

EMALAHLENI MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2014/2015 TO 2016/2017

May 2014 1

ANNUAL BUDGET OF

EMALAHLENI MUNICIPALITY

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

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Abbreviations and Acronyms

BPC	Budget Planning Committee Chief Financial Officer	MFMA	Municipal Financial Management Act
CFO MM	Municipal Manager	MIG	Programme Municipal Infrastructure Grant
CPI	Consumer Price Index	MMC	•
		MPRA	Member of Mayoral Committee
CRRF DBSA	Capital Replacement Reserve Fund		Municipal Properties Rates Act
	Development Bank of South Africa Division of Revenue Act	MSA	Municipal Systems Act
DoRA		MTEF	Medium-term Expenditure
DWA	Department of Water Affairs	MATOLL	Framework
EE	Employment Equity	MTREF	
EED2M	Energy Efficiency Demand Side	NEDOA	Expenditure Framework
EM	Management Executive Mayor	NERSA	National Electricity Regulator South Africa
FBS	Free basic services	NGO	Non-Governmental organisations
GDP	Gross domestic product	NKPIs	National Key Performance Indicators
GDS	Gauteng Growth and Development	OHS	Occupational Health and Safety
020	Strategy	OP	Operational Plan
GFS	Government Financial Statistics	PBO	Public Benefit Organisations
GRAP	General Recognised Accounting	PHC	Provincial Health Care
· · · ·	Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
IDP	Integrated Development Strategy	PPP	Public Private Partnership
IT	Information Technology	PTIS	Public Transport Infrastructure
kl	kilolitre		System
km	kilometre	RG	Restructuring Grant
KPA	Key Performance Area	RSC	Regional Services Council
KPI	Key Performance Indicator	SALGA	•
kWh	kilowatt		Association
l	litre	SDBIP	Service Delivery Budget
LED	Local Economic Development		Implementation Plan
MEC	Member of the Executive Committee	SMME	Small Micro and Medium Enterprises

Part 1 - Annual Budget

1.1 Mayor's Report

The Speaker, Municipal Manager, Councillors, Officials and members of the community:

It is my pleasure to be able to submit to you the Integrated Development Plan for the next five years(2012-2017) as well as the Medium Term Revenue and Expenditure framework (MTREF) for 2015 -17 through for the Emalahleni municipal council.

The economic environment in which we as Emalahleni Municipality function is not easy considering our high rate of unemployment and poor revenue base made worse, over the past few years, by the downturn in the economy caused by the world economic recession resulting in such negative economic contributors as sky rocketing fuel and food prices.

In the light of these factors over which we have little or no control we are faced as a municipality with a daunting task and the challenge of

- > A huge backlogs in service delivery,
- The socio-economic problems of high unemployment and poverty levels.

And the realisation that solutions to these challenges can potentially be in conflict with or complement each other.

Today I am able to report to you on the progress made in implementing financial controls, processes and procedures resulting in the drafting of a credible IDP and a credible budget linked and driven by our IDP and the national objectives of:

- Service delivery
- Financial viability and management
- Local economic development
- Municipal institutional development and transformation.
- Good governance and public participation

We as Council committed ourselves to lead by example in ensuring strict financial oversight and compliance with the guidelines of National Treasury as set out in circular 51- 72 and 66 of the MFMA.

In order to achieve this we as the Council and Executive Committee committed ourselves to providing leadership based on a culture of honesty, ethical business practices and good governance by exercising our oversight responsibility regarding financial and performance reporting as well as adherence to compliance and implementation of internal controls.

We identified the need to support the Accounting Officer and address the management of the financial affairs of the municipality as a matter of urgency.

Allow me now to highlight areas of focus within our departments

Corporate services

Our organogram has been developed to ensure that it is consistent with the needs of the organisation. In the months ahead we will be implementing the budgeted positions as approved and adopted by Council with this budget.

The effectiveness of the governance systems is being assessed and staff within the institution must work in an integrated and focussed manner driven by the IDP.

We are striving that Emalahleni Municipality becomes an employer of choice that capacitates both the councillors and staff.

We will also be implementing a project to improve the connectivity

Community services

The areas I wish to highlight within the community services department relate to revenue enhancement and solid waste sites.

The development and establishment of a traffic section within Emalahleni municipality has been identified as a source of revenue enhancement coupled to ensuring the safety of our community and to this end we will be starting the process to establish such a department in the new financial year.

The solid waste site and its completion remain a priority and we will continue in the new financial year to access and allocate funds to this critical area within community services.

A number of community halls, sports fields are projects that will be taken up in 2014/15.

We have allocated R25 954 million to capital projects under community services.

IPED

The 5 year IDP which has been developed and is tabled for adoption today is a reflection of community, sectoral and stakeholder input and involvement and will be our guide over the remainder of our term of office.

Local economic development is a crosscutting function which requires the involvement of all within the institution.

The Elithini Coal Mine development will have a positive economic effect on our economy with a hoped for impact on our level of unemployment and a major contribution toward our revenue base.

We have within the spatial development framework of our IDP focussed on potential areas of growth and despite our limited resources have accessed resources to develop these potential areas of economic growth through led projects.

We plan to utilise our interactions with business forums to assist them to bring together established and emerging businesses to share experience and ideas.

Infrastructure

The focus of MIG funding will be to ensure that projects are identified within IPED, community and infrastructure to ensure the maximum impact on our community.

The emphasis will be on finalising our road projects and continuing on the electrification of our villages.

An area we will focus on in the new year will be to address the office space of the institution.

We have allocated R5 729 million toward infrastructure, economic and environmental services

Finance

The process is ongoing to ensure credible data that forms the basis of our financial reporting and to this end we will ensure that the SEBATA system is implemented and used as a management tool.

As a municipality we are grant dependant and to this end it is necessary to develop a plan for revenue enhancement to reduce our dependence and improve our financial viability. Hence one of the projects under financial viability is the development of a revenue enhancement project continuously.

In the new financial year we will look to ward councillors and committees in assisting us with our debt management and will further table to council strategies and plans to improve our current collection and payment rate to up to at least 50%.

Budget figures

The budget we table today projects the following:

Increases

The tariff increases on services will be an average of 6%

The electricity increase of 6.0% is currently pending NERSA's approval.

The increase will be tabled to council by 30 June 2014

By-laws and policies

Council has by- laws and policies in place which will be subjected to a review process in

April1 2014 for tabling to council by 28 May 2014

Income and expenditure

Operating budget

Total revenue: R199 459 million

Total expenditure: R199 455 million

Projected surplus: R 4 thousand

The implication of this is to alert us to the need for strict budget implementation and control during the financial year.

Capital budget:

Grant funding: R 30 970 million

Own funds: R 7 253 million

Total capital expenditure: R 38 223 million

I hereby table the Medium term Revenue and Expenditure Framework for 2015 through 2017 for adoption by the Emalahleni Council as per the resolutions below:

CLLR N. NYUKWANA

MAYOR

1.2 Council Resolutions

The Executive Committee approves and takes following resolutions for the draft annual budget of 2014/15 financial year:

- **1.1** The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - **1.1.1** Budget Summary reflected in Table A1;
 - **1.1.2** Budgeted Financial Performance (revenue and expenditure by standard classification) reflected in Table A2;
 - **1.1.3** Budgeted Financial Performance (revenue and expenditure by municipal vote) reflected in Table A3:
 - **1.1.4** Budgeted Financial Performance (Revenue and Expenditure) reflected in Table A4:

Total Revenue (excluding capital transfer and contributions) to the amount of R168 489 million

Total Expenditure R199 455 million

Surplus after capital transfers and contribution of R4 000;

1.1.5 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source reflected in Table A5 as well as individual capital projects reflected under SA36;

Total Capital budget of R38 223 million funded as follows:

Municipal Infrastructure Grant R30 970 million

Own Funds/Internal Funds R7 253 million

1.1.6 The following are projects from MIG and own funds for 2014/15 in R000:

•	MIG:LED Ida Commercial Farms Road	1,550
•	MIG: Mhlanga access road	3.319
•	MIG: Traffic Testing Station Lady Frere	4,030
•	MIG: Renovation and Upgrade Frere Stadium Phase 2	4,397
•	MIG: Dev of Landfill Site Lady Frere	5,054
•	MIG: Upgrading of Cemeteries in ward 4;14 & 16(LF)	2,650
•	MIG: Community Hall Ward 17	2,137
•	MIG: Community Hall Ward 5	3,153
•	MIG: Community Hall Ward 10	3,153
•	IRRIGATION SCHEME (own funds)	400
•	STOCK PEN AUCTION (own funds)	250
•	Vehicles (own funds)	900
•	Software and Server Room (own funds)	250
•	Refuse Truck phase (own funds)	2,000
•	Building New Offices Phase (own funds)	4,000

- **1.2** The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management, basic service delivery targets and measurable performance objectives are approved as set out in the following tables and supporting tables attached in the budget documentation:
 - **1.2.1** Budgeted Financial Position reflected in Table A6;
 - **1.2.2** Budgeted Cash Flows reflected in Table A7;
 - **1.2.3** Cash backed reserves and accumulated surplus reconciliation reflected in table A8:
 - 1.2.4 Asset management in Table A9; and
 - **1.2.5** Basic service delivery measurement reflected in Table A10.
 - **1.2.6** IDP strategic objectives reflected in Supporting Table SA4-SA6

- 2. The Executive Committee of Emalahleni Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following tariffs as attached in the budget documentation, with effect from 1 July 2014:
 - 2.1 The tariffs for property rates which are increasing on average by 6 % (percent) which translate to the following:
 - Residential 0.077
 - Undeveloped land 0.0076c/R
 - Municipal Buildings/Properties 0c/R
 - Business 0.0114c/R
 - Government 0.0019c/R
 - Agriculture 0.0019c/R
 - Public Service Infrastructure 0c/R
 - Public Benefit Organisations 0.0019c/R
 - 2.2 the inclining tariffs for electricity which awaits NERSA's approval before Council can approves it are as follows:



- 2.3 the tariffs for the supply of water and sanitation on behalf of Chris Hani District Municipality are approved by Chris Hani District Municipality on the attached tariff list and the council take note of this tariffs.
- 2.4 the tariffs for solid waste services which are increasing on average by 6 % (percent);

The Executive Committee of Emalahleni Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 the tariffs for other services, which are increasing on average by 5.4 percent, as set out in the attached budget documentation as (**Annexure**).

- 3. Council resolves that the budget related policies reflected in **Annexure......** and listed below are approved for the budget year 2014/15.
 - Property Rates policy
 - Budget Policy
 - Tariff policy
 - Indigence Policy
 - Credit control and Debt collection
 - Cash Management and Investments policy
 - Asset and Disposal Management policies
 - Funding and Reserve policy
 - Debt and Borrowing policy
 - Fleet Management policy
 - Virement policy
 - Petty Cash Policy
 - Supply Chain Management policy
- **4.** Executive Committee resolves that the filling of the following vacant posts as identified by Municipal Manger and tabled to Executive Committee, be approved:
 - In the office of the Municipal Manager:
 - Administrator
 - 2 x Disaster Field Workers
 - Corporate Services Directorate
 - HR Manager
 - IT Systems Administrator
 - IT System Administrator
 - Secretary
 - Finance Department
 - Secretary
 - Expenditure Practioner
 - Stores Clerk
 - ❖ e-Natis Clerk
 - IPED Directorate
 - LED Manager
 - LED Practioner
 - Community Services Directorate
 - Community Services Manager
 - 2 x Drivers
 - ❖ 3 x General Assistance
 - Infrastructure and Human Settlement Directorate
 - 4 x Operators
- **5.** To give proper effect to the municipality's annual budget, the Council of Emalahleni Municipality approves:
 - 5.1 That cash backing is implemented through the utilization of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The Municipal Budget and Reporting Regulations, as well as various circulars issued by National Treasury, provides the guidance for budget preparation by local government.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. In addition, the municipality during January 2013 proactively embarked on a strategic long--term .financial sustainability exercise in order to ensure that this budget, as well as future budgets, is compiled to ensure that services to the community remains at high levels without overburdening the consumers of municipal services with excessive tariffs.

The main items identified by the strategic planning exercise can be summarised as follows:

- Improved service delivery;
- Underdeveloped areas;
- Impoverished communities;
- Co-operative governance;
- Unfunded mandates, core functions service delivery agents;
- Land availability for e.g. economic development;
- · Land availability for establishing tip-sites;
- Alternative service delivery options;
- Obtaining a "clean audit" inclusive of performance management;
- Delegation- and procedure manuals;
- Risk management;
- Improved planning and beyond 5 years;
- High crime rate;
- Service delivery backlogs;
- Improved maintenance programs;
- Local economic development facilitation;
- Adequacy of municipal reserves and financial sustainability:
- Curtail electricity losses:
- Tourism initiatives; and
- Improved public participation.

For each of these risk areas the municipality is compiling business plans in order to prioritise expenditure according to the risk ratings. These business plans will all be implemented over the MTREF period according to available funding; however, in the 2014/2015 financial year limited provision was made for the implementation of the business plans.

The Municipality has also embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The municipality, however, acknowledges that there can never be too much information and involvement in its interaction with the public at large, and for that reason it is still identified as a major risk area.

National Treasury's MFMA Circulars No. 58, 59, 66, 71 and 72 as well as the Strategic Workshops and IDP consultation processes, were mainly used to guide the compilation of the 2014/15 MTREF. Some of the key challenges faced by the municipality when compiling the budget were:

- The ongoing difficulties in the national and local economy;
- Aging roads and electricity infrastructure;
- The need to prioritise projects and expenditure within the existing resource envelope;
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Similarly the effect of the water tariffs, as determined by the Chris Hani District Municipality, on consumers. Continuous high tariff increases are not sustainable as there will be a point where services will no-longer be affordable:
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects and the resultant operational costs associated with new infrastructure projects; and

The municipality is in a healthy financial position, however, it needs to at least stabilise and further strife to continuously better its financial position, coupled with acceptable levels of service delivery at affordable tariffs. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality. The municipality is striving to establishing a Capital Replacing Reserve to fund future capital projects to help mitigate the over dependence on grants for funding capital projects.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed
 inflation as measured by the CPI, except where there are price increases in the inputs of
 services that are beyond the control of the municipality, for instance the cost of bulk
 electricity. In addition, tariffs need to remain or move towards being cost reflective, and
 should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the
 necessary grants to the municipality are reflected in the national and provincial budget and
 have been gazetted as required by the annual Division of Revenue Act;
- The budget must be spent in full, and all grants should be utilised in full;

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

IR thousands	Audited utcome	Audited	Audited					Exper	nditure Frame	work
Financial Performance Property rates Service charges	utcome		Auditeu	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
Property rates Service charges		Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
Service charges	4	0.404	0.500				0.540	2.224	0.400	2.244
· · · · · · · · · · · · · · · · · · ·	1 772 6 899	3 401 14 513	3 530 14 914	4 675 13 240	1 975 11 470	1 975 11 470	2 546 14 660	2 034 12 650	2 132 13 257	2 214 13 771
invocation to voluc	1 830	2 250	2 862	1 516	2 025	2 025	2 370	2 086	2 186	2 271
Transfers recognised - operational	87 337	72 148	85 415	104 225	98 550	98 550	84 092	108 178	143 222	149 843
Other own revenue	3 544	26 633	29 177	39 448	41 625	41 625	23 690	43 542	45 986	48 459
Total Revenue (excluding capital transfers	101 381	118 944	135 898	163 103	155 645	155 645	127 358	168 489	206 782	216 558
and contributions)	l									
Employ ee costs	27 500	39 391	43 685	39 274	50 318	50 318	33 796	61 639	61 750	67 726
Remuneration of councillors	6 776	8 270	9 101	10 297	9 740	9 740	8 223	10 227	10 718	11 134
Depreciation & asset impairment	-	20 696	20 131	22 695	22 435	22 435	22 435	23 084	24 192	25 131
Finance charges	21	362	530	389	170	170		175	184	191
Materials and bulk purchases	7 291	9 699	11 232	12 291	15 966	15 966	11 112	17 213	18 040	18 740
Transfers and grants	7 043 28 049	9 623 92 425	14 878 55 533	27 654 71 434	20 867 64 403	20 867 64 403	20 867 34 281	17 899 69 216	28 296 68 111	33 660 70 754
Other expenditure Total Expenditure	76 680	180 467	155 090	184 035	183 900	183 900	130 714	199 455	211 291	227 335
Surplus/(Deficit)	24 701	(61 522)	(19 192)	(20 931)	(28 255)	(28 255)	(3 356)	(30 966)	(4 509)	(10 776)
Transfers recognised - capital	24 701	1 425	20 793	25 917	28 138	28 138	12 620	30 970	32 508	33 835
Contributions recognised - capital & contributed a	- 1	_	-		-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	24 701	(60 097)	1 601	4 986	(117)	(117)	9 264	4	27 999	23 059
contributions		(/			` ′	(/				
Share of surplus/ (deficit) of associate	_	_	_	_	_	_	_	_	_	_
Surplus/(Deficit) for the year	24 701	(60 097)	1 601	4 986	(117)	(117)	9 264	4	27 999	23 059
	21.101	(00 00.7		. 000	()	()	0 201	·	2, 000	20 000
Capital expenditure & funds sources Capital expenditure	į	3 592	17 070	39 742	44 009	44 009	44 009	38 223	33 191	36 328
	-	1 425	20 793	25 917	28 138	28 138	12 620	30 970	32 508	33 835
Transfers recognised - capital Public contributions & donations		- 1 425	20 195	25 517	20 130	20 130	12 020	30 370	JZ JUU _	- 33 033
Borrowing	-	_	_	_	_	_	_	_	_	_
Internally generated funds	-	2 166	(3 723)	13 825	15 871	15 871	31 389	7 253	683	2 493
Total sources of capital funds	-	3 592	17 070	39 742	44 009	44 009	44 009	38 223	33 191	36 328
Financial position										
Total current assets	77 440	55 693	68 706	99 216	43 639	43 639	109 661	31 345	56 956	78 225
Total non current assets	225 490	393 131	386 606	256 788	430 423	430 423	400 015	445 561	454 560	465 758
Total current liabilities	28 581	16 827	18 601	16 418	17 295	17 295	41 176	16 238	17 137	18 249
Total non current liabilities	1 219	7 332	10 444	7 306	10 444	10 444	9 977	14 341	20 053	28 348
Community wealth/Equity	273 131	424 665	426 266	332 281	446 323	446 323	435 562	446 327	474 326	497 385
Cash flows										
Net cash from (used) operating	12 966	1 262	24 451	31 749	22 318	22 318	55 931	23 089	52 192	48 190
Net cash from (used) investing	(34 157)	(2 998)	(16 864)	(31 742)	(43 709)	(43 709)	(43 709)	(38 223)	(33 191)	(36 328)
Net cash from (used) financing Cash/cash equivalents at the year end	(104) 18 450	785 46 064	(536) 53 115	42 961	31 725	31 725	(405) 64 931	(195) 16 395	(150) 35 245	(116) 46 991
, ,	10 430	40 004	30 110	42 301	01 720	01 720	04 331	10 000	00 240	40 331
Cash backing/surplus reconciliation	10.450	40.004	52 445	00 004	20.770	20.770	00.040	40.205	25.045	40 004
Cash and investments available Application of cash and investments	18 450 29 450	46 064 11 892	53 115 5 259	92 961 1 099	32 778 2 336	32 778 2 336	86 843 19 376	16 395 (3 126)	35 245 (8 361)	46 991 (15 802)
Balance - surplus (shortfall)	(11 000)	34 173	47 857	91 862	30 442	30 442	67 467	19 521	43 606	62 792
	(11 000)	01110	41 001	01 002	00 112	00 112	07 107	10 021	10 000	02 102
Asset management Asset register summary (WDV)	225 490	393 131	386 606	256 788	430 423	430 423	445 561	445 561	454 560	465 758
Depreciation & asset impairment	223 490	20 696	20 131	22 695	22 435	22 435	23 084	23 084	24 192	25 131
Renewal of Existing Assets	_	20 030	20 101	_		-	20 004	25 004	24 102	20 101
Repairs and Maintenance	2 506	-	7 299	15 995	12 241	12 241	12 548	12 548	11 736	12 191
Free services										
Cost of Free Basic Services provided	611	677	1 225	4 697	4 747	4 747	4 890	4 890	5 124	5 323
Revenue cost of free services provided	3 614	1 181	1 225	5 223	5 273	5 273	5 431	5 431	5 691	5 912
Households below minimum service level										
Water:	10	9	9	9	9	9	10	10	10	11
Sanitation/sew erage:	-	-	-	5	5	5	5	5	5	5
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	8	8	8	8	9	9	10	10

Total operating revenue has increased by 7.9 per cent for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 18.1 and 4.5 per cent respectively. The main reason for the increase in revenue is an increase in operational grants.

Total operating expenditure for the 2014/15 financial year has been appropriated at

R199 455 million and translates into a budgeted deficit of R30 966 thousand before capital transfers. When compared to the 2013/14 Adjustments Budget, operational expenditure has increased by 8.03 per cent in the 2013/14 budget and increases by 5.9 and 7 per cent for each of the respective outer years of the MTREF. The operating surplus, after capital grant transfers, for

the two outer years decreases to R4 thousand for the 2014/2015 financial year and then increases to R 27 99 and then decreases to R 23 059 million. The main reason for the increase in expenditure is the increase in bulk electricity price and employee cost.

The capital budget of R38 223 million for 2014/15 will show a decrease when compared to the 2013/14 Adjustment Budget. The latter has to do how the municipality has implemented its capital programmes and specifically its MIG allocation in the pass. The capital programme further decrease to R33 191 million in the 2015/16 financial year and then increase in 2016/17 to R36 328 million.

As indicated above no borrowing for capital projects is planned. The municipality is still well within the limits of its borrowing capacity but will raise very limited loans in the near future in order to curtail possible rising debt servicing costs.

1.4 Operating Revenue Framework

For Emalahleni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality will also have to seek for funding to develop a revenue enhancement strategy. The latter will assist the municipality to identify areas to improve their revenue collection. In the absence of a revenue enhancement strategy, the following information were use to help the municipality's revenue management

- National Treasury's guidelines and macroeconomic policy;
- Limited growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure an improve percentage increase in annual collection rate for property rates and other key service charges. This percentage is low compared to past history, but is being calculated conservatively due to the signs of financial stress currently being experienced;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs:
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The inflation forecasts for the MTREF period is on average 5, 5% per annum. The municipality's aim is to not exceed inflation in its annual tariff adjustments but external factors such as the Eskom increases and which are beyond the control of the municipality hampers this goal.

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

EC136 Emalahleni (EC) - Table A1 Budget Summary

C 130 Emarament (EC) - Table At Budget Summary												
2010/11	2011/12	2012/12		Current Ve	or 2012/14		2014/15 Medium Term Revenue &					
2010/11	2011/12	2012/13		Current re	ai 2015/14		Expenditure Framework					
Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year			
Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17			
1 772	3 401	3 530	4 675	1 975	1 975	2 546	2 034	2 132	2 214			
6 899	14 513	14 914	13 240	11 470	11 470	14 660	12 650	13 257	13 771			
1 830	2 250	2 862	1 516	2 025	2 025	2 370	2 086	2 186	2 271			
87 337	72 148	85 415	104 225	98 550	98 550	84 092	108 178	143 222	149 843			
3 544	26 633	29 177	39 448	41 625	41 625	23 690	43 542	45 986	48 459			
101 381	118 944	135 898	163 103	155 645	155 645	127 358	168 489	206 782	216 558			
	2010/11 Audited Outcome 1 772 6 899 1 830 87 337 3 544	2010/11 2011/12 Audited Outcome 1 772 3 401 6 899 14 513 1 830 2 250 87 337 72 148 3 544 26 633	2010/11 2011/12 2012/13 Audited Outcome Audited Outcome Audited Outcome 1 772 3 401 3 530 6 899 14 513 14 914 1 830 2 250 2 862 87 337 72 148 85 415 3 544 26 633 29 177	2010/11 2011/12 2012/13 Audited Outcome Audited Outcome Audited Outcome Outcome 1 772 3 401 3 530 4 675 6 899 14 513 14 914 13 240 1 830 2 250 2 862 1 516 87 337 72 148 85 415 104 225 3 544 26 633 29 177 39 448	2010/11 2011/12 2012/13 Current Ye Audited Outcome Audited Outcome Outcome Dutcome Dutcome Adjusted Budget 1 772 3 401 3 530 4 675 1 975 6 899 14 513 14 914 13 240 11 470 1 830 2 250 2 862 1 516 2 025 87 337 72 148 85 415 104 225 98 550 3 544 26 633 29 177 39 448 41 625	2010/11 2011/12 2012/13 Current Year 2013/14 Audited Outcome Audited Outcome Outcome Outcome Budget Full Year Budget 1 772 3 401 3 530 4 675 1 975 1 975 6 899 14 513 14 914 13 240 11 470 11 470 1 830 2 250 2 862 1 516 2 025 2 025 87 337 72 148 85 415 104 225 98 550 98 550 3 544 26 633 29 177 39 448 41 625 41 625	2010/11 2011/12 2012/13 Current Year 2013/14 Audited Outcome Audited Outcome Audited Outcome Outcome Budget Budget Full Year Forecast Forecast Pre-audit outcome 1 772 3 401 3 530 4 675 1 975 1 975 2 546 6 899 14 513 14 914 13 240 11 470 11 470 14 660 1 830 2 250 2 862 1 516 2 025 2 025 2 370 87 337 72 148 85 415 104 225 98 550 98 550 84 092 3 544 26 633 29 177 39 448 41 625 41 625 23 690	2010/11 2011/12 2012/13 Current Year 2013/14 Pre-audit Outcome 2014/15 M Expe Audited Outcome Audited Outcome Outcome Budget Full Year Forecast Pre-audit outcome Budget Year 2014/15 1 772 3 401 3 530 4 675 1 975 1 975 2 546 2 034 6 899 14 513 14 914 13 240 11 470 11 470 14 660 12 650 1 830 2 250 2 862 1 516 2 025 2 025 2 370 2 086 87 337 72 148 85 415 104 225 98 550 98 550 84 092 108 178 3 544 26 633 29 177 39 448 41 625 41 625 23 690 43 542	2010/11 2011/12 2012/13 Current Year 2013/14 2014/15 Medium Term Expenditure Frame Audited Outcome Outcome Audited Outcome Audited Outcome Budget Full Year Forecast Pre-audit outcome Budget Year 2013/16 1 772 3 401 3 530 4 675 1 975 1 975 2 546 2 034 2 132 6 899 14 513 14 914 13 240 11 470 11 470 14 660 12 650 13 257 1 830 2 250 2 862 1 516 2 025 2 025 2 370 2 086 2 186 87 337 72 148 85 415 104 225 98 550 98 550 84 092 108 178 143 222 3 544 26 633 29 177 39 448 41 625 41 625 23 690 43 542 45 986			

The percentage revenue from own sources increases during the budget year. In the two outer years of the MTREF the increases in revenue is fairly consistent, except electricity which is projected to increase by much higher percentages due to the increases allowed by NERSA. The growth in revenue contributions are indicated below (Excluding Capital Transfers). In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Description	Ref	2012/13			2014/15	Medium Term	Revenue & Ex	penditure Fra	mework
R thousand	1	Audited Outcome	Adjusted Budget	% Increase	Budget Year 2014/15	% Incease	Budget Year +1 2015/16	% Increase	Budget Year +2 2016/17
Revenue By Source			9						
Property rates	2	3 530	1 975	2.9%	2 034	4.6%	2 132	3.7%	2 214
Property rates - penalties & collection charges		_	_		_		_		-
Service charges - electricity revenue	2	5 662	6 479	6.1%	6 899	4.6%	7 230	3.7%	7 511
Service charges - water revenue	2	2 895	1 981	2.9%	2 041	4.6%	2 138	3.7%	2 221
Service charges - sanitation revenue	2	3 610	358	2.9%	369	4.6%	386	3.7%	401
Service charges - refuse revenue	2	2 747	2 650	6.0%	2 820	4.6%	2 955	3.7%	3 070
Service charges - other		_	_	0.0%	_		_		-
Rental of facilities and equipment		620	586	2.9%	604	4.6%	633	3.7%	657
Interest earned - external investments		2 862	2 025	2.9%	2 086	4.6%	2 186	3.7%	2 271
Interest earned - outstanding debtors		6 471	4 950	2.9%	5 098	4.6%	5 343	3.7%	5 550
Dividends received		-	-	0.0%	-	0.0%	_	0.0%	_
Fines		1	110	2.9%	113	4.6%	119	3.7%	123
Licences and permits		353	484	2.9%	498	4.6%	522	3.7%	542
Agency services		93	1 200	2.9%	1 236	4.6%	1 295	3.7%	1 345
Transfers recognised - operational		85 415	98 550	9.8%	109 208	23.7%	143 222	4.4%	149 843
Other rev enue	2	21 434	34 296	4.7%	35 992	5.5%	38 074	5.4%	40 241
Gains on disposal of PPE		207	_	0.0%	_	_	_	_	_
Total Revenue (excluding capital transfers		135 898	155 643	7.9%	168 998	18.1%	206 236	4.5%	215 991
and contributions)									
Expenditure By Type									
Employ ee related costs	2	43 685	50 318	18.4%	61 639	-0.4%	61 390	8.7%	67 219
Remuneration of councillors		9 101	9 740	4.8%	10 227	4.6%	10 718	3.7%	11 134
Debt impairment	3	9 539	3 156	2.9%	3 251	4.6%	3 407	3.7%	3 539
Depreciation & asset impairment	2	20 131	22 435	2.8%	23 084	4.6%	24 192	3.7%	25 131
Finance charges		530	170	2.9%	175	4.6%	184	3.7%	191
Bulk purchases	2	11 232	15 966	7.2%	17 213	4.6%	18 040	3.7%	18 740
Other materials	8	-	-	0.0%	-	0.0%	_	0.0%	-
Contracted services		2 713	4 665	19.0%	5 762	4.6%	6 038	3.7%	6 272
Transfers and grants		14 878	20 867	-10.2%	18 929	33.1%	28 296	15.9%	33 660
Other ex penditure	4, 5	39 816	56 580	5.2%	59 670	1.1%	60 318	3.7%	62 658
Loss on disposal of PPE		3 465	-	0.0%	-		-		-
Total Expenditure		155 090	183 898	8.0%	199 952	5.9%	212 582	7.0%	228 543
Surplus/(Deficit)		(19 192)	(28 255)	8.7%	(30 954)	-387.8%	(6 346)	49.4%	(12 553)
Transfers recognised - capital		20 793	28 138	9.1%	30 970	4.7%	32 508	3.9%	33 835
Contributions recognised - capital	6	-	-		-		-		-
Contributed assets		_	-		-		-		-
Surplus/(Deficit) after capital transfers &		1 601	(117)	837.2%	16	99.9%	26 162	-22.9%	21 282
contributions									

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality, but operating grants forms the major funding source.

This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. **Details in this regard are contained below:**

EC136 Emalahleni (EC) - Supporting Tab	le S	A1 Supportin	iging detail t	o 'Budgeted	Financial Pe	erformance'					
		2010/11	2011/12	2012/13		Current Ye	ear 2013/14			edium Term R nditure Frame	
Description	Ref				1		1		·		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit		Budget Year	
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		4 776	3 905	3 530	5 200	2 500	2 500	1 613	2 575	2 699	2 803
less Revenue Foregone		3 003	504		525	525	525		541	567	589
Net Property Rates		1 772	3 401	3 530	4 675	1 975	1 975	1 613	2 034	2 132	2 214
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		5 398	5 596	6 425	6 485	7 156	7 156	4 705	7 596	7 961	8 270
less Revenue Foregone		416	517	762	677	677	677	462	697	730	759
Net Service charges - electricity revenue		4 982	5 079	5 662	5 808	6 479	6 479	4 243	6 899	7 230	7 511
Service charges - water revenue	6										
Total Service charges - water revenue		(7)	3 093	2 896	3 839	2 829	2 829	4 709	2 914	3 054	3 172
less Revenue Foregone				1	848	848	848	22	873	915	951
Net Service charges - water revenue		(7)	3 092	2 895	2 991	1 981	1 981	4 687	2 041	2 138	2 221
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		(441)	3 814	3 931	3 412	3 230	3 230	2 760	3 327	3 487	3 622
less Revenue Foregone			93	321	2 873	2 873	2 873	272	2 959	3 101	3 221
Net Service charges - sanitation revenue		(441)	3 721	3 610	539	358	358	2 488	369	386	401
Service charges - refuse revenue	6										
Total refuse removal revenue		2 559	2 686	2 888	4 200	3 000	3 000	2 008	3 180	3 333	3 462
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone		195	66	141	300	350	350	215	361	378	392
Net Service charges - refuse revenue		2 364	2 620	2 747	3 900	2 650	2 650	1 793	2 820	2 955	3 070
Other Revenue by source											
Other Revenue		556	20 017	21 434	33 128	34 296	34 296	15 971	35 992	38 074	40 241
Total 'Other' Revenue	3	556	20 017	21 434	33 128	34 296	34 296	15 971	35 992	38 074	40 241
		300	20 017	201		5.270	5.270		33.72	33 37 1	

Tariffs for indigent households are set out below:

1	Rates free of charge to the value based on market value of his property to the maximum of R50 000
2	50 kWh free electricity per month
3	6 kiloliters of water free per month
4	Free refuse x 4 removal per month
5	Free sewerage per month

Operating grants and transfers totals R109 208 million in the 2014/15 financial year and increases to R149 843 million by 2016/17. Operating grants usually fluctuates upwards or downwards from year-to-year, as the revenue recognition for such grants depends only on compliance with any conditions attached to such grants and it is also dependant on the funding available from the other spheres of Government. The unconditional Equitable Share Grant, however, is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis. The contribution for Councillors Allowances also increased significantly for the budget year. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

EC136 Emalahleni (EC) - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013	3/14		ledium Term R nditure Frame	
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		65 774	67 826	82 270	103 653	93 409	93 409	107 143	142 161	148 740
Local Government Equitable Share		57 535	61 056	69 797	78 749	78 749	78 749	92 038	116 794	118 123
Finance Management		1 250	1 500	1 379	1 650	1 650	1 650	1 800	1 850	1 900
Municipal Systems Improvement		750	790	736	890	890	890	934	967	1 018
Integrated National Electrification Programme		5 000	4 480	9 000	20 000	10 000	10 000	10 000	20 000	25 000
EPWP Incentive		1 239	-	1 358	1 000	1 000	1 000	1 217	1 000	1 039
Other transfers/grants [insert description]		-	-	-	1 364	1 120	1 120	1 154	1 550	1 660
Provincial Government:		-	2 189	441	572	1 184	1 184	932	954	991
Other transfers/grants [insert description]		- -	2 189	- 441	- 572	- 1 184	- 1 184	932	954	991
District Municipality:		19 878	_	2 705	_	3 957	3 957	1 133	108	112
[insert description]		-	-	-	_	_	_		-	_
		19 878	-	2 705	-	3 957	3 957	1 133	108	112
Other grant providers:		-	-	-	-	-	-	-	_	-
[insert description]		-	-	_	-	_	<u>-</u>	_	_	_
Total Operating Transfers and Grants	5	85 651	70 015	85 415	104 225	98 550	98 550	109 208	143 222	149 843
Capital Transfers and Grants										
National Government:		15 978	19 217	20 793	25 917	28 138	28 138	30 970	32 508	33 835
Municipal Infrastructure Grant (MIG)		15 978	19 217	20 793	25 917	28 138	28 138	30 970	32 508	33 835
Other capital transfers/grants [insert desc]		-	-	-	_	-	-	_	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert										
description]		-	-	-	-	-	-	-	-	-
District Municipality:		3 243	-	-	-	-	-	-	-	-
[insert description]		3 243	-	-	-	-	-	-	_	_
Other grant providers:		_	_	_		_		_	_	
[insert description]		_	-	-	-	-	-		_	-
Total Capital Transfers and Grants	5	19 221	19 217	20 793	25 917	28 138	28 138	30 970	32 508	33 835
TOTAL RECEIPTS OF TRANSFERS & GRANTS		104 872	89 232	106 208	130 142	126 688	126 688	140 178	175 730	183 678

Revenue from capital transfers is indicated below is growing steadily from R30 970 in 2015 to R38 835 in 2017 million over the MTREF period.

Capital Transfers and Grants										
National Government:		15 978	19 217	20 793	25 917	28 138	28 138	30 970	32 508	33 835
Municipal Infrastructure Grant (MIG)		15 978	19 217	20 793	25 917	28 138	28 138	30 970	32 508	33 835
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	_	-	-
Other capital transfers/grants [insert desc]		-	_	_	_	-	_	_	-	_
Other capital transfers/grants [insert desc]		_				_		_	_	_
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert										
description]		-				_			_	_
District Municipality:		3 243	-	-	-	-	_	-	-	-
[insert description]		3 243	-			-			-	-
		-				_		_	_	_
Other grant providers:		-	-	_	-	-	_	-	-	-
[insert description]		-				-	-	_		=
		-	-	_		-	_	_	_	_
Total Capital Transfers and Grants	5	19 221	19 217	20 793	25 917	28 138	28 138	30 970	32 508	33 835

Total revenue per municipal vote, including capital transfers, is listed below:

EC136 Emalahleni (EC) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013	3/14		ledium Term R enditure Frame	
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
R thousand					Original	Adjusted			"	"
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
Revenue by Vote	1									
Vote 1 - Executive and Council		1 150	600	238	5 336	5 446	5 446	6 312	6 598	6 896
Vote 2 - Budget and Treasury		56 930	70 681	82 364	85 381	82 986	82 986	95 817	120 723	122 154
Vote 3 - Corporate Services		81	90	84	0	22	22	23	1	1
Vote 4 - Community and Social Services		4 274	5 032	5 250	6 354	5 823	5 823	5 764	6 041	6 275
Vote 5 - IPED		1	1 578	2 362	12	2 998	2 998	182	191	198
Vote 6 - Technical Services		38 945	42 388	66 392	91 936	86 506	86 506	91 359	105 735	114 867
		_	-	_	-	_	_	_	-	-
Total Revenue by Vote	2	101 381	120 370	156 691	189 019	183 781	183 781	199 458	239 289	250 392
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		16 131	20 604	20 610	23 716	27 371	27 371	28 973	29 680	31 200
Vote 2 - Budget and Treasury		17 610	14 198	18 606	20 387	20 994	20 994	23 443	24 185	25 656
Vote 3 - Corporate Services		9 959	9 752	12 731	15 219	13 513	13 513	18 959	16 985	18 135
Vote 4 - Community and Social Services		7 903	19 948	16 113	22 285	18 017	18 017	18 904	18 625	20 033
Vote 5 - IPED		4 875	6 699	9 592	10 262	13 319	13 319	11 867	11 692	12 515
Vote 6 - Technical Services		20 202	109 264	77 437	92 164	90 684	90 684	97 306	110 123	119 794
		-	-	-	-	-	-	_	-	-
Total Expenditure by Vote	2	76 680	180 467	155 090	184 033	183 898	183 898	199 453	211 289	227 333
Surplus/(Deficit) for the year	2	24 701	(60 097)	1 601	4 986	(117)	(117)	4	27 999	23 059

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by an external agency, the impact it has on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies it Credit Control Policy stringently but there are always situations where there are defaults on payment. The contribution for bad debt is increasing from R3 156 million in 2013/14 to R3 251 million in 2014/15 financial year.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R60 000;
- The limit for indigent households is twice the amount of government social pensions.

The municipality investigates a tariff structure consistent with operational requirements but also to ensure that the ratepayers are not over-burdened.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2014/15 financial year based on a general 6 per cent increase from 1 July 2014.

	ASSESMENT RATES			
Ratios				
Undeveloped land	1.0			
Institutional	1.5			
Land and Biuldings	1.0			
Business	1.5			
Government	1.5			
Agricultural	0.25			
Public service infrastructure	0.25			
Public benefit organisation	0.25			
FINANCIAL YEARS		2014-2015	2015-2016	2016-2017
Property Rates Tariff all areas		0.0076	0.0081	0.0085

1.4.2 Sale of Water and Sanitation and the Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. In addition, recent droughts caused water carting to be introduced by the Chris Hani District Municipality. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

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

The municipality obtains water from the Chris Hani District Municipality (CHDM) and deliver the service on behalf of the CHDM. The CHDM reimburses the municipality for the difference in expenditure incurred in delivering the service and the cash received from consumers as payment for the services. The municipality is concerned, that claims are not properly done monthly which ends up annually that the District owns monies to the local municipality.

Furthermore, the CHDM indicated that the water tariffs to the consumers are not cost reflective and as such the tariffs will increase substantially from the 2014/2015 financial year. Similarly, the CHDM also indicated the tariffs for sanitation are not cost reflective and may be subjected to significant increases.

	Water			
Domestic Consumers	Valei	2014-2015 2	015-2016	2016-2017
Someone consumers		2014.2013	.515 2010	
0-6		15.27	16.11	17.00
6-15		19.09	20.14	21.25
15-25	1	23.87	25.18	26.57
25-40		29.83	31.47	33.20
40-500		44.75	47.21	49.81
>500		89.50	94.42	99.61
2300		05.50	54.42	33.01
Availability Charge		45.82	48.34	51.00
realizating charge		13.02	10.5 1	31.00
Industrial and Agriculture				
Consumptive Tariff				
0-6		15.27	16.11	17.00
6-15		19.09	20.14	21.25
15-25		23.87	25.18	26.57
25-40		29.83	31.47	33.20
40-500		44.75	47.21	49.81
>500		89.50	94.42	99.61
ZJ00		89.50	54.42	33.01
Availability Chargo	+	127.40	145.03	152.00
Availability Charge		137.46	145.02	153.00
In add to the control of the control				
Institutions				
Consumptive Tariff		45.27	16.11	47.00
0-6		15.27	16.11	17.00
6-15		19.09	20.14	21.25
15-25		23.87	25.18	26.57
25-40		29.83	31.47	33.20
40-500		44.75	47.21	49.81
>500		89.50	94.42	99.61
Availability Chausa		437.46	145.03	153.00
Availability Charge		137.46	145.02	153.00
Mixed Hee (Eveluding Industrial & Acrievitaire)				
Mixed Use (Excluding Industrial & Agriculture) Consumptive Tariff				
	+	45.27	10 11	47.00
0-6		15.27	16.11	17.00
6-15		19.09	20.14	21.25
15-25		23.87	25.18	26.57
25-40		29.83	31.47	33.20
40-500		44.75	47.21	49.81
>500		89.50	94.42	99.61
			4.4	455.5
Availability Charge		137.46	145.02	153.00
Business & Commercial				
Consumptive Tariff				
0-6		15.27	16.11	17.00
6-15		19.09	20.14	21.25
15-25		23.87	25.18	26.57
25-40		29.83	31.47	33.20
40-500		44.75	47.21	49.81
>500		89.50	94.42	99.61
Availability Charge		137.46	145.02	153.00
Unmetered Consumers		137.46	145.02	153.00

Although water inventory belongs to the CHDM, the municipality continuously explores ways to limit the water losses to an acceptable level. There will always be water line losses due to burst pipes and as repairs thereof requires flushing of systems before being distributed again. However any losses above 13% to 15 % is considered excessive by the Auditor-General's office and regarded as fruitless expenditure.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 7.39 per cent increase in the Eskom bulk electricity was given by NERSA. However, NERSA has indicated a 6% to 8% tariff increase to municipalities will be effective from 1 July 2014.

Considering the Eskom increases, the consumer tariff had to be increased by 6% per cent to offset the additional bulk purchase cost from 1 July 2014. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

ELECTRICITY TARIFFS & CHARGES (Excl VAT)

Standard interest + 1.00% would be charged on all late payments

Implementation subject to NER approval

Tariffs are applicable throughout Emalahleni Municipality unless indicated otherwise

	ELECTRICITY							
All The Tariffs are VAT exclusive								
ees exclude cables, trenching and circuit breaker.								
INANCIAL YEARS			2014-2015					
	2014 2015 Propose	ed tariffs	S		Ť			
Tariff number		Prepaid/Con ventional		KWh	New	Inclining	g Block	Tariffs
	Household			Current approve tariffs	1 ~ - ~	51 - 350 KWh	351 - 600 KWh	>600 KWh
1	Indigent	Prepaid	1	R 0.8	9 0.98	1.07	1.22	1.44
2	Domestic	Prepaid	1	R 1.1		1.07	1.29	1.44
3	Domestic	Convetional	1	R 1.0		1.07	1.22	1.44
4	Domestic	Prepaid	3	R 1.3	5 0.98	1.07	1.29	1.44
5	Domestic	Conventiona		R 1.0		1.07	1.22	1.44
						-		
	Commercial	Commercial					New tariff KVA	
5	Commercial	Conventiona	1	tariffs		KWh 7% R 1.14		
6	Commercial	Conventiona		R 1.0		R 1.14		
7	Small Commercial	Prepaid	1	R 1.4		R 1.14		
8	Small Commercial	Prepaid	3	R 1.4		R 1.54		
9	Large Commercial D		KVA		9 R 159.06	_	R 159.06	
10	Large Commercial In		KVA		4 R 185.09		R 159.06	
11	Water/Sanitation	Demand	Demand	R 0.9			R 100.00	
12	Water/Sanitation	KWH	1&3	1 0.3	Ĭ	R 1.14		
	water/ Janitation	17.4411	103		1	1, 1,14	1	

Electricity is regarded as a trading account which should make a profit, although NERSA monitors and limits this profit to about 10% if possible. The municipality does not make a profit on electricity and must implement ways of achieving a profit, without overburdening the consumers with exorbitant tariffs. The municipality needs to establish the causes for electricity losses. The loss on the electricity service over the MTREF is 13,7 percent for 2014/2015 and 13,9 percent and 14,1 percent for the outer years

Electricity line losses should be continuously monitored as it can represent a significant financial loss for the municipality. In general electricity line losses of 10% are being regarded as "acceptable" in the industry and Emalahleni Municipality is well above that norm.

Comparison between current electricity charges and increases

It should further be noted that NERSA has advised that a stepped tariff structure must be used. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality should comply with this requirement.

1.4.4 Waste Removal and Impact of Tariff Increases

The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main cost drivers for this section are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. In addition, the cost of new landfill sites, the effect of depreciation and rehabilitation on these landfill sites all plays an important role as cost drivers. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation should be incorporated into the next planning cycle.

Higher increases then inflation will not be viable in 2014/15 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 6 per cent would not only be counterproductive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt, but also, although on a small scale, not assisting the national government in reaching the CPIX target of between 3 and 6 percent.

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

Comparison between current waste removal fees and increases

REFUSE REMOVAL											
	1 1										
FINANCIAL YEARS	2014-2015	2015-2016	2016-201								
Tariffs exclude VAT											
Domestic Consumers:											
Domestic Consumers: All Areas	66.30	69.95	73.80								
Commercial Consumers:											
Commercial Consumers: All Areas	132.60	139.89	147.58								
Government Consumers:											
Government Consumers: All Areas	331.20	349.41	368.63								
Indigents:											
Indigents: Indigent Consumers all areas	66.30	69.95	73.80								
Indigent subsidy	100%	100%	100%								
Effective Charge	0.00	0.00	0.00								
Special Refuse collection	242.53	255.87	269.95								
Collection of Garden Refuse	242.53	255.87	269.95								
Special Refuse collection - Government and Commercial	288.22	304.07	320.79								
Tree- cutting inside yard :	2 739.32	2889.98	3048.93								
Rubble per load/building remains	280.43	295.85	312.12								

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on different households. The National Treasury adjusted the way comparatives are being calculated and for that reason current tariffs are unfortunately not included.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to about 20.2%, excluding the electricity adjustments.

EC136 Emalahleni (EC) - Supporting Table SA14 Household bills

EC136 Emalahleni (EC) - Supporting Table SA14 Household bills											
		2010/11	2011/12	2012/13	Cui	rent Year 2013	3/14	2014/15 /	Medium Term F Frame		enditure
Description	Ref	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	2014/15	+1 2015/16	+2 2016/17
Rand/cent						5		% incr.			
Monthly Account for Household - 'Middle	1										
Income Range'											
Rates and services charges:											
Property rates		329.94	356.20	396.67	420.00	420.00	420.00	5.8%	445.96	472.72	501.08
Electricity: Basic levy		82.26	91.09	1.09	54.50	54.50	54.50	(100.0%)	_	_	_
Electricity: Consumption		878.90	1 020.50	1 024.70	1 090.00	1 090.00	1 090.00	24.3%	1 440.00	1 526.40	1 617.98
Water: Basic levy		44.32	46.98	37.02	39.24	39.24	39.24	14.4%	45.82	48.57	51.48
Water: Consumption		123.60	131.10	117.60	432.30	432.30	432.30	33.6%	651.28	690.36	731.78
Sanitation		50.35	53.37	68.75	72.88	72.88	72.88	5.1%	76.77	81.38	86.26
Refuse removal		65.64	70.89	62.55	65.93	65.93	65.93	0.6%	66.30	70.28	74.49
Other		03.04	70.03	02.55	05.55	03.33	00.00	0.070	00.50	70.20	74.45
sub-total		1 575.01	1 770.13	1 708.38	2 174.85	2 174.85	2 174.85	20.2%	2 726.13	2 889.70	3 063.08
VAT on Services		174.31	197.95	23.72	32.56	32.56	32.56	20.270	381.66	404.56	428.83
Total large household bill:		1 749.32	1 968.08	1 732.09	2 207.41	2 207.41	2 207.41	29.0%	3 107.79	3 294.25	3 491.91
% increase/-decrease		1 /49.32	1 906.06	(12.0%)	27.4%	2 207.41	2 207.41	29.076	40.8%	6.0%	6.0%
			12.370	(12.070)	21.470				40.070	0.076	0.076
Monthly Account for Household - 'Affordable	2										
Range'											
Rates and services charges:											
Property rates		233.60	252.20	283.33	300.00	300.00	300.00	5.8%	318.54	337.65	357.91
Electricity: Basic levy Electricity: Consumption		82.26	91.09	81.00	54.50	54.50	54.50	(100.0%)	-	-	-
Water: Basic levy		381.34	425.50	512.35	545.00	545.00	545.00	15.5%	645.00	683.70	724.72
Water: Consumption		44.32 103.00	46.98 109.25	34.93 98.00	37.02 360.25	37.02 360.25	37.02 360.25	19.2% 28.3%	45.82 502.13	48.57 532.26	51.48 564.19
Sanitation		50.35	53.37	65.23	68.75	68.75	68.75	10.4%	76.77	81.38	86.26
Refuse removal		65.64	70.89	59.35	62.55	62.55	62.55	5.7%	66.30	70.28	74.49
Other											
sub-total		960.51	1 049.28	1 134.19	1 428.07	1 428.07	1 428.07	15.9%	1 654.56	1 753.84	1 859.07
VAT on Services				33.67	31.19	31.19	31.19		231.64	245.54	260.27
Total small household bill:		960.51	1 049.28	1 167.86	1 459.26	1 459.26	1 459.26	29.3%	1 886.20	1 999.37	2 119.33
% increase/-decrease			9.2%	11.3%	25.0%		-		29.3%	6.0%	6.0%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		137.27	148.20	170.00	180.00	180.00	180.00	0.9%	181.57	192.46	204.01
Electricity: Basic levy		82.26	91.09	81.00	270.00	270.00	270.00	(100.0%)	-	-	-
Electricity: Consumption		253.00	271.00	358.65	381.50	381.50	381.50	(18.8%)	321.00	340.26	360.68
Water: Basic levy		28.19	29.88	34.93	37.02	37.02	37.02	19.2%	45.82	48.57	51.48
Water: Consumption		69.40	73.60	78.40	201.74	201.74	201.74	30.7%	291.16	308.63	327.15
Sanitation		50.35	53.37	65.23	68.75	68.75	68.75	10.4%	76.77	81.38	86.26
Refuse removal		65.64	70.89	59.35	62.55	62.55	62.55	5.7%	66.30	70.28	74.49
Other											
sub-total		686.11	738.03	847.56	1 201.56	1 201.56	1 201.56	(18.2%)	982.62	1 041.58	1 104.07
VAT on Services		76.84	82.58	32.78	30.30	30.30	30.30	78.0%	137.57	145.82	154.57
Total small household bill:		762.95	820.61	880.34	1 231.86	1 231.86	1 231.86	(9.1%)	1 120.19	1 187.40	1 258.64
% increase/-decrease			7.6%	7.3%	39.9%	-	-		(9.1%)	6.0%	6.0%
								l			

1.5 Operating Expenditure Framework

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

- Guidance provided by National Treasury in Circulars 58, 59, 66, 71 and 72;
- Balanced budget constraint (operating expenditure should not exceed operating Revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

The capital programme is aligned to the asset renewal strategy and backlog eradication plan;

Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

Limitation on tariff increases.

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

EC136 Emalahleni (EC) - Table A4 Budgeted Financial Performance (revenue and expenditure)

Remonal Property rates Property rate	EC136 Emalahleni (EC) - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Minuspersecond Company Continue Cont	Description	Ref	2010/11		2012/13		Current Ye	ear 2013/14				
Revenue by Source Property rates P	R thousand	1	1 1				-					Budget Year +2 2016/17
Properly mates 2 1772 3 401 3 530 4 675 1 975 2 546 2 034 2 132 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Revenue By Source											
Properly males - penalises & collection changes Service charges - electricity reviews 2		2	1 772	3 401	3 530	4 675	1 975	1 975	2 546	2 034	2 132	2 214
Service charges - electricity revenue 2 4 982 5 079 6 682 5 080 6 479 6 479 5 506 7 419 7 775 8 6 8	, ,	-										22
Service charges - water revenue		ا ا	4.002									8 077
Service charges - sendation revenue 2 (441) 3 721 3 610 539 388 388 388 1152 399 386 4	,											l
Service charges - refuse revenue 2 2 2 364 2 620 2 2 7 3 3 900 2 650 2 2 2 2 2 2 2 2 5 3 3 3 3 3 3 3 3 3	•		1 1									2 223
Service charges - other Rental of buildes and equipment 1830 2 250 2 862 1 516 2 025 2 025 2 377 2 066 2 186 2 2 1 516 2 025 2 025 2 377 2 066 2 186 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	•		1 ` 1									401
Rental of facilities and equipment Interest earned - x thmall missments 1830 2 250 2 862 1 516 2 025 2 025 2 026 2 086 2 166 22 166 2 025 Dividands received 1830 2 250 2 862 1 516 2 025 2 025 2 025 2 026 2 086 2 166 2 086 2 166 2 025 Dividands received 2 5 6611 6 471 4 278 4 950 4 950 6 409 5 098 5 343 5 5 10 10 10 10 10 10 10 10 10 10 10 10 10	Service charges - refuse revenue	2	2 364	2 620	2 747	3 900	2 650	2 650	2 244	2 820	2 955	3 070
Interest earned - external investments 1830 2 250 2 862 1 516 2 025 2 025 2 370 2 086 2 186 2 2 186 1 1 1	Service charges - other		-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debiors	Rental of facilities and equipment		656	703	620	491	586	586	574	604	633	657
Dividends received	Interest earned - external investments		1 830	2 250	2 862	1 516	2 025	2 025	2 370	2 086	2 186	2 271
Fines	Interest earned - outstanding debtors		2 284	5 611	6 471	4 278	4 950	4 950	6 409	5 098	5 343	5 550
Fines	*		_	_ [_	_	_	_	_	_	_	_
Licences and permits			0	1	1	0	110	110	104	113	119	123
Agency services					353							542
Transfers recognised - operational 87 337 72 148 85 415 104 225 98 550 98 550 84 092 108 178 143 222 149 6	•		40									1 345
Other revenue Gains on disposal of PPE	• ,				1.1							
Cains on disposal of PPE	• .											
Total Revenue (excluding capital transfers and contributions)		2	556		-		34 296	34 296			38 074	40 241
Sepanditure By Type Employee related costs 2 2.7 500 39 391 43 685 39 274 50 318 50 318 33 796 61 639 61 750 67 76 8 270 9 101 10 297 9 740 9 740 8 223 10 227 10 718 11 72 7 79			-				_					-
Expenditure By Type	Total Revenue (excluding capital transfers		101 381	118 944	135 898	163 103	155 645	155 645	127 358	168 489	206 782	216 558
Employee related costs	and contributions)											
Remuneration of councillors Debt impairment De	Expenditure By Type											
Debt impairment 3 7 792 45 237 9 539 4 069 3 156 3 156 3 251 3 407 3 3 5	Employ ee related costs	2	27 500	39 391	43 685	39 274	50 318	50 318	33 796	61 639	61 750	67 726
Depreciation & asset impairment 2	Remuneration of councillors		6 776			10 297	9 740		8 223	10 227		11 134
Finance charges Bulk purchases 2 7 291 9 699 11 232 12 291 15 966 15 966 11 112 17 213 18 040 18 7 Other materials 8	Debt impairment		7 792	45 237	9 539	4 069	3 156	3 156	3 156	3 251	3 407	3 539
Bulk purchases Other materials Other materials Other materials Other materials Other materials Other materials Other waterials Transfers and grants Other expenditure 4, 5 20 257 45 665 39 816 65 314 56 581 30 906 60 203 58 666 60 900 Loss on disposal of PPE Total Expenditure 76 680 180 467 155 090 184 035 183 900		2	-						22 435			25 131
Other materials Contracted services Contracted	Ÿ											191
Contracted services Transfers and grants Other expenditure Loss on disposal of PPE Total Expenditure Total Expenditure Transfers recognised - capital Contributions recognised - capital Contributions Taxation Surplus/(Deficit) after capital transfers & Contributions Taxation Attributable to municipality Share of surplus/ (deficit) after taxation Attributable to municipality Share of surplus/ (deficit) of associate Total Expenditure Total Ex			7 291	9 699		12 291		15 966	11 112		18 040	18 740
Transfers and grants Other expenditure Other exp		8	-					-	-			
Other expenditure			-		- 1							6 272
Loss on disposal of PPE	•	ا . ۔										33 660
Total Expenditure 76 680 180 467 155 090 184 035 183 900 133 870 199 455 211 291 227 3 Surplus/(Deficit)	•	4, 5	20 257			00 314	20 20 1	20 201	30 900		30 000	60 942
Surplus/(Deficit) Transfers recognised - capital Contributions recognised - capital Contributed assets Surplus/(Deficit) after capital transfers & Contributions Tax ation Surplus/(Deficit) after taxation Attributable to minorities Surplus/(Deficit) attributable to municipality Share of surplus/ (deficit) of associate 24 701 (61 522) (19 192) (20 931) (28 255) (28 255) (6 512) (30 966) (4 509) (10 70 70 70 70 70 70 70 70 70 70 70 70 70	•		- 7/ /00			- 404.005	-	- 100 000	-		-	-
Transfers recognised - capital Contributions recognised - capital Contributions recognised - capital Contributions recognised - capital Contributed assets Surplus/(Deficit) after capital transfers & Contributions Tax ation Surplus/(Deficit) after taxation Attributable to minorities Surplus/(Deficit) attributable to municipality Share of surplus/ (deficit) of associate - 1425 20793 25917 28138 28138 12620 30970 32508 336												
Contributions recognised - capital Contributed assets Surplus/(Deficit) after capital transfers & 24 701 (60 097) 1 601 4 986 (117) (117) 6 108 4 27 999 23			24 701		` '	, ,	, ,	' '	. ,			(10 776)
Contributed assets Surplus/(Deficit) after capital transfers & 24 701 (60 097) 1 601 4 986 (117) (117) 6 108 4 27 999 23 (33 835
Surplus/(Deficit) after capital transfers & 24 701 (60 097) 1 601 4 986 (117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 23 00 117) (117) 6 108 4 27 999 23 (27 999 117) (117) 6 108 4 27 999 23 (27 999 117) (117) 6 108 4 27 999 23 (27 999 117) (117) 6 108 4 27 999 23 (27 999 117) (117) 6 108 (27 999 117) (117) (117) 6 108 (27 999 117) (117) (117) (117) 6 108 (27 999 117) (117) (117) (117) (117) (117) (117) (117) (117)	• .	6	-								-	-
Contributions Tax ation -			-								-	-
Tax ation			24 701	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059
Surplus/(Deficit) after taxation Attributable to minorities 24 701 (60 097) 1 601 4 986 (117) (117) 6 108 4 27 999 23 0 Surplus/(Deficit) attributable to municipality Share of surplus/ (deficit) of associate 7												
Attributable to minorities			-	-	-	-	-		-		-	-
Surplus/(Deficit) attributable to municipality Share of surplus/ (deficit) of associate 7			24 701	(60 097)			(117)		6 108		27 999	23 059
Share of surplus/ (deficit) of associate 7			-	-			-		-		-	-
	Surplus/(Deficit) attributable to municipality		24 701	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059
	Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	_	-
Surplus/(Deficit) for the year 24 701 (60 097) 1 601 4 986 (117) (117) 6 108 4 27 999 23 0	Surplus/(Deficit) for the year		24 701	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059

The budgeted allocation for employee related costs for the 2014/15 financial year totals R61 639 million, which equals 38.8 per cent of the total operating expenditure. This percentage remains to 28.9 and 29.4 per cent in the outer years of the MTREF period. Should electricity bulk purchases and depreciation be excluded, in order to compare it with other municipalities on a more equal basis, the costs represent 38.6 per cent of the expenditure and remain to 36 and 36.4 per cent in the outer years. Based on the guidance provided by National Treasury in Circular 58 and in the absence on a new collective agreement on increases, salary increases have been factored into this budget at a percentage increase of 9.5 per cent (including the notch increases of 2.5 %) for the 2014/15 financial year. An annual increase of 4.8 and 3.9 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. The provision of debt impairment was determined based on an annual collection rate of 15 per cent and the Debt Write-off Policy of the Municipality. For the 2014/15 financial year this amount equates to R3 156 million and escalates to R3 539 million by 2016/17. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R22 435 million for the 2014/15 financial and equates to 11.5 per cent of the total operating expenditure. In order to measure it against other municipalities, if electricity bulk purchases are eliminated, it represents 14.5 per cent of the expenditure. The average for local municipalities in recent research is 11, 76 per cent, and this small difference indicating that expected useful lives and depreciation rates are realistic.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. Electricity bulk purchases represent 8.6 per cent of expenditure and decrease to 8.5 per cent and 8.2 per cent in the outer years. If depreciation is excluded, the percentage is 10.8 per cent for the budget year and decreasing to 10.6 per cent and 10.1 per cent in the outer years.

National Treasury is introducing a new Chart of Accounts and additional expenditure line-items in the budget. One of these line-items is "Other materials". Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. This group of expenditure has been identified in order to measure sustainability of the Municipality's infrastructure. The municipality's financial systems are, however, not yet ready to implement this change and will be addressed in future budgets.

Main operational expenditure categories for the 2013/14 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2014/15 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset management policy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, National Treasury requires municipalities to adapt their costing systems to reflect these costs as Repairs and Maintenance. The municipality financial systems, as yet, cannot provide for this request and it will be implemented in future budgets.

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, the municipality identified this, together with other strategic items, as priority to be investigated and changes to be incorporated into the next budget, if not already to the 2014/2015 Adjustments Budget. The table below provides a breakdown of the repairs and maintenance in relation to asset class:

EC136 Emalahleni (EC) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013	1/14		ledium Term R nditure Frame	
R thousand	1	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
Repairs and maintenance expenditure by Asse	t Cla	ss/Sub-class								
Infrastructure		891	-	5 226	7 948	5 937	5 937	6 115	6 408	6 657
Infrastructure - Road transport		447	-	1 106	836	1 397	1 397	1 439	1 508	1 566
Roads, Pavements & Bridges		342	-	883	557	1 097	1 097	1 130	1 184	1 230
Storm water		105	_	223	279	300	300	309	324	336
Infrastructure - Electricity		445	_	647	966	1 323	1 323	1 363	1 428	1 484
Generation		_	_	_	_	_	-	_	_	_
Transmission & Reticulation		366	_	315	323	323	323	333	349	362
Street Lighting		78	_	332	643	1 000	1 000	1 030	1 079	1 121
Infrastructure - Water		-	_	2 386	3 872	2 859	2 859	2 945	3 086	3 206
				2 300	3 072				3 000	3 200
Dams & Reservoirs		-	-	_		-	-	-	_	_
Water purification		-	-		- 0.070	- 0.050				
Reticulation		-	-	2 386	3 872	2 859	2 859	2 945	3 086	3 206
Infrastructure - Sanitation		-	-	1 086	2 273	357	357	368	386	401
Reticulation		-	-	1 086	2 273	357	357	368	386	401
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	_	-	-	-	-	-	_	-	_
Gas		_	_	_	_	_	_	_	_	_
Other	3	_	_	_	_	_	_	_	_	_
56.			_							
Community		41	-	86	342	531	531	547	573	595
Parks & gardens		7	-	-	87	33	33	34	36	37
Sportsfields & stadia		15	-	4	47	40	40	41	43	45
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	- 1	-	-	-	-	-	_
Recreational facilities Fire, safety & emergency		_	_	_'	_	_	_		_	
Security and policing			_	_		_	_		_	_
Buses	7	_	_	_	_ 1	_	_	_	_	_
Clinics		-	_	_	_	-	_	_	_	_
Museums & Art Galleries		-	-	-	- 1	100	100	103	108	112
Cemeteries		19	-	82	143	357	357	368	386	401
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	66	-	-	-	-	-
Heritage assets		_	_	_	_	_	_	_	_	_
Buildings										
Other	9	_	_	_	_	_	_	_	_	_
Investment properties		-	-	-	-	-	-	-		_
Housing dev elopment		-	-	-		_	-	-	-	_
Other		-	-	-	-	-	-	-	-	-
Other assets		1 574	_	1 987	7 705	5 773	5 773	5 886	4 754	4 939
General vehicles		892		1 042	3 730	911	911	939	984	1 022
Specialised vehicles	10	-	_	_	-	_	_	_	-	-
Plant & equipment		156	-	127	1 256	2 702	2 702	3 433	2 916	3 029
Computers - hardware/equipment		-	-	2	33	12	12	12	13	13
Furniture and other office equipment		63	-	78	296	116	116	120	126	130
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	- 707	- 0.000	-	-	-		- 742
Civic Land and Buildings Other Buildings		- 463	_	737	2 390	2 032	2 032	1 383	716	743
Other Buildings Other Land		463	_	_	_	_	_		_	_
Surplus Assets - (Investment or Inventory)		_	_	_	_	_	_	_	_	_
Other		-	-	-	-	-	-	-	-	_
A . d . D L L										
Agricultural assets List sub-class		-		-	_				-	-
LIST SUD-CIASS		_	_	_	_	_	_	_	_	_
Biological assets		-			-		-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		_	_	_	_	_	_	_	_	_
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	_
Total Repairs and Maintenance Expenditure	1	2 506	-	7 299	15 995	12 241	12 241	12 548	11 736	12 191
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	_	-
	_						0.00/	3.0%		0.00/
R&M as a % of PPE		1.1%	0.0%	2.0%	6.2%	3.0%	3.0%		2.7%	2.8%

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register all indigent households during the 2013/14 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained below.(Note that Water and Sanitation, although provided by the municipality, is the function of CHDM)

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The Transfer of grants as a result of free basic services totals R5 431 million in the budget year of 2014/15 and increasing to R5 691 million and R5 912 million in the outer years.

1.6 Capital expenditure

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

EC136 Emalahleni (EC) - Table A5 Budge	ted (Capital Expe	nditure by vo	ote, standard	classification	n and fundi	ng				
Vote Description	Ref	2010/11	2011/12	2012/13		Current Ye	ear 2013/14			ledium Term R	
										enditure Frame	
R thousand	1	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	-	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
Capital expenditure - Vote	١. ا										
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	_	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-								-
Vote 4 - Community and Social Services		-	-	6 437	15 556	10 614	10 614	10 614	24 574	15 422	-
Vote 5 - IPED		-	-		-			-	_		
Vote 6 - Technical Services		-	-	7 816	10 341	17 401	17 401	17 401	3 319	14 459	28 929
		-	-	-	-	-	-		_	-	-
Capital multi-year expenditure sub-total	7	-	-	14 254	25 898	28 015	28 015	28 015	27 893	29 881	28 929
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	312	439	6 380	2 840	2 840	2 840	4 210	210	2 270
Vote 2 - Budget and Treasury		-	260	672	970	1 751	1 751	1 751	1 160	1 060	1 240
Vote 3 - Corporate Services		-	534	159	140	140	140	140	370	100	290
Vote 4 - Community and Social Services		-	493	1 154	940	1 820	1 820	1 820	2 180	100	1 747
Vote 5 - IPED		-	38	135	2 784	2 749	2 749	2 749	2 290	1 740	105
Vote 6 - Technical Services		-	1 955	258	2 630	6 694	6 694	6 694	120	100	1 747
		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	3 592	2 817	13 844	15 994	15 994	15 994	10 330	3 310	7 399
Total Capital Expenditure - Vote		-	3 592	17 070	39 742	44 009	44 009	44 009	38 223	33 191	36 328
Capital Expenditure - Standard											
Governance and administration		-	1 106	1 269	7 490	4 731	4 731	4 731	5 740	1 370	3 800
Executive and council		-	312	439	6 380	2 840	2 840	2 840	4 210	210	2 270
Budget and treasury office		-	260	672	970	1 751	1 751	1 751	1 160	1 060	1 240
Corporate services		-	534	159	140	140	140	140	370	100	290
Community and public safety		-	493	7 844	11 496	9 164	9 164	9 164	19 700	8 416	1 747
Community and social services		-	493	7 591	4 604	5 110	5 110	5 110	15 303	5 416	1 747
Sport and recreation		-	- 1	-	6 892	4 054	4 054	4 054	4 397	3 000	-
Public safety		-	-	253	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	r -	-
Health		-	-	-	-	-	-	_	-	-	-
Economic and environmental services		-	1 993	7 951	15 756	26 844	26 844	26 844	5 729	16 299	29 174
Planning and development		-	38	135	2 784	2 749	2 749	2 749	2 290	1 740	105
Road transport		-	1 955	7 816	12 971	24 095	24 095	24 095	3 439	14 559	29 069
Environmental protection		-	-	- 5	-	2 270	3 270	2 270	7.054	7 10/	1 (07
Trading services			_	J _	5 000	3 270		3 270	7 054	7 106	1 607
Electricity		L	_		_	-	-		-	_	_
Water Water management				5		_		_	_	- I	1 607
Waste water management		L	_ []	- I	5 000	2 270	3 270	3 270		7 106	1 007
Waste management Other		-	_	_	5 000	3 270	3 210	3 210	7 054	7 100	_
Total Capital Expenditure - Standard	3		3 592	17 070	39 742	44 009	44 009	44 009	38 223	33 191	36 328
	۲		3 372	17 070	37 7 42	11 007	11 007	44 007	30 223	33 171	30 320
Funded by: National Gov ernment		_	1 425	20 793	25 917	28 138	28 138	12 620	30 970	32 508	33 835
Provincial Government		_	1 420	20 193	20 917	20 130	20 130	12 020	30 970	32 300	33 635
District Municipality											
Other transfers and grants Transfers recognised - capital	4	_	1 425	20 793	25 917	28 138	28 138	12 620	30 970	32 508	33 835
Public contributions & donations	5	_	1 425	20 193	20 71/	20 138	20 138	12 020	30 9/0	32 308	33 033
Borrowing	6										
Internally generated funds	"		2 166	(3 723)	13 825	15 871	15 871	31 389	7 253	683	2 493
Total Capital Funding	7	-	3 592	17 070	39 742	44 009	44 009	44 009	38 223	33 191	36 328
iotai Capitai Fullulliy	_ ′	-	3 392	17 070	37 /42	44 009	44 009	44 009	30 223	33 191	30 328

The following table provides more information on the breakdown of the capital budget and the related maintenance of assets.

EC136 Emalahleni (EC) - Supporting Table SA34a Capital expenditure on new assets by asset class

EC136 Emalahleni (EC) - Supporting Tab	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013		Ехре	ledium Term R nditure Frame	
R thousand	1	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 on new assets by Asset Cl	ass/S	Sub-class								
<u>Infrastructure</u>		-	1 492	7 749	11 706	18 765	18 765	4 869	16 119	30 536
Infrastructure - Road transport		-	1 492	7 749	10 341	17 401	17 401	3 319	14 459	28 929
Roads, Pavements & Bridges		-	1 492	7 749	10 341	17 401	17 401	3 319	14 459	28 929
Storm water		_	_	_	_	_	_	_	_	_
Infrastructure - Electricity		_	-	_	-	-	_	_	_	_
Generation		_	_	_	_	_	_	_	_	_
Transmission & Reticulation		_	_	_	_	_	_	_	_	_
Street Lighting			_	_	_	_	_	_	_	_
			_	_	_	_	_	_	_	_
Infrastructure - Water				_				_	_	_
Dams & Reservoirs		-	-		-	-	-	_	_	_
Water purification		-	-	-	-	-	-	_	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	1 607
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	1 607
Infrastructure - Other		-	-	-	1 364	1 364	1 364	1 550	1 660	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	_	-	_	1 364	1 364	1 364	1 550	1 660	_
Community			-	5 864	9 706	7 594	7 594	15 490	7 900	1 607
Parks & gardens		-	-	-	350	-	-	-	-	1 607
Sportsfields & stadia		_	_	4 902	6 892	4 054	4 054	4 397	3 000	_
Swimming pools Community halls			_	_	2 064	2 064	2 064	8 443	4 900	_
Libraries				_	_	2 004	_	-	- 4 300	_
Recreational facilities		_	_	54	_	_	_	_	_	_
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries Cemeteries		_	_	907	-	- 476	- 476	2 650	_	_
Social rental housing	8		_	-		-	-			
Other	`	_	-	_	400	1 000	1 000	_	_	_
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings	١,	-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		_	_	_	_	_	_	_	_	_
Housing dev elopment		_		_	-	-	_	-	_	-
Other		-	-	_	-	-	_	-	-	-
Other assets		-	2 100	3 331	18 330	17 650	17 650	17 614	9 172	4 035
General v ehicles	1,	-	1 220	256	1 150	1 556	1 556	2 900	800	1 100
Specialised vehicles	10	-	- 34	260	3 250	7 714	7 714	460	-	-
Plant & equipment Computers - hardware/equipment		_	727	516	3 250 510	435	435	500	480	475
Furniture and other office equipment		_	118	321	6 500	415	415	370	330	400
Abattoirs		_	-	-	-	-	-	-	-	-
Markets		-	-	1 379	-	-	_	-	-	-
Civic Land and Buildings		-	-	599	6 320	6 980	6 980	13 134	7 562	2 060
Other Buildings		-	-	-	-	550	550	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory) Other		_	_	_	600	_	_	250	_	_
Agricultural assets			-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles				400		_		250	_	450
			-	126 126	-	-	-	250	-	150 150
	1	_	_	-	_	_	_	250	_	- 150
Computers - software & programming							44 009	38 223	33 191	
Computers - software & programming Other (list sub-class)	ļ.,		2.52-	4-0-				1 28 222	22 101	36 328
Computers - software & programming	1	-	3 592	17 070	39 742	44 009	44 009	30 223	33 171	
Computers - software & programming Other (<i>list sub-class</i>) Total Capital Expenditure on new assets	1									
Computers - software & programming Other (list sub-class) Total Capital Expenditure on new assets Specialised vehicles	1	-	-	-	-	-	-	-	-	-
Computers - software & programming Other (list sub-class) Total Capital Expenditure on new assets Specialised vehicles Refuse	1			-	-	-	-	-	-	-
Computers - software & programming Other (list sub-class) Total Capital Expenditure on new assets Specialised vehicles Refuse Fire	1	- - -	-	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Computers - software & programming Other (list sub-class) Total Capital Expenditure on new assets Specialised vehicles Refuse	1	-	-	-	-	-	-	-	-	-

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 6 MBRR SA35 on page 91. This table shows that future operational costs associated with the capital programme totals R37 423 million in 2014/15 and escalates to R33.2 million by 2015/16. This concomitant operational expenditure is expected to escalate to R36.3 million by 2016/17. It needs to be noted that as part of the 2014/15 MTREF, this expenditure has been factored into the two outer years of the operational budget.

EC136 Emalahleni (EC) - Supporting Table SA35 Future financial implications of the capital budget

EC136 Emalahleni (EC) - Supporting Tab	ie S	A35 Future fi	inancial impl	ications of th	ne capital bu	aget					
Vote Description	Ref		ledium Term R nditure Frame			Fore	1 1				
D.I		Budget Year	Budget Year	Budget Year	Forecast	Forecast	Forecast	Present			
R thousand		2014/15	+1 2015/16	+2 2016/17	2017/18	2018/19	2019/20	value			
Capital expenditure	1										
Vote 1 - Executive and Council		4 210	210	2 270							
Vote 2 - Budget and Treasury		1 160	1 060	1 240							
Vote 3 - Corporate Services		370	100	290							
Vote 4 - Community and Social Services		26 754	15 522	1 747							
Vote 5 - IPED		2 290	1 740	105							
Vote 6 - Technical Services		3 439	14 559	30 676							
Vote 7 -		_	-	_							
Vote 8 -		_	-	_							
Vote 9 -		_	-	-							
Vote 10 -		_	-	-							
Vote 11 -		_	-	-							
Vote 12 -		_	-	_							
Vote 13 -		_	-	-							
Vote 14 -		_	-	-							
		-	-	-							
List entity summary if applicable											
Total Capital Expenditure		38 223	33 191	36 328	-	-	-	-			
Future operational costs by vote	2										
Vote 1 - Executive and Council											
Vote 2 - Budget and Treasury											
Vote 3 - Corporate Services											
Vote 4 - Community and Social Services											
Vote 5 - IPED											
Vote 6 - Technical Services											
Vote 7 -											
Vote 8 -											
Vote 9 -											
Vote 10 -											
Vote 11 -											
Vote 12 -											
Vote 13 -											
Vote 14 -											
List entity summary if applicable											
Total future operational costs		_	-	-	-	-	-	-			
Future revenue by source	3										
Property rates	"										
Property rates - penalties & collection charges											
Service charges - electricity revenue											
Service charges - water revenue											
Service charges - water revenue											
Service charges - refuse revenue											
Service charges - other											
Rental of facilities and equipment											
List other revenues sources if applicable											
List entity summary if applicable											
Total future revenue		_	_	_	_	_	_	_			
Net Financial Implications	\vdash	38 223	33 191	36 328		_	_				
ivet i maneiai impireautitis		30 223	33 191	30 320	_	_	_	_			

1.7 Annual Budget Tables

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

EC136 Emalahleni (EC) - Table A1 Budget Summary

Description	EC136 Emalahleni (EC) - Table A1 Budget	Summary									
Report Processing Process	Description	2010/11	2011/12	2012/13		Current Ye	ear 2013/14				
Refinancial Fernance	2000.151.011	2010/11	2011/12	2012/10		ounon re	20.00		Expe	nditure Frame	work
Process Proc	P thousands	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
December 1772 3 doi: 3 500 4 675 1 975 1 975 2 546 2 034 2 132 2 124		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
Service changes 6 899 14 513 1 14 974 1 12 200 1 14 470 1 14 670 1 14 670 1 12 680 1 12 527 1 13 771 Iransfers recognised - operational											
Investment revenue 1,500 2,250 2,862 1,516 2,025 2,005 2,370 2,086 2,971 1,486 2,971 1,771 1,486 2,971 1,486 2,971 1,486 2,971 1,486 2,971 1,486 2,971 1,486 2,971 1,486 2,971 1,486 2,971 1,486 2,971 1,486 1	1 1										ı
Transfers recognised operational 3344 2633 29 17 39 448 4125 41 452 21 49 49 40 70 10 60 70 70 70 70 70 70 70 70 70 70 70 70 70	l										l
Other connections of controllations (Controllations)											l
Total Revenue forcharding capital transfers and contributions and contributions Employee costs Employee Employee costs Employee Employe										1	1
and contributions) 27											1
Employee costs	I	101 301	110 344	100 000	103 103	133 043	100 040	127 330	100 403	200 702	210 330
Remunestan of councilions 6 776 8 270 9 101 10 297 9 740 9 740 8 223 10 227 10 718 11 134 Depreciation Asset in puriment — 2 0 696 5 20 131 22 055 22 458 22 458 22 458 22 648 22 649 42 25 518 15 Finance charges 7 21 9 699 11 122 122 12 15 966 11 112 7 213 11 10 40 18 74 11 134 191 14 14 191 14 14 191 1	· · · · · · · · · · · · · · · · · · ·	27 500	30 301	43 685	39 274	50 318	50 318	33 796	61 639	61 750	67 726
Depreciation & asset impairment - 20 696 20 131 22 695 22 435 22 435 22 435 22 445 22 645 22 51 14 199											l
Finance charges											l .
Transfers and grams		21						_			ł
Other expendature	Materials and bulk purchases	7 291	9 699	11 232	12 291	15 966	15 966	11 112	17 213	18 040	18 740
Total Exponditure 76 680 180 467 155 506 184 T05 183 900 183 800 183 800 183 870 199 455 271 227 227 325 suppliss/(Delifol) Transfess recognised - capital contributed a Contributions recognised - capital fransfers & 24 701 (60 097) 1 601 4 986 (117) (117) (117) 6 108 4 27 999 23 059 Surplus/(Delifol) for the year 24 701 (60 097) 1 601 4 986 (117) (117) (117) 6 108 4 27 999 23 059 Surplus/(Delifol) for the year 24 701 (60 097) 1 601 4 986 (117) (117) (117) 6 108 4 27 999 23 059 Surplus/(Delifol) for the year 24 701 (60 097) 1 601 4 986 (117) (117) (117) 6 108 4 27 999 23 059 Surplus/(Delifol) for the year 24 701 (60 097) 1 601 4 986 (117) (117) (117) 6 108 4 27 999 23 059 Capital expenditure & funds sources	Transfers and grants	7 043	9 623	14 878	27 654	20 867	20 867	20 867	17 899	28 296	33 660
Surplus/Deficily 24 701 (61 522) (19 192) (20 331) (28 255) (28 255) (6 512) (30 966) (14 509) (10 77 17 17 18 18 18 28 13 18 28 13 18 28 13 18 28 13 18 26 20 30 970 32 508 33 835	·									I	1
Transfer recognised - capital contributions conscipled - capital transfers & 24 701 (60 097) 1 601 4 986 (1117) (1117) 6 108 4 27 999 23 059 Capital expenditure & 24 701 (60 097) 1 601 4 986 (1117) (1117) 6 108 4 27 999 23 059 Capital expenditure & 1 24 701 (60 097) 1 601 4 986 (1117) (1117) 6 108 4 27 999 23 059 Capital expenditure &	·										
Combributions recognised capital a contributed a			, ,	, ,	1 /		, ,	, ,	, ,		
Surplus/(Deficit) after capital transfers & 24 701 (60 097) 1 601 4 986 (117) (117) 6 108 4 27 999 23 059 23 059 Share of surplus/ (deficit) of associate										I	1
Contributions Share of surplus/ (deficit) of associate											
Share of surplus/ (deficit) of associate	1	24 /01	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059
Surplus/(Deficit) for the year 24 701 (60 097) 1 601 4 966 (117) (117) 6 108 4 27 999 23 059 Capital expenditure & funds sources Capital expenditure & funds sources Capital expenditure & funds sources Transfers recognised - capital Public contributions & donations 1 425 20 793 25 917 28 138 28 138 12 620 30 970 32 508 33 835 Public contributions & donations											
Capital expenditure & funds sources Capital expenditure & funds sources Capital expenditure Capital funds Capi	' ' '			-						-	-
Capital expenditure	Surplus/(Deficit) for the year	24 701	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059
Transfers recognised - capital Public contributions & donations — — — — — — — — — — — — — — — — — — —	Capital expenditure & funds sources										
Public contributions & donations Borrowing	Capital expenditure	-									ı
Borrowing				20 793		28 138				32 508	33 835
Internally generated funds				-		-	-	-	-	-	-
Total sources of capital funds	ı			(2, 702)		45 074	45 074	24 200	7.050		0.400
Financial position Total current assets 77 440 55 693 68 706 99 216 43 639 43 639 109 661 31 345 56 956 78 225 Total non current liabilities 22 5490 393 131 386 606 256 788 430 423 430 423 400 015 445 561 454 560 465 788 Total current liabilities 28 581 16 827 18 601 16 418 17 295 17 295 41 176 16 238 17 137 18 249 Total non current liabilities 1 219 7 332 10 444 7 306 10 444 10 444 9 977 14 341 20 063 28 348 Community wealth/Equity 273 131 424 665 426 266 332 281 446 323 446 323 432 406 446 327 474 326 497 385 Net cash from (used) operating 12 966 1 262 24 451 31 749 22 318 22 318 55 931 23 089 52 192 48 190 Net cash from (used) investing (34 157) (2 998) (18 864) (31 742) (43 709) (43 709) (43 709) (33 223) (33 191) (35 228) Net cash from (used) investing (104) 785 (536) -	1 1									1	1
Total current assets	·		0 002	17 070	00 142	11 000	11 000	11 000	00 220	00 101	00 020
Total non current assets Total current liabilities 28 581 16 627 18 601 16 6418 17 295 17 295 41 176 16 238 17 137 18 205 32 28 48 Community wealth/Equity 273 131 424 665 426 66 332 281 446 323 446 323 432 406 446 327 474 326 497 385 Cash flows Net cash from (used) operating Net cash from (used) operating (34 157) (2 998) (16 864) (31 742) (43 709) (43 709) (43 709) (38 223) (33 191) (36 328) (16 864) (31 742) (43 709) (43 709) (38 223) (33 191) (36 328) (16 864) (31 742) (43 709) (43 709) (43 709) (38 223) (33 191) (36 328) (16 864) (31 742) (43 709) (43 709) (43 709) (38 223) (33 191) (36 328) (16 864) (31 742) (43 709) (4		77.440	FF 000	CO 700	00.040	40.000	40.000	400.004	24 245	EC 0EC	70 005
Total current liabilities											1
Total non current liabilities										1	1
Community wealth/Equity 273 131 424 665 426 266 332 281 446 323 446 323 432 406 446 327 474 326 497 385										1	I
Net cash from (used) operating 12 966 1 262 24 451 31 749 22 318 22 318 55 931 23 089 52 192 48 190 Net cash from (used) investing (34 157) (2 998) (16 864) (31 742) (43 709) (43 709) (43 709) (38 223) (33 191) (36 328) Net cash from (used) financing (104) 785 (536) -										I	1
Net cash from (used) operating 12 966 1 262 24 451 31 749 22 318 22 318 55 931 23 089 52 192 48 190 Net cash from (used) investing (34 157) (2 998) (16 864) (31 742) (43 709) (43 709) (43 709) (38 223) (33 191) (36 328) Net cash from (used) financing (104) 785 (536) -	Cash flows										
Net cash from (used) investing (34 157) (2 998) (16 864) (31 742) (43 709) (43 709) (43 709) (38 223) (33 191) (36 328) Net cash from (used) financing (104) 785 (536) — — — — — — — — — — — — — — — — — — —		12 966	1 262	24 451	31 749	22 318	22 318	55 931	23 089	52 192	48 190
Net cash from (used) financing (104) 785 (536) — — — — — — — — — — — — — — — — — — —										l .	1
Cash backing/surplus reconciliation Cash and investments available 18 450 46 064 53 115 92 961 32 778 32 778 86 843 16 395 35 245 46 991 Application of cash and investments 29 450 11 892 5 259 1 099 2 336 2 336 19 376 (3 126) (8 361) (15 802) Balance - surplus (shortfall) (11 000) 34 173 47 857 91 862 30 442 30 442 67 467 19 521 43 606 62 792 Asset management Asset management	Net cash from (used) financing	(104)		(536)	` -	` _ <u>`</u>	· - 1	(405)	(195)	(150)	(116)
Cash and investments available	Cash/cash equivalents at the year end	18 450	46 064	53 115	42 961	31 725	31 725	64 931	16 395	35 245	46 991
Cash and investments available	Cash backing/surplus reconciliation										
Balance - surplus (shortfall) (11 000) 34 173 47 857 91 862 30 442 30 442 67 467 19 521 43 606 62 792 Asset management Asset register summary (WDV) 225 490 393 131 386 606 256 788 430 423 430 423 445 561 445 561 454 560 465 758 Depreciation & asset impairment - 20 696 20 131 22 695 22 435 22 435 23 084 23 084 24 192 25 131 Renewal of Existing Assets -		18 450	46 064	53 115	92 961	32 778	32 778	86 843	16 395	35 245	46 991
Asset management	Application of cash and investments	29 450	11 892	5 259	1 099	2 336	2 336	19 376	(3 126)	(8 361)	(15 802)
Asset register summary (WDV)	Balance - surplus (shortfall)	(11 000)	34 173	47 857	91 862	30 442	30 442	67 467	19 521	43 606	62 792
Asset register summary (WDV)	Asset management										
Depreciation & asset impairment - 20 696 20 131 22 695 22 435 23 084 23 084 24 192 25 131 Renewal of Existing Assets - - - - - - - - Repairs and Maintenance 2 506 - 7 299 15 995 12 241 12 241 12 241 12 548 12 548 11 736 12 191 Free services Cost of Free Basic Services provided 611 677 1 225 4 697 4 747 4 747 4 890 4 890 5 124 5 323 Revenue cost of free services provided 3 614 1 181 1 225 5 223 5 273 5 273 5 273 5 431 5 431 5 691 5 912 Households below minimum service level Water: 10 9 9 9 9 9 9 9 10 10		225 490	393 131	386 606	256 788	430 423	430 423	445 561	445 561	454 560	465 758
Repairs and Maintenance 2 506 - 7 299 15 995 12 241 12 241 12 548 12 548 11 736 12 191 Free services Cost of Free Basic Services provided 611 677 1 225 4 697 4 747 4 747 4 890 4 890 5 124 5 323 Revenue cost of free services provided 3 614 1 181 1 225 5 223 5 273 5 273 5 431 5 431 5 691 5 912 Households below minimum service level 10 9 9 9 9 9 10 10 10 11 Sanitation/sewerage: - - - - 5 5 5 5 5 5 5 Energy: -		-	20 696	20 131	22 695		22 435	23 084	23 084	24 192	25 131
Free services Cost of Free Basic Services provided 611 677 1 225 4 697 4 747 4 747 4 890 4 890 5 124 5 323 8 8 8 8 8 8 8 9 9 9 9 9 9 9 9 9 9 9 9	Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided 611 677 1 225 4 697 4 747 4 747 4 890 4 890 5 124 5 323 Revenue cost of free services provided 3 614 1 181 1 225 5 223 5 273 5 273 5 431 5 431 5 691 5 912 Households below minimum service level 10 9 9 9 9 10 10 10 11 Sanitation/sew erage: - - - - 5 5 5 5 5 5 5 Energy: -<	Repairs and Maintenance	2 506	-	7 299	15 995	12 241	12 241	12 548	12 548	11 736	12 191
Cost of Free Basic Services provided 611 677 1 225 4 697 4 747 4 747 4 890 4 890 5 124 5 323 Revenue cost of free services provided 3 614 1 181 1 225 5 223 5 273 5 273 5 431 5 431 5 691 5 912 Households below minimum service level 10 9 9 9 9 10 10 10 11 Sanitation/sew erage: - - - - 5 5 5 5 5 5 5 Energy: -<	Free services										
Households below minimum service level 10 9 9 9 9 9 10 10 10 11 Sanitation/sewerage: - - - - 5 6 6 6 <td></td> <td>611</td> <td>677</td> <td>1 225</td> <td>4 697</td> <td>4 747</td> <td>4 747</td> <td>4 890</td> <td>4 890</td> <td>5 124</td> <td>5 323</td>		611	677	1 225	4 697	4 747	4 747	4 890	4 890	5 124	5 323
Water: 10 9 9 9 9 9 10 10 10 11 Sanitation/sewerage: - - - - 5 <td< td=""><td>Revenue cost of free services provided</td><td>3 614</td><td>1 181</td><td>1 225</td><td>5 223</td><td>5 273</td><td>5 273</td><td>5 431</td><td>5 431</td><td>5 691</td><td>5 912</td></td<>	Revenue cost of free services provided	3 614	1 181	1 225	5 223	5 273	5 273	5 431	5 431	5 691	5 912
Sanitation/sewerage:											
Energy:		10	9	9						I	I
	-		-							I	I
reiuse. - - 0 8 8 9 9 10 10											l
	neruse:		_	8	8	8	8	9	9	10	10

Explanatory notes to MBRR Table A1 - Budget Summary

- 1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- 2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

- 3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. There is no provision for any borrowing in the cash flows;
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive indicates that the necessary cash resources are available to fund the Capital Budget.
- 4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was paying much attention to managing this aspect of its finances, and consequently all of its obligations are cash-backed.
- 5. Significant assistance is being given to the indigent households.

EC136 Emalahleni (EC) - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013	/14		ledium Term R nditure Frame	
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
R thousand	1	Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
Revenue - Standard										
Governance and administration		58 161	71 372	82 686	90 717	88 454	88 454	102 152	127 322	129 051
Executive and council		1 150	600	238	5 336	5 446	5 446	6 312	6 598	6 896
Budget and treasury office		56 930	70 681	82 364	85 381	82 986	82 986	95 817	120 723	122 154
Corporate services		81	90	84	0	22	22	23	1	1
Community and public safety		797	1 673	803	1 015	1 988	1 988	1 755	1 839	1 911
Community and social services		728	1 061	719	1 013	1 653	1 653	1 410	1 478	1 535
Sport and recreation		3	4	3	2	- 1	_	_	_	-
Public safety		66	608	80	_	270	270	278	291	303
Housing		_	_	_	_	65	65	67	70	73
Health		_	_	_	_	_	_	_	_	_
Economic and environmental services		82	3 823	25 000	29 691	35 874	35 874	35 189	36 995	38 546
Planning and development		1	1 578	2 362	12	2 933	2 933	115	121	125
Road transport		81	2 245	22 638	29 680	32 941	32 941	35 074	36 874	38 421
Environmental protection		_		-	-	02 011	02 011		_	
Trading services		42 342	43 502	48 016	67 458	57 276	57 276	60 167	72 929	80 672
Electricity		5 041	9 915	14 824	26 010	21 871	21 871	22 973	33 595	39 123
Water		34 198	24 246	19 496	24 433	24 528	24 528	25 776	27 244	28 830
		(440)	5 373	9 353	11 815	6 898	6 898	7 260	7 732	8 193
Waste water management		3 543	3 967	4 343	5 200	3 980	3 980	4 159	4 358	4 527
Waste management Other	4	3 343	3 907	186	139	190	190	196	205	213
	1 ' 1	- 404 004	- 400.070							
Total Revenue - Standard	2	101 381	120 370	156 691	189 020	183 783	183 783	199 459	239 290	250 393
Expenditure - Standard										
Governance and administration		43 700	44 555	51 947	59 322	61 878	61 878	71 376	70 850	74 991
Executive and council		16 131	20 604	20 610	23 716	27 371	27 371	28 973	29 680	31 200
Budget and treasury office		17 610	14 198	18 606	20 387	20 994	20 994	23 443	24 185	25 656
Corporate services		9 959	9 752	12 731	15 219	13 513	13 513	18 959	16 985	18 135
Community and public safety		6 098	9 615	20 968	27 170	29 801	29 801	15 830	15 205	16 224
Community and social services		4 337	6 640	7 599	13 199	10 692	10 692	11 230	10 284	10 981
Sport and recreation		217	855	865	352	991	991	1 041	1 107	1 171
Public safety		314	563	11 005	11 954	16 464	16 464	1 748	1 832	1 903
Housing		1 230	1 556	1 498	1 665	1 655	1 655	1 810	1 981	2 168
Health		_	_	_	_	_	_	_	_	-
Economic and environmental services		10 955	37 068	34 154	27 481	42 260	42 260	43 928	43 851	46 263
Planning and development		3 645	5 143	8 095	8 597	11 664	11 664	10 057	9 710	10 346
Road transport		7 310	31 925	26 060	18 884	30 595	30 595	33 871	34 140	35 916
Environmental protection		_	_	_	_	_	_	_	_	_
Trading services		15 927	89 229	47 677	69 354	49 529	49 529	67 856	80 884	89 316
Electricity		12 578	15 091	9 920	25 150	12 199	12 199	28 651	39 176	44 954
Water		-	34 072	21 111	24 375	24 531	24 531	25 776	27 244	28 830
Waste water management		_	27 613	9 341	11 802	6 898	6 898	7 260	7 732	8 193
Waste management		3 349	12 453	7 304	8 026	5 902	5 902	6 169	6 732	7 340
Other	4	0 049	12 400	344	707	433	433	465	502	541
Total Expenditure - Standard	3	76 680	180 467	155 090	184 035	183 900	183 900	199 455	211 291	227 335
Surplus/(Deficit) for the year		24 701	(60 097)	1 601	4 986	(117)	(117)	199 455	27 999	23 059
our prus/(Denicity for the year		24 /01	(00 097)	1 00 1	4 986	(117)	(117)	4	21 999	23 059

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- 2. Note the Total Revenue on this table includes capital revenues (Transfers recognised capital) and so does not balance to the operating revenue shown on Table A4.
- 3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the not the case for any of the trading services. As already noted above, the municipality will be undertaking a detailed study of these functions to explore ways of improving efficiencies and provide a basis for re-evaluating these functions' tariff structures.
- 4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

EC136 Emalahleni (EC) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

R thousand				2012/13	ou.	rrent Year 2013	, 14	Expe	nditure Frame	work
K tilousaliu		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
Revenue by Vote	1									
Vote 1 - Executive and Council		1 150	600	238	5 336	5 446	5 446	6 312	6 598	6 896
1.1 - Council		1 150	480	238	5 336	5 336	5 336	6 199	6 479	6 773
1.2 - Management		-	120	-	-	110	110	113	119	123
Vote 2 - Budget and Treasury		56 930	70 681	82 364	85 381	82 986	82 986	95 817	120 723	122 154
2.1 - Financial Services		54 191	66 498	77 599	79 661	79 999	79 999	92 741	117 500	118 805
2.2 - Rates		2 739	4 183	4 764	5 719	2 986	2 986	3 076	3 224	3 349
Vote 3 - Corporate Services		81	90	84	0	22	22	23	1	1
3.1 - Human Resources		81	90	84	0	22	22	23	1	1
Vote 4 - Community and Social Services		4 274	5 032	5 250	6 354	5 823	5 823	5 764	6 041	6 275
4.1 - Administration Buildings		-	273	_	_	0	0	0	0	0
4.2 - Commonage & Pounds		430	405	362	335	383	383	394	413	429
4.3 - Community & Social Services		37	58	_	_	_	_	_	_	_
4.4 - Parks & Open Spaces		-	_	_	_	_	_	_	_	_
4.5 - Cemetaries		28	29	35	33	133	133	137	144	149
4.6 - Comunity & Town Hall		123	64	69	71	75	75	77	81	84
4.7 - Libraries		3	2	254	575	1 062	1 062	802	840	873
4.8 - Sports & Recreation		3	4	3	2	-	-	-	-	-
4.9 - Tourism Resorts & Caravan Parks		107	231	186	139	190	190	196	205	213
4.10 - Refuse Cleansing Services		3 543	3 967	4 343	5 200	3 980	3 980	4 159	4 358	4 527
Vote 5 - IPED		1	1 578	2 362	12	2 998	2 998	182	191	198
5.1 - Intergration Planning & Development (IPED)		1	1 578	2 362	12	2 933	2 933	115	121	125
5.2 - Housing		-	-	_	-	65	65	67	70	73
Vote 6 - Technical Services		38 945	42 388	66 392	91 936	86 506	86 506	91 359	105 735	114 867
6.1 - Sew erage & Sanitation		(440)	5 373	9 353	11 815	6 898	6 898	7 260	7 732	8 193
6.2 - Licensing & Registration		24	316	427	1 399	1 663	1 663	1 712	1 795	1 864
6.3 - Roadworls & Stormwater		-	1 868	22 151	28 281	31 258	31 258	33 341	35 058	36 534
6.4 - Technical Administration		57	62	60	-	21	21	21	22	23
6.5 - Water Services		34 198	24 246	19 496	24 433	24 528	24 528	25 776	27 244	28 830
6.6 - Street Lights		66	608	80	-	270	270	278	291	303
6.7 - Electricity Tradings		5 041	9 915	14 824	26 008	21 869	21 869	22 971	33 594	39 121
Total Revenue by Vote	2	101 381	120 370	156 691	189 019	183 781	183 781	199 458	239 289	250 392

EC136 Emalahleni (EC) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

EC136 Emalahleni (EC) - Table A3 Budge Vote Description	Ref	2010/11	2011/12	2012/13	ľ	rrent Year 2013	•		ledium Term R	
•								Expe	nditure Frame	work
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Yea
K trousariu		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
Revenue by Vote	1									
Expenditure by Vote	1									
Vote 1 - Executive and Council		16 131	20 604	20 610	23 716	27 371	27 371	28 973	29 680	31 200
1.1 - Council		11 553	14 541	15 071	17 597	18 388	18 388	19 922	20 541	21 338
1.2 - Management		4 578	6 063	5 538	6 119	8 983	8 983	9 051	9 139	9 862
Vote 2 - Budget and Treasury		17 610	14 198	18 606	20 387	20 994	20 994	23 443	24 185	25 656
2.1 - Financial Services		17 610	12 168	16 870	19 347	19 954	19 954	22 372	23 062	24 490
2.2 - Rates		-	2 030	1 737	1 040	1 040	1 040	1 071	1 123	1 166
Vote 3 - Corporate Services		9 959	9 752	12 731	15 219	13 513	13 513	18 959	16 985	18 135
3.1 - Human Resources		9 959	9 752	12 731	15 219	13 513	13 513	18 959	16 985	18 135
Vote 4 - Community and Social Services		7 903	19 948	16 113	22 285	18 017	18 017	18 904	18 625	20 033
4.1 - Administration Buildings		1 043	1 997	1 974	2 195	2 008	2 008	2 099	2 224	2 342
4.2 - Commonage & Pounds		444	810	842	1 114	1 098	1 098	1 200	1 312	1 435
4.3 - Community & Social Services		1 375	1 726	3 058	7 936	4 358	4 358	4 686	3 594	3 798
4.4 - Parks & Open Spaces		217	310	312	472	494	494	534	580	628
4.5 - Cemetaries		205	289	419	523	874	874	1 262	995	1 057
4.6 - Comunity & Town Hall		616	860	682	578	777	777	842	916	995
4.7 - Libraries		280	346	313	381	1 082	1 082	607	664	726
4.8 - Sports & Recreation		217	855	865	352	991	991	1 041	1 107	1 171
4.9 - Tourism Resorts & Caravan Parks		156	303	344	707	433	433	465	502	541
4.10 - Refuse Cleansing Services		3 349	12 453	7 304	8 026	5 902	5 902	6 169	6 732	7 340
Vote 5 - IPED		4 875	6 699	9 592	10 262	13 319	13 319	11 867	11 692	12 515
5.1 - Intergration Planning & Development (IPED)		3 645	5 143	8 095	8 597	11 664	11 664	10 057	9 710	10 346
5.2 - Housing		1 230	1 556	1 498	1 665	1 655	1 655	1 810	1 981	2 168
Vote 6 - Technical Services		20 202	109 264	77 437	92 164	90 684	90 684	97 306	110 123	119 794
6.1 - Sew erage & Sanitation		-	27 613	9 341	11 802	6 898	6 898	7 260	7 732	8 193
6.2 - Licensing & Registration		54	28	-	-	-	-	-	-	-
6.3 - Roadworls & Stormwater		3 156	29 732	24 051	17 182	29 112	29 112	32 255	32 377	33 993
6.4 - Technical Administration		4 101	2 165	2 009	1 702	1 484	1 484	1 616	1 764	1 924
6.5 - Water Services		-	34 072	21 111	24 375	24 531	24 531	25 776	27 244	28 830
6.6 - Street Lights		314	563	11 005	11 954	16 464	16 464	1 748	1 832	1 903
6.7 - Electricity Tradings		12 578	15 091	9 920	25 149	12 197	12 197	28 650	39 175	44 952
Total Expenditure by Vote	2	76 680	180 467	155 090	184 033	183 898	183 898	199 453	211 289	227 333
Surplus/(Deficit) for the year	2	24 701	(60 097)	1 601	4 986	(117)	(117)	4	27 999	23 059

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

- 1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
- 2. This table is the main driver of management- responsibility and performance in terms of the operating budget and also the benchmark against which any unauthorised expenditure will be measured.

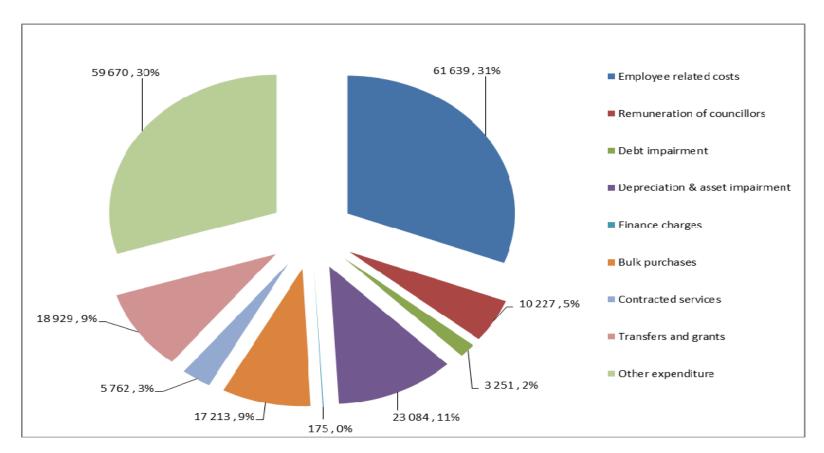
EC136 Emalahleni (EC) - Table A4 Budgeted Financial Performance (revenue and expenditure)

EC136 Emalahleni (EC) - Table A4 Budge	ted I	-inancial Per	formance (re	venue and e	xpenditure)				ı		
Description	Ref 2010/11 2011/12 2012/13 Current Year 2013/14								edium Term R		
									Expe	nditure Frame	work
R thousand	1	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
it tilousanu		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
Revenue By Source											
Property rates	2	1 772	3 401	3 530	4 675	1 975	1 975	2 546	2 034	2 132	2 214
Property rates - penalties & collection charges		-	-	_	_	-	-	_	_	-	_
Service charges - electricity revenue	2	4 982	5 079	5 662	5 808	6 479	6 479	5 506	7 419	7 775	8 077
Service charges - water revenue	2	(7)	3 092	2 895	2 993	1 983	1 983	5 759	2 042	2 140	2 223
Service charges - sanitation revenue	2	(441)	3 721	3 610	539	358	358	1 152	369	386	401
•	2	2 364	2 620	2 747	3 900	2 650	2 650	2 244	2 820	2 955	3 070
Service charges - refuse revenue		2 304			3 900			2 244	2 020	2 900	
Service charges - other		-	-	-		-	-				-
Rental of facilities and equipment		656	703	620	491	586	586	574	604	633	657
Interest earned - external investments		1 830	2 250	2 862	1 516	2 025	2 025	2 370	2 086	2 186	2 271
Interest earned - outstanding debtors		2 284	5 611	6 471	4 278	4 950	4 950	6 409	5 098	5 343	5 550
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		0	1	1	0	110	110	104	113	119	123
Licences and permits		-	5	353	220	484	484	429	498	522	542
Agency services		48	296	93	1 182	1 200	1 200	51	1 236	1 295	1 345
Transfers recognised - operational		87 337	72 148	85 415	104 225	98 550	98 550	84 092	108 178	143 222	149 843
Other revenue	2	556	20 017	21 434	33 128	34 296	34 296	16 123	35 992	38 074	40 241
Gains on disposal of PPE	-	-		207	150	-	-	_	_	_	
Total Revenue (excluding capital transfers		101 381	118 944	135 898	163 103	155 645	155 645	127 358	168 489	206 782	216 558
and contributions)		101 301	110 744	133 070	103 103	133 043	133 043	127 330	100 407	200 702	210 330
Expenditure By Type		07.500	20 204	40.005	20.074	50.040	50.040	22.700	04.000	04.750	67 700
Employ ee related costs Remuneration of councillors	2	27 500 6 776	39 391 8 270	43 685 9 101	39 274 10 297	50 318 9 740	50 318 9 740	33 796 8 223	61 639 10 227	61 750 10 718	67 726 11 134
Debt impairment	3	7 792	45 237	9 539	4 069	3 156	3 156	3 156	3 251	3 407	3 539
Depreciation & asset impairment	2	1 132	20 696	20 131	22 695	22 435	22 435	22 435	23 084	24 192	25 131
Finance charges	-	21	362	530	389	170	170	-	175	184	191
Bulk purchases	2	7 291	9 699	11 232	12 291	15 966	15 966	11 112	17 213	18 040	18 740
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	1 523	2 713	2 051	4 665	4 665	3 376	5 762	6 038	6 272
Transfers and grants		7 043	9 623	14 878	27 654	20 867	20 867	20 867	17 899	28 296	33 660
Other ex penditure	4, 5	20 257	45 665	39 816	65 314	56 581	56 581	30 906	60 203	58 666	60 942
Loss on disposal of PPE		-	-	3 465	-	-	-	-	-	-	-
Total Expenditure		76 680	180 467	155 090	184 035	183 900	183 900	133 870	199 455	211 291	227 335
Surplus/(Deficit)		24 701	(61 522)	(19 192)	(20 931)	(28 255)	(28 255)	(6 512)	(30 966)	(4 509)	(10 776)
Transfers recognised - capital		-	1 425	20 793	25 917	28 138	28 138	12 620	30 970	32 508	33 835
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &		24 701	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059
contributions			[' (
Tax ation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		24 701	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059
Attributable to minorities		-	- 1	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		24 701	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059
Share of surplus/ (deficit) of associate	7	-	-	_	-	-	-	_	_	_	_
Surplus/(Deficit) for the year	\vdash	24 701	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059
		21.701	(30 0.1)	. 551		()	(/	5 .50			1 20 007

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

- 1. Total revenue, excluding capital transfers, is R168 489 million in 2014/15 and escalates to R215 558 million by 2016/17. This represents a year-on-year increase of 7.9 per cent for the 2014/15 and year-on-year increases of 18.1 per cent for the 2015/16 financial year and 4.5 per cent for the 2016/17 financial year.
- 2. Revenue to be generated from property rates is R2 034 million in the 2014/15 financial year and increases to R2 214 million by 2016/17 which represents only 1.2 per cent of the operating revenue base (excluding capital transfers) of the Municipality and therefore does not remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6 per cent, 5.5 per cent and 5.5 per cent for each of the respective financial years of the MTREF.
- 3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R12 128 million for the 2014/15 financial year and increasing to R13 204 million by 2016/17. For the 2014/15 financial year services charges amount to 7.2 per cent of the total revenue base and stays relatively constant over the MTREF period.

- 4. Transfers recognised operating includes the local government equitable share and other operating grants from national and provincial government. Transfers are fluctuating according to grants provided for by the respective governments.
- 5. The following graph illustrates the major expenditure items per type.



Expenditure by major type

- 6. Bulk purchases have significantly increased over the 2010/11 to 2014/15 period escalating from R7 291 million to R17 213 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
- 7. Employee related costs, depreciation, operating grant expenditure and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

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

EC136 Emalahleni (EC) - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

EC136 Emalahleni (EC) - Table A5 Budge	eted (Capital Expe	nditure by vo	ote, standard	classificatio	n and fundi	ng				
Vote Description	Ref	2010/11	2011/12	2012/13		Current Ye	ear 2013/14			ledium Term R nditure Frame	
R thousand	1	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
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	_	-	-	_	-	_	-	-	_
Vote 2 - Budget and Treasury		-	_	_	-	_	-	_	-	-	-
Vote 3 - Corporate Services		-	_	-	-	_	-	_	-	-	-
Vote 4 - Community and Social Services		-	_	6 437	15 556	10 614	10 614	10 614	24 574	15 422	_
Vote 5 - IPED		_	_	_	_	_	_	_	_	_	- 1
Vote 6 - Technical Services		-	_	7 816	10 341	17 401	17 401	17 401	3 319	14 459	28 929
		_	_	_	_	_	_	_	_	_	_
Capital multi-year expenditure sub-total	7	_		14 254	25 898	28 015	28 015	28 015	27 893	29 881	28 929
, , ,		-	_	14 254	25 070	20 013	20 013	20 013	27 073	27 001	20 727
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	312	439	6 380	2 840	2 840	2 840	4 210	210	2 270
Vote 2 - Budget and Treasury		-	260	672	970	1 751	1 751	1 751	1 160	1 060	1 240
Vote 3 - Corporate Services		-	534	159	140	140	140	140	370	100	290
Vote 4 - Community and Social Services		-	493	1 154	940	1 820	1 820	1 820	2 180	100	1 747
Vote 5 - IPED		-	38	135	2 784	2 749	2 749	2 749	2 290	1 740	105
Vote 6 - Technical Services		-	1 955	258	2 630	6 694	6 694	6 694	120	100	1 747
		-	_	-	-	_	-	-	-	-	-
Capital single-year expenditure sub-total			3 592	2 817	13 844	15 994	15 994	15 994	10 330	3 310	7 399
Total Capital Expenditure - Vote	1	-	3 592	17 070	39 742	44 009	44 009	44 009	38 223	33 191	36 328
	\vdash										
Capital Expenditure - Standard		i	4.40.	4 0 / 0	7 400	4 704	4 704	. 704		4.070	
Governance and administration		-	1 106	1 269	7 490	4 731	4 731	4 731	5 740	1 370	3 800
Executive and council		-	312	439	6 380	2 840	2 840	2 840	4 210	210	2 270
Budget and treasury office		-	260	672	970	1 751	1 751	1 751	1 160	1 060	1 240
Corporate services		-	534	159	140	140	140	140	370	100	290
Community and public safety		-	493	7 844	11 496	9 164	9 164	9 164	19 700	8 416	1 747
Community and social services		-	493	7 591	4 604	5 110	5 110	5 110	15 303	5 416	1 747
Sport and recreation		-	-	-	6 892	4 054	4 054	4 054	4 397	3 000	-
Public safety		-	-	253	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	1 993	7 951	15 756	26 844	26 844	26 844	5 729	16 299	29 174
Planning and development		-	38	135	2 784	2 749	2 749	2 749	2 290	1 740	105
Road transport		-	1 955	7 816	12 971	24 095	24 095	24 095	3 439	14 559	29 069
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	5	5 000	3 270	3 270	3 270	7 054	7 106	1 607
Electricity		-	-	-	-	-	-	_	-	-	-
Water				5	-	_	-		-	-	-
Waste water management		-		-	-		-		-	-	1 607
Waste management		-			5 000	3 270	3 270	3 270	7 054	7 106	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	-	3 592	17 070	39 742	44 009	44 009	44 009	38 223	33 191	36 328
Funded by:											
National Government		-	1 425	20 793	25 917	28 138	28 138	12 620	30 970	32 508	33 835
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	1 425	20 793	25 917	28 138	28 138	12 620	30 970	32 508	33 835
Public contributions & donations	5	_	1 423	20 /73	23 /17	20 130	20 130	12 020	30 770	32 300	33 833
Borrowing	6										
Internally generated funds	1 "		2 166	(3 723)	13 825	15 871	15 871	31 389	7 253	683	2 493
	+-										l
Total Capital Funding	7	-	3 592	17 070	39 742	44 009	44 009	44 009	38 223	33 191	36 328

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

- 1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- 2. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
- 3. The capital program is funded from national grants and transfers and internally generated funds from current and prior year surpluses. and is listed above.

MBRR Table A6 - Budgeted Financial Position

EC136 Emalahleni (EC) - Table A6 Budgeted Financial Position

EC136 Emalahleni (EC) - Table A6 Budg	eted	Financial Pos	sition								
Description	Ref	2010/11	2011/12	2012/13		Current Ye	ear 2013/14		2014/15 Mediur	n Term Revenue Framework	& Expenditure
D. H		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	2015/16	+2 2016/17
ASSETS	1										
Current assets											
Cash		12 384	16 147	9 424	42 961	2 778	2 778	15 908	2 395	5 245	6 991
Call investment deposits	1	6 066	29 917	43 696	50 000	30 000	30 000	70 934	14 000	30 000	40 000
Consumer debtors	1	892	5 697	9 619	1 772	6 461	6 461	16 073	13 557	20 993	28 718
Other debtors		57 850	3 559	5 568	4 184	4 000	4 000	6 344	968	268	2 040
Current portion of long-term receivables	١.	.7.								L	L . <u></u> .
Inventory	2	248	373	400	300	400	400	400	424	449	476
Total current assets	-	77 440	55 693	68 706	99 216	43 639	43 639	109 661	31 345	56 956	78 225
Non current assets	1										
Long-term receivables	1	-	-	-	-	-	-	-	-	-	-
Inv estments		-	-	-	-	-	-	-	-	-	-
Inv estment property		-	25 009	25 001	-	25 417	25 417	25 417	25 417	25 417	25 417
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	224 783	367 837	361 349	256 080	404 751	404 751	374 343	419 890	428 888	440 086
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	_	-	-
Intangible		707	286	255	707	255	255	255	255	255	255
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets	\perp	225 490	393 131	386 606	256 788	430 423	430 423	400 015	445 561	454 560	465 758
TOTAL ASSETS	\perp	302 930	448 824	455 312	356 004	474 062	474 062	509 676	476 906	511 517	543 983
LIABILITIES											
Current liabilities											
Bank ov erdraft	1	-	-	5	-	-	-	-	-	-	-
Borrowing	4	96	293	-	-	-	-	-	-	-	-
Consumer deposits		35	101	110	42	110	110	117	-	-	-
Trade and other pay ables	4	18 491	9 367	10 593	5 082	10 593	10 593	35 347	9 316	9 869	10 618
Provisions		9 959	7 066	7 894	11 294	6 592	6 592	5 711	6 922	7 268	7 631
Total current liabilities		28 581	16 827	18 601	16 418	17 295	17 295	41 176	16 238	17 137	18 249
Non current liabilities	1										
Borrow ing		-	1 105	852	_	852	852	440	657	507	391
Provisions	1	1 219	6 227	9 592	7 306	9 592	9 592	9 537	13 684	19 547	27 957
Total non current liabilities	1	1 219	7 332	10 444	7 306	10 444	10 444	9 977	14 341	20 053	28 348
TOTAL LIABILITIES		29 799	24 159	29 045	23 724	27 739	27 739	51 153	30 579	37 190	46 598
NET ASSETS	5	273 131	424 665	426 266	332 281	446 323	446 323	458 522	446 327	474 326	497 385
COMMUNITY WEALTH/EQUITY	1										
Accumulated Surplus/(Deficit)	1	273 131	424 665	426 266	332 281	446 323	446 323	432 406	446 327	474 326	497 385
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests	1	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	273 131	424 665	426 266	332 281	446 323	446 323	432 406	446 327	474 326	497 385

Explanatory notes to Table A6 - Budgeted Financial Position

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

Cash/cash equivalents at the year begin:

Cash/cash equivalents at the year end:

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

MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2010/11	2011/12	2012/13		Current Ye	ear 2013/14			edium Term R nditure Frame	
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R tilousaliu		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts	1										
Ratepayers and other		(2 279)	3 077	23 415	38 260	54 866	54 866	25 982	49 876	52 624	55 355
Gov ernment - operating	1	84 468	72 148	85 415	125 636	98 550	98 550	84 092	108 178	143 222	149 843
Gov ernment - capital	1	-	17 084	23 095	25 917	28 138	28 138	12 620	30 970	32 508	33 835
Interest	1	4 114	7 861	9 333	5 793	6 975	6 975	8 779	7 184	7 529	7 821
Dividends		-	-	-	-	-	-	-	-	-	-
Payments	1										
Suppliers and employees	1	(73 317)	(98 819)	(116 588)	(156 880)	(140 426)	(140 426)	(64 894)	(155 045)	(155 212)	(164 814)
Finance charges	1	(21)	(89)	(219)	(389)	(170)	(170)	-	(175)	(184)	(191)
Transfers and Grants	1	-	-	(0)	(6 587)	(25 614)	(25 614)	(10 648)	(17 899)	(28 296)	(33 660)
NET CASH FROM/(USED) OPERATING ACTIVITY	ĪĒS	12 966	1 262	24 451	31 749	22 318	22 318	55 931	23 089	52 192	48 190
CASH FLOWS FROM INVESTING ACTIVITIES	П										
Receipts											
Proceeds on disposal of PPE	1	-	-	207	_	_	_	_	_	-	-
Decrease (Increase) in non-current debtors		_	_	_	_	_	_	_	_	_	_
Decrease (increase) other non-current receivable	es	-	_	_	_	_	_	_	-	_	_
Decrease (increase) in non-current investments	1	_	_	_	8 000	_	_	_	-	_	_
Payments											
Capital assets		(34 157)	(2 998)	(17 070)	(39 742)	(43 709)	(43 709)	(43 709)	(38 223)	(33 191)	(36 328)
NET CASH FROM/(USED) INVESTING ACTIVITI	ES	(34 157)	(2 998)	(16 864)	(31 742)	(43 709)	(43 709)	(43 709)	(38 223)	(33 191)	(36 328)
CASH FLOWS FROM FINANCING ACTIVITIES	T										
Receipts											
Short term loans		_	_	_	_	_	_	_	_	_	_
Borrowing long term/refinancing		_	844	(0)	_	_	_	_	_	_	_
Increase (decrease) in consumer deposits	1	_	66	10	_	_		7	_	_	_
Payments			00	.0							
Repay ment of borrowing		(104)	(125)	(545)	_	_	_	(412)	(195)	(150)	(116)
NET CASH FROM/(USED) FINANCING ACTIVIT	IES	(104)	785	(536)			_	(405)	(195)	(150)	(116)
		<u>`</u>				(21 201)	(21.204)		<u>`</u>	<u>`</u>	
NET INCREASE/ (DECREASE) IN CASH HELD	1	(21 295)	(951)	7 051	8	(21 391)	(21 391)	11 816	(15 329)	18 850	11 746

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

47 015

39 745

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

53 115

53 115

16 395

46 991

- 2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget..
- 3. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
- 4. Cash and cash equivalents totals R16 395 million as at the end of the 2014/15 financial year and increase to R46 991 million by 2016/17.

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC136 Emalahleni (EC) - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13		Current Ye	ear 2013/14			edium Term R nditure Frame	
									· · · · · · · · · · · · · · · · · · ·		,
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
K tilousaliu		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	18 450	46 064	53 115	42 961	31 725	31 725	64 931	16 395	35 245	46 991
Other current investments > 90 days		0	0	(0)	50 000	1 053	1 053	21 911	_	-	-
Non current assets - Investments	1	-	-	- 1	-	_	-	-	_	-	-
Cash and investments available:		18 450	46 064	53 115	92 961	32 778	32 778	86 843	16 395	35 245	46 991
Application of cash and investments											
Unspent conditional transfers		14 292	5 138	5 873	-	5 873	5 873	30 261	_	_	_
Unspent borrowing		-	-	-	-	_	-		_	-	-
Statutory requirements	2										
Other working capital requirements	3	15 159	6 753	(614)	1 099	(3 537)	(3 537)	(10 885)	(3 126)	(8 361)	(15 802)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:	\vdash	29 450	11 892	5 259	1 099	2 336	2 336	19 376	(3 126)	(8 361)	(15 802)
Surplus(shortfall)		(11 000)	34 173	47 857	91 862	30 442	30 442	67 467	19 521	43 606	62 792

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

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- 2. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of noncompliance with the MFMA requirements that the municipality's budget must be "funded". The municipality's budget is cash-funded and thus in compliance with the requirements of the MFMA.
- 3. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

MBRR Table A9 - Asset Management

EC136 Emalahleni (EC) - Table A9 Asset Management

EC136 Emalahleni (EC) - Table A9 Asset M	viana	gement			I			2014/45 84 "	Torm D.:	9 Fare
Description	Ref	2010/11	2011/12	2012/13	Cu	rrent Year 2013/1		2014/15 Medium	Framework	
R thousand		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	1	_	3 592	17 070	39 742	44 009	44 009	37 423	33 191	24 220
Total New Assets Infrastructure - Road transport	1'		1 492	7 749	10 341	17 401	17 401	37 423	14 459	36 328 28 929
Infrastructure - Electricity		_	1 402	''-	10 041	-	- 17 401	- 3313	14 455	20 323
Infrastructure - Water		_	_	_	_	_	_	_	_	_
Infrastructure - Sanitation		_	_	_	_	_	_	_	_	1 607
Infrastructure - Other		_	_	_	1 364	1 364	1 364	1 550	1 660	_
Infrastructure		-	1 492	7 749	11 706	18 765	18 765	4 869	16 119	30 536
Community		-	-	5 864	9 706	7 594	7 594	15 490	7 900	1 607
Heritage assets		-	_	-	- [-	_	_	_	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	2 100	3 331	18 330	17 650	17 650	16 814	9 172	4 035
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	126	-	-	-	250	-	150
Total Renewal of Existing Assets	2	_	_	_	_	_	_	_	_	-
Infrastructure - Road transport	-	_	_	_	_	_	_	_	_	_
Infrastructure - Electricity		_	_	_	_	_	_	_	_	_
Infrastructure - Water		_	_	_	_	_	_	_	_	_
Infrastructure - Sanitation		_	_	_	-	-	_	_	-	-
Infrastructure - Other		-	-	-	-	-	_	-	-	-
Infrastructure		-	-	-	-		-	_	-	-
Community		-	-	-	-	-	_	_	-	-
Heritage assets		-	-	-	_	-	-	-	-	-
Investment properties		-	-	-	-	-	_	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	- 1	-	_	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	- 1	-	-	-	-
Total Capital Expenditure	4									
Infrastructure - Road transport	'	_	1 492	7 749	10 341	17 401	17 401	3 319	14 459	28 929
Infrastructure - Electricity		_			_			-		20 020
Infrastructure - Water		_	_	_	_	_	_	_	_	_
Infrastructure - Sanitation		_	_	_	_ [_	_	_	_	1 607
Infrastructure - Other		-	_	_	1 364	1 364	1 364	1 550	1 660	-
Infrastructure		-	1 492	7 749	11 706	18 765	18 765	4 869	16 119	30 536
Community		-	-	5 864	9 706	7 594	7 594	15 490	7 900	1 607
Heritage assets		-	-	-	-	- 1	-	_	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	2 100	3 331	18 330	17 650	17 650	16 814	9 172	4 035
Agricultural Assets		-	-	-	- 1	-	-	-	-	-
Biological assets		-	_	-	- 1	-	_	-	-	-
Intangibles		-	-	126	-	-	-	250	-	150
TOTAL CAPITAL EXPENDITURE - Asset class	2		3 592	17 070	39 742	44 009	44 009	37 423	33 191	36 328
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport	"	80 568	250 387	239 979	134 710	257 380	257 380	239 706	231 908	237 886
Infrastructure - Road transport Infrastructure - Electricity		22 724	19 083	19 083	19 083	19 083	19 083	19 083	19 083	19 083
Infrastructure - Electricity Infrastructure - Water		22 124	19 003	19 003	19 003	19 003	19 003	19 003	19 003	19 003
Infrastructure - Water Infrastructure - Sanitation										1 607
Infrastructure - Other								1 550	3 210	3 210
Infrastructure		103 292	269 469	259 061	153 792	276 462	276 462	260 339	254 200	261 786
Community		, 2,2	76 833	79 820	79 820	87 414	87 414	101 995	108 940	109 545
Heritage assets								,,,,,,,		
Investment properties		-	25 009	25 001	-	25 417	25 417	25 417	25 417	25 417
Other assets		121 491	21 534	22 468	22 468	40 875	40 875	56 756	64 948	67 955
Agricultural Assets		-	-	-	-	-	-	_	-	-
Biological assets		_	_	_	_	_	_	_	_	-
Intangibles		707	286	255	707	255	255	255	255	255
TOTAL ASSET REGISTER SUMMARY - PPE (WE	5 10	225 490	393 131	386 606	256 788	430 423	430 423	444 761	453 760	464 958
EXPENDITURE OTHER ITEMS	_									
Depreciation & asset impairment		_	20 696	20 131	22 695	22 435	22 435	23 084	24 192	25 131
Repairs and Maintenance by Asset Class	3	2 506	20 030	7 299	15 995	12 241	12 241	12 548	11 736	12 191
Infrastructure - Road transport	١	447	_	1 106	836	1 397	1 397	1 439	1 508	1 566
Infrastructure - Electricity		445	_	647	966	1 323	1 323	1 363	1 428	1 484
Infrastructure - Water		-	_	2 386	3 872	2 859	2 859	2 945	3 086	3 206
Infrastructure - Sanitation			_	1 086	2 273	357	357	368	386	401
Infrastructure - Other			_	- 1000	2 273	-	- 337	-	_	-
Infrastructure		891	_	5 226	7 948	5 937	5 937	6 115	6 408	6 657
Community		41	_	86	342	531	531	547	573	595
Heritage assets		-"	_	_	_	-	-	-	-	_
Investment properties		_	_	_	_	_	_	_	_	_
Other assets	6, 7	1 574	_	1 987	7 705	5 773	5 773	5 886	4 754	4 939
TOTAL EXPENDITURE OTHER ITEMS	+	2 506	20 696	27 429	38 690	34 676	34 676	35 632	35 928	37 322

Explanatory notes to Table A9 - Asset Management

- 1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- 2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.
- 3. An analysis between depreciation and operational repairs and maintenance over the MTREF is not yet possible until the municipality changes its financial systems to include all maintenance costs, also those incurred internally, to the maintenance votes. When implemented it will highlight the Municipality's maintenance backlog.

EC136 Emalahleni (EC) - Table A10 Basic	ser	ice delivery	measuremen	ıt						
		2010/11	2011/12	2012/13	Cui	rrent Year 2013	3/14		edium Term R	
Description	Ref				Original	Adjusted	Full Year	Budget Year	nditure Frame	Budget Year
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	2014/15	+1 2015/16	+2 2016/17
Household service targets	1				Duagot	Daugot	1 01 00001	2011110	11 2010/10	12 2010/17
Water:										
Piped water inside dwelling		20 851	21 433	21 761	26 610	26 610	26 610	28 207	29 899	31 693
Piped water inside yard (but not in dwelling) Using public tap (at least min.service level)	2	11 952 8 511	11 936 8 410	11 927 8 340	11 854 8 099	11 854 8 099	11 854 8 099	12 565 8 585	13 319 9 100	14 118 9 646
Other water supply (at least min.service level)	4	2 315	2 226	2 110	2 203	2 203	2 203	2 335	2 475	2 624
Minimum Service Level and Above sub-total		43 629	44 005	44 138	48 766	48 766	48 766	51 692	54 793	58 081
Using public tap (< min.service level)	3	7 095	7 083	7 072	7 778	7 778	7 778	8 245	8 739	9 264
Other water supply (< min.service level) No water supply	4	2 533	2 316	2 160	1 329	1 329	1 329	1 409	1 493	1 583
Below Minimum Service Level sub-total		9 628	9 399	9 232	9 107	9 107	9 107	9 653	10 233	10 847
Total number of households	5	53 257	53 404	53 370	57 873	57 873	57 873	61 345	65 026	68 928
Sanitation/sewerage:										
Flush toilet (connected to sew erage)		30 983	30 986	30 989	33 190	33 190	33 190	35 181	37 292	39 530
Flush toilet (with septic tank) Chemical toilet		1 724 4 170	1 724 4 170	1 724 4 170	1 385 1 410	1 385 1 410	1 385 1 410	1 468 1 495	1 556 1 584	1 650 1 679
Pit toilet (ventilated)		8 386	8 201	8 160	5 857	5 857	5 857	6 208	6 581	6 976
Other toilet provisions (> min.service level)			0 = 0.							
Minimum Service Level and Above sub-total		45 263	45 081	45 043	41 842	41 842	41 842	44 353	47 014	49 834
Bucket toilet Other toilet provisions (< min.service level)					103	103	103	103	103	103
No toilet provisions (< min.service level)					4 482	4 482	4 482	4 482	4 482	4 482
Below Minimum Service Level sub-total		-	-	-	4 585	4 585	4 585	4 585	4 585	4 585
Total number of households	5	45 263	45 081	45 043	46 427	46 427	46 427	48 938	51 599	54 419
Energy:										
Electricity (at least min.service level)		51 921	52 453	53 300	54 155	54 155	54 155	57 404	60 849	64 499
Electricity - prepaid (min.service level) Minimum Service Level and Above sub-total		50 271 102 192	50 686 103 139	51 575 104 875	52 355 106 510	52 355 106 510	52 355 106 510	55 496 112 901	58 826 119 675	62 356 126 855
Electricity (< min.service level)		102 132	100 109	104 07 3	100 510	100 510	100 310	112 301	119 073	120 000
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total Total number of households	5	102 192	103 139	104 875	106 510	106 510	106 510	112 901	119 675	126 855
	1	102 192	103 139	104 675	100 310	100 310	100 310	112 901	119 0/3	120 000
Refuse: Removed at least once a week				27 890	27 890	27 890	27 890	29 563	31 337	33 217
Minimum Service Level and Above sub-total		-	_	27 890	27 890	27 890	27 890	29 563	31 337	33 217
Removed less frequently than once a week										
Using communal refuse dump				110	123	123	123	130	138	146
Using own refuse dump Other rubbish disposal				4 048	4 142	4 142	4 142	4 391	4 654	4 933
No rubbish disposal				4 158	4 222	4 222	4 222	4 475	4 744	5 028
Below Minimum Service Level sub-total		-		8 316	8 487	8 487	8 487	8 996	9 536	10 108
Total number of households	5	-		36 206	36 377	36 377	36 377	38 560	40 873	43 326
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		7 241	7 276	7 309	7 309	7 309	7 309	7 309	7 309	7 309
Sanitation (free minimum level service)		9 567	9 308	9 157	9 157	9 157	9 157	9 157	9 157	9 157
Electricity/other energy (50kwh per household p Refuse (removed at least once a week)	er mo I	8 354 9 535	8 228 9 727	8 152 9 812	8 152 9 812	8 152 9 812	8 152 9 812	8 152 9 812	8 152 9 812	8 152 9 812
Cost of Free Basic Services provided (R'000)	8	0 000	0 121	0 012	0012	0012	0012	0012	0 012	0 012
Water (6 kilolitres per household per month)	°	_	0	1	848	848	848	873	915	951
Sanitation (free sanitation service)		-	93	321	2 873	2 873	2 873	2 959	3 101	3 221
Electricity/other energy (50kwh per household p	er mo		517	762	677	677	677	697	730	759
Refuse (removed once a week) Total cost of FBS provided (minimum social p	l acks	195 611	66 677	141	300 4 697	350 4 747	350 4 747	361 4 890	378 5 124	392 5 323
	Jucka	011	0//	1 223	4 077	4 /4/	4 /4/	4 070	5 124	3 323
Highest level of free service provided Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month) Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)	ľ	3 003	504	-	525	525	525	541	567	589
Property rates (other exemptions, reductions										
and rebates)		-	0	0	0	0	0	0	0	0
Water Sanitation		-	0 93	321	848 2 873	848 2 873	848 2 873	873 2 959	915 3 101	951 3 221
Electricity/other energy		416	517	762	677	677	677	697	730	759
Refuse		195	66	141	300	350	350	361	378	392
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies Other	6	-	-	-	-	-	-	-	_	-
Total revenue cost of free services provided		-			-	_			_	_
(total social package)		3 614	1 181	1 225	5 223	5 273	5 273	5 431	5 691	5 912
		3 0.11			3 223	- 2.3	, , , , ,			

Part 2 - Supporting Documentation

1.8 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head Councillor of Financial Services/Mayor.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.8.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule by 31 August 2013.

2014/2015 IDP AND BUDGET SCHEDULE OF KEY DEADLINES

Month	Action to be taken Administratively – Municipality Administration
July	Accounting officers and senior officials of Emalahleni Local Municipality begin planning for next three-year budget
	MFMA s 68, 77
	Accounting officers and senior officials of the municipality review options and contracts for service delivery
	MSA s 76-81
August	Accounting Officer to assist Mayor to prepare the schedule of key deadlines and align the IDP and Budget process
September	Budget office of Emalahleni Local Municipality determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives.
	Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)
_	Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials
	MFMA s 35, 36, 42; MTBPS
	Accounting officer reviews and drafts initial changes to IDP
November	MSA s 34
/	Accounting officer submits draft budget and plans for next financial year to the Mayor for tabling
December	
	Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others
	Accounting officer to notify relevant municipalities of projected allocations for next three budget years
	MUNICIPAL ELECTIONS AND CONSULTATION ON THE BUDGET

January	Accounting officer reviews proposed national and provincial allocations to municipality
	for incorporation into the draft budget for tabling.
	MFMA s 36
	The Accounting Officer must by 25 January assess the performance of the municipality for the first six months of the 2012/2013 financial year and submits a report on such assessment to the Mayor, National Treasury and Provincial Treasury.
	MFMA s 72
February	The Accounting Officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous year's audited financial statements and annual report.
	The Accounting Officer of Emalahleni Local Municipality must liaise with the Accounting Officer of Chris Hani District Municipality 120 days prior to the start of the budget year to obtain projected allocations for 2013/2014, 2014/2015 & 2015/2016.
	MFMA s 37(2)
March	The Accounting Officer must publish the tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to National Treasury, Provincial Treasury and others as prescribed.
	MFMA s 22 & 37; MSA Ch 4 as amended
	The Accounting Officer must review any changes in prices for bulk electricity & water purchases as communicated by NERSA & DWA as well as submit proposal of increasing prices of sale of electricity & water to the executive authority & the regulator for approval if national legislation requires such approval.
	MFMA s 42
April	Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year
May	Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into

	account consultative processes and any other new information of a material nature
June	Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA.
	MFMA s 69; MSA s 57
	Accounting Officer must publish the adopted budget and all budget-related documents.
	MFMA s 75, 87

Abbreviations: IDP - Integrated Development Plan; MFMA - Local Government: Municipal Finance Management Act, No. 56 of 2003; MSA - Local Government: Municipal Systems Act, No. 32 of 2000, as amended; MTBPS - National Treasury annual publication, Medium Term Budget and Policy Statement; NT - National Treasury; PT - Provincial Treasuries; SDBIP - Service Delivery and Budget Implementation Plan

Shaded Area: Consultation on the budget and municipal elections.

There were some deviations from the key dates set out in the Budget Time Schedule tabled in Council. However, the schedule attached is the revised on as from time to time adjusted by council and its programmes.

1.8.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as adopted by Council in March 2011 and again by the new Council in May 2012. It started in September 2013 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2014/15 MTREF in August.

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

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

The IDP has been taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

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

1.8.3 Financial Modelling and Key Planning Drivers

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

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2013/14 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 58 and 59 has been taken into consideration in the planning and prioritisation process.

1.9 Overview of alignment of annual budget with IDP

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

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

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

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

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2012/13 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

	2013/14 Financial Year	2014/15 MTREF
1.	The provision of quality basic services and infrastructure	To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)
2.	Acceleration of higher and shared economic growth and development	2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)
3.	Fighting of poverty, building clean, healthy, safe and sustainable communities	3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.)
4.	Fostering participatory democracy and adherence to Emalahleni Municipality principles through a caring, accessible and accountable service	4. To have a transparent and performance driven organisation (KPA Good governance and public participation)
5.	Good governance, Financial viability and institutional governance	5. To implement good financial management (KA Financial management and viability)

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

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

- 1. To have a transparent and performance driven organisation
- 2. To ensure that cost effective, appropriate and efficient services are delivered
- 3. To ensure that conditions are created which stimulate the growth of the local economy
- 4. To implement good financial management
- 5. To have an effective and efficient administration

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

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP.

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

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

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013	3/14		ledium Term R nditure Frame	
				Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
R thousand				Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
Good Governance &	To have a transparent and			1 231	690	322	5 336	5 468	5 468	6 335	6 599	6 897
Municipal transformation	performance driven											
	organisation (KPA Good											
	gov ernance and public											
	participation). To have an											
	effective and efficient											
	administration (KPA Municipal											
	transformation and Inst.dev.)											
Financial Viability	To implement good financial			56 930	70 681	82 364	85 381	82 986	82 986	95 817	120 723	122 154
	management (KA Financial											
	management and viability)											
Local Economic Development	To ensure that conditions are			732	2 643	3 270	1 165	4 776	4 776	1 721	1 803	1 873
	created which stimulate the											
	grow th of the local economy											
	(KPA LED)											
Service Delivery	To ensure that cost effective,			42 489	46 355	70 735	97 136	90 551	90 551	96 095	109 619	118 901
	appropriate and efficient											
	services are delivered (KPA											
	Service delivery)											
Allocations to other prioritie	es		2									
Total Revenue (excluding ca	pital transfers and contributi	ons)	1 1	101 381	120 370	156 691	189 019	183 781	183 781	199 968	238 744	249 826

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

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013	3/14	2014/15 Medium Term Revenue & Expenditure Framework			
				Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year		
R thousand				Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17	
Good Governance &	To have a transparent and			26 090	30 356	33 340	38 936	40 884	40 884	47 586	46 660	49 279	
Municipal transformation	performance driven												
	organisation (KPA Good												
	gov ernance and public												
	participation). To have an												
	effective and efficient												
	administration (KPA Municipal												
	transformation and Inst.dev.)												
	,												
Financial Viability	To implement good financial			17 610	14 198	18 606	20 387	20 994	20 994	24 443	25 104	26 584	
*	management (KA Financial												
	management and viability)												
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,												
Local Economic Development	To ensure that conditions are			8 199	12 638	16 560	22 148	23 347	23 347	22 143	21 353	22 735	
	created which stimulate the												
	grow th of the local economy												
	(KPA LED)												
	(M / LLD)												
Service Delivery	To ensure that cost effective.			24 781	123 274	86 583	102 563	98 673	98 673	105 779	119 465	129 946	
Corrido Donvery	appropriate and efficient			24 701	.23 274	30 303	.02 303	30 073	30 07 3	.03 773	. 19 403	.25 540	
	services are delivered (KPA												
	Services are delivered (KFA												
	Service delivery)												
Allocations to other prioritie	ne e												
Total Expenditure	63		1	76 680	180 467	155 090	184 033	183 898	183 898	199 952	212 582	228 543	
rotai Experioritire				/6 660	100 407	133 090	104 033	103 070	103 070	199 932	212 302	220 343	

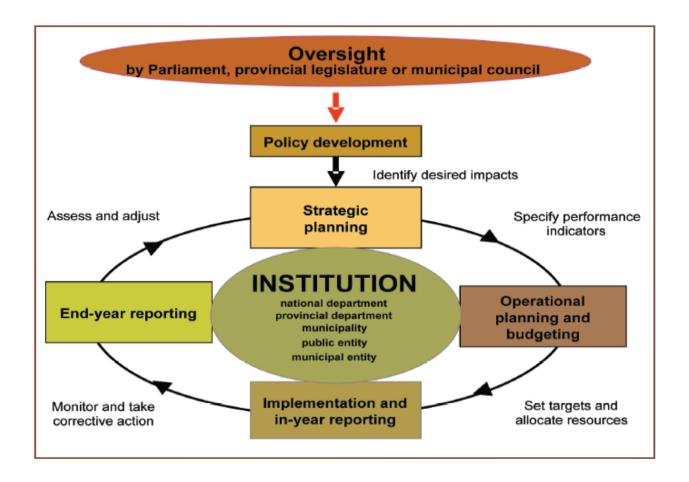
MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013	3/14	2014/15 Medium Term Revenue & Expenditure Framework			
				Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Yea	
R thousand				Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17	
Good Gov ernance &	To have a transparent and	Α		-	846	597	6 520	2 980	2 980	4 580	310	2 560	
Municipal transformation	performance driven												
	organisation (KPA Good												
	gov ernance and public												
	participation). To have an												
	effective and efficient											i	
	administration (KPA Municipal											İ	
	transformation and Inst.dev.)												
Financial Viability	To implement good financial	В		_	260	672	970	1 751	1 751	1 160	1 060	1 240	
	management (KA Financial												
	management and viability)												
Local Economic Development	To ensure that conditions are	С		-	531	7 727	14 280	11 913	11 913	21 990	10 156	1 852	
	created which stimulate the												
	growth of the local economy												
	(KPA LED)												
Service Delivery	To ensure that cost effective,	D		_	1 955	8 074	17 971	27 365	27 365	9 693	21 665	30 676	
	appropriate and efficient												
	services are delivered (KPA												
	Service delivery)												
		Р											
Allocations to other prioritie	es		3										
Total Capital Expenditure			1		3 592	17 070	39 742	44 009	44 009	37 423	33 191	36 328	

1.10 Measurable performance objectives and indicators

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

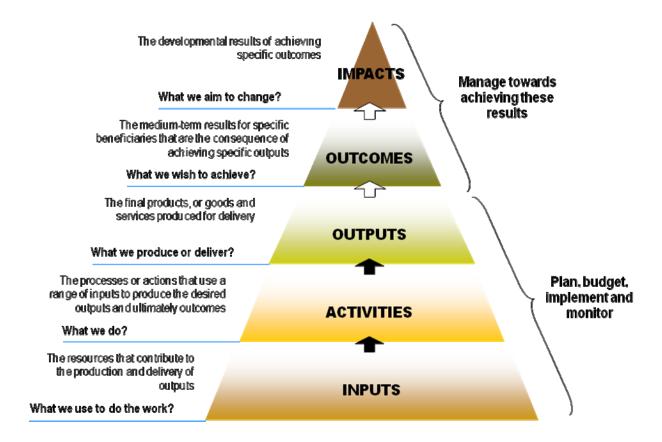
At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information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



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

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

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



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

MBRR Table SA7 - Measurable performance objectives

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

MBRR Table SA8 - Performance indicators and benchmarks

EC136 Emalahleni (EC) - Supporting T	able SA8 Performance indicators a	nd benchma	arks									
		2010/11	2011/12	2012/13		Current Ye	ear 2013/14		2014/15 Medium Term Revenue & Expenditure Framework			
Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Borrowing Management												
Credit Rating												
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.2%	0.3%	0.7%	0.2%	0.1%	0.1%	0.4%	0.2%	0.2%	0.1%	
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.9%	1.0%	2.1%	0.7%	0.3%	0.3%	0.9%	0.6%	0.5%	0.5%	
Borrow ed funding of 'ow n' capital ex penditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	39.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Safety of Capital												
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<u>Liquidity</u>												
Current Ratio	Current assets/current liabilities	2.7	3.3	3.7	6.0	2.5	2.5	3.1	2.0	3.3	4.1	
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.7	3.3	3.7	6.0	2.5	2.5	3.1	2.0	3.3	4.1	
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	2.7	2.9	5.7	1.9	1.9	2.5	1.1	2.0	2.4	
Revenue Management Annual Debtors Collection Rate (Payment	Last 12 Mths Receipts/Last 12 Mths		-18.7%	6.9%	49.4%	66.9%	99.6%	99.6%	65.4%	85.5%	85.6%	
Level %) Current Debtors Collection Rate (Cash	Billing	-18.7%	6.9%	49.4%	66.9%	99.6%	99.6%	65.4%	85.5%	85.6%	85.8%	
receipts % of Ratepay er & Other revenue) Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual	57.9%	7.8%	11.2%	3.7%	6.7%	6.7%	17.3%	8.6%	10.3%	14.3%	
Longstanding Debtors Recovered	Rev enue Debtors > 12 Mths Recovered/Total											
Conditions Management	Debtors > 12 Months Old											
Creditors Management Creditors System Efficiency	% of Creditors Paid Within Terms											
Creditors to Cash and Investments	(within`MFMA' s 65(e))	22.8%	16.0%	13.0%	11.8%	21.7%	21.7%	4.3%	54.3%	29.0%	24.2%	
Other Indicators	Total Volume Losses (kW)											
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)											
Electricity Distribution Losses (2)	% Volume (units purchased and											
	generated less units sold)/units											
	purchased and generated											
	Total Volume Losses (kt)											
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)											
, ,	% Volume (units purchased and											
	generated less units sold)/units purchased and generated											
Employ ee costs	Employee costs/(Total Revenue - capital	27.1%	33.1%	32.1%	24.1%	32.3%	32.3%	26.0%	36.5%	29.8%	31.1%	
Remuneration	revenue) Total remuneration/(Total Revenue -	33.8%	40.1%	38.8%	30.4%	38.6%	38.6%		42.5%	35.0%	36.3%	
Repairs & Maintenance	capital revenue) R&M/(Total Revenue excluding capital	2.5%	0.0%	5.4%	9.8%	7.9%	7.9%		7.4%	5.7%	5.6%	
Finance charges & Depreciation	revenue) FC&D/(Total Revenue - capital revenue)	0.0%	17.7%	15.2%	14.2%	14.5%	14.5%	0.0%	13.8%	11.8%	11.7%	
IDP regulation financial viability indicators												
i. Debt cov erage	(Total Operating Revenue - Operating	1.8	4.7	8.7	8.4	8.4	8.4	5.2	7.8	7.9	8.3	
	Grants)/Debt service payments due within financial year)											
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	629.8%	49.7%	79.7%	32.4%	74.6%	74.6%	115.7%	98.5%	137.8%	191.7%	
iii. Cost cov erage	(Av ailable cash + Investments)/monthly	3.4	4.2	6.0	4.2	3.0	3.0	13.9	1.5	2.7	3.2	
	fix ed operational ex penditure		ļ.,,					l	L			

1.10.1 Performance indicators and benchmarks

1.10.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Emalahleni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2013/14 MTREF:

- Borrowing to asset ratio is a measure of the long-term borrowing as a percentage of
 the total asset base of the municipality. This ration is by far below the borrowing capacity
 of the municipality, but it needs to be noted that capital grants and transfers has
 contributed significantly to the municipality's capital expenditure programs, thus limiting the
 need for borrowing.
- Capital charges to operating expenditure is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is steady 0.1 per cent throughout the MTREF period..While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality should limit external interest charges to the minimum..
- Borrowing funding of own capital expenditure measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality does not intend borrowing any money during the MTREF period.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

The Municipality has bought vehicles on hire purchase and will pay instalments monthly for a five year period.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

1.10.1.2 Safety of Capital

- The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. This ratio is well below the norm, indicating a strong financial position.
- The gearing ratio is a measure of the total long term borrowings over funds and reserves.

1.10.1.3 Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of more than 2 which is a general benchmark, hence at no point in time should this ratio be less than 2. For the 2014/15 MTREF the current ratio is 2, and 3.3 and 4.1 respectively for the two outer years of the MTREF. Going forward it will be good financial practices if these levels can be maintained.
- The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2013/14 financial year the ratio was 1.9 and as part of the financial planning strategy it has been increased to 2.0 in the 2014/15 and has increased to 2.4 in 2016/17 financial year.

1.10.1.4 Revenue Management

As part of the financial sustainability, an aggressive revenue management framework should be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the framework should be to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. The collection rates in this indicator is based on all cash receipts, also for direct income. The collection rate used for the calculation of debtors' payments was 50 per cent and should increase if the municipality wants to be financial as a going concern.ly conservative approach in order to cater for the current negative economic climate.

1.10.1.5 Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

1.10.1.6 Other Indicators

- The municipality needs to know what causes high electricity losses. The municipality has then to developed mechanism to determine what is an acceptable distribution loss and what should be contributed to theft.
- Employee costs as a percentage of operating revenue is fairly constant over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of
 operating revenue is also fairly constant owing directly to cost drivers such as bulk
 purchases increasing far above inflation. The expenditure on repairs and maintenance is
 well below acceptable levels, but the actual cost will only be determined when a costing
 system is implemented.

1.10.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the MTREF 1903 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of electricity, free sanitation and free waste removal equivalent once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained elsewhere in this report.

1.11 Overview of budget related-policies

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

There will be a policy review workshop during the month of April 2014 so as to make sure all users of it understand it. The following is a broad framework of all the policies the council have:

1.11.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council annually is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services.

The 2014/1 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 50 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels.

1.11.2 Asset Management, Infrastructure Investment and Funding Policy

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

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and

prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

1.11.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

1.11.4 Supply Chain Management Policy

The Supply Chain Management Policy was reviewed and adopted by Council in May 2013. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

1.11.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

1.11.6 Cash Management and Investment Policy

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

1.11.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on at main municipal building, as well as the following budget related policies:

- Property Rates Policy:
- Funding and Reserves Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

1.12 Overview of budget assumptions

1.12.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2015 will minimal with a slightly better growth in the outer years.

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

1.12.2 General inflation outlook and its impact on the municipal activities

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

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses:
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

1.12.3 Credit rating outlook

The Municipality did not perform a credit rating outlook.

1.12.4 Interest rates for borrowing and investment of funds

The municipality will not borrow any funds during the MTREF period. It is expected that interest rates will be adjusted slightly upwards during the MTREF period and it was budget for as such.

1.12.5 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (20 per cent) of annual billings. Cash flow is assumed to be 20 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.12.6 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

1.12.7 Salary increases

There is a collective agreement on salary increases in place for the budget year, and the guidance on increases as contained in Circular 71 and 72 of National Treasury was also used during the compilation of budget accordingly.

1.12.8 Impact of national, provincial and local policies

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

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

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

1.12.9 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget.

1.13 Overview of budget funding

1.13.1 Medium-term outlook: operating revenue

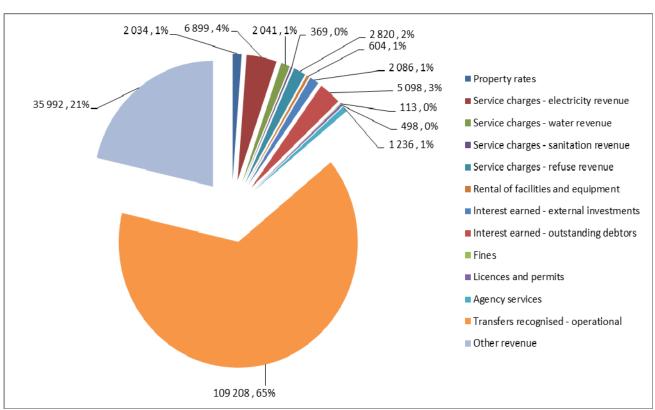
The following table is a breakdown of the operating revenue over the medium-term:

EC136 Emalahleni (EC) - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13		Current Ye	ear 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			
R thousands	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R tilousalius	Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
Financial Performance										
Property rates	1 772	3 401	3 530	4 675	1 975	1 975	2 546	2 034	2 132	2 214
Service charges	6 899	14 513	14 914	13 240	11 470	11 470	14 660	12 650	13 257	13 771
Investment revenue	1 830	2 250	2 862	1 516	2 025	2 025	2 370	2 086	2 186	2 271
Transfers recognised - operational	87 337	72 148	85 415	104 225	98 550	98 550	84 092	108 178	143 222	149 843
Other own revenue	3 544	26 633	29 177	39 448	41 625	41 625	23 690	43 542	45 986	48 459
Total Revenue (excluding capital transfers	101 381	118 944	135 898	163 103	155 645	155 645	127 358	168 489	206 782	216 558
and contributions)										

The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.

Breakdown of operating revenue over the 2014/15 MTREF



the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored.

Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

MBRR SA15 – Detail Investment Information

EC136 Emalahleni (EC) - Supporting Tal	ole S	A15 Investme	nt particulars	by type						
Investment type		2010/11	2011/12	2012/13	Cu	rrent Year 2013	3/14		ledium Term R enditure Frame	
vssao type	Ref	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										
Parent municipality Securities - National Government Listed Corporate Bonds Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks Municipal Bonds		6 066	29 917	43 695	50 000	30 000	30 000	14 000	30 000	P 40 000
Municipality sub-total	1	6 066	29 917	43 695	50 000	30 000	30 000	14 000	30 000	40 000
Entities Securities - National Government Listed Corporate Bonds Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks										
Entities sub-total		-	-	_	-	-	_	-	-	-
Consolidated total:	T	6 066	29 917	43 695	50 000	30 000	30 000	14 000	30 000	40 000

MBRR SA16 – Investment particulars by maturity

EC136 Emalahleni (EC) - Supporting Table SA16 Investment particulars by maturity

EC 130 Emaiamem (EC) - Supporting Tab	10 01	tio investment pe	ii ticulai 3 by illatuii	.y						,				
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
														-
														-
														_
														-
						v								-
														-
Municipality sub-total										-		-	-	-
Entities														
INVESTEC		Call	CALL ACCOUNTS	Yes	Variable	5	0	0	30 DAYS	30 000	1 500	(17 500)	-	14 000
														-
														-
														- -
														-
														-
Entities sub-total	li									30 000		(17 500)	-	14 000
TOTAL INVESTMENTS AND INTEREST	1									30 000		(17 500)		14 000

1.13.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

MBRR Table A7 - Budget cash flow statement

EC136 Emalahleni (EC) - Table A7 Budgeted Cash Flows

EC136 Emalahleni (EC) - Table A/ Budge	ted (Cash Flows									
Description	Ref	2010/11	2011/12	2012/13		Current Ye	or 2012/14		2014/15 M	ledium Term R	evenue &
Description	Kei	2010/11	2011/12	2012/13		Current re	ai 2013/14		Expe	nditure Frame	work
Dishausand		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES						-					
Receipts											
Ratepayers and other		(2 279)	3 077	23 415	38 260	54 866	54 866	25 982	49 876	52 624	55 355
Gov ernment - operating	1	84 468	72 148	85 415	125 636	98 550	98 550	84 092	108 178	143 222	149 843
Gov ernment - capital	1	-	17 084	23 095	25 917	28 138	28 138	12 620	30 970	32 508	33 835
Interest		4 114	7 861	9 333	5 793	6 975	6 975	8 779	7 184	7 529	7 821
Dividends		-	-	_	-	-	_	_	_	-	-
Payments											
Suppliers and employees		(73 317)	(98 819)	(116 588)	(156 880)	(140 426)	(140 426)	(64 894)	(155 045)	(155 212)	(164 814)
Finance charges		(21)	(89)	(219)	(389)	(170)	(170)	_	(175)	(184)	(191)
Transfers and Grants	1	-	-	(0)	(6 587)	(25 614)	(25 614)	(10 648)	(17 899)	(28 296)	(33 660)
NET CASH FROM/(USED) OPERATING ACTIVIT	IES	12 966	1 262	24 451	31 749	22 318	22 318	55 931	23 089	52 192	48 190
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	207	-	-	-	_	_	-	-
Decrease (Increase) in non-current debtors		-	-	_	_	-	_	_	_	_	_
Decrease (increase) other non-current receivable	es	-	-	_	-	-	_	_	_	_	_
Decrease (increase) in non-current investments		-	-	_	8 000	-	_	_	_	_	_
Payments											
Capital assets		(34 157)	(2 998)	(17 070)	(39 742)	(43 709)	(43 709)	(43 709)	(38 223)	(33 191)	(36 328)
NET CASH FROM/(USED) INVESTING ACTIVITII	ES	(34 157)	(2 998)	(16 864)	(31 742)	(43 709)	(43 709)	(43 709)	(38 223)	(33 191)	(36 328)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	_	_	-	_	-	_	_	-
Borrowing long term/refinancing		_	844	(0)	_	_	_	_	_	_	_
Increase (decrease) in consumer deposits		_	66	10	_	_	_	7	_	_	_
Payments											
Repay ment of borrowing		(104)	(125)	(545)	-	-	_	(412)	(195)	(150)	(116)
NET CASH FROM/(USED) FINANCING ACTIVIT	IES	(104)	785	(536)	_	-	-	(405)	(195)	, ,	(116)
NET INCREASE/ (DECREASE) IN CASH HELD		(21 295)	(951)	7 051	8	(21 391)	(21 391)	11 816	(15 329)	18 850	11 746
Cash/cash equivalents at the year begin:	2	39 745	47 015	46 064	42 953	53 115	53 115	53 115	31 725	16 395	35 245
Cash/cash equivalents at the year end:	2	18 450	46 064	53 115	42 961	31 725	31 725	64 931	16 395	35 245	46 991
j car ordan		.5 .00	.0 001	55 .10	,01	020	J LU	0.701		00 = 10	

1.13.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

EC136 Emalahleni (EC) - Table A8 Cash I	oack	ed reserves/a	ccumulated	surplus reco	nciliation						
Description	Ref	2010/11	2011/12	2012/13		Current Ye	ear 2013/14			evenue & work	
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
K tilousaliu		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	18 450	46 064	53 115	42 961	31 725	31 725	64 931	16 395	35 245	46 991
Other current investments > 90 days		0	0	(0)	50 000	1 053	1 053	21 911	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		18 450	46 064	53 115	92 961	32 778	32 778	86 843	16 395	35 245	46 991
Application of cash and investments	Τ										
Unspent conditional transfers		14 292	5 138	5 873	-	5 873	5 873	30 261	-	_	-
Unspent borrowing		-	-	-	-	-	_		-	-	-
Statutory requirements	2										
Other working capital requirements	3	15 159	6 753	(614)	1 099	(3 537)	(3 537)	(10 885)	(3 126)	(8 361)	(15 802)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:	T	29 450	11 892	5 259	1 099	2 336	2 336	19 376	(3 126)	(8 361)	(15 802)
Surplus(shortfall)		(11 000)	34 173	47 857	91 862	30 442	30 442	67 467	19 521	43 606	62 792

From the above table it can be seen that the cash and investments available total R16.4 million in the 2014/15 financial year and progressively increase to R46.99 million by 2016/17, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as
 the municipality has received government transfers in advance of meeting the conditions.
 Ordinarily, unless there are special circumstances, the municipality is obligated to return
 unspent conditional grant funds to the national revenue fund at the end of the financial
 year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course
 of business, but this practice has been discontinued.
- The main purpose of other working capital is to ensure that sufficient funds are available to
 meet obligations as they fall due. A key challenge is often the mismatch between the
 timing of receipts of funds from debtors and payments due to employees and creditors.
 High levels of debtor non-payment and receipt delays will have a greater requirement for
 working capital, resulting in cash flow challenges. Any underperformance in relation to

- collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the Capital Replacement Reserve, Employee Benefits Reserves and the Rehabilitation of landfill sites and quarries.

1.13.4 Funding compliance measurement

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

MBRR SA10 – Funding compliance measurement

	l	l	2010/11	2011/12	2012/13		Current Ye	ar 2013/14			edium Term R	
Description	MFMA	Ref								Expe	nditure Frame	work
-	section		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Yea
		l	Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/15	+1 2015/16	+2 2016/17
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	18 450	46 064	53 115	42 961	31 725	31 725	64 931	16 395	35 245	46 991
Cash + investments at the yr end less applications - R'000	18(1)b	2	(11 000)	34 173	47 857	91 862	30 442	30 442	67 467	19 521	43 606	62 792
Cash year end/monthly employee/supplier payments	18(1)b	3	3.4	4.2	6.0	4.2	3.0	3.0	8.4	1.4	2.8	3.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	24 701	(60 097)	1 601	4 986	(117)	(117)	6 108	4	27 999	23 059
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	100.6%	(3.0%)	(8.9%)	(31.0%)	(6.0%)	22.0%	3.2%	(1.2%)	(2.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	(18.7%)	6.9%	49.4%	66.9%	99.6%	99.6%	63.5%	85.7%	85.7%	85.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	83.5%	243.0%	50.0%	22.1%	22.5%	22.5%	17.8%	21.3%	21.3%	21.3%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	83.5%	100.0%	100.0%	99.3%	99.3%	99.3%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	39.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(84.2%)	64.1%	(60.8%)	75.6%	0.0%	114.3%	38.9%	46.4%	44.7%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.1%	0.0%	2.0%	6.2%	3.0%	3.0%	3.4%	3.0%	2.7%	2.8%
Asset renew al % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
. •	1		1							1		

1.13.4.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

1.13.4.2 Cash plus investments less application of funds

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

1.13.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

1.13.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2014/15 MTREF and outer years the municipality has a small surpluses.

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

1.13.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth is higher than forecasted CPIX for the respective financial year of the 2013/14 MTREF which is mainly due to higher electricity tariff increase. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

1.13.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 62.2 per cent for 2013/14 and 62.2 percent for the outer financial years. Given that the assumed collection rate was based on a 20 per cent performance target, the cash flow statement has been conservatively determined. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

1.13.4.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 20 per cent over the MTREF.

1.13.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

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

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

1.13.4.10 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

1.13.4.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

1.13.4.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

1.14 Expenditure on grants and reconciliations of unspent funds

MBRR SA19 - Expenditure on transfers and grant programmes

EC136 Emalahleni (EC) - Supporting Table SA19 Expenditure on transfers and grant programme

EC136 Emalahleni (EC) - Supporting Tab	le S	A19 Expendit	ture on trans	fers and gra	nt programm	ne				
Description	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013	3/14	l	ledium Term R Inditure Frame	
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										İ
National Government:		65 774	67 826	82 270	103 653	93 409	93 409	107 143	142 161	148 740
Local Government Equitable Share		57 535	61 056	69 797	78 749	78 749	78 749	92 038	116 794	118 123
Finance Management		1 250	1 500	1 379	1 650	1 650	1 650	1 800	1 850	1 900
Municipal Systems Improvement		750	790	736	890	890	890	934	967	1 018
Integrated National Electrification Programme	H	5 000	4 480	9 000	20 000	10 000	10 000	10 000	20 000	25 000
EPWP Incentive	H	1 239		1 358	1 000	1 000	1 000	1 217	1 000	1 039
Other transfers/grants [insert description]		-	-	-	1 364	1 120	1 120	1 154	1 550	1 660
Provincial Government:		-	2 189	441	572	1 184	1 184	932	954	991
Other transfers/grants [insert description]		-	2 189	441	572	1 184	1 184	932	954	991
District Municipality:		19 878	-	2 705	-	3 957	3 957	103	108	112
[insert description]		19 878	_	2 705	-	3 957	3 957	103	108	112
Other grant providers:		-	-	_	-	-	_	-	_	-
[insert description]										
Total operating expenditure of Transfers and G	rant:	85 651	70 015	85 415	104 225	98 550	98 550	108 178	143 222	149 843
Capital expenditure of Transfers and Grants										
National Government:		15 978	19 217	20 793	25 917	28 138	28 138	30 970	32 508	33 835
Municipal Infrastructure Grant (MIG)		15 978	19 217	20 793	25 917	28 138	28 138	30 970	32 508	33 835
Other capital transfers/grants [insert desc]										
Provincial Government:										
Other capital transfers/grants [insert		-	-	-	-	-	-	-	-	-
description]										
District Municipality:		3 243	-	-	-	-	-	-	-	-
[insert description]		3 243								
Other grant providers:		-	-	-	-	-	-	-	_	-
[insert description]										
Total capital expenditure of Transfers and Grar	nts	19 221	19 217	20 793	25 917	28 138	28 138	30 970	32 508	33 835
	-	104 872	89 232	106 208	130 142	126 688	126 688	139 148	175 730	183 678

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

EC136 Emalahleni (EC) - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2010/11	2011/12	2012/13	Cui	rrent Year 2013	/14		ledium Term R Inditure Frame	
R thousand		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
Operating transfers and grants:	1,3	Gutoomo	outoomo	- Cuttoom C	Buugot	Buugot	1 01 000001	2011110	11 2010/10	12 2010/17
National Government:										
Balance unspent at beginning of the year				_						
Current year receipts		65 774	67 826	82 270	103 653	93 409	93 409	107 143	142 161	148 740
Conditions met - transferred to revenue		65 774	67 826	82 270	103 653	93 409	93 409	107 143	142 161	148 740
Conditions still to be met - transferred to liabilities			-	-						
Provincial Government:										
Balance unspent at beginning of the year										
Current y ear receipts		1 685	4 322	441	572	1 184	1 184	932	954	991
Conditions met - transferred to revenue		1 685	4 322	441	572	1 184	1 184	932	954	991
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		19 878	_	2 705	_	3 957	3 957	103	108	112
Conditions met - transferred to revenue		19 878	-	2 705	-	3 957	3 957	103	108	112
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current y ear receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		87 336	72 148	85 415	104 225	98 550	98 550	108 178	143 222	149 843
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			-	-						
Current y ear receipts		-	1 425	20 793	25 917	28 138	28 138	30 970	32 508	33 835
Conditions met - transferred to revenue		-	1 425	20 793	25 917	28 138	28 138	30 970	32 508	33 835
Conditions still to be met - transferred to liabilities				-						
Provincial Government:										
Balance unspent at beginning of the year										
Current y ear receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		-								
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current y ear receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	1 425	20 793	25 917	28 138	28 138	30 970	32 508	33 835
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		87 336	73 573	106 208	130 142	126 688	126 688	139 148	175 730	183 678
TOTAL TRANSFERS AND GRANTS - CTBM		2. 200		200		500	500			-

1.15 Councillor and employee benefits

MBRR SA22 - Summary of councillor and staff benefits

EC136 Emalahleni (EC) - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor	1	VEZ Summur	Councillor	and Stair Dei	101113			2014/15 M	Medium Term R	Pavanua &
Summary of Employee and Councillor remuneration	Ref	2010/11	2011/12	2012/13	Cur	rrent Year 2013	/14		enditure Frame	
· omanoranon		Audited	Audited	Audited	Original	Adjusted	Full Year		Budget Year	Budget Year
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
	1	A	В	C	Dadget	E	F	G G	H	TZ 2010/17
	'	A	В	C	U		F	G	"	'
Councillors (Political Office Bearers plus Other	<u>er)</u>									
Basic Salaries and Wages		6 776	8 270	9 101	10 297	9 740	9 740	10 227	10 718	11 134
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus	_	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	_	-	-	_	-	_
Housing Allow ances Other benefits and allow ances	3	_	-	_		_	_	_	_	_
Board Fees	"	_	_	_			_	_	_	_
Payments in lieu of leave		_	_	_	_		_	_	_	[
Long service awards		_	_	_		_	_	_	_	_
Post-retirement benefit obligations	6	_	_					_		[
Sub Total - Councillors	ľ	6 776	8 270	9 101	10 297	9 740	9 740	10 227	10 718	11 134
% increase	4	0 770	22.0%	10.1%	13.1%	(5.4%)	- 7710	5.0%	4.8%	3.9%
	Ι.		22.070	10.175	10.175	(5.175)		0.070		
Senior Managers of the Municipality			0.005	F 475	0.470	0.000	0.000	0.407	0.005	0.074
Basic Salaries and Wages		-	6 395	5 475	6 479	6 039	6 039	8 197	9 205	9 974
Pension and UIF Contributions Medical Aid Contributions		-	-	-	-	-	-	-	_	-
		-	-	-	-	_	_	_	_	_
Overtime Performance Bonus		-	-	115	320			_	_	_
Motor Vehicle Allowance	3	-	-	-	320 _	-	_	_	_	-
Cellphone Allowance	3	_	_	_		_	_	_	_	_
Housing Allowances	3	_	_	_		_	_	_	_	[
Other benefits and allowances	3	_	_	_			_	_	_	
Payments in lieu of leave	ľ	_	_	_			_		_	[
Long service awards		_	_	_	_	_	_	_	_	_
Post-retirement benefit obligations	6	_	_	_	_	_	_	_	_	_
Sub Total - Senior Managers of Municipality	-	-	6 395	5 590	6 798	6 039	6 039	8 197	9 205	9 974
% increase	4		_	(12.6%)	21.6%	(11.2%)	_	35.7%	12.3%	8.4%
Other Municipal Staff				, ,		`				
Other Municipal Staff		17 758	19 172	28 126	21 745	28 973	28 973	35 902	35 666	39 160
Basic Salaries and Wages Pension and UIF Contributions		2 974	3 973	3 245	3 713	4 846	4 846	6 175	6 050	6 624
Medical Aid Contributions		835	975	949	1 175	1 428	1 428	2 350	1 863	2 041
Overtime		824	1 314	1 070	1 121	1 452	1 452	1 590	1 741	1 906
Performance Bonus		1 444	2 275	-	- 1 121	-	-	-	'/-'	- 1 300
Motor Vehicle Allowance	3	734	745	653	207	671	671	1 393	871	954
Cellphone Allowance	3	147	165	283	335	376	376	516	463	507
Housing Allowances	3	452	585	140	23	77	77	225	92	101
Other benefits and allowances	3	1 205	620	2 614	2 405	4 131	4 131	5 016	5 137	5 622
Payments in lieu of leave		1 128	2 653	328	562	_	_	_	_	_
Long service awards		-	212	369	813	2 326	2 326	276	302	331
Post-retirement benefit obligations	6	-	308	316	377	-	-	-	-	-
Sub Total - Other Municipal Staff		27 500	32 996	38 095	32 476	44 279	44 279	53 442	52 185	57 245
% increase	4		20.0%	15.5%	(14.7%)	36.3%	-	20.7%	(2.4%)	9.7%
Total Municipal Entities	┢	34 276	47 661	52 786	49 571	60 059	60 059	71 867	72 108	78 353
	+	3.2.0		32.00	., ., .	55 557	55 557	7. 557		1.0000
TOTAL SALARY, ALLOWANCES & BENEFITS										
		34 276	47 661	52 786	49 571	60 059	60 059	71 867	72 108	78 353
% increase	4		39.0%	10.8%	(6.1%)	21.2%	_	19.7%	0.3%	8.7%
TOTAL MANAGERS AND STAFF	5,7	27 500	39 391	43 685	39 274	50 318	50 318	61 639	61 390	67 219

MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

EC136 Emalahleni (EC) - Supporting Table SA23 S	alarie	s, allo	wances & be	enefits (politic	cal office bea	arers/council	lors/senior n	nanagers)
Disclosure of Salaries, Allowances & Benefits 1.	Ref		Salary	Contributions	Allowances	Performance	In-kind	Total
Disclusure of Salaries, Allowances & Benefits 1.	Kei	i I				Bonuses	benefits	Package
		No.						
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	569 374		21 911			591 285
Chief Whip		-						-
Ex ecutiv e May or		1	711 717		43 912			755 629
Deputy Executive Mayor		-						-
Executive Committee		5	2 348 669		109 557			2 458 226
Total for all other councillors		27	5 830 661		591 608			6 422 269
Total Councillors	8	34	9 460 422	-	766 988			10 227 410
Sonior Managara of the Municipality	5							
Senior Managers of the Municipality Municipal Manager (MM)	٥	1	1 034 559	10 691	310 830	121 000		1 477 080
Chief Finance Officer		1	789 249	1 939	273 825	94 773		1 159 786
			769 249		244 552	94 773		
Director - Corporate Services		1		1 939				1 112 025
Director - Strategic Management		1	774 742	1 939	244 552	90 793		1 112 025
Director - IPED		1	774 742	1 939	244 552	90 793		1 112 025
Director - Technical Services			774 742	1 939	244 552	90 793		1 112 025
Director - Community		1	774 742	1 939	244 552	90 793		1 112 025
List of each offical with packages >= senior manager								
								_
								_
								_
								_
								_
								_
								_
								_
								_
								_
								-
								-
								_
Total Senior Managers of the Municipality	8,10	6	5 697 518	22 322	1 807 413	669 738		8 196 992

MBRR SA24 - Summary of personnel numbers

EC136 Emalahleni (EC) - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref		2012/13		Cur	rrent Year 201	3/14	Bu	dget Year 201	4/15
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		34	-	34	34	-	34	34		34
Board Members of municipal entities	4							-	-	-
Municipal employees	5									
Municipal Manager and Senior Managers	3	7	-	7	7	-	7	7		7
Other Managers	7	4	2	2	5	5	-	10	8	2
Professionals		27	26	1	27	26	1	17	16	1
Finance		7	7	-	7	7	-	8	8	
Spatial/town planning		3	2	1	3	2	1	3	2	1
Information Technology		-	-	-	-	-	-	1	1	
Roads		-	-	-	-	-	-	-	-	-
Electricity		1	1	-	1	1	-	1	1	-
Water		3	3	-	3	3	-	3	3	-
Sanitation		_	_	_	-	-	_	_	_	_
Refuse		_	_	_	-	-	_	_	_	-
Other		13	13	_	13	13	_	1	1	_
Technicians		41	38	3	41	38	3	41	38	3
Finance		4	4	-	4	4	-	4	4	-
Spatial/town planning		2	2	_	2	2	_	2	2	_
Information Technology		1	1	-	1	1	_	1	1	_
Roads		1	1	_	1	1	_	1	1	_
Electricity		_	_	_	_	_	_	_	_	_
Water		_	_	_	_	_	_	_	_	-
Sanitation		_	_	_	_	_	_	_	_	_
Refuse		_	_	_	_	_	_	_	_	_
Other		33	30	3	33	30	3	33	30	3
Clerks (Clerical and administrative)		_	_	_	_	_	_	7	7	-
Service and sales workers		_	_	_	_	_	_	_	_	_
Skilled agricultural and fishery workers		_	_	_	_	_	_	_	_	_
Craft and related trades	1	6	6	_	6	6	_	6	6	_
Plant and Machine Operators		22	22	_	22	22	_	28	28	_
Elementary Occupations		89	89	_	99	99	_	99	99	_
TOTAL PERSONNEL NUMBERS	9	230	183	47	241	196	45	249	202	47
% increase	1				4.8%	7.1%	(4.3%)	3.3%	3.1%	4.4%
	6 10						, , , ,			
Total municipal employees headcount	6, 10 8, 10									
Finance personnel headcount										
Human Resources personnel headcount	8, 10									

1.16 Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure EC136 Emalahleni (EC) - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref		-				Budget Ye	ear 2014/15						Medium Tern	n Revenue and Framework	I Expenditure
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source																
Property rates		170	170	170	170	170	170	170	170	170	170	170	170	2 034	2 132	2 214
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		618	618	618	618	618	618	618	618	618	618	618	618	7 419	7 775	8 077
Service charges - water revenue		170	170	170	170	170	170	170	170	170	170	170	170	2 042	2 140	2 223
Service charges - sanitation revenue		31	31	31	31	31	31	31	31	31	31	31	31	369	386	401
Service charges - refuse revenue		235	235	235	235	235	235	235	235	235	235	235	235	2 820	2 955	3 070
Service charges - other		-	- [- [-	-	-	-	-	-	-	-	-	-	- [-
Rental of facilities and equipment		50	50	50	50	50	50	50	50	50	50	50	50	604	633	657
Interest earned - external investments		174	174	174	174	174	174	174	174	174	174	174	174	2 086	2 186	2 271
Interest earned - outstanding debtors		425	425	425	425	425	425	425	425	425	425	425	425	5 098	5 343	5 550
Dividends received		-	- 1	- 1	-	-	-	-	-	- 1	-	-	-	-	-	-
Fines		9	9	9	9	9	9	9	9	9	9	9	9	113	119	123
Licences and permits		42	42	42	42	42	42	42	42	42	42	42	42	498	522	542
Agency services		103	103	103	103	103	103	103	103	103	103	103	103	1 236	1 295	1 345
Transfers recognised - operational		9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	108 178	143 222	149 843
Other revenue		2 547	2 547	2 547	2 547	2 547	2 547	2 547	2 547	2 547	2 547	2 547	7 977	35 992	38 074	40 241
Gains on disposal of PPE		_	_	_	_	_	_	_	_	_	_	_	_	_	-	_
Total Revenue (excluding capital transfers and	cont	13 588	13 588	13 588	13 588	13 588	13 588	13 588	13 588	13 588	13 588	13 588	19 019	168 489	206 782	216 558
Expenditure By Type																
Employ ee related costs		5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	61 639	61 750	67 726
Remuneration of councillors		852	852	852	852	852	852	852	852	852	852	852	852	10 227	10 718	11 134
Debt impairment		271	271	271	271	271	271	271	271	271	271	271	271	3 251	3 407	3 539
Depreciation & asset impairment		1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	1 924	23 084	24 192	25 131
Finance charges		15	15	15	15	15	15	15	15	15	15	15	15	175	184	191
Bulk purchases		1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	17 213	18 040	18 740
Other materials					_	_							_	_	_	_
Contracted services		480	480	480	480	480	480	480	480	480	480	480	480	5 762	6 038	6 272
Transfers and grants		1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	17 899	28 296	33 660
Other expenditure		5 017	5 017	5 017	5 017	5 017	5 017	5 017	5 017	5 017	5 017	5 017	5 017	60 203	58 666	60 942
Loss on disposal of PPE				_	_	_	_	_	_	_	_	_	_	_	_	_
Total Expenditure	ı	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	199 455	211 291	227 335
Surplus/(Deficit)	-	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	2 398	(30 966)	(4 509)	(10 776)
Transfers recognised - capital	J	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	30 970	32 508	33 835
Contributions recognised - capital		-		_	-	_	_	-	-	_	-	-	_	-	-	_
Contributed assets		_	_	_	_	_		_	_	_	_	_	_	_	_	_
Surplus/(Deficit) after capital transfers &	_															
contributions		(452)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	4 978	4	27 999	23 059
Tax ation	J	_	_	_	_	_	_	_	_	_	_	_	_	l _	_	_
Attributable to minorities		<u> </u>		_	_		_	_	_	_	_					
			_		_			_	_	_		_	_	_	_	_
Share of surplus/ (deficit) of associate	_	- (450)	- (450)	- (450)		- (450)	-	-	- (450)		-	- (450)	-			
Surplus/(Deficit)	1	(452)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	4 978	4	27 999	23 059

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

79 May 2014

EC136 Emalahleni (EC) - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Revenue - Standard Governance and administration Executive and council Budget and treasury office Corporate services Community and public safety Community and social services	July 8 513 526 7 985 2 146 117	August 8 513 526 7 985 2	Sept. 8 513 526	October 8 513	November	Budget Ye	ar 2014/15 January						Medium Tern Budget Year	Framework	·
R thousand Revenue - Standard Governance and administration Executive and council Budget and treasury office Corporate services Community and public safety Community and social services	8 513 526 7 985 2 146	8 513 526 7 985	8 513 526		November								Budget Veer		
Revenue - Standard Governance and administration Executive and council Budget and treasury office Corporate services Community and public safety Community and social services	8 513 526 7 985 2 146	8 513 526 7 985	8 513 526		November	December	lanuary			1		T	Dudget Veer	Dudget Ve	
Governance and administration Executive and council Budget and treasury office Corporate services Community and public safety Community and social services	526 7 985 2 146	526 7 985	526	8 513		1	Sundary	February	March	April	May	June	2014/15	+1 2015/16	+2 2016/17
Executive and council Budget and treasury office Corporate services Community and public safety Community and social services	526 7 985 2 146	526 7 985	526	8 513											
Budget and treasury office Corporate services Community and public safety Community and social services	7 985 2 146	7 985			8 513	8 513	8 513	8 513	8 513	8 513	8 513	8 513	102 152	127 322	129 051
Corporate services Community and public safety Community and social services	2 146			526	526	526	526	526	526	526	526	526	6 312	6 598	6 896
Community and public safety Community and social services	146	2	7 985	7 985	7 985	7 985	7 985	7 985	7 985	7 985	7 985	7 985	95 817	120 723	122 154
Community and social services			2	2	2	2	2	2	2	2	2	2	23	1	1
1	117	146	146	146	146	146	146	146	146	146	146	146	1 755	1 839	1 911
0		117	117	117	117	117	117	117	117	117	117	117	1 410	1 478	1 535
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	23	23	23	23	23	23	23	23	23	23	23	23	278	291	303
Housing	6	6	6	6	6	6	6	6	6	6	6	6	67	70	73
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	2 932	2 932	2 932	2 932	2 932	2 932	2 932	2 932	2 932	2 932	2 932	2 932	35 189	36 995	38 546
Planning and development	10	10	10	10	10	10	10	10	10	10	10	10	115	121	125
Road transport	2 923	2 923	2 923	2 923	2 923	2 923	2 923	2 923	2 923	2 923	2 923	2 923	35 074	36 874	38 421
Environmental protection	-	-	-	-	-	-	-	_	-	-	-	-	-	-	-
Trading services	5 014	5 014	5 014	5 014	5 014	5 014	5 014	5 014	5 014	5 014	5 014	5 015	60 167	72 929	80 672
Electricity	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 916	22 973	33 595	39 123
Water	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	25 776	27 244	28 830
Waste water management	605	605	605	605	605	605	605	605	605	605	605	605	7 260	7 732	8 193
Waste management	347	347	347	347	347	347	347	347	347	347	347	347	4 159	4 358	4 527
Other	16	16	16	16	16	16	16	16	16	16	16	16	196	205	213
Total Revenue - Standard	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 623	199 459	239 290	250 393
Expenditure - Standard															İ
Governance and administration	5 948	5 948	5 948	5 948	5 948	5 948	5 948	5 948	5 948	5 948	5 948	5 948	71 376	70 850	74 991
Executive and council	2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	28 973	29 680	31 200
Budget and treasury office	1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	23 443	24 185	25 656
Corporate services	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	18 959	16 985	18 135
Community and public safety	1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	15 830	15 205	16 224
Community and social services	936	936	936	936	936	936	936	936	936	936	936	936	11 230	10 284	10 981
Sport and recreation	87	87	87	87	87	87	87	87	87	87	87	87	1 041	1 107	1 171
Public safety	146	146	146	146	146	146	146	146	146	146	146	146	1 748	1 832	1 903
Housing	151	151	151	151	151	151	151	151	151	151	151	151	1 810	1 981	2 168
Health	-	-	-	-	-	-	-	-	-	-	-	-	- 1010	- 1 301	2 100
Economic and environmental services	3 661	3 661	3 661	3 661	3 661	3 661	3 661	3 661	3 661	3 661	3 661	3 661	43 928	43 851	46 263
Planning and development	838	838	838	838	838	838	838	838	838	838	838	838	10 057	9 710	10 346
Road transport	2 823	2 823	2 823	2 823	2 823	2 823	2 823	2 823	2 823	2 823	2 823	2 823	33 871	34 140	35 916
Environmental protection	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_
Trading services	5 655	5 655	5 655	5 655	5 655	5 655	5 655	5 655	5 655	5 655	5 655	5 656	67 856	80 884	89 316
Electricity	2 387	2 387	2 387	2 387	2 387	2 387	2 387	2 387	2 387	2 387	2 387	2 389	28 651	39 176	44 954
Water	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	25 776	27 244	28 830
Waste water management	605	605	605	605	605	605	605	605	605	605	605	605	7 260	7 732	8 193
Waste management	514	514	514	514	514	514	514	514	514	514	514	514	6 169	6 732	7 340
Other	39	39	39	39	39	39	39	39	39	39	39	39	465	502	541
Total Expenditure - Standard	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 623	199 455	211 291	227 335
Surplus/(Deficit) before assoc.	0	0	0	0	0	0	0	0	0	0	0	0	4	27 999	23 059
Share of surplus/ (deficit) of associate												_	_	_	_
Surplus/(Deficit) 1	0	0	0	0	0	0	0	0	0	0	0	0	4	27 999	23 059

BRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

EC136 Emalahleni (EC) - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description Description	Ref	<u> </u>				•	Budget Ye	ar 2014/15						Medium Term Revenue and Expenditure Framework			
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	+2 2016/17	
Revenue by Vote																	
Vote 1 - Executive and Council		526	526	526	526	526	526	526	526	526	526	526	526	6 312	6 598	6 896	
Vote 2 - Budget and Treasury		7 985	7 985	7 985	7 985	7 985	7 985	7 985	7 985	7 985	7 985	7 985	7 985	95 817	120 723	122 154	
Vote 3 - Corporate Services		2	2	2	2	2	2	2	2	2	2	2	2	23	1	1	
Vote 4 - Community and Social Services		480	480	480	480	480	480	480	480	480	480	480	480	5 764	6 041	6 275	
Vote 5 - IPED		15	15	15	15	15	15	15	15	15	15	15	15	182	191	198	
Vote 6 - Technical Services		7 613	7 613	7 613	7 613	7 613	7 613	7 613	7 613	7 613	7 613	7 613	7 613	91 359	105 735	114 867	
													_	-	-	-	
Total Revenue by Vote		16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	199 458	239 289	250 392	
Expenditure by Vote to be appropriated																	
Vote 1 - Executive and Council		2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	2 414	28 973	29 680	31 200	
Vote 2 - Budget and Treasury		1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	1 954	23 443	24 185	25 656	
Vote 3 - Corporate Services		1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	18 959	16 985	18 135	
Vote 4 - Community and Social Services		1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	18 904	18 625	20 033	
Vote 5 - IPED		989	989	989	989	989	989	989	989	989	989	989	989	11 867	11 692	12 515	
Vote 6 - Technical Services		8 109	8 109	8 109	8 109	8 109	8 109	8 109	8 109	8 109	8 109	8 109	8 109	97 306	110 123	119 794	
													_	_	-	-	
Total Expenditure by Vote		16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	199 453	211 289	227 333	
Surplus/(Deficit) before assoc.	\Box	0	0	0	0	0	0	0	0	0	0	0	0	4	27 999	23 059	
Tax ation													_	-	_	-	
Attributable to minorities													_	-	-	-	
Share of surplus/ (deficit) of associate													_	_	_	_	
Surplus/(Deficit)	1	0	0	0	0	0	0	0	0	0	0	0	0	4	27 999	23 059	

MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

EC136 Emalahleni (EC) - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref							Medium Term Revenue and Expend Framework								
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	_	_	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-	_	_	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	_	_	-	-
Vote 4 - Community and Social Services		2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	24 574	15 422	-
Vote 5 - IPED		-	-	-	-	-	-	-	-	-	-	-	_	_	-	-
Vote 6 - Technical Services		277	277	277	277	277	277	277	277	277	277	277	277	3 319	14 459	28 929
													_	_	-	-
Capital multi-year expenditure sub-total	2	2 324	2 324	2 324	2 324	2 324	2 324	2 324	2 324	2 324	2 324	2 324	2 324	27 893	29 881	28 929
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		351	351	351	351	351	351	351	351	351	351	351	351	4 210	210	2 270
Vote 2 - Budget and Treasury		97	97	97	97	97	97	97	97	97	97	97	97	1 160	1 060	1 240
Vote 3 - Corporate Services		31	31	31	31	31	31	31	31	31	31	31	31	370	100	290
Vote 4 - Community and Social Services		182	182	182	182	182	182	182	182	182	182	182	182	2 180	100	1 747
Vote 5 - IPED		191	191	191	191	191	191	191	191	191	191	191	191	2 290	1 740	105
Vote 6 - Technical Services		10	10	10	10	10	10	10	10	10	10	10	10	120	100	1 747
													_	_	_	-
Capital single-year expenditure sub-total	2	861	861	861	861	861	861	861	861	861	861	861	861	10 330	3 310	7 399
Total Capital Expenditure	2	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	38 223	33 191	36 328

MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

EC136 Emalahleni (EC) - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref				onunui (c		Budget Ye							Medium Tern	n Revenue and Framework	d Expenditure
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	+2 2016/17
Capital Expenditure - Standard	1															
Governance and administration		478	478	478	478	478	478	478	478	478	478	478	478	5 740	1 370	3 800
Ex ecutive and council		351	351	351	351	351	351	351	351	351	351	351	351	4 210	210	2 270
Budget and treasury office		97	97	97	97	97	97	97	97	97	97	97	97	1 160	1 060	1 240
Corporate services		31	31	31	31	31	31	31	31	31	31	31	31	370	100	290
Community and public safety		1 642	1 642	1 642	1 642	1 642	1 642	1 642	1 642	1 642	1 642	1 642	1 642	19 700	8 416	1 747
Community and social services		1 275	1 275	1 275	1 275	1 275	1 275	1 275	1 275	1 275	1 275	1 275	1 275	15 303	5 416	1 747
Sport and recreation		366	366	366	366	366	366	366	366	366	366	366	366	4 397	3 000	-
Public safety		-	-	-	-	_	-	-	-	-	-	-	_	_	_	-
Housing		-	-	-	-	_	-	-	-	-	-	-	_	_	-	-
Health		-	-	_	-	_	-	-	-	-	-	-	_	_	-	_
Economic and environmental services		477	477	477	477	477	477	477	477	477	477	477	477	5 729	16 299	29 174
Planning and dev elopment		191	191	191	191	191	191	191	191	191	191	191	191	2 290	1 740	105
Road transport		287	287	287	287	287	287	287	287	287	287	287	287	3 439	14 559	29 069
Environmental protection		-	_	_	-	_	_	_	_	-	-	-	_	_	_	_
Trading services		588	588	588	588	588	588	588	588	588	588	588	588	7 054	7 106	1 607
Electricity		-	-	-	-	-	-	-	-	-	-	-	_	_	-	-
Water		-	_	_	-	_	_	-	_	-	-	_	_	_	_	_
Waste water management		_	_	_	-	_	_	_	_	_	-	_	_	_	_	1 607
Waste management		588	588	588	588	588	588	588	588	588	588	588	588	7 054	7 106	_
Other		-	-	_	-	_	_	_	_	-	-	-	_	_	-	-
Total Capital Expenditure - Standard	2	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	38 223	33 191	36 328
Funded by:	1															
National Government		2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	30 970	32 508	33 835
Provincial Government													_	_	_	_
District Municipality													_	_	_	_
Other transfers and grants													_	_	_	_
Transfers recognised - capital		2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	30 970	32 508	33 835
Public contributions & donations													_	_	_	_
Borrowing													_	_	_	_
Internally generated funds		604	604	604	604	604	604	604	604	604	604	604	604	7 253	683	2 493
Total Capital Funding		3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	38 223	33 191	36 328

MBRR SA30 - Budgeted monthly cash

EC136 Emalahleni (EC) - Supporting Table SA30 Budgeted monthly cash flow

EC136 Emalahleni (EC) - Supporting Tabl	e SA30 Bud	igetea mon	itniy casn r	iow											
MONTHLY CASH FLOWS	Budget Year 2014/15													n Revenue and Framework	J Expenditure
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	+1 2015/16	+2 2016/17
Cash Receipts By Source															
Property rates	170	170	170	170	170	170	170	170	170	170	170	(643)	1 221	1 280	1 330
Property rates - penalties & collection charges	-	-	-	_	-	-	-	_	-	-	-	_	-	_	_
Service charges - electricity revenue	618	618	618	618	618	618	618	618	618	618	618	(194)	6 606	6 924	7 192
Service charges - water revenue	170	170	170	170	170	170	170	170	170	170	170	(643)	1 229	1 288	1 338
Service charges - sanitation revenue	31	31	31	31	31	31	31	31	31	31	31	31	369	386	401
Service charges - refuse revenue	235	235	235	235	235	235	235	235	235	235	235	(578)		2 103	2 185
Service charges - other	_	_	_	_	_	_	_	_	_	_	_		_	_	_
Rental of facilities and equipment	50	50	50	50	50	50	50	50	50	50	50	50	604	633	657
Interest earned - external investments	174	174	174	174	174	174	174	174	174	174	174	174	2 086	2 186	2 271
Interest earned - outstanding debtors	425	425	425	425	425	425	425	425	425	425	425	425	5 098	5 343	
Div idends received	420	420	- 420	420	420	420	420	420	425	420	420	425	- 0000	0 040	0 000
Fines	9	9	9	9	9	9	9	9	9	9	9	9	113	119	123
	42	42	42	42	42	42	42	42	42	42	42	42	498	522	542
Licences and permits		1							1					1	
Agency services	103	103	103	103	103	103	103	103	103	103	103	103	1 236	1 295	1 345
Transfer receipts - operational	9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	9 015	108 178	143 222	149 843
Other revenue	2 999	2 999	2 999	2 999	2 999	2 999	2 999	2 999	2 999	2 999	2 999	2 999	35 992	38 074	40 241
Cash Receipts by Source	14 041	14 041	14 041	14 041	14 041	14 041	14 041	14 041	14 041	14 041	14 041	10 790	165 238	203 375	213 019
Other Cash Flows by Source															
Transfer receipts - capital	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	30 970	32 508	33 835
Contributions recognised - capital & Contributed a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	_	-	-	-
Short term loans	-	-	-	_	-	-	-	-	-	-	_	_	_		_
Borrowing long term/refinancing Increase (decrease) in consumer deposits				_	_	_	_		_	_	_	_	_	_	
Decrease (Increase) in non-current debtors							_		_		_				1 - 1
Decrease (increase) other non-current receiv able	_	_	_	_	_	_	_	_	_	_	_	_	_	_	
Decrease (increase) in non-current investments	_	_	_	_	_	_	_	_	-	_	_	_	_	_	_
Total Cash Receipts by Source	16 622	16 622	16 622	16 622	16 622	16 622	16 622	16 622	16 622	16 622	16 622	13 371	196 208	235 883	246 854
Cash Payments by Type															
Employ ee related costs	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	61 639	61 750	67 726
Remuneration of councillors	852	852	852	852	852	852	852	852	852	852	852	852	10 227	10 718	11 134
Finance charges	15	15	15	15	15	15	15	15	15	15	15	15	175	184	191
-	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	17 213	18 040	18 740
Bulk purchases - Electricity	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	17 213	16 040	10 740
Bulk purchases - Water & Sew er	-	-	-	_	_	_	_	_	-	-	-	_	_	_	_
Other materials	400	400	400	400	400	- 480	400	400	400	400	- 400	480	E 700	6 020	6 272
Contracted services	480	480	480	480	480		480	480	480	480	480		5 762	6 038	
Transfers and grants - other municipalities	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	17 899	28 296	33 660
Transfers and grants - other			_	_	_		_	_		_	_	_	_		
Other expenditure	2 999	2 999	2 999	2 999	2 999	2 999	2 999	2 999	2 999	2 999	2 999	27 210	60 203	58 666	60 942
Cash Payments by Type	12 409	12 409	12 409	12 409	12 409	12 409	12 409	12 409	12 409	12 409	12 409	36 620	173 119	183 692	198 664
Other Cash Flows/Payments by Type															
Capital assets	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	3 185	38 223	33 191	36 328
Repay ment of borrowing	16	16	16	16	16	16	16	16	16	16	16	16	195	150	116
Other Cash Flows/Payments												_			
Total Cash Payments by Type	15 611	15 611	15 611	15 611	15 611	15 611	15 611	15 611	15 611	15 611	15 611	39 821	211 537	217 033	235 108
3 3 3 5 7													-		—
NET INCREASE/(DECREASE) IN CASH HELD	1 011	1 011	1 011	1 011	1 011	1 011	1 011	1 011	1 011	1 011	1 011	(26 451)	(15 329)	18 850	11 746
Cash/cash equivalents at the month/year begin:	31 /25	32 /3b	33 /4/	34 /58	35 769	<i>3</i> 6 /80	37 791	38 802	39 813	40 824	41 835	42 846	31 725	16 395	
Cash/cash equivalents at the month/year end:	32 736	33 747	34 758	35 769	36 780	37 791	38 802	39 813	40 824	41 835	42 846	16 395	16 395	35 245	46 991

Contracts having future budgetary implications

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

1.17 Capital expenditure details

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

SA36 - Detailed capital budget per municipal vote

	ct Ref			IDP	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates				2014/15 Medium Term Reve Expenditure Framewo		
R thousand	4	Program/Project description	Project number	Goal code 2	6	3	3	5	Total Project Estimate	Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Ye +2 2016/1
Parent municipality:											rorccust			
List all capital projects grouped 💌	1 -	ipal Vote	-	-	-	~	-							1
IPED		MIG: Erection of Hwaker Stalls Lady Frere	1 624 172		Yes	Other Assets	Other			1 365	1 364	-	-	
IPED		MIG:LED Ida Commercial Farms Road	1 550 000		Yes	Other Assets	Other				-	1 550	-	
IPED		MIG:LED Guba/Indw e Commercial Farms Road	1 660 000		Yes	Other Assets	Other			- 1	-	-	1 660	
IPED	1	MIG:LED IRRIGATION SCHEME BENGU AND MCV			Yes	Infrastructure - Sanitation	Sewerage purification			-	-	-	-	1 6
Roads and Storm Water		MIG : Construction from R392 to Fani Village	5 900 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			201	3 371	-	-	
Roads and Storm Water Roads and Storm Water		MIG : Dukhatole to Mmangweni MIG : Ntsinga to Niombela	5 900 000 5 900 000		Yes Yes	Infrastructure - Road transport Infrastructure - Road transport	Roads, Pavements & Bridges Roads, Pavements & Bridges			269	5 910	-	-	
Roads and Storm Water Roads and Storm Water		MIG : Nisinga to Njombela MIG : Bankies Access Road	3 510 000		Yes	Infrastructure - Road transport Infrastructure - Road transport	Roads, Pavements & Bridges Roads, Pavements & Bridges			338	5 525	_	3 510	
Roads and Storm Water		MIG : Main L/F to Zakhele Phase 2	9 500 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			1 [_	_	7 958	
Roads and Storm Water	1	MIG : Nacuke Access Road	3 281 400		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			_	_	_	2 991	
Roads and Storm Water		MIG : Construction of Rwantsana Access Road	6 510 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			5 396	319	-	_	
Roads and Storm Water		MIG : Construction of Dlamini Access Road & Low I	5 440 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			1 141	319	-	-	
Roads and Storm Water		MIG:Qoboshane Bride	15 201 710		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			463	566	-	_	
Roads and Storm Water		MIG : Mhlanga access road	2 168 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			-	1 391	3 319	-	
Roads and Storm Water		MIG : Surfacing of Dordrecht Internal roads Phase	2 106 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			-	-	-	-	7
Roads and Storm Water		MIG : Surfacing of Indw e Internal roads Phase	6 200 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			-	-	-	-	4
Roads and Storm Water		MIG : Surfacing of Lady Frere Internal Roads	4 000 000		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			-	-	-	-	8
Roads and Storm Water Roads and Storm Water		MIG : Rehabilitation of Streetlights in Lady Frere, Ind	13 000 000 2 500 000		Yes Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			-	-	-	_	4 3
Community Services Admin		MIG: Emarwayibeni to Boqo Access Roads MIG:Traffic Testing Station Lady Frere	5 381		Yes Yes	Infrastructure - Road transport Community	Roads, Pavements & Bridges Civic Land and Buildings			253	1 200	4 030	416	3
Community Services Admin		MIG: Frame Testing Station Lady Frere MIG:Renovation and Upgrade Frere Stadium Phase	9 149 504		Yes	Other Assets	Sportsfields & stadia			4 843	4 054	4 030	410	
Community Services Admin		MIG:Renovation and Upgrade Frere Stadium Phase			Yes	Other Assets	Sportsfields & stadia				- 4 004	4 397	3 000	
Community Services Admin		MIG: Dev of Landfil Site Lady Frere	2 000 000		Yes	Other Assets	Civic Land and Buildings			- 1	2 820	5 054	7 106	
Community Services Admin		MIG: Upgrading of Cemetries in ward 4;14 & 16	1 500 000		Yes	Other Assets	Other			907	476	2 650	-	1
Community Services Admin		MIG:Community Hall Ward 17	1 364 050		Yes	Other Assets	Other			-	1 364	2 137	-	1
Community Services Admin	1	MIG:Community Hall Ward 5	1 400 000		Yes	Other Assets	Other			- 1	-	3 153	-	l
Community Services Admin	1	MIG:Community Hall Ward 3	1 450 000		Yes	Other Assets	Other			-	-	-	2 850	1
Community Services Admin		MIG:Community Hall Ward 10	1 400 000		Yes	Other Assets	Other			-	-	3 153	-	l
Community Services Admin		MIG:Community Hall Ward 1	1 450 000		Yes	Other Assets Community	Other Parks & gardens			-	-	-	2 050	
Community Services Admin Community Services Admin		MIG: Park Development Dordrecht/Indwe Renovations to Harry Gwala Hall			Yes Yes	Other Assets	Parks & gardens Other			1 - 1	700	_	_	1
Community Services Admin		Park Homes & Containers			Yes	Other Assets	Other Buildings			54	550			
Community Services Admin		Construction of Pounds			Yes	Community	Other Dullangs			238	350			
Technical Services Admin		Computers			Yes	Other Assets	Computers - hardware/equipment			6	45	60	50	
Technical Services Admin		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment			61	35	60	50	1
Technical Services Admin		Plant and equipment			Yes	Other Assets	Plant & equipment			40	6 614	-	-	
Technical Services Admin		Plant and equipment			Yes	Other Assets	Plant & equipment			5	-	-	-	1
IPED	1	Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment			4	20	60	50	l
IPED	1	Paving Block Machine			Yes	Other Assets	Plant & equipment			-	133	- 1	-	
IPED IPED		PAVING BLOCK MACHINE: CABLE PAVING BLOCK MACHINE: FENCE			Yes Yes	Other Assets Other Assets	Plant & equipment Plant & equipment			_	50 50	_		1
IPED		PAVING BLOCK MACHINE; FENCE PAVING BLOCK MACHINE; SLAB BASE			Yes	Other Assets	Plant & equipment				160	-	-	1
IPED		PAVING: 4 X WHEELBARROWS			Yes	Other Assets	Plant & equipment			1 -	7			
IPED		IRRIGATION SCHEME			Yes	Other Assets	Plant & equipment			_	350	400	_	
IPED		Stock Pen Auction			Yes	Other Assets	Other			_	-	250	_	
IPED		Computers			Yes	Other Assets	Computers - hardware/equipment			37	15	30	30	
IPED		Dipping Tanks			Yes	Other Assets	Other			-	600	-	-	
Financial Services		Vehicles			Yes	Other Assets	General vehicles			256	1 106	900	800	1
Human Resources		Computers			Yes	Other Assets	Computers - hardware/equipment			64	70	60	50	
Human Resources		Software			Yes	Other Assets	Computers - hardware/equipment			7	_	250	-	
Human Resources Financial Services		Furniture and office equipment Software and Server Room Security			Yes Yes	Other Assets Other Assets	Furniture and other office equipment Computers - hardware/equipment			95	70 120	60 140	50 160	
Financial Services Financial Services		Computers			Yes Yes	Other Assets Other Assets	Computers - hardware/equipment Computers - hardware/equipment			179	120	140	160 50	
Financial Services		Back-up generators			Yes	Other Assets	Plant & equipment			200	- 60	- 60	50	
Financial Services		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment			37	65	60	50	
Financial Services		ASSET: FIN BUILDING RENOVATION			Yes	Other Assets	Buildings			_	400	_	_	
Community Services Admin		Computers			Yes	Other Assets	Computers - hardware/equipment			58	35	60	50	
Community Services Admin		Fencing Landfil Site (CH District Mun)			Yes	Other Assets	Waste Management			-	-	-	-	
Community Services Admin		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment			97	35	60	50	
Community Services Admin		Refuse Truck phase 1			Yes	Other Assets	General vehicles			-	450	2 000	-	
Community Services Admin		Construction of Pounds			Yes	Community	Other			-	400	-	-	
Community Services Admin		Skip Bins			Yes	Other Assets	Plant & equipment			-	_	60	-	
Parks and Public Open Spaces Resorts		Construction of Park in Dodrecht/Indwe			Yes Yes	Other Assets Other Assets	Plant & equipment Furniture and other office equipment			-	350	-	-	
Council		Furniture and Equipment Computers			Yes Yes	Other Assets Other Assets	Furniture and other office equipment Computers - hardware/equipment			275	20	30	- 20	
Council		Furniture and office equipment			Yes	Other Assets	Civic Land and Buildings			2/5	60	50	40	
Council		Building New Offices Phase 2			Yes	Other Assets	Civic Land and Buildings			24	2 500	4 000	40	2
Management		Computers			Yes	Other Assets	Computers - hardware/equipment			42	70	60	70	1 1
Management		Furniture and office equipment			Yes	Other Assets	Furniture and other office equipment			111	190	70	80	
Parent Capital expenditure	1									17 070	44 009	38 223	33 191	36

1.18 Legislation compliance status

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

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns two has been appointed permanently from 01 December 2013 respectively. In the remaining three two contracts will come to an end during August 2014.

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in May 2014 directly aligned and informed by the 2014/15 MTREF.

6. Annual Report

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

7. MFMA Training

The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with BRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

EC136 Emalahleni (EC) - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

EC136 Emalahleni (EC) - Supporting Tab	le S							
		Vote 1 -	Vote 2 -	Vote 3 -	Vote 4 -	Vote 5 - IPED	Vote 6 -	Total
Description	Ref	Executive	Budget and	Corporate	Community		Technical	
·		and Council	Treasury	Services	and Social		Services	
5.11	١.				Services			
R thousand	1							
Revenue By Source			0.004					2.024
Property rates		-	2 034	-	-	-	-	2 034
Property rates - penalties & collection charges		-	-	-	-	-	7 440	7 440
Service charges - electricity revenue		-	-	-	_	-	7 419	7 419
Service charges - water revenue		_	_	_	_	_	2 042	2 042
Service charges - sanitation revenue		-	-	-	- 0.000	-	369	369
Service charges - refuse revenue		-	-	-	2 820	-	0	2 820
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	582	-	21	604
Interest earned - external investments		-	2 086	-	-	-	-	2 086
Interest earned - outstanding debtors		-	1 042	-	1 372	-	2 684	5 098
Dividends received		-	-	-	-	-	-	-
Fines		113	-	-	_			113
Licences and permits		-		-	3	1	494	498
Agency services		-	63			Ξ.	1 173	1 236
Other revenue			2 019	1	85	71	33 816	35 992
Transfers recognised - operational		6 199	88 573	22	903	110	12 371	108 178
Gains on disposal of PPE		_	_	_		_	_	-
Total Revenue (excluding capital transfers and	con	6 312	95 817	23	5 766	182	60 389	168 489
Expenditure By Type								
Employ ee related costs		6 266	9 183	8 570	12 183	6 468	18 969	61 639
Remuneration of councillors		10 227	_	_	_	_	_	10 227
Debt impairment		_	1 071	_	_	_	2 180	3 251
Depreciation & asset impairment		60	516	269	901	30	21 308	23 084
Finance charges		_	155	21	_	_	_	175
Bulk purchases		_	_	_	_	_	17 213	17 213
Other materials		_	_	_	_	_	_	_
Contracted services		_	4 600	1 110	_	_	52	5 762
Transfers and grants		_	2 734	22	_	2 773	12 371	17 899
Other expenditure		12 420	5 184	8 967	5 823	2 596	25 213	60 203
Loss on disposal of PPE		_	_	_	_	_	_	-
Total Expenditure		28 973	23 443	18 959	18 906	11 867	97 306	199 455
Surplus/(Deficit)		(22 661)	72 373	(18 936)	(13 140)	(11 685)	(36 916)	(30 966)
Transfers recognised - capital		(22 001)	12 313	(10 730)	(13 140)	(11 003)	30 970	30 970
· ·			_	_	_	_	30 970	30 970
Contributions recognised - capital		-	-	-	-	-	-	-
Contributed assets	_	- (00 (44)	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &		(22 661)	72 373	(18 936)	(13 140)	(11 685)	(5 946)	4
contributions								

MBRR Table SA3 – Supporting detail to Statement of Financial Position

EC136 Emalahleni (EC) - Supporting Tab	le S	A3 Supportir	nging detail t	o 'Budgeted	Financial Po	osition'					
D		2010/11	2011/12	2012/13		Current Ye	ear 2013/14			ledium Term R nditure Frame	
Description	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		6 066	29 917	43 696	50 000	30 000	30 000	70 934	14 000	30 000	40 000
Other current investments > 90 days Total Call investment deposits	2	6 066	29 917	43 696	50 000	30 000	30 000	70 934	14 000	30 000	40 000
Consumer debtors											
Consumer debtors		23 471	77 077	90 037	33 018	90 037	90 037	96 492	100 384	111 228	122 492
Less: Provision for debt impairment		(22 578)	(71 380)	(80 419)	(31 246)		(83 576)	(80 419)	(86 827)		(93 773)
Total Consumer debtors	2	892	5 697	9 619	1 772	6 461	6 461	16 073	13 557	20 993	28 718
Debt impairment provision		(40.444)	(00.040)		(07.470)	(00.440)	(00.440)		(00 ==0)	(00.00=)	(0.0.00.0)
Balance at the beginning of the year		(18 411)	(22 340)	(90.440)	(27 178)	(80 419)		(80 419)	(83 576)		(90 234)
Contributions to the provision Bad debts written off		(4 167)	(49 040)	(80 419)	(4 069)	(3 157)	(3 157)	(00 419)	(3 251)	(3 407)	(3 539)
Balance at end of year		(22 578)	(71 380)	(80 419)	(31 246)	(83 576)	(83 576)	(80 419)	(86 827)	(90 234)	(93 773)
Property, plant and equipment (PPE)											
PPE at cost/v aluation (excl. finance leases)		224 783	442 528	447 577	286 617	490 979	490 979	460 582	529 202	562 393	598 722
Leases recognised as PPE	3	-	-	167	-	167	167	167	167	167	167
Less: Accumulated depreciation		-	74 692	86 395	30 537	86 395	86 395	86 406	109 479	133 672	158 803
Total Property, plant and equipment (PPE)	2	224 783	367 837	361 349	256 080	404 751	404 751	374 343	419 890	428 888	440 086
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		96	293	-	-	-	-	-	-	-	-
Total Current liabilities - Borrowing		96	293	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		4 200	7 392	6 885	5 082	6 885	6 885	3 358	9 316	9 869	10 618
Unspent conditional transfers		14 292	5 138	5 873	-	5 873	5 873	30 261	-	-	-
VAT Total Trade and other payables	2	18 491	(3 163) 9 367	(2 165) 10 593	5 082	(2 165) 10 593	(2 165) 10 593	1 728 35 347	9 316	9 869	10 618
	_	10 471	7 307	10 373	3 002	10 373	10 373	33 347	7 310	7007	10 010
Non current liabilities - Borrowing Borrowing	4	-	_	_	_	_	_	_	_	_	_
Finance leases (including PPP asset element)	"	_	1 105	852	_	852	852	440	657	507	391
Total Non current liabilities - Borrowing		-	1 105	852	-	852	852	440	657	507	391
Provisions - non-current											
Retirement benefits		1 219	3 519	4 841	7 166	4 841	4 841	4 787	6 660	9 163	12 607
List other major provision items											
Refuse landfill site rehabilitation		-	2 708	4 751	140	4 751	4 751	4 751	7 024	10 383	15 350
Other Total Provisions - non-current		1 219	6 227	9 592	7 306	9 592	9 592	9 537	13 684	19 547	27 957
OUANOSC III NET ACCETO	-										
CHANGES IN NET ASSETS Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		248 435	484 762	424 665	327 295	446 323	446 323	426 298	446 323	446 327	474 326
GRAP adjustments		210 100	101102	121 000	02. 200	110 020	110 020	120 200	110 020	110 021	
Restated balance		248 435	484 762	424 665	327 295	446 323	446 323	426 298	446 323	446 327	474 326
Surplus/(Deficit)		24 701	(60 097)	1 601	4 986	-	-	6 108	4	27 999	23 059
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets Other adjustments		(E)									
Accumulated Surplus/(Deficit)	1	(5) 273 131	424 665	426 266	332 281	446 323	446 323	432 406	446 327	474 326	497 385
Reserves	Ι΄.	2/3/31	424 000	420 200	JJZ 201	440 323	440 323	432 400	440 327	7/4 320	477 303
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation	,	-	-	-	-	-	-	-	-	-	-
Total Reserves	2	- 272 121	424 (/5	42/ 2//	- 222 201	- 44/ 222	- 447 222	422.40/	- 44/ 227	474.227	407.205
TOTAL COMMUNITY WEALTH/EQUITY	2	273 131	424 665	426 266	332 281	446 323	446 323	432 406	446 327	474 326	497 385

${\bf MBRR\ Table\ SA9-Social,\ economic\ and\ demographic\ statistics\ and\ assumptions}$

EC 136 Emalament (EC) - Supporting Table SA	9 20CI	al, economic and demographic statistics	and assum	otions								
						2010/11	2011/12	2012/13	Current Year		edium Term R	
Description of companie indic-+		Basis of calculation	2001 Conc	2007 Cura	2011 Cono				2013/14	Expe	nditure Frame	work
Description of economic indicator		Basis of calculation	2001 Census	2007 Survey	2011 Census	0.4	Outros	0.4	Ontalast	0.4	0	0.4
	١, ,					Outcome	Outcome	Outcome	Original	Outcome	Outcome	Outcome
	Ref.								Budget			
<u>Demographics</u>												
Population			122		119	119	119	119	119	119	119	119
Females aged 5 - 14			19		13	13	13	13	13	13	13	13
Males aged 5 - 14			19		14	14	14	14	14	14	14	14
Females aged 15 - 34			19		14	14	14	14	14	14	14	14
Males aged 15 - 34			18		18	18	18	18	18	18	18	18
Unemployment			21		18	18	18	18	18	18	18	18
	l											
Monthly household income (no. of households)	1, 12											
No income			4 136		4 804	4 804	4 804	4 804	4 804	4 804	4 804	4 804
R1 - R1 600			12 847		14 919	14 919	14 919	14 919	14 919	14 919	14 919	14 919
R1 601 - R3 200			6 746		7 835	7 835	7 835	7 835	7 835	7 835	7 835	7 835
R3 201 - R6 400			1 972		2 290	2 290	2 290	2 290	2 290	2 290	2 290	2 290
R6 401 - R12 800			839		974	974	974	974	974	974	974	974
R12 801 - R25 600			470		545	545	545	545	545	545	545	545
R25 601 - R51 200			199		232	232	232	232	232	232	232	232
R52 201 - R102 400			35		41	41	41	41	41	41	41	41
R102 401 - R204 800			16		18	18	18	18	18	18	18	18
R204 801 - R409 600			20		23	23	23	23	23	23	23	23
R409 601 - R819 200			-		-	-	-	-	-	-	-	-
> R819 200			-		-	-	-	-	-	-	-	-
Poverty profiles (no. of households)												
< R3 200 per household per month	13		23 729		27 557	27557.00	27557.00	27557.00	27557.00	27557.00	27557.00	27557.00
Insert description	2											
Household/demographics (000)												
						119	119	119	119	119	119	119
Number of people in municipal area			121 822		119 460	64	64	64	64	64	64	64
Number of poor people in municipal area			83 204		63 680	32	32	32	32	32	32	32
Number of households in municipal area			27 280		31 681	28	28	28	28	28	28	28
Number of poor households in municipal area			23 729 3 200		27 557 3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200
Definition of poor household (R per month)			3 200		3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200
Housing statistics	3											
Formal	ľ		14 804		450	450	450	450	450	450	450	450
Informal			17 777		144	144	144	144	144	144	144	144
Total number of households			32 581	-	594	594	594	594	594	594	594	594
Dw ellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings	1		-	-		-	-	-	-	-		
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												
1												

Municipal in-house services Ref. 1 Municipal entity services Ref. 2 Municipal entity services Ref. 2 Municipal entity services	Household service targets (000) Water. Water. Water. Piped water inside dwelling Piped water inside of welling Piped water inside of welling Piped water inside yard (but not in dwelling) Piped water inside yard (but not in dwelling) Piped water inside yard (but not in dwelling) Other water supply (a feast min. service level) Other water supply (emis. service level) No water supply No water supply No water supply No water supply Fill supply (emis. service level) No water supply Fill supply (emis. service level) No water supply Fill supply (emis. service level sub-lotal Sanitation/sewer age: Fill supply (emis. service level sub-lotal Total intervention (emis. service level) Mainium Service level and Above sub-lotal Bucket biblet Pit bilet (ventilated) Other totalet provisions (emis. service level) Mainium Service (emis. service level) Electricity (a fleast min. service level) Electricity (emis. service level) Electricity (evis service level) Electricity (evis service level) Electricity (evis service level) Electricity (evis service level) Electricity (evis service level) Electricity (evis service level) Electricity (evis service level) Electricity (evis service level) Electricity (evis service level) Electricity (evis service level) Electrici	2010/11 Outcome	2011/12 Outcome	2012/13 Outcome	Original Budget 5 486 5 486 6 4435 11 405 21 226 4 752 5 703 10 465 10	rent Year 2013 Adjusted Budget Budget 5 386 4 435 11 405 11 405 12 1228 4 752 5 7035 3 7045 3 7045 3 7045 3 7045 3 7045 3 7045 4 704 5 988 6 7 730 20 371 5 988 6 7 730 20 371 5 988 6 7 730 20 371 5 988 6 7 730 20 371 6 81 6 81 6 82 6 92 7 83 2 83 2 83 2 830 2 830 2 830 2 830 2 830 2 830 2 830 2 830 2 830 2 830 3 839 2 830 2 830 3 839	Full Year Forecast 5 386 5 485 11 405 - 21 226 4 782 5 770 31 681 3 738 4 444 2 471 5 988 7 730 10 455 11 31 681 11 31 681	Experiment	Sedium Ferm R	work Budget Year -2 2016/17 5 386 4 435 11 405 21 228 4 782 -
Municipal in-house services Municipal in-house services Ref. 1	Piped water inside dwelling Piped water inside dwelling Piped water inside yard (but not in dwelling) Piped water inside yard (but not in dwelling) Piped water inside yard (but not in dwelling) Piped water inside yard (but not in dwelling) Other water supply (at least min.service level) Other water supply (emin.service level) No water supply Below Minimum Service Level and Above sub-total Total number of households Sanitation/sewerage: Flush botle (with septo tank) Other totelet provisions (c min.service level) Pit balet (wellsed) Other totelet provisions (c min.service level) Minimum Service Level and Above sub-total Bucket boilet Other totelet provisions (c min.service level) No boilet provisions Below Minimum Service Level sub-total Total number of households Electricity (alleast min.service level) Electricity - prepaid (c min.service level) Minimum Service Level and Above sub-total Electricity (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Other energy sources Below Minimum Service Level sub-total Removed less fequently than once a week Minimum Service Level and Above sub-total Removed less fequently than once a week Using communal reluse dump Other rubbish disposal Relow Minimum Service Level sub-total Total number of households **Household service targets (000) **Monter** **Household service targets (000) **Monter** **Household service targets (000) **Monter** **Household service targets (000) **Monter** **Household service targets (000) **Monter** **Household service level sub-total Total number of households **Sanitation/sewerage** **Household service level sub-total **Using won revice leve	2010/11 Outcome	2011/12	2012/13	Budget 5 386 4 435 11 405 21 226 4 782 7 793 10 455 31 681 2 478 2 478 2 478 5 988 444 10 011 11 310 3 1681 6 920 2 6 320 1 6 920 2 6 320 1 6 920 2 6 30 1 6 920 2 6 30 1 6 920 2 6 30 1 6 920 2 6 30 1 6 920 2 6 30 1 6 920 2 6 30 1 6 920 2 6 30 1 6 920 2 6 30 1 6 920 2 6 30 1 6 920 2 6 30 1 6 920 2 6 30 1 7 80 2 7 80 2 7 80 3 7 80 3 80 3 9 20 4 81 6 920 3 1 681 Cur	Budget 5 386 4 435 11 435 11 435 11 435 21 226 4 782 3 1681 3 3 738 444 2 4778 5 733 3 738 444 10 011 11 310 3 1 681 6 920 6 920 2 630 2 7 630 1 7 830 1 83 5 839 2 1 81 6 875 6 920 2 630 1 7 830 1 83 5 839 2 1 81 6 875 6 920 1 83	5 386 4 435 11 405 21 226 4 752 5 703 10 455 31 681 2 475 2 12 2630 6 920 2 630 2 630 2 158 5 539 2 158 5 539 2 158 5 539 2 158 5 539 2 158 5 539 2 158 5 539 5 158 5 539 5 158 5 539 5 158 5 539 5 158 5 15	2014/15 5 386 4 435 11 405 21 228 4 752 5 703 10 455 31 681 22 258 4 444 2471 5 988 7 737 2007 285 6 920 2 630 1 588 539 20 181 6 875 1 588 539 20 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 1 299 2 181 6 875 6 290 6 29	+1 2015/16 5 386 4 435 11 405 21 226 4 752 5 703 10 455 37 681 3 7 737 20 20 7 7 737 20 7 7 737 20 7 7 737 20 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	-2 2016/17 5 386 4 435 11 405 21 228 4 782 4 782 5 730 10 455 31 681 3 738 444 2 471 5 988 7 730 20 978 20 978 6 920 6 920 2 630 2 630 2 630 2 630 2 630 2 630 2 630 2 630 2 630 2 630 2 630 2 630 3 738 6 730 6 920 6 920 6 920 7 630 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7
Municipal in-house services Municipal in-house services Ref. 1 2 3 3 3 3 3 3 3 3 3	Piped water inside dwelling Piped water inside dwelling Piped water inside yard (but not in dwelling) Piped water inside yard (but not in dwelling) Piped water inside yard (but not in dwelling) Piped water inside yard (but not in dwelling) Other water supply (at least min.service level) Other water supply (emin.service level) No water supply Below Minimum Service Level and Above sub-total Total number of households Sanitation/sewerage: Flush botle (with septo tank) Other totelet provisions (c min.service level) Pit balet (wellsed) Other totelet provisions (c min.service level) Minimum Service Level and Above sub-total Bucket boilet Other totelet provisions (c min.service level) No boilet provisions Below Minimum Service Level sub-total Total number of households Electricity (alleast min.service level) Electricity - prepaid (c min.service level) Minimum Service Level and Above sub-total Electricity (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Electricity - prepaid (c min.service level) Other energy sources Below Minimum Service Level sub-total Removed less fequently than once a week Minimum Service Level and Above sub-total Removed less fequently than once a week Using communal reluse dump Other rubbish disposal Relow Minimum Service Level sub-total Total number of households **Household service targets (000) **Monter** **Household service targets (000) **Monter** **Household service targets (000) **Monter** **Household service targets (000) **Monter** **Household service targets (000) **Monter** **Household service level sub-total Total number of households **Sanitation/sewerage** **Household service level sub-total **Using won revice leve	Outcome			4 435 11 405 21 226 4 752 5 703 10 435 5 703 10 435 5 703 20 379	4 435 11 405 21 225 4 752 5 753 10 455 5 753 10 455 5 753 10 455 5 753 10 455 1	4 435 11 405 21 236 4 752 4 752 5 733 10 485 3 788 444 2 471 1 5 988 7 730 10 101 1 101 31 681 6 920 6 920 6 920 2 630 2 630 2 630 1 681 1 88 5 39 2 0 181 6 875 5 920 2 937 1 753 1 881 1 937 1	4 435 11 405 21 226 4 752 4 752 5 703 10 485 31 681 3 738 444 2 471 5 988 7 730 10 101 11 13 101 31 681 6 920 6 920 2 630 2 630 2 630 1 687 1 88 5 39 2 0 181 6 875 3 1 681 1 299 2 0 581 3 1 681 3 1 681 5 920 5	4 435 11 405 21 226 4 752 4 752 5 703 10 455 5 7681 3 738 444 2 471 5 988 7 730 20 377 285 10 011 11 13 10 31 681 6 920 6 920 2 630 2 7530 2 158 5 99 2 0 181 6 875 6 920 2 920 2 181 6 875 6 920 2 920 2 181 6 875 6 920 2 920 6 92	4 435 11 405 21 226 4 752 4 752 5 703 10 485 31 687 3 738 444 2 4711 5 988 7 730 20 377 285 1 014 1 101 1 311 31 687 6 920 6 920 2 630 1 88 539 20 181 6 875 5 920 2 630 1 687 6 920 2 630 1 88 539 2 0 181 6 875 6 920 2 630 1 88 6 920 2 630 1 88 6 930 2 7 630 1 88 6 930 2 7 630 1 88 6 930 2 7 630 1 88 6 930 2 930 3 1 88 6 930 2 930 3 1 88 6 930 2 930 6 9
Municipal in-house services Municipal in-house services Ref. 1	Piped water inside y ard (but not in dweiling) Using public lag (at least min service level) Other water supply (at least min service level) Other water supply (at least min service level) Other water supply (at least min service level) Wainium Service Level and Above sub-total Using public tap (c min service level) Below Mainium Service Level sub-total Total number of households Sanlation/sewerage: Flush totel (connected to sew erage) Flush totel (connected to sew erage) Flush totel (connected to sew erage) Flush totel (connected to sew erage) Flush totel (connected to sew erage) Flush totel (connected to sew erage) Flush totel (with septo tank) Chemical biolet Pit bitel (ventilated) Pit bitel (ventilated) Pit bitel (ventilated) Bucket bitel Other totels provisions (c min service level) No totels provisions (c min service level) No totel provisions (c min service level) No totel provisions (c min service level) Electricity - prepaid (min service level) Electricity - prepaid (c min service level) Electricity - prepaid (c min service level) Other energy sources Below Mainium Service Level sub-total Total number of households Total number of households Removed least sequently than once a week Using communal retuse dump Other rubbish disposal Removed least flugges and provise devel sub-total Removed least sequently than once a week Using communal retuse dump Other rubbish disposal Rebow Mainium Service Level sub-total Total number of households Water Using public tap (c min service level) Other water supply (c min service level) Other water supply (c min service level) Other water supply (c min service level) No water supply Using public tap (c min service level) Other water supply (c min service level) Flush biell (connected to sew erage)	Outcome			4 435 11 405 21 226 4 752 5 703 10 435 5 703 10 435 5 703 20 379	4 435 11 405 21 225 4 752 5 753 10 455 5 753 10 455 5 753 10 455 5 753 10 455 1	4 435 11 405 21 236 4 752 4 752 5 733 10 485 3 788 444 2 471 1 5 988 7 730 10 101 1 101 31 681 6 920 6 920 6 920 2 630 2 630 2 630 1 681 1 88 5 39 2 0 181 6 875 5 920 2 937 1 753 1 881 1 937 1	4 435 11 405 21 226 4 752 4 752 5 703 10 485 31 681 3 738 444 2 471 5 988 7 730 10 101 11 13 101 31 681 6 920 6 920 2 630 2 630 2 630 1 687 1 88 5 39 2 0 181 6 875 3 1 681 1 299 2 0 581 3 1 681 3 1 681 5 920 5	4 435 11 405 21 226 4 752 4 752 5 703 10 455 5 7681 3 738 444 2 471 5 988 7 730 20 377 285 10 011 11 13 10 31 681 6 920 6 920 2 630 2 7530 2 158 5 99 2 0 181 6 875 6 920 2 920 2 181 6 875 6 920 2 920 2 181 6 875 6 920 2 920 6 92	4 435 11 405 21 226 4 752 4 752 5 703 10 485 31 687 3 738 444 2 4711 5 988 7 730 20 377 285 1 014 1 101 1 311 31 687 6 920 6 920 2 630 1 88 539 20 181 6 875 5 920 2 630 1 687 6 920 2 630 1 88 539 2 0 181 6 875 6 920 2 630 1 88 6 920 2 630 1 88 6 930 2 7 630 1 88 6 930 2 7 630 1 88 6 930 2 7 630 1 88 6 930 2 930 3 1 88 6 930 2 930 3 1 88 6 930 2 930 6 9
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Municipal in-house services Municipal in-house services Ref. 1 2 3 3 3 3 3 3 3 3 3	Using public tap (< min. service level) Other water supply (< min. service level) No water supply Below Minimum Service Level sub-total Total number of households Santation/severage: Fisch bible (virill septe tank) Fisch bible (virill septe tank) Chemical bible Pit bible (virill septe tank) Other totale provisions (< min. service level) Minimum Service Level and Above sub-total Bucket bible Other totalet provisions (< min. service level) Minimum Service level and Above sub-total Bucket bible Other totalet provisions Rebow Minimum Service Level sub-total Total number of households Service Fire (min. service level) Electricity (< min. service level) Electricity (< min. service level) Electricity - prepaid (min service level) Minimum Service Level and Above sub-total Electricity (< min. service level) Electricity - prepaid (min service level) Other energy sources Below Minimum Service Level sub-total Total number of households Retisse: Removed less flequently than once a week Minimum Service Level and Above sub-total Electricity of households Retisse: Using own reture dump Using own reture dump Using own reture dump Using own reture dump Using own reture dump Using own reture dump Using own reture dump Using own reture dump Using public tap (< min. service level sub-total Total number of households Household service targets (000) Water: Piped w ater inside dwelling Piped w ater inside dwelling Piped w ater inside of the service level sub-total Total number of households Santation/sewerage: Fiss hollet (connected to sewerage)	Outcome			4 752 4 752	4 752 5 703 10 455 31 681 3 788 444 42 471 5 988 7 739 20 371 285 1 014 10 011 11 310 3 1 681 6 920 6 920 6 920 2 6 920 2 830 2 830 2 830 2 830 2 830 3 920 6 920 6 920 7 789 8 920 8 9	4 752 - 5 703 10 455 31 681 31 681 444 42 4711 15 988 7 730 20 371 681 40 0011 11 310 31 681 40 0011 11 310 5 6 920 5 920 5 920 20 158 5 939 20 181 6 875 5 939 20 181 6 875 9 20 553 1 31 681	4 782 - 5 703 10 485 31 681 32 681 444 42 4711 5 988 7 730 20 371 285 5 10 104 10 101 11 11 310 681 5 10 10 10 10 10 10 10 10 10 10 10 10 10	4 752 5 703 10 455 31 881 3 788 444 2 471 5 988 7 730 20 371 285 1 014 10 011 11 310 31 681 6 920 6 920 2 53	4 752
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Municipal in-house services Ref. 1	Total number of households Sanitation/sever age: Flush belet (connected to sew erage) Flush belet (connected to sew erage) Flush belet (with septic tank) Chemical toilet Pit belet (verifications) Other toilet provisions (c min.service level) Other toilet provisions (c min.service level) Household toilet Other toilet provisions Below Minimum Service Level sub-total Total number of households Energy: Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Cherenergy: Electricity - prepaid (min.service level) Other denergy sources Below Minimum Service Level and Above sub-total Total number of households Refuse: Removed less frequently flush on once a week Minimum Service level and Above sub-total Removed less frequently flush on once a week Using communal refuse dump Using communal refuse dump Other arbeits disposa No nubbish disposa	Outcome			31 681 3 736 444 441 2 441 2 5 988 7 730 2 037 2 85 1 1014 1 1011 1 1 310 3 1 681 6 920 6 920 2 6 920 2 6 920 2 750 9 2 1 129 2 1 129 2 1 129 2 1 1 129 2 1 1 129 2 1 1 129 2 1 1 129 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	31 681 3 738 444 2 474 5 586 7 20 37 10 14 10 011 11 310 31 681 6 920 6 920 6 920 2 630 2 630 2 630 2 630 1 88 5 58 1 2 630 2 6 920 3 7 7 8 8 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9	37 681 3 738 444 2 478 2 478 2 478 2 478 2 578 2 58 1 014 11 310 31 681 6 920 6 920 2 530 2 530 2 158 5 39 2 0 181 6 875 1 299 2 0 181 6 875 1 299 2 0 201 Full Year	31 681 3 738 444 2 471 5 998 70 20 371 10 14 10 011 11 310 31 681 6 920 6 920 2 630	37 681 3 738 444 2 476 5 960 70 371 10 14 10 011 11 310 31 681 6 920 6 920 6 920 2 630 2 2 630 2 2 630 2 2 630 2 2 630 2 3 7 7 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	31 681 3 738 444 4 747 247 25 77 20 3
Municipal in-house services Ref. 8 10 9 10 10 11 10 11 10 11 11 11 11 11 11 11	Flush tollet (connected to sew erage) Flush tollet (verifilated) Chemical tollet Pit bilet (verifilated) Other tollet provisions (> min.service level) Other tollet provisions (> min.service level) Other tollet provisions (> min.service level) Other tollet provisions Below Minimum Service Level sub-total Total number of households Energy: Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Electricity - prepaid (min.service level) Cherinated (= min.service level) Electricity - min.service level sub-total Total number of households Refuse: Removed less frequently flam once a week Minimum Service Level and Above sub-total Removed less frequently flam once a week Using communal refuse dump Using communal refuse dump On oubbish disposal Below Minimum Service Level sub-total Total number of households Household service targets (000) Weller: Piped water inside dwelling Piped water inside dwelling Piped water inside dwelling Piped water inside dwelling Piped water inside yard (but not in dwelling) Using public lap (a least min.service level) Other water supply (a least min.service level) Other water supply (c min.service level) Other water supply (c min.service level) Other water supply (c min.service level) Other water supply (c min.service level) Total number of households Sanitation/severage: Flust hellet (connected to sewerage)	Outcome			444 2 471 5 988 7 730 20 371 287 187 197 197 197 197 197 197 197 197 197 19	444 2471 5 988 7 7390 20 377 287 287 287 287 287 287 287 287 287 2	444 2471 5 988 7 730 20 377 1 285 6 7 730 1 1 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 3 1 1 1 1 3 1	444 2 471 5 988 7 730 20 371 1 885 1 0 0 11 1 1 3 10 3 1 681 6 920 6 9220 6 9220 1 588 5 399 20 181 6 875 2 930 2 181 6 875 2 930 2 181 6 875 2 930 2 930 3 1681 6 875 6 920 6	444 2471 5 988 7 730 20 371 1886 10 011 11 310 31 681 6 920 6 920 2 630 2 7530 1 58 5 99 20 181 6 875 1 299 20 181 6 875 1 299 20 181 6 875 6 875 1 299 1 295 1 29	444 2 471 5 988 7 730 20 371 1 856 1 001 1 11 1 11 1 11 1 11 1 11 1 11 1
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Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM	No toilet provisions Below Minimum Service Level sub-total		-	-	-	-		-	-	-
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM	Total number of households <u>Energy:</u>		-	-	- 1	-	-	_	- 1	
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM	Electricity (at least min.service level) Electricity - prepaid (min.service level)				3 253	3 253	3 253	3 253	3 253	3 253
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM	Minimum Service Level and Above sub-total Electricity (< min.service level)				3 253	3 253	3 253	3 253	3 253	3 253
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM	Electricity - prepaid (< min. service level) Other energy sources									
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM	Below Minimum Service Level sub-total		-		-				-	
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM 10 Chris Hani DM	Total number of households <u>Refuse:</u>	-	-	-	3 253	3 253	3 253	3 253	3 253	3 253
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM Services Chris Hani DM 10 Chris Hani DM 10 Chris Hani DM	Removed at least once a week Minimum Service Level and Above sub-total				2 630 2 630	2 630 2 630	2 630 2 630	2 630 2 630	2 630 2 630	2 630 2 630
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM 10 Chris Hani DM	Removed less frequently than once a week Using communal refuse dump				158 539	158 539	158 539	158 539	158 539	158 539
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM 10 Chris Hani DM	Using own refuse dump				20 181 6 875	20 181 6 875	20 181 6 875	20 181 6 875	20 181 6 875	20 181 6 875
Municipal entity services Ref. Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM 10 Chris Hani DM	No rubbish disposal Below Minimum Service Level sub-total				1 299	1 299	1 299 29 051	1 299	1 299	1 299 29 052
Name of municipal entity	Total number of households		-		31 681	31 681	31 681	31 681	31 682	31 682
Name of municipal entity		2010/11	2011/12	2012/13	Cur	rent Year 2013		Expe	ledium Term R enditure Framev	work
Name of municipal entity Chris Hani DM Chris Hani DM Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM 10		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year +1 2015/16	
Chris Hani DM Chris Hani DM Chris Hani DM Shris Hani DM Chris Hani DM 10 Chris Hani DM	Household service targets (000)				Daager	Dauget	. orcuasi	20.4/10		- L L J 10/17
Chris Hani DM 8 Chris Hani DM 10 Chris Hani DM	Water: Piped water inside dwelling				5 386	5 386	5 386	5 386	5 386	5 386
Chris Hani DM 10 Chris Hani DM	Piped water inside yard (but not in dwelling) Using public tap (at least min.service level)				4 435 11 405	4 435 11 405	4 435 11 405	4 435 11 405	4 435 11 405	4 435 11 405
	Other water supply (at least min.service level) Minimum Service Level and Above sub-total		-		21 226	21 226	21 226	21 226	21 226	21 226
Chris Hani DM 9 Chris Hani DM 10	Using public tap (< min.service level) Other water supply (< min.service level)				4 752	4 752	4 752	4 752	4 752	4 752
Chris Hani DM Chris Hani DM	No water supply Below Minimum Service Level sub-total		_	_	5 703 10 455	5 703 10 455	5 703 10 455	5 703 10 455	5 703 10 455	5 703 10 455
17	Total number of households	- -	-		31 681	31 681	31 681	31 681	31 681	31 681
Name of municipal entity Chris Hani DM Chris Hani DM	Sanitation/sewerage: Flush toilet (connected to sewerage) Flush toilet (with confectoric)				3 738	3 738	3 738	3 738	3 738	3 738
Chris Hani DM	Flush toilet (with septic tank) Chemical toilet				444 2 471	444 2 471	444 2 471	444 2 471	444 2 471	444 2 471
Chris Hani DM Chris Hani DM	Pit toilet (ventilated) Other toilet provisions (> min.service level)				5 988 7 730	5 988 7 730	5 988 7 730	5 988 7 730	5 988 7 730	5 988 7 730
Chris Hani DM Chris Hani DM	Minimum Service Level and Above sub-total Bucket toilet	-	-		20 371 285	20 371 285	20 371 285	20 371 285	20 371 285	20 371 285
Chris Hani DM Chris Hani DM	Other tollet provisions (< min.service level) No tollet provisions				1 014 10 011	1 014 10 011	1 014 10 011	1 014	1 014 10 011	1 014 10 011
Chris Hani DM	Below Minimum Service Level sub-total				11 310	11 310	11 310	11 310	11 310	11 310
	I Total accept on a filtransport of	_	-	-	31 681	31 681	31 681	31 681	31 681	31 681
	Total number of households Energy:				6 920	6 920	6 920	6 920	6 920	6 920
	Energy: Electricity (at least min.service level) Electricity - prepaid (min.service level)				6 920	6'920	6 920	6 920	6 920	6 920
ESKOM	Energy: Electricity (at least min.service level)				22 856	22 856	22 856	22 856	22 856	22 856
	Energy: Electricity (at least min.service lev el) Electricity - prepaid (min.service lev el) Minimum Service Level and Above sub-total Electricity (< min.service lev el) Electricity - prepaid (< min.service lev el)				22 856 29 776	22 856 29 776	22 856 29 776	22 856 29 776	22 856 29 776	22 856 29 776
Name of municipal entity	Energy: Electricity (at least min.service lev el) Electricity - prepaid (min.service lev el) Minimum Service Level and Above sub-total Electricity (- min.service lev el) Electricity - prepaid (- min. service lev el) Other energy sources Bolow Minimum Service Level sub-total		-7	-	29 776	29 776	29 776	29 776	29 776	29 776
	Energy: Electricity (at least min.service lev el) Electricity - prepaid (min.service lev el) Minimum Service Level and Above sub-total Electricity (- min.service lev el) Electricity - prepaid (- min. service lev el) Other energy sources Below Minimum Service Level sub-total Total number of households Refuse:							-		
	Energy: Electricity - prepaid (min. service lev el) Electricity - prepaid (min. service lev el) Electricity - prepaid (min. service lev el) Minimum Service Level and Above sub-total Electricity - prepaid (- min. service lev el) Other energy sources Below Minimum Service Level sub-total Total number of households Refuse: Removed at least once a week Minimum Service Level and Above sub-total		-							
	Energy: Electricity (at least min.service lev el) Electricity - prepaid (min.service lev el) Electricity - prepaid (min.service lev el) Minimum Service Level and Above sub-total Electricity (- min.service lev el) Other energy sources Below Minimum Service Level sub-total Total number of households Refuse: Removed at least once a week Minimum Service Level and Above sub-total Removed less fequently than once a week Using communal refuse dump			_						
+	Energy: Electricity (at least min.service lev el) Electricity - prepaid (min.service lev el) Electricity - prepaid (min.service lev el) Minimum Service Level and Above sub-total Electricity - prepaid (* min. service lev el) Other energy sources Total Behavior of households Refuser Removed at least once a week Minimum Service Level and Above sub-total Removed at least once a week Minimum Service Level and Above sub-total Removed less Requesty than once a week		<u>-</u>	-						
May 2014	Energy: Electricity (at least min.service lev el) Electricity - prepaid (min.service lev el) Electricity - prepaid (min.service lev el) Minimum Service Level and Above sub-total Electricity (- min.service lev el) Other energy sources Debum Minimum Service Level sub-total Total Bebum Minimum Service Level sub-total Total Total Removed at least once a week Minimum Service Level and Above sub-total Removed at least once a week Using communal refuse dump Using communal refuse dump Using own refuse dump		-	-						92



1.19 Municipal Manager's quality certificate

I S W Vatala, Municipal Manager of Emalahleni Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name S W VATALA

Municipal Manager of Emalahleni Municipality

Signature

Date 28 May 2014