

2014-2015

FINAL BUDGET UMKHANYAKUDE DISTRICT MUNICIPALITY



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

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Abbreviations and Acronyms

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

PART 1 – ANNUAL DRAFT BUDGET

1.1 Mayor's Report

1.2 Council Resolution

1.3 EXECUTIVE SUMMARY

1.3.1 Introduction

The 2014-2015 draft budget proposed a total consolidated budget of R527 million which has been developed with an overall planning framework and includes programme and projects to achieve the municipality's strategic objectives. This draft budget is working towards appearing to the reality of the need of water in the community, addressing issues of unemployment, poverty, inequality and ensuring of rendering the sustainable services delivery to UMkhanyakude District.

An amount of R320.9 million has been allocated to the operational budget and the capital budget for the infrastructure is R 206. 2million. The projection for the service charges and other income is R 92.5 million.

The draft Medium-Term Revenue and Expenditure Frame Work is released for the consultation of the community, business, internal and external stakeholders, so they can have the influence in the area of UMkhanyakude. The budget enables the implementation of our goals as set out on the Integrated Development Plan and translated to 2030 vision and mission.

1.3.2 Strategic priorities for 2014-2015

UMkhanyakude District Municipality's budget will be considering the Government key priorities area in general, which are as following:

- Job creation
- Education
- Health
- Rural Development,
- Safety and security

The municipality has identified all of the above priorities and these other priorities that need to be addressed:

- Sanitation/Sewerage
- Water crisis
- Environmental Health
- Poverty eradication and food security
- Economic, Social or Community and Skill Development
- Revenue enhancement
- Spatial planning and development
- Communication and information Technology
- Good governance and clean audit

JOB CREATION

The Municipality has set aside the projection of R500 000.00 for the creation of decent work and sustainable livelihood in the Tourism Development and marketing programme. This projection will cover all Local Municipalities within UMkhanyakude District family of the municipalities. An estimated of 100 job opportunities will be created during the development of these projects. R 300 000.00 is budgeted for the Local Economic Development. The R 300 000.00 for gender (women and men) programmes has been provided on the current budget.

EDUCATION

The municipality has budgeted for bursaries an amount of R 300 000.00 that will assist the youth of UMkhanyakude that cannot afford to further their studies. It is in municipality's attentiveness to train the students on the courses that will assist them to work for the municipality. The bursary will be given for the courses such as artisan, plumbing etc. Other allocation is for youth development programmes R300 000.00 and R 3 200 000.00 for sport of UMkhanyakude youth.

HEALTH

The municipality has a budget of R1 million for the municipal environmental health to ensure that there is a decrease in the transmission and spread of communicable diseases through health education, and also improve the water quality monitoring programmes and strengthen the food monitoring programmes. To coordinate the development of hazardous substances control programme in the district. This staff will be dealing with promoting good health to the community. The HIV/AIDS programme has an allocation of R 500 000 million to improve the livelihoods of the poor, vulnerable groups and support initiatives to reduce vulnerability of infectious diseases, especially reduce the impact of HIV/AIDS on communities. Disability allocation is R450 000 to raise awareness to the and support to people living with disability.

RURAL DEVELOPMENT

An amount of R 500 000.00 has been set aside for the business development support within the area of UMkhanyakude and R 450 000.00 for the District Development, Land use management R 400 000, R 150 000.00 for informal economy support programmes. During these developments there will be job opportunities created. Economic activeness of Small, Medium and Micro Enterprises (SMMEs) have an allocation of R 100 000.00

SAFETY AND SECURITY

The budget for the community participation of R 300 000 will be used for the awareness campaign in the community. To promote food security to eradicate poverty within the district an additional of R100 000 has been allocated.

WATER AND SANITATION

The main basic service for UMkhanyakude is to render water to the community. The municipality made a provision for R 6.1 million for the free basic services. The provision for water is R 159.7 and sanitation for R 36 million, to ensure the efficient, uninterrupted and sustainable water and sewerage infrastructure network to reduce services delivery backlogs in the communities and boost economic development for the purpose of reducing unemployment rate within the district.

National Treasury's MFMA Circular No. 70 and 72 was used to guide the compilation of the 2014-2015 draft MTREF.

1.3.3 Challenges

The main challenges experienced during the compilation of the 2014-2015 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- The high rate of unemployment within UMkhanyakude
- The high rate of indigent within UMkhanyakude
- Aging and poorly maintained water, 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 water and electricity (due to tariff increases from Rand Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;

Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and

Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year’s capital investments needed to be factored into the budget as part of the 2014-2015 MTREF process

1.3.4 Budget principles and guidelines that directly informed the compilation of the 2014-2015 draft MTREF

The 2013-2014 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 2014-2015 annual budget;

Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

Tariff 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 water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

The following table is a consolidated overview of the proposed 2014-2015 Medium-term Revenue and Expenditure Framework:

Table 1: Consolidated Overview of the 2014-2015 MTREF

R'000	Adjustment Budget		Budget Year	Budget Year +1	Budget Year +2
	2013-2014		2014-2015	2015-2016	2016-2017
Total Operating Revenue	325 496 922		320 949 762	354 205 014	380 342 737
Total Operating Expenditure	346 022 729		320 949 763	354 205 014	380 342 737
Surplus/Deficit	-20 525 807		-0	0	-0
Total Capital Expenditure	249 270 000		206 285 000	208 500 300	217 156 950

Total operating revenue has decrease with 1 per cent or R2 million for the 2014-2015 financial year when compared to the 2013-14 Adjustments Budget. For the two outer years, operational revenue will increase by 9 per cent and 7per cent respectively, equating to a total revenue growth of R 30.6 million and R24.7 respectively over the MTREF

Total operating expenditure for the 2014-2015 financial year has been appropriated at 1 per cent increase when compared to the 2013/14 Adjustments Budget and by 9 per cent and 7per cent for each of the respective outer years of the MTREF.

The capital budget of R206.2 million for 2014-2015 is R 46 million less when compared to the 2013/14 Adjustment Budget. The reduction is due to various projects being finalised in the previous financial year as well as affordability constraints in the light of current economic circumstances. During the adjustment budget the municipality internal funded the infrastructure program with R 70 million. The capital programme increased with R2.2 million in the 2015/16 financial year and then increased in 2016/17 with R9 million.

1.4 Operating Revenue Framework

In order for UMkhanyakude District municipality to continue improving the quality of services provided to the 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
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- Increase ability to extend new services and recover costs;
- 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 2014-2015 MTREF (classified by main revenue source):

Table 2: Summary of revenue classified by main revenue source

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
Financial Performance											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		44 627	45 793	41 921	42 434	42 434	42 434	42 434	44 804	46 011	48 286
Investment revenue		4 799	11 155	12 525	12 870	10 000	10 000	10 000	18 245	19 157	20 115
Transfers recognised - operational		144 876	201 496	214 251	218 530	218 780	218 780	218 780	238 736	279 396	306 267
Other own revenue		597	6 264	2 322	36 435	46 145	46 145	46 145	19 165	9 641	5 674
Total Revenue (excluding capital transfers and contributions)		194 898	264 708	271 019	310 268	317 359	317 359	317 359	320 950	354 205	380 343

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

Revenue generated from services charges forms a significant percentage of the revenue basket for the municipality. Service charge revenues comprise of 14 per cent of the total revenue mix 2014-2015. In the 2013-14 financial year, revenue from services charges totalled R42.4 million after the adjustment budget. In 2014-15 budget it increases to R44.8 million, R45 million and R47 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from services charges which increases with 14 per cent in 2014-15 after the adjustment budget that was because during the adjustment budget the municipality calculated the adjustment figure based on the actual during that period. Now the municipality has increased its actual revenue and conventional revenue budget increased. The outer year's percentage is 12 per cent in 2016/17. This growth can be

mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.

Operating grants and transfers totals R230.8 million in the 2014-2015 financial year and steadily increases to R271.1 million by 2015-2016 and R298.1 million by 2016-2017. Note that the year-on-year growth for the 2015-2016 financial year is 15 per cent and then flattens out to 9 per cent in 2016-2017 years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3: Operating Transfers and Grant Receipts

OPERATING TRANSFERS AND GRANTS RECEIPTS			
Operational Transfers and Grants	GRANTS ALLOCATION		
Operational Grants	2014-2015	2015-2016	2016-2017
Equitable Share	226 251 000	263 765 000	290 128 000
FMG	1 250 000	1 250 000	1 300 000
MSIG	934 000	1 018 000	1 126 000
Water services operating subsidy	-	2 650 000	3 000 000
Project Management Unit	10 301 000	10 713 000	10 713 000
Total	238 736 000	279 396 000	306 267 000

Tariff-setting is an essential and strategic part of the compilation of any budget. When charges will be revised, local economic conditions, input costs and the affordability of services will be taken into account to ensure the financial sustainability of the UMkhanyakude.

National Treasury continues to encourage municipalities to keep increases in tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 5.9 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc.

Table 4: Proposed Water Tariffs

PROPOSED CHARGES AND TARIFFS 2014-2015

	Water proposed tariffs for 2014-2015		
Area	Description	Current Tariffs 2013-2014	Proposed Tariffs 2014-2015
	Water		
All area in DC27	RESIDENTIAL		
	0-6kl	Free	Free
	7-20kl	6.34	6.69
	21-30kl	9.83	10.37
	31-40kl	11.90	12.55
	40-50kl	14.58	15.38
	<51kl	18.92	19.87
	COMMERCIAL		
	0-20kl	11.12	11.73
	0-30kl	13.53	14.27
	0-40kl	14.33	15.12
	0-50kl	15.92	16.80
	<51kl	19.11	20.16
	GOVERNMENT		
	0-20kl	11.12	11.73
	0-30kl	13.53	14.27
	0-40kl	14.33	15.12
	0-50kl	15.92	16.80
	<51kl	19.11	20.16
	BULK WATER SALES	6.34	6.69
	PREPAID WATER	6.34	6.69
DOMESTIC CONSUMER DEPOSIT	Domestic 2x Ave consumption minimum	350	370.00
BUSINESS & OTHER CONSUMER DEPOSIT	Commercial 2x Ave consumption minimum	957	1010.00

Proposed Other Water Related Tariffs for 2014-2015			
Area	Description	Current Tariffs 2013-2014	Proposed Tariffs 2014-2015
Water connection up to 25m	Domestic	R 0.00	R 0.00
Water connection up to 25m	Commercial/Other	R 1,790.25	R 1890.00
All connection above 25mm		actual cost + 10%	actual cost + 10%
Special meter reading		R 209.00	R 220.50
Prepaid meter		cost of meter + 10%	cost of meter + 10%
Final reading disconnection		R 22.00	R 23.25
Testing of a meter		R 477.40	R 504.00
Tampering fee		R 1,320.00	R 1393.00
Water Tanker service	Per kl + cost per km	R19.25	R 20.35
Water Tanker cost per km	Per km	R9.90	R 10.45
Reconnection for non payment		R 181.50	R 191.50
Water in unmetered area	Per Household	R33.55	R 35.40
All other work		cost + 10%	cost + 10%

1.4.1 Sale of water and impact on tariff increases

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

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

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2015. Better maintenance of infrastructure will ensure that the supply challenges are managed in future to ensure sustainability. A tariff increase of 5.5 per cent from 1 July 2014 for water is proposed for the residential and 5.5 per cent. This is based on the CPI inflation rate of 5.5 per cent for 2014-2015. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

1.4.2 Sale of electricity and impact on tariff increases

NERSA has announced the revised bulk electricity pricing structure. An 8.6 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

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.

The annual budget for the Electricity purchases can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. water schemes without back-up supply). It is estimated that special funding for electricity bulk infrastructure to the amount of R 14.7 million for 2014-2015 financial year.

1.4.2 Sanitation and impact on tariff increases

A tariff increase of 5.5 per cent for sanitation from 1 July 2014 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs,

therefore the higher than CPI increase of 5.5 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- The total revenue expected to be generated from rendering this service amounts to R1.8 million for the 2014-2015 financial year.

The following table compares the current and proposed tariffs:

Table 5: Comparison between current sanitation charges and increases

Proposed Sanitation Tariffs for 2014-2015			
Area	Description	Current Tariffs 2013-2014	Proposed Tariffs 2014-2015
All Area on sewer mains	per flat/Dwelling	R 1.50/kl	R 1.58/KL
	Conservancy tanks where service available	R 375.38	R 396.05
	Conservancy tanks weekends/PH	R 565.95	R 597.10
Discharges of sewer By tanker into sewer system	Per kl	R 23.10	R 24.40

1.4.5 Overall impact tariff increases on the household

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.

Table 6: Comparison between water charges and increases (domestic)

DC27 Umkhanyakude - 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											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-	-	-	-	-	-
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	6 100 000.00	6 100 000.00	6 100 000.00	-	6 200 000.00	6 300 000.00	6 400 000.00
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	6 100 000.00	6 100 000.00	6 100 000.00	1.6%	6 200 000.00	6 300 000.00	6 400 000.00
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	6 100 000.00	6 100 000.00	6 100 000.00	1.6%	6 200 000.00	6 300 000.00	6 400 000.00
% increase/-decrease		-	-	-	-	-	-	-	1.6%	1.6%	1.6%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-	-	-	-	-	-

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to 1.6 per cent, with the increase for indigent households closer.

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2014-2015 budget and MTREF is informed by the following:

- The asset replacement 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 management strategy
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

The following table is a high level summary of the 2014-2015 budget and MTREF (classified per main type of operating expenditure):

Table 7: Summary of operating expenditure by standard classification item

DC27 Umkhanyakude - Table A1 Consolidated 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
Employee costs	60 481	66 380	68 802	118 630	107 448	107 448	107 448	113 787	121 070	128 959
Remuneration of councillors	3 419	2 556	6 557	10 354	10 906	10 906	10 906	10 447	11 011	11 656
Depreciation & asset impairment	28	47 673	28 224	33 414	35 414	35 414	35 414	23 118	25 430	27 973
Finance charges	1 159	1 283	-	-	-	-	-	150	159	167
Materials and bulk purchases	47 926	63 134	72 237	77 481	83 071	83 071	83 071	69 463	74 582	79 245
Transfers and grants	-	-	-	3 169	12 036	12 036	12 036	3 625	4 557	3 063
Other expenditure	25 211	77 371	123 170	67 221	101 197	101 197	101 197	100 360	117 397	129 282
Total Expenditure	138 224	258 397	298 990	310 269	350 072	350 072	350 072	320 950	354 206	380 344

The budgeted allocation for employee related costs for the 2014-2015 financial year totals R113 million, which equals 35 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.85 per cent for the 2014-2015 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF. As part of the UMkhanyakude cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the

Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the UMkhanyakude district budget.

The provision of debt impairment was determined based on an Annual Financial Statement for 2012-2013 financial year, where by the calculation was based on the two comparative years increase on receivables percentage. The debt impairment increased by 2 percent which equates R 36.3 million for the 2014-2015. The 2 percent is based on the assumption of the increase of the receivables between comparative prior years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R23.1 million for the 2014-2015 financial and equates to 7 per cent of the total operating expenditure. It is 10 per cent of the increase of the comparative prior years assets increase. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). The municipality was in a process of settling the long-term loan in 2013-2014 and is not intending to have a long-term borrowing in 2014-2015, but since it is not finalised an amount of R 150 thousand has been provided for interest charges.

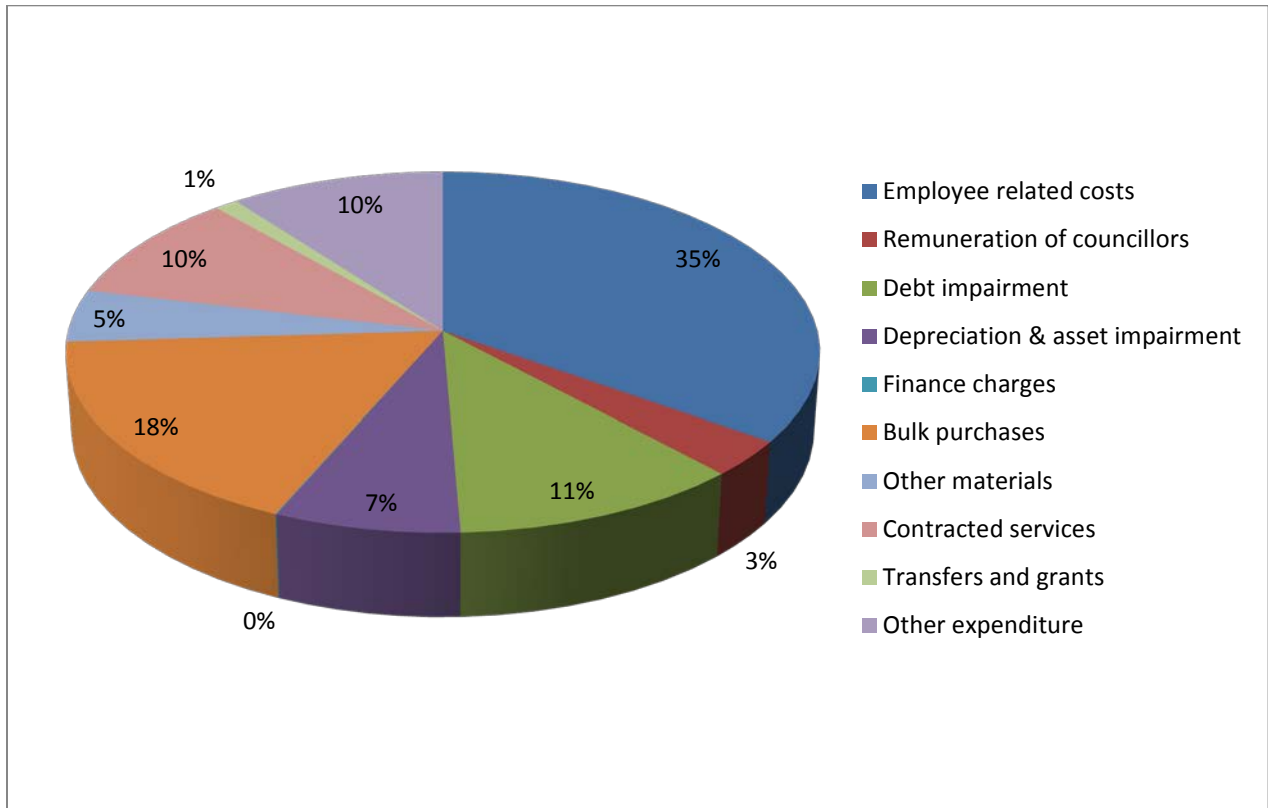
Bulk purchases are directly informed by the purchase of electricity from Eskom and water for water purification and reticulation. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, repairs, cleaning materials and chemicals. In line with the municipality repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the UMkhanyakude's infrastructure. For 2014-2015 the appropriation against this group of expenditure is R56 million which equates 18 per cent of the operating budget.

Contracted services have been identified as a cost saving area for the municipality. As part of the compilation of the 2014-2015 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2014-2015 financial year, this group of expenditure totals R31.7 million which equates 10 per cent, clearly demonstrating the application of cost efficiencies.

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. Growth has been limited to 10 per cent for 2014-2015

Figure 1: Main operational expenditure categories for the 2014-2015 financial year



1.6 Capital expenditure

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

Table 8: Capital budget per vote

DC27 Umkhanyakude - Table A5 Consolidated 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
Capital expenditure - Vote	1										
Multi-year expenditure to be appropriated	2										
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 10 - SANITATION DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7										
Single-year expenditure to be appropriated	2										
Vote 1 - COUNCIL SUPPORT		-	-	-	-	5 000	5 000	5 000	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	3 000	3 000	3 000	3 000	7 000	3 000	2 000
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	17 798	17 798	17 798	17 798	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	4 000	4 000	4 000	-	-	-
Vote 9 - WATER SERVICES		109 264	-	206 594	168 707	231 028	231 028	231 028	159 719	117 633	158 315
Vote 10 - SANITATION DEPARTMENT		-	-	30 181	52 000	52 000	52 000	52 000	36 000	85 376	54 258
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	3 566	2 491	2 584
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157
Total Capital Expenditure - Vote		109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157
Capital Expenditure - Standard											
Governance and administration					3 000	8 000	8 000	8 000	7 000	3 000	2 000
Executive and council		-	-	-	-	5 000	5 000	5 000	-	-	-
Budget and treasury office		-	-	-	3 000	3 000	3 000	3 000	7 000	3 000	2 000
Corporate services		-	-	-	-	-	-	-	-	-	-
Community and public safety					17 798	17 798	17 798	17 798	-	-	-
Community and social services		-	-	-	14 000	14 000	14 000	14 000	-	-	-
Sport and recreation		-	-	-	3 798	3 798	3 798	3 798	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services					-	-	-	-	3 566	2 491	2 584
Planning and development		-	-	-	-	-	-	-	3 566	2 491	2 584
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		109 264	-	236 774	220 707	287 028	287 028	287 028	195 719	203 009	212 573
Electricity		-	-	-	-	4 000	4 000	4 000	-	-	-
Water		109 264	-	206 594	168 707	231 028	231 028	231 028	159 719	117 633	158 315
Waste water management		-	-	30 181	52 000	52 000	52 000	52 000	36 000	85 376	54 258
Waste management		-	-	-	-	-	-	-	-	-	-
Other											
Total Capital Expenditure - Standard	3	109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157
Funded by:											
National Government		109 264	-	236 774	234 707	238 316	238 316	238 316	199 285	205 500	215 157
Provincial Government		-	-	-	3 798	3 798	3 798	3 798	-	-	-
District Municipality		-	-	-	3 000	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	109 264	-	236 774	241 505	242 114	242 114	242 114	199 285	205 500	215 157
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	70 712	70 712	70 712	7 000	3 000	2 000
Total Capital Funding	7	109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157

For 2014-2015 an amount of R206.2 million has been appropriated for the development of infrastructure which is the total capital budget. In the outer years this amount totals R208.5 million, and R217.1 million respectively for each of the financial years. Water receives the highest allocation

1.7 Annual Budget tables

Table 9: Consolidated Annual 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
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	44 627	45 793	41 921	42 434	42 434	42 434	42 434	44 804	46 011	48 286
Investment revenue	4 799	11 155	12 525	12 870	10 000	10 000	10 000	18 245	19 157	20 115
Transfers recognised - operational	144 876	201 496	214 251	218 530	218 780	218 780	218 780	238 736	279 396	306 267
Other own revenue	597	6 264	2 322	36 435	46 145	46 145	46 145	19 165	9 641	5 674
Total Revenue (excluding capital transfers and contributions)	194 898	264 708	271 019	310 268	317 359	317 359	317 359	320 950	354 205	380 343
Employee costs	60 481	66 380	68 802	118 630	107 448	107 448	107 448	113 787	121 070	128 959
Remuneration of councillors	3 419	2 556	6 557	10 354	10 906	10 906	10 906	10 447	11 011	11 656
Depreciation & asset impairment	28	47 673	28 224	33 414	35 414	35 414	35 414	23 118	25 430	27 973
Finance charges	1 159	1 283	-	-	-	-	-	150	159	167
Materials and bulk purchases	47 926	63 134	72 237	77 481	83 071	83 071	83 071	69 463	74 582	79 245
Transfers and grants	-	-	-	3 169	12 036	12 036	12 036	3 625	4 557	3 063
Other expenditure	25 211	77 371	123 170	67 221	101 197	101 197	101 197	100 360	117 396	129 280
Total Expenditure	138 224	258 397	298 990	310 269	350 072	350 072	350 072	320 950	354 205	380 342
Surplus/(Deficit)	56 674	6 311	(27 971)	(0)	(32 713)	(32 713)	(32 713)	0	0	0
Transfers recognised - capital	50 696	233 848	236 304	241 505	242 114	242 114	242 114	199 285	205 500	215 157
Contributions recognised - capital & contributed	-	-	-	-	70 712	70 712	70 712	7 000	3 000	2 000
Surplus/(Deficit) after capital transfers & contributions	107 370	240 159	208 332	241 505	280 113	280 113	280 113	206 285	208 500	217 157
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	107 370	240 159	208 332	241 505	280 113	280 113	280 113	206 285	208 500	217 157
Capital expenditure & funds sources										
Capital expenditure	109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157
Transfers recognised - capital	109 264	-	236 774	241 505	242 114	242 114	242 114	199 285	205 500	215 157
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	70 712	70 712	70 712	7 000	3 000	2 000
Total sources of capital funds	109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157
Financial position										
Total current assets	167 114	359 324	404 697	626 285	441 701	441 701	441 701	243 344	270 433	296 955
Total non current assets	1 121 616	1 145 840	1 508 425	1 187 494	1 187 524	1 187 524	1 187 524	1 348 014	1 537 189	1 639 733
Total current liabilities	193 524	172 042	203 996	15 152	15 152	15 152	15 152	124 896	92 800	71 069
Total non current liabilities	12 071	9 837	9 905	-	-	-	-	8 339	7 578	6 018
Community wealth/Equity	1 083 134	1 263 512	1 376 295	1 591 497	1 614 043	1 614 043	1 614 043	1 500 162	1 635 177	1 782 342
Cash flows										
Net cash from (used) operating	156 073	253 452	272 105	281 769	320 934	320 934	320 934	222 622	244 076	260 434
Net cash from (used) investing	(156 462)	(180 641)	(307 248)	(21 440)	(21 440)	(21 440)	(21 440)	(106 219)	(93 434)	(97 146)
Net cash from (used) financing	1 060	(832)	1 786	40	40	40	40	40	41	41
Cash/cash equivalents at the year end	58 220	130 199	96 841	578 996	441 291	441 291	441 291	231 266	381 949	545 277
Cash backing/surplus reconciliation										
Cash and investments available	128 847	176 381	238 384	574 584	390 000	390 000	390 000	175 000	195 000	210 000
Application of cash and investments	172 871	29 769	60 757	(35 486)	(36 110)	(36 110)	(36 110)	89 414	44 727	8 207
Balance - surplus (shortfall)	(44 024)	146 613	177 627	610 070	426 110	426 110	426 110	85 586	150 273	201 793
Asset management										
Asset register summary (WDV)	-	-	30	-	1 311 750	1 311 750	1 347 984	1 347 984	1 537 984	1 639 691
Depreciation & asset impairment	28	47 673	28 224	33 414	35 414	35 414	23 118	23 118	25 430	27 973
Renewal of Existing Assets	-	-	-	33 414	125 129	125 129	125 129	78 288	81 204	85 029
Repairs and Maintenance	-	-	-	26 032	31 832	31 832	12 863	12 863	14 036	14 910
Free services										
Cost of Free Basic Services provided	-	-	-	39	39	39	39	39	40	40
Revenue cost of free services provided	-	-	-	39	39	39	39	39	40	40
Households below minimum service level										
Water:	-	-	-	39	39	39	29	29	19	19
Sanitation/sewage:	-	-	-	26	26	26	20	20	17	17
Energy:	-	-	-	79	79	79	80	80	80	80
Refuse:	-	-	-	111	111	111	109	109	113	113

Table 10: Consolidated budget 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
Revenue - Standard	1									
<i>Governance and administration</i>		200 968	452 764	192 009	247 937	254 801	254 801	265 753	295 296	318 324
Executive and council		196 002	436 590	174 928	196 603	196 603	196 603	226 251	263 765	290 128
Budget and treasury office		4 966	16 174	17 081	51 094	57 958	57 958	38 995	30 994	27 626
Corporate services		-	-	-	240	240	240	507	538	570
<i>Community and public safety</i>		-	-	16 199	111	337	337	92	97	103
Community and social services		-	-	16 199	111	337	337	92	97	103
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	1 622	10 765	10 765	10 765	10 301	10 150	10 629
Planning and development		-	-	1 622	10 765	10 765	10 765	10 301	10 150	10 629
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		44 627	45 793	296 876	51 456	51 456	51 456	44 804	48 661	51 286
Electricity		5 017	4 390	6 200	4 742	4 742	4 742	4 852	4 852	4 852
Water		38 180	39 785	272 758	45 016	45 016	45 016	38 117	41 827	44 295
Waste water management		1 430	1 618	17 919	1 699	1 699	1 699	1 834	1 981	2 140
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	245 595	498 557	506 706	310 268	317 359	317 359	320 950	354 205	380 342
Expenditure - Standard										
<i>Governance and administration</i>		91 519	202 479	206 087	118 668	127 252	127 252	113 331	124 780	137 799
Executive and council		75 048	129 490	128 327	29 490	41 251	41 251	31 174	32 969	35 649
Budget and treasury office		1 187	48 956	65 064	60 708	54 395	54 395	50 201	54 226	58 898
Corporate services		15 284	24 033	12 696	28 470	31 606	31 606	31 956	37 585	43 252
<i>Community and public safety</i>		-	-	4 149	30 663	28 980	28 980	28 849	34 461	37 182
Community and social services		-	-	4 149	30 663	28 980	28 980	28 849	34 461	37 182
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	16 708	24 500	24 500	18 917	23 875	23 435
Planning and development		-	-	-	16 708	24 500	24 500	18 917	23 875	23 435
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		46 705	55 920	88 754	144 229	169 338	169 338	159 853	171 089	181 926
Electricity		14 916	17 209	21 921	41 067	28 670	28 670	17 899	19 804	21 471
Water		31 789	38 711	66 833	101 015	138 575	138 575	139 652	148 836	157 849
Waste water management		-	-	-	2 148	2 093	2 093	2 302	2 449	2 606
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	138 224	258 399	298 990	310 268	350 070	350 070	320 950	354 205	380 343
Surplus/(Deficit) for the year		107 371	240 158	207 716	-	(32 711)	(32 711)	(0)	(0)	(0)

Table 11: Consolidated Budget Financial Performance (revenue and expenditure by municipal vote)

DC27 Umkhanyakude - Table A3 Consolidated 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
Revenue by Vote	1									
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		196 002	436 590	174 928	196 603	196 603	196 603	226 251	263 765	290 128
Vote 3 - FINANCIAL SERVICES		4 966	16 174	17 081	51 094	57 958	57 958	38 995	30 994	27 626
Vote 4 - CORPORATE SERVICES		-	-	-	240	240	240	507	538	570
Vote 5 - COMMUNITY SERVICES		-	-	16 199	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	111	337	337	92	97	103
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	1 622	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		5 017	4 390	4 380	4 742	4 742	4 742	4 852	4 852	4 852
Vote 9 - WATER SERVICES		38 180	39 785	272 758	45 016	45 016	45 016	38 117	41 827	44 295
Vote 10 - SANITATION DEPARTMENT		1 430	1 618	17 919	1 699	1 699	1 699	1 834	1 981	2 140
Vote 11 - TECHNICAL SERVICES		-	-	1 820	10 765	10 765	10 765	10 301	10 150	10 629
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	245 595	498 557	506 706	310 268	317 359	317 359	320 950	354 205	380 342
Expenditure by Vote to be appropriated	1									
Vote 1 - COUNCIL SUPPORT		3 419	2 556	6 557	16 157	18 278	18 278	16 177	22 783	18 534
Vote 2 - BOARD & GENERAL		71 629	126 934	121 770	13 333	22 973	22 973	14 997	10 187	17 115
Vote 3 - FINANCIAL SERVICES		1 187	48 956	65 064	60 708	54 395	54 395	50 201	54 226	58 898
Vote 4 - CORPORATE SERVICES		15 284	24 033	12 696	28 470	31 606	31 606	31 956	37 585	43 252
Vote 5 - COMMUNITY SERVICES		-	-	4 149	29 637	28 005	28 005	27 754	33 366	35 943
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	1 025	975	975	1 095	1 095	1 240
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	16 708	24 500	24 500	14 586	19 186	18 532
Vote 8 - ELECTRICITY DEPARTMENT		14 916	17 209	21 917	34 251	21 854	21 854	17 899	19 804	21 471
Vote 9 - WATER SERVICES		31 789	38 711	66 833	101 015	138 575	138 575	139 652	148 836	157 849
Vote 10 - SANITATION DEPARTMENT		-	-	-	2 148	2 093	2 093	2 302	2 449	2 606
Vote 11 - TECHNICAL SERVICES		-	-	4	6 816	6 816	6 816	4 331	4 689	4 903
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	138 224	258 399	298 990	310 268	350 070	350 070	320 950	354 205	380 343
Surplus/(Deficit) for the year	2	107 371	240 158	207 716	-	(32 711)	(32 711)	(0)	(0)	(0)

Table 12: Consolidated budgeted financial performance and revenue expenditure

DC27 Umkhanyakude - Table A4 Consolidated 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
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	5 017	4 390	4 380	4 742	4 742	4 742	4 742	4 852	4 852	4 852
Service charges - water revenue	2	38 180	39 785	36 454	35 994	35 994	35 994	35 994	38 117	39 177	41 295
Service charges - sanitation revenue	2	1 430	1 618	1 087	1 699	1 699	1 699	1 699	1 834	1 981	2 140
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		167	121	104	165	130	130	130	188	199	210
Interest earned - external investments		4 799	11 155	12 525	12 870	10 000	10 000	10 000	18 245	19 157	20 115
Interest earned - outstanding debtors		-	4 898	-	-	665	665	665	1 629	1 717	1 810
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		144 876	201 496	214 251	218 530	218 780	218 780	218 780	238 736	279 396	306 267
Other revenue	2	430	1 246	2 218	36 270	45 350	45 350	45 350	17 349	7 726	3 655
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		194 898	264 708	271 019	310 268	317 359	317 359	317 359	320 950	354 205	380 343
Expenditure By Type											
Employee related costs	2	60 481	66 380	68 802	118 630	107 448	107 448	107 448	113 787	121 070	128 959
Remuneration of councillors		3 419	2 556	6 557	10 354	10 906	10 906	10 906	10 447	11 011	11 656
Debt impairment	3	-	-	28 460	18 557	20 666	20 666	20 666	36 366	39 218	39 218
Depreciation & asset impairment	2	28	47 673	28 224	33 414	35 414	35 414	35 414	23 118	25 430	27 973
Finance charges		1 159	1 283	-	-	-	-	-	150	159	167
Bulk purchases	2	46 705	55 920	57 933	51 449	53 516	53 516	53 516	56 600	60 545	64 335
Other materials	8	1 221	7 215	14 304	26 032	29 555	29 555	29 555	12 863	14 036	14 910
Contracted services		14 063	16 818	6 569	21 660	24 951	24 951	24 951	31 783	35 584	39 499
Transfers and grants		-	-	-	3 169	12 036	12 036	12 036	3 625	4 557	3 063
Other expenditure	4, 5	11 148	60 554	88 140	27 004	55 580	55 580	55 580	32 211	42 595	50 563
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		138 224	258 397	298 990	310 269	350 072	350 072	350 072	320 950	354 205	380 342
Surplus/(Deficit)		56 674	6 311	(27 971)	(0)	(32 713)	(32 713)	(32 713)	0	0	0
Transfers recognised - capital		50 696	233 848	236 304	241 505	242 114	242 114	242 114	199 285	205 500	215 157
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	70 712	70 712	70 712	7 000	3 000	2 000
Surplus/(Deficit) after capital transfers & contributions		107 370	240 159	208 332	241 505	280 113	280 113	280 113	206 285	208 500	217 157
Taxation		25	7	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		107 345	240 152	208 332	241 505	280 113	280 113	280 113	206 285	208 500	217 157
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		107 345	240 152	208 332	241 505	280 113	280 113	280 113	206 285	208 500	217 157
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		107 345	240 152	208 332	241 505	280 113	280 113	280 113	206 285	208 500	217 157

Table 13: Consolidated capital expenditure by vote standard classification and funding

DC27 Umkhanyakude - Table A5 Consolidated 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
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2	-	-	-	-	-	-	-	-	-	-
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 10 - SANITATION DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2	-	-	-	-	5 000	5 000	5 000	-	-	-
Vote 1 - COUNCIL SUPPORT		-	-	-	-	5 000	5 000	5 000	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	3 000	3 000	3 000	3 000	7 000	3 000	2 000
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	17 798	17 798	17 798	17 798	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	4 000	4 000	4 000	-	-	-
Vote 9 - WATER SERVICES		109 264	-	206 594	168 707	231 028	231 028	231 028	159 719	117 633	158 315
Vote 10 - SANITATION DEPARTMENT		-	-	30 181	52 000	52 000	52 000	52 000	36 000	85 376	54 258
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	3 566	2 491	2 584
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157
Total Capital Expenditure - Vote		109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157
Capital Expenditure - Standard											
Governance and administration		-	-	-	3 000	8 000	8 000	8 000	7 000	3 000	2 000
Executive and council		-	-	-	-	5 000	5 000	5 000	-	-	-
Budget and treasury office		-	-	-	3 000	3 000	3 000	3 000	7 000	3 000	2 000
Corporate services		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	17 798	17 798	17 798	17 798	-	-	-
Community and social services		-	-	-	14 000	14 000	14 000	14 000	-	-	-
Sport and recreation		-	-	-	3 798	3 798	3 798	3 798	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	3 566	2 491	2 584
Planning and development		-	-	-	-	-	-	-	3 566	2 491	2 584
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		109 264	-	236 774	220 707	287 028	287 028	287 028	195 719	203 009	212 573
Electricity		-	-	-	-	4 000	4 000	4 000	-	-	-
Water		109 264	-	206 594	168 707	231 028	231 028	231 028	159 719	117 633	158 315
Waste water management		-	-	30 181	52 000	52 000	52 000	52 000	36 000	85 376	54 258
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157
Funded by:											
National Government		109 264	-	236 774	234 707	238 316	238 316	238 316	199 285	205 500	215 157
Provincial Government		-	-	-	3 798	3 798	3 798	3 798	-	-	-
District Municipality		-	-	-	3 000	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	109 264	-	236 774	241 505	242 114	242 114	242 114	199 285	205 500	215 157
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	70 712	70 712	70 712	7 000	3 000	2 000
Total Capital Funding	7	109 264	-	236 774	241 505	312 826	312 826	312 826	206 285	208 500	217 157

Table 14: Consolidated budgeted financial position

DC27 Umkhanyakude - Table A6 Consolidated Budgeted Financial Position

Description	IRef	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
ASSETS											
Current assets											
Cash		6 246	78 225	141 757	354 584	170 000	170 000	170 000	75 000	80 000	90 000
Call investment deposits	1	122 602	98 157	96 627	220 000	220 000	220 000	220 000	100 000	115 000	120 000
Consumer debtors	1	30 655	24 806	108 296	13 423	13 423	13 423	13 423	29 879	36 963	48 390
Other debtors		7 549	158 075	24 706	38 213	38 213	38 213	38 213	38 400	38 405	38 500
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	62	62	33 311	65	65	65	65	65	65	65
Total current assets		167 114	359 324	404 697	626 285	441 701	441 701	441 701	243 344	270 433	296 955
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	1 121 616	1 145 840	1 508 395	1 187 494	1 187 494	1 187 494	1 187 494	1 347 984	1 537 148	1 639 691
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	30	-	30	30	30	31	41	42
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		1 121 616	1 145 840	1 508 425	1 187 494	1 187 524	1 187 524	1 187 524	1 348 014	1 537 189	1 639 733
TOTAL ASSETS		1 288 729	1 505 164	1 913 122	1 813 779	1 629 225	1 629 225	1 629 225	1 591 358	1 807 622	1 936 688
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	841	2 243	1 042	-	-	-	-	1 560	1 560	1 560
Consumer deposits		788	896	4 825	40	40	40	40	40	41	41
Trade and other payables	4	186 005	159 876	187 091	10 451	10 451	10 451	10 451	119 271	86 915	64 910
Provisions		5 890	9 027	11 038	4 661	4 661	4 661	4 661	4 026	4 284	4 558
Total current liabilities		193 524	172 042	203 996	15 152	15 152	15 152	15 152	124 896	92 800	71 069
Non current liabilities											
Borrowing		12 071	9 837	9 905	-	-	-	-	8 339	7 578	6 018
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		12 071	9 837	9 905	-	-	-	-	8 339	7 578	6 018
TOTAL LIABILITIES		205 595	181 878	213 901	15 152	15 152	15 152	15 152	133 235	100 378	77 087
NET ASSETS	5	1 083 134	1 323 286	1 699 221	1 798 627	1 614 073	1 614 073	1 614 073	1 458 122	1 707 244	1 859 601
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 083 134	1 263 512	1 376 295	1 591 497	1 614 043	1 614 043	1 614 043	1 500 162	1 635 177	1 782 342
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	1 083 134	1 263 512	1 376 295	1 591 497	1 614 043	1 614 043	1 614 043	1 500 162	1 635 177	1 782 342

Table 15: Consolidated budgeted cash flow

DC27 Umkhanyakude - Table A7 Consolidated Budgeted Cash Flows

Description	IRef	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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		13 290	37 006	42 025	70 163	79 873	79 873	79 873	27 972	31 152	35 214
Government - operating	1	144 876	202 149	177 578	218 530	218 780	218 780	218 780	238 736	279 396	306 267
Government - capital	1	50 696	233 848	253 758	238 505	242 114	242 114	242 114	199 285	205 500	215 157
Interest		4 799	16 053	12 525	12 870	10 000	10 000	10 000	18 245	17 744	17 115
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(56 428)	(234 322)	(212 715)	(258 299)	(229 833)	(229 833)	(229 833)	(261 466)	(289 557)	(313 152)
Finance charges		(1 159)	(1 283)	(1 066)	-	-	-	-	(150)	(159)	(167)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		156 073	253 452	272 105	281 769	320 934	320 934	320 934	222 622	244 076	260 434
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	65	65	65	65	66	66	66
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments		(111 409)	26 050	-	220 000	220 000	220 000	220 000	100 000	115 000	120 000
Payments											
Capital assets		(45 053)	(206 691)	(307 248)	(241 505)	(241 505)	(241 505)	(241 505)	(206 285)	(208 500)	(217 212)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(156 462)	(180 641)	(307 248)	(21 440)	(21 440)	(21 440)	(21 440)	(106 219)	(93 434)	(97 146)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	(1 583)	1 786	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		1 445	751	-	40	40	40	40	40	41	41
Payments											
Repayment of borrowing		(385)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 060	(832)	1 786	40	40	40	40	40	41	41
NET INCREASE/ (DECREASE) IN CASH HELD		671	71 979	(33 358)	260 369	299 534	299 534	299 534	116 443	150 683	163 329
Cash/cash equivalents at the year begin:	2	57 549	58 220	130 199	318 627	141 757	141 757	141 757	114 823	231 266	381 949
Cash/cash equivalents at the year end:	2	58 220	130 199	96 841	578 996	441 291	441 291	441 291	231 266	381 949	545 277

Table 16: Consolidated cash backed reserves/accumulated surplus reconciliation

DC27 Umkhanyakude - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	IRef	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
Cash and investments available											
Cash/cash equivalents at the year end	1	58 220	130 199	96 841	578 996	441 291	441 291	441 291	231 266	381 949	545 277
Other current investments > 90 days		70 627	46 183	141 543	(4 412)	(51 291)	(51 291)	(51 291)	(56 266)	(186 949)	(335 277)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		128 847	176 381	238 384	574 584	390 000	390 000	390 000	175 000	195 000	210 000
Application of cash and investments											
Unspent conditional transfers		128 765	95 976	61 033	-	-	-	-	62 891	38 992	24 175
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	44 106	(66 207)	(276)	(35 486)	(36 110)	(36 110)	(36 110)	26 523	5 735	(15 968)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		172 871	29 769	60 757	(35 486)	(36 110)	(36 110)	(36 110)	89 414	44 727	8 207
Surplus(shortfall)		(44 024)	146 613	177 627	610 070	426 110	426 110	426 110	85 586	150 273	201 793

Table 17: Consolidated assets management

DC27 Umkhanyakude - Table A9 Consolidated Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	-	241 505	312 826	312 826	127 997	127 297	132 128
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	52 000	4 000	4 000	-	-	-
Infrastructure - Water		-	-	-	172 505	231 028	231 028	95 831	70 580	94 989
Infrastructure - Sanitation		-	-	-	-	52 000	52 000	21 600	51 226	32 555
Infrastructure - Other		-	-	-	-	-	-	2 440	2 491	2 584
Infrastructure		-	-	-	224 505	287 028	287 028	119 871	124 297	130 128
Community		-	-	-	14 000	17 798	17 798	1 126	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	3 000	8 000	8 000	7 000	3 000	2 000
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	33 414	125 129	125 129	78 288	81 204	85 029
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	11 707	43 795	43 795	-	-	-
Infrastructure - Water		-	-	-	11 707	43 795	43 795	63 888	47 053	63 326
Infrastructure - Sanitation		-	-	-	10 000	37 539	37 539	14 400	34 150	21 703
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	33 414	125 129	125 129	78 288	81 204	85 029
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	63 707	47 795	47 795	-	-	-
Infrastructure - Water		-	-	-	184 212	274 823	274 823	159 719	117 633	158 315
Infrastructure - Sanitation		-	-	-	10 000	89 539	89 539	36 000	85 376	54 258
Infrastructure - Other		-	-	-	-	-	-	2 440	2 491	2 584
Infrastructure		-	-	-	257 919	412 157	412 157	198 159	205 500	215 157
Community		-	-	-	14 000	17 798	17 798	1 126	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	3 000	8 000	8 000	7 000	3 000	2 000
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	-	274 919	437 955	437 955	206 285	208 500	217 157
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	11 194	11 194	12 194	12 194	12 194
Infrastructure - Water		-	-	-	-	647 652	647 652	648 652	648 652	648 652
Infrastructure - Sanitation		-	-	-	-	20 036	20 036	21 036	21 036	21 036
Infrastructure - Other		-	-	-	-	2 862	2 862	2 862	2 862	2 862
Infrastructure		-	-	-	-	681 744	681 744	684 744	684 744	684 744
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	629 976	629 976	663 209	853 199	954 905
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	30	-	30	30	31	41	42
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	30	-	1 311 750	1 311 750	1 347 984	1 537 984	1 639 691
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		28	47 673	28 224	33 414	35 414	35 414	23 118	25 430	27 973
<u>Repairs and Maintenance by Asset Class</u>	3	-	-	-	26 032	31 832	31 832	12 863	14 036	14 910
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	3 800	3 800	1 500	1 823	1 982
Infrastructure - Water		-	-	-	26 032	26 032	26 032	10 200	10 802	11 439
Infrastructure - Sanitation		-	-	-	-	2 000	2 000	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	26 032	31 832	31 832	11 700	12 625	13 421
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	-	-	-	1 163	1 412	1 489
TOTAL EXPENDITURE OTHER ITEMS		28	47 673	28 224	59 446	67 246	67 246	35 981	39 466	42 883
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	12.2%	28.6%	28.6%	38.0%	38.9%	39.2%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	100.0%	353.3%	353.3%	338.6%	319.3%	304.0%
<i>R&M as a % of PPE</i>		0.0%	0.0%	0.0%	2.2%	2.7%	2.7%	1.0%	0.9%	0.9%

Table 18: Consolidated basic service delivery measurement

DC27 Umkhanyakude - Table A10 Consolidated 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
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	20 575	20 575	20 575	25	30	30
Piped water inside yard (but not in dwelling)		-	-	-	35 691	35 691	35 691	40	46	46
Using public tap (at least min.service level)	2	-	-	-	29 013	29 013	29 013	31	37	37
Other water supply (at least min.service level)	4	-	-	-	5 006	5 006	5 006	6	9	9
<i>Minimum Service Level and Above sub-total</i>		-	-	-	90 285	90 285	90 285	101 385	121 785	121 785
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	38 909	38 909	38 909	29	19	19
<i>Below Minimum Service Level sub-total</i>		-	-	-	38 909	38 909	38 909	28 909	18 909	18 909
Total number of households	5	-	-	-	129 194	129 194	129 194	130 294	140 694	140 694
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	15 237	15 237	15 237	14	14	14
Flush toilet (with septic tank)		-	-	-	5 633	5 633	5 633	5	6	6
Chemical toilet		-	-	-	23 255	23 255	23 255	27	32	32
Pit toilet (ventilated)		-	-	-	33 025	33 025	33 025	36	40	40
Other toilet provisions (> min.service level)		-	-	-	26 536	26 536	26 536	29	33	33
<i>Minimum Service Level and Above sub-total</i>		-	-	-	103 686	103 686	103 686	110 686	124 044	124 044
Bucket toilet		-	-	-	1 096	1 096	1 096	1	0	0
Other toilet provisions (< min.service level)		-	-	-	7 043	7 043	7 043	7	7	7
No toilet provisions		-	-	-	17 369	17 369	17 369	12	10	10
<i>Below Minimum Service Level sub-total</i>		-	-	-	25 508	25 508	25 508	19 509	16 650	16 650
Total number of households	5	-	-	-	129 194	129 194	129 194	130 195	140 694	140 694
Energy:										
Electricity (at least min.service level)		-	-	-	49 707	49 707	49 707	50	60	60
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	49 707	49 707	49 707	50 207	60 207	60 207
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	79 487	79 487	79 487	80	80	80
<i>Below Minimum Service Level sub-total</i>		-	-	-	79 487	79 487	79 487	79 987	80 487	80 487
Total number of households	5	-	-	-	129 194	129 194	129 194	130 194	140 694	140 694
Refuse:										
Removed at least once a week		-	-	-	18 034	18 034	18 034	22	28	28
<i>Minimum Service Level and Above sub-total</i>		-	-	-	18 034	18 034	18 034	21 534	27 534	27 534
Removed less frequently than once a week		-	-	-	1 809	1 809	1 809	1	1	1
Using communal refuse dump		-	-	-	1 295	1 295	1 295	1	1	1
Using own refuse dump		-	-	-	94 794	94 794	94 794	97	104	104
Other rubbish disposal		-	-	-	2 273	2 273	2 273	2	1	1
No rubbish disposal		-	-	-	10 989	10 989	10 989	8	7	7
<i>Below Minimum Service Level sub-total</i>		-	-	-	111 160	111 160	111 160	108 660	113 160	113 160
Total number of households	5	-	-	-	129 194	129 194	129 194	130 194	140 694	140 694
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	129 194	129 194	129 194	130	141	141
Sanitation (free minimum level service)		-	-	-	129 194	129 194	129 194	130	141	141
Electricity/other energy (50kwh per household per month)		-	-	-	129 194	129 194	129 194	130	141	141
Refuse (removed at least once a week)		-	-	-	129 194	129 194	129 194	130	141	141
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		-	-	-	39	39	39	39	40	40
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided (minimum social package)		-	-	-	39	39	39	39	40	40
Highest level of free service provided										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	39	39	39	39	40	40
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kw h per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-
Water		-	-	-	39	39	39	39	40	40
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)		-	-	-	39	39	39	39	40	40

PART 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

The budget process followed to compile the budget complies with legislation and good budget practices. There is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;


The municipality's revenue and tariff setting strategies are to ensure that the cash resources needed to deliver services are available; and the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process overview

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

The Mayor tabled in Council the required the budget time schedule on August 2013. Key dates applicable to the process were

Table 19: Schedule of key deadline for budget

		
UMKHANYAKUDE DISTRICT MUNICIPALITY		
SCHEDULE OF KEY DEADLINE		
SCHEDULE OF KEY DEADLINE		
Description	Submission date	Legislature
Submit adjustment budget 2013-2014 to Mayor, Provincial Treasury and National Treasury	25-Jan-15	MFMA Section 72
Table annual budget & supporting documents to council	29-Mar-15	MFMA Section 16 and 17
Public hearings on the budget	20-24 May 2015	MFMA Section 23
Approval of the annual budget	30-May-15	MFMA Section 24(1)
Approval of the SDBIP by the Mayor	28-Jun-15	MFMA Section 53(1)
Submit approved budget to Cogta, Provincial Treasury and National Treasury	13-Jun-14	MFMA Section 24

The budget together with the IDP is reviewed annually as per Section 21 of the Municipal Finance Management Act no 56 of 2003 and S34 of the Municipal Systems Act no.32 of 2000. The Municipality has resolved in eliminating unnecessary expenditure, paying off creditors and maximizing debt recovery. This annual review is as a result of the relevant regulations and priorities which are reviewed from year to year.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP/Budget Process Plan was also formulated and adopted on August 2013 together with the District IDP Framework. The IDP/Budget Process Plan outlines in detail, the way in which the municipality embarked on its IDP and Budget processes from its commencement in July 2013 to its completion in June 2014. The IDP/Budget Process Plan outlines the time frames of scheduled events, structures involved and their respective roles and responsibilities. All these plans were adopted in accordance

with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

2.1.2 Key IDP Processes and Deliverables

- Setting the scene to manage the planning process and legal requirements in planning for the implementation of the integrated planning system;
- A programme specifying time schedule that guide IDP and budget planning processes and various planning steps;
- Outlining appropriate mechanisms, processes and procedures on how the public, stakeholders, state organs can participate in the drafting of the IDP and formulation of the budget structures that will be used to ensure this participation;
- Indicate necessary organizational arrangements to ensure the successful implementation of the integrated development planning process;
- Binding plans and planning requirements, i.e. policy and legislation; and
- A programme specifying how the process will be monitored in order to manage the progress of the IDP and budget processes.

The IDP has been taken into a business and financial planning process leading up to the 2014-2015 MTREF, based on the approved 2013-2014 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections

2.1.3 Financial Modeling and Key Planning Drivers

During the compilation of the 2014-2015 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014-105 MTREF:

- Growth within the municipality
- Priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2013/2014 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities

- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 70 and 72 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2014-2015 MTREF as tabled before Council on 8 April 2014 for community consultation was published on the municipality's notice board, and hard copies were made available Local Municipality's offices, and advertised on the newspaper. All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees utilised to facilitate the community consultation process from 22 to 25 April 2014, and included public briefing sessions. The applicable dates and venues will publish in all the newspapers and on average attendance of 200 was recorded per meeting. This is based on the previous year's process. This can be attributes to the additional initiatives that will be launch during the consultation process, including the specific targeting of our service charges payer. Individual sessions are scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders that will be involved in the consultation are churches, non-governmental institutions and community-based organisations.

2.2 Overview of alignment of annual budget with Integrated Development Plan

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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

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

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

The IDP document has also been informed and is aligned to the following strategic documents and National and Provincial strategic objectives:

- The National Spatial Development Framework (NSDP);
- Medium Term Strategic Framework;
- Provincial Growth and Development Strategy;
- Municipal Turnaround Strategy; and
- National Delivery Outcome Agreements

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The following KPAs will inform the strategic direction of the Municipality 2014-2015:

- Good Governance and Community Participation
- Service Delivery and Infrastructure Investment
- Local Economic Development
- Municipal Transformation and Institutional Development
- Municipal Financial Viability and Management
- Spatial Planning and Environmental Management

2.2.1 Strategic objectives

- To maintain dignity of our community and uninterrupted sewerage networks.
- To ensure uninterrupted water provision for consumption and business purposes and to achieve 200m radius per households
- To maintain clean environment and ensure healthy food within the district

- To eradicate the poverty and have food security
- To maintain Economic, Social or Community and Skill Development
- To have revenue enhancement strategy
- To have spatial planning and development
- To maintain good and transparent communication and information Technology
- To implement Good governance and achieve clean audit
- To improve the livelihoods of the poor, vulnerable groups and support initiatives to reduce vulnerability of infectious diseases, especially reduce the impact of HIV/AIDS on communities

Only a member or committee of a municipal council may introduce a proposal for amending the municipality's integrated development plan in the council. Any proposal for amending a municipality's integrated development plan must be accompanied by a memorandum setting out the reasons for the proposal.

An amendment to a municipality's integrated development plan would be adopted by a decision taken by a municipal council in accordance with the rules and orders of the Council. No amendment to a municipality's integrated development plan may be adopted by the municipal council unless:

- All the members of the council have been given reasonable notice;
- The proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment

Should the intention to amend the IDP emanate from the district, the municipality must:

- Consult all the five local municipalities in the area of the district municipality on the proposed amendment; and
- Take all comments submitted to it by the local municipalities in that area into account before it takes a final decision on the proposed amendment.

In case where a local municipality considers an amendment to its integrated development plan; such municipality must:

- Consult the UMkhanyakude District municipality on the proposed amendment; and
- Take all comments submitted to it by the district municipality into account before it takes a final decision on the proposed amendment.

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

- Strengthening the analysis and strategic planning processes of the municipality;
- Initiating the planning processes that involve the communities in the analysis and planning. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2014-2015 MTREF has therefore been directly informed by the IDP revision process and the following tables provide reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 20: MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

DC27 Umkhanyakude - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
Basic Service Delivery	To provide basic service delivery												
	Technical Services			5 017			10 765				10 301	10 150	10 629
	Water Services			38 365	39 785	36 454	45 016	35 994	35 994		38 117	41 827	44 295
	Electricity				4 390	4 380	4 742	4 742	4 742		4 852	4 852	4 852
	Sanitation				1 618	1 087	1 699	1 699	1 699		1 834	1 981	2 140
Municipal Financial Viability	To provide stable financial management												
	Finance			6 359	16 174	14 167	51 094	10 795	10 795		38 995	30 994	27 626
Good Governance	Maintain good governance												
	Board and General			196 045	436 590	451 234	196 603	264 130	264 130		226 251	263 765	290 128
	Council Support												
Local Economic Development	Continuous improvement of local economy												
	Social Economic Development												
Safe and Secure Environment	Providing safe environment												
	Community Services												
	Thusong Service Centre						111				92	97	103
Municipal Institutional Development	Corporate Services						240				507	538	570
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contributions)			1	245 786	498 557	507 322	310 269	317 360	317 360		320 949	354 205	380 343

Table 21: MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

DC27 Umkhanyakude - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
Basic Service Delivery	To provide basic service delivery			-	-	-	-	-	-	-	-	-	
	Technical Services			4 148	-	-	6 816	-	-		4 331	4 689	4 903
	Water Services			85 813	28 466	61 082	101 015	74 181	74 181		139 652	148 836	157 849
	Electricity			-	-	-	34 251	-	-		17 899	19 804	21 471
	Sanitation			-	-	-	2 148	-	-		2 302	2 449	2 606
Municipal Financial Viability	To provide stable financial management			-	-	-	-	-	-		-	-	-
	Finance			50 023	1 100	22 082	60 708	35 414	35 414		50 201	54 226	58 898
				-	-	-	-	-	-		-	-	-
Good Governance	Maintain good governance			-	-	-	-	-	-		-	-	-
	Board and General			104 930	102 720	167 745		192 584	192 584		14 997	10 187	17 115
	Council Support			-	-	6 244	13 333 16 157	10 906	10 906		16 177	22 783	18 534
Local Economic Development	Continuous improvement of local economy			-	-	-	16 708	-	-		-	-	-
	Social Economic Development			-	-	-		-	-		14 586	19 186	18 532
Safe and Secure Environment	Providing safe environment			-	-	-	-	-	-		-	-	-
	Community Services			-	-	-	29 637	8 331	8 331		27 754	33 366	35 943
	Thusong Service Centre			-	-	-	1 025	-	-		1 095	1 095	1 240
Municipal Institutional Development	Corporate Services			-	2 832	104 111	28 470	24 951	24 951		31 956	37 585	43 252
				-	-	-	-	-	-		-	-	-
Allocations to other priorities													
Total Expenditure				1	244 913	135 117	361 264	310 268	346 367	346 367	320 950	354 205	380 343

Table 22: MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

DC27 Umkhanyakude - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Basic Service Delivery	To provide basic service delivery	A		-	-	-	-	-	-	-	-	-
	Electricity & Technical	B		-	-	-	-	4 000	4 000	3 566	2 491	2 584
	Water Services	C		-	-	-	168 707	231 028	231 028	159 719	117 633	158 315
	Sanitation	D		-	-	-	52 000	52 000	52 000	36 000	85 376	54 258
Municipal Financial Viability	To provide stable financial management	E		-	-	-	-	-	-	-	-	-
	Finance	F		-	-	-	3 000	3 000	3 000	7 000	3 000	2 000
		G		-	-	-	-	-	-	-	-	-
Good Governance	Maintain good governance	H		-	-	-	-	-	-	-	-	-
	Board and General	I		-	-	-	-	5 000	5 000	-	-	-
Local Economic Development	Continuous improvement of local economy	J		-	-	-	-	-	-	-	-	-
	Social Economic Development	K		-	-	-	-	-	-	-	-	-
Safe and Secure Environment	Providing safe environment	L		-	-	-	-	-	-	-	-	-
	Community Services	M		-	-	-	17 798	17 798	17 798	-	-	-
Municipal Institutional Development	Corporate Services	N		-	-	-	-	-	-	-	-	-
		O		-	-	-	-	-	-	-	-	-
		P		-	-	-	-	-	-	-	-	-
Allocations to other priorities		3	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure		1	-	-	-	241 505	312 826	312 826	206 285	208 500	217 157	

2.3 Measurable performance objectives and indicators

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

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

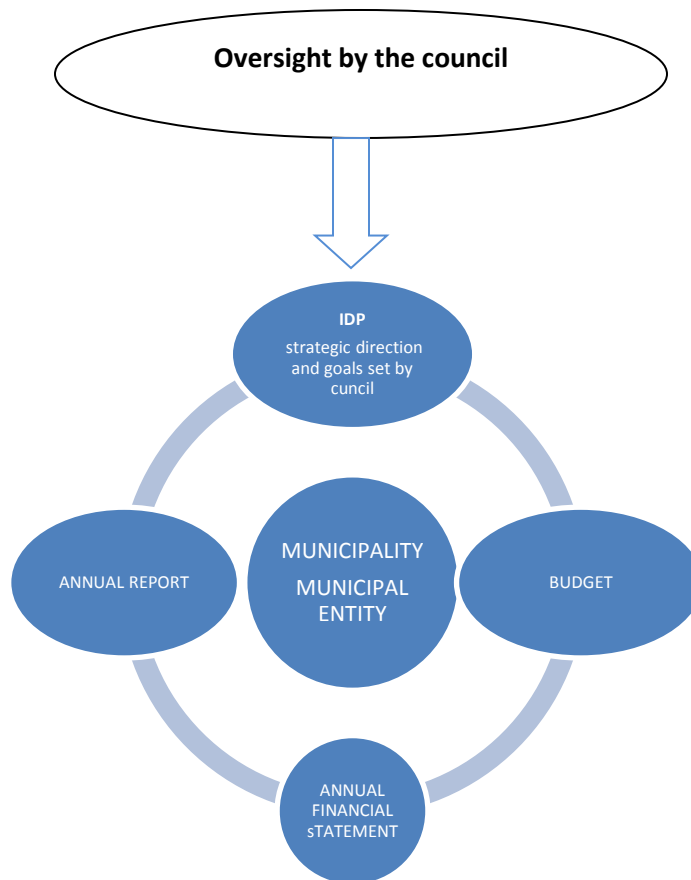


Figure 2: Planning, budgeting and reporting cycle

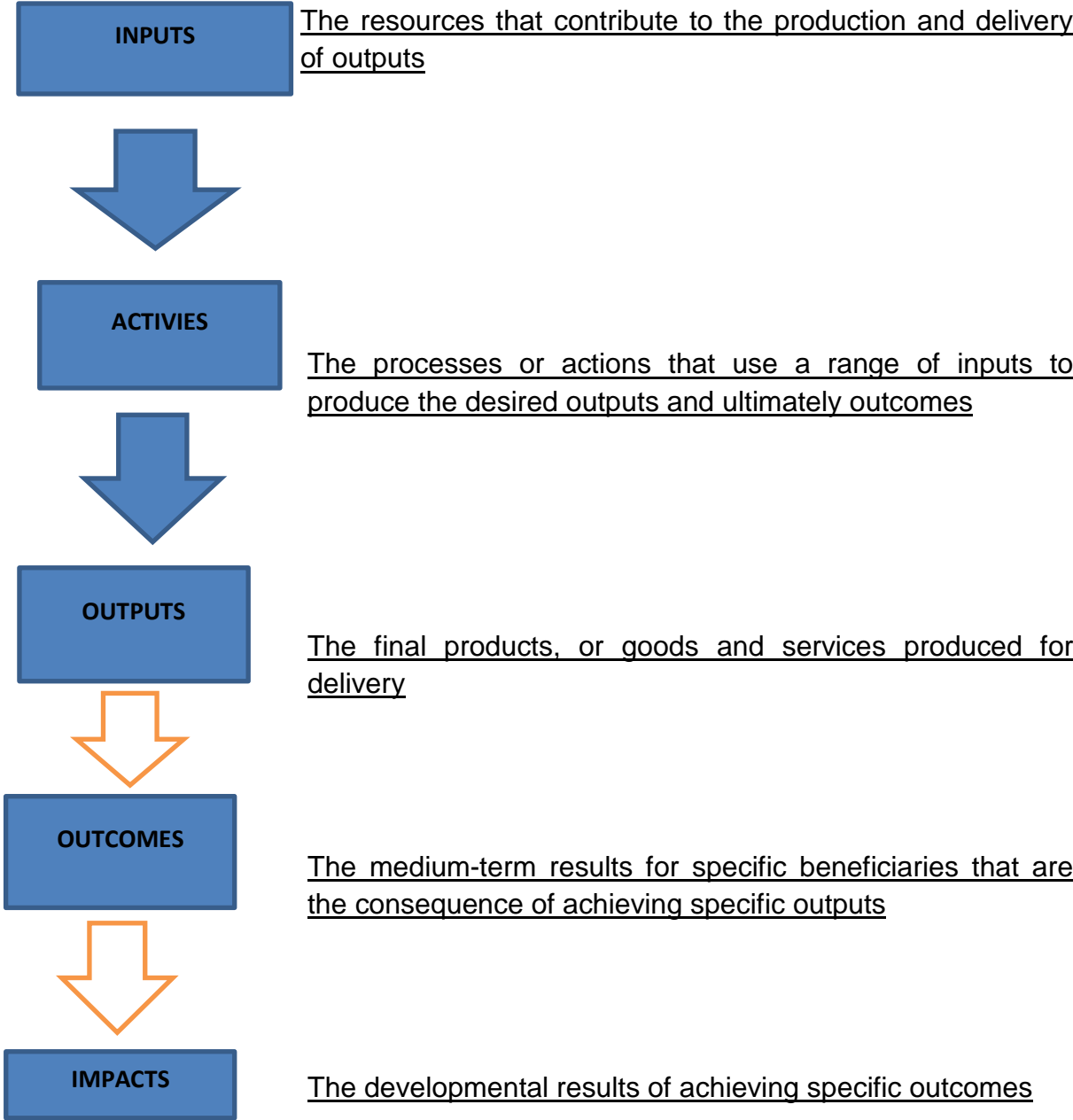
A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyse its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organisation.

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

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

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

Figure 3: Definition of performance information concepts



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

Table 23: MBRR Table SA7 - Measurable performance objectives

DC27 Umkhanyakude - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 1 - vote name	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Function 1 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 1 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Good governance and community participation</i>	NIL	0.0%	0.0%	0.0%	240000	440000	440000	240000	253000	267000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Service delivery and infrastructure</i>	NIL	0.0%	0.0%	0.0%	61284000	58127000	58127000	40528000	39185000	41171000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 3 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Sustainable local economic development</i>	NIL	0.0%	0.0%	0.0%	3667000	5667000	5667000	40528000	39185000	41171000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Function 2 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 1 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Transformation and institution development</i>	NIL	0.0%	0.0%	0.0%	176385000	176584000	176584000	196603000	225596000	260529000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Municipal financial viability and management</i>	NIL	0.0%	0.0%	0.0%	9736000	51407000	51407000	48558000	52761000	57007000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2014-2015 MTREF.

Table 24: MBRR Table SA8 - Performance indicators and benchmarks

DC27 Umkhanyakude - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Borrowing Management												
Credit Rating		0	0	0	0	0	0	0				
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.1%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.1%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Safety of Capital												
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Liquidity												
Current Ratio	Current assets/current liabilities	0.9	2.1	2.0	41.3	29.2	29.2	29.2	1.9	2.9	4.2	
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	2.1	2.0	41.3	29.2	29.2	29.2	1.9	2.9	4.2	
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	1.0	1.2	37.9	25.7	25.7	25.7	1.4	2.1	3.0	
Revenue Management												
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		29.4%	71.1%	95.0%	89.0%	90.2%	90.2%	90.2%	43.7%	56.0%	
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			29.4%	71.1%	95.0%	89.0%	90.2%	90.2%	43.7%	56.0%	65.3%	
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		19.6%	69.1%	49.1%	16.6%	16.3%	16.3%	21.3%	21.3%	22.8%	
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Creditors Management												
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))											
Creditors to Cash and Investments			95.0%	49.0%	130.2%	1.8%	2.4%	2.4%	2.4%	24.4%	12.5%	7.5%
Other Indicators												
Electricity Distribution Losses (2)	Total Volume Losses (kW)											
	Total Cost of Losses (Rand '000)											
	% Volume (units purchased and generated less units sold)/units purchased and generated											
Water Distribution Losses (2)	Total Volume Losses (kℓ)											
	Total Cost of Losses (Rand '000)											
	% Volume (units purchased and generated less units sold)/units purchased and generated											
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.0%	25.1%	25.4%	38.2%	33.9%	33.9%	33.9%	35.5%	34.2%	33.9%	
Remuneration	Total remuneration/(Total Revenue - capital revenue)	38.0%	27.0%	0.0%	42.7%	1.1%	1.1%		38.7%	37.3%	37.0%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	8.4%	10.0%	10.0%		4.0%	4.0%	3.9%	
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.6%	18.5%	10.4%	10.8%	11.2%	11.2%	11.2%	7.2%	7.2%	7.4%	
IDP regulation financial viability indicators												
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	3.1	5.0	4.4	9.2	9.2	9.2	5.4	4.6	4.4	4.3	
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	85.3%	398.3%	316.5%	121.2%	121.3%	121.3%	121.3%	151.8%	163.1%	179.2%	
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.4	9.2	5.6	28.4	20.1	20.1	20.1	10.2	15.5	20.9	

2.3.1 Performance indicators and benchmarks

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and the municipality is not planning to have a long term borrowing in 2014-2015. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, UMkhanyakude District's borrowing strategy is primarily informed by the affordability of debt repayments.

Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. During the 2014-2015 financial year the ratio there is no movement in the municipality

Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than the liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

Revenue Management

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

Creditors Management

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

of more competitive pricing of tenders, as suppliers compete for the municipality's business.

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

The social package assists residents that have difficulty paying for services. The municipality is working on the implementation of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water. Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement). Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of an upgrade plan;
- The Water Division will embark on training programme, especially for operational personnel;
- The Electricity Division is to install dedicated power supply lines to the plants.

2.4 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following policies were reviewed and approved in 2013-2014 by the council of UMkhanyakude District Municipality.

2.4.1 Asset Management Policy

The objectives of this policy are to:

- Safeguard the assets of UMkhanyakude District Municipality and to ensure the effective and optimal use of its assets;
- Enhance a culture of accountability over assets;
- Ensure that effective internal controls are communicated to management and staff through clear and comprehensive written documentation; and
- To provide a formal set of financial procedures that can be implemented to ensure that UMkhanyakude District Municipality's fixed asset policies are achieved and are in compliance with generally recognised accounting practise (GRAP 17).
- A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.
- Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management policy, is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.2 Supply Chain Management Policy

The Supply Chain Management Policy is under the review process by the council. The UMkhanyakude Municipality resolved in terms of section 111 of the Municipal Finance Management Act, No 56 of 2003, to have and implement a Supply Chain Management Policy that gives effect to section 217 of the Constitution; and Part 1 of Chapter 11 and

other applicable provisions of the Act is fair, equitable, transparent, competitive and cost effective; complies with the Regulations; and any minimum norms and standards that may be prescribed in terms of section 168 of the Act, is consistent with other applicable legislation e.g. Broad Based Black Economic Empowerment (BBBEE), does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and is consistent with national economic policy concerning the promotion of investments and doing business with the public sector, assign responsibility for the implementation of the policy to the Accounting Officer of the Municipality.

2.4.3 Expenditure management policy

In terms of section 65 of the MFMA, the accounting officer of each municipality is required to take all reasonable steps to ensure that the expenditure including the payments and financial documents thereof are properly controlled and managed. It is therefore against this background that expenditure, payments and financial documents management policy is developed and approved by the council.

2.4.4 Risk management framework and risk management policy

Risk management is recognised as an integral part of responsible management and the Institution therefore adopts a comprehensive approach to the management of risk. The features of this process are outlined in the Institution's Risk Management Framework. It is expected that all departments / sections, operations and processes will be subject to the risk management framework. It is the intention that these departments / sections will work together in a consistent and integrated manner, with the overall objective of reducing risk, as far as reasonably practicable.

Effective risk management is imperative to the Institution to fulfil its mandate, the service delivery expectations of the public and the performance expectations within the Institution.

2.4.5 Indigent policy

The provision of basic services to the community is in a sustainable manner, within the financial means of Council and to provide procedures and guidelines for the subsidisation of service charges and rates to its indigent households, using a portion or the whole of the Equitable Share for this purpose.

Council also recognises that many of the residents can simply not afford to pay the required service charges and rates, and Council will endeavour to ensure affordability

through. Setting rates and tariffs which will balance the economic viability of continued service delivery and determine appropriate service levels.

The following policies were tabled and approved by council

- Budget preparation and Implementation policy
- Cash Management and Investment Policy
- Tariff Policies
- Borrowing policy
- Funding and reserves policy
- Infrastructure Investment and Capital Project Policy
- Long term financial planning policy;
- Credit Control and Debts Collection policy; and
- Virements policy.

2.5 Overview of budget assumptions

External factors

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

General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2014-2015 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity with 8.6 per cent and bulk water with 8 per cent;
- Depreciation calculation is based on the assumption addition of the 10 percent increase of assets for 2013-2014 comparative years.
- The increase in the cost of remuneration. Employee related costs comprise 35 percent of total operating expenditure in the 2014-2015 MTREF.
- Debt impairment calculated on with 2 percent increase on debtors for the 2013-2014 comparative years

- Repairs and maintenance is 4 percent of operating expenditure due to R70 million that has been redeemed from the municipality's savings during adjustment budget for repairs and maintenance of our infrastructure.

Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. However, for simplicity the 2014-2015 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

Collection rate for revenue services

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

The rate of revenue collection is currently very low since the community of UMkhanyakude have a high rate of unemployment and indigent, but an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

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

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

Salary increases

The increase on salaries for 2014-2015 is 6.85 per cent and for indicative years is 6.4 per cent the circular 72 guideline has been used.

Impact of national, provincial and local policies

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

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

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

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2014-2015 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

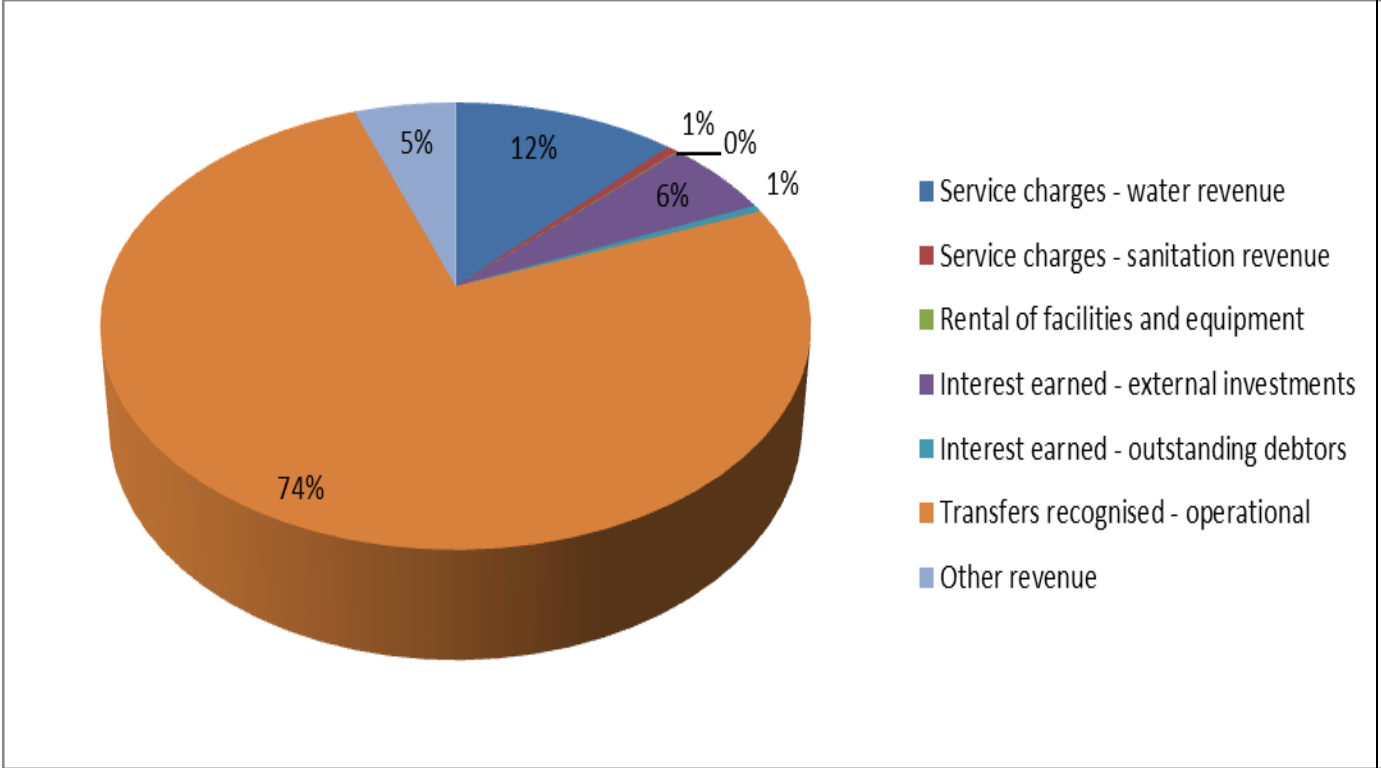
Table 25: Medium-term outlook: operating revenue

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

Revenue By Source	Budget Year 2014-2015	%	Budget Year +1 2015-2016	%	Budget Year +2 2016-2017	%
Service charges - electricity revenue	4 852 050	2%	4 852 050	1%	4 852 050	1%
Service charges - water revenue	38 117 373	12%	39 177 405	11%	41 294 780	11%
Service charges - sanitation revenue	1 834 383	1%	1 981 134	1%	2 139 625	1%
Rental of facilities and equipment	187 645	0%	198 579	0%	209 887	0%
Interest earned - external investments	18 244 798	6%	19 157 038	5%	20 114 890	5%
Interest earned - outstanding debtors	1 628 897	1%	1 716 857	0%	1 809 568	0%
Transfers recognised - operational	238 736 000	74%	278 833 465	79%	306 182 648	81%
Other revenue	17 348 616	5%	8 288 485	2%	3 739 290	1%
Total Revenue (excluding capital transfers and contributions)	320 949 762	100%	354 205 014	100%	380 342 737	100%
Total Expenditure	320 949 762	100%	354 205 014	100%	380 342 737	100%
Deficit/surplus	-	-	-	-	-	-

The following graph is a breakdown of the operational revenue per main category for the 2014-2015 financial year.

Figure 4: Breakdown of operating revenue over the 2014-2015 MTREF



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity and sanitation. Operating and capital grants is from organs of state and other minor charges (such as new connection fees etc.)

The revenue strategy is a function of key components such as:

- Growth in the UMkhanyakude and economic development;
- Revenue management and enhancement;
- Improvement in collection rate for consumer revenue;
- National Treasury guidelines;
- Achievement of full cost recovery of specific user charges;
- And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2014-2015 MTREF on the different revenue categories are:

Table 26: Proposed tariff increases over the medium-term

Revenue Category	Proposed Tariff	Budget Year 2014-2015	Budget Year +1 2015-2016	Budget Year +2 2016-2017
Water	5.5	38 117 373	39 177 405	41 294 780
Sanitation	5.5	1 834 383	1 981 134	2 139 625
Electricity	7	4 852 050	4 852 050	4 852 050
Total		44 803 806	46 010 589	48 286 454

Services charges relating to electricity, water and sanitation constitutes the revenue totalling R44.8 million for the 2014-2015 financial year and R46 million by 2015-2016, and increasing to R48 in 2016-2017. The 2014-2015 financial year services charges amount to 14 per cent of the total revenue.

Operational grants and subsidies amount to R 238.7 million (2014-2015), R278.8 million (2015-2016) and R306.1 million (2016-2017) for each of the respective financial years of the MTREF operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF for two outer years. The percentage of the total operational grants and transfers in relation to the total operating revenue is 71 per cent of services charges.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R18 million, R19 million and R20 million for the respective three

financial years of the 2014-2015 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

Table 27: MBRR SA 15 Investment particular by type

DC27 Umkhanyakude - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		122 602	98 157	96 627	220 000	220 000	220 000	100 000	115 000	120 000
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	122 602	98 157	96 627	220 000	220 000	220 000	100 000	115 000	120 000
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		122 602	98 157	96 627	220 000	220 000	220 000	100 000	115 000	120 000

Table 28: MBRR SA16 Investment particular maturity

DC27 Umkhanyakude - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rand)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & Investment ID	1	Yrs/Months												
Parent municipality														
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
Municipality sub-total		0	0	0	0	0	0	0	0	0	0	0	0	-
Entities														
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
NIL		0	0	0	0	0	0	0	0	0	0	0	0	-
Entities sub-total		0	0	0	0	0	0	0	0	0	0	0	0	-
TOTAL INVESTMENTS AND INTEREST	1													

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity

Table 29: Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014-2015 medium-term capital programmes:

Funded by:	Budget Year 2014-2015	Budget Year +1 2015-2016	Budget Year +2 2016-2017
National Government	198 159 000	205 500 000	215 157 000
Provincial Government	1 126 000	-	-
District Municipality	-	-	-
Other transfers and grants	-	-	-
Internally generated funds	7 000 000	3 000 000	2 000 000
	206 285 000	208 500 000	217 157 000

The above table is graphically represented as follows for the 2014-2015 financial year.

Figure 5: Medium-term outlook: capital revenue

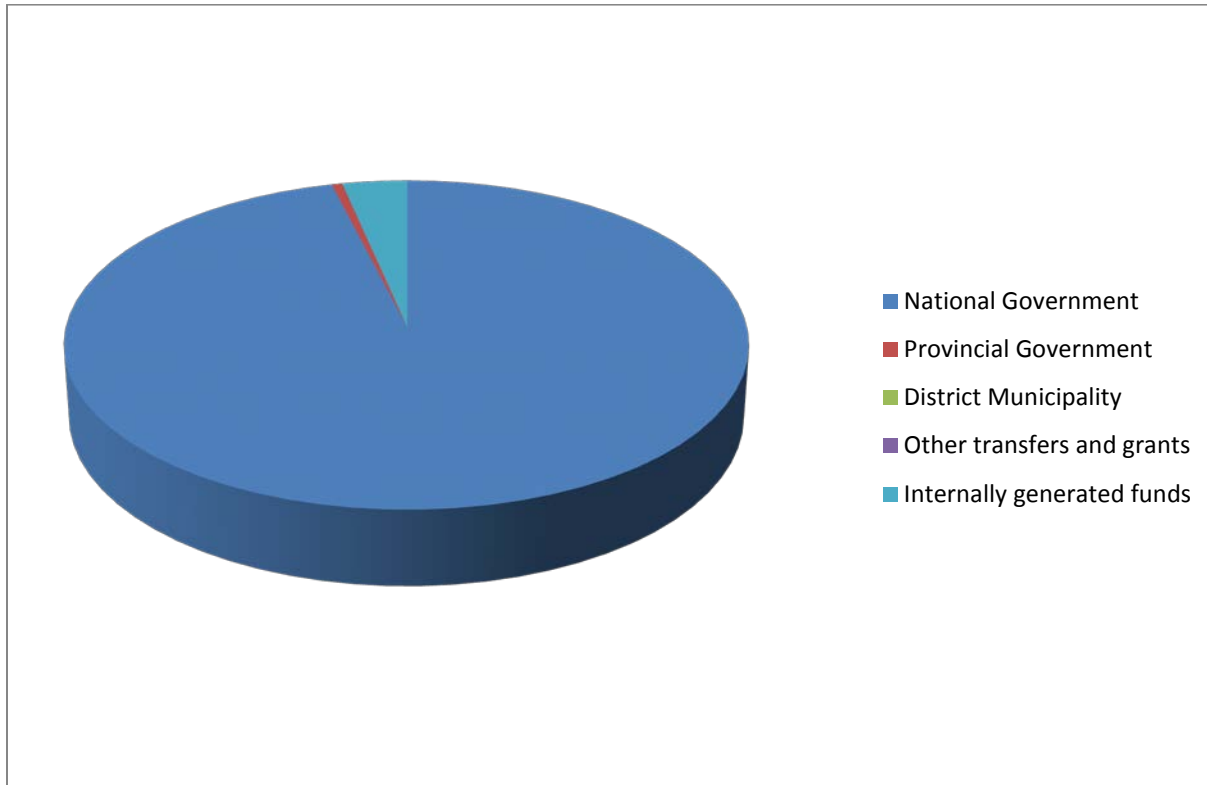


Table 30: MBRR SA 17 - Detail of borrowings

The municipality budgeted for 2014-2015 the outstanding loan with DBSA

DC27 Umkhanyakude - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality										
Long-Term Loans (annuity/reducing balance)		11 389	9 805	9 732	-	-	-	8 172	7 428	5 868
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	167	150	150
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	11 389	9 805	9 732	-	-	-	8 339	7 578	6 018

Figure 6: Growth in outstanding borrowings (long-term liabilities)

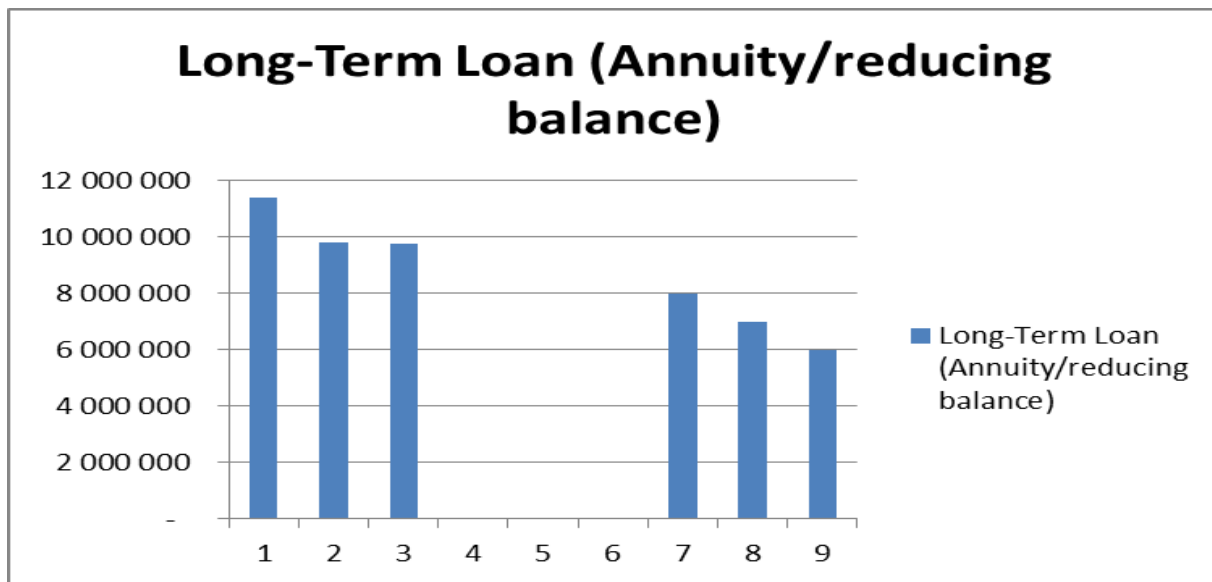


Table 31: MBRR SA 18 - Capital transfers and grant receipt

DC27 Umkhanyakude - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		142 383	201 032	177 178	218 530	218 530	218 530	238 736	279 396	306 267
Local Government Equitable Share		133 128	188 916	174 928	196 603	196 603	196 603	226 251	263 765	290 128
Finance Management		483	560	1 250	1 250	1 250	1 250	1 250	1 250	1 300
Municipal Systems Improvement		567	190	1 000	890	890	890	934	1 018	1 126
Water Services Operating Subsidy		-	-	-	9 022	9 022	9 022	-	2 650	3 000
Other transfers and grants [Project Management]		8 205	11 366	-	10 765	10 765	10 765	10 301	10 713	10 713
Provincial Government:		-	2 492	1 063	-	250	250	-	-	-
Operational Support for TSC's		-	2 492	463	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	142 383	203 524	178 241	218 530	218 780	218 780	238 736	279 396	306 267
Capital Transfers and Grants										
National Government:		-	-	229 631	234 707	238 316	238 316	199 285	205 500	215 157
Municipal Infrastructure Grant (MIG)		-	-	226 773	204 532	204 532	204 532	195 719	203 009	212 573
Rural Transport Services and Infrastructure		-	-	1 776	2 101	2 101	2 101	2 440	2 491	2 584
EPWP, Municipal Water Infrastructure Grant, ACIP		-	-	1 082	28 074	31 683	31 683	1 126	-	-
Provincial Government:		-	-	25 068	3 798	3 798	3 798	-	-	-
Infrastructure Sport Facilities, Massification, Cogta-Mseleni Groundnuts, Cogta-Ingwavuma Electrical Upgrade and Cogta-Disaster Management		-	-	25 068	3 798	3 798	3 798	-	-	-
District Municipality: Internal funding: CAPEX		-	-	-	3 000	(3 000)	-	-	-	-
Other grant providers: Internal funding: CAPEX		-	-	-	-	70 712	70 712	7 000	3 000	2 000
Total Capital Transfers and Grants	5	-	-	254 699	241 505	309 826	312 826	206 285	208 500	217 157
TOTAL RECEIPTS OF TRANSFERS & GRANTS		142 383	203 524	432 940	460 035	528 606	531 606	445 021	487 896	523 424

Cash Flow Management

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

- Clear separation of receipts and payments within each cash flow category;

- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

Table 32: MBRR A7 - Budget cash flow statement

DC27 Umkhanyakude - Table A7 Consolidated 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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		13 290	37 006	42 025	70 163	79 873	79 873	79 873	27 972	31 152	35 214
Government - operating	1	144 876	202 149	177 578	218 530	218 780	218 780	218 780	238 736	279 396	306 267
Government - capital	1	50 696	233 848	253 758	238 505	242 114	242 114	242 114	199 285	205 500	215 157
Interest		4 799	16 053	12 525	12 870	10 000	10 000	10 000	18 245	17 744	17 115
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(56 428)	(234 322)	(212 715)	(258 299)	(229 833)	(229 833)	(229 833)	(261 466)	(289 557)	(313 152)
Finance charges		(1 159)	(1 283)	(1 066)	-	-	-	-	(150)	(159)	(167)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		156 073	253 452	272 105	281 769	320 934	320 934	320 934	222 622	244 076	260 434
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	65	65	65	65	66	66	66
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments	1	(111 409)	26 050	-	220 000	220 000	220 000	220 000	100 000	115 000	120 000
Payments											
Capital assets		(45 053)	(206 691)	(307 248)	(241 505)	(241 505)	(241 505)	(241 505)	(206 285)	(208 500)	(217 212)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(156 462)	(180 641)	(307 248)	(21 440)	(21 440)	(21 440)	(21 440)	(106 219)	(93 434)	(97 146)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	(1 583)	1 786	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		1 445	751	-	40	40	40	40	40	41	41
Payments											
Repayment of borrowing		(385)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 060	(832)	1 786	40	40	40	40	40	41	41
NET INCREASE/ (DECREASE) IN CASH HELD	1	671	71 979	(33 358)	260 369	299 534	299 534	299 534	116 443	150 683	163 329
Cash/cash equivalents at the year begin:	1 2	57 549	58 220	130 199	318 627	141 757	141 757	141 757	114 823	231 266	381 949
Cash/cash equivalents at the year end:	1 2	58 220	130 199	96 841	578 996	441 291	441 291	441 291	231 266	381 949	545 277

The above table shows that cash and cash equivalents of the municipality were largely depleted between the 2012/13 and 2013/14 financial year moving positively to R260 million with the approved 2013/14 MTREF. With the 2013/14 it was also moving positively to 299million during adjustments budget. In the 2014-2015 the various cost efficiencies and savings had to be realised to ensure the municipality could meet its operational expenditure commitments. In addition the municipality undertook an extensive debt collection process to boost cash levels but due to unemployment and indigent community of UMkhanyakude we did not succeed in increasing cash collection. These initiatives and interventions have translated into a positive cash position for the municipality and it is projected that cash and cash equivalents on hand will decrease to R116 million by the financial year end.

Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

Table 33: MBRR A8 - Cash backed reserves/accumulated surplus reconciliation

DC27 Umkhanyakude - Table A8 Consolidated 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
Cash and investments available											
Cash/cash equivalents at the year end	1	58 220	130 199	96 841	578 996	441 291	441 291	441 291	231 266	381 949	545 277
Other current investments > 90 days		70 627	46 183	141 543	(4 412)	(51 291)	(51 291)	(51 291)	(56 266)	(186 949)	(335 277)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		128 847	176 381	238 384	574 584	390 000	390 000	390 000	175 000	195 000	210 000
Application of cash and investments											
Unspent conditional transfers		128 765	95 976	61 033	-	-	-	-	62 891	38 992	24 175
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	44 106	(66 207)	(276)	(35 486)	(36 110)	(36 110)	(36 110)	26 523	5 735	(15 968)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		172 871	29 769	60 757	(35 486)	(36 110)	(36 110)	(36 110)	89 414	44 727	8 207
Surplus(shortfall)		(44 024)	146 613	177 627	610 070	426 110	426 110	426 110	85 586	150 273	201 793

From the above table it can be seen that the cash and investments available total R390 million in the 2013/14 financial year and progressively decrease to R175 million by 2014/15, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

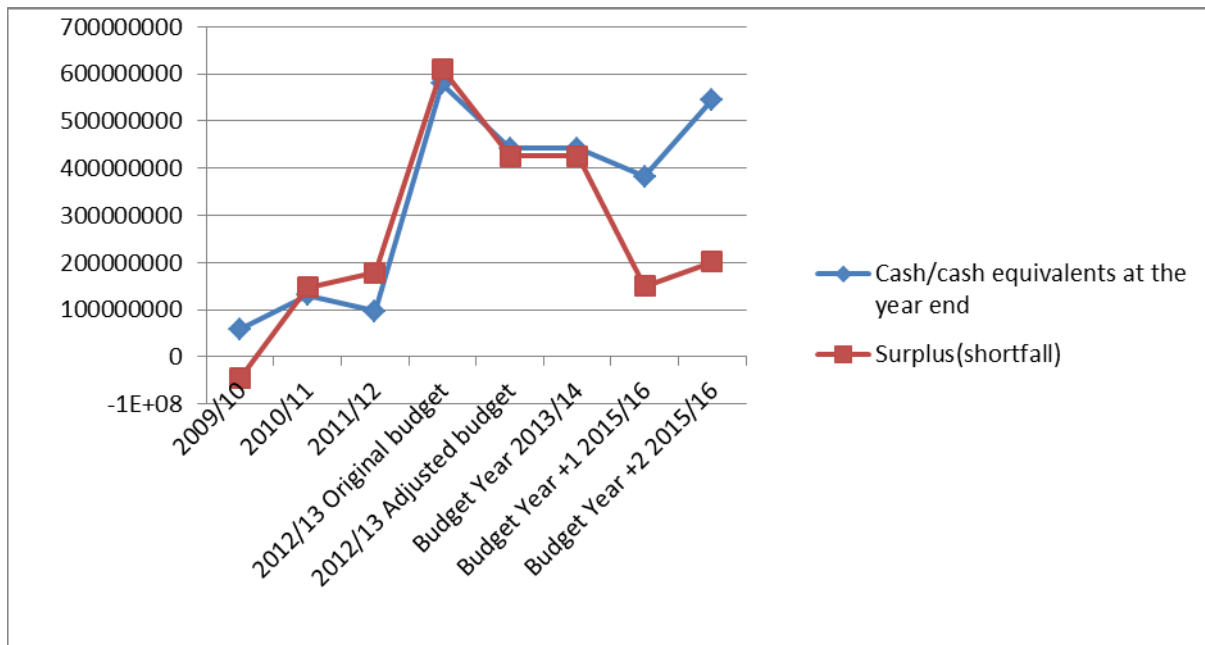
The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital.

Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

Figure 7: Cash and cash equivalents/cash backed reserves and accumulated funds



Cash and cash equivalents / Cash backed reserves and accumulated funds

Funding compliance measurement

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

Table 34: MBRR SA10 – Funding compliance measurement

DC27 Umkhanyakude Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	58 220	130 199	96 841	578 996	441 291	441 291	441 291	231 266	381 949	545 277
Cash + investments at the yr end less applications - R'000	18(1)b	2	(44 024)	146 613	177 627	610 070	426 110	426 110	426 110	85 586	150 273	201 793
Cash year end/monthly employee/supplier payments	18(1)b	3	5.4	9.2	5.6	28.4	20.1	20.1	20.1	10.2	15.5	20.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	107 370	240 159	208 332	241 505	280 113	280 113	280 113	206 285	208 500	217 157
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(3.4%)	(14.5%)	(4.8%)	(6.0%)	(6.0%)	(6.0%)	(0.4%)	(3.3%)	(1.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	29.4%	71.1%	95.0%	89.0%	90.2%	90.2%	90.2%	43.7%	56.0%	65.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	67.7%	43.6%	48.6%	48.6%	48.6%	80.8%	84.9%	80.9%
Capital payments % of capital expenditure	18(1)c,(19)	8	41.2%	0.0%	129.8%	100.0%	77.2%	77.2%	77.2%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	378.7%	(27.3%)	(61.2%)	0.0%	0.0%	0.0%	32.2%	10.4%	15.3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(v)	13	0.0%	0.0%	0.0%	2.2%	2.7%	2.7%	1.1%	1.0%	0.9%	0.9%
Asset renewal % of capital budget	20(1)(v)	14	0.0%	0.0%	0.0%	13.8%	40.0%	40.0%	0.0%	38.0%	38.9%	39.2%

Cash/cash equivalent position

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

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

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a relatively simple methodology for understanding the

budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

Monthly average payments covered by cash or cash equivalents

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

Surplus/deficit excluding depreciation offsets

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

Service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc. The outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Capital payments of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a no per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing as a percentage of capital expenditure (excluding transfers and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

Transfers/grants revenue of Government transfers/grants available

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

Repairs and maintenance expenditure level

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

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project.

2.6 Expenditure on grants and reconciliations of unspent funds

Table 35: MBRR SA19 - Expenditure on transfers and grant programmes

DC27 Umkhanyakude - 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
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		142 383	201 032	176 878	218 530	218 530	218 530	238 736	279 396	306 267
Local Government Equitable Share		133 128	188 916	174 928	196 603	196 603	196 603	226 251	263 765	290 128
Finance Management		483	560	1 327	1 250	1 250	1 250	1 250	1 250	1 300
Municipal Systems Improvement		567	190	623	890	890	890	934	1 018	1 126
Water Services Operating Subsidy		-	-	-	9 022	9 022	9 022	-	2 650	3 000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers and grants (Project Management)		8 205	11 366	-	10 765	10 765	10 765	10 301	10 713	10 713
Provincial Government:		-	2 492	2 415	-	250	250	-	-	-
		-	2 492	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Operational Support for TSC's		-	-	2 415	-	250	250	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>(insert description)</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>(insert description)</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		142 383	203 524	179 293	218 530	218 780	218 780	238 736	279 396	306 267
Capital expenditure of Transfers and Grants										
National Government:		-	-	238 124	234 707	238 316	238 316	199 285	205 500	215 157
Municipal Infrastructure Grant (MIG)		-	-	236 304	204 532	204 532	204 532	195 719	203 009	212 573
Rural Transport Services and Infrastructure		-	-	1 776	2 101	2 101	2 101	2 440	2 491	2 584
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
EPWP, Municipal Water Infrastructure Grant, ACIP		-	-	44	28 074	31 683	31 683	1 126	-	-
Provincial Government:		-	-	33 030	3 798	3 798	3 798	-	-	-
Infrastructure Sport Facilities, Massification, Cogla-Mseleni Groundnuts, Cogla-Ingwavuma Electrical Upgrade and Cogla-Disaster Management		-	-	33 030	3 798	3 798	3 798	-	-	-
District Municipality:		-	-	-	3 000	(3 000)	-	-	-	-
<i>Internal funding: CAPEX</i>		-	-	-	3 000	(3 000)	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	70 712	70 712	7 000	3 000	2 000
<i>Internal funding: CAPEX</i>		-	-	-	-	70 712	70 712	7 000	3 000	2 000
		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	-	271 154	241 505	309 826	312 826	206 285	208 500	217 157
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		142 383	203 524	450 447	460 035	528 606	531 606	445 021	487 896	523 424

Table 36: MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

DC27 Umkhanyakude - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts			188 982		178 934			218 530	243 988	279 794
Conditions met - transferred to revenue		-	188 982	-	178 934	-	-	218 530	243 988	279 794
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts					2 900					
Conditions met - transferred to revenue		-	-	-	2 900	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	188 982	-	181 834	-	-	218 530	243 988	279 794
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts			109 264		321 651			234 707	225 308	264 281
Conditions met - transferred to revenue		-	109 264	-	321 651	-	-	234 707	225 308	264 281
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts								3 798	4 026	5 244
Conditions met - transferred to revenue		-	-	-	-	-	-	3 798	4 026	5 244
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts								3 000	31 000	32 000
Conditions met - transferred to revenue		-	-	-	-	-	-	3 000	31 000	32 000
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	109 264	-	321 651	-	-	241 505	260 334	301 525
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	298 246	-	503 485	-	-	460 035	504 322	581 319
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.7 Councillor and employee benefits

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

DC27 Umkhanyakude - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		6 295	2 516	-	7 876	-	-	7 766	8 155	8 617
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		287	40	-	509	-	-	542	572	604
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	1 969	-	-	2 188	2 308	2 435
Sub Total - Councillors		6 582	2 556	-	10 354	-	-	10 497	11 035	11 655
% increase	4		(61.2%)	(100.0%)	-	(100.0%)	-	-	5.1%	5.6%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 139	1 822	-	5 823	-	-	5 823	6 222	6 648
Pension and UIF Contributions		565	530	-	64	-	-	54	58	62
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	208	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	315	-	-	-	-	-	451	482	515
Cellphone Allowance	3	64	-	-	-	-	-	-	-	-
Housing Allowances	3	21	-	-	94	-	-	94	101	108
Other benefits and allowances	3	194	-	-	68	-	-	654	698	746
Payments in lieu of leave		-	-	-	306	-	-	279	299	319
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 298	2 560	-	6 354	-	-	7 355	7 859	8 398
% increase	4		(40.4%)	(100.0%)	-	(100.0%)	-	-	6.9%	6.9%
Other Municipal Staff										
Basic Salaries and Wages		35 938	43 654	-	79 365	-	-	71 545	76 100	80 010
Pension and UIF Contributions		6 469	6 624	-	11 937	-	-	12 589	13 395	14 252
Medical Aid Contributions		805	-	-	3 365	-	-	3 346	3 560	4 723
Overtime		10 014	468	-	378	-	-	410	436	464
Performance Bonus		-	-	-	-	-	-	6 504	6 918	7 359
Motor Vehicle Allowance	3	2 145	9 861	-	7 167	-	-	3 241	3 447	3 665
Cellphone Allowance	3	559	-	-	934	-	-	628	668	851
Housing Allowances	3	1 128	1 960	-	113	-	-	125	133	141
Other benefits and allowances	3	2 419	3 813	-	5 186	-	-	4 296	4 568	4 857
Payments in lieu of leave		-	-	-	3 829	-	-	3 746	3 985	4 239
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		59 477	66 380	-	112 275	-	-	106 431	113 210	120 560
% increase	4		11.6%	(100.0%)	-	(100.0%)	-	-	6.4%	6.5%
Total Parent Municipality		70 357	71 496	-	128 983	-	-	124 283	132 104	140 613
% increase			1.6%	(100.0%)	-	(100.0%)	-	-	6.3%	6.4%
Board Members of Entities										
Basic Salaries and Wages		152	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		152	-	-	-	-	-	-	-	-
% increase	4		(100.0%)	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		1 215	-	-	1 836	1 836	1 836	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		1 215	-	-	1 836	1 836	1 836	-	-	-
% increase	4		(100.0%)	-	-	-	-	(100.0%)	-	-
Other Staff of Entities										
Basic Salaries and Wages		2 332	-	-	1 561	1 561	1 561	-	-	-

Table 39: MBRR SA24 – Summary of personnel numbers

DC27 Umkhanyakude - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		29	5	24	29	5	24	29	5	24
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	3	-	3	6	-	6	6	5	1
Other Managers	7	21	20	-	23	23	-	-	-	-
Professionals		261	204	57	266	209	58	373	346	27
<i>Finance</i>		41	37	4	46	42	5	67	62	5
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		-	-	-	-	-	-	3	3	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		-	-	-	-	-	-	5	5	-
<i>Water</i>		160	110	50	160	110	50	220	205	15
<i>Sanitation</i>		-	-	-	-	-	-	5	5	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		60	57	3	60	57	3	73	66	7
Technicians		-	-	-	-	-	-	-	-	-
<i>Finance</i>		-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		-	-	-	-	-	-	-	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		-	-	-	-	-	-	-	-	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
TOTAL PERSONNEL NUMBERS	9	314	229	84	324	237	88	408	356	52
% increase					3.2%	3.5%	4.8%	25.9%	50.2%	(40.9%)
Total municipal employees headcount	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	-	-	-

2.9 Monthly targets for revenue, expenditure and cash flow

Table 40: MBRR SA25 - Budgeted monthly revenue and expenditure

DC27 Umkhanyakude - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Revenue By Source																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		404	404	404	404	404	404	404	404	404	404	404	404	4 852	4 852	4 852	
Service charges - water revenue		3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 177	38 117	39 177	41 295	
Service charges - sanitation revenue		153	153	153	153	153	153	153	153	153	153	153	153	1 834	1 981	2 140	
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		16	16	16	16	16	16	16	16	16	16	16	15	188	199	210	
Interest earned - external investments		1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	18 245	19 157	20 115	
Interest earned - outstanding debtors		136	136	136	136	136	136	136	136	136	136	136	136	1 629	1 717	1 810	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers recognised - operational		57 719	-	57 719	-	-	57 719	-	-	57 719	-	-	7 861	238 736	279 396	306 267	
Other revenue		2 304	2 304	2 304	2 304	2 304	2 304	2 304	2 304	2 304	2 304	2 304	(7 997)	17 349	7 726	3 655	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and con		65 428	7 710	65 428	7 710	7 710	65 428	7 710	7 710	65 428	7 710	7 710	5 269	320 950	354 205	380 343	
Expenditure By Type																	
Employee related costs		9 398	9 398	9 398	9 398	9 398	9 398	9 398	9 398	9 398	9 398	9 398	10 414	113 787	121 070	128 959	
Remuneration of councillors		871	871	871	871	871	871	871	871	871	871	871	870	10 447	11 011	11 656	
Debt impairment		3 031	3 031	3 031	3 031	3 031	3 031	3 031	3 031	3 031	3 031	3 031	3 030	36 366	39 218	39 218	
Depreciation & asset impairment		1 927	1 927	1 927	1 927	1 927	1 927	1 927	1 927	1 927	1 927	1 927	1 926	23 118	25 430	27 973	
Finance charges		13	13	13	13	13	13	13	13	13	13	13	13	150	159	167	
Bulk purchases		4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	56 600	60 545	64 335	
Other materials		1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	(1 088)	12 863	14 036	14 910	
Contracted services		2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	31 783	35 584	39 499	
Transfers and grants		302	302	302	302	302	302	302	302	302	302	302	302	3 625	4 557	3 063	
Other expenditure		2 776	2 776	2 776	2 776	2 776	2 776	2 776	2 776	2 776	2 776	2 776	1 675	32 211	42 595	50 563	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		26 949	26 949	26 949	26 949	26 949	26 949	26 949	26 949	26 949	26 949	26 949	24 509	320 950	354 205	380 342	
Surplus/(Deficit)		38 479	(19 240)	38 479	(19 240)	(19 240)	38 479	(19 240)	(19 240)	38 479	(19 240)	(19 240)	(19 240)	0	0	0	
Transfers recognised - capital		49 821	-	49 821	-	-	49 821	-	-	49 821	-	-	-	199 285	205 500	215 157	
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributed assets		583	583	583	583	583	583	583	583	583	583	583	583	7 000	3 000	2 000	
Surplus/(Deficit) after capital transfers & contributions		88 884	(18 656)	88 884	(18 656)	(18 656)	88 884	(18 656)	(18 656)	88 884	(18 656)	(18 656)	(18 656)	206 285	208 500	217 157	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	88 884	(18 656)	88 884	(18 656)	(18 656)	88 884	(18 656)	(18 656)	88 884	(18 656)	(18 656)	(18 656)	206 285	208 500	217 157	

Table 41: MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

DC27 Umkhanyakude - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	R thousand	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
Revenue by Vote																		
Vote 1 - COUNCIL SUPPORT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 2 - BOARD & GENERAL	75 417	-	-	-	-	75 417	-	-	-	75 417	-	-	-	-	-	226 251	263 765	290 128
Vote 3 - FINANCIAL SERVICES	5 252	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	38 995	30 994	27 626
Vote 4 - CORPORATE SERVICES	169	-	169	-	-	-	-	-	-	-	-	-	-	-	-	507	538	570
Vote 5 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	92	97	103
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT	404	404	404	404	404	404	404	404	404	404	404	404	404	404	4 852	4 852	4 852	
Vote 9 - WATER SERVICES	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	38 117	41 827	44 295	
Vote 10 - SANITATION DEPARTMENT	154	154	154	154	154	154	154	154	154	154	154	154	142	142	1 834	1 981	2 140	
Vote 11 - TECHNICAL SERVICES	3 434	-	-	-	-	3 434	-	-	-	3 434	-	-	-	(0)	10 301	10 150	10 629	
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	88 014	6 810	6 979	6 810	6 810	85 661	6 810	6 979	6 810	85 661	6 810	6 810	6 798	320 950	354 205	380 342		
Expenditure by Vote to be appropriated																		
Vote 1 - COUNCIL SUPPORT	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	16 177	22 783	18 534		
Vote 2 - BOARD & GENERAL	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	14 997	10 187	17 115		
Vote 3 - FINANCIAL SERVICES	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	50 201	54 226	58 898		
Vote 4 - CORPORATE SERVICES	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	31 956	33 586	43 252		
Vote 5 - COMMUNITY SERVICES	2 313	2 313	2 313	2 313	2 313	2 313	2 313	2 313	2 313	2 313	2 313	2 313	2 313	27 754	33 366	35 943		
Vote 6 - THUSONG SERVICE CENTRE (MPCC)	91	91	91	91	91	91	91	91	91	91	91	91	88	1 095	1 095	1 240		
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	14 586	19 186	18 532		
Vote 8 - ELECTRICITY DEPARTMENT	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	17 899	19 804	21 471		
Vote 9 - WATER SERVICES	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	139 652	148 836	157 849		
Vote 10 - SANITATION DEPARTMENT	192	192	192	192	192	192	192	192	192	192	192	192	192	2 302	2 449	2 606		
Vote 11 - TECHNICAL SERVICES	361	361	361	361	361	361	361	361	361	361	361	361	361	4 331	4 689	4 903		
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Expenditure by Vote	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 743	320 950	354 205	380 343		
Surplus/(Deficit) before assoc.	61 268	(19 936)	(19 767)	(19 936)	58 914	(19 936)	(19 767)	(19 936)	58 914	(19 936)	(19 936)	(19 945)	(0)	(0)	(0)			
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Surplus/(Deficit)	61 268	(19 936)	(19 767)	(19 936)	58 914	(19 936)	(19 767)	(19 936)	58 914	(19 936)	(19 936)	(19 945)	(0)	(0)	(0)			

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

DC27 Umkhanyakude - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard																
<i>Governance and administration</i>		24 275	21 922	22 091	21 922	21 922	21 922	22 091	21 922	21 922	21 922	21 922	21 922	265 753	295 296	318 324
Executive and council		18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	226 251	263 765	290 128
Budget and treasury office		5 252	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	3 068	38 995	30 994	27 626
Corporate services		169	-	169	-	-	-	169	-	-	-	-	-	507	538	570
<i>Community and public safety</i>		8	8	8	8	8	8	8	8	8	8	8	8	92	97	103
Community and social services		8	8	8	8	8	8	8	8	8	8	8	8	92	97	103
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3 434	-	-	-	3 434	-	-	3 434	-	-	-	(0)	10 301	10 150	10 629
Planning and development		3 434	-	-	-	3 434	-	-	3 434	-	-	-	(0)	10 301	10 150	10 629
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		3 735	3 735	3 735	3 735	3 735	3 735	3 735	3 735	3 735	3 735	3 735	3 723	44 804	48 661	51 286
Electricity		404	404	404	404	404	404	404	404	404	404	404	404	4 852	4 852	4 852
Water		3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	3 176	38 117	41 827	44 295
Waste water management		154	154	154	154	154	154	154	154	154	154	154	142	1 834	1 981	2 140
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		31 451	25 664	25 833	25 664	29 098	25 664	25 833	25 664	29 098	25 664	25 664	25 652	320 950	354 205	380 342
Expenditure - Standard																
<i>Governance and administration</i>		9 444	9 444	9 444	9 444	9 444	9 444	9 444	9 444	9 444	9 444	9 444	9 444	113 331	124 780	137 799
Executive and council		2 598	2 598	2 598	2 598	2 598	2 598	2 598	2 598	2 598	2 598	2 598	2 598	31 174	32 969	35 649
Budget and treasury office		4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	4 183	50 201	54 226	58 898
Corporate services		2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	31 956	37 585	43 252
<i>Community and public safety</i>		2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	28 849	34 461	37 182
Community and social services		2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	2 404	28 849	34 461	37 182
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	18 917	23 875	23 435
Planning and development		1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	18 917	23 875	23 435
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		13 321	13 321	13 321	13 321	13 321	13 321	13 321	13 321	13 321	13 321	13 321	13 321	159 853	171 089	181 926
Electricity		1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	17 899	19 804	21 471
Water		11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	139 652	148 836	157 849
Waste water management		192	192	192	192	192	192	192	192	192	192	192	192	2 302	2 449	2 606
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard		26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	26 746	320 950	354 205	380 343
Surplus/(Deficit) before assoc.		4 705	(1 082)	(913)	(1 082)	2 352	(1 082)	(913)	(1 082)	2 352	(1 082)	(1 082)	(1 094)	(0)	(0)	(0)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		4 705	(1 082)	(913)	(1 082)	2 352	(1 082)	(913)	(1 082)	2 352	(1 082)	(1 082)	(1 094)	(0)	(0)	(0)

Table 43: MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

DC27 Umkhanyakude - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	IRef	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Multi-year expenditure to be appropriated	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - SANITATION DEPARTMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		583	583	583	583	583	583	583	583	583	583	583	583	7 000	3 000	2 000	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	159 719	117 633	158 315	-
Vote 10 - SANITATION DEPARTMENT		3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	36 000	85 376	54 258	-
Vote 11 - TECHNICAL SERVICES		297	297	297	297	297	297	297	297	297	297	297	297	3 566	2 491	2 584	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	206 285	208 500	217 157	-
Total Capital Expenditure	2	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	206 285	208 500	217 157	-

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

DC27 Umkhanyakude - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description	IRef	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Capital Expenditure - Standard	1	583	583	583	583	583	583	583	583	583	583	583	583	7 000	3 000	2 000	-
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		583	583	583	583	583	583	583	583	583	583	583	583	7 000	3 000	2 000	-
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-
Community and social services		0	0	0	0	0	0	0	0	0	0	0	0	(0)	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		297	297	297	297	297	297	297	297	297	297	297	297	3 566	2 491	2 584	-
Planning and development		297	297	297	297	297	297	297	297	297	297	297	297	3 566	2 491	2 584	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		16 310	16 310	16 310	16 310	16 310	16 310	16 310	16 310	16 310	16 310	16 310	16 310	195 719	203 009	212 573	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	13 310	159 719	117 633	158 315	-
Waste water management		3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	36 000	85 376	54 258	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	206 285	208 500	217 157	-
Funded by:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
National Government		16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	199 285	205 500	215 157	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	199 285	205 500	215 157	-
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		583	583	583	583	583	583	583	583	583	583	583	583	7 000	3 000	2 000	-
Total Capital Funding		17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	17 190	206 285	208 500	217 157	-

Table 45: MBRR SA30 - Budgeted monthly cash flow

DC27 Umkhanyakude - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	256	256	256	256	256	256	256	256	256	256	256	256	3 077	3 427	3 521
Service charges - water revenue	1 981	1 981	1 981	1 981	1 981	1 981	1 981	1 981	1 981	1 981	1 981	1 981	23 776	26 479	30 284
Service charges - sanitation revenue	93	93	93	93	93	93	93	93	93	93	93	93	1 119	1 246	1 409
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	16	16	16	16	16	16	16	16	16	16	16	16	188	199	210
Interest earned - external investments	-	-	-	6 082	-	-	6 082	-	-	6 082	-	0	18 245	19 157	20 115
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	78 851	2 184	-	-	78 851	-	-	-	78 851	-	-	(0)	238 736	279 396	306 267
Other revenue	1 037	867	-	867	-	867	-	867	-	867	-	2 095	10 409	8 288	3 739
Cash Receipts by Source	82 234	5 398	2 516	9 296	82 065	3 214	8 597	3 214	82 065	9 296	3 214	4 442	295 550	338 192	365 545
Other Cash Flows by Source															
Transfer receipts - capital	65 240	3 566	-	-	65 240	-	-	-	65 240	-	-	(0)	199 285	205 500	215 157
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	147 474	8 964	2 516	9 296	147 304	3 214	8 597	3 214	147 304	9 296	3 214	4 442	494 835	543 692	580 702
Cash Payments by Type															
Employee related costs	9 147	9 147	9 147	9 147	9 147	9 147	9 147	9 147	9 147	9 147	9 147	9 147	109 762	121 069	128 958
Remuneration of councillors	871	871	871	871	871	871	871	871	871	871	871	870	10 447	11 011	11 656
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	13 549	16 259	17 657
Bulk purchases - Water & Sewer	3 195	3 195	3 195	3 195	3 195	3 195	3 195	3 195	3 195	3 195	3 195	3 195	38 334	44 286	46 678
Other materials	893	893	893	893	893	893	893	893	893	893	893	893	10 720	14 036	14 910
Contracted services	2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	2 649	31 783	35 584	39 499
Transfers and grants - other municipalities	-	3 625	-	-	-	-	-	-	-	-	-	-	3 625	4 557	3 063
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	26 842	42 596	50 565
Cash Payments by Type	20 120	23 745	20 120	20 120	20 120	20 120	20 120	20 120	20 120	20 120	20 120	20 119	245 062	289 398	312 985
Other Cash Flows/Payments by Type															
Capital assets	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	16 607	199 285	205 500	215 157
Repayment of borrowing	-	-	780	-	-	-	-	-	780	-	-	-	1 560	1 560	1 560
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	36 727	40 352	37 507	36 727	36 727	36 727	36 727	36 727	37 507	36 727	36 727	36 726	445 907	496 459	529 702
NET INCREASE/(DECREASE) IN CASH HELD	110 747	(31 388)	(34 991)	(27 431)	110 577	(33 513)	(28 130)	(33 513)	109 797	(27 431)	(33 513)	(32 284)	48 928	47 234	51 000
Cash/cash equivalents at the month/year begin:	-	110 747	79 359	44 368	16 936	127 514	94 001	65 871	32 359	142 156	114 725	81 212	-	48 928	96 161
Cash/cash equivalents at the month/year end:	110 747	79 359	44 368	16 936	127 514	94 001	65 871	32 359	142 156	114 725	81 212	48 928	48 928	96 161	147 162

2.10 Annual budgets and SDBIPs – internal departments

Water Services Department – Vote 9

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

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

Description	Re	current 2013-2014				2014-2015 MTERF		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget year 2014-2015	Budget year +1 2015-2016	Budget year 2016-2017
R thousand	1							
Revenue By Source								
Service charges - water revenue	2	35 994	35 994	35 994	35 994	38 117	39 177	41 295
Total Revenue (excluding capital transfers and contributions)		35 994	35 994	35 994	35 994	38 117	39 177	41 295
Expenditure By Type								
Employee related costs	2	28 426	29 188	29 188	29 288	42 707	45 440	48 349
Debt impairment	3	18 557	20 666	20 666	20 666	36 366	39 218	39 218
Bulk purchases	2	23 254	23 254	23 254	23 254	41 819	44 286	4 678
Other materials	8	26 032	29 555	29 555	29 555	10 200	10 802	11 439
other expenditure		6 344	4 778	4 778	4 778	8 560	9 090	12 166
Total Expenditure		102 613	107 441	102 663	102 763	139 652	148 836	115 849
Surplus/(Deficit)		(66 619)	(71 447)	(66 669)	(66 769)	(101 535)	(109 659)	(74 555)

- There are currently no unfilled positions in the top management structure of the Water Services Department. As part of the performance objectives for the 2014-2015 financial year, the expansion of the functional water demand management unit will require an amendment to the departmental organogram and the subsequent filling of vacancies.
- Significant capital projects to be undertaken over the medium term includes, amongst others:
 - Expansion of the bulk reservoir supply
 - Replacement and upgrading of deficient reticulation infrastructure; and
 - Purification plant upgrades.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance.

2.11 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made. Consultancy services must be procured through competitive bids if the value of the contract exceeds R 200 000 (VAT included); or the duration period of the contract exceeds one year. In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of all consultancy services provided to an organ of state in the last five years; and any similar consultancy services provided to an organ of state in the last five years.

2.12 Capital expenditure details

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

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

Table 47: MBRR SA34a – Capital expenditure on new assets by assets class

Table 48 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Table 49: MBRR SA35 - Future financial implications of the capital budget

DC27 Umkhanyakude - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
Capital expenditure	1							
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		7 000	3 000	2 000	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		159 719	117 633	158 315	-	-	-	-
Vote 10 - SANITATION DEPARTMENT		36 000	85 376	54 258	-	-	-	-
Vote 11 - TECHNICAL SERVICES		3 566	2 491	2 584	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
Total Capital Expenditure		206 285	208 500	217 157	-	-	-	-
Future operational costs by vote	2							
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE (MPCC)		-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	-	-	-	-
Vote 10 - SANITATION DEPARTMENT		-	-	-	-	-	-	-
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates		-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-
<i>List other revenues sources if applicable</i>		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		206 285	208 500	217 157	-	-	-	-

Table 50: MBRR SA36 - Detailed capital budget per municipal vote

DC27 Umkhanyakude - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project Information	
										Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Thembalethu Sanitation		Community infrastructure			Yes	Infrastructure - Sanitation	Sewerage purification		100 919	22 000	10 000	10 713	18 919			
Ingwavuma VIP sanition		Community infrastructure			Yes	Infrastructure - Sanitation	Waste Management		142 589	20 000	8 000	15 000	31 438			
Mtuba sanitation		Community infrastructure			Yes	Infrastructure - Sanitation	Sewerage purification		95 778	17 000	18 000	45 575	3 901			
Kwajobe/Ntshongwe CWSS		Community infrastructure			Yes	Infrastructure - Water	Reticulation		160 194	20 000	10 000	24 801	35 000			
Mkhuze WTW Plant Upgrade		Community infrastructure			Yes	Infrastructure - Water	Reticulation		25 115	10 000	12 000	38 016	-			
Hluhluwe Water Phase 1 upgrade		Community infrastructure			Yes	Infrastructure - Water	Reticulation		38 868	41 300	10 000	2 512	-			
Hlabisa Mandlakazi Water relic		Community infrastructure			Yes	Infrastructure - Water	Reticulation		113 823	18 829	15 000	2 400	4 700			
Disaster Management Centre		Community infrastructure			Yes	Infrastructure - Water	Reticulation		14 626	11 977	1 187	13 000	-			
Mpukunyoni CWSS Remedial		Community infrastructure			Yes	Infrastructure - Water	Reticulation		92 351	17 782	20 000	1 463	7 500			
Hluhluwe Phase 2 and 4 Link		Community infrastructure			Yes	Infrastructure - Water	Reticulation		-	-	7 000	20 818	-			
Shemula Community Water Supply Scheme		Community infrastructure			Yes	Infrastructure - Water	Reticulation		-	-	27 250	-	-			
Jozini Ingwavuma Reticulation		Community infrastructure			Yes	Infrastructure - Water	Reticulation		-	-	15 276	-	-			
Dukuduku Water Supply Project		Community infrastructure			Yes	Infrastructure - Water	Reticulation		-	-	12 000	-	-			
Jozini Regional Community Water Supply		Community infrastructure			Yes	Infrastructure - Water	Reticulation		-	-	20 000	-	68 349			
Manguzi Star of the Sea water project		Community infrastructure			Yes	Infrastructure - Water	Reticulation		-	-	10 000	-	-			
Shemula Mvelobusho Retic		Community infrastructure			Yes	Infrastructure - Water	Reticulation		-	-	-	34 666	44 480			
Parent Capital expenditure												195 719	208 963	214 287		

Table 51: MBRR SA37 - Projects delayed from previous financial year

DC27 Umkhanyakude - Supporting Table SA37 Consolidated projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class	Asset Sub-Class	GPS co-ordinates	Previous target year to complete	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality:												
<i>List all capital projects grouped by Municipal Vote</i>												
				Examples	Examples							
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
Entities:												
<i>List all capital projects grouped by Municipal Entity</i>												
Entity Name	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	-

2.13 Legislation compliance status

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

- In year reporting
- Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance.
- Internship programme. The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns one has been appointed permanently from December 2012. The remaining four have completed their two year contract on 30 January 2012, and extension for six months has been granted to the current interns.
- Budget and Treasury Office. The Budget and Treasury Office has been established in accordance with the MFMA.
- Audit Committee. An Audit Committee has been established and is fully functional.
- Service Delivery and Implementation Plan. The detail SDBIP document is at a draft stage and will be finalised after approval of the 2013/14 MTREF in May 2013.
- Annual Report. Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.14 Other supporting documents

Table 52: MBRR Table SA1 - Supporting detail to budgeted financial performance

DC27 Umkhanyakude - 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											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	-	-	-	-	-	-	-	-	-	-
less Revenue Foregone		-	-	-	-	-	-	-	-	-	-
Net Property Rates		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	5 017	4 390	4 380	4 742	4 742	4 742	4 742	4 852	4 852	4 852
less Revenue Foregone		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		5 017	4 390	4 380	4 742	4 742	4 742	4 742	4 852	4 852	4 852
Service charges - water revenue											
Total Service charges - water revenue	6	38 180	39 785	36 454	42 094	42 094	42 094	42 094	44 317	45 377	47 595
less Revenue Foregone		-	-	-	6 100	6 100	6 100	6 100	6 200	6 200	6 300
Net Service charges - water revenue		38 180	39 785	36 454	35 994	35 994	35 994	35 994	38 117	39 177	41 295
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		1 430	1 618	1 087	1 699	1 699	1 699	1 699	1 834	1 981	2 140
less Revenue Foregone		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		1 430	1 618	1 087	1 699	1 699	1 699	1 699	1 834	1 981	2 140
Service charges - refuse revenue											
Total refuse removal revenue	6	-	-	-	-	-	-	-	-	-	-
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-
Other Revenue by source											
Public contribution and donations		-	12	-	-	-	-	-	-	-	-
Other Income		430	1 234	-	-	-	-	-	-	-	-
Tender Sales		-	-	-	-	-	-	-	-	-	-
LGSETA Refund		-	-	-	-	-	-	-	-	-	-
Other Income	3	-	-	2 218	36 270	45 350	45 350	45 350	17 349	7 726	3 655
Total 'Other' Revenue	1	430	1 246	2 218	36 270	45 350	45 350	45 350	17 349	7 726	3 655
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	42 716	43 654	68 802	85 188	78 194	78 194	78 194	83 872	89 240	94 952
Pension and UIF Contributions		6 903	6 624	-	12 001	9 201	9 201	9 201	12 643	13 453	14 314
Medical Aid Contributions		-	-	-	3 365	2 765	2 765	2 765	3 346	3 560	3 788
Overtime		2 065	1 960	-	378	2 496	2 496	2 496	410	436	464
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		7 475	9 861	-	7 167	5 137	5 137	5 137	3 692	3 929	4 180
Cellphone Allowance		-	-	-	934	934	934	934	628	669	851
Housing Allowances		454	468	-	207	207	207	207	220	234	249
Other benefits and allowances		869	3 813	-	5 254	4 379	4 379	4 379	4 949	5 266	5 603
Payments in lieu of leave		-	-	-	4 135	4 135	4 135	4 135	4 026	4 284	4 558
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	-	-	-	-	-	-	-	-	-	-
sub-total	5	60 481	66 380	68 802	118 630	107 448	107 448	107 448	113 787	121 070	128 959
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	60 481	66 380	68 802	118 630	107 448	107 448	107 448	113 787	121 070	128 959
Contributions recognised - capital											
List contributions by contract		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		28	47 673	28 224	33 414	35 414	35 414	35 414	23 118	25 430	27 973
Lease amortisation		-	-	-	-	-	-	-	-	-	-
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	10	-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	28	47 673	28 224	33 414	35 414	35 414	35 414	23 118	25 430	27 973
Bulk purchases											
Electricity Bulk Purchases		14 916	17 209	21 917	25 043	14 768	14 768	14 768	14 781	16 259	17 657
Water Bulk Purchases		31 789	38 711	36 016	26 407	38 748	38 748	38 748	41 819	44 286	46 678
Total bulk purchases	1	46 705	55 920	57 933	51 449	53 516	53 516	53 516	56 600	60 545	64 335
Transfers and grants											
Cash transfers and grants		-	-	-	3 169	12 036	12 036	12 036	3 625	4 557	3 063
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	3 169	12 036	12 036	12 036	3 625	4 557	3 063
Contracted services											
List services provided by contract		-	-	-	-	-	-	-	-	-	-
Security		3 589	2 594	-	87	-	-	-	-	-	-
Office Equipment		1 094	863	-	-	-	-	-	-	-	-
Disaster Management		2 222	11 645	-	-	-	-	-	9 600	10 118	10 665

Table 53: MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

DC27 Umkhanyakude - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Vote 1 - COUNCIL SUPPORT	Vote 2 - BOARD & GENERAL	Vote 3 - FINANCIAL SERVICES	Vote 4 - CORPORATE SERVICES	Vote 5 - COMMUNITY SERVICES	Vote 6 - THUSONG SERVICE CENTRE	Vote 7 - SOCIAL ECONOMIC DEVELOPME NT	Vote 8 - ELECTRICIT Y	Vote 9 - WATER SERVICES	Vote 10 - SANITATION DEPARTMEN T	Vote 11 - TECHNICAL SERVICES	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
Revenue By Source																
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	4 852	-	-	-	-	-	-	-	-	4 852
Service charges - water revenue	-	-	-	-	-	-	-	38 117	-	-	-	-	-	-	-	38 117
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	1 834	-	-	-	-	-	-	1 834
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	96	-	-	92	-	-	-	-	-	-	-	-	-	188
Interest earned - external investments	-	-	18 245	-	-	-	-	-	-	-	-	-	-	-	-	18 245
Interest earned - outstanding debtors	-	-	1 629	-	-	-	-	-	-	-	-	-	-	-	-	1 629
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	10 301	-	-	-	-	-
Other revenue	-	-	16 841	507	-	-	-	-	-	-	-	-	-	-	-	17 348
Transfers recognised - operational	-	226 251	2 184	-	-	-	-	-	-	-	-	-	-	-	-	228 435
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	226 251	38 995	507	-	92	-	4 852	38 117	1 834	10 301	-	-	-	-	320 950
Expenditure By Type																
Employee related costs	-	113 787	-	-	-	-	-	-	-	-	-	-	-	-	-	113 787
Remuneration of councillors	10 447	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10 447
Debt impairment	-	-	-	-	-	-	-	-	36 366	-	-	-	-	-	-	36 366
Depreciation & asset impairment	-	-	23 118	-	-	-	-	-	-	-	-	-	-	-	-	23 118
Finance charges	-	-	150	-	-	-	-	-	-	-	-	-	-	-	-	150
Bulk purchases	-	-	-	-	-	-	-	14 781	41 819	-	-	-	-	-	-	56 600
Other materials	-	-	-	1 163	-	-	-	1 500	10 200	-	-	-	-	-	-	12 863
Contracted services	-	5 400	3 455	13 328	9 600	-	-	-	-	-	-	-	-	-	-	31 783
Transfers and grants	-	-	-	-	-	-	3 625	-	-	-	-	-	-	-	-	3 625
Other expenditure	-	32 211	-	-	-	-	-	-	-	-	-	-	-	-	-	32 211
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	10 447	151 397	26 723	14 492	9 600	-	3 625	16 281	88 385	-	-	-	-	-	-	320 950
Surplus/(Deficit)	(10 447)	74 854	12 272	(13 984)	(9 600)	92	(3 625)	(11 429)	(50 268)	1 834	10 301	-	-	-	-	(0)
Transfers recognised - capital	-	-	-	-	1 126	-	-	-	159 719	36 000	2 440	-	-	-	-	199 285
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	7 000	-	-	-	-	-	-	-	-	-	-	-	-	7 000
Surplus/(Deficit) after capital transfers & contributions	(10 447)	74 854	19 272	(13 984)	(8 474)	92	(3 625)	(11 429)	109 451	37 834	12 741	-	-	-	-	206 285

Table 54: MBRR Table SA3 – Supporting detail to Statement of Financial Position

DC27 Umkhanyakude - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		122 602	98 157	96 627	220 000	220 000	220 000	220 000	100 000	115 000	120 000
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	122 602	98 157	96 627	220 000	220 000	220 000	220 000	100 000	115 000	120 000
Consumer debtors											
Consumer debtors		30 655	24 806	108 296	13 423	13 423	13 423	13 423	66 245	76 182	87 608
Less: Provision for debt impairment		-	-	-	-	-	-	-	(36 366)	(39 218)	(39 218)
Total Consumer debtors	2	30 655	24 806	108 296	13 423	13 423	13 423	13 423	29 879	36 963	48 390
Debt impairment provision											
Balance at the beginning of the year		-	-	-	-	-	-	-	-	-	-
Contributions to the provision		-	-	-	-	-	-	-	-	-	-
Bad debts written off		-	-	-	-	-	-	-	-	-	-
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1 121 616	1 145 840	1 508 395	1 187 494	1 187 494	1 187 494	1 187 494	1 324 866	1 511 719	1 611 719
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	-	-	-	-	-	-	(23 118)	(25 430)	(27 973)
Total Property, plant and equipment (PPE)	2	1 121 616	1 145 840	1 508 395	1 187 494	1 187 494	1 187 494	1 187 494	1 347 984	1 537 148	1 639 691
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		841	2 243	1 042	-	-	-	-	1 560	1 560	1 560
Total Current liabilities - Borrowing		841	2 243	1 042	-	-	-	-	1 560	1 560	1 560
Trade and other payables											
Trade and other creditors		55 333	63 801	126 058	10 451	10 451	10 451	10 451	56 380	47 923	40 735
Unspent conditional transfers		128 765	95 976	61 033	-	-	-	-	62 891	38 992	24 175
VAT		1 907	99	-	-	-	-	-	-	-	-
Total Trade and other payables	2	186 005	159 876	187 091	10 451	10 451	10 451	10 451	119 271	86 915	64 910
Non current liabilities - Borrowing											
Borrowing	4	11 389	9 805	9 732	-	-	-	-	8 172	7 428	5 868
Finance leases (including PPP asset element)		682	31	173	-	-	-	-	167	150	150
Total Non current liabilities - Borrowing		12 071	9 837	9 905	-	-	-	-	8 339	7 578	6 018
Provisions - non-current											
Retirement benefits		-	-	-	-	-	-	-	-	-	-
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions - non-current		-	-	-	-	-	-	-	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		-	-	-	-	-	-	-	-	-	-
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		107 345	240 152	208 332	241 505	280 113	280 113	280 113	206 285	208 500	217 157
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	1 591 497	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	107 345	240 152	208 332	1 833 002	280 113	280 113	280 113	206 285	208 500	217 157
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	107 345	240 152	208 332	1 833 002	280 113	280 113	280 113	206 285	208 500	217 157
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-

Table 55: MBRR SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	2014/15 Medium Term Revenue & Expenditure Framework			
						Outcome	Outcome	Outcome	Original Budget	Budget Year	Budget Year	
Demographics												
Population		Statistic SA	-	-	-	-	-	-	625846	-	-	-
Females aged 5 - 14		Statistic SA	-	-	-	-	-	-	215500	-	-	-
Males aged 5 - 14		Statistic SA	-	-	-	-	-	-	95015	-	-	-
Females aged 15 - 34		Statistic SA	-	-	-	-	-	-	265500	-	-	-
Males aged 15 - 34		Statistic SA	-	-	-	-	-	-	49831	-	-	-
Unemployment		Statistic SA	-	-	-	-	-	-	152000	-	-	-
Monthly household income (no. of households)												
No income	1, 12	Statistic SA	-	-	-	-	-	-	-	-	-	-
R1 - R1 600		Statistic SA	-	-	-	-	-	-	105 000	-	-	-
R1 601 - R3 200		Statistic SA	-	-	-	-	-	-	45 000	-	-	-
R3 201 - R4 400		Statistic SA	-	-	-	-	-	-	4 500	-	-	-
R4 401 - R12 800		Statistic SA	-	-	-	-	-	-	1 600	-	-	-
R12 801 - R25 600		Statistic SA	-	-	-	-	-	-	800	-	-	-
R25 601 - R51 200		Statistic SA	-	-	-	-	-	-	85	-	-	-
R52 201 - R102 400		Statistic SA	-	-	-	-	-	-	60	-	-	-
R102 401 - R204 800		Statistic SA	-	-	-	-	-	-	25	-	-	-
R204 801 - R409 600		Statistic SA	-	-	-	-	-	-	18	-	-	-
R409 601 - R819 200		Statistic SA	-	-	-	-	-	-	15	-	-	-
> R819 200		Statistic SA	-	-	-	-	-	-	8	-	-	-
Poverty profiles (no. of households)												
< R2 060 per household per month	13	Nil	-	-	-	-	-	-	0.00	-	-	-
Insert description	2	Nil	-	-	-	-	-	-	0.00	-	-	-
Household/demographics (000)												
Number of people in municipal area		Statistic SA	-	-	-	-	-	-	626	-	-	-
Number of poor people in municipal area		Statistic SA	-	-	-	-	-	-	105	-	-	-
Number of households in municipal area		Statistic SA	-	-	-	-	-	-	626	-	-	-
Number of poor households in municipal area		Statistic SA	-	-	-	-	-	-	105	-	-	-
Definition of poor household (R per month)		Statistic SA	-	-	-	-	-	-	<1600	-	-	-
Housing statistics												
Formal	3	0	-	-	-	-	-	-	0	-	-	-
Informal	0	0	-	-	-	-	-	-	0	-	-	-
Total number of households			-	-	-	-	-	-	0	-	-	-
Dwellings provided by municipality	4	Statistic SA	-	-	-	-	-	-	48 226	-	-	-
Dwellings provided by province/s		Statistic SA	-	-	-	-	-	-	0	-	-	-
Dwellings provided by private sector	5	Statistic SA	-	-	-	-	-	-	0	-	-	-
Total new housing dwellings			-	-	-	-	-	-	48 226	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6		-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - borrowing			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration increases			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity)			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection rates												
Property tax/service charges	7		-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental of facilities & equipment			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - external investments			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - debtors			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue from agency services			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Household service targets (000)											
Water:											
		-	-	-	17 575	17 575	17 575	18 075	18 575	19 075	
		-	-	-	30 691	30 691	30 691	31 191	31 691	32 191	
		-	-	-	28 013	28 013	28 013	27 513	27 013	26 513	
		-	-	-	3 300	3 300	3 300	3 235	3 170	3 105	
		-	-	-	79 579	79 579	79 579	80 014	80 449	80 884	
		-	-	-	-	-	-	-	-	-	
		-	-	-	38 909	38 909	38 909	28 909	18 909	8 909	
		-	-	-	38 909	38 909	38 909	28 909	18 909	8 909	
		-	-	-	118 488	118 488	118 488	108 923	99 358	89 753	
		-	-	-	-	-	-	-	-	-	
		-	-	-	13 237	13 237	13 237	13 737	13 737	13 737	
		-	-	-	4 633	4 633	4 633	5 133	5 133	5 133	
		-	-	-	21 255	21 255	21 255	21 755	21 755	21 755	
		-	-	-	33 025	33 025	33 025	33 275	33 275	33 275	
		-	-	-	25 536	25 536	25 536	25 786	25 786	25 786	
		-	-	-	97 686	97 686	97 686	99 686	99 686	99 686	
		-	-	-	1 096	1 096	1 096	595	595	595	
		-	-	-	7 043	7 043	7 043	6 793	6 793	6 793	
		-	-	-	13 624	13 624	13 624	3 624	3 624	3 624	
		-	-	-	21 763	21 763	21 763	11 012	11 012	11 012	
		-	-	-	119 449	119 449	119 449	110 698	110 698	110 698	
		-	-	-	-	-	-	-	-	-	
		-	-	-	49 707	49 707	49 707	50 207	50 207	50 207	
		-	-	-	49 707	49 707	49 707	50 207	50 207	50 207	
		-	-	-	79 487	79 487	79 487	79 987	79 987	79 987	
		-	-	-	79 487	79 487	79 487	79 987	79 987	79 987	
		-	-	-	129 194	129 194	129 194	130 194	130 194	130 194	
		-	-	-	-	-	-	-	-	-	
		-	-	-	12 034	12 034	12 034	12 534	12 534	12 534	
		-	-	-	1 409	1 409	1 409	909	909	909	
		-	-	-	1 295	1 295	1 295	795	795	795	
		-	-	-	94 794	94 794	94 794	95 294	95 294	95 294	
		-	-	-	2 174	2 174	2 174	1 674	1 674	1 674	
		-	-	-	10 989	10 989	10 989	5 989	5 989	5 989	
		-	-	-	110 661	110 661	110 661	104 661	104 661	104 661	
		-	-	-	122 695	122 695	122 695	117 195	117 195	117 195	

Municipal in-house services	Ref.	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Household service targets (000)											
Water:											
		-	-	-	17 575	17 575	17 575	17 575	17 575	17 575	
		-	-	-	30 691	30 691	30 691	30 691	30 691	30 691	
		-	-	-	28 013	28 013	28 013	28 013	28 013	28 013	
		-	-	-	3 300	3 300	3 300	3 300	3 300	3 300	
		-	-	-	79 579	79 579	79 579	79 579	79 579	79 579	
		-	-	-	-	-	-	-	-	-	
		-	-	-	38 909	38 909	38 909	38 909	38 909	38 909	
		-	-	-	38 909	38 909	38 909	38 909	38 909	38 909	
		-	-	-	118 488	118 488	118 488	118 488	118 488	118 488	

Table 56: MBRR SA32 – List of external mechanisms

DC27 Umkhanyakude - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/	Period of	Service provided	Expiry date of	Monetary
Name of organisation	Mths	agreement 1.			
		Number		agreement or	agreement 2.
				contract	R thousand
KSS		1	Security		3 720
First Auto			car hire		7 056
Steiner Hygiene			cleaning services		720
Rural Metro			Disaster management		9 240
Nashua			Leasing machine		575
brand partners			communication		3 396
camelsa			financial system		410

2.18 Municipal manager’s quality certificate



Municipal manager's quality certificate

I **Mkhululeni Simon Dlamini** acting municipal manager of UMkhanyakude District Municipality, hereby certify that the draft 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 draft budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: _____

Acting: Municipal Manager of UMkhanyakude District Municipality (DC27)

Signature: _____

Date : _____

Print Name: Mkhululeni Simon Dlamini _____

Chief Financial Officer of UMkhanyakude District Municipality (DC27)

Signature: _____

Date : _____