



**baviaans**  
PARTICIPATION FOR DEVELOPMENT

umasipala  
local municipality  
plaaslike munisipaliteit

***ANNUAL BUDGET 2014/2015 AND  
MTREF***

# Table of Contents

## **PART ONE: ANNUAL BUDGET**

Chapter 1	Mayor’s Report .....	2
Chapter 2	Resolutions.....	12
Chapter 3	Executive Summary.....	14
Chapter 4	Annual Budget Tables .....	20

## **PART TWO: SUPPORTING DOCUMENTATION**

Chapter 5	Annual Budget process .....	36
Chapter 6	Alignment of Annual Budget with IDP .....	38
Chapter 7	Measurable Performance Objectives and Indicators.....	39
Chapter 8	Budget related policies.....	40
Chapter 9	Budget assumptions.....	42
Chapter 10	Budget Funding.....	43
Chapter 11	Allocations and Grants made by the municipality.....	48
Chapter 12	Allocations and grants to be received by the municipality.....	50
Chapter 13	Annual Budget and SDBIP – Departments.....	52
Chapter 14	Capital Expenditure Details.....	53
Chapter 15	Contracts having future budgetary implications.....	59
Chapter 16	Legislative compliance.....	60
Chapter 17	Details of Budgets per departments.....	61

## **PART THREE: ANNEXURES**

- ANNEXURE A: TARIFF LIST
- ANNEXURE B: PERSONNEL BUDGET
- ANNEXURE C: SUMMARY LINE ITEMS

## **CHAPTER 1**

### **BURGERMEESTER TOESPRAAK**

Raadslede, Munisipale Bestuurder, Departementshoofde, Gaste, Dames en Here. Goeie môre almal.

Die Baviaans Munisipaliteit word in die komende begrotingsjaar steeds die taak gestel om volhoubare en ekonomies lewensvatbare plaaslike bestuursfunksies te verrig.

Die volhoubaarheid en bekostigbaarheid van dienslewering bly hoog op die agenda ten einde die gemeenskappe van bekostigbare en goeie gehalte dienste te voorsien. Ons bevind onself in 'n posisie waar ons voortdurend ons strategieë moet aanpas om in te pas by heersende ekonomiese toestande aangesien ons nie die munisipaliteit van die wêreld ekonomie kan isoleer nie.

Volgens die Nasionale tesourie het die BBP 'n afwaartse trend getoon vanaf 2012 na 2013 (2.5% in 2012 to 1.8% in 2013), maar die vooruitskatting is dat daar weer 'n geprojekteerde groei in die BBP sal wees van 2.7% vir 2014. Die gemiddelde verbruikersinflasie vir die afgelope jaar het 5.7% beloop en inflasie vooruitskattings vir die komende boekjare word geskat op 6.2%; 5.9% en 5.5%. Met die voorafgaande syfers in ag genome word daar in die 2014/2015 begroting siklus 'n steeds groter klem gelê op waarde vir geld in al ons spandering, die aanmoediging van besparings en ontginning van alle inkomste bronne ten einde die ekonomiese vooruitgang van die munisipaliteit te verseker.

Dit word verwag dat munisipale inkomstes en kontant vloeï onder groot druk sal verkeer gedurende 2014/15 en daar word verwag dat alle munisipaliteite 'n gereserveerde benadering sal toon wanneer inkomstes geprojekteer word vir 2014/15.

Die Baviaans Munisipaliteit moet teen die agtergrond van 'n baie moeilike finansiële jaar sy begroting laat klop. Die addisionele toekenning wat deur die Nasionale Fiskus vir die toegevoegde DMA gebied aan die Baviaans Munisipaliteit beskikbaar gestel is, skiet nog steeds ver te kort en die Munisipaliteit is dus aangewese op besparings en kritiese besnoeiings om sy inkomste en uitgawes te maak klop!

Die begroting wat ek hier ter tafel lê, is opgestel in terme van die bepalings van die Munisipale Finansiële Bestuurswet (Wet 56 van 2003) en voldoen aan die algemeen aanvaarde rekeningkundige praktyk soos van toepassing op plaaslike bestuur. Die begroting is opgestel binne die riglyne van Makro Ekonomiese groei en spreek ook van die Nasionale Beleidsraamwerk en Provinsiale prioriteite aan wat onder andere die volgende insluit:

- Toenemende kanalisering van fondse om infrastruktuur te ontwikkel, armoede te verlig en werkskepping te versnel.

- Deelname aan die uitgebreide openbare werke programme en arbeid intensiewe projekte.
- Bou van kapasiteit vir langtermyn groei deur middel van investering in infrastruktuur.
- Handhawing van volhoubare skuldvlakke deur middel van debiteure bestuur en maksimering van bronne van inkomste.
- Fokus op kern dienslewering aktiwiteite van plaaslike bestuur.
- Die bou van 'n effektiewe, ontwikkelende munisipaliteit deur toename in vlakke van dienslewering deur seker te maak dat bestuur stelsels, beleide, aankope sisteme verbeter word en vaardige personeel in kritiese dienlewings areas aangestel word

Die volgende onderliggende faktore is ook in aanmerking geneem met die opstel van die 2014/2015 begroting:

- Die huidige sosio-ekonomiese en maatskaplike omstandighede van ons gemeenskappe en veral die hoë werkloosheidsyfer in die munisipale gebied.
- Eksterne faktore wat 'n direkte invloed op die begroting het soos die voorgestelde Eskom prysverhoging van 8.06%, verbruikersinflasie, die loonooreenkoms wat met georganiseerde arbeid ooreengekom is asook ander faktore wat die koste van dienslewering kan beïnvloed.

#### **FOKUS VAN DIE 2014/2015 BEGROTING**

- In die 2014/2015 begroting word klem gelê op kern dienslewering verpligtinge wat grondwetlik aan die munisipaliteit opgedra is.
- Die instandhouding van bestaande infrastruktuur geniet weereens voorkeur en daar word fokus geplaas op voorkomende en geskeduleerde onderhoud wat deur behoorlike beplanning voorafgegaan is.
- Verskaffing van basiese dienste, die verbetering van die gehalte van behuising en infrastruktuur asook ekonomies volhoubare dienslewering.

#### **KAPITAALBEGROTING**

Die Kapitaalbegroting is 'n uitvloeisel van die GOP en bevat inligting verkry vanaf die onderskeie gemeenskappe deur middel van openbare vergaderinge en wykskomitee prosesse. Die kapitaalbegroting vir die 2014/2015 boekjaar beloop R40.687 Miljoen met die hoof fokus op die volgende projekte:

Watersverskaffing Steytlerville – Erasmuskloof	-	R20.375 Miljoen
Behuising "Down" area	-	R9.405 Miljoen
Paaie Willowmore	-	R1.768 Miljoen
Paaie Steytlerville	-	R1.053 Miljoen
Vullis verwydering infrastruktuur Steytlerville	-	R2.456 miljoen
Sportvelde Baviaans	-	R1.302 Miljoen
Rietbron Hoë Mas lig	-	R263 Duisend

Elektrisiteit Steytlerville	-	R789 Duisend
Riool Rietbron	-	R974 Duisend
Meubels & toerusting	-	R148 Duisend
MIG LED projekte	-	R433 Duisend
Voertuie	-	R1.720 Miljoen

Kapitaalprojekte word hoofsaaklik deur middel van toekennings en skenkings ten bedrae van R38.818 Miljoen en interne fondse ten bedrae van R148 Duisend en lenings van R1.720 miljoen befonds.

## **BEDRYFSBEGROTING**

Die bedryfsbegroting vir die 2014/2015 boekjaar beloop R71.695 Miljoen wat 'n verhoging van 4.83% op die 2013/2014 gewysigde begroting meebring. Die onderhoudsbegroting vir die komende begrotingsjaar beloop R 1.199 Miljoen wat 1.67% van die totale bedryfsuitgawes verteenwoordig.

Daar word vir 'n algemene salarisaanpassing van 6.79% begroot aangesien daar 'n ooreenkoms met georganiseerde arbeid gesluit is vir die volgende 3 jaar.

Die totale salaris begroting, inklusief van die vergoeding van openbare ampsdraers, vir die komende boekjaar beloop R23.956 Miljoen wat 33.41% van die totale bedryfsbegroting verteenwoordig.

Die hoof bronne van inkomste sien soos volg daarna uit:

Verkoop van Elektrisiteit	R11.091 Miljoen
Eiendomsbelasting	R4.377 Miljoen
Verkoop van Water	R3.884 Miljoen
Rioolgelde	R2.257 Miljoen
Vullisverwyderingsgelde	R2.768 Miljoen
Subsidies en Toekennings	R25.819 Miljoen

## **DEERNISHULP**

Daar word in die bedryfsbegroting voorsien vir deernis hulp aand kwalifiserende huishoudings wat 50 eenhede Elektrisiteit, 6 Kiloliter water asook subsidie vir riolering en vullisverwydering en eiendomsbelasting insluit. Die deernis beleid maak voorsiening dat alle huishoudings waarvan die inkomste minder is as 2 maal die regerings se ouderdoms-pensioen per maand vir subsidie kwalifiseer. Daar word begroot vir deernis hulp ten bedrae van R 5.285 Miljoen vir die 2014/2015 boekjaar.

Daar word ook 'n bedrag van R31 860 opsy gesit vir die herstel van waterlekkasies in deernis huishoudings.

## TARIEWE

Dit is noodsaaklik om die finansiële volhoubaarheid en lewensvatbaarheid van die Raad te verseker en daar is dus met die bepaling van die tariewe, ook van hierdie beginsels gebruik gemaak. Dit word as doelwit gestel om te verseker dat die handels- en ekonomiese dienste van die Raad, elk onafhanklik en volhoubaar bedryf kan word.

Ek vind dit noodsaaklik om aan u voor te hou dat die tariewe wat tans gehef word nie voldoende is om die lewensvatbaarheid van die dienste en die munisipaliteit te verseker nie, en daar in die komende begrotingsjare daadwerlik aandag geskenk sal moet word aan die instelling van tariewe wat die werklike koste van dienslewering verteenwoordig.

Die gemiddelde persentasie tariefverhogings vir die hoof bronne van inkomste uit verbruikers-dienste is soos volg:

Eiendomsbelasting	- 10%
Riool	- 15%
Vullisverwydering	- 15%
Water	- 10%
Elektrisiteit	- 10%

Die eiendomsbelasting tarief van landbou is ook hersien om 'n meer ekonomiese tarief te verteenwoordig en om te beweeg na 'n meer aanvaarbare verhouding tussen landbou en residensieel. Hierdie tarief vir landbou gaan dus verhoog met 27%.

Dit word ook aan u genoem dat alhoewel die tarief van eiendomsbelasting verhoog met 10%, die inkomste gegenerer uit Eiendomsbelasting verhoog met 17%. Dit is as gevolg van die verhoogde tarief vir landbou as ook die implementering van 'n nuwe waardasie rol. Die waardasie rol sal geldig wees vanaf 1 Julie 2014 tot 30 Junie 2018. Die rol was oop vir publieke inspeksie en besware.

## GEINTEGREERDE ONTWIKKELINGSPLAN

Die nuwe geïntegreerde ontwikkelingsplan vir die volgende 5 jaar word ook vandag voorgelê vir finale goedkeuring. Ons is trots op ons nuwe plan wat 'n verskeidenheid van sake aanraak soos bv die ekonomiese toestand van die gemeenskap in Baviaans, ons finansiële toedrag van sake en dan ook van kardinale belang is ons projekte wat beplan word vir die volgende 5 jaar. Die geïntegreerde ontwikkelingsplan het 'n volledige projekte register wat beide projekte wat reeds befondsing het en projekte wat nog befondsing kort aandui. Die geïntegreerde ontwikkelingsplan en begroting loop hand aan hand met mekaar en koppeling met mekaar word aangedui in die begrotings dokument. Die geïntegreerde ontwikkelingsplan en begroting probeer om die dienslewering agterstande te adresseer wat prioriteit moet geniet oor die

volgende vyf jaar. Die munisipaliteit se strategiese doelwitte en nasionale prioriteite word ook uitgelê in hierdie dokument.

### **SDBIP (DIENSLEWERING EN BEGROTING IMPLEMENTERINGSPLAN)**

Die konsep hoëvlak SDBIP word hierby aangeheg en is 'n aanduiding van die diensleweringsteikens wat vir die 2014/2015 boekjaar gestel word, klem word gelê op die handhawing en verbetering van diensleweringvlakke en ook uitbreiding van dienslewering aan al ons gemeenskappe.

### **TEN SLOTTE**

Die meegaande voorgestelde begroting wat ek hier ter tafel lê was reeds aan openbare deelname prosesse onderworpe waar moontlik was die insette van alle rolspelers in ag geneem.

**EK DANK U**

**E. LOOCK  
BURGEMEESTER**

## **MAYORAL SPEECH**

Councillors, municipal manager, head of departments, guests, ladies and gentlemen, good morning to all.

The Baviaans Municipality is again in the 2014/2015 budget year set the task to provide sustainable and economically viable local governance to our communities. The provision of affordable and sustainable, quality services to all our communities remain high on the agenda. We find ourselves in a position where we have to continuously adapt our strategies to suit prevailing economic circumstances as we cannot isolate ourselves from the global economy.

According to the National treasury the GDP has steadily declined, from 2.5% in 2012 to 1.8% in 2013, but it is however projected to increase to 2.7% in 2014.

The average inflation rate for 2013 was 5.9% and the projections are that, for the MTREF period it will be at 6.2%, 5/9% and 5/5%.

It is with the aforementioned figures in mind that we still place strong emphasis on value for money in all our procurement processes, and that we continue to encourage savings and strive to maximize all possible revenue sources for the 2014/2015 financial year in our strive to secure the economic progression of the municipality.

It is expected that municipal revenue and cash flows will remain under pressure in 2014/15 and municipalities are advised to adopt a conservative approach when projecting their revenue and cash receipts for 2014/15.

The Baviaans Municipality must, against the background of a very difficult financial year, balance its books. The additional allocation through the equitable share that was made available for the administration of the added DMA area still remains far too little for the proper administration and service delivery in the area, and the municipality therefore needs to rely on savings and critical cut-backs to ensure a balanced budget.

The budget I am tabling here today was prepared in accordance with the prescripts of the Municipal Finance Management Act, (Act 56 of 2003) and complies with Generally Recognized Accounting Practice as applicable to Local Government.

The budget was compiled, taking into account the Macro-economic growth parameters and also addresses the following National Policy frameworks and Provincial priorities including the following:

- Incremental channeling of funds towards infrastructure development, poverty alleviation and job creation.
- Participation in expanded public works programs and labour intensive projects.



- Building of capacity for long term growth through investment in infrastructure
- Maintaining of debt levels through debtor management as well as maximizing sources of revenue.
- Focus on core service delivery activities of local government
- The building of an efficient developmental municipality through increasing the levels of delivery by ensuring improvements to policy formulation, procurement, management systems, developing mechanisms for sharing skilled personnel in critical delivery areas

The following underlying factors were also taken into consideration with the compilation of the 2014/2015 draft budget:

- The current socio economic circumstances of our communities and especially the high rate of unemployment
- External factors having a direct impact on the budget such as the Eskom tariff increase of 8.06%, consumer inflation, the wage agreement concluded with organized labour as well as other cost factors influencing service delivery.

#### **FOCUS OF THE 2014/2015 BUDGET**

- With the 2014/2015 budget, emphasis is placed on the core service delivery obligations assigned to the municipality in the constitution.
- Maintenance of existing infrastructure enjoys preference once again and we are focusing on preventative and scheduled maintenance preceded by proper planning processes.
- Provision of basic services, improvement of the quality of housing, infrastructure as well as sustainable service delivery.

#### **CAPITAL BUDGET**

The capital budget flows from the IDP process and contains information obtained from relevant stakeholders and communities through a public participation process as well as ward committee processes where applicable. The capital budget for the 2014/2015 financial year amounts to R40.687 Million with the main focus on the following:

Provision of water: Steytlerville – Erasmuskloof	-	R20.375 Million
Down Housing Willowmore	-	R9.405 Million
Streets Willowmore	-	R1.768 Million
Streets Steytlerville	-	R1.053 Million
Solid Waste disposal Steytlerville	-	R2.456 Million
Sport Fields Baviaans	-	R1.302 Million
Rietbron High Mast light	-	R263 Thousand
Electricity Steytlerville	-	R789 Thousand
Waste Water Treatment works Rietbron	-	R974 Thousand
Furniture & Equipment	-	R148 Thousand
LED projects	-	R433 Thousand

Vehicles - R1.720 million

Capital projects for the 2014/2015 financial year are funded from grants receivable from the National and Provincial Government amounting to R38.818 Million and own internal revenue of R148 Thousand and finance leases of R1.720 million

## **OPERATING BUDGET**

The operating budget for the 2014/2015 financial year amounts to R71.695 Million which represents an increase of 4.83% over the adjustment budget for the 2013/2014 financial year. The maintenance budget for the coming financial year amounts to R 1.199 Million which represents 1.67% of the total operating expenditure.

A 6.79% across the board general salary increase is budgeted as the salary negotiations have been met with organized labour for the next three years.

The total salary expenditure amounts to R23.956 Million and represents 33.4% of the total budgeted expenditure. This amount also includes the remuneration applicable to public office bearers.

The major sources of revenue can be summarized as follows:

Sale of Electricity	R11.091 Million
Assessment Rates	R4.448 Million
Sale of Water	R3.884 Million
Sewer fees	R2.257 Million
Refuse fees	R2.768 Million
Grants and Subsidies	R25.819 Million

## **INDIGENT SUBSIDIES**

Provision is made in the operating budget for the subsidizing of the indigent households. The subsidy includes 6000 liters of water, 50 units of electricity as well as a 100% subsidy on the refuse, 100% on assessment rates as well as the sewer tariff applicable to a household. The indigent policy provides for assistance to be given to households with a monthly income of less than twice the government pension.

The total budget for Indigent subsidies amounts to R 5.285 Million for the 2014/2015 financial year.

Provision is also made for the repair of water leakages at indigent households in the amount of R31 860 for the 2014/2015 financial year.

## **TARIFFS**

It is of essence that the financial viability and sustainability of the municipality is secured and therefore the principle of economic viability and sustainability was applied in the tariff determination for the 2014/2015 financial year. The aim of the tariff determinations are to ensure that all services can be run as a going concern on an independent and sustainable manner.

I find it necessary to point out that the current tariffs are not sufficient to ensure the sustainability of services and we would need to emphasize the implementation of cost reflective tariffs, essential for the economic viability of the municipality in the concurrent financial years.

The proposed average increase in the main tariff categories for the 2014/2015 financial year is as follows:

Assessment rates	- 10%
Sewerage	- 15%
Refuse removal	- 15%
Water	- 10%
Electricity	- 10%

It should be noted that the assessment rates for agricultural property has been reviewed to ensure a more economical tariff and to move toward a more acceptable ratio between agricultural land and residential land. The tariff has been increased in excess of the guidelines issued by National Treasury and will increase with 27%.

It should also be noted that although the tariff increase for assessment rates is indicated to be 10%, the revenue generated from this income source will increase with 17%. This is due to the higher increase in tariff for agricultural land as well as the implementation of the new valuation roll. The new roll will be effective from 1 July 2014 to 30 June 2018. The roll was open for public inspection and objections.

## **INTEGRATED DEVELOPMENT PLAN (IDP)**

The new IDP for the next 5 years is also presented today for approval. We are proud of our IDP which discusses a variety of topics such as the economic welfare of the community of Baviaans, our financial situation as well as our projects that our planned for the next 5 years. The IDP includes a comprehensive project register which indicates both funded and unfunded projects. The IDP and budget is linked with each other and the linkage is illustrated in the budget document. The IDP and budget tries to address service delivery backlogs which needs priority over the next five years. The municipality's strategic objectives and also the national priorities are clearly indicated in the document.

## **SDBIP (SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN)**

The top level service delivery and budget implementation plan is attached herewith and is an indication of service delivery targets that is set for the 2014/2015 financial year. Emphasis is placed on sustaining and improving service delivery levels and extending services to all our communities.

## **IN CONCLUSION**

The budget submitted here today have been taken through a process of public participation to obtain input from all role players. Input obtained has been considered and where possible incorporated into the final budget.

**I THANK U**

**E LOOCK  
MAYOR**

## CHAPTER 2

### COUNCIL RESOLUTION

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the final Annual budget of the Baviaans 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 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) the tariffs for other services, as set out in Annexure A, that were used in compiling the final budget, are approved with effect from 1 July 2014
5. 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.
6. That free basic services be provided to all registered indigent consumers **only** as follows:
  - The first 50 units of electricity free of charge
  - The first 6 kiloliters of water free of charge
  - Refuse removal - full subsidy of single residential monthly levy and town cleaning levy
  - Sewerage – full subsidy of single residential monthly usage and basic service charges
  - Property rates 100% subsidy

7. That interest be charged on all debtors accounts outstanding for a period of more than 30 days at the prevailing prime interest rate plus 2% charged by the Municipality's Banker.
8. That in terms of the provisions of **Section 75A** of the Municipal Systems Act, 32 of 2000, the notice of the tariff amendments be displayed on notice boards at all municipal offices, libraries, and be advertised in local newspapers.
9. That in terms of the provisions of the Municipal Property Rates Act, (Act 6 of 2004) the remissions be granted to property owners in terms of the provisions of the municipal rates policy subject to the conditions contained in said policy
10. That the amount due in respect of annual assessment rates for the 2014/2015 be due and payable on or before 30 September 2014.
11. That the amount due in respect of monthly Assessment rates and other service, basic and consumption charges, fees and penalties be due and payable on or before the following dates: 15 July 2014, 15 August 2014, 15 September 2014, 15 October 2014, 14 November 2014, 15 December 2014, 15 January 2015, 13 February 2015, 13 March 2015, 15 April 2015, 15 May 2015, 15 June 2015.
12. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the amendments to the rates policy as indicated are approved with effect 1 July 2014
13. That in terms of the municipal budget and reporting regulations, paragraph 7, the amendments to the budget policies, as indicated, are approved with effect 1 July 2014
14. That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the final IDP for 2014/15 – 2018/19 be approved.
15. That Council approves the application for an overdraft facility to the value of R2 million as discussed in the budget document.
16. That Council approves the application for finance leases for the acquisition of vehicles as discussed in the budget document
17. That the final documents be available for inspection and comments at the following places:
  - Willowmore Municipal office
  - Steytlerville Municipal Office
  - Rietbron Municipal Office
  - Willowmore, Rietbron, Steytlerville Libraries
  - Baviaanskloof Library

## **CHAPTER 3**

### **EXECUTIVE SUMMARY**

#### **PREFACE**

Baviaans Municipality is a category B Municipality and together with 9 other B municipalities form the Cacadu District Municipal area.

Baviaans Municipality covers an area of 7727.01 square kilometers with three urban nodes, namely Willowmore and Steytlerville and Rietbron. Willowmore is the nodal point of the municipality as determined in terms of the Section 12 notice published in terms of the provisions of the municipal structures Act and also serves as administrative hub for the municipality, the district offices of Provincial as well as National Government Departments.

The area is scarcely populated with between 1 and 100 people per km<sup>2</sup>. The Local municipality is situated between 23 and 25 degree longitude and 33 and 34 degree of Southern Latitude and is approximately 1500 meters above sea level.

The well known Baviaanskloof Nature Reserve is situated in the southern portion of the jurisdictional area and also covers approximately 60% of the municipal area. Agriculture, tourism and service industries form the basis of the area's economy.

The budget tabled here today is the MTREF (Medium Term Revenue and Expenditure Framework) for the 2014/2015, 2015/2016 and 2016/2017 financial years as legislatively prescribed.

The following documents were considered in the preparation of the budget:

- National treasury circulars 70 & 72 as well as other prior year circulars giving guidance on budget processes
- The municipal budget and reporting regulations as issued in government gazette 32141 on 17 April 2009

#### **CAPITAL BUDGET**

The drafting of the IDP runs concurrent with the 2014/2015 budget process in order to update the Medium Term Expenditure Framework (MTEF). The IDP budget link is summarized in the supporting tables attached hereto.

The Medium Term Expenditure Framework should guide the municipality with regards to its funding requirements in the medium term (3 years). Confirmed capital grant funding for the 2014/2015 financial year amounts to R42.540 Million.

Capital investment for the 2015/2016 financial year amounts to R32.852 Million and the 2016/2017 financial year amounts to R12.125 Million. A total of R44 977 Million is thus needed to finance the Medium Term Expenditure Framework. The aforementioned capital requirements are only indicative of the confirmed funding for the MTEF and do not include issues of priority where funding applications are in process and have not yet been confirmed.

From the MTEF it is clear that the council is once again relying on grants and subsidies for the funding of its capital requirements, the main source being MIG and Bulk infrastructure grants.

Main contributing factors to the capital budget for the 2014/2015 financial year are:

Provision of water	R20.375 Million
Roads and stormwater	R2.820 Million
Solid Waste	R2.456 Million
Housing	R9.405 Million
Electricity	R1.053 Million
Waste Water Treatment	R973Thousand
Sports fields	R1.302 Million
LED Projects	R433 thousand
Vehicles	R1.720 million

## **OPERATING BUDGET**

The increase in the operating budget amounts to R3.305 mil for the 2014/2015 financial year and represents an increase of 4.8% over the 2013/2014 adjustment budget. Increase in budget can be ascribed to the following:

- Increase in salary expenditure due to the 6.79% across the board increase as Nationally agreed with organized labour. This represents an increase of R1.607 Million over the amount budgeted for 2013/2014.
- An increase of 60% over adjustment budget for 2013/14 in maintenance expenditure is budgeted
- An increase of 8% in the purchase price of electricity from Eskom.
- Contributions to provisions and reserves also required in terms of the applicable GRAP standards have not been made due to financial constraints.

A summary of the operating budget is attached herewith and includes all operating expenditure necessary for operating the municipality for the 2014/2015 financial year.

The operating budget for the 2015/2016 and 2016/2017 financial years are based on a growth of 5.9% and 5.5% per annum respectively. Where other factors impacting on the budget are known, it has been calculated as such and is included in the budget figures.



## **EXPENDITURE**

The operating expenditure budget for 2014/2015 is R71.695 Million which represents an increase of 4.83% over the adjustment budget for the 2013/2014 financial year.

Salary and related expenditure, excluding remuneration of public office bearers, amounts to R22.200 Million or 30.96% of the total expenditure.

An increase of 60% (R449 897) in maintenance expenditure is budgeted as an effort to try and increase the levels of repairs and maintenance. The acceptable norm is 6% of total expenditure.

## **REVENUE**

The budgeted revenue (excluding capital grant revenue) for the 2014/2015 financial year amounts to R52.444 Million whilst a deficit of R19.251 mil is budgeted for the 2014/2015 financial year, not considering capital grants to be received.

The revenue budget is compiled taking into account a 98% collection rate on debtors, if for any reason this rate is not attained, expenditure would need to be cut back in order to ensure that the municipality does not operate in a deficit.

## **PROVISION FOR IRRECOVERABLE DEBT**

No provision is made of irrecoverable debts in the 2014/2015 budget. It is believed that the provision already reflected on the Statement of financial position is sufficient.

## **REVENUE PER SOURCE**

An analysis of the revenue per source for the 2014/2015 financial year is reflected in the attached budget schedules and the main sources are summarized in brief as follows:

Sale of Electricity	R11.091 Million
Assessment Rates	R4.448 Million
Sale of Water	R3.884 Million
Sewer fees	R2.257 Million
Refuse fees	R2.768 Million
Grants and Subsidies	R25.819 Million

## **TARRIFS**

It is important to ensure the financial sustainability and economic viability of the municipality and these principles were therefore applied in the determination of the tariffs for the 2014/2015

financial year. The aim of the tariff determinations are also to ensure that all services can be run independently as a going concern.

In terms of a National treasury guideline, municipalities are eluded to the fact that tariffs should be cost reflective and it should be noted that this principle would need to be applied in this and future budgets. Current tariffs are not cost reflective and serious consideration would need to be given to substantial tariff increases in the subsequent financial years.

## **ASSESSMENT RATES**

In order to enable the municipality to fulfill its constitutional mandate with regards to the rendering of municipal services and the management of its municipal area, an increase of 10% in respect of assessment rate tariffs for all categories except agricultural properties are proposed.

The assessment rate tariff for agricultural properties saw a serious review. The current ratio between residential and agricultural is only 1: 0.06. The increase in the tariff for 2014/15 for agricultural properties will be 27%. The ratio will then be 1: 0.0711.

The rebates on assessment rates are contained in municipal rates policy and are applicable once again to the 2014/2015 financial year to qualifying ratepayers subject to the conditions as determined by Council.

## **SEWERAGE**

It is proposed that the sewerage tariffs be increased by 15% for both households and businesses. This is necessary to ensure that current service levels are maintained and to prevent infrastructure falling into disrepair. The increase of 15% will also ensure that the tariffs are more cost effective and will lead to a more sustainable provision of the service.

## **ELECTRICITY**

The Municipality finds itself in the unfortunate position that it has no option but to filter down the proposed Eskom increase to its consumers, the Eskom increase to the municipality amounts to 8%. It should be noted that due to much needed infrastructure cost and maintenance cost the municipality unfortunately has to increase prices with 10%.

50 units of free basic electricity are provided to indigent consumers only in the 2014/2015 financial year.

Maintenance expenditure in respect of the electricity amounts to R285 680 for the 2014/2015 financial year, representing 2.58% of annual electricity sales. The guideline from NERSA is 5%

of annual electricity sales. The municipality needs to seriously consider ways to increase this percentage.

## **WATER**

In terms of National treasury guidelines the water tariffs must be cost reflective and the provision of potable water should carry the highest priority.

In order to comply with this instruction, the water tariffs applicable to the 2014/2015 financial year is said to increase by 10%.

The tariff increase is necessary to ensure the economic viability and sustainability of the water service and to secure the quality of water provision to all communities.

## **REFUSE REMOVAL**

It is proposed that the refuse tariff increase by 15% for the 2014/2015 financial year. The municipality must in terms of the requirements of GRAP contribute to a provision for the rehabilitation of refuse sites, this contribution has not been included in the budget for 2014/2015 figures due to financial constraints.

## **INDIGENT SUBSIDY**

The municipality will once again in the 2014/2015 financial year strive towards sufficient subsidization of indigent households. Provision is made as follows in the operating budget for the subsidizing of the indigent:

Electricity	50 Units
Water	6 Kiloliter
Sewerage	Full subsidy of the single household tariff
Refuse removal	Full subsidy of the single household tariff
Assessment rates	100% Subsidy

Provision is made on the budget to subsidize households at a total cost of R5.284 million for the 2014/2015 financial year.

Provision is also made for the repair of water leakages at indigent households in the amount of R31 860 for the 2014/2015 financial year.

## **FINANCIAL VIABILITY AND SUSTAINABILITY**

The Municipality must ensure the financial sustainability of its operations and ensure that it operates as a going concern. The budget currently does not support this principle and a serious effort would be necessary to ensure the reaching of these goals.

The Municipality is currently still struggling to meet all of its current and long term commitments. Current liabilities are exceeding current assets with R17.666 Million as at 30 June 2013.

## **SDBIP (SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN)**

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A top level service delivery and budget implementation plan is included in the budget documentation. The SDBIP is indicative of service delivery targets for the 2014/2015 financial year. Emphasis is placed on the sustaining of current services and further enhancement of service delivery to all communities.

## **POLICY CHANGES**

Management have conducted the required annual review of all budget related policies. Most of the budget related policies saw changes being made to include improved procedures, updated legislation, etc.

The following policies have been reviewed and amendments made to:

- Tariff policy
- Indigent policy
- Credit control and debt management policy
- Banking and investment policy
- Asset management policy

The following policies have been reviewed without any changes:

- Rates policy
- Supply chain management policy
- Virement policy

J.Z.A VUMAZONKE

MUNICIPAL MANAGER

## **CHAPTER 4**

### **ANNUAL BUDGET TABLES**

#### **Operating budget (Schedules A1, A2, A3 &A4)**

The operating revenue budget of Baviaans Municipality amounts to R52.444 Million for 2014/2015 financial year. This represents an increase of R5.038 Million (10.63%). The increase is mainly a result of:

- increased tariffs
- Increase in equitable share and other grants

To ensure a credible and funded budget Baviaans Municipality had to increase tariffs in general by 10% except for refuse and sewerage which had to increase with 15%. Consideration was given to the fact that Baviaans Municipality has been increasing tariffs marginally for a number of years in the past which resulted in tariffs not being cost effective. A total review of the tariff structure is in progress. The increase of 10% in all tariffs will lead Baviaans municipality in having a more sustainable budget and ensuring that we will be able to render all services.

NERSA approved a 7% tariff increase for municipalities, but the municipality applied for a 10% increase. Approval was granted by NERSA to implement the 10% increase.

Please refer to budget assumptions for more detail. (Chapter 9)

Baviaans Municipality's budgeted expenditure for the 2014/2015 MTREF amounts to R71.695 Million. This represents an increase of R3.304 mil (4.8%)

This increase is mainly a result of increase in:

- Salaries
- Increase in bulk purchases

A provisional 6.79% across the board general salary increase is budgeted as the salary negotiations have been met with organized labour for the next three years.

Bulk purchases increased by R757 000 which is a result of the increase in bulk electricity which amounted to 8%.

It is worth mentioning that currently there is no allocation for EPWP grant beyond the 2014/15 financial year. The municipality will receive R1 390 000 EPWP grant for 2014/15.

EC107 Baviaans - 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	2,955	1,918	3,089	3,737	3,737	3,737	3,737	4,377	4,814	5,296
Service charges	7,724	13,244	15,733	18,146	17,983	17,983	17,983	20,000	22,000	24,200
Investment revenue	325	102	112	80	80	80	80	88	97	106
Transfers recognised - operational	15,965	18,804	29,574	23,330	23,552	23,552	23,552	25,819	27,223	28,093
Other own revenue	7,463	5,118	3,667	7,205	2,054	2,054	2,054	2,161	2,342	2,539
Total Revenue (excluding capital transfers and contributions)	34,433	39,186	52,175	52,498	47,406	47,406	47,406	52,444	56,475	60,234
Employee costs	14,486	18,318	18,587	19,732	20,539	20,539	20,539	22,200	23,620	25,131
Remuneration of councillors	1,042	1,383	1,507	1,692	1,692	1,692	1,692	1,755	1,859	1,961
Depreciation & asset impairment	-	14,842	15,516	8,000	15,600	15,600	15,600	15,600	15,600	15,600
Finance charges	525	763	1,122	195	1,063	1,063	1,063	1,129	1,196	1,261
Materials and bulk purchases	8,278	6,658	7,942	9,396	9,396	9,396	9,396	10,153	10,752	11,344
Transfers and grants	-	3,572	5,629	5,718	5,739	5,739	5,739	5,285	5,813	6,395
Other expenditure	15,362	22,915	15,928	14,792	14,361	14,361	14,361	15,573	14,796	15,576
Total Expenditure	39,693	68,452	66,233	59,526	68,391	68,391	68,391	71,695	73,636	77,267
Surplus/(Deficit)	(5,260)	(29,266)	(14,058)	(7,028)	(20,985)	(20,985)	(20,985)	(19,251)	(17,161)	(17,033)
Transfers recognised - capital	10,375	15,886	16,742	39,429	42,414	42,414	42,414	42,540	37,273	13,643
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	5,115	(13,380)	2,685	32,400	21,429	21,429	21,429	23,289	20,111	(3,390)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	5,115	(13,380)	2,685	32,400	21,429	21,429	21,429	23,289	20,111	(3,390)
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	11,843	14,988	21,254	37,029	44,887	44,887	44,887	38,967	32,706	11,979
Transfers recognised - capital	11,178	14,723	20,171	36,889	39,804	39,804	39,804	38,818	32,695	11,968
Public contributions & donations	-	-	63	-	-	-	-	-	-	-
Borrowing	507	-	733	-	-	-	-	-	-	-
Internally generated funds	158	265	286	140	5,083	5,083	5,083	148	157	157
Total sources of capital funds	11,843	14,988	21,254	37,029	44,887	44,887	44,887	38,967	32,852	12,125
<b>Financial position</b>										
Total current assets	6,127	1,216	2,576	9,514	4,725	4,725	4,725	5,782	9,104	10,833
Total non current assets	38,216	216,881	222,618	77,300	251,858	251,858	251,858	265,914	283,166	279,691
Total current liabilities	14,614	16,712	20,242	8,745	20,299	20,299	20,299	11,030	11,919	13,411
Total non current liabilities	1,163	4,077	4,960	4,125	5,785	5,785	5,785	6,878	6,451	6,604
Community wealth/Equity	28,567	197,308	199,992	73,944	230,500	230,500	230,500	253,788	273,899	270,509
<b>Cash flows</b>										
Net cash from (used) operating	4,468	15,951	21,262	39,085	40,595	40,595	40,595	40,799	36,177	15,855
Net cash from (used) investing	(4,554)	(14,988)	(21,254)	(37,029)	(44,887)	(44,887)	(44,887)	(38,967)	(32,852)	(12,125)
Net cash from (used) financing	(397)	(530)	174	(740)	(1,121)	(1,121)	(1,121)	(1,200)	(1,200)	(1,200)
Cash/cash equivalents at the year end	(316)	117	299	1,846	(5,114)	(5,114)	(5,114)	932	3,056	5,585
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(284)	117	299	1,846	(5,114)	(5,114)	(5,114)	932	3,056	5,585
Application of cash and investments	(57)	14,422	17,033	(211)	8,577	8,577	8,577	4,052	3,431	4,693
Balance - surplus (shortfall)	(226)	(14,305)	(16,734)	2,057	(13,691)	(13,691)	(13,691)	(3,121)	(375)	892
<b>Asset management</b>										
Asset register summary (WDV)	38,216	216,881	222,508	77,300	236,547	236,547	265,914	265,914	283,166	279,691
Depreciation & asset impairment	-	14,842	15,516	8,000	15,600	15,600	15,600	15,600	15,600	15,600
Renewal of Existing Assets	-	-	-	-	-	-	-	7,816	4,793	4,950
Repairs and Maintenance	2,748	5,322	3,083	1,077	750	750	1,199	1,199	1,270	1,340
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	5,430	5,430	5,430	4,664	4,664	5,130	5,643
Revenue cost of free services provided	-	-	-	14,139	14,139	14,139	764	764	841	925
<b>Households below minimum service level</b>										
Water:	0	0	0	0	0	0	0	0	0	0
Sanitation/sewerage:	1	1	0	0	0	0	0	0	0	0
Energy:	1	1	1	1	1	1	1	1	1	1
Refuse:	2	2	1	1	1	1	1	1	1	1

EC107 Baviaans - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
<b>Revenue - Standard</b>										
Governance and administration		24,105	22,285	16,398	16,590	13,554	13,554	14,415	15,968	16,904
Executive and council		-	-	732	1,348	1,348	1,348	1,403	1,466	1,532
Budget and treasury office		23,869	22,214	15,415	15,091	12,115	12,115	12,907	14,390	15,252
Corporate services		236	71	251	151	91	91	105	113	121
Community and public safety		1,249	649	1,396	1,409	4,709	4,709	15,222	4,378	4,525
Community and social services		993	399	1,146	430	512	512	4,082	4,103	4,223
Sport and recreation		-	-	-	500	845	845	1,485	-	-
Public safety		-	250	250	479	250	250	250	275	303
Housing		-	-	-	-	3,102	3,102	9,405	-	-
Health		257	-	-	-	-	-	-	-	-
Economic and environmental services		11,314	9,456	11,839	9,943	8,225	8,225	6,603	4,068	4,207
Planning and development		68	-	-	-	-	-	23	25	28
Road transport		11,246	9,456	11,839	9,943	8,225	8,225	6,580	4,043	4,179
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		7,744	22,521	39,196	63,864	63,199	63,199	58,289	69,240	48,138
Electricity		2,820	8,235	12,345	14,047	13,980	13,980	14,459	19,705	20,997
Water		2,586	4,701	16,552	40,001	39,147	39,147	29,985	34,863	11,585
Waste water management		2,337	9,585	8,199	4,831	5,001	5,001	6,039	9,038	9,549
Waste management		-	-	2,100	4,986	5,071	5,071	7,805	5,633	6,007
Other	4	395	161	89	120	133	133	455	94	103
<b>Total Revenue - Standard</b>	<b>2</b>	<b>44,807</b>	<b>55,071</b>	<b>68,917</b>	<b>91,926</b>	<b>89,820</b>	<b>89,820</b>	<b>94,984</b>	<b>93,748</b>	<b>73,877</b>
<b>Expenditure - Standard</b>										
Governance and administration		14,539	40,135	39,412	22,619	33,381	33,381	34,235	35,651	36,834
Executive and council		1,244	3,352	3,793	3,266	3,529	3,529	3,506	3,721	3,939
Budget and treasury office		8,762	32,698	31,418	14,966	24,543	24,543	25,419	26,296	26,929
Corporate services		4,533	4,086	4,201	4,387	5,309	5,309	5,309	5,634	5,966
Community and public safety		2,633	3,147	2,831	3,317	3,466	3,466	3,480	3,695	3,927
Community and social services		2,251	3,109	2,459	2,782	2,898	2,898	2,861	3,037	3,228
Sport and recreation		-	38	-	6	-	-	6	7	7
Public safety		-	0	372	529	567	567	612	651	692
Housing		-	-	-	-	-	-	-	-	-
Health		381	-	-	-	-	-	-	-	-
Economic and environmental services		10,339	10,047	7,437	10,304	8,302	8,302	9,306	8,278	8,765
Planning and development		2,748	-	-	-	-	-	685	728	775
Road transport		7,591	10,047	7,437	10,304	8,302	8,302	8,621	7,550	7,990
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		11,093	14,983	15,797	22,577	22,605	22,605	23,541	25,153	26,827
Electricity		7,652	8,644	9,839	12,635	12,931	12,931	12,446	13,229	14,018
Water		2,299	2,568	3,203	4,189	4,087	4,087	4,689	5,017	5,364
Waste water management		1,142	2,119	1,507	2,263	2,580	2,580	2,890	3,114	3,355
Waste management		-	1,652	1,247	3,489	3,008	3,008	3,517	3,792	4,090
Other	4	1,089	139	756	709	636	636	1,134	860	914
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>39,693</b>	<b>68,452</b>	<b>66,233</b>	<b>59,526</b>	<b>68,391</b>	<b>68,391</b>	<b>71,695</b>	<b>73,636</b>	<b>77,267</b>
<b>Surplus/(Deficit) for the year</b>		<b>5,115</b>	<b>(13,380)</b>	<b>2,685</b>	<b>32,400</b>	<b>21,429</b>	<b>21,429</b>	<b>23,289</b>	<b>20,111</b>	<b>(3,390)</b>

EC107 Baviaans - 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
R thousand										
<u>Revenue by Vote</u>	1									
Vote 1 - Executive & Council		-	-	732	1,348	1,348	1,348	1,403	1,466	1,532
Vote 2 - Corporate Services		236	318	251	151	91	91	105	113	121
Vote 3 - Budget & Treasury Office		23,869	21,841	15,415	15,091	12,115	12,115	12,907	14,390	15,252
Vote 4 - Technical Services		19,058	31,093	50,418	70,691	73,168	73,168	72,839	71,735	50,648
Vote 5 - Community Services		1,644	1,820	2,101	4,645	3,098	3,098	7,730	6,044	6,324
Vote 6 - Vote 6		-	-	-	-	-	-	-	-	-
Vote 7 - Vote 7		-	-	-	-	-	-	-	-	-
Vote 8 - Vote 8		-	-	-	-	-	-	-	-	-
Vote 9 - Vote 9		-	-	-	-	-	-	-	-	-
Vote 10 - Vote 10		-	-	-	-	-	-	-	-	-
Vote 11 - Vote 11		-	-	-	-	-	-	-	-	-
Vote 12 - Vote 12		-	-	-	-	-	-	-	-	-
Vote 13 - Vote 13		-	-	-	-	-	-	-	-	-
Vote 14 - Vote 14		-	-	-	-	-	-	-	-	-
Vote 15 - Vote 15		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	44,807	55,071	68,917	91,926	89,820	89,820	94,984	93,748	73,877
<u>Expenditure by Vote to be appropriated</u>	1									
Vote 1 - Executive & Council		1,244	2,846	3,793	3,266	3,529	3,529	3,506	3,721	3,939
Vote 2 - Corporate Services		4,533	5,245	4,201	4,387	5,309	5,309	5,309	5,634	5,966
Vote 3 - Budget & Treasury Office		8,762	33,181	31,418	14,966	24,543	24,543	25,419	26,296	26,929
Vote 4 - Technical Services		21,432	23,726	22,793	29,912	30,250	30,250	31,961	32,489	34,592
Vote 5 - Community Services		3,722	3,453	4,028	6,995	4,760	4,760	5,500	5,497	5,841
Vote 6 - Vote 6		-	-	-	-	-	-	-	-	-
Vote 7 - Vote 7		-	-	-	-	-	-	-	-	-
Vote 8 - Vote 8		-	-	-	-	-	-	-	-	-
Vote 9 - Vote 9		-	-	-	-	-	-	-	-	-
Vote 10 - Vote 10		-	-	-	-	-	-	-	-	-
Vote 11 - Vote 11		-	-	-	-	-	-	-	-	-
Vote 12 - Vote 12		-	-	-	-	-	-	-	-	-
Vote 13 - Vote 13		-	-	-	-	-	-	-	-	-
Vote 14 - Vote 14		-	-	-	-	-	-	-	-	-
Vote 15 - Vote 15		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	39,693	68,452	66,233	59,526	68,391	68,391	71,695	73,636	77,267
<b>Surplus/(Deficit) for the year</b>	2	5,115	(13,380)	2,685	32,400	21,429	21,429	23,289	20,111	(3,390)



EC107 Baviaans - 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	2,955	1,918	3,089	3,737	3,737	3,737	3,737	4,377	4,814	5,296
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	2,801	7,761	8,897	10,203	10,083	10,083	10,083	11,091	12,200	13,420
Service charges - water revenue	2	2,586	2,726	2,947	3,481	3,531	3,531	3,531	3,884	4,272	4,699
Service charges - sanitation revenue	2	2,337	2,757	1,758	2,055	1,962	1,962	1,962	2,257	2,482	2,731
Service charges - refuse revenue	2	-	-	2,132	2,407	2,407	2,407	2,407	2,768	3,045	3,350
Service charges - other		-	-		-	-	-	-			
Rental of facilities and equipment		65	59	116	120	39	39	39	43	47	52
Interest earned - external investments		325	102	112	80	80	80	80	88	97	106
Interest earned - outstanding debtors		351	312	368	150	339	339	339	373	410	451
Dividends received		-	-		-	-	-	-			
Fines		12	13	4	20	15	15	15	10	11	12
Licences and permits		518	461	509	100	585	585	585	644	708	779
Agency services		257	-		2,996	738	738	738	782	829	879
Transfers recognised - operational		15,965	18,804	29,574	23,330	23,552	23,552	23,552	25,819	27,223	28,093
Other revenue	2	6,261	4,273	2,670	3,819	338	338	338	310	337	367
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>34,433</b>	<b>39,186</b>	<b>52,175</b>	<b>52,498</b>	<b>47,406</b>	<b>47,406</b>	<b>47,406</b>	<b>52,444</b>	<b>56,475</b>	<b>60,234</b>
<b>Expenditure By Type</b>											
Employee related costs	2	14,486	18,318	18,587	19,732	20,539	20,539	20,539	22,200	23,620	25,131
Remuneration of councillors		1,042	1,383	1,507	1,692	1,692	1,692	1,692	1,755	1,859	1,961
Debt impairment	3	884	3,790	1,371							
Depreciation & asset impairment	2	-	14,842	15,516	8,000	15,600	15,600	15,600	15,600	15,600	15,600
Finance charges		525	763	1,122	195	1,063	1,063	1,063	1,129	1,196	1,261
Bulk purchases	2	5,531	6,658	7,942	9,396	9,396	9,396	9,396	10,153	10,752	11,344
Other materials	8	2,748									
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	3,572	5,629	5,718	5,739	5,739	5,739	5,285	5,813	6,395
Other expenditure	4, 5	14,478	19,125	14,557	14,792	14,361	14,361	14,361	15,573	14,796	15,576
Loss on disposal of PPE				0							
<b>Total Expenditure</b>		<b>39,693</b>	<b>68,452</b>	<b>66,233</b>	<b>59,526</b>	<b>68,391</b>	<b>68,391</b>	<b>68,391</b>	<b>71,695</b>	<b>73,636</b>	<b>77,267</b>
<b>Surplus/(Deficit)</b>											
Surplus/(Deficit)		(5,260)	(29,266)	(14,058)	(7,028)	(20,985)	(20,985)	(20,985)	(19,251)	(17,161)	(17,033)
Transfers recognised - capital		10,375	15,886	16,742	39,429	42,414	42,414	42,414	42,540	37,273	13,643
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>5,115</b>	<b>(13,380)</b>	<b>2,685</b>	<b>32,400</b>	<b>21,429</b>	<b>21,429</b>	<b>21,429</b>	<b>23,289</b>	<b>20,111</b>	<b>(3,390)</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>5,115</b>	<b>(13,380)</b>	<b>2,685</b>	<b>32,400</b>	<b>21,429</b>	<b>21,429</b>	<b>21,429</b>	<b>23,289</b>	<b>20,111</b>	<b>(3,390)</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>5,115</b>	<b>(13,380)</b>	<b>2,685</b>	<b>32,400</b>	<b>21,429</b>	<b>21,429</b>	<b>21,429</b>	<b>23,289</b>	<b>20,111</b>	<b>(3,390)</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>5,115</b>	<b>(13,380)</b>	<b>2,685</b>	<b>32,400</b>	<b>21,429</b>	<b>21,429</b>	<b>21,429</b>	<b>23,289</b>	<b>20,111</b>	<b>(3,390)</b>

## Capital budget (Schedule A5)

The capital budget of the municipality amounts to R40.687 Million. This indicates a decrease of R4.2 Million (9.35%) which is mainly a result of:

- Decrease in DTI funded projects (R12.792 million)
- Decrease in MIG funded projects (R1.775 million)
- Increase in RBIG funded projects (R6.156 million)
- Increase in Housing funded projects (R6.303 million)
- Decrease in roll over projects (R4.550 million)

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

- Streets & Stormwater Willowmore – R2 015 300
- Streets & Stormwater Steytlerville – R1 200 000
- Steytlerville Solid waste disposal site – R2 800 000
- Rietbron High Mast Light – R300 000
- Electricity – R900 000
- Waste water treatment works Rietbron – R1 110 000
- Upgrading of Sportsfields – R1 484 700
- Down housing –R9 404 956
- Steytlerville water Erasmuskloof – R22 830 780
- Lease vehicles – R1.9 million

Amounts shown are total project values for 2014/15 including VAT. The budget is based on a total amount of R40 687 mil excl VAT.

These projects are funded by the Municipal Infrastructure Grant, Regional bulk infrastructure grant, Department of Human Settlement grant and a grant from DTI (Department of Trade and Industry) as well as lease financing

EC107 Baviaans - 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>Capital expenditure - Vote</b>											
<u>Multi-year expenditure</u> to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Vote 6		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vote 7		-	-	-	-	-	-	-	-	-	-
Vote 8 - Vote 8		-	-	-	-	-	-	-	-	-	-
Vote 9 - Vote 9		-	-	-	-	-	-	-	-	-	-
Vote 10 - Vote 10		-	-	-	-	-	-	-	-	-	-
Vote 11 - Vote 11		-	-	-	-	-	-	-	-	-	-
Vote 12 - Vote 12		-	-	-	-	-	-	-	-	-	-
Vote 13 - Vote 13		-	-	-	-	-	-	-	-	-	-
Vote 14 - Vote 14		-	-	-	-	-	-	-	-	-	-
Vote 15 - Vote 15		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure</u> to be appropriated	2										
Vote 1 - Executive & Council		-	17	51	-	-	-	-	1,720	-	-
Vote 2 - Corporate Services		-	36	21	10	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office		700	61	59	-	96	96	96	11	11	11
Vote 4 - Technical Services		10,995	14,675	20,925	36,380	43,770	43,770	43,770	37,220	32,841	12,114
Vote 5 - Community Services		148	199	197	639	1,021	1,021	1,021	1,736	-	-
Vote 6 - Vote 6		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vote 7		-	-	-	-	-	-	-	-	-	-
Vote 8 - Vote 8		-	-	-	-	-	-	-	-	-	-
Vote 9 - Vote 9		-	-	-	-	-	-	-	-	-	-
Vote 10 - Vote 10		-	-	-	-	-	-	-	-	-	-
Vote 11 - Vote 11		-	-	-	-	-	-	-	-	-	-
Vote 12 - Vote 12		-	-	-	-	-	-	-	-	-	-
Vote 13 - Vote 13		-	-	-	-	-	-	-	-	-	-
Vote 14 - Vote 14		-	-	-	-	-	-	-	-	-	-
Vote 15 - Vote 15		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		11,843	14,988	21,254	37,029	44,887	44,887	44,887	40,687	32,852	12,125
<b>Total Capital Expenditure - Vote</b>		11,843	14,988	21,254	37,029	44,887	44,887	44,887	40,687	32,852	12,125
<b>Capital Expenditure - Standard</b>											
Governance and administration		700	114	132	10	96	96	96	1,731	11	11
Executive and council		-	17	51	-	-	-	-	1,720	-	-
Budget and treasury office		700	61	59	-	96	96	96	11	11	11
Corporate services		-	36	21	10	-	-	-	-	-	-
Community and public safety		148	199	197	639	4,123	4,123	4,123	11,141	-	-
Community and social services		148	199	197	-	-	-	-	433	-	-
Sport and recreation		-	-	-	639	1,021	1,021	1,021	1,302	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	3,102	3,102	3,102	9,405	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		8,469	5,799	8,125	4,544	5,718	5,718	5,718	2,820	1,754	1,754
Planning and development		-	-	789	-	-	-	-	-	-	-
Road transport		8,469	5,799	7,336	4,544	5,718	5,718	5,718	2,820	1,754	1,754
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		2,526	8,876	12,800	31,837	34,950	34,950	34,950	24,995	31,087	10,359
Electricity		1,066	-	425	70	425	425	425	1,190	4,532	4,532
Water		1,459	6,057	9,358	31,597	33,504	33,504	33,504	20,375	23,516	2,632
Waste water management		-	1,130	3,018	20	787	787	787	974	3,039	3,196
Waste management		-	1,689	0	150	235	235	235	2,456	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	11,843	14,988	21,254	37,029	44,887	44,887	44,887	40,687	32,852	12,125
<b>Funded by:</b>											
National Government		11,178	12,986	16,059	18,889	20,819	20,819	20,819	26,582	32,695	11,968
Provincial Government		-	-	4,113	18,000	18,985	18,985	18,985	12,236	-	-
District Municipality		-	1,737	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	11,178	14,723	20,171	36,889	39,804	39,804	39,804	38,818	32,695	11,968
Public contributions & donations	5	-	-	63	-	-	-	-	-	-	-
Borrowing	6	507	-	733	-	-	-	-	1,720	-	-
Internally generated funds		158	265	286	140	5,083	5,083	5,083	148	157	157
<b>Total Capital Funding</b>	7	11,843	14,988	21,254	37,029	44,887	44,887	44,887	40,687	32,852	12,125

## **Budgeted Financial position (Schedule A6)**

Current assets are assets that can be converted in cash within 12 months and mainly consist of cash in the bank, investments and debtors.

It is anticipated that no additional contribution to provision for bad debt is required as the budget is based on 98% collection rate and the total accumulated provision already in the general ledger is sufficient. Management has taken into consideration the appointment of debt collectors which was finalized during the 2013/14 financial year and the anticipated success rate thereof.

Non-current Assets are assets that has a lifespan of longer than 12 months and mainly consist of fixed assets e.g. infrastructure and moveable assets.

The process of unbundling of assets has been completed and depreciation charges could be calculated on baseline information available from the previous financial year.

Non-current provisions consist of provision for rehabilitation of landfill sites to the value of R978 000 and post retirement benefits to the value of R3.1 million

Current provisions consist of provision for bonuses to the value of R1.167 million

It is anticipated that the year will end with a positive bank balance of R932 000 whilst nett debtors will increase to R3.6 million

Borrowing balances will increase to accommodate for the new finance leases for vehicles which had to be taken up.

Of concern is Baviaans' liquidity. Trade creditors is more than debtors by R4 million. This has also been mentioned in the audit report of 2012/13.

EC107 Baviaans - 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>											
Current assets											
Cash		-	110	292	1,846	-	-	-	932	3,056	5,585
Call investment deposits	1	6	7	7	-	-	-	-	-	-	-
Consumer debtors	1	2,970	352	767	7,500	3,465	3,465	3,465	3,600	4,800	4,000
Other debtors		3,132	728	1,462	148	1,240	1,240	1,240	1,200	1,200	1,200
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	20	19	48	20	20	20	20	50	48	48
<b>Total current assets</b>		<b>6,127</b>	<b>1,216</b>	<b>2,576</b>	<b>9,514</b>	<b>4,725</b>	<b>4,725</b>	<b>4,725</b>	<b>5,782</b>	<b>9,104</b>	<b>10,833</b>
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		10	39,784	39,581	10	39,581	39,581	39,581	39,581	39,581	39,581
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	37,739	177,038	182,927	76,824	212,277	212,277	212,277	226,333	243,585	240,110
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		466	59	0	466	0	0	0	-	-	-
Other non-current assets		-	-	110	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>38,216</b>	<b>216,881</b>	<b>222,618</b>	<b>77,300</b>	<b>251,858</b>	<b>251,858</b>	<b>251,858</b>	<b>265,914</b>	<b>283,166</b>	<b>279,691</b>
<b>TOTAL ASSETS</b>		<b>44,343</b>	<b>218,096</b>	<b>225,194</b>	<b>86,814</b>	<b>256,583</b>	<b>256,583</b>	<b>256,583</b>	<b>271,696</b>	<b>292,270</b>	<b>290,525</b>
<b>LIABILITIES</b>											
Current liabilities											
Bank overdraft	1	289	-	-	-	5,114	5,114	5,114	-	-	-
Borrowing	4	696	567	543	310	750	750	750	950	950	950
Consumer deposits		137	145	146	145	145	145	145	146	146	146
Trade and other payables	4	13,068	15,477	18,975	7,000	13,000	13,000	13,000	8,767	9,100	9,950
Provisions		423	523	578	1,290	1,290	1,290	1,290	1,167	1,723	2,365
<b>Total current liabilities</b>		<b>14,614</b>	<b>16,712</b>	<b>20,242</b>	<b>8,745</b>	<b>20,299</b>	<b>20,299</b>	<b>20,299</b>	<b>11,030</b>	<b>11,919</b>	<b>13,411</b>
Non current liabilities											
Borrowing		1,163	762	960	-	1,660	1,660	1,660	2,800	2,374	2,526
Provisions		-	3,314	4,001	4,125	4,125	4,125	4,125	4,078	4,078	4,078
<b>Total non current liabilities</b>		<b>1,163</b>	<b>4,077</b>	<b>4,960</b>	<b>4,125</b>	<b>5,785</b>	<b>5,785</b>	<b>5,785</b>	<b>6,878</b>	<b>6,451</b>	<b>6,604</b>
<b>TOTAL LIABILITIES</b>		<b>15,776</b>	<b>20,789</b>	<b>25,202</b>	<b>12,870</b>	<b>26,084</b>	<b>26,084</b>	<b>26,084</b>	<b>17,907</b>	<b>18,371</b>	<b>20,015</b>
<b>NET ASSETS</b>	5	<b>28,567</b>	<b>197,308</b>	<b>199,992</b>	<b>73,944</b>	<b>230,500</b>	<b>230,500</b>	<b>230,500</b>	<b>253,788</b>	<b>273,899</b>	<b>270,509</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		28,567	197,308	199,992	73,944	230,500	230,500	230,500	253,788	273,899	270,509
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>28,567</b>	<b>197,308</b>	<b>199,992</b>	<b>73,944</b>	<b>230,500</b>	<b>230,500</b>	<b>230,500</b>	<b>253,788</b>	<b>273,899</b>	<b>270,509</b>

### **Cash Flow (Schedule A7)**

It is anticipated that the cash balance will end on a positive R932 thousand at the end of the financial year.

Cash out flows with regards to Capital additions will amount to R40.687 Million, whilst payments to suppliers will amount to R52.962 million.

Payments from debtors for services rendered will amount to R26.070 million. As can be seen from the cash flow, the municipality is heavily reliant on grant funding. Cash from grant funding will amount to R68.359 Million for 2014/15 financial year.

Cash receipts are based on 98% collection rate.

EC107 Baviaans - 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		39,025	19,815	19,601	27,428	22,349	22,349	22,349	26,070	27,546	32,383
Government - operating	1	-	34,690	46,316	23,330	23,552	23,552	23,552	25,819	27,223	28,093
Government - capital	1	-	-	-	39,429	42,414	42,414	42,414	42,540	37,273	13,643
Interest		676	414	480	230	419	419	419	461	507	558
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(35,014)	(38,204)	(44,013)	(51,331)	(48,139)	(48,139)	(48,139)	(52,962)	(55,176)	(57,561)
Finance charges		(219)	(763)	(1,122)	-	-	-	-	(1,129)	(1,196)	(1,261)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>4,468</b>	<b>15,951</b>	<b>21,262</b>	<b>39,085</b>	<b>40,595</b>	<b>40,595</b>	<b>40,595</b>	<b>40,799</b>	<b>36,177</b>	<b>15,855</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		7,289	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(11,843)	(14,988)	(21,254)	(37,029)	(44,887)	(44,887)	(44,887)	(40,687)	(32,852)	(12,125)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(4,554)</b>	<b>(14,988)</b>	<b>(21,254)</b>	<b>(37,029)</b>	<b>(44,887)</b>	<b>(44,887)</b>	<b>(44,887)</b>	<b>(40,687)</b>	<b>(32,852)</b>	<b>(12,125)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	1,720	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(397)	(530)	174	(740)	(1,121)	(1,121)	(1,121)	(1,200)	(1,200)	(1,200)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(397)</b>	<b>(530)</b>	<b>174</b>	<b>(740)</b>	<b>(1,121)</b>	<b>(1,121)</b>	<b>(1,121)</b>	<b>520</b>	<b>(1,200)</b>	<b>(1,200)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(483)</b>	<b>434</b>	<b>182</b>	<b>1,316</b>	<b>(5,413)</b>	<b>(5,413)</b>	<b>(5,413)</b>	<b>632</b>	<b>2,124</b>	<b>2,530</b>
Cash/cash equivalents at the year begin:	2	166	(316)	117	530	299	299	299	299	932	3,056
Cash/cash equivalents at the year end:	2	(316)	117	299	1,846	(5,114)	(5,114)	(5,114)	932	3,056	5,585

## Cash backed reserves/accumulated surplus recon (Table A8 & SA10)

Table A8 indicates that Baviaans will have a shortfall with regards to working capital of R3.1 million.

This is a contributing factor to the indication that the budget is unfunded. It should however be noted that this is a problem that comes from prior years and cannot be addressed within one year. A cash injection of some nature is needed to assist Baviaans in getting out of this situation.

Table SA10 is an indicator of whether the budget is funded. A funded budget is a requirement of the MFMA and budget regulations.

Table SA10 reflects that the current budget is not funded. There could be various reasons as to why a budget might reflect as not being funded. One of which could be that the municipality does not have cash backed investments to assist with the shortfall in a particular year.

The reasons for the budget of Baviaans not being funded could be analyzed as follow;

- Table SA10 includes non-cash items. It reflects the entire expenditure as per tables A1, A2, A3 and A4. The statement of financial performance normally includes a number of non-cash items e.g. your provisions, depreciation etc. Although effort should be made to get these non-cash items backed by cash e.g. depreciation to assist with the replacement of capital once fully depreciated, Baviaans cannot afford to do so at this stage.
- Table SA10 does not take into consideration the effect of the VAT reclaimed from conditional grants. According to National Treasury circular nr the VAT on conditional grants should not reflect on the statement of financial performance, but should be reflected in the balance sheet and then pulls through to the cash flow. In the case of Baviaans, where we are experiencing serious cash flow problems, these VAT refunds are used to balance our budget. The calculation for funding does not take this in consideration
- The calculation for funding refers to the shortfall on working capital. There is currently a shortfall of R3.1 million on working capital due to the fact that debtors is less than trade creditors. This means that should Baviaans be able to liquidate their debtors immediately it will not be enough to pay all the creditors. This raises doubt on the sustainability of Baviaans municipality and whether we will be able to meet our mandatory services.

Taking the above into consideration

Deficit per SA10	(R22.372 million)
Add back non-cash items	R15.850 million
Add VAT from conditional grants	R3.578 million
Balance unfunded	(R2.944 million)

The balance unfunded is due to the shortage in working capital.



EC107 Baviaans - 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
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	(316)	117	299	1,846	(5,114)	(5,114)	(5,114)	932	3,056	5,585
Other current investments > 90 days		33	-	(0)	-	0	0	0	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(284)	117	299	1,846	(5,114)	(5,114)	(5,114)	932	3,056	5,585
<u>Application of cash and investments</u>											
Unspent conditional transfers		3,220	251	4,563	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(3,277)	14,171	12,470	(211)	8,577	8,577	8,577	4,052	3,431	4,693
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(57)	14,422	17,033	(211)	8,577	8,577	8,577	4,052	3,431	4,693
Surplus(shortfall)		(226)	(14,305)	(16,734)	2,057	(13,691)	(13,691)	(13,691)	(3,121)	(375)	892

<u>High Level Outcome of Funding Compliance</u>												
Total Operating Revenue			34,433	39,186	52,175	52,498	47,406	47,406	47,406	52,444	56,475	60,234
Total Operating Expenditure			39,693	68,452	66,233	59,526	68,391	68,391	68,391	71,695	73,636	77,267
Surplus/(Deficit) Budgeted Operating Statement			(5,260)	(29,266)	(14,058)	(7,028)	(20,985)	(20,985)	(20,985)	(19,251)	(17,161)	(17,033)
Surplus/(Deficit) Considering Reserves and Cash Backing			(5,486)	(43,571)	(30,791)	(4,971)	(34,676)	(34,676)	(34,676)	(22,372)	(17,537)	(16,141)
MTREF Funded (1) / Unfunded (0)		15	0	0	0	0	0	0	0	0	0	0
MTREF Funded ✓ / Unfunded ✗		15	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

### **Asset management (table A9)**

Capital expenditure is anticipated to decrease with R4.2 Million in 2014/15 financial year. This indicates a decrease of 9.35%. The decrease in capital acquisition is due to a decrease in DTI funds, decrease in MIG and decrease in roll over projects.

An amount of R1 199 397 has been allocated to repairs and maintenance. Repairs and maintenance will be spent according to the following categories of assets:

- Infrastructure – Road & transport - R165 thousand
- Infrastructure – Electricity - R178 thousand
- Infrastructure – Water - R96 thousand
- Infrastructure – Sanitation - R90 thousand
- Infrastructure – Other - RNil
- Community & other assets - R35 thousand
- Other assets - R635 thousand

Depreciation is anticipated to be R15 600 000 for 2014/15 financial year.

The capital expenditure is divided as follows:

Renewal of existing assets as % to total capital – 19.2%

Renewal of existing assets as % of depreciation – 50.1%

EC107 Baviaans - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	11,843	14,988	21,254	37,029	44,887	44,887	32,871	28,059	7,175
Infrastructure - Road transport		8,459	5,799	7,336	4,544	5,718	5,718	-	-	-
Infrastructure - Electricity		1,066	-	425	-	425	425	789	4,386	4,386
Infrastructure - Water		1,459	6,057	9,358	31,557	33,504	33,504	20,375	23,516	2,632
Infrastructure - Sanitation		-	1,130	3,018	-	787	787	-	-	-
Infrastructure - Other		-	4	-	150	3,337	3,337	9,405	-	-
Infrastructure		10,984	12,990	20,136	36,250	43,770	43,770	30,569	27,902	7,018
Community		148	-	-	639	1,021	1,021	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	50	-	-	-	-	-	-
Other assets	6	710	1,999	1,068	140	96	96	2,302	157	157
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	7,816	4,793	4,950
Infrastructure - Road transport		-	-	-	-	-	-	2,820	1,754	1,754
Infrastructure - Electricity		-	-	-	-	-	-	263	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	974	3,039	3,196
Infrastructure - Other		-	-	-	-	-	-	2,456	-	-
Infrastructure		-	-	-	-	-	-	6,513	4,793	4,950
Community		-	-	-	-	-	-	1,302	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4									
Infrastructure - Road transport		8,459	5,799	7,336	4,544	5,718	5,718	2,820	1,754	1,754
Infrastructure - Electricity		1,066	-	425	-	425	425	1,053	4,386	4,386
Infrastructure - Water		1,459	6,057	9,358	31,557	33,504	33,504	20,375	23,516	2,632
Infrastructure - Sanitation		-	1,130	3,018	-	787	787	974	3,039	3,196
Infrastructure - Other		-	4	-	150	3,337	3,337	11,861	-	-
Infrastructure		10,984	12,990	20,136	36,250	43,770	43,770	37,082	32,695	11,968
Community		148	-	-	639	1,021	1,021	1,302	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	50	-	-	-	-	-	-
Other assets		710	1,999	1,068	140	96	96	2,302	157	157
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	11,843	14,988	21,254	37,029	44,887	44,887	40,687	32,852	12,125

## EC107 BAVIAANS TABLE A9 CONTINUES

ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		70,969	77,545	76,496	76,496	79,316	74,509	69,701		
Infrastructure - Electricity		20,849	19,735	16,558	16,558	17,611	21,227	24,843		
Infrastructure - Water		35,147	31,329	64,662	64,662	84,748	105,351	103,438		
Infrastructure - Sanitation		24,082	31,569	29,245	29,245	30,219	31,442	32,823		
Infrastructure - Other		28,153		76,824	3,809	3,809	4,639	3,083	1,527	
Infrastructure		28,153	151,047	160,178	76,824	190,770	190,770	216,533	235,612	232,332
Community		5,767	1,360	1,208		1,961	1,961	3,263	3,111	2,959
Heritage assets										
Investment properties		10	39,784	39,581	10	39,581	39,581	39,581	39,581	39,581
Other assets		3,819	24,631	21,541		4,235	4,235	6,537	4,862	4,820
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		466	59	0	466	0	0	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	38,216	216,881	222,508	77,300	236,547	236,547	265,914	283,166	279,691
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		-	14,842	15,516	8,000	15,600	15,600	15,600	15,600	15,600
Repairs and Maintenance by Asset Class	3	2,748	5,322	3,083	1,077	750	750	1,199	1,270	1,340
Infrastructure - Road transport		550	157	35	160	58	58	165	175	184
Infrastructure - Electricity		400	626	216	173	160	160	178	189	199
Infrastructure - Water		250	1,675	119	90	90	90	96	101	107
Infrastructure - Sanitation		50	21	20	-	-	-	90	95	101
Infrastructure - Other		50	-	-	-	-	-	-	-	-
Infrastructure		1,300	2,479	391	424	308	308	529	560	591
Community		200	105	83	37	10	10	35	37	39
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1,248	2,738	2,610	616	432	432	635	673	710
TOTAL EXPENDITURE OTHER ITEMS		2,748	20,164	18,599	9,077	16,350	16,350	16,799	16,870	16,940
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.2%	14.6%	40.8%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.1%	30.7%	31.7%
R&M as a % of PPE		7.3%	3.0%	1.7%	1.4%	0.4%	0.4%	0.5%	0.5%	0.6%
Renewal and R&M as a % of PPE		7.0%	2.0%	1.0%	1.0%	0.0%	0.0%	3.0%	2.0%	2.0%

## **Basic Service delivery measurements (Table A10)**

This table gives an indication of the number of households in Baviaans Municipality and to what extent services are delivered to these households.

Baviaans currently has 4 610 households to which services are provided

Indigent households will receive the following subsidized services:

- Water - 6 kl
- Electricity - 50 units
- Sanitation - 100% subsidy
- Refuse - 100% subsidy
- Property rates 100% subsidy for owners

EC107 Baviaans - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		1,488	1,488	3,553	3,703	3,703	3,703	3,553	3,553	3,553
Piped water inside yard (but not in dwelling)		1,852	1,852	1,003	1,142	1,142	1,142	1,003	1,003	1,003
Using public tap (at least min.service level)	2	228	228	53	53	53	53	53	53	53
Other water supply (at least min.service level)	4	76	76	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		3,644	3,644	4,609	4,898	4,898	4,898	4,609	4,609	4,609
Using public tap (< min.service level)	3	111	111	1	35	35	35	1	1	1
Other water supply (< min.service level)	4	127	127	-	127	127	127	-	-	-
No water supply										
Below Minimum Service Level sub-total		238	238	1	162	162	162	1	1	1
Total number of households	5	3,882	3,882	4,610	5,060	5,060	5,060	4,610	4,610	4,610
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		1,215	1,215	3,470	3,920	3,920	3,920	3,470	3,470	3,470
Flush toilet (with septic tank)		795	795	475	475	475	475	475	475	475
Chemical toilet		20	20	3	3	3	3	3	3	3
Pit toilet (ventilated)		218	218	116	116	116	116	116	116	116
Other toilet provisions (> min.service level)		443	443	166	166	166	166	166	166	166
Minimum Service Level and Above sub-total		2,691	2,691	4,230	4,680	4,680	4,680	4,230	4,230	4,230
Bucket toilet		754	754	167	167	167	167	167	167	167
Other toilet provisions (< min.service level)										
No toilet provisions		437	437	213	213	213	213	213	213	213
Below Minimum Service Level sub-total		1,191	1,191	380	380	380	380	380	380	380
Total number of households	5	3,882	3,882	4,610	5,060	5,060	5,060	4,610	4,610	4,610
<b>Energy:</b>										
Electricity (at least min.service level)		2,703	2,703	1,364	4,560	4,560	4,560	1,364	1,364	1,364
Electricity - prepaid (min.service level)				2,746				2,746	2,746	2,746
Minimum Service Level and Above sub-total		2,703	2,703	4,110	4,560	4,560	4,560	4,110	4,110	4,110
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		1,179	1,179	500	500	500	500	500	500	500
Below Minimum Service Level sub-total		1,179	1,179	500	500	500	500	500	500	500
Total number of households	5	3,882	3,882	4,610	5,060	5,060	5,060	4,610	4,610	4,610
<b>Refuse:</b>										
Removed at least once a week		1,793	1,793	3,566	4,016	4,016	4,016	3,566	3,566	3,566
Minimum Service Level and Above sub-total		1,793	1,793	3,566	4,016	4,016	4,016	3,566	3,566	3,566
Removed less frequently than once a week		570	570	19	19	19	19	19	19	19
Using communal refuse dump		5	5	46	46	46	46	46	46	46
Using own refuse dump		1,478	1,478	879	879	879	879	879	879	879
Other rubbish disposal										
No rubbish disposal		37	37	100	100	100	100	100	100	100
Below Minimum Service Level sub-total		2,090	2,090	1,044	1,044	1,044	1,044	1,044	1,044	1,044
Total number of households	5	3,883	3,883	4,610	5,060	5,060	5,060	4,610	4,610	4,610
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		2,800	2,800	2,523	3,000	3,000	3,000	3,000	3,000	3,000
Sanitation (free minimum level service)		2,800	2,800	2,523	3,000	3,000	3,000	3,000	3,000	3,000
Electricity/other energy (50kwh per household per month)		2,800	2,800	2,523	3,000	3,000	3,000	3,000	3,000	3,000
Refuse (removed at least once a week)		2,800	2,800	2,523	3,000	3,000	3,000	3,000	3,000	3,000
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)					850	850	850	1,009	1,110	1,221
Sanitation (free sanitation service)					1,241	1,241	1,241	1,123	1,235	1,359
Electricity/other energy (50kwh per household per month)					1,788	1,788	1,788	1,100	1,210	1,331
Refuse (removed once a week)					1,551	1,551	1,551	1,432	1,575	1,733
Total cost of FBS provided (minimum social package)		-	-	-	5,430	5,430	5,430	4,664	5,130	5,643
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		15,000	15,000		15,000	15,000	15,000	15,000	15,000	15,000
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)			28		44	44	44	51	56	61
Electricity (kwh per household per month)		50	50		50	50	50	50	50	50
Refuse (average litres per week)			36		55	55	55	63	70	77
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)					222	222	222	72	79	87
Property rates (other exemptions, reductions and rebates)					13,917	13,917	13,917	693	762	838
Water										
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	14,139	14,139	14,139	764	841	925

## **CHAPTER 5** **OVERVIEW OF THE ANNUAL BUDGET PROCESS**

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 Council on 29 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:

- 1 community
- 2 senior management
- 3 the work force
- 4 trade unions
- 5 rate payers association/agricultural forums
- 6 general public and interested parties
- 7 district municipality
- 8 national and provincial sector departments

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

A Draft Budget is prepared, based on budget assumption where after 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.

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 to produce a final budget for adoption by Council.

## **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.

## **Consultations & advertisements**

Advertisements will be placed in the local newspapers circulating in the area of jurisdiction and district informing the community of the approval of the budget.

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

This has been done by the following methods:

- The draft budget have been made public by making it available at Baviaans Municipality's offices and on the website
- Notices were published in local newspapers in the area inviting members of the public to submit representations on the budget.
- Community meetings in all wards

Community hearings have been conducted at all areas.

## **Stakeholders**

The following stakeholders have be consulted:

- National Treasury
- Provincial Treasury
- Provincial sector departments
- District municipality
- Providers of bulk resources for water & electricity
- Community



## **CHAPTER 6**

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

#### **AMENDMENT AND ADJUSTMENT TO THE 2013/2014 IDP**

##### **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 Service Delivery and Budget Implementation Plan has been developed and is 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 ascertain.

## **CHAPTER 7**

### **MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS**

The SDBIP is tabled as separate document together with the budget.

## **CHAPTER 8**

### **BUDGET RELATED POLICIES**

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

Baviaans Municipality embarked on a process of reviewing all financial and budget related policies during the budget process for 2014/15 financial year.

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: The policy was updated to ensure alignment with the tariffs charged

#### **Rates policy**

Baviaans Municipality has adopted a rates policy which is line with legislative requirements. The policy became effective 01 July 2009 and was reviewed during 2013/14

The policy provides that properties be rated based on their market value. The process of compiling a new valuation roll has started and the draft valuation rolls are currently open for public comment. The new valuation rolls will be implemented with effect 1 July 2014.

Changes proposed: No changes proposed on policy

#### **Indigent Policy**

Baviaans municipality is committed to ensure that all households have access to its services. Due to the fact that Baviaan Municipality has a high level of unemployment the municipality decided to adopt an indigent policy. This policy will ensure that poor households have at least access to basic services.

Changes proposed: The policy was changed to include a paragraph on limitations on subsidizing rates

## **Supply Chain Management Policy**

Municipalities are required in terms of section 111 of MFMA to have a supply chain management policy. Baviaans 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

The policy has been reviewed during the 2012/13 financial year.

Changes proposed: No changes is proposed

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

The credit control policy of Baviaans Municipality was reviewed during 2012/2013. 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: Update on the deposit policy annexure to include new tariffs

## **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 cash flow management program.

Changes proposed: Changes to include processes for masterfile amendments to suppliers banking details.

## **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: Changes to useful lives and to bring it in line with the Act and the GRAP standards

## **Virement policy**

No changes proposed

## **CHAPTER 9**

### **BUDGET ASSUMPTIONS**

The budget for the 2014/2015 financial year was drawn up with the following assumptions and principles taken into account:

- The budget is prepared in terms of the provisions of the Generally Recognised Accounting Practice framework to comply with the provisions of the MFMA GAMAP/GRAP implementation dates.
- Revenue figures are based on realistic estimates of revenue to be collected.
- Actual revenue collected for the current year and realistic revenue projections were taken into account in determining the revenue for the coming year.
- The principals of economic viability and sustainability is applied in all services and where possible no cross subsidization is done between services.
- National growth parameters were used as far as possible for the determination of outer year budget amounts.
- Increase in Electricity purchases are budgeted at 10% subject to NERSA approval of the application.
- A general salary increase of 6.79 % is used for the determination of the salaries of staff whilst CPI was used for increase in salaries for the Public office bearers and Senior Management
- The Municipality still relies heavily on grants and subsidies for funding of the capital requirements for the 2014/2015 financial year and does not possess the financial capacity to raise capital from own revenue sources.
- Only funded capital projects are included in the capital estimates for the 2014/2015 financial year.
- Both the capital and operating budgets are informed by the IDP process done through a public participation process.

## CHAPTER 10

### BUDGET FUNDING

#### **FUNDING OF OPERATING EXPENDITURE**

Operating expenditure to the amount of R71.695 Million is funded through the following sources:

• Property rates	- R4.377 million
• Revenue raised through tariffs and fees and penalties	- R20.0 million
• Government Grants and Subsidies	- R25.819 million
• Licences and permits	- R644 thousand
• Rental of facilities and equipment	- R43 thousand
• Interest earned	- R461 thousand
• Fines	- R10 thousand
• Agency services	- R782 thousand
• Other revenue	- R310 thousand
<b>Total revenue</b>	- <b>R52.444 million</b>
Revenue	- R52.444 million
<b>Total Expenditure</b>	- <b>R71.695 million</b>
<b>Net Budgeted deficit</b>	- <b>R19.251 million</b>

Operating revenue raised is budgeted bearing in mind a 98% debtors payment percentage, should actual payment rates be lower, a downward adjustment of the expenditure needs to be done through a budget control process.

Outstanding debtors have been handed over to attorneys and debt collection agencies to assist the municipality in collecting outstanding monies. It is because of this process that management feels confident that a 98% collection rate can be obtained.

#### **FUNDING OF CAPITAL EXPENDITURE**

Capital expenditure for the 2014/2015 financial year amounts to R40.687 million and is funded as follows:

• Grants and subsidies received	- R38.818 million
• Own funding	- R148 thousand
• Loans	- R1.720 million

## **FISCAL SUSTAINABILITY OF THE MUNICIPALITY**

The budget is compiled with the assumption of a 98% debtors payment rate, the current debtors payment rate is approximately 90%.

Budget control is exercised in order to ensure that operating expenditure does not exceed actual operating revenue received. The current revenue levels are sufficient to ensure the sustainable rendering of services and the execution of the constitutional mandate in the short and medium term. The municipality is currently struggling to service all of its current commitments and continue as a going concern.

The credit control policy will be strictly enforced in the 2014/2015 financial year to ensure that all monies due to the municipality is collected in further contribution to the sustainable rendering of services. Incentives are available to consumers/ratepayers in arrears should accounts be settled or arrangements for the settlement of long outstanding debt be concluded.

## **FINANCIAL CHALLENGES AND CONSTRAINTS**

Baviaans Municipality faces the following financial challenges:

- 1) Achieving financial stability in the medium term and long term
- 2) Dependence on grant funding
- 3) Acceptable level of tariff increases – trying to balance financial sustainability and affordability
- 4) Managing cost
- 5) Exploring alternative revenue sources
- 6) Poor/slow indigent registration

In order to address the first challenge, the municipality had approach Provincial Treasury for assistance. Provincial Treasury assisted with drafting a recovery plan which is implemented and constantly monitored. All tariffs needs a review and a process of investigating tariffs and ensuring all cost associated with providing the service has been taken into account, will be conducted during 2014/15 financial year.

## **FINANCIAL RISKS**

Financial risks include:

- Changes in inflation rate and other variables
- Unemployment trends
- Global financial instability

## **FUNDING COMPLIANCE IN TERMS OF SECTION 18 OF THE MFMA**

In compliance with the requirements of Section 18 of the MFMA, the revenue budget was based on the following principles:

- Realistically anticipated revenue to be collected.
- Borrowed funds only for capital expenditure.
- Projected revenue for the current year is based on collection levels to date.
- Actual revenue of previous years was taken into account.
- Capital projects were only included if funding confirmation was received, either by means of the DORA allocations as promulgated or by means of commitment from funding institutions.

## **PARTICULARS OF PLANNED SAVINGS OVER THE MEDIUM TERM**

The principle of value adding in all aspects of the administration and service rendering is applied and no expenditure is incurred unless value is added to the municipal administration or services. Care is taken in administrative and supply chain processes to ensure that real economic benefit flows to the municipality as a result of funds being spent.

The following expenditure items are closely monitored:

- Travelling and subsistence
- Telephone expenses.
- Overtime and standby allowances
- Workshops and conferences.
- Fuel and maintenance expenditure in respect of service delivery vehicles

## **CONTRIBUTIONS OR DONATIONS IN CASH OR IN-KIND**

No donations are budgeted for the 2014/2015 financial year..

## **PARTICULARS OF THE MUNICIPALITY'S INVESTMENTS**

None

## **PARTICULARS OF BANK OVERDRAFTS AND CREDIT FACILITIES**

The municipality currently operates a bank overdraft to finance operational requirements in the short term, and it is envisaged that the municipality may once again be required to make use of an overdraft facility in the 2014/2015 financial year in the amount of R2 Million.



## **PARTICULARS OF NEW AND EXISTING BORROWINGS**

Finance leases are required for the acquisition of new vehicles

## **PARTICULARS OF GRANTS AND SUBSIDIES RECEIVED (See Schedule SA18)**

The budgeted grants to be received for the 2014/2015 financial year are as follows:

### **Operating Grants**

Finance Management Grant	R 1 600 000
Municipal System Improvement Grant	R 934 000
EPWP	R 1 390 000
Equitable Share	R 20 481 000
PMU	R 494 900
CDM Subsidies	R 360 000
DSRAC – Libraries	R 300 000
<b>TOTAL</b>	<b>R 25 449 900</b>

### **Capital Grants**

Municipal Infrastructure Grant	R 9 404 000
RBIG	R 20 000 000
DTI	R 2 830 780
Integrated National Electrification grant	R900 000
Department of Human Settlement	R9 404 956
<b>TOTAL</b>	<b>R42 539 736</b>

## **PARTICULARS OF PROPERTY VALUATIONS RATES TARIFFS AND CHARGES**

Property rates are levied in terms of the provisions of the Municipal Property Rates Act, 6 of 2004. The current valuation roll was implemented with effect from 1 July 2009. The current valuation roll is valid until 30 June 2014. The process of compiling a new valuation roll has been completed. The next step is to attend to the appeals received that must be referred to the Appeal board. The new valuation roll will be implemented with effect 1 July 2014.

The total valuation upon which assessment rates will be levied in terms of the draft new roll amounts to R2.365 Billion. Total revenue raised from assessment rates amount to R4.377 Million, representing an increase of 10% over the rate applicable to the 2013/2014 financial.

## Categories Ratio in relation to residential property

Residential property 1:1

Agricultural property 1:0.07

Public service infrastructure property 1:0.25

Public benefit organization property 1:0.25

## Proposed increase in tariffs as follows:

Water	–	10%
Electricity	–	10%
Refuse	–	15%
Assessment rates	–	10%
Sewerage fees	–	15%

The assessment rates tariff for agricultural property has seen an increase of 27%. This was seen necessary to try and come to a more acceptable ratio between residential properties and agricultural properties. The maximum ratio according to gazette nr is 1:0.25. Currently the ratio used for Baviaans municipality is 1:0.06. The increase in tariff for agricultural will move this ratio to 1:0.07

Baviaans municipality is experiencing severe cash flow problems. In an attempt to improve this situation, the municipality had to ensure that tariffs were correctly structured. The municipality is currently busy with a full review of all tariffs and related cost. Investigations indicated that tariffs are not correctly structured and need to increase above CPI. NERSA has approved a tariff increase of 10% for electricity. Refuse and Sewerage saw a higher increase to the increased cost to deliver these services. It is anticipated that all tariff structures will be reviewed before the 2015/16 financial year.

## **CHAPTER 11**

### **ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY**

No allocations will be made to any other municipality, any organ of state or any organization or bodies outside any sphere of government as referred to in section 67(1) of the Act.

The only non-cash grants that will be given are the subsidies for free basic services to the value of R5.285 million during 2014/15. Please refer to schedule SA21.

EC107 Baviaans - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
<u>Groups of Individuals</u>											
Indigents	5		3,572	5,629	5,718	5,739	5,739	5,739	5,285	5,813	6,395
Total Non-Cash Grants To Groups Of Individuals:		-	3,572	5,629	5,718	5,739	5,739	5,739	5,285	5,813	6,395
TOTAL NON-CASH TRANSFERS AND GRANTS		-	3,572	5,629	5,718	5,739	5,739	5,739	5,285	5,813	6,395
TOTAL TRANSFERS AND GRANTS	6	-	3,572	5,629	5,718	5,739	5,739	5,739	5,285	5,813	6,395

## **CHAPTER 12**

### **ALLOCATIONS AND GRANTS TO BE RECEIVED BY THE MUNICIPALITY**

It is anticipated that the municipality will receive R25.449 million in operating grants and R43.539 in capital grants.

The municipality is heavily reliant on grant funding especially for capital expenditure. 95% of capital acquisitions will be funded from grants. Operational grant funding constitutes 49% of the total operating income of the municipality.

Schedule SA18 gives details of the different grants that will be received.

EC107 Baviaans - 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:		14,625	17,123	20,923	22,631	22,631	22,631	24,899	26,648	27,475
Local Government Equitable Share		12,094	14,833	15,985	18,694	18,694	18,694	20,481	23,535	24,202
EPWP Incentive				2,318	1,045	1,045	1,045	1,390		
Finance Management		1,250	1,500	1,250	1,400	1,400	1,400	1,600	1,700	1,800
Municipal Systems Improvement		750	790	800	890	890	890	934	967	1,018
						-	-			
						-	-			
MIG PMU		531		570	602	602	602	494	446	455
Provincial Government:		739	2,504	2,420	220	220	220	300	300	316
dwa - Water losses										
dwa - Water services asset grant		239								
dwa - Water and sanitation policy		-								
dwa - Water conservation and demand		500	2,504	-						
Water by-laws (DWA)				200						
Premier additional income				2,000						
Library subsidy				220	220	220	220	300	300	316
District Municipality:		803	622	250	479	260	260	620	275	303
Fire subsidy			250	250	479	250	250	250	275	303
Wireless backbone		300								
Tourism Hospitality		346								
IDP		157								
LED		-								
Provincial LED grant		-								
Tourism			163			10	10	370		
Library subsidy			210							
Other grant providers:		-	-	1,531	-	441	441	-	-	-
1% Audit expenditure subsidy				1,531		441	441			
<b>Total Operating Transfers and Grants</b>	5	16,166	20,249	25,124	23,330	23,552	23,552	25,819	27,223	28,093
<b>Capital Transfers and Grants</b>										
National Government:		6,761	10,447	22,770	21,429	26,791	26,791	30,304	37,273	13,643
Municipal Infrastructure Grant (MIG)		6,761	10,447	12,102	11,429	11,429	11,429	9,404	8,465	8,643
Regional Bulk Infrastructure				10,668	10,000	12,000	12,000	20,000	23,808	-
							900	5,000	5,000	
Dept of Housing					-	3,362	3,362			
Provincial Government:		-	4,174	2,735	-	-	-	9,405	-	-
DWA - Waste water treatment			4,174	2,735						
Dept of Housing				1,569				9,405		
District Municipality:		-	-	-	-	-	-	-	-	-
Fire subsidy										
Other grant providers:		-	-	-	18,000	15,624	15,624	2,831	-	-
Dept of Water Affairs										
DTI					18,000	15,624	15,624	2,831		
<b>Total Capital Transfers and Grants</b>	5	6,761	14,621	25,504	39,429	42,414	42,414	42,540	37,273	13,643
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		22,927	34,870	50,628	62,759	65,966	65,966	68,359	64,495	41,737

## **CHAPTER 13**

### **ANNUAL BUDGET AND SDBIP – DEPARTMENTS**

A top level service delivery and budget implementation plan is included in the budget documentation. The SDBIP is indicative of service delivery targets for the 2014/15 financial year. Emphasis is placed on the sustaining of current services and further enhancement if service delivery to all communities.

## **CHAPTER 14**

### **CAPITAL EXPENDITURE DETAILS**

Total capital expenditure for 2014/2015 will amount to R40.687 million. These acquisitions will be funded as follows:

- R38 818 000 – funded by government grant
- R148 000 – funded by own revenue
- R1 720 000 - loans

Please refer to Schedules:

- SA34a – Capital expenditure on new assets per class
- SA34b – Capital expenditure on the renewal of existing assets
- SA34c – Repairs and maintenance schedule by class of asset
- SA34d - Consolidated depreciation per asset class
- SA36 – Detailed capital budget



EC107 Baviaans - 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>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		10,984	12,990	20,136	36,250	43,770	43,770	30,569	27,902	7,018
Infrastructure - Road transport		8,459	5,799	7,336	4,544	5,718	5,718	-	-	-
Roads, Pavements & Bridges		8,459	5,799	7,336	4,544	5,718	5,718			
Storm water		-	-	-	-	-	-			
Infrastructure - Electricity		1,066	-	425	-	425	425	789	4,386	4,386
Generation		-	-	-	-	-	-			
Transmission & Reticulation		1,066	-	-	-	-	-	789	4,386	4,386
Street Lighting		-	-	425	-	425	425			
Infrastructure - Water		1,459	6,057	9,358	31,557	33,504	33,504	20,375	23,516	2,632
Dams & Reservoirs		-	-	-	-	-	-			
Water purification		1,459	6,057	9,358	31,557	33,504	33,504	20,375	23,516	2,632
Reticulation		-	-	-	-	-	-			
Infrastructure - Sanitation		-	1,130	3,018	-	787	787	-	-	-
Reticulation		-	-	-	-	787	787			
Sewerage purification		-	1,130	3,018	-	-	-			
Infrastructure - Other		-	4	-	150	3,337	3,337	9,405	-	-
Waste Management		-	4	-	150	235	235			
Transportation	2									
Gas										
Other	3					3,102	3,102	9,405	-	-
<b>Community</b>		148	-	-	639	1,021	1,021	-	-	-
Parks & gardens		-	-	-	-	-	-			
Sportsfields & stadia		-	-	-	439	742	742			
Swimming pools		-	-	-	-	-	-			
Community halls		7	-	-	-	-	-			
Libraries		141	-	-	-	-	-			
Recreational facilities		-	-	-	-	-	-			
Fire, safety & emergency		-	-	-	-	-	-			
Security and policing		-	-	-	-	-	-			
Buses	7									
Clinics		-	-	-	-	-	-			
Museums & Art Galleries		-	-	-	-	-	-			
Cemeteries		-	-	-	200	279	279			
Social rental housing	8									
Other		-	-	-	-	-	-			
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-			
Other	9									
<b>Investment properties</b>		-	-	50	-	-	-	-	-	-
Housing development		-	-	50	-	-	-			
Other		-	-	-	-	-	-			
<b>Other assets</b>		710	1,999	1,068	140	96	96	2,302	157	157
General vehicles		444	1,634	733	-	-	-	1,720	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		10	-	1	130	-	-	138	146	146
Computers - hardware/equipment		-	-	-	-	-	-			
Furniture and other office equipment		255	364	334	10	96	96	11	11	11
Abattoirs		-	-	-	-	-	-			
Markets		-	-	-	-	-	-			
Civic Land and Buildings		-	-	-	-	-	-			
Other Buildings		-	-	-	-	-	-			
Other Land		-	-	-	-	-	-			
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-			
Other		-	-	-	-	-	-	433		
<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 new assets</b>	1	11,843	14,988	21,254	37,029	44,887	44,887	32,871	28,059	7,175
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

EC107 Baviaans - 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>		-	-	-	-	-	-	6,513	4,793	4,950
Infrastructure - Road transport		-	-	-	-	-	-	2,820	1,754	1,754
Roads, Pavements & Bridges								2,820	1,754	1,754
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	263	-	-
Generation										
Transmission & Reticulation										
Street Lighting								263		
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	974	3,039	3,196
Reticulation										
Sewerage purification								974	3,039	3,196
Infrastructure - Other		-	-	-	-	-	-	2,456	-	-
Waste Management								2,456		
Transportation	2									
Gas										
Other	3									
<b>Community</b>		-	-	-	-	-	-	1,302	-	-
Parks & gardens										
Sportsfields & stadia								1,302		
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
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</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,816</b>	<b>4,793</b>	<b>4,950</b>

EC107 Baviaans - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1,300	2,479	391	424	308	308	529	560	591
Infrastructure - Road transport		550	157	35	160	58	58	165	175	184
Roads, Pavements & Bridges		550	157	35	160	58	58	165	175	184
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		400	626	216	173	160	160	178	189	199
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		350	626	216	120	110	110	125	132	140
Street Lighting		50	-	-	53	50	50	53	56	59
Infrastructure - Water		250	1,675	119	90	90	90	96	101	107
Dams & Reservoirs		250	-	-	-	-	-	-	-	-
Water purification		-	1,675	119	-	-	-	-	-	-
Reticulation		-	-	-	90	90	90	96	101	107
Infrastructure - Sanitation		50	21	20	-	-	-	90	95	101
Reticulation		50	21	20	-	-	-	90	95	101
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		50	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	50	-	-	-	-	-	-	-	-
<b>Community</b>		200	105	83	37	10	10	35	37	39
Parks & gardens		120	105	83	5	-	-	5	6	6
Sportsfields & stadia		80	-	-	32	10	10	30	32	33
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		1,248	2,738	2,610	616	432	432	635	673	710
General vehicles		820	234	325	337	280	280	350	371	392
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		40	49	118	37	20	20	50	53	56
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		10	5	1	11	11	11	32	34	36
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		318	-	-	107	50	50	70	74	78
Other Land		-	-	-	53	10	10	58	61	64
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		60	2,450	2,166	71	61	61	75	80	84
<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	2,748	5,322	3,083	1,077	750	750	1,199	1,270	1,340

EC107 Baviaans - 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>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	12,690	13,422	-	13,639	13,639	13,639	13,639	13,639
Infrastructure - Road transport		-	6,038	6,561	-	6,767	6,767	6,767	6,767	6,767
Roads, Pavements & Bridges			5,469	5,944		6,150	6,150	6,150	6,150	6,150
Storm water			568	618		618	618	618	618	618
Infrastructure - Electricity		-	770	770	-	770	770	770	770	770
Generation										
Transmission & Reticulation			770	770		770	770	770	770	770
Street Lighting										
Infrastructure - Water		-	4,338	4,338	-	4,338	4,338	4,338	4,338	4,338
Dams & Reservoirs										
Water purification										
Reticulation			4,338	4,338		4,338	4,338	4,338	4,338	4,338
Infrastructure - Sanitation		-	1,432	1,640	-	1,640	1,640	1,640	1,640	1,640
Reticulation										
Sewerage purification			1,432	1,640		1,640	1,640	1,640	1,640	1,640
Infrastructure - Other		-	113	113	-	124	124	124	124	124
Waste Management			113	113		124	124	124	124	124
Transportation										
Gas	2									
Other	3									
<b>Community</b>		-	140	140	-	135	135	135	135	135
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency						6	6	6	6	6
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries			140	140		129	129	129	129	129
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	93	-	-	-	-	-	-
Housing development										
Other				93						
<b>Other assets</b>		-	1,867	1,803	8,000	1,827	1,827	1,827	1,827	1,827
General vehicles			1,065	1,023		1,023	1,023	1,023	1,023	1,023
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment			93	73		67	67	67	67	67
Computers - hardware/equipment										
Furniture and other office equipment			565	564		643	643	643	643	643
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			131	93		93	93	93	93	93
Other Land				50						
Surplus Assets - (Investment or Inventory)										
Other			14	1	8,000	1	1	1	1	1
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	145	59	-	-	-	-	-	-
Computers - software & programming			145	59						
Other (list sub-class)										
<b>Total Depreciation</b>	<b>1</b>	-	14,842	15,516	8,000	15,600	15,600	15,600	15,600	15,600

EC107 Bavians - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
						Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
R thousand	4			2	6							
Parent municipality:												
List all capital projects grouped by Municipal Vote												
Technical - Roads & public works		Streets and stormwater Willowmore			Yes	3,608	2,280	1,768	877	877		
Technical - Roads & public works		Streets and stormwater Steytleville			Yes	3,728	2,281	1,053	877	877		
Technical - Solid waste		Feasibility study landfill sites			Yes	-	235					
Technical - Solid waste		Steytleville solid waste disposal site			Yes	-	-	2,456	-	-		
Technical - Sewerage & sanitation		Rietbron waste water treatment works			Yes	-	-	974	3,039	3,196		
		Eradication Bucket system sleytleville			Yes	1,288						
		Waste water treatment works willowmore			Yes	1,726						
Technical - Water		Feasibility study Vondeling water			Yes	-						
		Willowmore water supply Wilgerkloof			Yes	-	4,385	-	2,632	2,632		
		Wanhoop bulk water supply feasibility			Yes		91					
		Steytleville water Erasmuskloof			Yes	9,358	26,150	20,375	20,884	-		
		Measure for water losses			Yes							
Technical - Housing		Down housing			Yes	4						
		Steytleville housing			Yes							
Technical - Electricity		Steytleville highmast lightning			Yes	425						
		Rietbron highmast lightning			Yes	-	-	263				
		Electricity			Yes			789	4,386	4,386		
		Tools & equipment				1		138	146	146		
Community - Parks & sportfields		Upgrading of sport fields			Yes		742	1,302				
Budget & Treasury		Vehicles			Yes	733						
Executive & Council		Investment Properties			Yes	50						
Community - cemeteries		Feasibility study cemeteries			Yes		279					
community services		LED PROJECTS			Yes			433				
Technical - Sewerage & sanitation		Eradication Bucket system Steytleville			Yes		437					
		Eradication Bucket system Steytleville - Dept of										
Technical - Sewerage & sanitation		Human Settlement			Yes		260					
Technical Services - Housing		Down housing			Yes		3,102	9,405				
Budget & Treasury		Office furniture			Yes	334	159	11	11	11		
Technical - Water		Roll over project: Wanhoop			Yes		2,878					
Technical - Sewerage & sanitation		Roll over project: Bucket Eradication Steytleville			Yes		90					
Technical - Roads & public works		Roll over project: Upgrading of streets Steytleville			Yes		650					
Technical - Roads & public works		Roll over project: Upgrading of streets Willowmore			Yes		507					
Technical - Electricity		Roll over project: Steytleville Highmast lightning			Yes		425					
Council		Vehicles			Yes			1,720				
Parent Capital expenditure	1							40,687	32,852	12,125		

**CHAPTER 15**

**CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

There are no contracts with future budgetary implications

Please refer to Schedule SA33

## **CHAPTER 16**

### **LEGISLATIVE COMPLIANCE**

The Municipal Finance Management Act brought about uniformity, accountability and control measures to local government in terms of financial reporting and budgeting. The Act required a high level of transformation financial disciplines and planning.

New budget regulations were published in Gazette nr. 32141 on 17 April 2009. The object of these regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process. The 2014/2015 budgets for all municipalities needs to comply with these regulations.

#### *Challenges experienced:*

Although the financial system has the capabilities of generating the budget schedules, problems were experienced with regards to the accuracy of the information generated. Not all staff in the BTO has been trained on the reporting module of the financial system.

The MFMA regulates monthly and quarterly reports to be submitted to National Treasury. A significant improvement was noted during the 2013/14 financial year with regards to the submission of S71 reports.

#### *Achievements:*

The municipality received assistance from National Treasury within the MFIP programme. A National Treasury Advisor has been allocated to the municipality to assist the municipality and address key issues identified and stipulated in an activity plan. The advisor assisted greatly in ensuring compliance with regards to reporting.

The municipality also received assistance from the Cacadu District Municipality who implemented a project to ensure improved audit outcomes within the local municipalities. A service provider has been appointed and is working on site to assist with issues relating to audit readiness.

**CHAPTER 17**

**BUDGET – DETAILS PER DEPARTMENT**

Please refer to schedule SA2 for details



EC107 Baviaans - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and de

Description	Ref	Vote 1 - Executive & Council	Vote 2 - Corporate Services	Vote 3 - Budget & Treasury Office	Vote 4 - Technical Services	Vote 5 - Community Services	Total
R thousand	1						
<u>Revenue By Source</u>							
Property rates				4,377			4,377
Property rates - penalties & collection charges							-
Service charges - electricity revenue					11,091		11,091
Service charges - water revenue					3,884		3,884
Service charges - sanitation revenue					2,257		2,257
Service charges - refuse revenue					2,768		2,768
Service charges - other					-		-
Rental of facilities and equipment			42				42
Interest earned - external investments				88			88
Interest earned - outstanding debtors				373			373
Dividends received							-
Fines						10	10
Licences and permits						644	644
Agency services						782	782
Other revenue			63	24	105	118	310
Transfers recognised - operational		1,403		8,046	12,173	4,197	25,819
Gains on disposal of PPE		-					-
Total Revenue (excluding capital transfers and contributions)		1,403	105	12,907	32,278	5,751	52,444
<u>Expenditure By Type</u>							
Employee related costs		1,221	1,957	4,057	10,656	4,310	22,200
Remuneration of councillors		1,755					1,755
Debt impairment							-
Depreciation & asset impairment							-
Finance charges							-
Bulk purchases							-
Other materials							-
Contracted services							-
Transfers and grants				621	4,664		5,285
Other expenditure		531	3,352	20,741	16,642	1,189	42,455
Loss on disposal of PPE							-
Total Expenditure		3,506	5,309	25,419	31,961	5,500	71,695
Surplus/(Deficit)		(2,103)	(5,204)	(12,512)	316	251	(19,251)
Transfers recognised - capital					42,046	494	42,540
Contributions recognised - capital							-
Contributed assets							-
Surplus/(Deficit) after capital transfers & contributions		(2,103)	(5,204)	(12,512)	42,362	745	23,289

## **ANNEXURES**

Annexure A – Tariff listing

Annexure B – Personnel Budget

Annexure C - Summary Line items

## ANNEXURE A – TARIFF LIST 2014/15

BAVIAANS MUNICIPALITY					
PROPOSED TARIFFS WITH EFFECT FROM 1 JULY 2014					
Description	2013/2014		2014/2015		Increase y/y
<b>New Property Rates</b>					
All residential Properties below R 50 000	487.03	R / year	535.73	R / year	10%
All residential Properties from R 50 001 to R 100 000	531.3	R / year	584.43	R / year	10%
Households above R 100 000 - Steytleville	0.00537	c/R	0.00590	c/R	10%
Households above R 100 000 - Willowmore	0.00537	c/R	0.00590	c/R	10%
Households Rietbron	0.004092	c/R	0.00450	c/R	10%
Business - Steytleville	0.00690	c/R	0.00759	c/R	10%
Business - Willowmore	0.00690	c/R	0.00759	c/R	10%
Agricultural land used for business and commercial purposes	0.00000		0.00276	c/R	
Public service infrastructure	0.00000		0.00148	c/R	
Agricultural Property	0.00033	c/R	0.00042	c/R	27%
State property	0.00873	c/R	0.00961	c/R	10%
Business in rural area	0.00695	c/R	0.00765	c/R	10%
Vacant Land	0.014674	c/R	0.01614	c/R	10%
<b>Where a property is used in contravention of the title conditions, zoning or rights allocated, the Business tariff will be applied plus a 75% surcharge</b>					
<b>Refuse Fees</b>					
Refuse Domestic Removal	55.00		63.25		15.0%
Refuse NON-Domestic Removal	88.00		101.20		15%
Refuse Rietbron	10.54		12.12		15.0%
<b>Where a property is used in contravention of the title conditions, zoning or rights allocated, the Business tariff will be applied plus a 75% surcharge</b>					
<b>Sewerage Fees</b>					
Septic Tank Removal per removal	151.25		173.94		15%
Sewerage Levy Domestic	44.00		50.60		15%
Sewerage Levy NON-Domestic	209.00		240.35		15%
Sewerage Levy Rietbron	30.07		34.59		15%
Sewerage Clogging	82.28		94.62		15%
Sewerage Schools	209.00		240.35		15%
Sewerage Truck	21.78	Per km	25.05	Per km	15%
<b>Where a property is used in contravention of the title conditions, zoning or rights allocated, the Business tariff will be applied plus a 75% surcharge</b>					
<b>Electricity</b>					
<b>Domestic Credit (BHHM)</b>					
Basic House Hold SHH2, WHH1, WHH2	118.27		130.10		10.00%
Units	0.96		1.06		10.00%
<b>Domestic Pre-Paid (BHHPP)</b>					
Units	1.28		1.40		10.00%
Units Zaaimanshoek	1.39		1.53		10.00%
<b>Small Business Credit Single</b>					
Phase (BBESL) incl. SBES1. SBES2. WKER					
Non Domestic not exceeding > 60 amp					
Basic Small Business	153.22		168.54		10.00%
Units	1.03		1.13		10.00%
<b>Small Business Credit up to 30 amp (BBESM)</b>					
Non Domestic not exceeding 30 amp incl. (BPP1, SHH1, SPP1)					
Basic Small Business	303.74		334.12		10.00%
Units	0.93		1.02		10.00%

<b>Small Business Credit 60 amp (BBESH)</b>				
Including G>200, G> 800, WBES2				
Basic Small Business	473.09		520.40	10.00%
Units	0.93		1.02	10.00%
<b>Small Business Pre-Paid (BBPP)</b>				
Including BPP2, BPP3				
Units	1.30		1.43	10.00%
<b>Large Power Users (WKVA)</b>				
Basic monthly maximum demand	120.96		133.06	10.00%
Energy consumption	0.81		0.89	10.00%
<b>Street Lights (WSTR)</b>				
Units	0.59		0.65	10.00%
Call out Fee	155.90		171.49	10.00%
Connection and Disconnection - new account & terminations	190.85		209.93	10.00%
Connection and Disconnection Non Payment	329.28		see disconnections	10.00%
Deposit Households	954.24		1,049.66	10.00%
Deposit Business	2,446.08		2,690.69	10.00%
Deposit Non payment Households	954.24		see deposit review	10.00%
Deposit Business Non payment	2,446.08		see deposit review	10.00%
Testing of meters	172.03		189.24	10.00%
New connections Actual cost plus 5%				
Tampering with meters	2,553.60		see disconnections	10.00%
<b>Where a property is used in contravention of the title conditions, zoning or rights allocated, the Business tariff will be applied plus a 75% surcharge</b>				
<b>Water</b>				
Basic Charge - Business, Gov. Dept and Households except Indigents	16.39		18.03	10.00%
Consumption: 0-6kl per kl (only indigent households)	0		-	
Availability Charge Rietbron	16.51		18.16	10.00%
Consumption Rietbron	2.79		3.07	10.00%
Consumption: 0-20kl per kl (households)	4.92		5.41	10.00%
Consumption: 21 - 50kl per kl (households)	5.40		5.94	10.00%
Consumption: 51 - 80kl per kl (households)	6.67		7.33	10.00%
Consumption 81 - 999999 per kl (households)	8.00		8.80	10.00%
Consumption: 0 - 20kl per kl (business, guest houses, garages and hotels)	4.74		5.22	10.00%
Consumption: 21kl - 50kl per kl (Business, guest houses, garages and hotels)	5.23		5.75	10.00%
Consumption: 50kl - 99999kl per kl (Business, guest houses, garages and hotels)	5.73		6.30	10.00%
Consumption: 0kl - 99999kl per kl ( government dept and schools)	5.23		5.75	10.00%
Consumption: Sport Grounds	5.40		5.94	10.00%
Availability Charge - Empty Stands	21.56		23.72	10.00%
Connect or disconnections new accounts & termination	43.12		47.43	10.00%
Connect or disconnections (non payment)	107.68		see disconnections	10.00%
Deposit (ordinary)	220.00		242.00	10.00%
Deposit (non payments)	180.37		see deposit review	10.00%
Tampering with meters	2,156.00		see disconnections	10.00%
<b>Where a property is used in contravention of the title conditions, zoning or rights allocated, the Business tariff will be applied plus a 75% surcharge</b>				
<b>Administration (VAT Excluded)</b>				
Standard Building Plan	145.20		159.72	10%
Building Fees	7.26	m <sup>2</sup>	7.99	m <sup>2</sup> 10%
Building Fees Deposit New Buildings	798.60		878.46	10%
Building Fees Deposit Alterations	798.60		878.46	10%
Building Fees Deposit RDP	266.20		292.82	10%
Building Fees Alteration	217.80		239.58	10%
Penalty for building without approved building plan	-		750.00	
Valuation Certificate	145.20	Each	159.72	Each 10%
Clearance Certificate (Waiting period 3 Days)	145.20		159.72	10%
Photo Copies	8.47	Per page	9.32	Per page 10%
Fax	14.52	Per page	15.97	Per page 10%
<b>Cemetery (VAT Excluded)</b>				
Willowmore Town	217.80		239.58	10%
Steytlerville Town	217.80		239.58	10%
Rietbron Town	138.00		151.79	10%
Both Towns one grave two persons	290.40		319.44	10%
Point out of grave	145.20		159.72	10%
Rietbron Town	56.62		62.28	10%
Willowmore Township	42.35		46.59	10%
Steytlerville Township	42.35		46.59	10%
Both Townships one grave two persons	60.50		66.55	10%
Point out of grave	18.15		19.97	10%

<b>Commonage - Grazing Fee</b>				
Pound Fee Donkey/Cattle per day		72.60	79.86	10%
Pound Fee Small Stock per day		30.25	33.28	10%
<b>Town Halls</b>				
Functions arrange and related to Municipality		-	-	
Deposit: Functions arrange and related to Municipality		-	-	
Any other functions		1,452.00	1,597.20	10%
Deposit: Any other functions		1,452.00	1,597.20	10%
Political Meetings		2,178.00	2,395.80	10%
Deposit: Political Meetings		1,452.00	1,597.20	10%
Kitchen		726.00	798.60	10%
Deposit: Kitchen		726.00	798.60	10%
No National, Provincial and Schools will be allowed to rent the Town Halls				
<b>Community Halls</b>				
Community Halls: Willowmore		290.40	320.00	10%
Deposit Community Halls Willowmore		363.00	400.00	10%
Community Halls: Steytleville		290.40	320.00	10%
Deposit Community Halls Steytleville		363.00	400.00	10%
Municipality and National and Provincial Departments				
Community Halls: Rietbron		70.76	80.00	10%
Deposit Community Halls: Rietbron		176.20	195.00	10%
<b>Town Hall Furniture</b>				
Chairs (per 20 chairs)		60.50	70.00	10%
Tables (per table)		18.15	20.00	10%
Deposit (per 20 chairs)		114.95	130.00	10%
<b>Sportsfields</b>				
Usage of sportsfields - one day			30.00	
Usage of sportsfields - annual charge - sportsclubs			300.00	
<b>Hawkers</b>				
Hawker licences (Inside)		87.12 Per year	100.00 Per year	15.00%
Hawker licences (Outside)		726.00 Per year	800.00 Per year	10.00%
<b>Rezoning Fees: Deposit</b>				
Application fee for consent use - house shop		2,928.20	3,221.02	10.00%
Application fee for consent use - spaza shop			50.00	
Application fee for consent use any other business managed from residential property			350.00	
Application fee for consent use for business requiring special licence e.g. liquor or Game shop			100.00	
Yearly tariff for consent use of erven used as spaza shop			500.00	
Application fee for advertising displayed on any other business managed from residential property			1,500.00 per year	
Encroachment fee			200.00	
Consent use valid for 2 year			1,000.00 per year	
<b>Fire Services</b>				
Call out fee		300	330	
Kilometres distance travelled		R6.50/km	R7.15/km	
Water usage		applicable water tariff x 7 000 litres	applicable water tariff x 7 000 litres	
<b>Traffic Services</b>				
Vehicle licensing & testing		as per gazette	as per gazette	
Drivers license		as per gazette	as per gazette	
Learners license		as per gazette	as per gazette	
Hire of K53 yard		R100/ hour	R100/ hour/vehicle	
<b>All Tariffs stated above are Exclusive of VAT</b>				
<b>For any other service not included above tariff list, the Municipality will provide a quotation</b>				

The following arrangements are available for defaulting account holders as listed below:

Category	Income Threshold Gross Income	Description & Repayment period
Indigent	0- Threshold described in the Indigent Policy	(i) Free Basic Services and write off of arrears with first application and after that a maximum repayment of R50 (ii) A Further write off arrears can be allowed where the arrears linked to the leakage of water and prove can be obtained that the leakage is repaired
Deferment A	Less than R6000	Makes an arrangement (in writing) where the consumers pays the current account and Council write off the deferred amount  over the repayment period of 12 Months or a minimum of R100
Deferment B	6000-12000	Makes in arrangement (in writing) where the consumer agrees to pay the current account and half of the deferment and the Council write off the other half of the deferred amount over the payment period of 18 Months or a minimum of R 100
Deferment C	Above 12000	Makes an arrangement (in writing) to pay current account + all arrears of 12 Months or a minimum of R 100
Business Deferment	Business	pays current account +pays 50% of arrears immediately and make an arrangement in writing for the remainder over 6 Months
The Municipal Manager can agree on a settlement offer from an account holder where it seems to be in the best interest of the Municipality. This settlement has to be reported to Council. Churches, creche, sport clubs, welfare and any other welfare or NGO's will be treated as follows: <ul style="list-style-type: none"> <li>This category of account holder will be allowed to enter into arrangement for the repayment of arrears after (1) the installation of a prepaid meter and payment cost of conversion and the reasses security deposit are paid upfront.</li> <li>(2)The property is registered in the name of the the institution, that is the account holder, (3) the property is zoned as above.</li> <li>A minimum down payment of 20% plus current account</li> <li>A maximum repayment period of 36 months with a minimum instalment of R60 per month plus the current account</li> </ul>		

**Disconnection**

	2013/2014	2013/2014
Charges for disconnection or restriction of services (Conventional / credit meters)	R 297.00	R 325.00
Charges for reconnection or reinstatement of services	R 297.00	R 325.00
Charges for Blocking/Unblocking of Pre-paid meter (Reconnection fee payable in cash prior to reconnection)	R 33.00	R 40.00
Charges for Notices of Default	R 33.00	R 40.00
Penalty Charges for Illegal Connections & Tampering	R 1,925.00	R 2,220.00
Penalty charges for dishonoured Cheques	R 99.00	R 120.00
Interest on Accounts	Prime + 2%	Prime + 2%

The amount to be deposited shall be determined in the following manner:

Service	Consumer Type	Deposit Review after disconnection/ restriction of supply	Deposit Review after disconnection/ restriction of supply
All Municipal Service prepaid included	Town and Domestic Consumer	3,5 average monthly account	3,5 average monthly account
	Town Commercial Consumers	3,5 average monthly account	3,5 average monthly account
	Town Industrial Consumer	3,5 average monthly account	3,5 average monthly account
Water	All Consumers	3,5 average monthly account	3,5 average monthly account
Only electricity prepaid plus water meter	Domestic Consumer	3,5 average monthly account	3,5 average monthly account
All services	Sub economy households of the property value R100000 and less and indigent account holders	R 230.00	R 230.00

Targeting of Indigent Households - The Municipality's target approach is as follows:

Targeting Approach	Application
Household Income	Threshold determined in terms of the 2 government pension.

## ANNEXURE B – PERSONNEL BUDGET

REVISED PERSONNEL BUDGET 2014/2015 IN LINE WITH REVISED ORGANOGRAM																			
Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution					Other Cost							Total Package	Cell & 3G	Total Cost
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Standby	Skills			
			R	R	R	R		R	R	R	R	R	R		R	R	R	R	R
			001	020	010	008		011	006	017	004	005	012		019	009		015	
<b>COUNCIL</b>																			
Mayor	Mayor	349076	358 551			12168											370719	24468	395 187
Councillor	CLLR	190405	202 210														202210	24468	226 678
Councillor	CLLR	190405	202 210														202210	24468	226 678
Councillor	CLLR	190405	202 210														202210	24468	226 678
Councillor	CLLR	190405	202 210														202210	24468	226 678
Councillor	CLLR	190405	202 210														202210	24468	226 678
Councillor	CLLR	190405	202 210														202210	24468	226 678
		1491506	1571 811	-	-	12 168		-	-	-	-	-	-		-	-	1583979	171276	1 755 255
<b>PENSIONERS</b>																			
Pensioner						26183											26183		26 183
Pensioner						40080											40080		40 080
Pensioner						39640											39640		39 640
Pensioner						40080											40080		40 080
						145982											145982		145 982
																	-		-
		1491506	1571811	-	-	158150		-	-	-	-	-	-		-	-	1729962	171276	1 901 238

**REVISED PERSONNEL BUDGET 2014/2015 IN LINE WITH REVISED ORGANOGRAM**

Designation	Task grade	Current Salary	New Salary incl notches increases where applicable	Annual Bonus	Council Contribution				Other Cost							Total Package	Cell & 3G	Total Cost	
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Standby				Skills
<b>Municipal Manager's Office</b>																			
Municipal Manager (AO)	MAN	675 776	602 323	-	-	-		1785	144000	-	-	-	76		-	7 463	755647	14400	770 047
Senior Clerk/Telephone	T6	85 104	93 048	7754	16749	11305		930			300		76			930	131093		131 093
Personal assistant to MM	T8	115 824	126 661	10555	22799	10467		1267			300		76			1 267	173392		173 392
		876 704	822 032	18309	39548	21771		3982	144000	-	600	-	229		-	9660	1 060131	14400	1 074 531
<b>BUDGET &amp; TREASURY</b>																			
Chief Finance Officer	MAN	659 938	699 534					1785	-				76			6 995	708390	10800	719 190
Manager BTO	T16	475 920	256 296	-	46 133	30963		1785	174843		-		76			4 311	514407	-	514 407
Revenue Accountant	T12	253 332	270 533	22544		21721		1785			-	-	76			2 705	319365		319 365
Expenditure Accountant	T12	-	-	-	-	-		-	-	-	-	-	-		-	-	-	-	-
Expenditure Controller	T10	146 832	160 569	13381	28902	10680		1740			1 032		76	16416		1 740	234536		234 536
Revenue Controller WM	T10	146 832	160 569	13381	28902	28241		1740			300		76			1 740	234949		234 949
Principle Clerk Rietbron	T9	165 324	176 549	14712				1785			-		76			1 913	195036		195 036
Finance Administrator	T11	165 324	180 778	15065	32540	14278		1 785			-		76			1 958	246481		246 481
Data Administrator	T9	130 416	142 616	11885	25671			1 545			300		76			1 545	183638		183 638



REVISED PERSONNEL BUDGET 2014/2015 IN LINE WITH REVISED ORGANOGRAM

Designation	Task grade	Current Salary	New Salary incl notches where applicable	Annual Bonus	Council Contribution				Other Cost							Total Package	Cell & 3G	Total Cost	
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Standby				Skills
Principal Clerk Assets	T7	100 476	109 861	9155	19775			1190			-		76			1 190	141248		141 248
Revenue Controller SV	T10	146 832	160 569	13381	28902	16808		1740			300	-	76			1 740	223516		223 516
FBS controller	T10	146 832	160 569	13381	28902			1739					76			1 739	206407		206 407
Expenditure clerk	T8	100 476	109 861	9155	19775	32870		1190			300	-	76			1 190	174418		174 418
Cashier: Willowmore	T5	73 812	80 708	6726	14527	10680		874			-		76			874	114465		114 465
Cashier: Steytleville	T5	73 812	80 708	6726	14527	-		874			-		76			874	103785		103 785
SCM: Practitioner (Temp)	T10	181 776	194 119	16177		17215		1785			-	3 882	76		-	2 103	235357		235 357
Intern (contract)		funded through finance management grant						-					-				-		-
Intern (Contract)		funded through finance management grant						-					-				-		-
Intern (Contract)		funded through finance management grant						-					-				-		-
Intern (Contract)		funded through finance management grant						-					-				-		-
Intern (Contract)		funded through finance management grant						-					-				-		-
SCM: Demand & Acquisition	T8	127 356	139 271	11606	25069	31348		1509					76			1 509	210387		210 387
		3095290	3083112	17727	313628	214803	-	24850	174843	-	2232	3882	1219	16416	-	34127	4 046385	10800	4 057 185

REVISED PERSONNEL BUDGET 2014/2015 IN LINE WITH REVISED ORGANOGRAM

Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution				Other Cost							Total Package	Cell & 3G	Total Cost	
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Standby				Skills
<b>ELECTRICITY</b>																			
Elec. Artisan Steytleville	T10	195 168	208 420	17368	37516	26634		1785		29688	-		76		13936	2 258	337681	3000	340 681
Elec. Artisan Willowmore	T10	195 168	208 420	17368				1785		3 500	-		76		534	2 258	233941	3000	236 941
Electrical Assistant Willowmore	T3	72 084	76 979	6 415	13856			834		3 396	300		76			834	102689		102 689
															-	-	-		-
		462 420	493 818	41152	51372	26634		4404	-	36584	300	-	229	-	14470	5350	674312	6000	680 312
<b>WATER</b>																			
Artisan Water/Electrical WM	T10	195 168	208 420	17368	37516			1785		30000		-	76		15000	2 258	312 423	2400	314 823
Artisan Water/Electrical WM	T10	195 168	208 420	17368	37516	27341		1785		30000			76		15000	2 258	339764	2400	342 164
General Assitant - Water WM	T3	72 084	76 979	6 415	13856			834		1 815	300	-	76			834	101109		101 109
General Assitant - Water WM	T3	72 084	76 979	6 415	13856			834		1 602	300	4 619	76			834	105514		105 514
General Assitant - Water WM	T3	-	-	-	-	-		-	-	-	-	-	-		-	-		-	-
General Assitant - Water WM	T3																-		-
General Assitant - Water WM	T3	72 084	76 979	6 415	13856			834		1 602	300		76			834	100896		100 896
General Assitant - Water WM	T3																-		-

REVISED PERSONNEL BUDGET 2014/2015 IN LINE WITH REVISED ORGANOGRAM

Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution				Other Cost							Total Package	Cell & 3G	Total Cost	
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Standby				Skills
Artisan Assistant - Plumbing	T5																-		-
Meter reader	T5	72 084	76 979	6 415	13856	28 618		834			4 094		76			834	131706		131 706
Water Assitant Steytlerville	T3	72 084	76 979	6 415	13856	18 630		834		14523	300		76		4912	834	137360	2400	139 760
Water Assitant Steytlerville	T3	68 736	75 172	6 264	13531	-		814		900	-		76			814	97572		97 572
Meter reader	T5	72 084	76 979	6 415	13856			834			300		76		-	834	99294	-	99 294
Artisan Water/Electrical SV	T10	195 168	208 420	17368	37516	41174		1785		40580	3 183	-	76		14951	2 258	367311	3000	370 311
Plant Operator (Shift Worker)	T6	105 348	112 501	9 375	20250	-		1219		26000	300		76		18815	1 219	189755		189 755
Plant Operator (Shift Worker)	T6	105 348	112 501	9 375	20250			1219		28887	300	4 500	76		19349	1 219	197676		197 676
Plant Operator (Shift Worker)	T6		-	-	-	-		-	-	-	-	-	-		-	-		-	-
		1297440	1387305	115609	249715	115764	-	13610	-	175910	9378	9119	914	-	88026	15029	2 180378	10200	2 190 578
<b>PUBLIC WORKS</b>																			
Head of Technical Services	MAN	504 414	497578.92					1785	37100			-	76			4 976	541516	10800	552 316
Administrative Assistant	T9	146 832	160 569	13381		-		1740			300	-	76			1 740	177805		177 805
Manager TS - Ass to the HOD (S)	T16	336 744	368 233	30686		21 352		1785			5 736		76			3 989	431857	2400	434 257
Manager TS - Ass to the HOD (W)	T16	336 744	368 233	30686	66 282			1785				7 192	76			3 989	478244	2400	480 644
General assistant streets SV	T3	72 084	76 979	6 415	13856			834		-	300	4 619	76	1260		834	105172		105 172

REVISED PERSONNEL BUDGET 2014/2015 IN LINE WITH REVISED ORGANOGRAM

Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution					Other Cost							Total Package	Cell & 3G	Total Cost
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Standby	Skills			
General assistant streets SV	T3	72 084	76 979	6 415	13856			834			300	-	76			834	99294		99 294
General assistant streets SV	T3	72 084	76 979	6 415	13856			834		538	300		76	1260		834	101091		101 091
General assistant streets SV	T3	72 084	76 979	6 415	13856			834			300	-	76			834	99294		99 294
Handymann Plumbing BK	T7	102 876	112 501	9 375				1219				-	76			1 219	124390		124 390
Foreman Rietbron	T10	181 776	194 119	16177	34941			1785					76			2 103	249201		249 201
General worker	T4	-		-	-	-		-	-	-	-	-	-			-	-		-
General worker	T4	107 007	114 273	9523	20569			1238					76			1 238	146917		146 917
General worker	T4	107 007	114 273	9523	20569			1238					76			1 238	146917		146 917
General worker	T4	107 007	114 273	9523				1238					76			1 238	126348		126 348
General worker	T5	70 396	78 829	6569	14189			854					76			854	101372		101 372
Driver Spec Refuse	T7	102 444	112 501	9 375	20250	16 808		1219					76			1 219	161448		161 448
Driver Specialist	T7	105 348	112 501	9 375	20250	-		1219	1 410	300	-	76				1 219	146350		146 350
Street Sweepers SV	T3	68 736	75 172	6 264	13531	13033		814			300	-	76			814	110004		110 004
Street Sweepers SV	T3	70 392	76 979	6 415	13856	10756		834			300		76			834	110049		110 049
Street Sweepers WM	T3	70 392	76 979	6 415	13856	9027		834		13936	300		76			834	122256		122 256
Street Sweepers WM	T3	70 392	76 979	6 415	13856	-		834		11907	300		76			834	111201		111 201
		2 776843	2 961 906	205361	307 575	70 975		23756	37100	27791	8 736	11811	1 524	2 520	0	31673	3 690 726	15 600	3 706 326

REVISED PERSONNEL BUDGET 2014/2015 IN LINE WITH REVISED ORGANOGRAM

Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution				Other Cost							Total Package	Cell & 3G	Total Cost	
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Standby				Skills
<b>TOWN PLANNING</b>																			
Town Planner	T16	336 744	368 233	30686		17177		1785				7 192	76			3 989	429139	2400	431 539
Housing Administrator	T9	161 436	172 398	14366	31032	17777		1785			-		76			1 868	239301		239 301
		498 180	540 631	45053	31032	34954	-	3570	-	-	-	7192	152	-	-	5857	668440	2400	670 840
<b>EIENDOMME &amp; GEBOUE</b>																			
Handyman Steytlerville	T7	102 876	112 501	9 375	20250			1219		1 688	300	-	76			1 219	146628		146 628
Handyman Willowmore	T7	102 876	112 501	9 375	20250	21352		1219		4 592		2 197	76			1 219	172781		172 781
		205 752	225 002	18750	40500	21352		2438	-	6280	300	2197	152	-	-	2438	319409	-	319 409
<b>SANITATION</b>																			
Foreman Sanitation, Streets & Stormwater WM	T10	150 360	164 427	13702	29 597			1781		28833	300		76	3804	8148	1 781	252450	2400	254 850
Supervisor Public Works & sanitation SV	T10	150 360	164 427	13702	29597			1781		18795	300	-	76		10145	1 781	240605	2400	243 005
Driver Operator SV	T6	87 132	95 291	7 941	17152			1032		1 068	300	1 861	76			1 032	125754		125 754
Driver Operator Willowmore	T6	87 132	95 291	7 941	17152	9257		1032		7 796	300		76			1 032	139878		139 878

**REVISED PERSONNEL BUDGET 2014/2015 IN LINE WITH REVISED ORGANOGRAM**

Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution				Other Cost							Total Package	Cell & 3G	Total Cost	
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Standby				Skills
General Worker conservancy tanks WM	T4	72 084	78 824	6 569	14188			854		11533	300		76			854	113198		113 198
General Worker conservancy tanks SV	T3	72 084	76 979	6 415	13856	-		834		1 068	300		76	1260		834	101621		101 621
General Assistant	T3	72 084	76 979	6 415	13856			834		3 257	300		76			834	102551		102 551
General Assistant	T4	73 812	80 708	6 726	14527	6 205		874		908	300		76	520		874	111718		111 718
General Assistant	T4	73 812	80 708	6 726	14527	-		874		8 906	300		76	520		874	113512		113 512
General Assistant	T4	72 084	78 824	6 569	14188			854		-	300		76	520		854	102185		102 185
General Assistant	T4	72 084	78 824	6 569	14188	6 205		854		11886	300		76			854	119755		119 755
			-														-		-
		983 028	1071 279	89273	192830	21667	-	11606	-	94050	3300	1861	838	6624	18293	11606	1 523226	4800	1 528 026
<b>REFUSE</b>																			
Supervisor Refuse SV	T10	150 360	164 427	13702	29597			1781			300	-	76		-	1 781	211665		211 665
Foreman Refuse, Streets & Public works WM	T10	143 388	156 802	13067	28 224	20 952		1699		35241	300		76		9077	1 699	267137	2400	269 537
Driver Operator SV	T6	87 132	95 291	7 941	17152			1032		1 602	300	1 861	76			1 032	126288		126 288
Driver Operator SV	T6	87 132	95 291	7 941	17152			1032		1 527	300	5 583	76	3000		1 032	132935		132 935

REVISED PERSONNEL BUDGET 2014/2015 IN LINE WITH REVISED ORGANOGRAM

Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution				Other Cost								Total Package	Cell & 3G	Total Cost
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Stand by	Skills			
Driver Operator Willomore	T6	87 132	95 291	7 941	17152			1032		5446	300	-	76			1 032	128271		128271
General Worker Refuse (Tip) SV	T3	-	73 403	6 117	13213			795		-	-	-	76		-	795	94399		94399
General Worker	T3	70 392	76 979	6 415	13856			834		4485	300	-	76			834	103779		103779
General Worker	T3	70 392	76 979	6 415	13856			834		6941	300	-	76			834	106235		106235
General assistant	T3	72 084	76 979	6 415	13856			834			300	-	76			834	99294		99294
General Worker Refuse	T3	72 084	76 979	6 415	13856			834				2309	76			834	101303		101303
General Assistant	T3	68 736	75 172	6 264	13531	19 553		814		-	-		76			814	116225		116225
General Assistant	T3	68 736	75 172	6 264	13531			814		1189	300		76	1260		814	99421		99421
Supervisor Refuse	T7	105 348	115 205	9 600	20737			1248		14711	300		76			1 248	163126		163126
Driver Operator Willomore	T6	87 132	95 291	7 941	17152			1032		4272	300		76			1 032	127097		127097
																	-		-
		1170048	1349 257	112438	242 866	40 505	-	14617	-	75415	3300	9753	1067	4260	9077	14617	1877173	2400	1879573
		7393711	8029198	627635	1115890	331851	-	74000	37100	416028	25314	41933	4877	13404	129867	86568	10 933665	41400	10975065

Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution				Other Cost								Total Package	Cell & 3G	Total Cost	
					Pension	Medical	Group life	UIF	Transport	Over time	Housing	Long Services	Industrial	Other Allow	Stand by	Skills				
<b>CORPORATE SERVICES ADMINISTRATION</b>																				
Manager Corporate	MAN	504 414	455 179					1785	79500					76			4 552	541092	10800	551 892
Personal Assistant	T8	115 824	126 661	10555	22799	-	3 503	1372			300	-	76				1 372	166639		166 639
Administrative Officer	T11	177 504	194 119	16177	34941	-		1785			300		76				2 103	249500		249 500
HR Officer Steytleville	T11	177 504	194 119	16177	34941	34738		1785			300	-	76				2 103	284239		284 239
Records Manager																				
Customer Care/Switchboard Clerk Steytleville	T5		-	-	-	-		-						-			-	-		-
Customer Care Clerk Willowmore	T5	72 084	78 824	6 569	14188	10 680		854					76				854	112044		112 044
Principal Clerk Records	T7	107 880	117 973	9 831	21235	21483		1278			300		76				1 278	173454		173 454
Messenger/Cleaner Steytleville	T3	72 084	77 022	6 418	13864	-		834			300		76				834	99349		99 349
Messenger/Cleaner Willowmore	T3		-	-	-	-		-									-	-		-
		1227294	1243896	65726	141969	66901	3503	9694	79500	-	1500	-	532	-	-	-	13096	1 626317	10800	1637117
<b>COMMUNITY SERVICES</b>																				
HOD Community Services	MAN	504 414	394 759					1785	139920				76				3 948	540487	10800	551 287
Personal Assistant	T8	84 000	89 704			-		897					76				897	91574		91 574



Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution				Other Cost								Total Package	Cell & 3G	Total Cost
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Stand by	Skills			
Personal Assistant	T8	110 472	120 805	10067	21745			1309			-		76			1 309	155311		155 311
Administration Officer	T11	173 340	189 557	15796	34120	24 858		1785					76			2 054	268246		268 246
		872 226	794 824	25863	55865	24858	-	5776	139920	-	-	-	304	-	-	8207	1 055617	10800	1066 417
<b>LED OFFICE</b>																			
LED Officer	T11	177 504	194 119	16177	34941	-		1785				3791	76			2 103	252992		252 992
Overtime																	-		-
		177 504	194 119	16177	34941	-	-	1785	-	-	-	3791	76	-	-	2103	252992	-	252 992
<b>TOURISM</b>																			
Tourism Officer	T11	214 596	229 167	19097	41250	-		1785				-	76			2 483	293858		293 858
Tourism Officer /Publicity (S)	T11	173 340	189 557	15796	34120	20388		1785				3681	76			2 054	267457		267 457
Tourism clerk	T5	-	73 404	6 117	13213			1785					76			795	95390		95 390
		387 936	492 128	41011	88583	20388	-	5355	-	-	-	3681	228	-	-	5331	656705	-	656 705
<b>YOUTH DEVELOPMENT</b>																			
Human development officer	T11	173 340	189 557	15796				1785				-	76		-	2 054	209267		209 267
Youth Development Officer	T10	146 832	160 569	13381	28902	10680		1740				3136	76			1 740	220224		220 224

Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution				Other Cost								Total Package	Cell & 3G	Total Cost
					Pension	Medical	Group life	UIF	Transport	Over time	Housing	Long Services	Industrial	Other Allow	Stand by	Skills			
Youth Development Officer	T10	84 000	89 704	-	-	-		897				-	76			897	91574		91 574
		404 172	439 830	29177	28902	10680		4422	-	-	-	3136	228		-	4690	521065	-	521 065
<b>LIBRARY</b>																			
Assistant Librarian Rietbron	T9	130 416	142 616	11885	25671	32 865		1545					76			1 545	216203		216 203
Assistant Librarian Willowmore	T9	133 548	146 037	12170	26287	34738		1460			300		76			1 582	222651		222 651
Assistant Librarian Steytleville	T9	133 548	146 037	12170		51308		1460			300	-	76			1 582	212934		212 934
		397 512	434 691	36224	51958	118912		4466	-	-	600	-	228		-	4709	651787	-	651 787
<b>TRAFFIC</b>																			
Manager Protection services	CON	185 850	198 469	16539	-	-		1785					76			2 150	219019		219 019
Vehicle examiner	T10	169 284	185 110	15426				1785					76			2 005	204402		204 402
Examiner driver & learner licenses	T10	146 832	160 569	13381	28902			1740			1 068		76			1 740	218689		218 689
Cashier Traffic	T5	73 812	80 708	6 726				874		5 340			76			874	94597		94 597
		575 778	624 856	52071	28902	-	-	6184	-	16552	1068	-	304	-	-	6769	736707	-	736 707

Designation	Task grade	Current Salary	New Salary incl notch increases where applicable	Annual Bonus	Council Contribution				Other Cost								Total Package	Cell & 3G	Total Cost
					Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Stand by	Skills			
<u>FIRE</u>																			
Fire Officer Willowmore	T10	157 668	172 398	14366	31032	-		1785		25096	300		76	4547	9184	1 868	260651	2400	263 051
Fire Officer Willowmore	T10	111 110	118 654	9 888	21358			1285		3738	300		76	3836	1348	1 285	161768		161 768
		268 778	291 052	24254	52389	-		3070	-	28833	600	-	152	8383	10532	3153	422419	2400	424 819
		3083906	3271499	224778	341541	174838	-	31057	139920	45386	2268	10608	1520	8383	10532	34963	4 297292	13200	4 310 492
Performance Bonusses Managers																			
TOTAL SALARIES		17168411	18021548	1113722	1952576	968314	3503	143582	575363	461414	31914	56424	8377	38202	140399	178414	23693752	261876	23 955 628
LESS: COUNCILLOR REMUNERATION		1491506	1571 811	-	-	12 168		-	-	-	-	-	-		-	-	1583979	171276	1 755 255
STAFF SALARIES		15676905	16449 737	1113722	1952576	956 146	3503	143582	575363	461414	31914	56424	8377		140399	178414	22109772	90600	22 200 372

## ANNEXURE C - SUMMARY LINE ITEM

BAVIAANS MUNICIPALITY - TOTAL BUDGET						
Vote Nuber	Description	2014/2015 Medium Term Revenue & Expenditure Framework				
		Budget year 2013/2014	Adj budget 2013/14	Budget year 2014/2015	Budget year 2015/2016	Budget year 2016/2017
	<b>OPERATING REVENUE</b>					
<b>020</b>	<b>PROPERTY RATES</b>	<b>17,654,120.00</b>	<b>17,654,120.00</b>	<b>4,448,220.00</b>	<b>4,893,042.00</b>	<b>5,382,346.20</b>
0564	Property Rates	17,654,120.00	17,654,120.00	4,448,220.00	4,893,042.00	5,382,346.20
<b>030</b>	<b>PENALTIES IMPOSED AND COLLECTION CHARGES ON RATES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>040</b>	<b>SERVICES CHARGES</b>	<b>18,145,722.20</b>	<b>17,982,890.20</b>	<b>19,999,657.22</b>	<b>21,999,622.94</b>	<b>24,199,585.24</b>
0705	Availability charges	0	50,000	55,000	60,500	66,550
0707	Water Sales	3,480,578.20	3,480,578.20	3,828,636.02	4,211,499.62	4,632,649.58
0708	Electricity - Conventional	1,666,560.00	1,666,560.00	1,833,216.00	2,016,537.60	2,218,191.36
0709	Sales Pre paid meters	7,416,192.00	7,416,192.00	8,157,811.20	8,973,592.32	9,870,951.55
0710	Electricity Bulk	1,120,000.00	1,000,000.00	1,100,000.00	1,210,000.00	1,331,000.00
0716	Refuse Removal	2,407,152.00	2,407,152.00	2,768,224.80	3,045,047.28	3,349,552.01
0719	Sanitation	1,731,840.00	1,731,840.00	1,991,616.00	2,190,777.60	2,409,855.36
0566	Buckets	0.00	7,568.00	8,703.20	9,573.52	10,530.87
0656	Sewerage Tanks	323,400.00	223,000.00	256,450.00	282,095.00	310,304.50
<b>070</b>	<b>RENT OF FACILITIES AND EQUIPMENT</b>	<b>120,000.00</b>	<b>38,700.00</b>	<b>42,570.00</b>	<b>46,827.00</b>	<b>51,509.70</b>
0588	Rental of Assets	120,000.00	20,000.00	22,000.00	24,200.00	26,620.00
0636	Rent - other buildings	0.00	1,600.00	1,760.00	1,936.00	2,129.60
0668	Rental Property	0.00	17,000.00	18,700.00	20,570.00	22,627.00
0670	Sport - grounds	0.00	100.00	110.00	121.00	133.10
<b>080</b>	<b>INTEREST EARNED - EXTERNAL INVESTMENTS</b>	<b>80,000.00</b>	<b>80,000.00</b>	<b>88,000.00</b>	<b>96,800.00</b>	<b>106,480.00</b>
0652	Interest on Investment	80,000.00	80,000.00	88,000.00	96,800.00	106,480.00
<b>100</b>	<b>INTEREST EARNED - OUTSTANDING DEBTORS</b>	<b>150,000.00</b>	<b>339,000.00</b>	<b>372,900.00</b>	<b>410,190.00</b>	<b>451,209.00</b>
0644	Interest and Surcharge	100,000.00	224,000.00	246,400.00	271,040.00	298,144.00
0648	Interest on Property Rates	50,000.00	115,000.00	126,500.00	139,150.00	153,065.00
<b>130</b>	<b>FINES</b>	<b>20,000.00</b>	<b>15,000.00</b>	<b>10,000.00</b>	<b>11,000.00</b>	<b>12,100.00</b>
0700	Traffic Fines	20,000.00	15,000.00	10,000.00	11,000.00	12,100.00
<b>150</b>	<b>INCOME FOR AGENCY SERVICES</b>	<b>2,996,380.00</b>	<b>738,000.00</b>	<b>782,280.00</b>	<b>829,216.80</b>	<b>878,969.81</b>
0604	Vehicle Licences	2,976,380.00	0.00	0.00	0.00	0.00
0605	Vehicle Testing	20,000.00	0.00	0.00	0.00	0.00
	Commission Agency services	0.00	738,000.00	782,280.00	829,216.80	878,969.81
<b>0000</b>	<b>LICENSES AND PERMITS</b>	<b>100,000.00</b>	<b>585,010.00</b>	<b>643,511.00</b>	<b>707,862.10</b>	<b>778,648.31</b>
	Leaners Licences	50,000.00	56,340.00	61,974.00	68,171.40	74,988.54
	Drivers Licences	50,000.00	528,670.00	581,537.00	639,690.70	703,659.77

<b>160</b>	<b>GRANTS &amp; SUBSIDIES RECEIVED - Operating</b>	<b>23,329,573.00</b>	<b>23,551,651.45</b>	<b>25,819,000.00</b>	<b>27,222,500.00</b>	<b>28,093,400.00</b>
0682	Subsidy Cacadu	479,073.00	260,000.00	620,000.00	275,000.00	302,500.00
0681	Subsidy Library	220,000.00	220,000.00	300,000.00	300,000.00	316,000.00
0676	Project Management Unit	601,500.00	601,500.00	494,000.00	445,500.00	454,900.00
0570	MSIG	890,000.00	890,000.00	934,000.00	967,000.00	1,018,000.00
0734	EPWP Wages	1,045,000.00	1,045,000.00	1,390,000.00	0.00	0.00
0567	Finance Management Grant	1,400,000.00	1,400,000.00	1,600,000.00	1,700,000.00	1,800,000.00
	Premier additional income					
0594	Equitable Share	18,694,000.00	18,694,000.00	20,481,000.00	23,535,000.00	24,202,000.00
0820	Income Cond grant - AG	0.00	441,151.45	0.00	0.00	0.00
<b>170</b>	<b>OTHER OPERATING REVENUE</b>	<b>3,818,800.00</b>	<b>338,180.00</b>	<b>309,759.95</b>	<b>336,887.95</b>	<b>366,677.86</b>
0508	Connection and Re Connections	8,000.00	65,000.00	36,100.00	39,710.00	43,681.00
0516	Cemetery Fees	10,000.00	12,500.00	11,000.00	12,100.00	13,310.00
0536	Building Fees	10,000.00	14,000.00	12,000.00	13,200.00	14,520.00
0560	Sundry Income	0.00	56,900.00	62,761.95	69,038.15	75,941.96
0561	Commission	20,000.00	25,000.00	27,500.00	30,250.00	33,275.00
0562	Membership Fees Tourism	120,000.00	120,000.00	80,000.00	88,000.00	96,800.00
0565	Slingby maps	0.00	2,600.00	5,000.00	5,500.00	6,050.00
0579	Events and other tourism t	0.00	0.00	0.00	0.00	0.00
0568	Photostats	800.00	900.00	990.00	1,089.00	1,197.90
0601	Disconnection fee	0.00	500.00	550.00	605.00	665.50
0612	New Service Connections	20,000.00	10,000.00	11,000.00	12,100.00	13,310.00
0616	Rezoning Fees	10,000.00	10,000.00	5,800.00	6,380.00	7,018.00
0637	Pound fees	0.00	580.00	638.00	701.80	771.98
0678	Vat Income	3,600,000.00	0.00	0.00	0.00	0.00
0720	Valuation Certificate	20,000.00	20,000.00	21,200.00	22,472.00	23,820.32
	SETA claims	0.00	0.00	30,000.00	30,000.00	30,000.00
0736	LETTER OF DEMANDS	0.00	100.00	110.00	121.00	133.10
0738	SUMMONS	0.00	100.00	110.00	121.00	133.10
	Application fee consent use	0.00	0.00	250.00	275.00	302.50
	Consent use	0.00	0.00	1,750.00	1,925.00	2,117.50
	Encroachment	0.00	0.00	3,000.00	3,300.00	3,630.00
	<b>GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT</b>					
1805	PROFIT ON THE SALE OF ASSETS					
<b>TORG</b>	<b>TOTAL OPERATING REVENUE GENERATED</b>	<b>66,414,595.20</b>	<b>61,322,551.65</b>	<b>52,515,898.17</b>	<b>56,553,948.79</b>	<b>60,320,926.11</b>
<b>200</b>	<b>LESS REVENUE FOREGONE</b>	<b>-13,916,742.40</b>	<b>-13,916,742.40</b>	<b>-71,704.90</b>	<b>-78,875.38</b>	<b>-86,762.92</b>
0223	Rates Rebate	-13,916,742.40	-13,916,742.40	-71,704.90	-78,875.38	-86,762.92
<b>TDAR</b>	<b>TOTAL DIRECT OPERATING REVENUE</b>	<b>52,497,852.80</b>	<b>47,405,809.25</b>	<b>52,444,193.27</b>	<b>56,475,073.40</b>	<b>60,234,163.19</b>
<b>220</b>	<b>INTERNAL TRANSFERS - (the items below must net out with the corresponding items under expenditure)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
0679	Grants Accumulated Surplus	0.00	0.00	0.00	0.00	0.00
0		0.00	0.00	0.00	0.00	0.00
<b>TIOR</b>	<b>TOTAL INDIRECT OPERATING REVENUE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>TOTAL OPERATING REVENUE</b>	<b>52,497,852.80</b>	<b>47,405,809.25</b>	<b>52,444,193.27</b>	<b>56,475,073.40</b>	<b>60,234,163.19</b>



<b>390</b>	<b>INTEREST EXPENSE - EXTERNAL BORROWINGS</b>	<b>195,000.00</b>	<b>1,063,000.00</b>	<b>1,128,906.00</b>	<b>1,195,511.45</b>	<b>1,261,264.58</b>
0201	Interest Paid	195,000.00	1,063,000.00	1,128,906.00	1,195,511.45	1,261,264.58
	<b>BULK PURCHASES</b>	<b>9,396,000.00</b>	<b>9,396,000.00</b>	<b>10,153,317.60</b>	<b>10,752,363.34</b>	<b>11,343,743.32</b>
4105	WATER PURCHASED					
0099	Bulk Services Eskom	9,396,000.00	9,396,000.00	10,153,317.60	10,752,363.34	11,343,743.32
<b>420</b>	<b>CONTRACTED SERVICES</b>					
	0					
<b>430</b>	<b>GRANTS &amp; SUBSIDIES PAID</b>	<b>5,718,175.20</b>	<b>5,739,176.00</b>	<b>5,284,822.70</b>	<b>5,813,304.97</b>	<b>6,394,635.47</b>
0221	Free Basic Services	5,718,175.20	5,739,176.00	5,284,822.70	5,813,304.97	6,394,635.47
<b>440</b>	<b>GENERAL EXPENSES - OTHER</b>	<b>13,714,766.12</b>	<b>13,611,288.00</b>	<b>14,373,347.80</b>	<b>13,525,753.02</b>	<b>14,235,805.78</b>
005	Uniforms	70,685.00	12,000.00	90,000.00	95,310.00	100,499.10
0023	Ward Committees	50,000.00	50,000.00	0.00	0.00	0.00
0026	Branding and Advertising	10,000.00	0.00	5,000.00	5,295.00	5,586.23
0028	Communication	55,000.00	110,000.00	0.00	0.00	0.00
0029	Agent Commission	117,535.00	175,000.00	185,850.00	196,815.15	207,639.98
0031	Roads Forum	30,000.00	15,000.00	15,930.00	16,869.87	17,797.71
0034	Sport	20,000.00	10,000.00	10,000.00	10,590.00	11,172.45
0035	Small Farmers (Agri)	0.00	0.00	10,000.00	10,590.00	11,172.45
0036	Christmas Lights and Functions	0.00	0.00	0.00	0.00	0.00
0037	Sundry Expenses: Tourism	37,397.50	22,398.00	20,000.00	21,180.00	22,344.90
0038	Workshop	10,000.00	0.00	10,000.00	10,590.00	11,172.45
0039	Road Signs	15,000.00	0.00	10,000.00	10,590.00	11,172.45
0040	Website	15,000.00	17,100.00	20,000.00	21,180.00	22,344.90
0041	Marketing	50,000.00	65,000.00	40,000.00	42,360.00	44,689.80
0042	Admin Cost	0.00	0.00	0.00	0.00	0.00
0043	Development	50,000.00	30,000.00	0.00	0.00	0.00
0044	Product Development	10,000.00	10,000.00	40,000.00	42,360.00	44,689.80
0048	Advertising	64,110.00	35,000.00	37,170.00	39,363.03	41,528.00
0049	Town Planning	10,000.00	0.00	10,620.00	11,257.20	11,932.63
0050	Work Skills Plan	74,795.00	20,000.00	30,000.00	30,000.00	30,000.00
0051	S&T Allowances	85,693.70	150,000.00	94,550.00	100,128.45	105,635.51
0054	Bank Cost	180,000.00	180,000.00	191,160.00	202,438.44	213,572.55
0055	Animal Protection	0.00	0.00	16,000.00	16,944.00	17,875.92
0056	Libraries	0.00	0.00	100,000.00	100,000.00	105,500.00
0057	Assistant Fund	60,000.00	40,000.00	30,000.00	31,770.00	33,517.35
0059	LED Training	50,000.00	30,000.00	25,000.00	26,475.00	27,931.13
0060	Fuel & Oil	1,176,844.50	1,218,000.00	1,293,516.00	1,369,833.44	1,443,867.44

0061	Led Brick Making	260,000.00	0.00	0.00	0.00	0.00
0064	IDP	0.00	0.00	0.00	0.00	0.00
0062	LED Office	0.00	0.00	0.00	0.00	0.00
0065	Community Services Human Development	0.00	0.00	0.00	0.00	0.00
0069	Chemicals	160,275.00	204,000.00	226,648.00	240,020.23	253,221.34
0071	Department Cost	0.00	0.00	0.00	0.00	0.00
0072	General expenditure	0.00	0.00	5,000.00	5,295.00	5,586.23
0078	Stationery	181,645.00	460,000.00	513,242.07	543,523.35	573,404.43
0080	Rental of Equipment	470,140.00	230,000.00	244,260.00	258,671.34	272,898.26
0081	Electricity Services	1,282,841.10	1,140,000.00	1,210,680.00	1,282,110.12	1,352,415.50
0082	Finance/Management Grant	1,257,294.00	1,257,294.00	1,589,965.00	1,700,000.00	1,800,000.00
	Cacadu grant expenditure Tourism	0.00	0.00	324,561.40	0.00	0.00
0084	Municipal Services	922,745.00	590,000.00	420,345.87	453,763.08	489,123.26
0114	Consumable Items	24,575.50	30,000.00	38,000.00	40,242.00	42,455.31
0116	Youth development	0.00	0.00	25,000.00	26,475.00	27,931.13
121	Fire Fighting	42,740.00	98,000.00	104,654.20	111,352.07	118,478.60
0123	licences	41,027.50	41,028.00	43,571.42	46,142.13	48,666.97
0141	Registration Deeds Office	27,781.00	50,500.00	53,631.00	56,795.23	59,918.97
0144	Audit Cost	600,000.00	662,330.00	1,133,405.00	1,200,275.90	1,266,291.07
	Internal audit	0.00	500,000.00	700,000.00	742,000.00	786,520.00
0150	Postage	154,932.50	220,000.00	233,640.00	247,424.76	261,033.12
0159	Radio Licences	7,479.50	2,000.00	2,124.00	2,249.32	2,373.03
0162	Legal Cost	106,850.00	350,000.00	100,000.00	105,900.00	111,724.50
0183	Telephone	373,975.00	534,000.00	582,808.00	617,193.67	651,135.65
0195	Insurance	292,125.00	246,320.00	261,591.84	277,025.76	292,262.18
0202	Refuse Bags	133,562.50	124,200.00	150,000.00	158,850.00	167,586.75
0204	Water Research	37,397.50	45,000.00	47,790.00	50,609.61	53,393.14
0216	Agency fees licensing	2,208,290.32	0.00	0.00	0.00	0.00
0218	Membership Fees	400,000.00	400,000.00	400,000.00	425,600.00	452,838.40
0219	Special projects	15,000.00	30,000.00	0.00	0.00	0.00
0220	MSIG	793,474.00	793,474.00	826,670.00	967,000.00	1,018,000.00
0222	Free Basic Services: Repairs	32,055.00	30,000.00	31,860.00	33,739.74	35,595.43
0292	PMU	601,500.00	538,500.00	494,000.00	445,500.00	454,900.00
0295	Vehicle Tracking	0.00	292,000.00	310,104.00	328,400.14	346,133.74
0296	IT Expenses	0.00	700,000.00	530,000.00	700,000.00	700,000.00
0297	Unbundling of assets	0.00	543,620.00	0.00	0.00	0.00
	EPWP contracts (own)	0.00	0.00	45,000.00	47,655.00	50,276.03
303	Vehicle Installments	0.00	0.00	0.00	0.00	0.00
	Consultancy fees	0.00	0.00	50,000.00	0.00	0.00
734	EPWP	1,045,000.00	1,309,524.00	1,390,000.00	0.00	0.00
<b>450</b>	<b>LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT (GAMAP to add)</b>					
4590	LOSS WITH DISPOSAL OF ASSETS					
<b>TDOE</b>	<b>TOTAL DIRECT OPERATING EXPENDITURE</b>	<b>59,525,926.54</b>	<b>68,390,554.01</b>	<b>71,695,418.06</b>	<b>73,636,376.11</b>	<b>77,267,204.09</b>

<b>OSDTT</b>	<b>OPERATING SURPLUS / (DEFICIT) - Total</b>					
	<b>Income less Total Expenditure</b>	<b>-7,028,073.74</b>	<b>-20,984,744.76</b>	<b>-19,251,224.79</b>	<b>-17,161,302.71</b>	<b>-17,033,040.90</b>



CR	CAPITAL REVENUE					
<b>700</b>	<b>GRANTS &amp; SUBSIDIES RECEIVED - Capital</b>	<b>39,428,500.00</b>	<b>42,413,950.00</b>	<b>44,259,736.00</b>	<b>37,272,500.00</b>	<b>13,643,100.00</b>
80001	Department of Housing Local Govern - Down Housing	0.00	3,101,850.00	9,404,956.00	0.00	0.00
	Department of Housing Local Govern - Bucket eradication		260,000.00			
	Department of Trade & Industry	18,000,000.00	15,623,600.00	2,830,780.00		
	Integrated Nasional Electrification grant			900,000.00	5,000,000.00	5,000,000.00
80002	MIG Funds	11,428,500.00	11,428,500.00	9,404,000.00	8,464,500.00	8,643,100.00
80003	Capital Replacement Fund	0.00	0.00	-	-	-
80005	DWAF	0.00	0.00	-	-	-
80004	RBIG Funds	10,000,000.00	12,000,000.00	20,000,000.00	23,808,000.00	0.00
	Finance leases			1,720,000.00	0.00	0.00
<b>TAR</b>	<b>TOTAL CAPITAL REVENUE</b>	<b>39,428,500.00</b>	<b>42,413,950.00</b>	<b>44,259,736.00</b>	<b>37,272,500.00</b>	<b>13,643,100.00</b>
CE	CAPITAL EXPENDITURE					
<b>750</b>	<b>CAPITAL BUDGET</b>	<b>37,029,035.09</b>	<b>44,949,962.91</b>	<b>40,686,592.14</b>	<b>32,852,479.63</b>	<b>12,124,935.11</b>
500052	Streets and stormwater Willowmore	1,842,105.26	2,280,155.26	1,767,807.02	877,192.98	877,192.98
500062	Streets and stormwater Steytlerville	1,842,105.26	2,280,701.75	1,052,631.58	877,192.98	877,192.98
	Upgrading Rietbron Streets	859,649.12	0.00	0.00	0.00	0.00
460032	Steytlerville Solid waste disposal site	0.00	0.00	2,456,140.35	0.00	0.00
460042	Willowmore Solid waste disposal site	0.00	0.00	0.00	0.00	0.00
	Feasibility Study Landfill sites	150,000.00	235,000.00	0.00	0.00	0.00
460052	Rietbron Landfill site	0.00	0.00	0.00	0.00	0.00
	Willowmore Landfill site			0.00		
	Steytlerville Landfill site			0.00		
	Rietbron Highmast Light			263,157.89		
	Electricity	0.00	0.00	789,473.68	4,385,964.91	4,385,964.91
460062	Waste water treatment works Rietbron	0.00	0.00	973,684.21	3,039,035.28	3,195,701.28
460072	Sewerage Down	0.00	0.00	0.00	0.00	0.00
460082	Eradication Bucket system Steytlerville	0.00	436,609.00	0.00	0.00	0.00
	Eradication bucket system Steytlerville - dept human settlement		260,000.00	0.00	0.00	0.00
780042	Willowmore water supply Wanhoop	4,384,649.12	4,384,649.12	0.00	2,631,578.95	2,631,578.95
7526	Wanhoop Bulk water supply Feasibility	250,000.00	91,200.00	0.00	0.00	0.00
780080	Steytlerville water Erasmuskloof	26,771,929.82	26,149,915.79	20,374,639.65	20,884,210.53	0.00
	Feasibility Study Vondeling Water	150,000.00	0.00	0.00	0.00	0.00
780052	Water Bylaws	0.00	0.00	0.00	0.00	0.00
780062	Upgrading of Sportfields in Baviaans Municipality	438,596.49	741,642.98	1,302,368.42	0.00	0.00
	Feasibility Study Cemtries	200,000.00	279,300.00	-	-	-
790012	Down Housing	0.00	3,101,850.00	9,404,956.00	0.00	0.00
800042	Computer equipment	0.00	0.00	0.00	0.00	0.00
500072	Equipment Technical	130,000.00	0.00	137,800.00	146,068.00	146,068.00
	Furniture & Equipment	10,000.00	159,000.00	10,600.00	11,236.00	11,236.00
	Roll over project: Wanhoop		2,877,930.00			
	Roll over project: Bucket Eradication Steytlerville		89,900.00			
	Roll over project: Upgrading of streets Steytlerville		650,130.00			
	Roll over project: Upgrading of streets Willowmore		507,425.00			
	Roll over project: Steytlerville Highmast lightning		424,554.00			
	MIG - LED projects			433,333.33		
	Vehicles			1,720,000.00		
<b>TCE</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>37,029,035.09</b>	<b>44,949,962.91</b>	<b>40,686,592.14</b>	<b>32,852,479.63</b>	<b>12,124,935.11</b>
<b>SDACB</b>	<b>(SURPLUS) / DEFICIT AFTER CAPITAL BUDGET</b>	<b>-4,628,608.83</b>	<b>-23,520,757.67</b>	<b>-15,678,080.93</b>	<b>-12,741,282.34</b>	<b>-15,514,876.01</b>