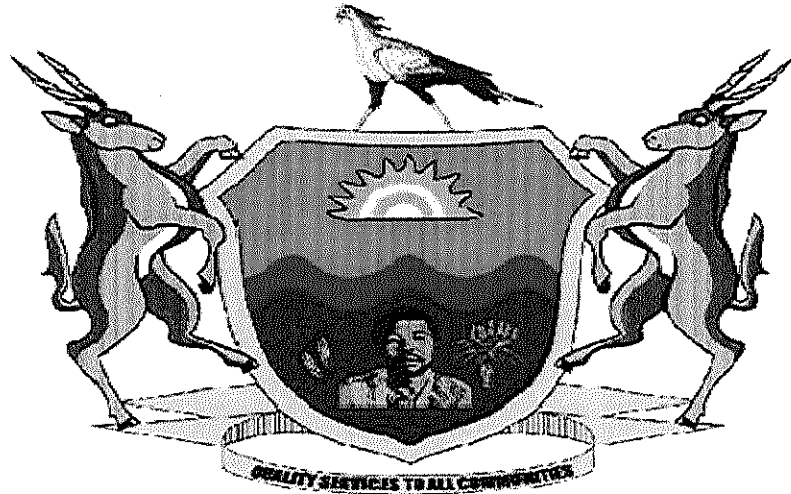


**KING SABATA DALINDYEBO MUNICIPALITY**

**BUDGET AND TREASURY DIRECTORATE**



# **SCHEDULE A**

## **AN ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

---

**ANNUAL BUDGET OF  
KING SABATA DALINDYEBO LOCAL  
MUNICIPALITY**

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

**Copies of this document can be viewed:**

- In the foyers of all municipal buildings
- All public libraries within the municipality
- At [www.ksd.gov.za](http://www.ksd.gov.za)

## Table of Contents

<b>PART 1 – ANNUAL BUDGET</b> .....	<b>2</b>
1.1 MAYOR’S REPORT .....	2
1.2 COUNCIL RESOLUTIONS .....	8
1.3 EXECUTIVE SUMMARY .....	9
1.4 OPERATING REVENUE FRAMEWORK.....	11
1.5 OPERATING EXPENDITURE FRAMEWORK.....	21
1.6 CAPITAL EXPENDITURE .....	26
1.7 MUNICIPAL MANAGER’S QUALITY CERTIFICATE .....	42

## List of Tables

Table 1 Consolidated Overview of the 2013/14 MTREF .....	10
Table 2 Summary of revenue classified by main revenue source .....	12
<b>Table 3 Percentage growth in revenue by main revenue source</b> .....	<b>13</b>
Table 4 Operating Transfers and Grant Receipts .....	14
Table 5 Comparison of proposed rates to levied for the 2014/15 financial year .....	16
Table 6 Comparison between current electricity charges and increases (Domestic) .....	17
Table 7 Comparison between current waste removal fees and increases .....	18
Table 8 MBRR Table SA14 – Household bills.....	20
Table 9 Summary of operating expenditure by standard classification item .....	21
Table 10 Operational repairs and maintenance.....	22
Table 11 Repairs and maintenance per asset class .....	23
Table 12 2014/15 Medium-term capital budget per vote .....	26
Table 13 MBRR Table A1 - Budget Summary .....	27
Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	29
Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote).....	31
Table 16 Surplus/(Deficit) calculations for the trading services.....	32
Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) .....	33
Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source .....	34
Table 19 MBRR Table A6 - Budgeted Financial Position .....	35
Table 20 MBRR Table A7 - Budgeted Cash Flow Statement .....	36
Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation .....	37
Table 22 MBRR Table A9 - Asset Management.....	38
Table 23 MBRR Table A10 - Basic Service Delivery Measurement.....	40

## Abbreviations and Acronyms

BTC	Budget Technical Committee	kWh	kilowatt
BSC	Budget Steering Committee	LED	Local Economic Development
CBD	Central Business District	MEC	Member of the Executive Committee
CFO	Chief Financial Officer	MFMA	Municipal Financial Management Act Programme
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
DBSA	Development Bank of South Africa	MMC	Member of Mayoral Committee
DoRA	Division of Revenue Act	MPRA	Municipal Properties Rates Act
EEDSM	Energy Efficiency Demand Side Management	MSA	Municipal Systems Act
EM	Executive Mayor	MTREF	Medium-term Revenue and Expenditure Framework
FBS	Free basic services	NERSA	National Electricity Regulator South Africa
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	SALGA	South African Local Government Association
IDP	Integrated Development Strategy	SDBIP	Service Delivery Budget Implementation Plan
IT	Information Technology	SMME	Small Micro and Medium Enterprises
kℓ	kilolitre		
km	kilometre		
KPA	Key Performance Area		
KPI	Key Performance Indicator		

## **Part 1 – Annual Budget**

### **1.1 Mayor's Report**

**Speaker of Council: Cllr D Zozo**

**Members of the Mayoral Committee**

**Honourable Councillors**

**Management and Staff**

**People of King Sabata Dalindyebo at large**

**Distinguished guests**

**The Media fraternity**

**Ladies and Gentlemen and allow me to say all protocol observed;**

We are mandated by the Municipal Finance Management Act to undergo a process of budgeting in preparation for the next Financial Year commencing in July 2014, ending in June 2015. As the King Sabata Dalindyebo Municipality, in terms of Our Vision we envisage "A Developmental Municipality that strives for socio-economic transformation thereby improving the lives of the people". By way of mission, "KSD Municipality will strive to be a developmental Municipality that is able to provide services to the best of its ability"

I hereby present a budget a total budget of **R1 058 104 754.00** comprising of Capital budget of **R149 668 440.00** and operating budget of **R 908 436 314.00** which is a product of many consultations with various stakeholders. The budgeting process has been a very open one with Stakeholders and Government Departments having been engaged to ensure synergy on the allocation of resources to various Wards. The views of local communities have been taken into account<sup>1</sup>. Equally, the Plans of other government departments that provide services to our communities have also been included. But, in the main, this budget is an implementation tool of the Integrated Development Plan, and has been properly aligned.

In the ending Financial Year we have been on a journey to reclaim our might as champions of Service Delivery. We though, have not been sufficient on claiming our victories. There are many Service Delivery achievements that have not been claimed. As such we have been painted as non-achievers. Lest we begin to believe the nay sayings about us, we have to remind one another that on the 2013/2014 Financial Year, we have made the important infrastructure projects that include but not limited to:

#### **On Community Services**

Community Services continues to strive for clean and healthy environment. In the financial year 2013/14, we have managed to upgrade the state of toilet facilities in Mqanduli. We have spent R720, 000 to erect a new block of flash toilets in Mqanduli Ward 29. Community Services Directorate has procured refuse collection receptacles that will assist in cost recovery on commercial waste with an expenditure of R710, 812. With regard to job creation, 205

EPWP(from all wards) beneficiaries are engaged to boost the refuse collection team with an expenditure of about R2 million. A budget of has been set aside for cleaning projects through EPWP.

With regard to Greening Projects we have completed the following project through our partnership with Department of Environmental Affairs:

- Tourism & Conference Facility at Lutshaba Nature Reserve at a cost of R19.5 million and 250 EPWP jobs created in Ward 10 & Ward 12.
- Mqanduli Park at a cost of R9 million and 171 jobs created in Ward 29.
- Hegebe Land Rehabilitation Project through tree planting at a cost of R7,6 million with 76 jobs created in Ward 21
- 24 Youth Jobs in Waste created targeting young professionals
- We have recently launched Savoy Park & Mthatha Dam Tourism & Conference Facility with the Deputy Minister of Environmental Affairs.
- 150 refuse bins and 40 skip bins were procured to improve cleanliness in town

Community Services continue to support Co-operative development of which 24 Co-operatives have been engaged through SCM for grass cutting & illegal dumping clearing on ad-hoc basis. Community Services has applied from Department of Environmental Affairs for additional support on cleaning and greening and the following projects have been approved for 2014 - 2016:

- Establishment of new Landfill Site in Ward 33 has a budget set aside of R33 million
- Establishment of 64 accommodation chalets in Mthatha Dam with a budget of R38 million.
- Construction of 2 Waste Transfer Stations in Ward 4 and Ward 24 with budget of R24 million
- Land Rehabilitation (rehabilitation of Dongas) in Ward 15, 16, 17, & Ward 31 at a budget of R12 million.

We are busy renovating Mthatha City Library partnership with DSRAC at a budget of R3, 2 million in Ward 7. Tendering are out for purchasing of 2 modular libraries in Ward 15 and in Ward 10 with a budget of R1, 7 million. A plan to have state of the art library to serve the whole population of OR Tambo DM is earmarked for 2015/16 and is to be built in Mthatha. A Council resolution is sought for availability of land for the construction of the library.

For 2014/15 Community Services has budgeted for the following projects:

- Improving Library & Information Services = R 1,714,000 (Grant Funding)
- EPWP Cleaning Project R764,040
- Procurement of Refuse Collection Fleet = R2,500,000
- 2 plastic bags per household per week for refuse collection = R3,396,055
- Upgrading of ablution facilities = R505,280
- Rehabilitation of Mthatha & Mqanduli Landfill site = R1,024,480
- Landfill Site vehicle, plant and machinery = R1,010,774
- Fencing of Mqanduli pound = R250,000
- Solid Waste Cost Recovery Project = R750,000
- Environmental Management Plan = R250,000

## Building our Infrastructure

## MIG Major Projects completed in 2013/2014 Financial Year

- Siqikini Ext in ward 26 with a bridge crossing Mthatha river has been completed at a value of **R18million**.
- Surfacing of Gobodo, Dikweni and Matolweni Streets in Ward 2&3 has been completed at a value of **R13.1million**.

Ward	PROJECT	Scope of Work	Project Cost
7,9,11, 13&29	High Mast, Harrow Rd	Installation of Highmasts	R2,5m-
18	Gunjana- Rune Access Road	5km of gravel and low level bridge.	R4,5m
	Emasimini-N2 via Madonisi Access Road	9km of gravel and a low level bridge	R6,5m
26	Gqaghala Access Road	Installation of Highmasts	R3,8m
28	Balizulu Access Road	5km of gravel and low level bridge.	R3,2m
29	Cezu bus stop via Sigiba Access Road	35% Construction	R10,4m
14,34&16	Ngcengane to Gqabata, Mdeni Access Road	16km of gravel road and 30m long concrete bridge	R10.7m
30	Old Payne Access Road	13km gravel internal roads	R5.0m
26	Hoza Stop to Mtukuba	7.5km gravel road	R3.4m

Council is busy with improving internal capacity to deliver services. To expedite our interventions on roads infrastructure we have successfully procured the following machinery:

- Excavators x 2
- Graders x 2
- Tipper trucks x 6
- LDVs x 1
- Lowbed horse
- Platform Trucks x 2

We are simultaneously recruiting operators for this purpose. An amount of R13.4million has been set aside for the procurement of plant.

We are currently busy on the rehabilitation of Elliot and Dellville Roads, whose completion will be during this financial year. Also, Zanemali will be rehabilitated, whereas the Spring Errol will be widened to cater for the huge flow to the underway development.

In drafting this budget, we have been confined by various factors, including Service Delivery backlogs, community needs, as per the IDP, as well as the scarcity of resources which we have the duty to share equitably.

MIG allocation for the next financial year will be R76million and below are some of the major projects planned;

- Surfacing of Mphako Street in ward 2 has a budget of **R12.5million** is on design and the construction will start in the first quarter of the next financial year.

- Surfacing of Gerald Hawkes in ward 9 has a budget of **R12.8million** is also set to start with construction in the first quarter of the next financial year.
- Construction of Mahlunqulu to Cefane Access Road in ward 22 has a budget of **R13.9million** is on design and construction is planned to start in the first quarter of the financial year.

Ward	Project Name	Project Cost
9&13	Rehabilitation of Gerald Hawkes street, Hillcrest	R12m
21	Ngqawa-Nqcalambeni Access Road Phase 2	R5m
22	Mahlunqulu-Cefane Access Road	R13 m
19	N2 Bhilitane-Jongimizi JSSS Access Road	R4,5m
21	Ngcinase Access Road	R3,5m
23	Darhabe-Tshontini Access Road	R5,5m
13	Mpindweni Access Road	R6,5m
32	Khonqeni Access Road	R5,7m
34	Mdeni Community Hall	R 2 ,7m
24	Menga Community Hall	R2,7m
20	Krakra Community Hall	R2,7m
25&24	Deri Access Road	R4,2m
20	Qala-Sdulini	R4,6m
2	Dikweni-Gobodo Phase 2	R12,2m
20	Madondile-Gotyibeni Access Road	R6,7m

#### On electricity:

- To complete electrification of Mthatha West with a budget of R35million.
- To refurbish Sidwadwa Sub Station 20km 66kv line to stabilise and increase the capacity of electricity in Mthatha.
- Mqanduli electrification is underway and is set to continue in the next financial year
- An additional R1, 5m set aside for additional Equipment.
- R1, 5m has been set aside for the maintenance of traffic Lights.
- R4, 1 has been set aside for the maintenance of electricity. In pursuit of this, eight Electricians have been recruited to man our electricity.

We are working tirelessly to ensure that the electric outages become a thing of the past.

#### On Local Economy

Agro business is the main focus in local economic development.

The quest to build a throng rural maize value chain in Mqanduli node gathers momentum. Seven tractors with the necessary equipment have been delivered to seven cooperatives. 911 hectares have been cultivated. Through the partnership with DRDAR and Eastern Cape Rural



Development Agency R42million is to be invested to expand the Mqanduli Milling plant and expand the primary production area to cover all the 19 cooperatives.

Again, the implementation stage of the wool clip commercialisation program is upon us. Whilst completing the renovation of equipment for the pilot, six shearing sheds, 3 move shearing sheds will be renovated and equipment purchased for Baziya, Mbozisa and Qunu sheds. Training and mentorship by industry experts will be organised for small scale sheep farmers.

With the assistance of DTI, special focus will be dedicated to promote local previously disadvantaged entrepreneurs in the local economy in all sectors. For example at planning stage is the establishment of a distribution centre linked to rural branded stores.

#### On matters of Human Settlements

Human Settlements announced last year that infrastructure investment is taken more seriously to ensure that nodal development areas create new economic nodes and provides economic activities in previously disadvantaged areas. The development nodes were mentioned as catalysts which will unlock development through a process of developing reform strategies which amongst others will alter inner city urban reform, following the finalisation of the Spatial Development Framework for KSD. Precinct Planning is being undertaken in Mqanduli, Vidgesville and Mthatha as we speak.

The Human Settlements Department has finalised the Local Spatial Development Framework for Coffee Bay which must still be approved by Council, to guide public and private investment. You will remember that provincial cabinet took a decision to proclaim Coffee Bay as a coastal town. The municipality is working with ECSEC towards realising this goal. A feasibility study has been completed.

The municipality has embarked on an ambitious process of formalisation programme. Formalisation will bring dignity to our people. The Proclamation process will address the problem of people moving into their houses but unable to get title deeds due to the fact that the areas remain un-proclaimed. This programme also provides interim services in the form of roads and storm-water construction, water standpipes and sewer system. This is being done in Mandela, Joe Slovo and Chris Hani Parks; Phola Park and Ngangelizwe to benefit 8400 households. Phase Two (2) will cover 4600 additional households. This process is challenged by slow pace of concluding Land Availability Agreements by provincial government.

The BNG Housing Programme is nearing housing construction stage which was supposed to take-off in January 2014. It is envisaged that the challenges posed by the land claims will be resolved in the near future to unlock the development. BNG Housing Programme will ensure delivery of integrated and sustainable human settlements characterised by mixed use and different typology of houses. The three planned developments will deliver 6500 houses comprising of low cost, gap housing and affordable housing, high density housing, two storey apartments. Commercial developments and other social facilities will be part of these developments.

Due to land invasion challenges, R300, 000 has been set aside to respond immediately when such cases occur. R106, 907 has been set aside

#### Crime prevention

King Sabata Dalindyebo is amongst the highest in crime in the Eastern Cape and therefore the Municipality has prioritised summit that will including policing for both internal and SAPS.

R3m has been set aside to include security features around the area. Lawlessness in parking around CBD will be addressed by ensuring that parking bays generates revenue will be manned by a private company which will employ no less than 100 employees.

### **Relief for the poor**

Difficult economic conditions means people will find it difficult to make ends meet. Within the provisions of our indigent policy, we will continue to provide those who qualify for indigent support with rebates. The Municipality subsidise electricity to **11 102** households an amount of R38.72(50kwh) and alternative energy subsidy of **10 177** households 5 litres per month which is equivalent to R 74.80 .In respect for rates and services a total allocation of R 20 000 000 indigent support has been set aside to write off arrear amounts as well as alternative energy for the 2014/15 financial year.

### **Special programmes**

We have been making good progress with regard to addressing the plight of our special interest groups within the Municipality.

Allocations in respect in respect of the special programmes are as follows:

Msobomvu Youth Funds (YAC) R 500 000

Elderly R 153 597

HIV/AIDS R 222 472

Gender Equality R 99 684

Youth Programmes R 401 033

Mayors Cup R 689 557

### **Conclusion**

One shall land by reiterating what was earlier on said. This budget is what determines our oneness. An equitable distribution of resources is what will bind us together through thick and thin. To the extent that resources are available, we must traverse this journey together as a whole. We must share the little resources in a way that extricates our people from the bondages of poverty. It has been proven that united we can defeat the scourge of poverty confronting our people.

Thank You

## 1.2 Council Resolutions

On 29 May 2014 the Council of King Sabata Dalindyebo Local Municipality met in the Town Hall of King Sabata Dalindyebo to consider the draft annual budget of the municipality for the financial year 2014-2015. The Council approved and adopted the following resolutions:

1. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 14 on page 24;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 15 on page 26;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 17 on page 28; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 18 on page 30.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 19 on page 31;
    - 1.2.2. Budgeted Cash Flows as contained in Table 20 on page 33;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 21 on page 34;
    - 1.2.4. Asset management as contained in Table 22 on page 35; and
    - 1.2.5. Basic service delivery measurement as contained in Table 23 on page 37.
2. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:
  - 2.1. Draft the tariffs for property rates – as set out in Annexure A,
  - 2.2. Draft the tariffs for electricity – as set out in Annexure B
  - 2.3. Draft the tariffs for solid waste services – as set out in Annexure C
3. The Council of King Sabata Dalindyebo Local 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 2015 the draft tariffs for other services, as set out in Annexures G
4. To give proper effect to the municipality's annual budget, the Council of King Sabata Dalindyebo Local Municipality approves:
  - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all provisions, long-term loans and unspent conditional grants are cash backed as required in terms of the municipality' budget policy .
5. To approve all reviewed budget related policies

### 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 is financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low-to high-priority programs so as to maintain sound financial stewardship. A critical review was / is also being undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 70,71 and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure to the Municipality fund the deficit as Nersa guideline is advising to be less than the bulk purchases;
- 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
- Availability of affordable capital/borrowing.
- Cash flow constraints due to a huge loan taken by the Municipality to settle the debt.

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;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- 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;
- A decision has to be made in terms of funding the following expenditure:
  - Special Projects;
  - Consultant Fees;
  - Furniture and office equipment;
  - Special Events;
  - Refreshments and entertainment;
  - Ad-hoc travelling; and
  - Subsistence, Travelling & Conference fees (national & international).

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

**Table 1 Consolidated Overview of the 2013/14 MTREF**

Description	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework					
	Original Budget	Adjusted Budget	Full Year Forecast	% Change	Budget Year 2014/15	% Change	Budget Year +1 2015/16	% Change	Budget Year +2 2016/17	
	R' 000	R' 000	R' 000		R' 000		R' 000		R' 000	
Operating Income	922,707	939,893	939,893	2%	936,278	0%	1,000,715	6%	1,043,517	4%
Operating Expenditure	907,449	933,565	933,565	3%	908,436	-3%	982,385	8%	1,043,238	6%
Surplus	15,258	6,328	6,328	-141%	27,842	77%	18,330	-52%	278	-6490%
Contributions to capital outlay	15,258	29,982	29,982	49%	27,842	-8%	25,569	-9%	26,949	5%
Capital expenditure	217,700	259,412	268,840	19%	121,827	-121%	110,256	-10%	113,899	3%
Total capital expenditure	232,958	289,394	298,822	22%	149,668	-100%	135,825	-10%	140,849	81%

- Total operating revenue has been reduced by less than 1 % for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 8 and 3%.
- Total operating expenditure for the 2014/15 financial year has been appropriated at R908 million and R27 million for contributions to capital outlay and translates into a budgeted of R936 million. When compared to the 2013/14 Adjustments Budget, Operational expenditure has reduced by 3% in the 2014/15 budget and increased by 8% and 6% for each of the respective outer years of the MTREF.
- The total capital budget of R149.7 million for 2014/15 and is 48 % less than the 2013/14 Adjustment Budget. The reduction is due to various projects being finalised in the previous financial year as well as reduction in capital grants that have been confirmed.

## 1.4 Operating Revenue Framework

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

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95% annual collection rate for current property rates and other key service charges. Strategies employed by the municipality to increase revenue collection have been developed including the linking of the prepaid electricity to other accounts thereby allowing for the restriction of purchasing of electricity by the consumers whose accounts are in arrear as well as apportionment of electricity purchases between electricity and other debts. A system has been acquired to assist the municipality in implementing this strategy. In addition to the above strategy used to collect debtors has been reviewed including the handing over of accounts to debt collectors. All arrear debts are to be handed over after capitalization this might yield additional recoveries on top of the current 95% collection on current rates.
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue Source excluding capital grants):

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

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	122,589	128,537	131,782	146,761	153,931	153,931	153,931	189,717	201,100	213,166
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	187,943	195,363	231,009	237,528	237,528	237,528	237,528	255,081	273,932	294,175
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	17,983	17,818	27,597	21,038	22,297	22,297	22,297	25,011	26,761	28,635
Service charges - other				12,841	6,691	8,076	8,076	8,076	8,020	8,502	9,012
Rental of facilities and equipment		12,276	12,505	13,629	15,418	16,256	16,256	16,256	17,343	18,543	19,830
Interest earned - external investments		7,017	9,483	9,553	9,381	7,336	7,336	7,336	7,776	8,282	8,820
Interest earned - outstanding debtors		22,099	27,209	20,826	23,655	23,655	23,655	23,655	25,074	26,579	28,173
Dividends received			12	4	-	-	-	-			
Fines		1,936	1,607	2,063	3,601	3,601	3,601	3,601	3,954	4,210	4,463
Licences and permits		10,140	11,011	11,438	15,297	15,621	15,621	15,621	17,714	18,866	19,998
Agency services											
Transfers recognised - operational		147,888	248,348	173,121	210,180	212,639	212,639	212,639	226,387	270,464	266,277
Other revenue	2	8,203	25,274	167,574	36,223	42,018	42,018	42,018	38,373	41,315	43,289
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>538,073</b>	<b>677,165</b>	<b>801,437</b>	<b>725,772</b>	<b>742,958</b>	<b>742,958</b>	<b>742,958</b>	<b>814,451</b>	<b>898,552</b>	<b>935,637</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement as per Table 2, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality.

- Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2014/15 financial year, revenue from rates and services charges totaled R477, 829 million.
- The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.
- Electricity revenue is the largest of the mix.
- Property rates is the second largest revenue source.
- Operating grants and transfers totals R226.387 million in the 2014/15 financial year.

Table 3 Percentage growth in revenue by main revenue source

## EC157 King Sabata Dalindyebo - Budgeted Financial Performance (revenue and expenditure) including capital receipts

Description	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework					
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	% Increase	Budget Year +1 2015/16	% Increase	Budget Year +2 2016/17	% Increase
R thousand	R' 000	R' 000	R' 000	R' 000		R' 000		R' 000	
<b>Revenue By Source</b>									
Property rates	146,761	153,931	153,931	189,717	19%	201,100	6%	213,166	6%
Service charges - electricity revenue	237,528	237,528	237,528	255,081	7%	273,932	7%	294,175	7%
Service charges - refuse revenue	21,038	22,297	22,297	25,011	11%	26,761	7%	28,635	7%
Service charges - other	6,691	8,076	8,076	8,020	-1%	8,502	6%	9,012	6%
Rental of facilities and equipment	15,418	16,256	16,256	17,343	6%	18,543	7%	19,830	7%
Interest earned - external investments	9,381	7,336	7,336	7,776	6%	8,282	7%	8,820	6%
Interest earned - outstanding debtors	23,655	23,655	23,655	25,074	6%	26,579	6%	28,173	6%
Fines	3,601	3,601	3,601	3,954	9%	4,210	6%	4,463	6%
Licences and permits	15,297	15,621	15,621	17,714	12%	18,866	6%	19,998	6%
Transfers recognised - operational	210,180	212,639	212,639	228,387	6%	270,938	20%	266,277	-2%
Transfers recognised - capital	198,935	196,935	196,935	121,827	-62%	102,163	-16%	107,679	5%
Other revenue	36,223	42,018	42,018	38,373	-9%	40,840	6%	43,289	6%
Gains on disposal of PPE				-		-		-	
<b>Total Revenue</b>	<b>922,707</b>	<b>939,893</b>	<b>939,893</b>	<b>936,278</b>	<b>0%</b>	<b>1,000,715</b>	<b>7%</b>	<b>1,043,517</b>	<b>4%</b>

The table above includes capital grants receipts as opposed to the A4 Financial Performance report that excludes capital receipts and grants

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



Table 4 Operating Transfers and Grant Receipts

EC157 King Sabata Dalindyebo - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		130,334	153,818	185,784	197,951	199,405	199,405	217,313	261,209	266,185
Local Government Equitable Share		127,858	151,093	169,531	184,567	184,567	184,567	206,246	250,585	254,143
Finance Management		1,200	1,450	2,146	1,550	1,550	1,550	1,600	1,650	1,700
Municipal Systems Improvement		1,276	790	800	890	926	926	934	967	1,018
Infrastructure Skills Development				8,000	1,500	3,492	3,492	3,000	4,000	5,000
EPWP Incentive			485	1,000	1,000	1,000	1,000	1,529	-	-
Municipal Infrastructure Grant				2,807	3,444	3,444	3,444	4,004	4,007	4,324
Electricity Demand Side Management				1,500	5,000	4,426	4,426			
<b>Provincial Government:</b>		5,853	13,395	13,650	12,229	13,234	13,234	9,074	-	-
Health subsidy		5,853	13,392			-	-			
Various			2	11,936	10,515	11,520	11,520	7,360		
Housing				-						
Sport and Recreation				1,714	1,714	1,714	1,714	1,714		
EPWP Incentive				-						
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total operating expenditure of Transfers and Grants:</b>		136,187	167,213	199,434	210,180	212,639	212,639	226,387	261,209	266,185

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% 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 both Eskom tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these 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.

### 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.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the City's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
  - The rate-able property concerned must be occupied by the applicant and his/her spouse, if any, and by dependents without income;
  - The applicant must submit proof of his/her age and identity and, proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.
- Municipality in budgeting for the increase has also considered the changes in value of properties as well as developments that have taken place during the 2013/14 period as no supplementary valuation was conducted during the year bringing in additional income.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2014/15 financial year based on a 6 % increase with effect from 1 July 2014 is contained below:

**Table 5 Comparison of proposed rates to levied for the 2014/15 financial year**

<b>ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS</b>				
<b>AS FROM 01 JULY 2014</b>				
	<b>2013/2014</b>		<b>2014/2015</b>	
<b>PROPERTY PRATES AND LEVIES</b>				
<b>Proposed increment 2014/15 at 6%</b>				
<b>General Rate</b>				
Domestic (cents in a Rand)	1.02	<b>Cents in a Rand</b>	1.078656	<b>Cents in a Rand</b>
Business/ Commercial (cents in a Rand)	2.04	<b>Cents in a Rand</b>	2.157312	<b>Cents in a Rand</b>
Government/ Parastatals (State Owned) (cents in a Rand)	2.80	<b>Cents in a Rand</b>	2.966304	<b>Cents in a Rand</b>
Agricultural (cents in a Rand)	1.02	<b>Cents in a Rand</b>	1.078656	<b>Cents in a Rand</b>
PSI (cents in a Rand)	2.04	<b>Cents in a Rand</b>	2.157312	<b>Cents in a Rand</b>
Parking Development Rate (cents in a Rand)	0.16	<b>Cents in a Rand</b>	0.16854	<b>Cents in a Rand</b>
<b>Fire Levy</b>				
Domestic - Per annum	276.77		293.37196	
Business/ Commercial Per Annum	498.19		528.08076	

**1.4.2 Sale of Electricity and Impact of Tariff Increases**

NERSA has announced the revised bulk electricity pricing structure. A 8.06 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

In terms of the NERSA communication dated 20 November 2013 an increase of 7.39 % is recommended based on the following assumptions:

- I. Bulk purchases have been increased by 8.06 % in line with Eskom's electricity tariff increase to municipalities.
- II. A consumer price index of 5.5%
- III. Salary and wage increase of 1% above the CPI as directed by Circular 6 of 2012: Salary and Wage Collective agreement.
- IV. Repairs and maintenance, capital charges and other service costs have been increased by the CPI.

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 be granted 50 kWh per 30-day period free of charge.

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

Table 6 Comparison between current electricity charges and increases (Domestic)

**NERSA TARIFF APPLICATION 2014/2015**

ELECTRICITY TARIFFS		2013/2014		2014/2015	
1	ELECTRICITY TARIFFS	ELECTRICITY TARIFFS			
	DOMESTIC PREPAYMENT	DOMESTIC PREPAYMENT			
1	(TARRIF 1)	(TARIFF 1)			
		BLOCK 1	70C/kwh	74.00	c/kw
		BLOCK 2	85.60c/kwh	90.73	c/kw
		BLOCK 3	115.56c/kwh	124.09	c/kw
		BLOCK 4	126.26c/kwh	137.71	c/kw
1.1	DOMESTIC PREPAYMET (TARIFF 2)	BLOCK 1	67.55C/kwh	73.85	c/kw
		BLOCK 2	80c/kwh	90.73	c/kw
	INDIGENT	BLOCK 3	108c/kwh	124.09	c/kw
		BLOCK 4	118.80c/kwh	137.99	c/kw
2	COMMERCIAL CONVENTIONAL				
2.1	Basic charge/month		282.5	298.04	
2.2	ENERGY CHARGE		128.67	135.68	C/KWh
3	COMMERCIAL PREPAYMENT		138.09	145.68	
	Energy charge/kwh				
	Small (tariff 3)		145	155.71	C/KWh
	Big (tariff 4)		145	155.71	C/KWh
	INDUSTRIAL LOW				
4	≤ 100KVA			R	
	Basic charge/month		840.23	902.323	/per month
	Energy charge/kwh		50	53.695	C/KWh
	Demand charge/kva		203.89	218.9575	/kva
4.1	INDUSTRIAL HIGH >100KVA				
	Basic charge per month		788.63	846.9098	
	Energy charge		43.26	46.45691	C/KWh
	Demand charge (kva)		191.41	205.5552	/KVA
	A minimum of 70% will be charged on all NMD readings per month				
5	CHARGES FOR SERVICES RENDERED				
5.1	Call out during working hours		303.06	321.2436	
5.2	Call out after working hours		435.31	461.4286	
5.3	Disconnect at request of consumer		297.28	315.1168	
5.4	Disconnect for improper use of service or illegal connection		541.56	574.0536	
5.5	Disconnection for nonpayment of account		443.76	470.3856	

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The municipality has implemented the steeped up tariff on the 01 July 2011 as recommended by NERSA. The impact of the implementation of the steeped up tariff resulted in municipality losing out on the basic service availability charge for consumers other than domestic. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality.

#### 1.4.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality has to develop and implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are vehicles costs mainly due to increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 7 per cent increase in the waste removal tariff is proposed from 1 July 2014, this is one percent higher than the inflation rate. This should be utilized to reduce deficit in this trading section of allocated to the relevant. Higher increases 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 7 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The municipality has also increased budget for this line item on the assumption that new properties developed during the year will bring in additional income as well more consumers that have been using private refuse removal companies will make use of the municipal services or charges will be levied for use of the dumping site and bylaws dealing with illegal dumping will be enforced.

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

**Table 7 Comparison between current waste removal fees and increases**

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
AS FROM 01 JULY 2014			
		2013/2014	2014/2015
<b>3.0</b>	<b>SOLID WASTE : Proposed increment 7%</b>		
	Refuse Removal : Full Level of Service		
	<b>Annual Charges</b>		
3.1.1	Domestic (2 bags or bins once per week)	1823.13	1950.75
3.1.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	3667.08	3923.78
3.1.3	Per additional bag or bin	1823.13	1950.75
3.1.4	Per additional service removal per week	3667.08	3923.78
4.2	Refuse Removal : Full Level of Service		
	<b>Monthly Charges</b>	153.80	164.57

4.2.1	Domestic (2 bags or bins once per week)	3.79	4.05
4.2.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	153.80	164.57
4.2.3	Per additional bag or bin	309.32	330.97
4.2.4	Per additional service removal per week		
<b>4.3</b>	<b>Refuse Removal : Basic Level of Service</b>		
	<b>Annual Charges</b>		
4.3.1	Domestic	1041.78	1114.71
4.3.2	Business/Industry	2437.77	2608.41
4.3.3	Government Institutions	2437.77	2608.41
4.3.4	Coffee Bay & Hole-in-the-Wall		
<b>4.4</b>	<b>Refuse Removal : Basic Level of Service</b>		
	<b>Monthly Charges</b>		
4.4.1	Domestic	87.98	94.13
4.4.2	Business/Industry	205.24	219.60
4.4.3	Government Institutions	205.24	219.60
<b>4.5</b>	<b>Sales</b>		
4.5.1	Plastic Refuse bins (each)		
4.5.2	Plastic Refuse Bags (per pack)		
<b>4.6</b>	<b>Skips</b>		
4.6.1	Rental per skip per month	687.48	735.60
4.6.2	Rental per skip per year	8154.45	8725.26
4.6.3	Charge per clearance of skip	483.86	517.74
		0.00	0.00
<b>4.7</b>	<b>Excess Refuse</b>	0.00	0.00
4.7.1	Garden Refuse (per 2.5lt load)	289.91	310.20
4.7.2	Removal of scrap vehicles (per vehicle load)	405.92	434.33
4.7.3	Hire of skip container per day	220.38	235.80
<b>4.8</b>	<b>Penalty for Illegal Dumping : Proposed increment at 7%</b>		
4.8.1	Garden and/ or domestic refuse	321.21	343.70
<b>4.9</b>	<b>Trolley Bins</b>		
4.9.1	Rental (per bin per month)	321.21	343.70
4.9.2	Charge per clearance	321.21	343.70

#### 1.4.4 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 6 and 8 per cent.

**Table 8 MBRR Table SA14 – Household bills**

EC157 King Sabata Dalindyebo - Supporting Table SA14 Household bills

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		5,108.00	5,365.00					6.0%			
Electricity: Basic levy											
Electricity: Consumption		7,831.00	9,354.00		9,289.00	9,354.00	9,354.00	8.0%	10,102.32	10,910.51	11,783.35
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		836.00	890.00		983.00	819.00	819.00	7.0%	876.33	937.67	1,003.31
Other			87.00								
sub-total		13,775.00	15,696.00	-	10,272.00	10,173.00	10,173.00	6.9%	10,978.65	11,848.18	12,786.66
VAT on Services											
Total large household bill:		13,775.00	15,696.00	-	10,272.00	10,173.00	10,173.00	6.9%	10,978.65	11,848.18	12,786.66
% increase/decrease			13.9%	(100.0%)	-	(1.0%)	-		7.9%	7.9%	7.9%

## 1.5 Operating Expenditure Framework

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

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

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

**Table 9 Summary of operating expenditure by standard classification item**

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure By Type</b>											
Employee related costs	2	198,868	226,442	244,016	267,937	257,206	257,206	257,206	315,478	335,669	357,151
Remuneration of councillors		18,729	17,420	19,036	19,068	22,000	22,000	22,000	21,536	22,914	24,381
Debt impairment	3	51,104	22,132	25,677	68,162	68,162	68,162	68,162	30,000	30,000	31,620
Depreciation & asset impairment	2	18,214	179,044	97,077	125,237	112,742	112,742	112,742	102,800	128,102	135,019
Finance charges		8,639	9,107	5,631	5,242	5,242	5,242	5,242	5,400	5,692	5,998
Bulk purchases	2	110,470	144,976	162,454	181,850	181,850	181,850	181,850	196,507	212,346	229,461
Other materials	8	1,247									
Contracted services		5,553	17,236	17,142	10,936	13,936	13,936	13,936	13,885	14,634	15,425
Transfers and grants		21,360	26,198	27,817	20,000	20,000	20,000	20,000	20,000	21,080	22,218
Other expenditure	4, 5	115,624	139,846	148,422	209,017	252,428	252,428	252,428	202,830	211,949	221,964
Loss on disposal of PPE		16,863									
<b>Total Expenditure</b>		<b>566,671</b>	<b>782,402</b>	<b>747,271</b>	<b>907,449</b>	<b>933,565</b>	<b>933,565</b>	<b>933,565</b>	<b>908,437</b>	<b>982,385</b>	<b>1,043,238</b>

The budgeted allocation for employee related costs for the 2014/15 financial year totals R315 million excluding councillors remuneration, which equals 34 per cent of the total operating expenditure and including councillors remuneration is R337 million and equals 36 per cent of total operating budget. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.8 per cent for the 2014/15 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF.



- The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the 2014/15 financial year this amount to R30 million based on the actual of R25 million in 2012/13 financial year.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R102 million for the 2014/15 financial and equates to 11 per cent of the total operating expenditure. This is based on the actual expenditure of R98 million in the 2013 financial year.
- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). The budget for the line item is set at R5 million.
- 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 annual increase in set at 8.06 percent and at R197 million.
- Contracted services are budgeted for at R14 million.
- Indigent subsidy grant is budgeted for at R20 million
- Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The budget for other expenditure R202 million and includes repairs and maintenance at R26 million.
- Contribution to capital outlay is budgeted for at R28 million (Capital expenditure)

### 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 has provided for R26 million for the line item.

**Table 10 Operational repairs and maintenance**

EC157 King Sabata Dalindyebo - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		10,417	31,829		35,559	35,216	35,216		26,690	28,131	29,650
<b>Total Repairs and Maintenance Expenditure</b>	9	10,417	31,829	-	35,559	35,216	35,216	-	26,690	28,131	29,650

**Table 11 Repairs and maintenance per asset class**

EC157 King Sabata Dalindyebo - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Infrastructure</b>		5,436	28,747	-	16,133	23,999	23,999	17,227	17,951	18,995
Infrastructure - Road transport	3,237	19,362	-	9,049	14,413	14,413	10,191	10,534	11,178	
Roads, Pavements & Bridges	3,237	19,362		9,049	14,413	14,413	10,191	10,534	11,178	
Storm water					-	-				
Infrastructure - Electricity	2,199	9,386	-	7,084	9,586	9,586	7,037	7,417	7,817	
Generation					-	-			-	
Transmission & Reticulation	1,920	8,136		7,084	9,586	9,586	5,580	5,882	6,199	
Street Lighting	278	1,249			-	-	1,457	1,535	1,618	
<b>Community</b>		1,277	137	-	11,264	1,013	1,013	1,483	1,563	1,647
Parks & gardens					-	-				
Sportsfields & stadia	1,212			11,264	1,013	1,013				
Other	65	137			-	-	1,483	1,563	1,647	
<b>Other assets</b>		3,704	2,945	-	8,162	10,204	10,204	7,979	8,617	9,008
General vehicles	2,922	543					4,195	4,418	4,657	
Specialised vehicles	10	-	-	-	-	-	-	-	-	
Plant & equipment				2,022	4,315	4,315				
Computers - hardware/equipment	36	55		1,445	70	70	74	78		
Furniture and other office equipment	245	275		2,717	184	184	204	215	227	
Abattoirs					-	-		-	-	
Markets					-	-		-	-	
Civic Land and Buildings	502	1,887			-	-		-	-	
Other Buildings				1,979	5,635	5,635	3,350	3,531	3,722	
Other Land					-	-		-	-	
Surplus Assets - (Investment or Inventory)					-	-		-	-	
Other		185			-	-	156	375	403	
<b>Total Repairs and maintenance</b>	<b>1</b>	<b>10,417</b>	<b>31,829</b>	<b>-</b>	<b>35,559</b>	<b>35,216</b>	<b>35,216</b>	<b>26,690</b>	<b>28,131</b>	<b>29,650</b>

**1.5.2 Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. Indigent subsidy is budgeted for at R25 million.

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

Refer to Table 23 MBRR A10 (Basic Service Delivery Measurement) on page37.

EC157 King Sabata Dalindyebo - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)	2	21,413	21,413	21,413	42,626	42,626	42,626	42,626	42,626	42,626
Using public tap (at least min.service level)	4	16,771	16,771	16,771	24,405	24,405	24,405	24,405	24,405	24,405
Other water supply (at least min.service level)										
<i>Minimum Service Level and Above sub-total</i>		38,184	38,184	38,184	67,031	67,031	67,031	67,031	67,031	67,031
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply		51,512	51,512	51,512	5	42,434	42,434	42,434	42,434	42,434
<i>Below Minimum Service Level sub-total</i>		51,512	51,512	51,512	5	42,434	42,434	42,434	42,434	42,434
<b>Total number of households</b>	5	89,696	89,696	89,696	67,036	109,465	109,465	109,465	109,465	109,465
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)		22,174	22,174	22,174	37,356	37,356	37,356	37,356	37,356	37,356
Chemical toilet										
Pit toilet (ventilated)		26,191	26,191	26,191	53,138	53,138	53,138	53,138	53,138	53,138
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		48,365	48,365	48,365	90,494	90,494	90,494	90,494	90,494	90,494
Bucket toilet		1,458	1,458	1,458	496	496	496	496	496	496
Other toilet provisions (< min.service level)										
No toilet provisions		39,874	39,874	39,874	14,416	14,416	14,416	14,416	14,416	14,416
<i>Below Minimum Service Level sub-total</i>		41,332	41,332	41,332	14,912	14,912	14,912	14,912	14,912	14,912
<b>Total number of households</b>	5	89,697	89,697	89,697	105,406	105,406	105,406	105,406	105,406	105,406
<b>Energy:</b>										
Electricity (at least min.service level)		400	400	400	450	450	450	450	450	450
Electricity - prepaid (min.service level)		36,965	36,965	36,965	76,732	76,732	76,732	76,732	76,732	76,732
<i>Minimum Service Level and Above sub-total</i>		37,385	37,385	37,385	77,182	77,182	77,182	77,182	77,182	77,182
Electricity (< min.service level)		18,130	18,130	18,130	60,464	60,464	60,464	60,464	60,464	60,464
Electricity - prepaid (< min. service level)		12,230	12,230	12,230	20,888	20,888	20,888	20,888	20,888	20,888
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		30,360	30,360	30,360	81,352	81,352	81,352	81,352	81,352	81,352
<b>Total number of households</b>	5	67,745	67,745	67,745	158,534	158,534	158,534	158,534	158,534	158,534
<b>Refuse:</b>										
Removed at least once a week		21,498	21,498	21,498	27,562	27,562	27,562	27,562	27,562	27,562
<i>Minimum Service Level and Above sub-total</i>		21,498	21,498	21,498	27,562	27,562	27,562	27,562	27,562	27,562
Removed less frequently than once a week										
Using communal refuse dump		45,056	45,056	45,056	64,603	64,603	64,603	64,603	64,603	64,603
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal		23,143	23,143	23,143	11,494	11,494	11,494	11,494	11,494	11,494
<i>Below Minimum Service Level sub-total</i>		68,199	68,199	68,199	76,097	76,097	76,097	76,097	76,097	76,097
<b>Total number of households</b>	5	89,697	89,697	89,697	103,659	103,659	103,659	103,659	103,659	103,659
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		5,870	5,870	5,870	6,370	6,370	6,370	6,370	6,370	6,370
Refuse (removed at least once a week)		1,327	1,327	1,327	1,370	1,370	1,370	1,370	1,370	1,370
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)		2,400	2,400	2,400	2,500	2,500	2,500	2,676	2,863	3,063
Refuse (removed once a week)		2,487	2,487	2,487	2,661	2,847	3,046	3,259	3,488	3,732
<b>Total cost of FBS provided (minimum social package)</b>		4,887	4,887	4,887	5,161	5,347	5,546	5,935	6,351	6,795
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		8	8	8	8	8	8	8	8	8
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		1,920	1,944	2,040	2,304	2,304	2,304	2,544	2,697	2,858
Property rates (other exemptions, reductions and rebates)		3,200	3,240	3,400	3,840	3,840	3,840	4,070	4,315	4,574
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		2,400	2,400	2,400	2,500	2,500	2,500	2,676	2,863	3,063
Refuse		2,487	2,487	2,487	2,661	2,847	3,046	3,259	3,488	3,732
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>	6	10,007	10,071	10,327	11,305	11,491	11,690	12,614	13,499	14,245

## 1.6 Capital expenditure

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

**Table 12 2014/15 Medium-term capital budget per vote**

EC157 King Sabata Dalindyebo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 1 - EXECUTIVE & COUNCIL	1	-	104	2,292	537	1,325	1,325	1,325	622	624	657
Vote 2 - FINANCE & ASSET MANAGEMENT		179	858	3,950	4,312	5,746	5,746	5,746	5,950	5,607	5,910
Vote 3 - CORPORATE SERVICES		25	-	105	257	135	135	135	163	171	181
Vote 4 - COMMUNITY SERVICES		-	630	2,415	2,150	2,322	2,322	2,322	3,876	1,373	1,447
Vote 5 - PUBLIC SAFETY		12,397	2,888	11,293	3,701	3,142	3,142	3,142	3,087	3,254	3,429
Vote 6 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		-	10,685	13,483	1,789	1,063	1,063	1,063	11,955	713	751
Vote 7 - HUMAN SETTLEMENT		11	50,279	127,393	49,341	59,010	59,010	59,010	20,723	18,809	19,825
Vote 8 - INFRASTRUCTURE		60,709	104,880	137,891	171,020	250,965	250,965	250,965	103,294	122,826	127,148
<b>Total Capital Expenditure - Vote</b>		<b>73,321</b>	<b>170,326</b>	<b>298,822</b>	<b>233,108</b>	<b>323,728</b>	<b>323,728</b>	<b>323,728</b>	<b>149,668</b>	<b>153,377</b>	<b>159,348</b>

For 2014/15 an amount of R103 million has been appropriated for the development of infrastructure which represents 69 per cent of the total capital budget of R149.6.

Table 13 MBRR Table A1 - Budget Summary

## EC157 King Sabata Dalindyebo - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Financial Performance</b>										
Property rates	122,589	128,537	131,782	146,761	153,931	153,931	153,931	189,717	201,100	213,166
Service charges	205,926	213,180	271,447	265,257	267,901	267,901	267,901	268,112	308,195	331,821
Investment revenue	7,017	9,483	9,553	9,381	7,336	7,336	7,336	7,776	8,282	8,820
Transfers recognised - operational	147,888	248,348	173,121	210,180	212,639	212,639	212,639	226,387	270,464	286,277
Other own revenue	54,654	77,818	215,534	94,193	101,151	101,151	101,151	102,459	109,512	115,753
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>538,073</b>	<b>677,165</b>	<b>801,437</b>	<b>725,772</b>	<b>742,958</b>	<b>742,958</b>	<b>742,958</b>	<b>814,451</b>	<b>898,552</b>	<b>935,837</b>
Employee costs	198,868	226,442	244,016	267,937	257,206	257,206	257,206	315,478	335,669	357,151
Remuneration of councillors	18,729	17,420	19,036	19,068	22,000	22,000	22,000	21,536	22,914	24,361
Depreciation & asset impairment	18,214	179,044	97,077	125,237	112,742	112,742	112,742	102,800	128,102	135,019
Finance charges	8,639	9,107	5,631	5,242	5,242	5,242	5,242	5,400	5,682	5,988
Materials and bulk purchases	111,717	144,976	162,454	181,850	181,850	181,850	181,850	196,507	212,346	229,461
Transfers and grants	21,360	26,198	27,817	20,000	20,000	20,000	20,000	20,000	21,080	22,218
Other expenditure	189,144	179,214	191,240	288,115	334,525	334,525	334,525	246,715	256,583	269,009
<b>Total Expenditure</b>	<b>566,671</b>	<b>782,402</b>	<b>747,271</b>	<b>907,449</b>	<b>933,565</b>	<b>933,565</b>	<b>933,565</b>	<b>908,437</b>	<b>982,385</b>	<b>1,043,238</b>
<b>Surplus/(Deficit)</b>	<b>(28,598)</b>	<b>(105,237)</b>	<b>54,166</b>	<b>(181,677)</b>	<b>(190,607)</b>	<b>(190,607)</b>	<b>(190,607)</b>	<b>(93,986)</b>	<b>(83,833)</b>	<b>(107,401)</b>
Transfers recognised - capital	62,576	72,605	101,287	196,935	196,935	196,935	196,935	121,827	102,163	107,679
Contributions recognised - capital & contributed assets	-	4,746	-	(15,258)	(29,982)	(29,982)	(29,982)	(27,842)	(25,569)	(26,949)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>33,979</b>	<b>(27,886)</b>	<b>155,453</b>	<b>0</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(0)</b>	<b>(7,239)</b>	<b>(26,671)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>33,979</b>	<b>(27,886)</b>	<b>155,453</b>	<b>0</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(0)</b>	<b>(7,239)</b>	<b>(26,671)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>73,321</b>	<b>170,326</b>	<b>298,822</b>	<b>233,108</b>	<b>323,728</b>	<b>323,728</b>	<b>323,728</b>	<b>149,688</b>	<b>153,376</b>	<b>159,348</b>
Transfers recognised - capital	62,576	152,668	268,101	217,850	279,393	279,393	279,393	121,827	127,808	132,399
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	12,912	15,392	-	-	-	-	-	-	-
Internally generated funds	10,745	4,746	15,329	15,258	44,335	44,335	44,335	27,842	25,569	26,949
<b>Total sources of capital funds</b>	<b>73,321</b>	<b>170,326</b>	<b>298,822</b>	<b>233,108</b>	<b>323,728</b>	<b>323,728</b>	<b>323,728</b>	<b>149,688</b>	<b>153,377</b>	<b>159,348</b>
<b>Financial position</b>										
Total current assets	387,194	308,482	350,107	327,256	327,256	327,256	327,256	341,754	361,508	361,508
Total non current assets	924,858	1,588,898	1,549,557	1,650,366	1,650,366	1,650,366	1,650,366	1,674,335	1,846,684	1,646,684
Total current liabilities	184,643	190,478	531,625	172,655	172,655	172,655	172,655	172,655	172,655	172,655
Total non current liabilities	73,859	84,344	82,462	97,989	97,989	97,989	97,989	92,505	87,022	87,022
Community wealth/Equity	1,053,550	1,622,538	1,385,586	1,706,977	1,706,977	1,706,977	1,706,977	1,750,929	1,748,516	1,748,516
<b>Cash flows</b>										
Net cash from (used) operating	208,467	85,085	150,072	150,867	213,817	213,817	213,817	147,914	95,645	148,219
Net cash from (used) investing	(154,025)	(73,166)	(126,539)	(147,970)	(290,121)	(290,121)	(290,121)	(232,561)	(106,132)	(121,894)
Net cash from (used) financing	(4,241)	1,731	7,672	(5,484)	(5,484)	(5,484)	(5,484)	(5,484)	(5,484)	(5,484)
<b>Cash/cash equivalents at the year end</b>	<b>174,459</b>	<b>188,109</b>	<b>219,314</b>	<b>216,727</b>	<b>137,526</b>	<b>137,526</b>	<b>137,526</b>	<b>47,395</b>	<b>31,424</b>	<b>52,265</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	188,109	219,314	238,188	232,367	232,367	232,367	232,367	243,439	257,833	257,833
Application of cash and investments	77,126	121,258	442,746	81,317	83,693	83,693	83,693	76,008	71,840	71,891
<b>Balance - surplus (shortfall)</b>	<b>110,983</b>	<b>98,056</b>	<b>(204,557)</b>	<b>151,050</b>	<b>148,674</b>	<b>148,674</b>	<b>148,674</b>	<b>167,431</b>	<b>185,993</b>	<b>185,942</b>
<b>Asset management</b>										
Asset register summary (WDV)	924,701	1,588,742	1,649,587	1,650,209	1,650,209	1,650,209	1,674,178	1,674,178	1,846,528	1,646,528
Depreciation & asset impairment	18,214	179,044	97,077	125,237	112,742	112,742	102,800	102,800	128,102	135,019
Renewal of Existing Assets	60,709	47,190	40,635	65,428	94,069	94,069	94,069	76,067	80,256	83,899
Repairs and Maintenance	10,417	31,829	-	35,559	35,216	35,216	26,690	26,690	28,131	29,650
<b>Free services</b>										
Cost of Free Basic Services provided	4,887	4,887	4,887	5,161	5,347	5,546	5,935	5,935	6,351	6,795
Revenue cost of free services provided	10,007	10,071	10,327	11,305	11,491	11,690	26,614	26,614	28,112	14,245
<b>Households below minimum service level</b>										
Water:	52	52	52	0	42	42	42	42	42	42
Sanitation/sewerage:	41	41	41	15	15	15	15	15	15	15
Energy:	30	30	30	81	81	81	81	81	81	81
Refuse:	68	68	68	76	76	76	76	76	76	76

**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 emphasizes 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.

**Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)****EC157 King Sabata Dalindyebo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		290,387	367,988	514,428	416,176	426,810	426,810	481,648	542,778	563,246
Executive and council		2,786	3,175	2,193	2,195	37,421	37,421	1,585	1,655	1,744
Budget and treasury office		286,653	364,175	377,931	412,070	387,478	387,478	479,330	540,372	561,485
Corporate services		948	638	134,304	1,911	1,911	1,911	734	751	17
<i>Community and public safety</i>		11,867	7,980	15,435	85,855	85,479	85,479	37,479	18,117	11,570
Community and social services		376	712	666	7,806	7,430	7,430	3,106	2,490	705
Sport and recreation		128	19	19	627	627	627	665	704	747
Public safety		4,396	5,671	7,244	11,952	11,952	11,952	13,323	14,016	9,158
Housing		1,114	1,578	1,578	65,470	65,470	65,470	20,386	907	961
Health		5,853	-	5,927	-	-	-	-	-	-
<i>Economic and environmental services</i>		80,809	138,257	137,318	90,351	95,564	95,564	115,593	112,561	117,882
Planning and development		28,697	31,577	30,637	3,544	6,225	6,225	13,940	3,200	1,754
Road transport		52,112	106,681	106,681	86,807	89,339	89,339	101,653	109,361	116,128
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		217,586	235,544	235,544	330,325	331,756	331,756	301,558	327,229	350,818
Electricity		196,724	216,926	216,926	308,302	308,428	308,428	275,503	299,361	321,010
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		20,863	18,618	18,618	22,023	23,328	23,328	26,055	27,868	29,808
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	600,650	749,769	902,724	922,706	939,609	939,609	936,278	1,000,685	1,043,517
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		228,438	364,243	333,214	450,061	480,433	480,433	428,910	469,952	496,753
Executive and council		52,752	47,280	47,260	80,909	117,355	117,355	84,558	89,693	95,194
Budget and treasury office		119,993	285,533	254,505	314,103	309,650	309,650	285,045	318,259	335,949
Corporate services		55,693	31,449	31,449	55,049	53,428	53,428	59,307	61,999	65,611
<i>Community and public safety</i>		99,942	128,656	128,656	120,694	118,017	118,017	124,449	130,907	137,906
Community and social services		4,472	12,868	12,868	23,742	20,699	20,699	19,369	19,741	20,858
Sport and recreation		10,404	7,178	7,178	16,051	13,987	13,987	12,415	12,813	13,608
Public safety		51,906	71,340	71,340	72,555	74,020	74,020	83,721	88,861	93,365
Housing		12,372	19,497	19,497	8,345	7,619	7,619	8,944	9,493	10,075
Health		20,788	17,814	17,814	-	1,692	1,692	-	-	-
<i>Economic and environmental services</i>		56,034	57,027	57,671	90,119	84,551	84,551	105,735	111,901	118,095
Planning and development		21,000	18,427	18,427	20,263	20,884	20,884	23,294	24,471	24,623
Road transport		35,034	35,546	36,190	64,647	59,700	59,700	76,937	81,580	87,254
Environmental protection		-	3,054	3,054	5,209	3,967	3,967	5,504	5,850	6,218
<i>Trading services</i>		182,257	227,689	227,689	261,832	280,262	280,262	277,185	295,195	317,433
Electricity		145,301	177,710	177,710	208,226	227,893	227,893	221,584	238,921	257,714
Water		-	-	-	-	-	-	-	-	-
Waste water management		1,213	1,455	1,455	3,693	2,555	2,555	4,330	4,598	4,883
Waste management		35,743	48,524	48,524	49,913	49,814	49,814	51,271	51,676	54,836
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	566,671	777,656	747,271	922,707	963,263	963,263	936,278	1,007,954	1,070,188
<b>Surplus/(Deficit) for the year</b>		33,979	(27,886)	155,453	(0)	(23,654)	(23,654)	(0)	(7,269)	(26,671)



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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for electricity, but not the Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues.

**Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)****EC157 King Sabata Dalindyebo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>										
Vote 1 - EXECUTIVE & COUNCIL	1	2,037	3,175	2,256	2,195	37,421	37,421	1,585	1,655	1,744
Vote 2 - FINANCE & ASSET MANAGEMENT		288,238	364,175	352,182	412,070	387,478	387,478	479,330	540,372	561,485
Vote 3 - CORPORATE SERVICES		369	1,173	134,765	2,283	2,480	2,480	1,127	1,199	459
Vote 4 - COMMUNITY SERVICES		26,772	18,647	35,220	27,554	28,321	28,321	26,852	27,903	29,845
Vote 5 - PUBLIC SAFETY		24,136	16,473	20,212	27,042	27,383	27,383	30,818	32,648	28,908
Vote 6 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		28,717	30,458	7,290	3,424	4,431	4,431	14,995	4,327	1,014
Vote 7 - HUMAN SETTLEMENT		1,114	2,721	50,421	68,120	69,758	69,758	21,909	2,522	2,673
Vote 8 - INFRASTRUCTURE		229,267	312,947	282,771	380,018	382,338	382,338	359,661	390,089	417,388
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>600,650</b>	<b>749,769</b>	<b>885,116</b>	<b>922,707</b>	<b>939,609</b>	<b>939,609</b>	<b>936,278</b>	<b>1,000,715</b>	<b>1,043,517</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - EXECUTIVE & COUNCIL	1	52,752	47,259	72,790	80,891	117,337	117,337	84,540	89,675	95,174
Vote 2 - FINANCE & ASSET MANAGEMENT		123,168	290,734	225,652	329,301	323,492	323,492	301,007	335,120	353,759
Vote 3 - CORPORATE SERVICES		29,075	28,136	28,569	43,594	42,854	42,854	46,737	48,743	51,631
Vote 4 - COMMUNITY SERVICES		65,483	76,564	55,966	70,536	68,317	68,317	67,802	68,422	72,624
Vote 5 - PUBLIC SAFETY		57,173	74,415	71,703	75,860	77,877	77,877	92,920	98,651	103,785
Vote 6 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		24,732	19,871	25,165	27,320	25,627	25,627	27,333	28,360	28,723
Vote 7 - HUMAN SETTLEMENT		19,051	13,263	13,846	25,636	24,022	24,022	26,617	28,273	30,033
Vote 8 - INFRASTRUCTURE		195,237	227,364	235,970	269,568	283,738	283,738	289,321	310,710	334,459
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>566,671</b>	<b>777,656</b>	<b>729,662</b>	<b>922,707</b>	<b>963,264</b>	<b>963,264</b>	<b>936,277</b>	<b>1,007,954</b>	<b>1,070,188</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>33,979</b>	<b>(27,886)</b>	<b>155,453</b>	<b>(0)</b>	<b>(23,655)</b>	<b>(23,655)</b>	<b>1</b>	<b>(7,239)</b>	<b>(26,671)</b>

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

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 organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and services.

Table 16 Surplus/(Deficit) calculations for the trading services

EC157 King Sabata Dalindyebo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Description					
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
Electricity Distribution									
Electricity Rev	154,808	196,724	231,009	237,528	237,528	237,528	255,081	273,932	294,175
Electricity Ex	131,672	145,301	162,454	181,850	181,850	181,850	196,507	212,346	229,461
Surplus /Deficit	23,135	51,423	39,216	19,008	45,103	45,103	53,920	60,440	63,385
Waste Management									
Waste management	17,639	20,863	27,597	24,524	20,591	20,591	26,055	27,868	29,808
Waste management EX	36,018	35,743	48,524	27,782	26,198	26,198	25,217	23,808	25,029
Surplus /Deficit	-18,379	-14,881	-29,906	-21,897	-26,496	-26,496	-25,217	-23,808	-25,028

Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	122,589	128,537	131,782	146,761	153,931	153,931	153,931	189,717	201,100	213,166
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	187,943	195,363	231,009	237,528	237,528	237,528	237,528	255,081	273,932	294,175
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	17,983	17,818	27,597	21,038	22,297	22,297	22,297	25,011	26,761	28,635
Service charges - other				12,841	6,691	8,076	8,076	8,076	8,020	8,502	9,012
Rental of facilities and equipment		12,276	12,505	13,629	15,418	16,256	16,256	16,256	17,343	18,543	19,630
Interest earned - external investments		7,017	9,483	9,553	9,381	7,336	7,336	7,336	7,776	8,282	8,820
Interest earned - outstanding debtors		22,099	27,209	20,826	23,655	23,655	23,655	23,655	25,074	26,579	28,173
Dividends received			12	4	-	-	-	-	-	-	-
Fines		1,936	1,607	2,063	3,601	3,601	3,601	3,601	3,954	4,210	4,453
Licences and permits		10,140	11,011	11,438	15,297	15,821	15,821	15,821	17,714	18,866	19,998
Agency services											
Transfers recognised - operational		147,888	248,348	173,121	210,180	212,639	212,639	212,639	226,387	270,464	266,277
Other revenue	2	8,203	25,274	167,574	36,223	42,018	42,018	42,018	38,373	41,315	43,289
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>538,073</b>	<b>677,165</b>	<b>801,437</b>	<b>725,772</b>	<b>742,958</b>	<b>742,958</b>	<b>742,958</b>	<b>814,451</b>	<b>898,552</b>	<b>935,837</b>
<b>Expenditure By Type</b>											
Employee related costs	2	198,868	226,442	244,016	267,937	257,206	257,206	257,206	315,478	335,669	357,151
Remuneration of councillors		18,729	17,420	19,036	19,068	22,000	22,000	22,000	21,536	22,914	24,381
Debt impairment	3	51,104	22,132	25,677	68,162	68,162	68,162	68,162	30,000	30,000	31,620
Depreciation & asset impairment	2	18,214	179,044	97,077	125,237	112,742	112,742	112,742	102,800	128,102	135,019
Finance charges		8,639	9,107	5,631	5,242	5,242	5,242	5,242	5,400	5,892	5,998
Bulk purchases	2	110,470	144,976	162,454	181,850	181,850	181,850	181,850	196,507	212,346	229,461
Other materials	8	1,247									
Contracted services		5,553	17,236	17,142	10,936	13,936	13,936	13,936	13,885	14,634	15,425
Transfers and grants		21,360	26,198	27,817	20,000	20,000	20,000	20,000	20,000	21,080	22,218
Other expenditure	4, 5	115,624	139,846	148,422	209,017	252,428	252,428	252,428	202,630	211,949	221,964
Loss on disposal of PPE		16,863									
<b>Total Expenditure</b>		<b>566,671</b>	<b>782,402</b>	<b>747,271</b>	<b>907,449</b>	<b>933,565</b>	<b>933,565</b>	<b>933,565</b>	<b>908,437</b>	<b>982,385</b>	<b>1,043,238</b>
<b>Surplus/(Deficit)</b>		<b>(28,598)</b>	<b>(105,237)</b>	<b>54,166</b>	<b>(181,677)</b>	<b>(190,607)</b>	<b>(190,607)</b>	<b>(190,607)</b>	<b>(93,986)</b>	<b>(83,833)</b>	<b>(107,401)</b>
Transfers recognised - capital		62,576	72,605	101,287	196,935	196,935	196,935	196,935	121,827	102,163	107,679
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets			4,746		(15,258)	(29,982)	(29,982)	(29,982)	(27,842)	(25,569)	(26,949)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>33,979</b>	<b>(27,886)</b>	<b>155,453</b>	<b>0</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(0)</b>	<b>(7,239)</b>	<b>(26,671)</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>33,979</b>	<b>(27,886)</b>	<b>155,453</b>	<b>0</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(0)</b>	<b>(7,239)</b>	<b>(26,671)</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>33,979</b>	<b>(27,886)</b>	<b>155,453</b>	<b>0</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(0)</b>	<b>(7,239)</b>	<b>(26,671)</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>33,979</b>	<b>(27,886)</b>	<b>155,453</b>	<b>0</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(23,654)</b>	<b>(0)</b>	<b>(7,239)</b>	<b>(26,671)</b>

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

1. Revenue to be Total revenue is R 920 million in 2014/15.

**Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 1 - EXECUTIVE & COUNCIL		-	104	2,292	537	1,325	1,325	1,325	622	624	657
Vote 2 - FINANCE & ASSET MANAGEMENT		179	858	3,950	4,312	5,746	5,746	5,746	5,950	5,607	5,910
Vote 3 - CORPORATE SERVICES		25	-	105	257	135	135	135	163	171	181
Vote 4 - COMMUNITY SERVICES		-	630	2,415	2,150	2,322	2,322	2,322	3,876	1,373	1,447
Vote 5 - PUBLIC SAFETY		12,397	2,888	11,293	3,701	3,142	3,142	3,142	3,087	3,254	3,429
Vote 6 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		-	10,685	13,483	1,789	1,063	1,063	1,063	11,955	713	751
Vote 7 - HUMAN SETTLEMENT		11	50,279	127,393	49,341	59,010	59,010	59,010	20,723	18,809	19,825
Vote 8 - INFRASTRUCTURE		60,709	104,880	137,891	171,020	250,985	250,985	250,985	103,294	122,826	127,148
<b>Capital single-year expenditure sub-total</b>		<b>73,321</b>	<b>170,326</b>	<b>298,822</b>	<b>233,108</b>	<b>323,728</b>	<b>323,728</b>	<b>323,728</b>	<b>149,668</b>	<b>153,377</b>	<b>159,348</b>
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>		204	963	6,610	5,070	7,750	7,750	7,750	6,730	6,398	6,744
Executive and council		-	104	2,292	537	1,325	1,325	1,325	622	624	657
Budget and treasury office		179	479	3,950	853	2,835	2,835	2,835	1,574	995	1,049
Corporate services		25	379	368	3,680	3,590	3,590	3,590	4,535	4,780	5,038
<i>Community and public safety</i>		12,408	54,068	126,935	54,527	53,231	53,231	53,231	24,615	22,641	23,759
Community and social services		-	217	221	619	189	189	189	961	1,013	1,068
Sport and recreation		-	5,760	3,800	1,830	1,306	1,306	1,306	1,170	864	911
Public safety		12,397	2,888	10,843	3,339	3,023	3,023	3,023	2,944	3,102	3,270
Housing		11	44,507	112,001	48,740	48,713	48,713	48,713	19,541	17,562	18,511
Health		-	696	70	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		60,709	57,218	73,484	66,538	121,083	121,083	121,083	97,791	91,633	95,891
Planning and development		-	10,021	9,547	190	10,151	10,151	10,151	3,316	111	117
Road transport		60,709	47,190	63,708	66,144	110,636	110,636	110,636	94,385	91,428	95,675
Environmental protection		-	8	229	215	297	297	297	89	94	99
<i>Trading services</i>		-	58,078	76,400	98,241	132,933	132,933	132,933	20,532	32,803	32,955
Electricity		-	57,694	74,263	96,357	130,513	130,513	130,513	16,769	31,549	31,632
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	630	505	505	505	505	505	533	561
Waste management		-	384	1,487	1,379	1,914	1,914	1,914	3,258	722	761
<i>Other</i>		-	-	15,392	8,732	8,732	8,732	8,732	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	<b>73,321</b>	<b>170,326</b>	<b>298,822</b>	<b>233,108</b>	<b>323,728</b>	<b>323,728</b>	<b>323,728</b>	<b>149,668</b>	<b>153,376</b>	<b>159,348</b>
<b>Funded by:</b>											
National Government		49,369	134,921	140,708	160,428	211,990	211,990	211,990	91,367	110,256	113,889
Provincial Government		13,207	17,747	127,393	48,690	58,671	58,671	58,671	30,459	17,552	18,500
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	8,732	8,732	8,732	8,732	-	-	-
Transfers recognised - capital	4	62,576	152,668	268,101	217,850	279,393	279,393	279,393	121,827	127,808	132,399
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	12,912	15,392	-	-	-	-	-	-	-
Internally generated funds		10,745	4,746	15,329	15,258	44,335	44,335	44,335	27,842	25,569	26,949
<b>Total Capital Funding</b>	7	<b>73,321</b>	<b>170,326</b>	<b>298,822</b>	<b>233,108</b>	<b>323,728</b>	<b>323,728</b>	<b>323,728</b>	<b>149,668</b>	<b>153,377</b>	<b>159,348</b>

**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. Single-year capital expenditure has been appropriated at R million for the 2014/15 financial year and remains relatively constant over the MTREF at levels of R million and R million respectively for the two outer years.
3. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses.

**Table 19 MBRR Table A6 - Budgeted Financial Position**

## EC157 King Sabata Dalindyebo - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		28,298	39,129	21,293	36,908	36,908	36,908	36,908	47,980	62,374	62,374
Call investment deposits	1	158,811	180,185	216,895	195,459	195,459	195,459	195,459	195,459	195,459	195,459
Consumer debtors	1	81,127	68,043	94,013	68,317	68,317	68,317	68,317	64,636	60,757	60,757
Other debtors		42,306	18,224	14,807	23,691	23,691	23,691	23,691	30,799	40,038	40,038
Current portion of long-term receivables		226	-	-	-	-	-	-	-	-	-
Inventory	2	75,426	2,880	3,099	2,880	2,880	2,880	2,880	2,880	2,880	2,880
<b>Total current assets</b>		<b>387,194</b>	<b>308,462</b>	<b>350,107</b>	<b>327,256</b>	<b>327,256</b>	<b>327,256</b>	<b>327,256</b>	<b>341,754</b>	<b>361,508</b>	<b>361,508</b>
<b>Non current assets</b>											
Long-term receivables		157	156	-	157	157	157	157	157	157	157
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		41,851	103,189	124,511	103,189	103,189	103,189	103,189	103,189	103,189	103,189
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	882,459	1,485,310	1,524,957	1,546,380	1,546,380	1,546,380	1,546,380	1,570,349	1,542,699	1,542,699
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		390	243	98	640	640	640	640	640	640	640
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>924,858</b>	<b>1,588,898</b>	<b>1,649,567</b>	<b>1,650,366</b>	<b>1,650,366</b>	<b>1,650,366</b>	<b>1,650,366</b>	<b>1,674,335</b>	<b>1,646,584</b>	<b>1,646,584</b>
<b>TOTAL ASSETS</b>		<b>1,312,051</b>	<b>1,897,360</b>	<b>1,999,674</b>	<b>1,977,621</b>	<b>1,977,621</b>	<b>1,977,621</b>	<b>1,977,621</b>	<b>2,016,089</b>	<b>2,008,193</b>	<b>2,008,193</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	5,484	6,928	9,107	15,650	15,650	15,650	15,650	15,650	15,650	15,650
Consumer deposits		1,294	1,600	3,047	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Trade and other payables	4	167,699	181,950	519,472	155,405	155,405	155,405	155,405	155,405	155,405	155,405
Provisions		10,186	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>184,643</b>	<b>190,478</b>	<b>531,625</b>	<b>172,655</b>	<b>172,655</b>	<b>172,655</b>	<b>172,655</b>	<b>172,655</b>	<b>172,655</b>	<b>172,655</b>
<b>Non current liabilities</b>											
Borrowing		52,102	58,073	59,169	49,961	49,961	49,961	49,961	44,478	38,994	38,994
Provisions		21,757	26,271	23,293	48,028	48,028	48,028	48,028	48,028	48,028	48,028
<b>Total non current liabilities</b>		<b>73,859</b>	<b>84,344</b>	<b>82,462</b>	<b>97,989</b>	<b>97,989</b>	<b>97,989</b>	<b>97,989</b>	<b>92,505</b>	<b>87,022</b>	<b>87,022</b>
<b>TOTAL LIABILITIES</b>		<b>258,502</b>	<b>274,822</b>	<b>614,087</b>	<b>270,644</b>	<b>270,644</b>	<b>270,644</b>	<b>270,644</b>	<b>265,160</b>	<b>259,676</b>	<b>259,676</b>
<b>NET ASSETS</b>	5	<b>1,053,550</b>	<b>1,622,538</b>	<b>1,385,586</b>	<b>1,706,977</b>	<b>1,706,977</b>	<b>1,706,977</b>	<b>1,706,977</b>	<b>1,750,929</b>	<b>1,748,516</b>	<b>1,748,516</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		904,525	1,492,054	1,253,365	1,575,006	1,575,006	1,575,006	1,575,006	1,618,968	1,616,545	1,616,545
Reserves	4	149,024	130,463	132,221	131,971	131,971	131,971	131,971	131,971	131,971	131,971
Minorities' interests		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>1,053,550</b>	<b>1,622,538</b>	<b>1,385,586</b>	<b>1,706,977</b>	<b>1,706,977</b>	<b>1,706,977</b>	<b>1,706,977</b>	<b>1,750,929</b>	<b>1,748,516</b>	<b>1,748,516</b>

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

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

**Table 20 MBRR Table A7 - Budgeted Cash Flow Statement**

EC157 King Sabata Dalindyebo - Table A7 Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		280,809	294,476	436,270	406,925	406,925	406,925	406,925	481,982	513,060	546,610
Government - operating	1	127,258	147,888	167,213	181,848	181,578	181,578	181,578	198,883	221,488	268,905
Government - capital	1	166,151	62,576	88,139	145,546	208,040	208,040	208,040	169,428	95,626	111,163
Interest		31,921	29,116	36,691	3,554	8,284	8,284	8,284	32,436	34,382	36,445
Dividends				12	-	-	-	-			
<b>Payments</b>											
Suppliers and employees		(392,629)	(440,332)	(569,147)	(577,206)	(577,874)	(577,874)	(577,874)	(709,574)	(742,306)	(786,863)
Finance charges		(5,042)	(8,639)	(9,107)	(5,401)	(4,310)	(4,310)	(4,310)	(5,242)	(5,525)	(5,823)
Transfers and Grants	1				(4,400)	(8,827)	(8,827)	(8,827)	(20,000)	(21,080)	(22,218)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>208,467</b>	<b>85,085</b>	<b>150,972</b>	<b>150,867</b>	<b>213,817</b>	<b>213,817</b>	<b>213,817</b>	<b>147,914</b>	<b>95,645</b>	<b>148,219</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		254	-	505							
Decrease (increase) in non-current debtors		38	4								
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
<b>Payments</b>											
Capital assets		(154,319)	(73,170)	(127,044)	(147,970)	(290,121)	(290,121)	(290,121)	(232,561)	(106,132)	(121,894)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(154,026)</b>	<b>(73,166)</b>	<b>(126,539)</b>	<b>(147,970)</b>	<b>(290,121)</b>	<b>(290,121)</b>	<b>(290,121)</b>	<b>(232,561)</b>	<b>(106,132)</b>	<b>(121,894)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing		(96)	(82)								
Increase (decrease) in consumer deposits		270	346								
<b>Payments</b>											
Repayment of borrowing		(4,415)	1,467	7,672	(5,484)	(5,484)	(5,484)	(5,484)	(5,484)	(5,484)	(5,484)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(4,241)</b>	<b>1,731</b>	<b>7,672</b>	<b>(5,484)</b>	<b>(5,484)</b>	<b>(5,484)</b>	<b>(5,484)</b>	<b>(5,484)</b>	<b>(5,484)</b>	<b>(5,484)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>50,200</b>	<b>13,650</b>	<b>31,205</b>	<b>(2,587)</b>	<b>(81,788)</b>	<b>(81,788)</b>	<b>(81,788)</b>	<b>(90,131)</b>	<b>(15,971)</b>	<b>20,841</b>
Cash/cash equivalents at the year begin:	2	124,258	174,459	188,109	219,314	219,314	219,314	219,314	137,526	47,395	31,424
Cash/cash equivalents at the year end:	2	174,459	188,109	219,314	216,727	137,526	137,526	137,526	47,395	31,424	52,265

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

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. As part of the 2013/14 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
4. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

**Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

EC157 King Sabata Dalindyebo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	174,459	188,109	219,314	216,727	137,526	137,526	137,526	47,395	31,424	52,265
Other current investments > 90 days		13,650	31,205	18,874	15,640	94,841	94,841	94,841	196,044	226,409	205,568
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>188,109</b>	<b>219,314</b>	<b>238,188</b>	<b>232,367</b>	<b>232,367</b>	<b>232,367</b>	<b>232,367</b>	<b>243,439</b>	<b>257,833</b>	<b>257,833</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		68,725	81,467	142,711	54,922	54,922	54,922	54,922	54,922	54,922	54,922
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	8,401	39,791	300,035	26,395	28,771	28,771	28,771	21,086	16,918	16,989
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>77,126</b>	<b>121,258</b>	<b>442,746</b>	<b>81,317</b>	<b>83,693</b>	<b>83,693</b>	<b>83,693</b>	<b>76,008</b>	<b>71,840</b>	<b>71,891</b>
<b>Surplus(shortfall)</b>		<b>110,983</b>	<b>98,056</b>	<b>(204,557)</b>	<b>151,050</b>	<b>148,674</b>	<b>148,674</b>	<b>148,674</b>	<b>167,431</b>	<b>185,993</b>	<b>185,942</b>

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.



Table 22 MBRR Table A9 - Asset Management

## EC157 King Sabata Dalindyebo - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	12,612	94,546	258,187	167,679	229,659	229,659	73,601	55,569	56,949
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		972	29,103	74,283	104,000	130,900	130,900	16,769	31,549	31,632
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		972	29,103	74,283	104,000	130,900	130,900	16,769	31,549	31,632
Community		9,549	62,483	152,288	55,801	52,262	52,262	32,033	1,924	2,027
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1,813	2,960	31,615	7,829	46,246	46,246	24,535	21,818	22,996
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		278	-	-	250	250	250	264	278	293
<b>Total Renewal of Existing Assets</b>	2	60,709	47,190	40,635	65,428	94,069	94,069	76,067	80,256	83,899
Infrastructure - Road transport		60,709	47,190	40,635	65,428	94,069	94,069	76,067	80,256	83,899
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		60,709	47,190	40,635	65,428	94,069	94,069	76,067	80,256	83,899
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	60,709	47,190	40,635	65,428	94,069	94,069	76,067	80,256	83,899
Infrastructure - Road transport		60,709	47,190	40,635	65,428	94,069	94,069	76,067	80,256	83,899
Infrastructure - Electricity		972	29,103	74,283	104,000	130,900	130,900	16,769	31,549	31,632
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		61,681	76,292	114,918	169,428	224,970	224,970	92,837	111,805	115,532
Community		9,549	62,483	152,288	55,801	52,262	52,262	32,033	1,924	2,027
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1,813	2,960	31,615	7,829	46,246	46,246	24,535	21,818	22,996
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		278	-	-	250	250	250	264	278	293
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	73,321	141,735	298,822	233,108	323,728	323,728	149,668	135,825	140,849
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		283,599	739,715	666,635	666,635	666,635	666,635	666,635	638,984	638,984
Infrastructure - Electricity		114,655	124,643	121,909	143,332	143,332	143,332	167,301	167,301	167,301
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		285,326	273,766	393,986	393,986	393,986	393,986	393,986	393,986	393,986
Infrastructure		683,580	1,138,124	1,182,531	1,203,953	1,203,953	1,203,953	1,227,923	1,200,272	1,200,272
Community		194,589	339,199	331,637	331,637	331,637	331,637	331,637	331,637	331,637
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		41,851	103,189	124,511	103,189	103,189	103,189	103,189	103,189	103,189
Other assets		4,291	7,987	10,790	10,790	10,790	10,790	10,790	10,790	10,790
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		390	243	98	640	640	640	640	640	640
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	924,701	1,588,742	1,649,567	1,650,209	1,650,209	1,650,209	1,674,176	1,646,528	1,646,528
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		18,214	179,044	97,077	125,237	112,742	112,742	102,800	128,102	135,019
<b>Repairs and Maintenance by Asset Class</b>	3	10,417	31,829	-	35,559	35,216	35,216	26,690	28,131	28,650
Infrastructure - Road transport		3,237	19,362	-	9,049	14,413	14,413	10,191	10,534	11,178
Infrastructure - Electricity		2,199	9,388	-	7,084	9,586	9,586	7,037	7,417	7,817
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		5,436	28,747	-	16,133	23,999	23,999	17,227	17,951	18,995
Community		1,277	137	-	11,264	1,013	1,013	1,483	1,563	1,647
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6,7	3,704	2,945	-	8,162	10,204	10,204	7,979	8,617	9,008
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		28,631	210,874	97,077	160,796	147,958	147,958	129,490	156,233	164,670

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

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality meets both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance backlog.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

## EC157 King Sabata Dalindyebo - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)	2	21,413	21,413	21,413	42,626	42,626	42,626	42,626	42,626	42,626
Using public tap (at least min.service level)	4	16,771	16,771	16,771	24,405	24,405	24,405	24,405	24,405	24,405
Other water supply (at least min.service level)										
<i>Minimum Service Level and Above sub-total</i>	3	38,184	38,184	38,184	67,031	67,031	67,031	67,031	67,031	67,031
Using public tap (< min.service level)	4									
Other water supply (< min.service level)										
No water supply		51,512	51,512	51,512	5	42,434	42,434	42,434	42,434	42,434
<i>Below Minimum Service Level sub-total</i>		51,512	51,512	51,512	5	42,434	42,434	42,434	42,434	42,434
<b>Total number of households</b>	5	89,696	89,696	89,696	87,036	109,465	109,465	109,465	109,465	109,465
<b>Sanitation/sewage:</b>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)		22,174	22,174	22,174	37,356	37,356	37,356	37,356	37,356	37,356
Chemical toilet										
Pit toilet (ventilated)		26,191	26,191	26,191	53,138	53,138	53,138	53,138	53,138	53,138
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		48,365	48,365	48,365	90,494	90,494	90,494	90,494	90,494	90,494
Bucket toilet		1,458	1,458	1,458	496	496	496	496	496	496
Other toilet provisions (< min.service level)										
No toilet provisions		39,874	39,874	39,874	14,416	14,416	14,416	14,416	14,416	14,416
<i>Below Minimum Service Level sub-total</i>		41,332	41,332	41,332	14,912	14,912	14,912	14,912	14,912	14,912
<b>Total number of households</b>	5	89,697	89,697	89,697	105,408	105,408	105,408	105,408	105,408	105,408
<b>Energy:</b>										
Electricity (at least min.service level)		400	400	400	450	450	450	450	450	450
Electricity - prepaid (min.service level)		36,985	36,985	36,985	76,732	76,732	76,732	76,732	76,732	76,732
<i>Minimum Service Level and Above sub-total</i>		37,385	37,385	37,385	77,182	77,182	77,182	77,182	77,182	77,182
Electricity (< min.service level)		18,130	18,130	18,130	60,464	60,464	60,464	60,464	60,464	60,464
Electricity - prepaid (< min. service level)		12,230	12,230	12,230	20,888	20,888	20,888	20,888	20,888	20,888
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		30,360	30,360	30,360	81,352	81,352	81,352	81,352	81,352	81,352
<b>Total number of households</b>	5	87,745	87,745	87,745	158,534	158,534	158,534	158,534	158,534	158,534
<b>Refuse:</b>										
Removed at least once a week		21,498	21,498	21,498	27,562	27,562	27,562	27,562	27,562	27,562
<i>Minimum Service Level and Above sub-total</i>		21,498	21,498	21,498	27,562	27,562	27,562	27,562	27,562	27,562
Removed less frequently than once a week										
Using communal refuse dump		45,056	45,056	45,056	64,603	64,603	64,603	64,603	64,603	64,603
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal		23,143	23,143	23,143	11,494	11,494	11,494	11,494	11,494	11,494
<i>Below Minimum Service Level sub-total</i>		68,199	68,199	68,199	76,097	76,097	76,097	76,097	76,097	76,097
<b>Total number of households</b>	5	89,697	89,697	89,697	103,659	103,659	103,659	103,659	103,659	103,659
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		5,870	5,870	5,870	6,370	6,370	6,370	6,370	6,370	6,370
Refuse (removed at least once a week)		1,327	1,327	1,327	1,370	1,370	1,370	1,370	1,370	1,370
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)		2,400	2,400	2,400	2,500	2,500	2,500	2,676	2,863	3,063
Refuse (removed once a week)		2,487	2,487	2,487	2,661	2,847	3,046	3,259	3,488	3,732
<b>Total cost of FBS provided (minimum social package)</b>		4,887	4,887	4,887	5,161	5,347	5,546	5,935	6,351	6,795
<b>Highest level of free services provided</b>										
Property rates (R value threshold)		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		8	8	8	8	8	8	8	8	8
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		1,920	1,944	2,040	2,304	2,304	2,304	2,544	2,697	2,858
Property rates (other exemptions, reductions and rebates)		3,200	3,240	3,400	3,840	3,840	3,840	4,070	4,315	4,574
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		2,400	2,400	2,400	2,500	2,500	2,500	2,676	2,863	3,063
Refuse		2,487	2,487	2,487	2,661	2,847	3,046	3,259	3,488	3,732
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>	6	10,007	10,071	10,327	11,305	11,491	11,690	14,065	14,749	18

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

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
  - a. Electricity services – backlog will be reduced by 2000 households. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades. Once the most pressing network issues have been addressed, the electrification programme will be prioritized, with 6000 households budgeted to be electrified in 2013/14.
  - b. Refuse services – backlog will be reduced by 21 000 households in 2011/12, and a further 14 000 households in the outer two years of the MTREF. However it should be noted that this function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.
3. The budget provides for 15 000 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services.
4. the 'free services' represent about 4 per cent of total operating revenue.

**Annexures**

Annexure A Tariffs for property rates

Annexure B Tariffs for electricity

Annexure C Tariff for Solid waste removal

Annexure D Supporting Tables (SA1- SA49)

Annexure E Budget related policies

Annexure F 2013/14 Budget process plan

Annexure G – Tariffs for other services and fees

**1.7 Municipal manager's quality certificate**

I Mosisa M. Soldati, <sup>Acting</sup> municipal manager of King Sabata Dalindyebo, 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 Mosisa Mosiswe Soldati

<sup>ACTING</sup>  
Municipal manager of King Sabata Dalindyebo (EC157)

Signature 

Date 13/06/2014

## Annexure C

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
AS FROM 01 JULY 2014			
		2013/2014	2014/2015
5.0	<b>PARKS AND RECREATION Proposed increment at 6%</b>		
5.1	<b>Recreation Grounds</b>		
5.1.1	<b>Deposits</b>		
5.1.1	2010 Wcup Stadium - With Gate Collection	5231.93	5545.84
5.1.2	Rotary With Gate Collection	1270.96	1347.22
5.1.2	<b>Rental (per day)</b>		0.00
5.1.2.1	Premier Division	6587.26	6982.50
5.1.2.2	Hire per day (1st Division/Festival	4680.84	4961.69
5.1.2.3	(2nd Division)	3940.31	4176.72
5.1.2.4	(3rd Division)	2479.91	2628.71
5.1.2.5	<b>Mqanduli Stadium</b>	452.07	479.19
	Without gate collection - deposit/ hire	1060.00	1123.60
5.2	<b>Cemeteries : Proposed increment at 6%</b>		
5.2.1	<b>Graves</b>		
5.2.1.1	Per Adult burial (Umtata)	847.29	898.13
5.2.1.2	Per Child burial (Umtata)	466.02	493.98
5.2.1.3	Per Adult or Child (Mqanduli -site only)	42.37	44.91
5.2.2	<b>Sale of Caskets (each)</b>	1241.68	1316.19
5.3	<b>Swimming Pools</b>		
5.3.1	<b>Sutherland Street</b>		
5.3.1.1	Adults per seession	17.21	18.25
5.3.1.2	Children per session	7.92	8.39
5.3.1.3	Group session (outside pool hours-per hour)		
5.3.2	<b>Ngangelizwe</b>		
5.3.2.1	Adults (per session)	8.36	8.87
5.3.2.2	Children (per session)	4.65	4.93
5.4	<b>Horticulture (Hire of Plants)</b>		
5.4.1	10-20 plants	234.22	248.27
5.4.2	21-30 plants	254.88	270.17
5.4.3	31-40 plants	275.55	292.08
5.4.4	41-50 plants	329.97	349.77
5.4.5	51-75 plants	372.51	394.86