 752	14 375	15 556	16 297	9 778	9 778		10 501	11 120	11 732
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6	14 040	13 227	14 313	12 250	7 350	7 350		7 806	8 266	8 721
Less Revenue Forgone											
Net Service charges - water revenue		14 040	13 227	14 313	12 250	7 350	7 350		7 806	8 266	8 721
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue	6	1 653	2 695	2 914	3 896	2 338	2 338		2 483	2 629	2 774
Less Revenue Forgone											
Net Service charges - sanitation revenue		1 653	2 695	2 914	3 896	2 338	2 338		2 483	2 629	2 774
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6	3 530	5 415	5 860	7 177	4 306	4 306		4 573	4 843	5 109
Total landfill revenue											
Less Revenue Forgone											
Net Service charges - refuse revenue		3 530	5 415	5 860	7 177	4 306	4 306		4 573	4 843	5 109
<b>Other Revenue by source</b>											
Rental of facilities and equipment											
Interest Received											
Agency Fees											
Licences and Permits											
Fines											
Grants and subsidies											
Other Income		2 603	3 148	2 436	3 232	7 232	7 232		7 081	7 499	7 912
<b>Total 'Other' Revenue</b>	3	2 603	3 148	2 436	3 232	7 232	7 232		7 081	7 499	7 912
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	24 139	19 442	23 448	32 021	32 021	32 021		39 496	42 024	44 714
Pension and UIF Contributions			4 056	4 619	5 415	5 415	5 415		967	1 029	1 094
Medical Aid Contributions									1 321	1 406	1 496
Overtime			1 861	1 354					645	686	730
Performance Bonus			75						614	683	695
Motor Vehicle Allowance											
Cellphone Allowance									179	190	203
Housing Allowances									115	123	130
Other benefits and allowances			3 698	2 150					4 752	5 057	5 300
Payments in lieu of leave			152	208					75	80	85
Long service awards			(116)	193							
Post-retirement benefit obligations	4										
<b>sub-total</b>	5	24 139	28 007	31 949	37 436	37 436	37 436		48 164	51 246	54 526
<b>Less: Employee costs capitalised to PPE</b>	1	24 139	28 007	31 949	37 436	37 436	37 436		48 164	51 246	54 526
<b>Total Employee related costs</b>											
<b>Contributions recognised - capital</b>											
<b>Total Contributions recognised - capital</b>											
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment	10	17 099	17 388	267	17 500	17 500	17 500		17 500	17 500	17 500
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
<b>Total Depreciation &amp; asset impairment</b>	1	17 099	17 388	267	17 500	17 500	17 500		17 500	17 500	17 500
<b>Bulk purchases</b>											
Electricity Bulk Purchases	1	9 181	11 253	12 997	12 534	12 534	12 534		13 544	14 636	15 816
Water Bulk Purchases			581	727	586	586	586		633	684	739
<b>Total bulk purchases</b>	1	9 181	11 834	13 724	13 120	13 120	13 120		14 178	15 320	16 555
<b>Transfers and grants</b>											
Cash transfers and grants	1	2 857	8 102	11 200	6 977	6 977	6 977		7 244	7 671	8 093
Non-cash transfers and grants											
<b>Total transfers and grants</b>	1	2 857	8 102	11 200	6 977	6 977	6 977		7 244	7 671	8 093
<b>Contracted services</b>											
List services provided by contract	1	277	461	2 446	2 559	2 559	2 559		2 684	2 843	2 999
<b>sub-total</b>	1	277	461	2 446	2 559	2 559	2 559		2 684	2 843	2 999
<b>Allocations to organs of state:</b>											
Electricity											
Water											
Sanitation											
Other											
<b>Total contracted services</b>	1	277	461	2 446	2 559	2 559	2 559		2 684	2 843	2 999
<b>Other Expenditure By Type</b>											
Collection costs									210	222	235
Contributions to 'other' provisions					1 416	1 416	1 416		1 000	1 000	1 000
Consultant fees									1 000	500	500
Audit fees									2 500	2 500	2 500
General expenses									20 631	17 220	17 694
<b>REPAIRS &amp; MAINTENANCE</b>	3	2 868	2 046	4 363	6 227	2 911	2 911		3 327	2 443	2 818
<b>Expenditure recognised on conditional grants</b>											
Profit / (Loss) on fair value adjustment											
Free Basic Electricity					1 482				1 556	1 648	1 738
Advertising									140	148	156
Bank Charges									158	167	176
Consumables									44	46	48
Departmental Consumption											
Entertainment									35	37	39
Fuel and Oil									1 322	997	1 052
Insurance									1 000	1 059	1 117
Legal Expenses									420	445	469
Printing and Stationery									1 000	800	800
Rental/Office Equipment									1 300	1 300	1 300
Commission Paid									256	271	286
Salga									650	200	250
Security									119	126	133
Stocks and Material											
Telephone									1 175	1 217	1 259
Training									1 430	1 435	1 438
Travel and subsistence									177	188	198
<b>Total 'Other' Expenditure</b>	1	18 294	17 464	24 132	36 492	27 902	27 902		39 451	34 010	35 039



**Table 39– SA3: Supporting detail to Statement of Financial Position**

EC106 Sundays River Valley - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits < 90 days											
Other current investments > 90 days		529	576	6 196	1 850	18 850	18 850		2 080	2 202	2 324
Total Call investment deposits	2	529	576	6 196	1 850	18 850	18 850	-	2 080	2 202	2 324
<b>Consumer debtors</b>											
Consumer debtors		64 162	75 000	93 313	89 946	150 000	150 000		115 000	127 000	139 000
Less: Provision for debt impairment		(46 007)	(57 356)	(68 532)	(65 988)	(65 988)	(65 988)		(80 378)	(75 888)	(56 853)
Total Consumer debtors	2	18 155	17 645	24 782	23 958	84 012	84 012	-	34 622	51 112	82 147
<b>Debt impairment provision</b>											
Balance at the beginning of the year		56 752			73 140	73 140	73 140		68 532	80 378	92 923
Contributions to the provision		15 686			10 847	10 847	10 847		11 846	12 545	13 235
Bad debts written off		(26 431)			(18 000)	(18 000)	(18 000)			(17 035)	(49 305)
Balance at end of year		46 007	-	-	65 988	65 988	65 988	-	80 378	75 888	56 853
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		358 654	377 610	398 059	454 387	454 387	454 387		463 723	487 539	512 274
Leases recognised as PPE			5 489	5 707	6 261	6 261	6 261		6 400	6 778	7 150
Less: Accumulated depreciation		48 574	63 036	63 036	100 693	100 693	100 693		100 693	118 193	135 693
Total Property, plant and equipment (PPE)	2	310 080	320 063	340 730	359 955	359 955	359 955	-	369 430	376 124	383 731
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		5 399	2 659	2 610	3 350	3 350	3 350		2 500	2 450	2 400
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		5 399	2 659	2 610	3 350	3 350	3 350	-	2 500	2 450	2 400
<b>Trade and other payables</b>											
Trade and other creditors		32 344	18 642	23 691	13 348	19 124	19 124		37 424	32 424	24 424
Unspent conditional transfers		1 739	988	1 613	-	-	-				
VAT		4 437		1 895	3 600	3 600	3 600		3 600		
Total Trade and other payables	2	38 520	19 630	27 199	16 948	22 724	22 724	-	41 024	32 424	24 424
<b>Non current liabilities - Borrowing</b>											
Borrowing		6 075		6 888	4 835	4 835	4 835		5 888	4 888	3 888
Finance leases (including PPP asset element)		1 146	1 575	768	5 050	5 050	5 050		538	528	428
Total Non current liabilities - Borrowing	4	7 221	1 575	7 656	9 885	9 885	9 885	-	6 426	5 416	4 316
<b>Provisions - non-current</b>											
Retirement benefits			3 310	3 612	2 881	2 881	2 881		3 912	3 912	3 912
List other major provision items											
Refuse landfill site rehabilitation		4 675			3 968	3 968	3 968		-	-	-
Other			6 910	508					958	8 375	9 575
Total Provisions - non-current		4 675	10 220	4 120	6 849	6 849	6 849	-	4 870	12 287	13 487
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		318 788	330 485	347 892	389 614	389 614	389 614		387 823	397 868	432 169
GRAP adjustments		-									
Restated balance		318 788	330 485	347 892	389 614	389 614	389 614	-	387 823	397 868	432 169
Surplus/(Deficit)		27 297	17 990	23 474	13 230	3 656	3 656	-	(11 336)	9 105	21 833
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments						33 346	33 346				
Accumulated Surplus/(Deficit)	1	346 086	348 475	371 366	402 843	426 616	426 616	-	376 487	406 973	454 002
<b>Reserves</b>											
Housing Development Fund									66		
Capital replacement									374		
Self-insurance											
Other reserves									306		
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	745	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	346 086	348 475	371 366	402 843	426 616	426 616	-	377 233	406 973	454 002

**QUALITY CERTIFICATE**

I, Lonwabo Ngoqo, Municipal Manager of Sundays River Valley municipality, hereby certify that the annual budget 2014/15 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 documentation are consistent with the Integrated Development Plan of the municipality.

L.M.R. NGOQO

MUNICIPAL MANAGER OF SUNDAYS RIVER VALLEY MUNICIPALITY – EC106

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**SIGNATURE**

**DATE: 29 May 2014**