

**ANNUAL BUDGET OF**  
**NAMAKWA DISTRICT**  
**MUNICIPALITY**



**2014/15 TO 2016/17**

**MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

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## Abbreviations and Acronyms

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

## Part 1 – Annual Budget

### 1.1 Mayor's Report



The Namakwa District Municipality (NDM) is a category C-municipality and has got tremendous investment opportunities despite the weak economic climate. Although a very high level of unemployment is still evident, we managed to reduce it through several initiatives and partnerships.

These include:

- New Vaalwater community hall and Sizamile renovated community hall,
- Anglican church palisade fence;
- New and renovated houses in Nama Khoi and Hantam municipalities;

Unemployment and poverty go hand and hand and is one of our mayor challenges. The NDM has a limited budget and must spend it wisely and according the guidance from the province, but I am satisfied that we have made significant strides towards alleviating poverty and some of these economic burdens.

For the past six months we were involved in:

- Several sponsorships, like the Mayoral Matric Awards Function and Die Burger Winter School ;
- The handing over of wheelchairs for the aged and rugby golf t-shirts for a local rugby clubs;
- The funding and organising of the Namakwa Festival;
- The Maths Olympiad and Hey-Math programme;

Furthermore, I am proud to disclose that several big projects are currently under construction or in process of completion, like;

- Namakwa Mall;
- FET Rural College;
- Matjieskloof Combined School;
- Replacement of water pipeline from Henkries;
- Swartberg mine(Vedantta);
- Upgrading of fish processing facility at Port Nolloth.



Some of our B-municipalities are struggling to cope with service delivery challenges and financial constraints. And to a certain extent, to spend allocated funds properly and for the right purposes. This can be overcome by tightening our oversight role over them.

On the whole, our region is stable and the crime rate low, but we need to empower our people to become independent, educated and well-behaved inhabitants of the region. We have many good stories to tell. Maybe it is not enough, that's why we must pull up our sleeves and make this Namakwa District a better place for everybody to live in.

This can only be done through joint efforts with government institutions and the private sector. I believe that a brighter future lies ahead for this vast area of ours and it is my hope that money from the government is spent according to regulations and priorities.

The late and great Nelson Mandela once said:

"Let there be work, bread, water and salt for all."(Madiba)

I thank you

B.G. Vass (Executive Mayor)

## 1.2 Council Resolutions

On 28 May 2014 the Council of Namakwa District Municipality met in the Council Chambers to finally approve the annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:

1. The Council of Namakwa District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 10 on page 15;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 11 on page 16;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 12 on page 17; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 13 on page 18.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 14 on page 20;
    - 1.2.2. Budgeted Cash Flows as contained in Table 15 on page 22;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 16 on page 22;
    - 1.2.4. Asset management as contained in Table 17 on page 24; and
    - 1.2.5. Basic service delivery measurement as contained in Table 18 on page 26.
2. To give proper effect to the municipality's annual budget, the Council of Namakwa District Municipality approves:
  - 2.1. That cash backing is implemented through the utilisation of the municipality own reserves to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.



### 1.3 Executive Summary

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

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

National Treasury's MFMA Circular No. 70 was used to guide the compilation of the 2014/15 MTREF.

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

- The ongoing difficulties in the national and local economy;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- The status of all Council Buildings and whether to keep or sell certain buildings;
- 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 2014/15 MTREF process; and
- The loss of implementing agent income as the future of the Work for Water as well as the Department of Agriculture, Forestry and Fisheries is not certain at this point in time.

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

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets;
- 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 gazette as required by the annual Division of Revenue Act;

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

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

R thousand	Adjustments Budget 2013/14	Budget Year 2014/15	Budget Year 2015/16	Budget Year 2016/17
Total Operating Revenue	76 080 000	91 129 000	82 233 000	45 906 000
Total Operating Expenditure	84 986 000	99 650 000	93 065 000	59 081 000
(Surplus)/Deficit for the year	-8 907 000	-8 521 000	-10 832 000	-13 175 000
Total Capital Expenditure	5 147 000	1 154 000	159 000	-

The municipality's operating budget indicates a deficit of R 8.52 million which is mainly due to the following isolated events:

- The loss of implementing agency fees from the Department Environmental Affairs to be received for the implementation of Working for Water project.
- The budget inclusion of interest of the post retirement benefit of R 1 491 586 which was not previously budgeted for in the MTREF.
- The budget inclusion of current service costs for the medical aid benefit as well as the long service award benefit.
- The reduction of 49.62 % in the provincial grants (Civil Defence Subsidy and Fire Equipment Grant) from the 2013/14 financial year onwards.
- The reduction in interest received due to the withdrawal from the major investment of the municipality.
- **The increase in gazette grants (Equitable share, RSC Replacement and Council Remuneration) was only 3% for 2015/16 and 1.19% for 2016/17 whereas normal expenditure has gone up with maximum 5.4% in accordance with MFMA Circular No.70.**

The above deficit is fully funded by the municipality's own funding which include investments which are sufficient. Also note that the municipality indicates a surplus of R 20.05 million for the 2014/15 MTREF in A8 and SA 10 indicates that the Namakwa District Municipality's budget is fully funded for the projected forecasted years included in this MTREF.

#### 1.4 Operating Revenue Framework

For Namakwa District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in 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;
- Change in the calculation of the equitable share formula for district municipalities;
- The continuous efforts of seeking implementing agent opportunities which will generate additional revenues for the Namakwa District Municipality.



The following table is a summary of the 2014/15 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
<b>Revenue By Source</b>											
Property rates	2	404	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		577	899	572	927	927	927	927	747	787	830
Interest earned - external investments		3 407	3 069	3 066	1 450	1 450	1 450	1 450	1 950	1 564	1 268
Interest earned - outstanding debtors		202	248	61	100	100	100	100	100	105	111
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	5	5	5	5	5	5	6
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		1 474	-	10 371	13 957	13 957	13 957	13 957	6 372	1 473	1 553
Transfers recognised - operational		39 523	33 677	28 812	60 768	56 461	56 461	56 461	80 624	77 667	41 600
Other revenue	2	1 292	1 835	1 124	1 325	1 325	1 325	1 325	485	511	539
Gains on disposal of PPE		-	-	-	-	400	-	400	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>46 880</b>	<b>39 726</b>	<b>44 005</b>	<b>78 532</b>	<b>74 625</b>	<b>74 625</b>	<b>74 625</b>	<b>80 283</b>	<b>82 113</b>	<b>45 906</b>

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

Revenue generated from Government Grants forms the major source of revenue of Namakwa District Municipality.

Operating grants and transfers totals R77.67 million in the 2015/16 financial year and significantly decreases to R41.60 million by 2016/17. The major reduction in revenue is as a result of the projected completion of Department Agriculture, Forestry and Fisheries projects that were running for the past 2 years in Port Nolloth and Hondeklipbaai. Another contributor is the reduction of allocation to be received from the Department of Environmental Affairs for the Working for Water project. As soon as the Department confirms additional funding, the municipality will include this in the budget.

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**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		36 227	31 832	32 366	32 973	32 973	32 973	33 785	37 527	38 202
Local Government Equitable Share		29 290	29 792	30 116	30 848	30 848	30 848	32 035	32 934	33 217
Finance Management		945	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 300
Municipal Systems Improvement		750	790	490	875	875	875	500	967	1 018
PIMS		-	-	510	-	-	-	-	-	-
Municipal Infrastructure Grant		5 242	-	-	-	-	-	-	-	-
Rural road asset management		-	-	-	-	-	-	-	2 376	2 667
<b>Provincial Government:</b>		1 027	1 012	3 191	9 641	9 641	9 641	40 059	40 222	2 698
NEAR		-	-	-	-	-	-	-	-	-
Fire Equipment		127	371	390	300	300	300	315	331	-
Health Inspector Subsidy		-	-	2 000	2 300	2 300	2 300	2 429	2 560	2 698
Civil Defence Subsidy		900	641	801	300	300	300	315	331	-
IDP/LDO		-	-	-	-	-	-	-	-	-
Sport Development		-	-	-	-	-	-	-	-	-
SA Projects		-	-	-	-	-	-	-	-	-
Clinic Sanitation		-	-	-	-	-	-	-	-	-
Agricultural and Fisheries		-	-	-	6 741	6 741	6 741	37 000	37 000	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>(insert description)</i>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		7 654	6 258	1 108	15 500	12 000	12 000	4 360	-	-
EPWP		7 654	6 258	1 000	1 000	1 000	1 000	1 000	-	-
SETA		-	-	108	-	-	-	360	-	-
Khotso Pula Nala		-	-	-	7 500	7 500	7 500	3 000	-	-
Construction Education Training Authority		-	-	-	7 000	3 500	3 500	-	-	-
Kamiesberg Special Fund		-	-	-	-	-	-	-	-	-
Richtersveld Special Fund		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	44 908	39 102	36 665	58 114	54 614	54 614	78 204	77 749	40 900

Announced in the Division of Revenue Bill for 2014 was a minimal increase of 3% in the equitable share of the Namakwa District Municipality which resulted in the Municipality having less funds available to fund operations. The inclusion of Civil Defence Subsidy and Fire Equipment Grant was reduced by 49.62% in total for these two provincial grants. The amount of R 315 000 and R 331 000 for the 2014/15 and 2015/16 financial year respectively was included.

Another inclusion of the receipt of the Khotso Pula Nala funds of R 4 500 000 was included in the 2014/15 MTREF which will be spent in accordance with the Expanded Public Works Program principles in the following B-Municipal areas:

- Karoo Hoogland Municipality – R 1 500 000
- Hantam Municipality – R 1 500 000
- Kamiesberg Municipality – R 1 500 000

The above funds are anticipated to be the remaining balances of the funds allocated in the previous financial year to be spent on behalf of the Department of Roads and Public Works.

The municipality is in the ongoing process of continuously seeking for other revenue sources due to the reduction of reserves as well as the equitable share not being adequate to fund all activities of the Namakwa District Municipality.



### 1.5 Operating Expenditure Framework

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

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

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

**Table 4 Summary of operating expenditure by standard classification item**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure By Type</b>											
Employee related costs	2	13 126	17 203	21 274	32 728	33 929	33 929	33 929	34 506	33 953	35 220
Remuneration of councillors		2 257	2 265	2 281	2 434	2 504	2 504	2 504	2 616	2 758	2 907
Debt impairment	3	182	2 094	1 451	-	-	-	-	-	-	-
Depreciation & asset impairment	2	2 013	1 951	1 831	1 951	1 931	1 931	1 931	2 040	2 150	2 150
Finance charges		1 492	1 348	1 202	1 172	1 172	1 172	1 172	1 492	1 572	1 657
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	8 521	8 521	8 521	8 521	36 694	35 457	-
Transfers and grants		5 835	2 801	4 370	10 975	10 056	10 056	10 056	4 500	-	-
Other expenditure	4, 5	23 908	21 082	19 332	32 183	26 874	26 874	26 874	17 602	17 176	17 147
Loss on disposal of PPE		-	-	235	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>48 813</b>	<b>48 744</b>	<b>51 974</b>	<b>89 963</b>	<b>84 986</b>	<b>84 986</b>	<b>84 986</b>	<b>99 650</b>	<b>93 065</b>	<b>59 081</b>

The budgeted allocation for employee related costs for the 2014/15 financial year totals R34.51 million, which equals 34.63 % 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 6.8 per cent for the 2014/15 financial year. The reason for the increase in this percentage is due to a major reduction in the component of implementing agent expenditure thereby reducing the total expenditure significantly. An annual increase of 5.4 per cent has been included in the two outer years of the MTREF where no additional information was available. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

The cost associated with the remuneration of councilors 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 municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R2.04 million for the 2014/15 financial and equates to 2.05 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

Contracted services are strictly costing that was obtained from the Department of Environmental Affairs for the Work for Water project.

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 5.6 per cent for 2014/15 and curbed at 5.4 and 5.4 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 51 MBRR SA1.

The following table gives a breakdown of the main expenditure categories for the 2014/15 financial year.

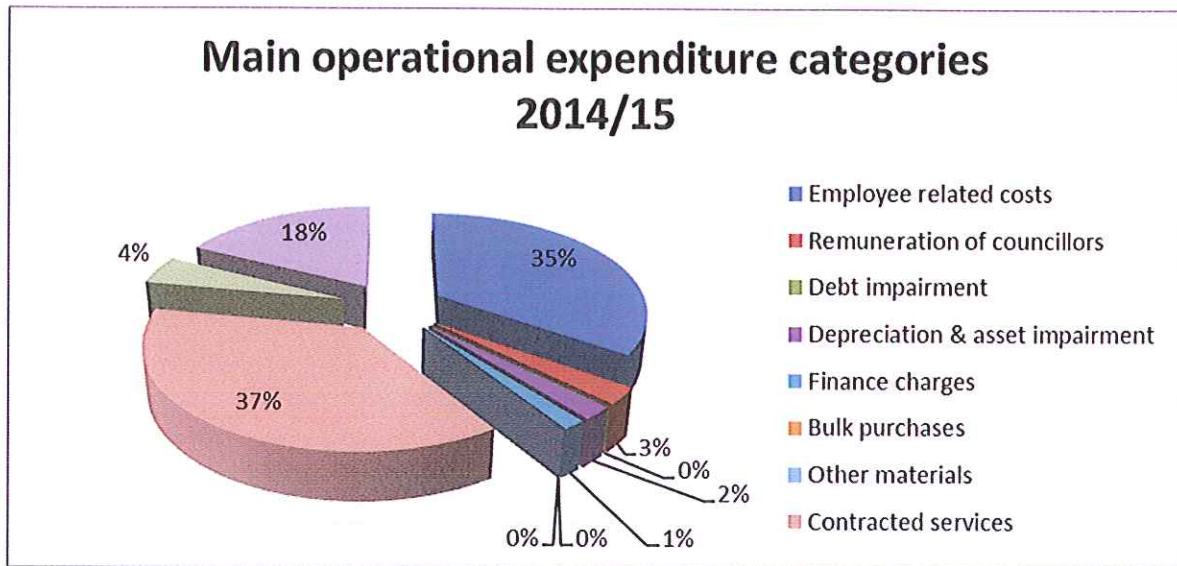


Figure 1 Main operational expenditure categories for the 2014/15 financial year



**1.5.1 Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2014/15 budget and MTREF provided for reasonable growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 5 Operational repairs and maintenance**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
Repairs and Maintenance	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		2 545	372	841	1 041	1 006	1 006	1 006	826	866	913
<b>Total Repairs and Maintenance Expenditure</b>	<b>9</b>	<b>2 545</b>	<b>372</b>	<b>841</b>	<b>1 041</b>	<b>1 006</b>	<b>1 006</b>	<b>1 006</b>	<b>826</b>	<b>866</b>	<b>913</b>

The municipality's repairs and maintenance budget has decreased by 17.9% from R 1 006 000 in 2013/14 financial year to R 826 000 in the 2014/15 financial year. This is as a result of most of maintenance on Council Buildings was done in the 2013/14 financial year and will not be repeated in the near future.

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

**Table 6 Repairs and maintenance per asset class**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>EXPENDITURE OTHER ITEMS</b>											
Depreciation & asset impairment		2 013	1 951	1 831	1 951	1 931	1 931	2 040	2 150	2 150	
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	<b>2 545</b>	<b>372</b>	<b>841</b>	<b>1 041</b>	<b>1 006</b>	<b>1 006</b>	<b>826</b>	<b>866</b>	<b>913</b>	
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	
Infrastructure - Water		-	-	-	-	-	-	-	-	-	
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	
Infrastructure - Other		-	-	-	-	-	-	-	-	-	
Infrastructure		-	-	-	-	-	-	-	-	-	
Community		-	-	-	-	-	-	-	-	-	
Heritage assets		-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Other assets	6, 7	2 545	372	841	1 041	1 006	1 006	826	866	913	
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>4 558</b>	<b>2 322</b>	<b>2 672</b>	<b>2 992</b>	<b>2 937</b>	<b>2 937</b>	<b>2 866</b>	<b>3 017</b>	<b>3 063</b>	

All repairs and maintenance is classified under other assets as the municipality's assets does not fall into any other category as provided in these schedules.

### 1.6 Capital expenditure

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

**Table 7 2014/15 Medium-term capital budget per 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	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure - Municipal Vote</b>											
<b>Single-year expenditure appropriation</b>	2										
Vote 1 - Municipal Manager		56	23	86	60	67	67	67	78	-	-
1.1 - Council: Councillors		-	-	-	-	-	-	-	-	-	-
1.2 - Council Expenditure		-	23	-	60	29	29	29	-	-	-
1.3 - Executive Mayor		-	-	-	-	-	-	-	-	-	-
1.4 - Internal Audit and Audit Committee		-	-	13	-	-	-	-	30	-	-
1.5 - Mayor - PA		56	-	11	-	7	7	7	40	-	-
1.6 - Municipal Manager		-	-	59	-	31	31	31	8	-	-
1.7 - Municipal Manager - Admin		-	-	-	-	-	-	-	-	-	-
1.8 - Housing		-	-	-	-	-	-	-	-	-	-
1.9 - Speaker		-	-	-	-	-	-	-	-	-	-
1.10 - Speaker - PA		-	-	2	-	-	-	-	-	-	-
Vote 2 - Manager: Corporate Services		573	90	653	2 650	3 540	3 540	3 540	165	-	-
2.1 - Administration		573	11	78	-	-	-	-	45	-	-
2.2 - Human Resources		-	-	-	100	100	100	100	-	-	-
2.3 - Council Buildings		-	78	292	1 800	2 290	2 290	2 290	120	-	-
2.4 - Council Vehicles		-	-	284	750	1 150	1 150	1 150	-	-	-
2.5 - Equitable Share - Admin		-	-	-	-	-	-	-	-	-	-
2.6 - Equitable Share - Electricity		-	-	-	-	-	-	-	-	-	-
2.7 - Equitable Share - Sanitation		-	-	-	-	-	-	-	-	-	-
2.8 - Equitable Share - Water		-	-	-	-	-	-	-	-	-	-
2.9 - Operational and Maintenance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Manager: Economic Development		200	89	51	30	430	430	430	467	-	-
3.1 - Economic Development		-	55	-	15	15	15	15	20	-	-
3.2 - Fish Factory		-	-	-	-	-	-	-	-	-	-
3.3 - Harbour		-	-	-	-	-	-	-	-	-	-
3.4 - Project Manager SLP		-	-	-	-	-	-	-	-	-	-
3.5 - Tourism		-	9	40	-	-	-	-	-	-	-
3.6 - Working for Water		-	-	-	-	-	-	-	-	-	-
3.7 - Planning		-	4	-	-	-	-	-	-	-	-
3.8 - Council Projects		-	15	-	-	-	-	-	-	-	-
3.9 - Project Management		200	5	11	15	415	415	415	447	-	-
Vote 4 - Manager: Environmental Health		28	130	54	630	1 010	1 010	1 010	445	159	-
4.1 - Ambulance		-	-	-	-	-	-	-	-	-	-
4.2 - Environmental Health		25	25	22	-	-	-	-	45	39	-
4.3 - Law Enforcement		-	-	-	-	-	-	-	-	-	-
4.4 - Primary Health		-	-	-	-	-	-	-	-	-	-
4.5 - Safety		3	105	32	630	1 010	1 010	1 010	400	120	-
Vote 5 - Manager: Finance		332	330	33	30	100	100	100	-	-	-
5.1 - Finance		332	330	33	30	100	100	100	-	-	-
Vote 6 - Manager: Roads		-	-	-	-	-	-	-	-	-	-
6.1 - Plant and Equipment		-	-	-	-	-	-	-	-	-	-
6.2 - Roads		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>1 190</b>	<b>662</b>	<b>877</b>	<b>3 400</b>	<b>5 147</b>	<b>5 147</b>	<b>5 147</b>	<b>1 154</b>	<b>159</b>	<b>-</b>
<b>Total Capital Expenditure</b>		<b>1 190</b>	<b>662</b>	<b>877</b>	<b>3 400</b>	<b>5 147</b>	<b>5 147</b>	<b>5 147</b>	<b>1 154</b>	<b>159</b>	<b>-</b>

This is the capital budget included per department for the 2014/15 MTREF. The capital expenditure budget has decreased by 77.58% from 2013/14 to 2014/15 financial year. This decrease in the capital budget is due to the municipality trying to focus only on high priority items needed and thereby cutting costs.

The table below provides a breakdown of capital expenditure by class and sub-class:



**Table 8 Capital Expenditure per class and sub-class**

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS coordinates	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:																
List all capital projects grouped by Municipal Vote																
Mayor PA		Furniture			No	Other Assets	Furniture and other office equipment		11	-	40	-	-	-		New
Speaker PA		Furniture			No	Other Assets	Furniture and other office equipment		2	-	-	-	-	-		
Municipal Manager		Furniture			No	Other Assets	Furniture and other office equipment		11	9	-	-	-	-		
Council Administration		Furniture			No	Other Assets	Furniture and other office equipment		-	-	-	-	-	-		
Council Buildings		Furniture			No	Other Assets	Furniture and other office equipment		54	-	-	-	-	-		
Project Management		Furniture			No	Other Assets	Furniture and other office equipment		11	-	-	-	-	-		
Internal Audit		Furniture			No	Other Assets	Furniture and other office equipment		13	-	-	-	-	-		
PMS		Furniture			No	Other Assets	Furniture and other office equipment		-	-	-	-	-	-		
Administration		Furniture			No	Other Assets	Furniture and other office equipment		-	-	10	-	-	-		New
Council Buildings		Furniture			No	Other Assets	Furniture and other office equipment		31	-	-	-	-	-		
Human Resources		Furniture			No	Other Assets	Furniture and other office equipment		-	-	-	-	-	-		
Finance		Furniture			No	Other Assets	Furniture and other office equipment		8	40	-	-	-	-		
Environmental Health		Furniture			No	Other Assets	Furniture and other office equipment		-	-	-	-	-	-		
Safety		Furniture			No	Other Assets	Furniture and other office equipment		-	-	-	-	-	-		
Head Economic Development		Furniture			No	Other Assets	Furniture and other office equipment		-	-	5	-	-	-		New
Tourism		Furniture			No	Other Assets	Furniture and other office equipment		16	-	-	-	-	-		
Mayor PA		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	7	-	-	-	-		
Speaker PA		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	-	-	-	-	-		
Council Administration		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	-	-	-	-	-		
Health Projects		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	20	-	-	-	-		
Municipal Manager		Computer Equipment			No	Other Assets	Computer - hardware/equipment		33	31	-	-	-	-		
Project Management		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	-	-	-	-	-		
Electronic Filing System		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	-	-	-	-	-		
PMS		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	15	-	-	-	-		
Administration		Computer Equipment			No	Other Assets	Computer - hardware/equipment		9	-	35	-	-	-		New
Human Resources		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	64	-	-	-	-		
Finance		Computer Equipment			No	Other Assets	Computer - hardware/equipment		25	60	-	-	-	-		
Environmental Health		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	-	45	24	-	-		Renewal
Internal Audit		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	-	30	-	-	-		New
Head Economic Development		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	15	15	-	-	-		New
Project Management		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	-	13	-	-	-		New
Development & Marketing Officer		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	-	-	-	-	-		
Tourism		Computer Equipment			No	Other Assets	Computer - hardware/equipment		-	-	-	-	-	-		
Administration		Equipment			No	Other Assets	Plant and Equipment		69	-	-	-	-	-		
Project Management		Equipment			No	Other Assets	Plant and Equipment		-	-	-	-	-	-		
Council Buildings		Equipment			No	Other Assets	Plant and Equipment		-	438	120	-	-	-		Renewal
Human Resources		Equipment			No	Other Assets	Plant and Equipment		-	36	-	-	-	-		
Municipal Manager		Equipment			No	Other Assets	Plant and Equipment		15	-	8	-	-	-		New
Safety		Equipment			No	Other Assets	Plant and Equipment		30	300	400	120	-	-		New
Tourism		Equipment			No	Other Assets	Plant and Equipment		24	-	-	-	-	-		
Environmental Health		Equipment			No	Other Assets	Plant and Equipment		22	-	-	15	-	-		New
PMS		Equipment			No	Other Assets	Plant and Equipment		-	400	434	-	-	-		New
Council Vehicles		Vehicles			No	Other Assets	General Vehicles		284	1150	-	-	-	-		
Safety		Vehicles			No	Other Assets	General Vehicles		-	600	-	-	-	-		
PMS		Vehicles			No	Other Assets	General Vehicles		-	-	-	-	-	-		
Council Buildings		Land & Buildings			No	Other Assets	Other Buildings		257	1 660	-	-	-	-		
Parent Capital expenditure	1								877	5 147	1 154	159	-	-		

**1.7 Annual Budget Tables – Namakwa District Municipality**

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

Table 9 MBRR Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Financial Performance</b>										
Property rates	404	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	3 407	3 069	3 066	1 450	1 450	1 450	1 450	1 950	1 564	1 268
Transfers recognised - operational	39 523	33 677	28 812	60 768	56 461	56 461	56 461	80 624	77 667	41 600
Other own revenue	3 546	2 981	12 128	16 314	16 714	16 714	16 714	7 709	2 883	3 038
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>48 880</b>	<b>39 726</b>	<b>44 005</b>	<b>78 532</b>	<b>74 625</b>	<b>74 625</b>	<b>74 625</b>	<b>90 283</b>	<b>82 113</b>	<b>45 906</b>
Employee costs	13 126	17 203	21 274	32 728	33 929	33 929	33 929	34 506	33 953	35 220
Remuneration of councillors	2 257	2 265	2 281	2 434	2 504	2 504	2 504	2 616	2 758	2 907
Depreciation & asset impairment	2 013	1 951	1 831	1 951	1 931	1 931	1 931	2 040	2 150	2 150
Finance charges	1 492	1 348	1 202	1 172	1 172	1 172	1 172	1 492	1 572	1 657
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	5 835	2 801	4 370	10 975	10 056	10 056	10 056	4 500	-	-
Other expenditure	24 089	23 176	21 017	40 704	35 395	35 395	35 395	54 496	52 633	17 147
<b>Total Expenditure</b>	<b>48 813</b>	<b>48 744</b>	<b>51 974</b>	<b>89 963</b>	<b>84 986</b>	<b>84 986</b>	<b>84 986</b>	<b>99 650</b>	<b>93 065</b>	<b>59 081</b>
<b>Surplus/(Deficit)</b>	<b>(1 932)</b>	<b>(9 017)</b>	<b>(7 968)</b>	<b>(11 432)</b>	<b>(10 361)</b>	<b>(10 361)</b>	<b>(10 361)</b>	<b>(9 367)</b>	<b>(10 952)</b>	<b>(13 174)</b>
Transfers recognised - capital	55	5 995	-	645	1 455	1 455	1 455	847	120	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1 877)</b>	<b>(3 023)</b>	<b>(7 968)</b>	<b>(10 787)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 520)</b>	<b>(10 832)</b>	<b>(13 174)</b>
Share of surplus/ (deficit) of associates	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(1 877)</b>	<b>(3 023)</b>	<b>(7 968)</b>	<b>(10 787)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 520)</b>	<b>(10 832)</b>	<b>(13 174)</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	1 190	662	877	3 400	5 147	5 147	5 147	1 154	159	-
Transfers recognised - capital	64	115	44	645	1 455	1 455	1 455	847	120	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	23	-	-	-	-	-	-	-	-
Internally generated funds	1 126	524	834	2 755	3 692	3 692	3 692	308	39	-
<b>Total sources of capital funds</b>	<b>1 190</b>	<b>662</b>	<b>877</b>	<b>3 400</b>	<b>5 147</b>	<b>5 147</b>	<b>5 147</b>	<b>1 154</b>	<b>159</b>	<b>-</b>
<b>Financial position</b>										
Total current assets	66 931	64 232	61 004	51 824	51 088	51 088	51 088	42 925	34 087	24 010
Total non current assets	11 361	9 893	9 485	10 177	9 006	9 006	9 006	8 120	6 128	3 978
Total current liabilities	18 294	15 895	17 994	7 575	5 680	5 680	5 680	4 771	4 363	4 211
Total non current liabilities	15 430	15 871	18 105	17 609	19 972	19 972	19 972	20 353	20 763	21 863
Community wealth/Equity	44 568	42 359	34 390	36 817	34 441	34 441	34 441	25 921	15 089	1 914
<b>Cash flows</b>										
Net cash from (used) operating	(8 146)	(568)	(1 125)	(2 893)	4 904	4 904	4 904	(7 005)	(8 706)	(10 119)
Net cash from (used) investing	(1 190)	(662)	(1 693)	(3 400)	(4 747)	(4 747)	(4 747)	(1 154)	(159)	-
Net cash from (used) financing	(4 200)	(22)	76	-	(43)	(43)	(43)	(60)	(30)	(18)
<b>Cash/cash equivalents at the year end</b>	<b>63 249</b>	<b>61 996</b>	<b>59 254</b>	<b>49 974</b>	<b>50 088</b>	<b>50 088</b>	<b>50 088</b>	<b>41 869</b>	<b>32 974</b>	<b>22 837</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	63 250	61 998	59 255	49 975	50 089	50 089	50 089	41 870	32 975	22 838
Application of cash and investments	17 844	16 991	18 489	8 480	8 320	8 320	8 320	3 642	3 296	2 791
<b>Balance - surplus (shortfall)</b>	<b>45 406</b>	<b>45 006</b>	<b>40 766</b>	<b>41 495</b>	<b>41 769</b>	<b>41 769</b>	<b>41 769</b>	<b>38 228</b>	<b>29 679</b>	<b>20 048</b>
<b>Asset management</b>										
Asset register summary (WDV)	11 360	9 892	9 483	10 176	9 005	9 005	8 119	8 119	6 127	3 977
Depreciation & asset impairment	2 013	1 951	1 831	1 951	1 931	1 931	2 040	2 040	2 150	2 150
Renewal of Existing Assets	-	-	-	-	-	-	-	165	24	-
Repairs and Maintenance	2 545	372	841	1 041	1 006	1 006	826	826	866	913
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



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

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was paying much attention to managing this aspect of its finances, and consequently many of its obligations are cash-backed. This places the municipality in a very favourable financial position.

**Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		13 287	34 559	38 706	54 096	51 000	51 000	44 941	38 630	38 823
Executive and council		2 398	936	3 371	12 509	12 513	12 513	9 586	3 125	3 269
Budget and treasury office		4 067	28 929	28 384	29 398	29 398	29 398	30 374	30 705	31 286
Corporate services		6 822	4 695	6 951	12 189	9 089	9 089	4 981	4 800	4 268
<i>Community and public safety</i>		667	2 914	2 647	4 091	4 091	4 091	3 059	3 260	3 398
Community and social services		-	1 959	2 000	2 300	2 300	2 300	2 429	2 560	2 698
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		667	955	647	1 791	1 791	1 791	630	700	700
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		32 978	8 247	2 652	20 989	20 989	20 989	43 129	40 343	3 685
Planning and development		16 795	7 742	2 652	20 981	20 981	20 981	43 121	40 343	3 685
Road transport		16 183	504	-	8	8	8	8	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	4	1	1	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	46 935	45 721	44 005	79 177	76 080	76 080	91 129	82 233	45 906
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		27 904	29 209	37 524	50 375	46 316	46 316	39 459	34 141	35 870
Executive and council		14 542	17 282	22 973	28 504	27 653	27 653	23 160	17 443	18 353
Budget and treasury office		4 044	4 796	5 032	4 981	4 888	4 888	5 605	5 835	6 115
Corporate services		9 317	7 131	9 520	16 891	13 775	13 775	10 694	10 863	11 402
<i>Community and public safety</i>		5 791	7 389	6 744	9 693	9 191	9 191	9 354	10 317	10 827
Community and social services		3 107	4 274	4 320	4 441	4 409	4 409	4 643	4 893	5 156
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 634	3 064	2 374	5 196	4 720	4 720	4 646	5 354	5 598
Housing		-	-	-	-	-	-	-	-	-
Health		51	51	51	56	62	62	66	70	73
<i>Economic and environmental services</i>		13 325	10 312	5 747	27 697	27 245	27 245	48 879	46 544	10 211
Planning and development		13 147	9 807	5 747	26 843	26 391	26 391	47 967	45 591	9 207
Road transport		178	504	-	854	854	854	912	953	1 004
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		140	-	-	-	-	-	-	-	-
Electricity		125	-	-	-	-	-	-	-	-
Water		15	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	1 653	1 834	1 958	2 198	2 234	2 234	1 958	2 064	2 172
<b>Total Expenditure - Standard</b>	3	48 813	48 744	51 974	89 963	84 986	84 986	99 650	93 065	59 081
<b>Surplus/(Deficit) for the year</b>		(1 877)	(3 023)	(7 968)	(10 787)	(8 906)	(8 906)	(8 520)	(10 832)	(13 174)

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 7 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.



**Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>										
Vote 1 - Municipal Manager	1	2 398	936	3 371	12 509	12 513	12 513	9 586	3 125	3 269
Vote 2 - Manager: Corporate Services		6 822	5 124	6 951	12 189	9 089	9 089	4 981	4 800	4 268
Vote 3 - Manager: Economic Development		16 799	7 314	2 653	20 981	20 981	20 981	43 121	40 343	3 685
Vote 4 - Manager: Environmental Health		667	2 914	2 647	4 091	4 091	4 091	3 059	3 260	3 398
Vote 5 - Manager: Finance		4 067	28 929	28 384	29 398	29 398	29 398	30 374	30 705	31 286
Vote 6 - Manager: Roads		16 183	504	-	8	8	8	8	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>46 935</b>	<b>45 721</b>	<b>44 005</b>	<b>79 177</b>	<b>76 080</b>	<b>76 080</b>	<b>91 129</b>	<b>82 233</b>	<b>45 906</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - Municipal Manager	1	14 071	16 836	22 734	28 504	27 653	27 653	23 160	17 443	18 353
Vote 2 - Manager: Corporate Services		9 755	7 415	9 805	17 209	14 094	14 094	10 694	10 863	11 402
Vote 3 - Manager: Economic Development		15 023	11 804	7 659	28 722	28 306	28 306	49 924	47 655	11 380
Vote 4 - Manager: Environmental Health		5 741	7 389	6 744	9 693	9 191	9 191	9 354	10 317	10 827
Vote 5 - Manager: Finance		4 044	4 796	5 032	4 981	4 888	4 888	5 605	5 835	6 115
Vote 6 - Manager: Roads		178	504	-	854	854	854	912	953	1 004
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>48 813</b>	<b>48 744</b>	<b>51 974</b>	<b>89 963</b>	<b>84 986</b>	<b>84 986</b>	<b>99 650</b>	<b>93 065</b>	<b>59 081</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>(1 877)</b>	<b>(3 023)</b>	<b>(7 968)</b>	<b>(10 787)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 520)</b>	<b>(10 832)</b>	<b>(13 174)</b>

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

**Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	404	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		577	899	572	927	927	927	927	747	787	830
Interest earned - external investments		3 407	3 069	3 066	1 450	1 450	1 450	1 450	1 950	1 564	1 268
Interest earned - outstanding debtors		202	248	61	100	100	100	100	100	105	111
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	5	5	5	5	5	5	6
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		1 474	-	10 371	13 957	13 957	13 957	13 957	6 372	1 473	1 553
Transfers recognised - operational		39 523	33 677	28 812	60 768	56 461	56 461	56 461	60 624	77 667	41 600
Other revenue	2	1 292	1 835	1 124	1 325	1 325	1 325	1 325	485	511	539
Gains on disposal of PPE		-	-	-	-	400	400	400	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>48 880</b>	<b>39 726</b>	<b>44 005</b>	<b>78 532</b>	<b>74 625</b>	<b>74 625</b>	<b>74 625</b>	<b>90 283</b>	<b>82 113</b>	<b>45 906</b>
<b>Expenditure By Type</b>											
Employee related costs	2	13 126	17 203	21 274	32 728	33 929	33 929	33 929	34 506	33 953	35 220
Remuneration of councillors		2 257	2 265	2 281	2 434	2 504	2 504	2 504	2 616	2 758	2 907
Debt impairment	3	182	2 094	1 451	-	-	-	-	-	-	-
Depreciation & asset impairment	2	2 013	1 951	1 831	1 951	1 931	1 931	1 931	2 040	2 150	2 150
Finance charges		1 492	1 348	1 202	1 172	1 172	1 172	1 172	1 492	1 572	1 657
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	8 521	8 521	8 521	8 521	36 894	35 457	-
Transfers and grants		5 835	2 601	4 370	10 975	10 056	10 056	10 056	4 500	-	-
Other expenditure	4, 5	23 908	21 082	19 332	32 183	26 874	26 874	26 874	17 602	17 176	17 147
Loss on disposal of PPE		-	-	235	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>48 813</b>	<b>48 744</b>	<b>51 974</b>	<b>89 963</b>	<b>84 986</b>	<b>84 986</b>	<b>84 986</b>	<b>99 650</b>	<b>93 065</b>	<b>59 081</b>
<b>Surplus/(Deficit)</b>											
Transfers recognised - capital		55	5 995	-	645	1 455	1 455	1 455	847	120	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(1 877)</b>	<b>(3 023)</b>	<b>(7 968)</b>	<b>(10 787)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 520)</b>	<b>(10 832)</b>	<b>(13 174)</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(1 877)</b>	<b>(3 023)</b>	<b>(7 968)</b>	<b>(10 787)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 520)</b>	<b>(10 832)</b>	<b>(13 174)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(1 877)</b>	<b>(3 023)</b>	<b>(7 968)</b>	<b>(10 787)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 520)</b>	<b>(10 832)</b>	<b>(13 174)</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>(1 877)</b>	<b>(3 023)</b>	<b>(7 968)</b>	<b>(10 787)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 906)</b>	<b>(8 520)</b>	<b>(10 832)</b>	<b>(13 174)</b>

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

1. Total revenue is R90.28 million in 2014/15 and decreases to R45.91 million by 2016/17. This represents a decrease of 49.15% from total revenue in 2013/14 to 2016/17.
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing over the MTREF by 3.67% for 2015/16 and further decreasing by 46.44% for 2016/17.



**Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		--	--	--	--	--	--	--	--	--	--
Vote 2 - Manager: Corporate Services		--	--	--	--	--	--	--	--	--	--
Vote 3 - Manager: Economic Development		--	--	--	--	--	--	--	--	--	--
Vote 4 - Manager: Environmental Health		--	--	--	--	--	--	--	--	--	--
Vote 5 - Manager: Finance		--	--	--	--	--	--	--	--	--	--
Vote 6 - Manager: Roads		--	--	--	--	--	--	--	--	--	--
Vote 7 - [NAME OF VOTE 7]		--	--	--	--	--	--	--	--	--	--
Vote 8 - [NAME OF VOTE 8]		--	--	--	--	--	--	--	--	--	--
Vote 9 - [NAME OF VOTE 9]		--	--	--	--	--	--	--	--	--	--
Vote 10 - [NAME OF VOTE 10]		--	--	--	--	--	--	--	--	--	--
Vote 11 - [NAME OF VOTE 11]		--	--	--	--	--	--	--	--	--	--
Vote 12 - [NAME OF VOTE 12]		--	--	--	--	--	--	--	--	--	--
Vote 13 - [NAME OF VOTE 13]		--	--	--	--	--	--	--	--	--	--
Vote 14 - [NAME OF VOTE 14]		--	--	--	--	--	--	--	--	--	--
Vote 15 - [NAME OF VOTE 15]		--	--	--	--	--	--	--	--	--	--
<b>Capital multi-year expenditure sub-total</b>	7	--	--	--	--	--	--	--	--	--	--
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		66	23	86	60	67	67	67	78	--	--
Vote 2 - Manager: Corporate Services		573	90	653	2 650	3 540	3 540	3 540	165	--	--
Vote 3 - Manager: Economic Development		200	89	51	30	430	430	430	467	--	--
Vote 4 - Manager: Environmental Health		28	130	54	630	1 010	1 010	1 010	445	159	--
Vote 5 - Manager: Finance		332	330	33	30	100	100	100	--	--	--
Vote 6 - Manager: Roads		--	--	--	--	--	--	--	--	--	--
Vote 7 - [NAME OF VOTE 7]		--	--	--	--	--	--	--	--	--	--
Vote 8 - [NAME OF VOTE 8]		--	--	--	--	--	--	--	--	--	--
Vote 9 - [NAME OF VOTE 9]		--	--	--	--	--	--	--	--	--	--
Vote 10 - [NAME OF VOTE 10]		--	--	--	--	--	--	--	--	--	--
Vote 11 - [NAME OF VOTE 11]		--	--	--	--	--	--	--	--	--	--
Vote 12 - [NAME OF VOTE 12]		--	--	--	--	--	--	--	--	--	--
Vote 13 - [NAME OF VOTE 13]		--	--	--	--	--	--	--	--	--	--
Vote 14 - [NAME OF VOTE 14]		--	--	--	--	--	--	--	--	--	--
Vote 15 - [NAME OF VOTE 15]		--	--	--	--	--	--	--	--	--	--
<b>Capital single-year expenditure sub-total</b>		1 190	662	877	3 400	5 147	5 147	5 147	1 154	159	--
<b>Total Capital Expenditure - Vote</b>		1 190	662	877	3 400	5 147	5 147	5 147	1 154	159	--
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		395	459	772	2 740	3 707	3 707	3 707	243	--	--
Executive and council		36	39	86	60	67	67	67	78	--	--
Budget and treasury office		332	330	33	30	100	100	100	--	--	--
Corporate services		27	90	653	2 650	3 540	3 540	3 540	165	--	--
<b>Community and public safety</b>		31	105	54	630	1 010	1 010	1 010	445	159	--
Community and social services		--	--	22	--	--	--	--	45	39	--
Sport and recreation		--	--	--	--	--	--	--	--	--	--
Public safety		31	105	32	630	1 010	1 010	1 010	400	120	--
Housing		--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--
<b>Economic and environmental services</b>		764	98	51	30	430	430	430	467	--	--
Planning and development		740	73	51	30	430	430	430	467	--	--
Road transport		--	--	--	--	--	--	--	--	--	--
Environmental protection		25	25	--	--	--	--	--	--	--	--
<b>Trading services</b>		--	--	--	--	--	--	--	--	--	--
Electricity		--	--	--	--	--	--	--	--	--	--
Water		--	--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--	--
Waste management		--	--	--	--	--	--	--	--	--	--
<b>Other</b>		--	--	--	--	--	--	--	--	--	--
<b>Total Capital Expenditure - Standard</b>	3	1 190	662	877	3 400	5 147	5 147	5 147	1 154	159	--
<b>Funded by:</b>											
National Government		35	4	--	15	445	445	445	434	--	--
Provincial Government		29	105	32	630	1 010	1 010	1 010	400	120	--
District Municipality		--	--	--	--	--	--	--	--	--	--
Other transfers and grants		--	5	11	--	--	--	--	13	--	--
<b>Transfers recognised - capital</b>	4	64	115	44	645	1 455	1 455	1 455	847	120	--
<b>Public contributions &amp; donations</b>	5	--	--	--	--	--	--	--	--	--	--
<b>Borrowing</b>	6	--	23	--	--	--	--	--	--	--	--
<b>Internally generated funds</b>		1 126	524	834	2 755	3 692	3 692	3 692	308	39	--
<b>Total Capital Funding</b>	7	1 190	662	877	3 400	5 147	5 147	5 147	1 154	159	--

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Single-year capital expenditure has been appropriated at R 1 154 000 for the 2014/15 financial year and decreases over the MTREF at levels of R 159 000 and R 0 respectively for the two outer years after a significant decrease from the 2013/14 financial year as there are no major internal projects planned after the 2013/14 financial year.
3. The capital programme is funded from capital and provincial grants and transfers and internally generated funds from current year surpluses.



**Table 14 MBRR Table A6 - Budgeted Financial Position**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		147	4 287	3 134	3 243	3 357	3 357	3 357	2 258	2 795	4 433
Call investment deposits	1	63 102	57 729	56 121	46 731	46 731	46 731	46 731	39 611	30 179	18 404
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		3 001	2 236	1 750	1 850	1 000	1 000	1 000	1 056	1 113	1 173
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	681	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>		<b>66 931</b>	<b>64 232</b>	<b>61 004</b>	<b>51 824</b>	<b>51 088</b>	<b>51 088</b>	<b>51 088</b>	<b>42 925</b>	<b>34 087</b>	<b>24 010</b>
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		1	1	1	1	1	1	1	1	1	1
Investment property		393	365	208	-	185	185	185	160	135	110
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	9 550	8 051	8 052	8 700	7 869	7 869	7 869	7 245	5 516	3 628
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		1 417	1 476	1 223	1 476	951	951	951	714	476	239
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>11 361</b>	<b>9 893</b>	<b>9 485</b>	<b>10 177</b>	<b>9 006</b>	<b>9 006</b>	<b>9 006</b>	<b>8 120</b>	<b>6 128</b>	<b>3 978</b>
<b>TOTAL ASSETS</b>		<b>78 292</b>	<b>74 125</b>	<b>70 489</b>	<b>62 001</b>	<b>60 093</b>	<b>60 093</b>	<b>60 093</b>	<b>51 045</b>	<b>40 216</b>	<b>27 988</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	41	53	86	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	15 724	12 886	14 867	4 453	4 059	4 059	4 059	3 059	2 559	2 309
Provisions		2 530	2 956	3 041	3 121	1 621	1 621	1 621	1 712	1 805	1 902
<b>Total current liabilities</b>		<b>18 294</b>	<b>15 895</b>	<b>17 994</b>	<b>7 575</b>	<b>5 680</b>	<b>5 680</b>	<b>5 680</b>	<b>4 771</b>	<b>4 363</b>	<b>4 211</b>
<b>Non current liabilities</b>											
Borrowing		137	103	146	103	146	146	146	87	57	39
Provisions		15 292	15 768	17 958	17 506	19 826	19 826	19 826	20 266	20 707	21 825
<b>Total non current liabilities</b>		<b>15 430</b>	<b>15 871</b>	<b>18 105</b>	<b>17 609</b>	<b>19 972</b>	<b>19 972</b>	<b>19 972</b>	<b>20 353</b>	<b>20 763</b>	<b>21 863</b>
<b>TOTAL LIABILITIES</b>		<b>33 724</b>	<b>31 766</b>	<b>36 099</b>	<b>25 183</b>	<b>25 652</b>	<b>25 652</b>	<b>25 652</b>	<b>25 124</b>	<b>25 127</b>	<b>26 074</b>
<b>NET ASSETS</b>	5	<b>44 568</b>	<b>42 359</b>	<b>34 390</b>	<b>36 817</b>	<b>34 441</b>	<b>34 441</b>	<b>34 441</b>	<b>25 921</b>	<b>15 089</b>	<b>1 914</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		43 857	40 586	33 451	34 062	30 749	30 749	30 749	25 613	15 050	1 914
Reserves	4	711	1 773	939	2 755	3 692	3 692	3 692	308	39	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>44 568</b>	<b>42 359</b>	<b>34 390</b>	<b>36 817</b>	<b>34 441</b>	<b>34 441</b>	<b>34 441</b>	<b>25 921</b>	<b>15 089</b>	<b>1 914</b>

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

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 53 is supported by an extensive table of notes (SA3 which can be found on page 64) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.



Table 14 MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		2 908	831	2 479	16 314	17 164	17 164	17 164	10 485	2 864	3 678
Government - operating	1	36 583	33 186	36 450	60 768	57 901	57 901	57 901	78 204	77 749	40 900
Government - capital	1	55	-	-	645	15	15	15	434	-	-
Interest		3 609	3 316	3 066	1 450	1 450	1 450	1 450	1 950	1 564	1 268
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(51 156)	(37 871)	(43 088)	(71 095)	(61 570)	(61 570)	(61 570)	(92 087)	(89 310)	(54 308)
Finance charges		(145)	(31)	(31)	-	-	-	-	(1 492)	(1 572)	(1 657)
Transfers and Grants	1	-	-	-	(10 975)	(10 056)	(10 056)	(10 056)	(4 500)	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(8 146)</b>	<b>(568)</b>	<b>(1 125)</b>	<b>(2 893)</b>	<b>4 904</b>	<b>4 904</b>	<b>4 904</b>	<b>(7 005)</b>	<b>(8 706)</b>	<b>(10 119)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	400	400	400	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(1 190)	(662)	(1 693)	(3 400)	(5 147)	(5 147)	(5 147)	(1 154)	(159)	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(1 190)</b>	<b>(662)</b>	<b>(1 693)</b>	<b>(3 400)</b>	<b>(4 747)</b>	<b>(4 747)</b>	<b>(4 747)</b>	<b>(1 154)</b>	<b>(159)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	12	138	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(4 200)	(35)	(62)	-	(43)	(43)	(43)	(60)	(30)	(18)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(4 200)</b>	<b>(22)</b>	<b>76</b>	<b>-</b>	<b>(43)</b>	<b>(43)</b>	<b>(43)</b>	<b>(60)</b>	<b>(30)</b>	<b>(18)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(13 537)</b>	<b>(1 252)</b>	<b>(2 742)</b>	<b>(6 293)</b>	<b>114</b>	<b>114</b>	<b>114</b>	<b>(8 219)</b>	<b>(8 895)</b>	<b>(10 137)</b>
Cash/cash equivalents at the year begin:	2	76 785	63 249	61 996	56 267	49 974	49 974	49 974	50 088	41 869	32 974
Cash/cash equivalents at the year end:	2	63 249	61 996	59 254	49 974	50 088	50 088	50 088	41 869	32 974	22 837

Table 15 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and Investments available</b>											
Cash/cash equivalents at the year end	1	63 249	61 996	59 254	49 974	50 088	50 088	50 088	41 869	32 974	22 837
Other current investments > 90 days		(0)	-	(0)	-	-	-	-	0	0	0
Non current assets - investments	1	1	1	1	1	1	1	1	1	1	1
<b>Cash and investments available:</b>		<b>63 250</b>	<b>61 998</b>	<b>59 255</b>	<b>49 975</b>	<b>50 089</b>	<b>50 089</b>	<b>50 089</b>	<b>41 870</b>	<b>32 975</b>	<b>22 838</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		11 685	4 350	3 531	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	1 830	7 913	10 979	2 603	3 007	3 007	3 007	1 623	1 453	889
Other provisions		3 618	2 956	3 041	3 121	1 621	1 621	1 621	1 712	1 805	1 902
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	711	1 773	939	2 755	3 692	3 692	3 692	308	39	-
<b>Total Application of cash and investments:</b>		<b>17 844</b>	<b>16 991</b>	<b>18 489</b>	<b>8 480</b>	<b>8 320</b>	<b>8 320</b>	<b>8 320</b>	<b>3 642</b>	<b>3 296</b>	<b>2 791</b>
<b>Surplus(shortfall)</b>		<b>45 406</b>	<b>45 008</b>	<b>40 766</b>	<b>41 495</b>	<b>41 769</b>	<b>41 769</b>	<b>41 769</b>	<b>38 228</b>	<b>29 679</b>	<b>20 048</b>

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

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

3. It can be seen that the cash levels of the municipality fell significantly over the 2010/11 to 2016/17 period owing directly to a net decrease in cash for the seven financial period of R 22.84 million.
4. The municipality needs to urgently address the significant decrease in cash reserves over the MTREF period and prioritize expenditure and also look at cost cutting mechanisms.
5. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents totals R41.87 million as at the end of the 2014/15 financial year and decreases to R22.83 million by 2016/17.

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2010/11 to 2014/15 the surplus deteriorated from R45.41 million to R20.05 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2014/15 MTREF was fully funded due to the surplus indicated.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.



Table 16 MBRR Table A9 - Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	1 190	662	877	3 400	5 147	5 147	989	135	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1 190	662	877	3 400	5 147	5 147	989	135	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	165	24	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	165	24	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		1 190	662	877	3 400	5 147	5 147	1 154	159	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	1 190	662	877	3 400	5 147	5 147	1 154	159	-
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>										
Infrastructure - Road transport	5	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		393	365	208	-	185	185	160	135	110
Other assets		9 550	8 051	8 052	8 700	7 869	7 869	7 245	5 516	3 628
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		1 417	1 476	1 223	1 476	951	951	714	476	239
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	11 360	9 892	9 483	10 176	9 005	9 005	8 119	6 127	3 977
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		2 013	1 951	1 831	1 951	1 931	1 931	2 040	2 150	2 150
<b>Repairs and Maintenance by Asset Class</b>	3	2 545	372	841	1 041	1 006	1 006	826	866	913
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	2 545	372	841	1 041	1 006	1 006	826	866	913
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		4 558	2 322	2 672	2 992	2 937	2 937	2 866	3 017	3 063

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

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

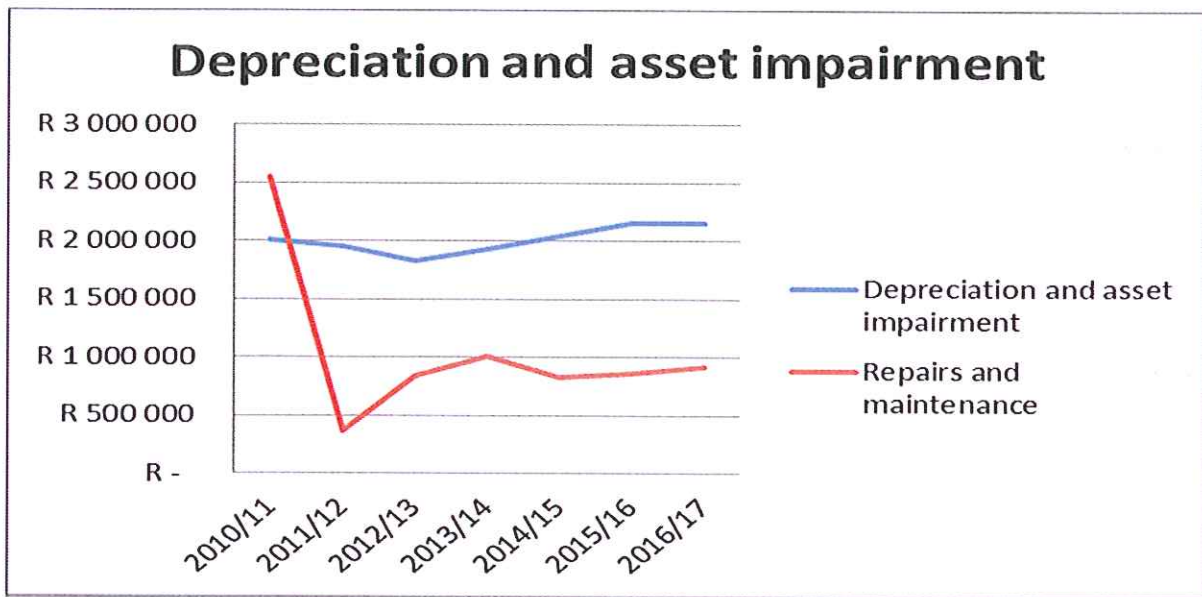


Figure 2 Depreciation in relation to repairs and maintenance over the MTREF



Table 17 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week)		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided (minimum social package)</b>		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>	6	-	-	-	-	-	-	-	-	-

## 2 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 Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

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

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality; and
- That 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 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2013. Key dates applicable to the process were:

- **August 2013** – The Mayor of the municipality submits the new budget process and timeframes to the Council for approval;
- **August 2013** – Advertisement (website, local newspapers and notice boards) of budget process and time schedules. This advertisement should be done within 5 days of the submission of the plan to Council;
- **September 2013** – Review all external mechanisms to ensure that all possible changes with agreements which may have an impact on the next budget are considered;
- **September 2013** – Based on the financial statements of the previous year and the results of performance investigations consider the financial position and capacity of the Municipality to determine the impact thereof on future strategies and budgets;



- **October 2013** – In consultation with the Mayoral Committee, determine future priority areas for the Municipality to guide the budget allocations and IDP plans. Identify all factors which may have an impact on future budgets and determine broad financial frameworks. Determine possible income/funding which may become available for the next three years;
- **November 2013** – Consultation with B-Municipalities;
- **December 2013** – Municipality derives inputs from National and Provincial Government and other bodies about factors which may influence the budget:
- **31 January 2014** – Preparation of draft IDP and capital and operational plans with costs and income projections. Incorporate in the first SDBIP. Preparation of projections of functional allocations based on past performance and adjusts with known factors, known obligations and asset maintenance requirements. Finalization of preliminary options for the IDP and budget for the next three years.
- **February 2014** – Consult Mayoral Committee about the preliminary budget, tariff adjustments and IDP medium term proposals. Mayoral Committee discusses the preliminary budget, tariff adjustments and IDP proposals in consideration with the priorities and objectives which are included in the medium term proposals. Go ahead with the finalization of the detailed operational plans and budgets. Incorporate the objectives and operational plans in the draft Service Delivery and Budget Implementation Plan. National and Provincial accountancy officials finalize any adjustments towards the projected allocations for the next three years no later than their own budgets. The finalization of detailed draft budget for the next three years in accordance with the prescribed format.
- **March 2014** – Incorporate the draft budget proposals and monthly projections of Income, expenditure, capital and of Income per Source in the draft Service Delivery and Budget Implementation Plan. Mayoral Committee receive the budget, draft SDBIP and updates to the IDP. Mayoral Committee considers the budget. Mayor submit budget, tariffs, draft SDBIP and updated IDP to Council by 31 March. The Council debates the budget and updated IDP.
- **April 2014** – Send a copy of the budget, tariffs, draft SDBIP and changes in the IDP to National and Provincial Government for inputs. Consultation with the community should take place regarding the budget, tariffs, IDP and performance objectives and indicators in the draft SDBIP.
- **May 2014** – Receive and analyze additional inputs of the communities, National and Provincial Government. Incorporate feedback from the community and National and Provincial Government and if necessary, review the budget, tariffs, draft SDBIP and IDP before submission to Council. Mayor submits the review budget, tariffs and IDP with consideration of the inputs of the community and Council – no later than 31 May. Municipal Council approves the IDP and budget before 31 May.
- **June 2014** – Publication of the budget, tariffs and IDP send a copy of the approved budget to the National and Provincial Government (for notification). Submit draft SDBIP and draft performance agreements of the Municipal Manager and Senior Managers to the Executive Mayor for approval. Approval of SDBIP and performance agreements.

- **July 2014** – Advertise the SDBIP and performance agreements (notification). Submission of performance agreements to the MEC of Local and Provincial Government (special council meeting). Implementation of the budget. Start with the preparation of the next budget.
- **January 2015** – Review the budget, if necessary.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

### 2.1.2 Integrated Development Plan

The IDP for the Namakwa District Municipality is presented in the context of the National Development Plan which has identified various central challenges. These challenges have a direct impact on the development and growth in this area.

The central challenges identified in the plan are:

- Unemployment
- Poor quality of education
- Ineffective economic infrastructure, poorly located, under-maintained and insufficient to support sustainable growth.
- Spatial Development patterns exclude the poor from benefitting from the fruits of development.
- The economy needs transformation in terms of resource management and use.
- Ineffective public health system
- Public services are uneven and often of poor quality.
- Corrupt activities.
- Transform in coherent South African society.

To create the better life for the people of Namakwa the focus and align activities in line with priorities as identified in the National Development Plan – Vision 2030;

- Creating jobs and livelihoods;
- Expanding infrastructure;
- Transitioning to a low-carbon economy;
- Improving education and training;
- Providing quality healthcare;
- Building a capable state;
- Fighting corruption and enhancing accountability;
- Transforming society and uniting the nation.

The Namakwa District Municipality, Councillors and officials had certain work sessions in which developmental issues were discussed and conclusions reached regarding the future role and function of the District. These sessions were held during 2011 and a 5 year development vision, mission and strategic objectives for the District were formulated.



### 2.1.3 Financial Modelling and Key Planning Drivers

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

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Performance trends
- The approved 2013/14 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

## 2.2 Overview of alignment of annual budget with IDP

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

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

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

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

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

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

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

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

The Namakwa District Municipality embark during January 2013 with a strategic session to review the priorities, challenges and programme of action for the next 1-3 years. The outcome of this strategic session was included in the 2013/14 IDP revision.



**Table 18 IDP Strategic Objectives****Outcome 1: Improved quality of basic education**

Project no. BE01: Mathematics Olympiad  
Project no. BE02: Recognition of Grade 12's  
Project no. BE03: Back to school programme

**Outcome 2: A long and healthy life for all South Africans**

Project no. LH01: HIV Aids  
Project no. LH02: Vulnerable group support

**Outcome 3: All people in South Africa are and feel safe**

Project no. FS01: Radio locators for sea vessels and fisherman with monitoring

**Outcome 4: Decent employment through inclusive economic growth**

Project no. EG01: Support of the Youth Jobs in Waste Programme

**Outcome 5: A skilled and capable workforce to support an inclusive growth path**

Project no. SW01: Skills Development for Namakwa District Municipality and Councillors

**Outcome 6: An efficient, competitive and responsive economic infrastructure network**

Project no. IN01: Port Nolloth Jetty  
Project no. IN02: SME & Cooperative Development  
Project no. IN03: Manufacturing Development  
Project no. IN04: Mining Development  
Project no. IN05: Infrastructure Development  
Project no. IN06: Trade & Investment  
Project no. IN07: Tourism Development

**Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all**

Project no. RC01: Commonage Development/ Implementation of Plan

**Outcome 8: Sustainable human settlements and improved quality of household life.****Outcome 9: A responsive, accountable, effective and efficient local government system.****Outcome 10: Environmental assets and natural resources that is well protected and continually enhanced**

Project no. EA01: Working for Water

**Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World**

Project no. SA02: Commemorative Days

**Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship**

Project no. IC02: Namakwa Festival

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

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

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

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

- Strengthening the analysis and strategic planning processes of the municipality;
- 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 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.



**Table 19 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted 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	
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation			24 793	7 313	2 652	20 981	20 981	20 981	43 121	40 343	3 685	
	Develop, manage and regulate the built and natural environment			-	-	-	-	-	-	-	-	-	
Quality Living Environment	Meet service needs and address backlogs			11 795	504	-	8	8	8	8	-	-	
Safe, Healthy and Secure Environment	Promoting the safety of citizens			3 213	2 914	2 647	4 091	4 091	4 091	3 059	3 260	3 398	
	Promoting the health of citizens			-	-	-	-	-	-	-	-	-	
Embracing our Cultural Diversity	Promote sport and recreation within the town			-	-	-	-	-	-	-	-	-	
Good Governance	Ensure accessibility and promote governance.			4 104	6 061	10 323	24 698	21 602	21 602	14 567	7 926	7 536	
	Create an efficient, effective and accountable administration			-	-	-	-	-	-	-	-	-	
Financial Viability and Sustainability	Strategic and sustainable budgeting, Grow and diversify our revenues and Value for money expenditure			3 030	28 929	28 384	29 398	29 398	29 398	30 374	30 705	31 266	
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contributions)				1	46 935	45 721	44 005	79 177	76 080	76 080	91 129	82 233	45 906

**Table 20 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	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	
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation			19 418	9 673	5 747	26 843	26 391	26 391	47 967	45 591	9 207	
	Develop, manage and regulate the built and natural environment			-	-	-	-	-	-	-	-	-	
Quality Living Environment	Meet service needs and address backlogs			1 723	504	-	654	654	654	912	953	1 004	
Safe, Healthy and Secure Environment	Promoting the safety of citizens			7 818	7 389	6 744	9 693	9 191	9 191	9 354	10 317	10 827	
	Promoting the health of citizens			-	-	-	-	-	-	-	-	-	
Embracing our Cultural Diversity	Promote sport and recreation within the town			-	-	-	-	-	-	-	-	-	
Good Governance	Ensure accessibility and promote governance.			15 317	26 215	34 450	47 592	43 662	43 662	35 811	30 370	31 927	
	Create an efficient, effective and accountable administration			-	-	-	-	-	-	-	-	-	
Financial Viability and Sustainability	Strategic and sustainable budgeting. Grow and diversify our revenues and Value for			4 536	4 930	5 032	4 681	4 688	4 688	5 605	5 835	6 115	
Allocations to other priorities													
<b>Total Expenditure</b>				<b>1</b>	<b>48 812</b>	<b>48 711</b>	<b>51 974</b>	<b>89 963</b>	<b>84 985</b>	<b>84 986</b>	<b>99 650</b>	<b>93 065</b>	<b>59 081</b>



**Table 21 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

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
<b>Office of the Executive Mayor</b>										
<b>Social Transformation</b>										
<b>Mathematics</b>										
Facilitate of Maths, science and technology awareness and education		-	-	-	100 000	100 000	100 000	30 000	-	-
<b>Literacy</b>										
Facilitate literacy education programmes		-	-	-	100 000	100 000	100 000	-	-	-
<b>Recognition of Grade 12</b>										
Facilitate literacy education programmes					100 000	100 000	100 000	30 000	-	-
<b>Back to school programme</b>										
Facilitate literacy education programmes					100 000	100 000	100 000	30 000	-	-
<b>Namakwa Festival</b>										
Support of Sport, Arts, Culture & Heritage at a District level based on MOU sign					500 000	500 000	500 000	500 000		
<b>Commemorative days</b>										
Celebrating commemorative days					100 000	100 000	100 000	400 000	-	-
<b>Vulnerable group support</b>										
Support to vulnerable groups					100 000	100 000	100 000	100 000	-	-
<b>Vessel Management Services</b>										
Radio locators for sea vessels and fisherman with monitoring					-	380 000	380 000	-	-	-
<b>Skills Development</b>										
Skills development for Namakwa District Municipality personnel and councillors					300 000	650 000	650 000	300 000	-	-
<b>Economic Development</b>										
Port Nolloth Jetty					-	-	-	25 000 000	25 000 000	-
Upgrade Ports of Entry					6 700 000	6 700 000	6 700 000	12 000 000	12 000 000	
Working for Water					12 287 266	12 287 266	12 287 266	4 974 500	-	-

### 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:

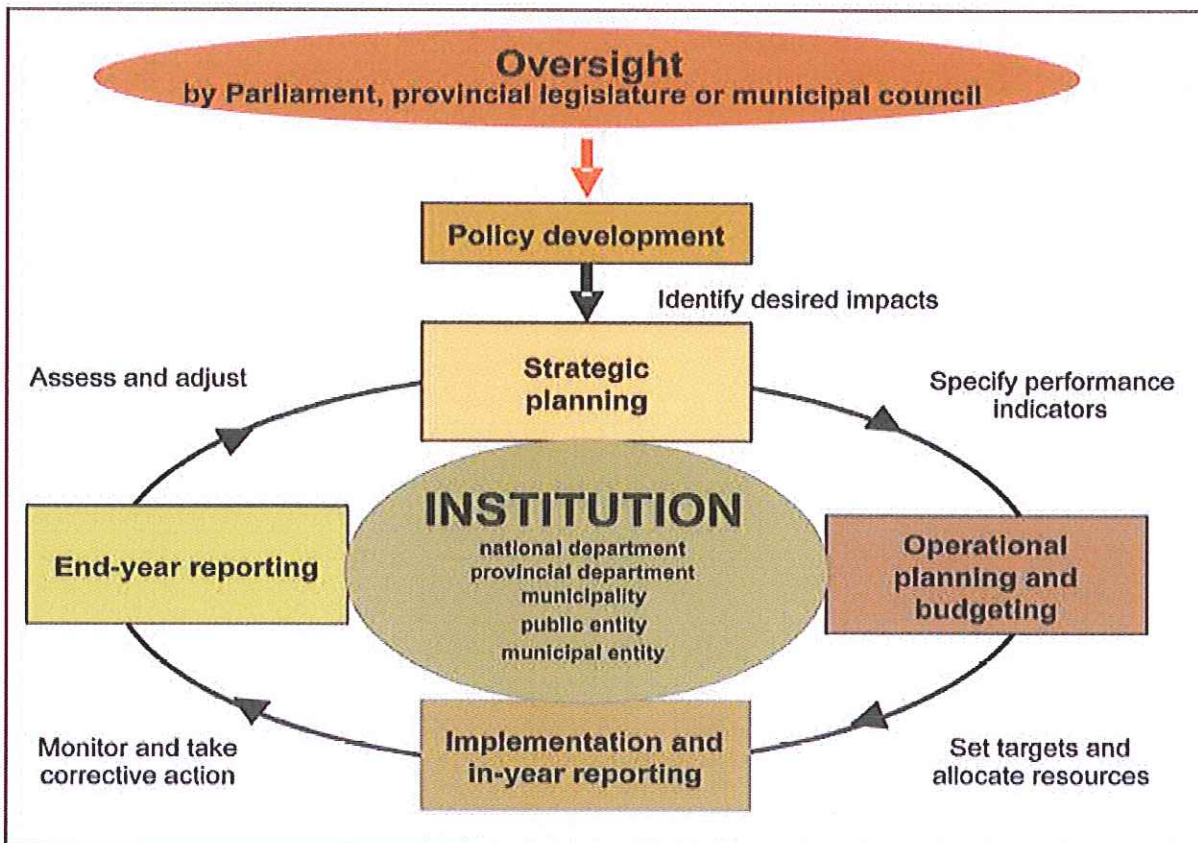


Figure 3 Planning, budgeting and reporting cycle

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:

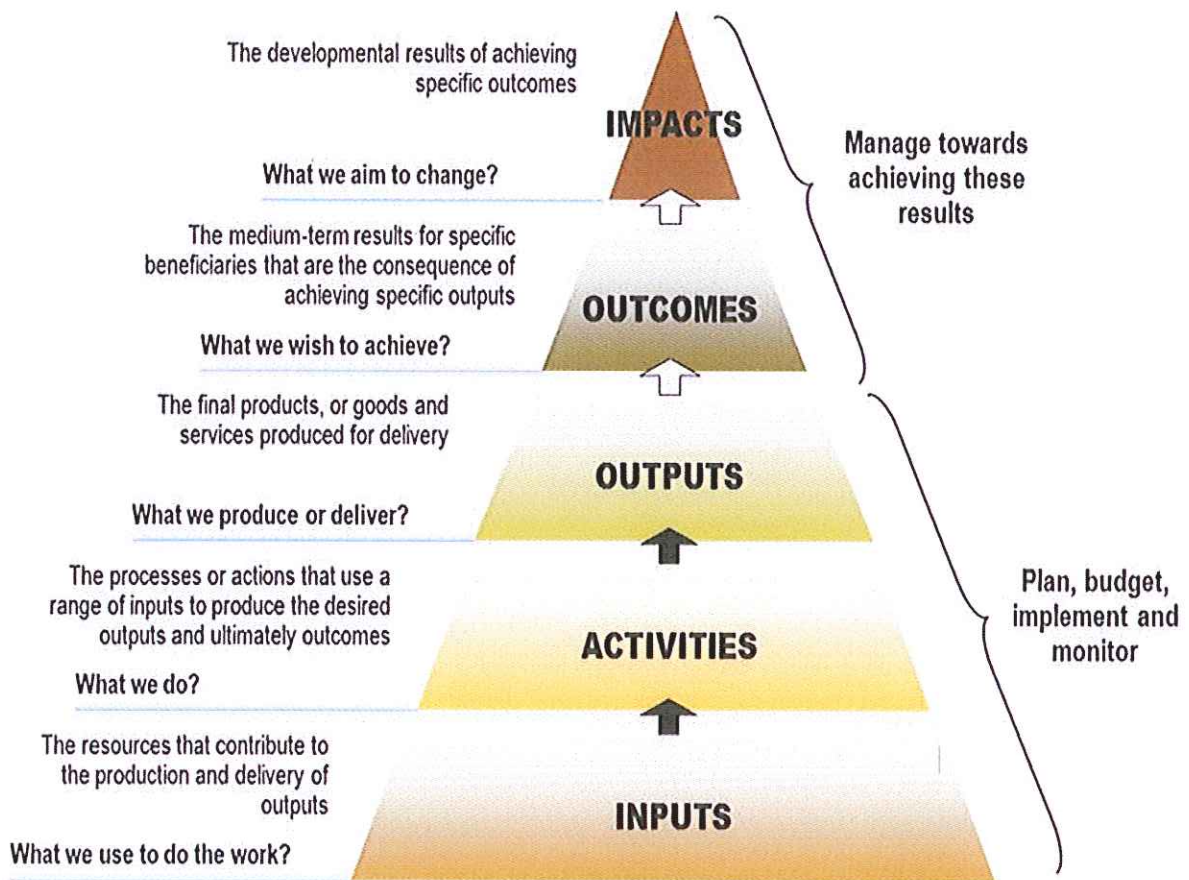


Figure 4 Definition of performance information concepts

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

Table 22 MBRR 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
<b>Office of the Executive Mayor</b>										
<b>Social Transformation</b>										
<b>Mathematics</b>										
Facilitate of Maths, science and technology awareness and education		-	-	-	100 000	100 000	100 000	30 000	-	-
<b>Literacy</b>										
Facilitate literacy education programmes		-	-	-	100 000	100 000	100 000	-	-	-
<b>Recognition of Grade 12</b>										
Facilitate literacy education programmes					100 000	100 000	100 000	30 000	-	-
<b>Back to school programme</b>										
Facilitate literacy education programmes					100 000	100 000	100 000	30 000	-	-
<b>Namakwa Festival</b>										
Support of Sport, Arts, Culture & Heritage at a District level based on MOU sign					500 000	500 000	500 000	500 000		
<b>Commemorative days</b>										
Celebrating commemorative days					100 000	100 000	100 000	400 000	-	-
<b>Vulnerable group support</b>										
Support to vulnerable groups					100 000	100 000	100 000	100 000	-	-
<b>Vessel Management Services</b>										
Radio locators for sea vessels and fisherman with monitoring					-	380 000	380 000	-	-	-
<b>Skills Development</b>										
Skills development for Namakwa District Municipality personnel and councillors					300 000	650 000	650 000	300 000	-	-
<b>Economic Development</b>										
Port Nolloth Jetty					-	-	-	25 000 000	25 000 000	-
Upgrade Ports of Entry					6 700 000	6 700 000	6 700 000	12 000 000	12 000 000	
Working for Water					12 287 266	12 287 266	12 287 266	4 974 500	-	-



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

**Table 23 MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Borrowing Management</b>											
Credit Rating		0	0	0	0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid/Operating Expenditure	11.7%	2.8%	2.4%	1.3%	1.4%	1.4%	1.4%	1.6%	1.7%	2.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	77.4%	22.9%	8.3%	6.6%	6.7%	6.7%	6.7%	16.1%	36.0%	38.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	2.2%	16.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	19.3%	5.6%	15.6%	3.7%	4.0%	4.0%	4.0%	28.1%	145.7%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	3.7	4.0	3.4	6.8	9.0	9.0	9.0	9.0	7.8	5.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.7	4.0	3.4	6.8	9.0	9.0	9.0	9.0	7.8	5.6
Liquidity Ratio	Monetary Assets/Current Liabilities	3.5	3.9	3.3	6.6	8.8	8.8	8.8	8.8	7.6	5.4
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		73.6%	27.9%	20.4%	100.0%	105.2%	105.2%	105.2%	136.0%	99.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		73.6%	27.9%	20.4%	100.0%	105.2%	105.2%	105.2%	136.0%	99.3%	121.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.4%	5.6%	4.0%	2.4%	1.3%	1.3%	1.3%	1.2%	1.4%	2.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		6.4%	13.6%	19.1%	8.9%	8.1%	8.1%	8.1%	7.3%	7.8%	10.1%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kWh)	0	0	0	0	0	0	0	0	0	0
	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)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	-	-	-	-	-	-	-
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.0%	43.3%	43.3%	41.7%	45.5%	45.5%	45.5%	38.2%	41.3%	76.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	-9.4%	150.3%	53.5%	44.5%	43.9%	43.9%		41.1%	44.7%	83.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.4%	0.9%	1.9%	1.3%	1.3%	1.3%		0.9%	1.1%	2.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.5%	8.3%	6.9%	4.0%	4.2%	4.2%	4.2%	3.9%	4.5%	8.3%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	2.2	1.9	10.5	11.9	11.9	11.9	9.0	6.1	3.5	3.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	305.6%	248.6%	306.2%	199.5%	107.6%	107.6%	107.6%	141.4%	141.4%	141.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	26.9	21.8	18.6	8.7	9.0	9.0	9.0	5.8	4.9	5.9

### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Safety of Capital

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. Between 2010/11 and 2011/12 the gearing ratio peaked at 10.7 per cent. This was primarily a result of the decreasing borrowing levels and increased funds and reserves.

#### 2.3.1.2 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 1. For the 2014/15 MTREF the current ratio is 9.0 in the 2014/15 financial year and 7.8 and 5.7 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year the ratio was 9.0 and 7.8 and 5.7 for the two outer years of the MTREF.

#### 2.3.1.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow by seeking for additional revenue sources such as implementing agency services.

#### 2.3.1.4 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice.

#### 2.3.1.5 Other Indicators

- In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base.



## **2.4 Overview of budget related-policies**

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

### **2.4.1 Review of credit control and debt collection procedures/policies**

The Collection Policy was revised by Council on 7 March 2013.

### **2.4.2 Asset Management, Infrastructure Investment and Funding Policy**

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

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding 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).

The asset management and investment policy was revised by Council on 7 March 2013.

### **2.4.3 Budget Adjustment Policy**

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

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

The Supply Chain Management Policy was revised by Council on 7 March 2013.

### **2.4.5 Cash Management and Investment Policy**

The municipality's Cash Management and Investment Policy were amended by Council on 7 March 2013. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents that is required at any point in time and introduces time frames to achieve certain benchmarks.

### **2.4.6 Borrowing Policy**

The municipality has approved its borrowing policy on 24 May 2013.

All the above policies are available on the municipality's website, as well as the following budget related policies:

- Funding and Reserves Policy;

### **2.4.7 Management and Disposal of Assets Policy**

The policy relating to the management and disposal of assets are an integral part of the Supply Chain Management Policy as well as the Asset Management Policy.

The municipality has revised these policies on 07 March 2013.

## **2.5 Overview of budget assumptions**

### **2.5.1 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and shall remain in force until 30 June 2015. Year three is an across the board increase of 6.8 percent.

### **2.5.2 Impact of national, provincial and local policies**

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

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

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link



between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

**2.5.3 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 50 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget. The reason for the 50 per cent spending rate on operating expenditure is due to the fact that the municipality has to budget for implementing agent services such as Working for Water and Department Agriculture, Forestry and Fisheries, but has to remove the operating expenditure at the end of the financial year because according to the accounting principles of GRAP, the municipality can only reflect the actual income to the municipality and not the income nor expenditure of the implementing agent service. The Auditor General has verified this conclusion on several audits and has deemed this practice as correct. No exceptions have been raised in this regard.

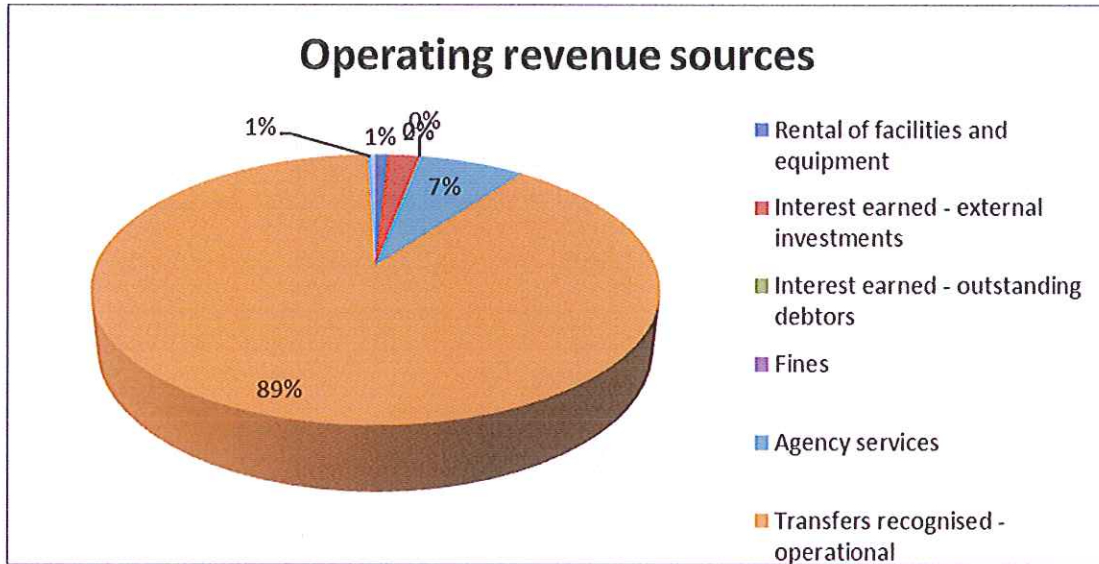
**2.6 Overview of budget funding**

**2.6.1 Medium-term outlook: operating revenue**

**Table 25 Breakdown of the operating revenue over the medium-term**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	404	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		577	899	572	927	927	927	927	747	787	830
Interest earned - external investments		3 407	3 069	3 066	1 450	1 450	1 450	1 450	1 950	1 564	1 268
Interest earned - outstanding debtors		202	248	61	100	100	100	100	100	105	111
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	5	5	5	5	5	5	6
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		1 474	-	10 371	13 957	13 957	13 957	13 957	6 372	1 473	1 553
Transfers recognised - operational		39 523	33 677	28 812	60 768	56 461	56 461	56 461	60 624	77 667	41 600
Other revenue	2	1 292	1 835	1 124	1 325	1 325	1 325	1 325	485	511	539
Gains on disposal of PPE		-	-	-	-	400	400	400	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>46 880</b>	<b>39 726</b>	<b>44 005</b>	<b>78 532</b>	<b>74 625</b>	<b>74 625</b>	<b>74 625</b>	<b>90 283</b>	<b>82 113</b>	<b>45 906</b>

The following graph is a breakdown of the operational revenue per main category for the 2014/15 financial year.



**Figure 5 Breakdown of operating revenue over the 2014/15 MTREF**

The municipality derives most of its operational revenue from the transfers and grants from the National Revenue fund as well as other organs of state in the form of implementing agency fees.

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



Table 26 MBRR SA15 – Detail Investment Information

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										
<b>Parent municipality</b>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		63 103	57 730	56 122	46 732	46 732	46 732	39 612	30 180	18 405
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		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	<b>63 103</b>	<b>57 730</b>	<b>56 122</b>	<b>46 732</b>	<b>46 732</b>	<b>46 732</b>	<b>39 612</b>	<b>30 180</b>	<b>18 405</b>
<b>Entities</b>										
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		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>63 103</b>	<b>57 730</b>	<b>56 122</b>	<b>46 732</b>	<b>46 732</b>	<b>46 732</b>	<b>39 612</b>	<b>30 180</b>	<b>18 405</b>

Table 27 MBRR 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 (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (R)	Investment Top Up	Closing Balance
Parent municipality														
ASCA Bank		Various	Call Deposit	No	Variable	Various				39 611	-	-	-	39 611
Nuveled Coop				No			N/A					1	-	-
<b>Municipality sub-total</b>										<b>39 612</b>				<b>39 612</b>
Entities														
		0	0	0	0	0	0	0	00 January 1900	-	-	-	-	-
		0	0	0	0	0	0	0	00 January 1900	-	-	-	-	-
		0	0	0	0	0	0	0	00 January 1900	-	-	-	-	-
		0	0	0	0	0	0	0	00 January 1900	-	-	-	-	-
		0	0	0	0	0	0	0	00 January 1900	-	-	-	-	-
		0	0	0	0	0	0	0	00 January 1900	-	-	-	-	-
<b>Entities sub-total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>00 January 1900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									<b>39 612</b>				<b>39 612</b>

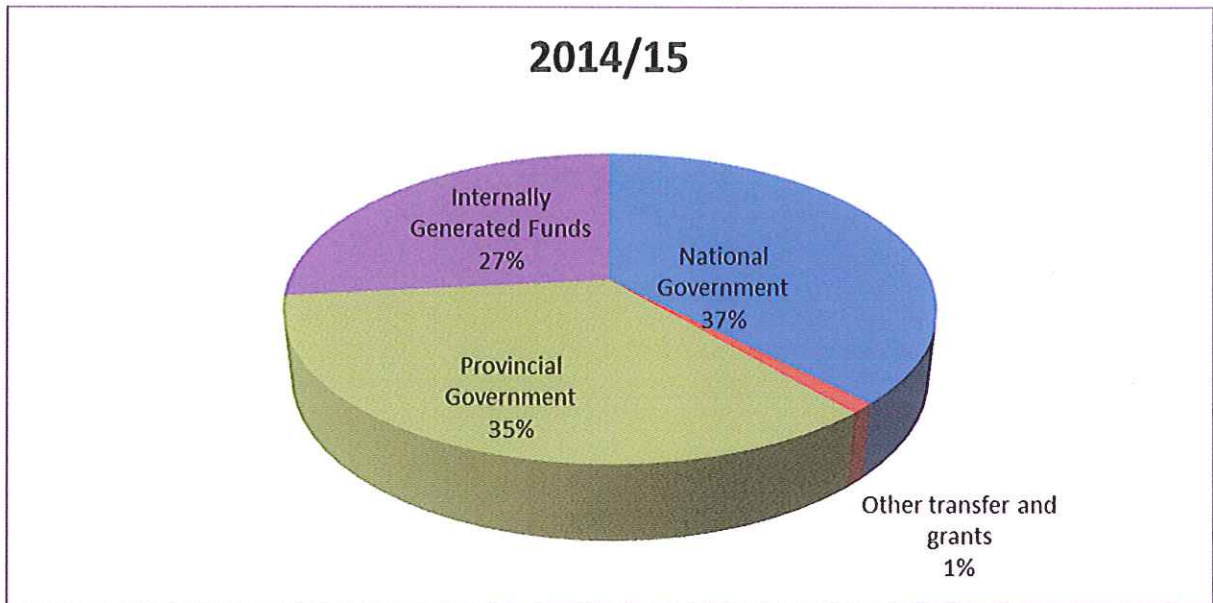
2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

**Table 28 Sources of capital revenue over the MTREF**

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Funded by:</b>											
National Government		35	4	–	15	445	445	445	434	–	–
Provincial Government		29	105	32	630	1 010	1 010	1 010	400	120	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	5	11	–	–	–	–	13	–	–
Transfers recognised - capital	4	64	115	44	645	1 455	1 455	1 455	847	120	–
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	23	–	–	–	–	–	–	–	–
Internally generated funds		1 126	524	834	2 755	3 692	3 692	3 692	308	39	–
<b>Total Capital Funding</b>	<b>7</b>	<b>1 190</b>	<b>662</b>	<b>877</b>	<b>3 400</b>	<b>5 147</b>	<b>5 147</b>	<b>5 147</b>	<b>1 154</b>	<b>159</b>	<b>–</b>

The above table is graphically represented as follows for the 2014/15 financial year.



**Figure 6 Sources of capital revenue for the 2014/15 financial year**

The capital budget of the municipality is mainly funded out of the internally generated funds as well as the provincial grant to be received for the 2014/15 financial year. The grant to be received is the Civil Defence Subsidy and Fire Equipment Grant.

The capital replacement reserve will be utilised to fund the capital budget portion of internally generated funds and is fully cash-backed.



Table 29 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorized 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
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		137	103	146	103	146	146	87	57	39
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	137	103	146	103	146	146	87	57	39
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	137	103	146	103	146	146	87	57	39

The following graph illustrates the growth in outstanding borrowing for the 2010/11 to 2016/17 period.

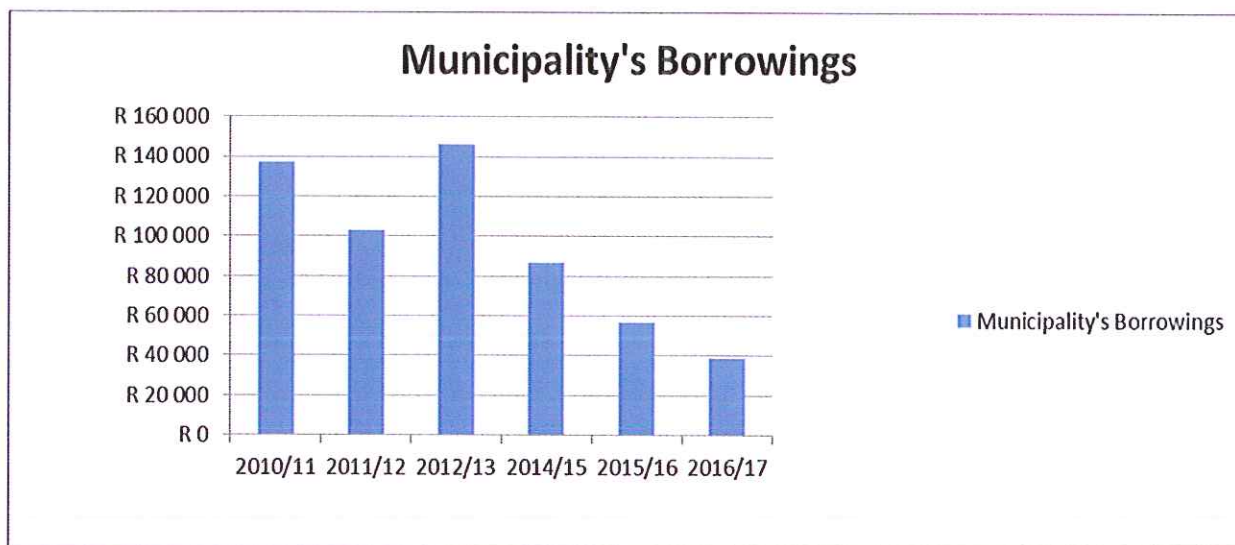


Figure 7 Growth in outstanding borrowing (long-term liabilities)

The municipality does not have any long term borrowing. The only borrowing that the municipality has is finance leases in the form of printers from Nashua.

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash-backed reserves and accumulated funds reconciliation, as discussed below.

**Table 30 MBRR Table SA 18 - Capital transfers and grants receipts**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital Transfers and Grants</b>										
National Government:		55	--	--	15	15	15	434	--	--
PIMS		--	--	--	15	15	15	--	--	--
Finance Management		55	--	--	--	--	--	--	--	--
Municipal Infrastructure Grant (MIG)		--	--	--	--	--	--	--	--	--
MSIG		--	--	--	--	--	--	434	--	--
Other capital transfers/grants [insert desc]		--	--	--	--	--	--	--	--	--
Provincial Government:		--	113	--	--	--	--	--	--	--
NEAR		--	113	--	--	--	--	--	--	--
District Municipality:		--	--	--	--	--	--	--	--	--
[insert description]		--	--	--	--	--	--	--	--	--
Other grant providers:		--	350	--	--	--	--	--	--	--
EPWP		--	350	--	--	--	--	--	--	--
B Municipalities		--	--	--	--	--	--	--	--	--
<b>Total Capital Transfers and Grants</b>	5	55	463	--	15	15	15	434	--	--

### 2.6.3 Cash Flow Management

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

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



**Table 31 MBRR Table A7 - Budget cash flow statement**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		2 908	831	2 479	16 314	17 164	17 164	17 164	10 485	2 864	3 678
Government - operating	1	36 583	33 186	36 450	60 768	57 901	57 901	57 901	78 204	77 749	40 900
Government - capital	1	55	-	-	645	15	15	15	434	-	-
Interest		3 609	3 316	3 066	1 450	1 450	1 450	1 450	1 950	1 564	1 268
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(51 156)	(37 871)	(43 088)	(71 095)	(61 570)	(61 570)	(61 570)	(92 087)	(89 310)	(54 308)
Finance charges		(146)	(31)	(31)	-	-	-	-	(1 492)	(1 572)	(1 657)
Transfers and Grants	1	-	-	-	(10 975)	(10 056)	(10 056)	(10 056)	(4 500)	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(8 148)</b>	<b>(568)</b>	<b>(1 125)</b>	<b>(2 893)</b>	<b>4 904</b>	<b>4 904</b>	<b>4 904</b>	<b>(7 005)</b>	<b>(8 706)</b>	<b>(10 119)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	400	400	400	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(1 190)	(662)	(1 693)	(3 400)	(5 147)	(5 147)	(5 147)	(1 154)	(159)	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(1 190)</b>	<b>(662)</b>	<b>(1 693)</b>	<b>(3 400)</b>	<b>(4 747)</b>	<b>(4 747)</b>	<b>(4 747)</b>	<b>(1 154)</b>	<b>(159)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	12	138	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(4 200)	(35)	(62)	-	(43)	(43)	(43)	(60)	(30)	(18)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(4 200)</b>	<b>(22)</b>	<b>76</b>	<b>-</b>	<b>(43)</b>	<b>(43)</b>	<b>(43)</b>	<b>(60)</b>	<b>(30)</b>	<b>(18)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(13 537)</b>	<b>(1 252)</b>	<b>(2 742)</b>	<b>(6 293)</b>	<b>114</b>	<b>114</b>	<b>114</b>	<b>(8 219)</b>	<b>(8 895)</b>	<b>(10 137)</b>
Cash/cash equivalents at the year begin:	2	76 785	63 249	61 996	56 267	49 974	49 974	49 974	50 088	41 869	32 974
Cash/cash equivalents at the year end:	2	63 249	61 996	59 254	49 974	50 088	50 088	50 088	41 869	32 974	22 837

The above table shows that cash and cash equivalents of the municipality were significant between the 2010/11 to 2012/13 financial year moving from a positive cash balance of R63.25 million to R59.25 million with the approved 2012/13 MTREF. In the 2014/15 forecasts, the cash and cash equivalents is expected to reduce to R 41.87 million due to shortage in revenue base.

**2.6.4 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 32 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	63 249	61 996	59 254	49 974	50 088	50 088	50 088	41 869	32 974	22 837
Other current investments > 90 days		(0)	-	(0)	-	-	-	-	0	0	0
Non current assets - investments	1	1	1	1	1	1	1	1	1	1	1
<b>Cash and investments available:</b>		<b>63 250</b>	<b>61 998</b>	<b>59 255</b>	<b>49 975</b>	<b>50 089</b>	<b>50 089</b>	<b>50 089</b>	<b>41 870</b>	<b>32 975</b>	<b>22 838</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		11 685	4 350	3 531	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	1 830	7 913	10 979	2 603	3 007	3 007	3 007	1 623	1 453	889
Other provisions		3 618	2 956	3 041	3 121	1 621	1 621	1 621	1 712	1 805	1 902
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	711	1 773	939	2 755	3 692	3 692	3 692	308	39	-
<b>Total Application of cash and investments:</b>		<b>17 844</b>	<b>16 991</b>	<b>18 489</b>	<b>8 480</b>	<b>8 320</b>	<b>8 320</b>	<b>8 320</b>	<b>3 642</b>	<b>3 296</b>	<b>2 791</b>
<b>Surplus(shortfall)</b>		<b>45 406</b>	<b>45 006</b>	<b>40 766</b>	<b>41 495</b>	<b>41 769</b>	<b>41 769</b>	<b>41 769</b>	<b>38 228</b>	<b>29 679</b>	<b>20 048</b>

From the above table it can be seen that the cash and investments available total R41.87 million in the 2014/15 financial year and significantly decreases to R32.98 million by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2013/14 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants.
- 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. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation.



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.

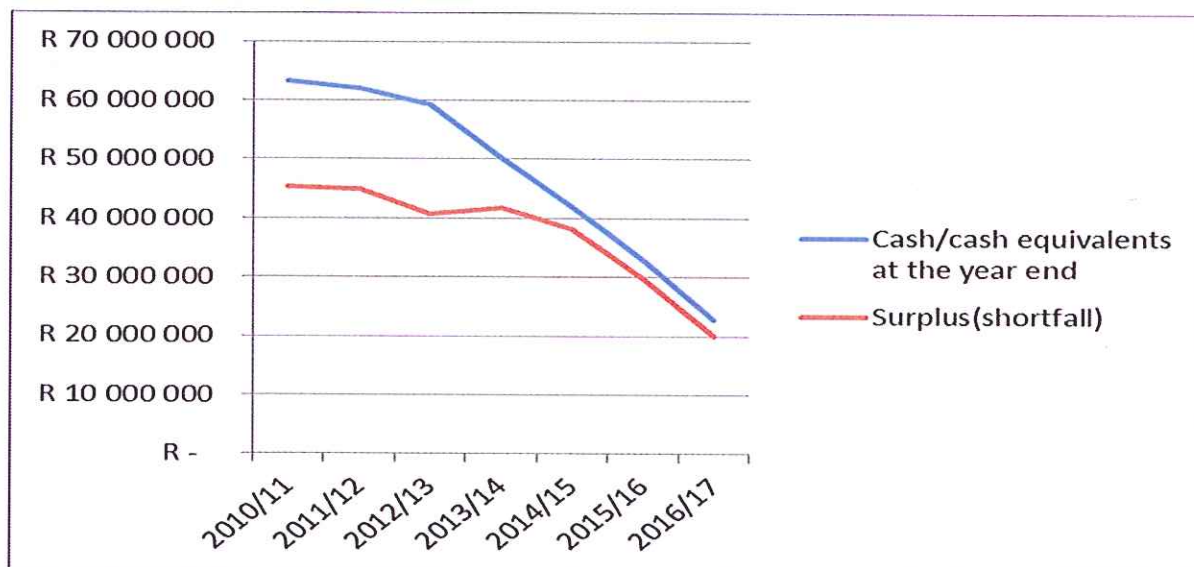


Figure 8 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.5 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 33 MBRR SA10 – Funding compliance 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
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	63 249	61 956	59 254	49 974	50 088	50 088	50 088	41 869	32 974	22 837
Cash + Investments at the yr end less applications - R'000	18(1)b	2	45 406	45 006	40 768	41 455	41 769	41 769	41 769	38 228	29 679	20 048
Cash year end/monthly employee/supplier payments	18(1)b	3	26.9	21.8	18.6	8.7	9.0	9.0	9.0	5.8	4.9	5.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(1 877)	(3 023)	(7 568)	(10 787)	(8 906)	(8 906)	(8 906)	(8 520)	(10 832)	(13 174)
Service charge rev. % change - macro CPIX target exclusive	18(1)a(2)	5	N.A.	(105.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	73.6%	27.9%	20.4%	100.0%	105.2%	105.2%	105.2%	136.0%	99.3%	121.1%
Debt Impairment expense as a % of total billable revenue	18(1)a(2)	7	18.5%	233.0%	253.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1);19	8	100.0%	100.0%	193.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%
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								109.7%	100.0%	101.7%
Current consumer debtors % change - inc/(decr)	18(1)a	11	N.A.	(25.5%)	(21.7%)	5.7%	(45.9%)	0.0%	0.0%	5.6%	5.4%	5.4%
Long term receivables % change - inc/(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	26.6%	4.6%	10.4%	12.0%	12.6%	12.6%	10.5%	11.4%	15.7%	25.2%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.3%	15.1%	0.0%



#### *2.6.5.1 Cash/cash equivalent position*

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2014/15 MTREF shows R41.68 million, R32.98 million and R22.84 million for each respective financial year.

#### *2.6.5.2 Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 16, on page 23. 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.

#### *2.6.5.3 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2014/15 MTREF the indicative outcome is a deficit of R8.52 million, R10.83 million and R13.17 million.

#### *2.6.5.4 Transfers/grants revenue as a percentage of Government transfers/grants available*

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

#### *2.6.5.5 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. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 47 MBRR SA34C on page 69.



#### *2.6.5.6 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 46 MBRR SA34b on page 68.

## 2.7 Expenditure on grants and reconciliations of unspent funds

Table 34 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		30 985	30 006	33 067	32 973	32 543	32 543	33 785	37 527	38 202
Local Government Equitable Share		29 290	27 521	30 116	30 848	30 848	30 848	32 035	32 934	33 217
Finance Management		945	1 312	1 326	1 250	1 220	1 220	1 250	1 250	1 300
Municipal Systems Improvement		750	71	450	875	475	475	500	967	1 018
PIMS		-	1 102	1 175	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Rural road asset management		-	-	-	-	-	-	-	2 376	2 667
Provincial Government:		1 027	3 354	2 660	10 564	10 184	10 184	40 309	40 140	3 398
NEAR		-	-	-	-	-	-	-	-	-
Fire Equipment		127	371	19	690	490	490	315	350	350
Health Inspector Subsidy		-	1 959	2 000	2 300	2 300	2 300	2 429	2 560	2 698
Civil Defence Subsidy		900	584	601	471	291	291	315	230	350
IDP/LDO		-	10	40	362	362	362	250	-	-
Sport Development		-	-	-	-	-	-	-	-	-
SA Projects		-	-	-	-	-	-	-	-	-
Clinic Sanitation		-	-	-	-	-	-	-	-	-
Agricultural and Fisheries		-	429	-	6 741	6 741	6 741	37 000	37 000	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		7 654	1 117	1 643	17 231	13 735	13 735	6 530	-	-
EPWP		7 654	-	1 137	1 000	1 000	1 000	1 000	-	-
SETA		-	589	171	300	300	300	360	-	-
Other		-	-	335	1 431	1 435	1 435	670	-	-
Kholso Pula Nala		-	-	-	7 500	7 500	7 500	4 500	-	-
CETA		-	-	-	7 000	3 500	3 500	-	-	-
Sakrivier Brug		-	504	-	-	-	-	-	-	-
Kamiesberg Special Fund		-	23	-	-	-	-	-	-	-
Richtersveld Special Fund		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants</b>		<b>39 666</b>	<b>34 477</b>	<b>37 370</b>	<b>60 768</b>	<b>56 461</b>	<b>56 461</b>	<b>80 624</b>	<b>77 667</b>	<b>41 600</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	5 624	82	15	445	445	434	-	-
PIMS		-	-	-	15	15	15	-	-	-
Finance Management		-	-	-	-	30	30	-	-	-
MIG		-	5 624	-	-	400	400	-	-	-
MSIG		-	-	82	-	-	-	434	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	32	630	1 010	1 010	400	120	-
Civil Defence Subsidy		-	-	32	630	1 010	1 010	400	120	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	13	-	-
EPWP		-	-	-	-	-	-	-	-	-
B Municipalities		-	-	-	-	-	-	13	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>-</b>	<b>5 624</b>	<b>114</b>	<b>645</b>	<b>1 455</b>	<b>1 455</b>	<b>847</b>	<b>120</b>	<b>-</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>39 666</b>	<b>40 100</b>	<b>37 484</b>	<b>61 413</b>	<b>57 916</b>	<b>57 916</b>	<b>81 471</b>	<b>77 787</b>	<b>41 600</b>



**Table 35 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		848	5 624	-	-	-	-	-	-	-
Current year receipts		36 227	24 868	24 482	32 973	32 543	32 543	33 785	37 527	38 202
Conditions met - transferred to revenue		30 842	30 491	24 482	32 973	32 543	32 543	33 785	37 527	38 202
Conditions still to be met - transferred to liabilities		6 233	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	10	-	-	-	-	-	-	-
Current year receipts		1 027	955	2 647	10 564	10 184	10 184	40 309	40 140	3 398
Conditions met - transferred to revenue		1 027	965	2 647	10 564	10 184	10 184	40 309	40 140	3 398
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	2 220	1 683	-	-	-	-	-	-
Current year receipts		7 654	-	-	17 231	13 735	13 735	6 530	-	-
Conditions met - transferred to revenue		7 654	2 220	1 683	17 231	13 735	13 735	6 530	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		<b>39 523</b>	<b>33 677</b>	<b>28 812</b>	<b>60 768</b>	<b>56 461</b>	<b>56 461</b>	<b>80 624</b>	<b>77 667</b>	<b>41 600</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>6 233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		445	-	-	-	-	-	-	-	-
Current year receipts		64	4	-	15	445	445	434	-	-
Conditions met - transferred to revenue		64	4	-	15	445	445	434	-	-
Conditions still to be met - transferred to liabilities		445	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	105	-	-	-	-	-	-	-
Current year receipts		-	-	32	630	1 010	1 010	400	120	-
Conditions met - transferred to revenue		-	105	32	630	1 010	1 010	400	120	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	5	-	-	-	-	-	-	-
Current year receipts		-	-	11	-	-	-	13	-	-
Conditions met - transferred to revenue		-	5	11	-	-	-	13	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		<b>64</b>	<b>115</b>	<b>44</b>	<b>645</b>	<b>1 455</b>	<b>1 455</b>	<b>847</b>	<b>120</b>	<b>-</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>39 587</b>	<b>33 791</b>	<b>28 855</b>	<b>61 413</b>	<b>57 916</b>	<b>57 916</b>	<b>81 471</b>	<b>77 787</b>	<b>41 600</b>

**2.8 Councillor and employee benefits**

**Table 36 MBRR SA22 - Summary of 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
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		1 425	1 792	1 849	1 961	2 016	2 016	2 155	2 273	2 399
Pension and UIF Contributions		3	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		596	527	488	536	538	538	462	487	514
<b>Sub Total - Councillors</b>		<b>2 024</b>	<b>2 318</b>	<b>2 337</b>	<b>2 497</b>	<b>2 554</b>	<b>2 554</b>	<b>2 616</b>	<b>2 760</b>	<b>2 912</b>
% increase	4		14.6%	0.8%	6.8%	2.3%	-	2.5%	5.5%	5.5%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		3 090	3 042	3 053	2 182	2 212	2 212	3 212	3 386	3 568
Pension and UIF Contributions		423	424	465	400	400	400	525	553	583
Medical Aid Contributions		128	133	310	153	153	153	134	141	149
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	911	911	847	544	544	544	687	724	763
Cellphone Allowance	3	60	60	60	42	42	42	48	51	53
Housing Allowances	3	50	50	80	37	37	37	37	39	42
Other benefits and allowances	3	36	36	249	237	243	243	311	328	346
Payments in lieu of leave		-	-	51	-	-	-	-	-	-
Long service awards		-	-	66	15	15	15	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 698</b>	<b>4 656</b>	<b>5 180</b>	<b>3 610</b>	<b>3 646</b>	<b>3 646</b>	<b>4 954</b>	<b>5 222</b>	<b>5 504</b>
% increase	4		(0.9%)	11.3%	(30.3%)	1.0%	-	35.9%	5.4%	5.4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		1 662	11 025	12 976	17 310	17 594	17 594	20 622	19 316	19 790
Pension and UIF Contributions		(1 005)	8 406	476	2 632	2 566	2 566	2 302	2 426	2 557
Medical Aid Contributions		(1 300)	8 115	317	2 330	2 523	2 523	1 426	1 503	1 584
Overtime		(1 428)	7 983	280	242	311	311	250	263	277
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1 180	1 180	670	4 519	5 369	5 369	2 597	2 738	2 886
Cellphone Allowance	3	-	-	-	(2)	(4)	(4)	249	263	277
Housing Allowances	3	(5 140)	8 033	292	620	590	590	639	673	710
Other benefits and allowances	3	(5 090)	7 983	720	1 096	959	959	985	1 038	1 094
Payments in lieu of leave		-	-	28	-	-	-	-	-	-
Long service awards		-	-	67	162	164	164	146	154	162
Post-retirement benefit obligations	6	-	-	210	210	210	210	336	354	373
<b>Sub Total - Other Municipal Staff</b>		<b>(11 120)</b>	<b>52 725</b>	<b>16 036</b>	<b>29 119</b>	<b>30 283</b>	<b>30 283</b>	<b>29 552</b>	<b>28 728</b>	<b>29 711</b>
% increase	4		(574.1%)	(69.6%)	81.6%	4.0%	-	(2.4%)	(2.8%)	3.4%
<b>Total Parent Municipality</b>		<b>(4 399)</b>	<b>59 700</b>	<b>23 553</b>	<b>35 225</b>	<b>36 482</b>	<b>36 482</b>	<b>37 122</b>	<b>36 710</b>	<b>38 127</b>



**Table 37 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		393 251	-	-			393 251
Chief Whip			-	-	-			-
Executive Mayor			715 106	-	-			715 106
Deputy Executive Mayor			-	-	-			-
Executive Committee			206 985	-	68 997			275 982
Total for all other councillors			839 614	-	392 505			1 232 119
<b>Total Councillors</b>	8	-	2 154 957	-	461 501			2 616 458
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			900 000	215 065	163 907	75 000		1 353 972
Chief Finance Officer			636 000	136 683	150 326	46 000		969 009
Director: Corporate Services			594 843	82 931	144 264	33 750		855 788
Director: Economic Development, Tourism and Projects			523 244	136 123	154 671	41 750		855 788
Director: Office of the Municipal Manager			558 000	156 239	158 813	46 500		919 552
								-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	5 367 045	727 042	1 233 482	243 000		7 570 568

**Table 38 MBRR SA24 – summary of personnel numbers**

Summary of Personnel Numbers Number	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		15	2	13	15	2	13	15	2	13
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>										
Municipal Manager and Senior Managers	3	2	-	2	4	3	1	4	3	1
Other Managers	7	7	7	-	4	4	-	4	4	-
Professionals		20	16	3	4	4	-	4	4	-
Finance		2	2	-	2	2	-	2	2	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	2	2	-	2	2	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		18	14	3	-	-	-	-	-	-
Technicians		9	3	2	9	9	-	9	9	-
Finance		-	-	-	2	2	-	2	2	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		2	1	1	2	2	-	2	2	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		7	2	1	5	5	-	5	5	-
Clerks (Clerical and administrative)		44	28	10	48	28	20	48	28	20
Service and sales workers		5	4	1	5	4	1	5	4	1
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		-	-	-	-	-	-	-	-	-
Elementary Occupations		4	3	1	4	3	1	4	3	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	106	63	32	93	57	36	93	57	35

## 2.9 Monthly targets for revenue, expenditure and cash flow





**Table 40 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Revenue by Vote</b>																	
Vote 1 - Municipal Manager		799	799	799	799	799	799	799	799	799	799	799	799	9 586	3 125	3 269	
Vote 2 - Manager: Corporate Services		1 352	1 03	1 03	1 03	1 352	1 03	1 03	1 352	1 03	1 03	1 03	1 03	4 981	4 800	4 268	
Vote 3 - Manager: Economic Development		3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	43 121	40 343	3 685	
Vote 4 - Manager: Environmental Health		53	53	53	53	2 481	53	53	53	53	53	53	53	3 059	3 260	3 398	
Vote 5 - Manager: Finance		8 949	392	392	392	8 949	392	392	392	8 949	392	392	392	30 374	30 705	31 286	
Vote 6 - Manager: Roads		1	1	1	1	1	1	1	1	1	1	1	1	8	-	-	
<b>Total Revenue by Vote</b>		<b>14 747</b>	<b>4 940</b>	<b>4 940</b>	<b>4 940</b>	<b>17 176</b>	<b>4 940</b>	<b>4 940</b>	<b>4 940</b>	<b>14 747</b>	<b>4 940</b>	<b>4 940</b>	<b>4 940</b>	<b>91 129</b>	<b>82 233</b>	<b>45 906</b>	
<b>Expenditure by Vote to be appropriated</b>																	
Vote 1 - Municipal Manager		1 910	1 910	1 910	1 910	2 129	1 910	1 910	1 910	1 910	1 910	1 910	1 933	23 160	17 443	18 353	
Vote 2 - Manager: Corporate Services		872	872	872	872	1 101	872	872	872	872	872	872	872	10 694	10 863	11 402	
Vote 3 - Manager: Economic Development		4 122	4 122	4 122	4 122	4 433	4 122	4 122	4 122	4 122	4 122	4 122	4 269	49 924	47 655	11 380	
Vote 4 - Manager: Environmental Health		749	749	749	749	1 113	749	749	749	749	749	749	749	9 354	10 317	10 827	
Vote 5 - Manager: Finance		452	452	452	452	639	452	452	452	452	452	452	452	5 605	5 835	6 115	
Vote 6 - Manager: Roads		76	76	76	76	76	76	76	76	76	76	76	76	912	953	1 004	
<b>Total Expenditure by Vote</b>		<b>8 181</b>	<b>8 181</b>	<b>8 181</b>	<b>8 181</b>	<b>9 489</b>	<b>8 181</b>	<b>8 181</b>	<b>8 181</b>	<b>8 181</b>	<b>8 181</b>	<b>8 181</b>	<b>8 351</b>	<b>99 650</b>	<b>93 065</b>	<b>59 081</b>	
<b>Surplus/(Deficit) before assoc.</b>		<b>6 566</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>7 686</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>6 566</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>(3 411)</b>	<b>(8 520)</b>	<b>(10 832)</b>	<b>(13 174)</b>	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>6 566</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>7 686</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>6 566</b>	<b>(3 241)</b>	<b>(3 241)</b>	<b>(3 411)</b>	<b>(8 520)</b>	<b>(10 832)</b>	<b>(13 174)</b>	



Table 41 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

R thousand	Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
	<b>Revenue - Standard</b>		11 100	1 293	1 293	1 293	1 293	1 293	1 293	1 293	1 293	1 293	1 293	1 293	1 293	44 941	38 630	38 823
	<i>Governance and administration</i>		799	799	799	799	799	799	799	799	799	799	799	799	799	9 586	3 125	3 269
	Executive and council		8 949	392	392	392	392	392	392	392	392	392	392	392	392	30 374	30 705	31 266
	Budget and treasury office		1 352	103	103	103	103	103	103	103	103	103	103	103	103	4 981	4 800	4 288
	Corporate services		53	53	53	53	53	53	53	53	53	53	53	53	53	3 059	3 260	3 398
	<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	2 429	2 560	2 698
	Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sport and recreation		53	53	53	53	53	53	53	53	53	53	53	53	53	630	700	700
	Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Economic and environmental services</i>		3 594	3 594	3 594	3 594	3 594	3 594	3 594	3 594	3 594	3 594	3 594	3 594	3 594	43 129	40 343	3 685
	Planning and development		3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	43 121	40 343	3 685
	Road transport		1	1	1	1	1	1	1	1	1	1	1	1	1	8	-	-
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Revenue - Standard</b>		14 747	4 940	4 940	4 940	4 940	4 940	4 940	4 940	4 940	4 940	4 940	4 940	4 940	91 129	82 233	45 906
	<b>Expenditure - Standard</b>		3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	39 459	34 141	35 870
	<i>Governance and administration</i>		1 910	1 910	1 910	1 910	1 910	1 910	1 910	1 910	1 910	1 910	1 910	1 910	1 910	23 160	17 443	18 363
	Executive and council		452	452	452	452	452	452	452	452	452	452	452	452	452	5 605	5 835	6 115
	Budget and treasury office		872	872	872	872	872	872	872	872	872	872	872	872	872	10 694	10 863	11 402
	Corporate services		749	749	749	749	749	749	749	749	749	749	749	749	749	9 354	10 317	10 827
	<i>Community and public safety</i>		372	372	372	372	372	372	372	372	372	372	372	372	372	4 643	4 893	5 156
	Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sport and recreation		372	372	372	372	372	372	372	372	372	372	372	372	372	-	-	-
	Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health		6	6	6	6	6	6	6	6	6	6	6	6	6	66	70	73
	<i>Economic and environmental services</i>		4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	48 879	46 544	10 211
	Planning and development		3 965	3 965	3 965	3 965	3 965	3 965	3 965	3 965	3 965	3 965	3 965	3 965	3 965	47 967	45 591	9 207
	Road transport		76	76	76	76	76	76	76	76	76	76	76	76	76	912	953	1 004
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Other</i>		157	157	157	157	227	157	157	157	157	157	157	157	157	1 958	2 064	2 172
	<b>Total Expenditure - Standard</b>		8 181	8 181	8 181	8 181	9 489	8 181	8 181	8 181	8 181	8 181	8 181	8 181	8 181	99 650	93 065	59 081
	<b>Surplus/(Deficit) before assoc.</b>		6 566	(3 241)	(3 241)	(3 241)	7 686	(3 241)	(3 241)	(3 241)	(3 241)	(3 241)	(3 241)	(3 241)	(3 241)	(8 520)	(10 832)	(13 174)
	Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Surplus/(Deficit)</b>		6 566	(3 241)	(3 241)	(3 241)	7 686	(3 241)	(3 241)	(3 241)	(3 241)	(3 241)	(3 241)	(3 241)	(3 241)	(8 520)	(10 832)	(13 174)

**Table 42 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		Budget Year 2014/15												Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>																	
<b>Multi-year expenditure to be appropriated</b>	1																
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Manager: Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Manager: Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Manager: Environmental Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Manager: Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Manager: Roads		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																	
Vote 1 - Municipal Manager		-	35	-	-	43	-	-	-	-	-	-	-	-	-	-	78
Vote 2 - Manager: Corporate Services		-	10	34	120	-	-	-	-	-	-	-	-	-	-	-	165
Vote 3 - Manager: Economic Development		30	5	-	200	-	-	100	-	-	-	-	-	-	-	-	467
Vote 4 - Manager: Environmental Health		100	-	45	-	150	-	-	-	-	-	-	-	-	-	-	445
Vote 5 - Manager: Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Manager: Roads		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	130	50	79	320	193	-	100	250	250	28	4	1 154	159	-	-	-
<b>Total Capital Expenditure</b>	2	130	50	79	320	193	-	100	250	250	28	4	1 154	159	-	-	-



**Table 43 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital Expenditure - Standard</b>	1	20	20	20	20	20	20	20	20	20	20	20	20	243	-	-
<i>Governance and administration</i>		7	7	7	7	7	7	7	7	7	7	7	7	78	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		14	14	14	14	14	14	14	14	14	14	14	14	165	-	-
Corporate services		37	37	37	37	37	37	37	37	37	37	37	37	445	159	-
<i>Community and public safety</i>		4	4	4	4	4	4	4	4	4	4	4	4	45	39	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		33	33	33	33	33	33	33	33	33	33	33	33	400	120	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		39	39	39	39	39	39	39	39	39	39	39	39	467	-	-
Planning and development		39	39	39	39	39	39	39	39	39	39	39	39	467	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	96	96	96	96	96	96	96	96	96	96	96	96	1 154	159	-
<b>Funded by:</b>																
National Government		36	36	36	36	36	36	36	36	36	36	36	36	434	-	-
Provincial Government		33	33	33	33	33	33	33	33	33	33	33	33	400	120	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		1	1	1	1	1	1	1	1	1	1	1	1	13	-	-
<b>Transfers recognised - capital</b>		71	71	71	71	71	71	71	71	71	71	71	71	847	120	-
<b>Public contributions &amp; donations</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		26	26	26	26	26	26	26	26	26	26	26	26	308	39	-
<b>Total Capital Funding</b>		96	96	96	96	96	96	96	96	96	96	96	96	1 154	159	-

Table 44 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash Receipts By Source</b>																
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	62	62	62	62	62	62	62	62	62	62	62	62	747	787	830	
Interest earned - external investments	163	163	163	163	163	163	163	163	163	163	163	163	1 950	1 564	1 268	
Interest earned - outstanding debtors	8	8	8	8	8	8	8	8	8	8	8	8	100	105	111	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6	
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	531	531	531	531	531	531	531	531	531	531	531	531	6 372	1 473	1 553	
Transfer receipts - operational	13 942	4 135	4 135	4 135	16 371	4 135	4 135	4 135	13 942	4 135	4 135	869	78 204	77 749	40 900	
Other revenue	40	40	40	40	40	40	40	40	40	40	40	2 816	3 261	492	1 179	
<b>Cash Receipts by Source</b>	<b>14 747</b>	<b>4 940</b>	<b>4 940</b>	<b>4 940</b>	<b>17 176</b>	<b>4 940</b>	<b>4 940</b>	<b>4 940</b>	<b>14 747</b>	<b>4 940</b>	<b>4 940</b>	<b>4 450</b>	<b>90 639</b>	<b>82 176</b>	<b>45 846</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	71	71	71	71	71	71	71	71	71	71	71	(342)	434	-	-	-
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>14 817</b>	<b>5 011</b>	<b>5 011</b>	<b>5 011</b>	<b>17 246</b>	<b>5 011</b>	<b>5 011</b>	<b>5 011</b>	<b>14 817</b>	<b>5 011</b>	<b>5 011</b>	<b>4 108</b>	<b>91 073</b>	<b>82 176</b>	<b>45 846</b>	
<b>Cash Payments by Type</b>																
Employee related costs	2 752	2 752	2 752	2 752	4 061	2 752	2 752	2 752	2 752	2 752	2 752	2 922	34 506	33 953	35 220	
Remuneration of councillors	218	218	218	218	218	218	218	218	218	218	218	218	2 616	2 758	2 907	
Finance charges	-	-	-	-	-	-	-	-	-	-	-	1 492	1 482	2 150	2 150	
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	36 894	35 457	-	
Transfers and grants - other municipalities	375	375	375	375	375	375	375	375	375	375	375	375	4 500	-	-	
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	18 071	16 565	15 688	
<b>Cash Payments by Type</b>	<b>7 926</b>	<b>7 926</b>	<b>7 926</b>	<b>7 926</b>	<b>9 234</b>	<b>7 926</b>	<b>7 926</b>	<b>7 926</b>	<b>7 926</b>	<b>7 926</b>	<b>7 926</b>	<b>9 587</b>	<b>98 079</b>	<b>90 882</b>	<b>55 985</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	130	50	79	320	193	-	-	-	250	-	28	4	1 154	159	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>8 056</b>	<b>7 976</b>	<b>8 005</b>	<b>8 246</b>	<b>9 427</b>	<b>7 926</b>	<b>7 926</b>	<b>7 926</b>	<b>8 176</b>	<b>7 926</b>	<b>7 954</b>	<b>9 651</b>	<b>99 292</b>	<b>91 071</b>	<b>55 983</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>6 762</b>	<b>(2 964)</b>	<b>(2 994)</b>	<b>(3 235)</b>	<b>7 819</b>	<b>(2 915)</b>	<b>(2 915)</b>	<b>(2 915)</b>	<b>6 642</b>	<b>(2 915)</b>	<b>(2 943)</b>	<b>(5 543)</b>	<b>(8 219)</b>	<b>(8 895)</b>	<b>(10 137)</b>	
Cash/cash equivalents at the monthly start begin:	50 088	56 849	53 884	50 890	47 655	55 474	52 558	49 643	46 628	53 270	50 355	47 412	50 088	41 869	32 974	
Cash/cash equivalents at the monthly end:	56 849	53 884	50 890	47 655	55 474	52 558	49 643	46 628	53 270	50 355	47 412	41 869	41 869	32 974	22 837	



## **2.10 Contracts having future budgetary implications**

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

## **2.11 Capital expenditure details**

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

Table 45 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		--	--	--	--	--	--	--	--	--
Infrastructure - Road transport		--	--	--	--	--	--	--	--	--
Roads, Pavements & Bridges		--	--	--	--	--	--	--	--	--
Storm water		--	--	--	--	--	--	--	--	--
Infrastructure - Electricity		--	--	--	--	--	--	--	--	--
Generation		--	--	--	--	--	--	--	--	--
Transmission & Reticulation		--	--	--	--	--	--	--	--	--
Street Lighting		--	--	--	--	--	--	--	--	--
Infrastructure - Water		--	--	--	--	--	--	--	--	--
Dams & Reservoirs		--	--	--	--	--	--	--	--	--
Water purification		--	--	--	--	--	--	--	--	--
Reticulation		--	--	--	--	--	--	--	--	--
Infrastructure - Sanitation		--	--	--	--	--	--	--	--	--
Reticulation		--	--	--	--	--	--	--	--	--
Sewerage purification		--	--	--	--	--	--	--	--	--
Infrastructure - Other		--	--	--	--	--	--	--	--	--
Waste Management		--	--	--	--	--	--	--	--	--
Transportation	2	--	--	--	--	--	--	--	--	--
Gas		--	--	--	--	--	--	--	--	--
Other	3	--	--	--	--	--	--	--	--	--
<b>Community</b>		--	--	--	--	--	--	--	--	--
Parks & gardens		--	--	--	--	--	--	--	--	--
Sportsfields & stadia		--	--	--	--	--	--	--	--	--
Swimming pools		--	--	--	--	--	--	--	--	--
Community halls		--	--	--	--	--	--	--	--	--
Libraries		--	--	--	--	--	--	--	--	--
Recreational facilities		--	--	--	--	--	--	--	--	--
Fire, safety & emergency		--	--	--	--	--	--	--	--	--
Security and policing		--	--	--	--	--	--	--	--	--
Buses	7	--	--	--	--	--	--	--	--	--
Clinics		--	--	--	--	--	--	--	--	--
Museums & Art Galleries		--	--	--	--	--	--	--	--	--
Cemeteries		--	--	--	--	--	--	--	--	--
Social rental housing	8	--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Heritage assets</b>		--	--	--	--	--	--	--	--	--
Buildings		--	--	--	--	--	--	--	--	--
Other	9	--	--	--	--	--	--	--	--	--
<b>Investment properties</b>		--	--	--	--	--	--	--	--	--
Housing development		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Other assets</b>		1 190	662	877	3 400	5 147	5 147	989	135	--
General vehicles		--	--	284	1 380	1 780	1 780	--	--	--
Specialised vehicles		--	--	--	--	--	--	--	--	--
Plant & equipment		1 190	129	195	352	1 246	1 246	842	135	--
Computers - hardware/equipment		--	--	66	128	212	212	93	--	--
Furniture and other office equipment		--	515	125	40	49	49	55	--	--
Abattoirs		--	--	--	--	--	--	--	--	--
Markets		--	--	--	--	--	--	--	--	--
Civic Land and Buildings		--	--	--	--	--	--	--	--	--
Other Buildings		--	17	207	1 500	1 860	1 860	--	--	--
Other Land		--	--	--	--	--	--	--	--	--
Surplus Assets - (Investment or Inventory)		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Agricultural assets</b>		--	--	--	--	--	--	--	--	--
List sub-class		--	--	--	--	--	--	--	--	--
<b>Biological assets</b>		--	--	--	--	--	--	--	--	--
List sub-class		--	--	--	--	--	--	--	--	--
<b>Intangibles</b>		--	--	--	--	--	--	--	--	--
Computers - software & programming		--	--	--	--	--	--	--	--	--
Other (list sub-class)		--	--	--	--	--	--	--	--	--
<b>Total Capital Expenditure on new assets</b>	1	1 190	662	877	3 400	5 147	5 147	989	135	--



**Table 46 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	-	-	165	24	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment	10	-	-	-	-	-	-	120	-	-
Computers - hardware/equipment		-	-	-	-	-	-	45	24	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing</b>	1	-	-	-	-	-	-	165	24	-

Table 47 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		--	--	--	--	--	--	--	--	--
Infrastructure - Road transport		--	--	--	--	--	--	--	--	--
Roads, Pavements & Bridges		--	--	--	--	--	--	--	--	--
Storm water		--	--	--	--	--	--	--	--	--
Infrastructure - Electricity		--	--	--	--	--	--	--	--	--
Generation		--	--	--	--	--	--	--	--	--
Transmission & Reticulation		--	--	--	--	--	--	--	--	--
Street Lighting		--	--	--	--	--	--	--	--	--
Infrastructure - Water		--	--	--	--	--	--	--	--	--
Dams & Reservoirs		--	--	--	--	--	--	--	--	--
Water purification		--	--	--	--	--	--	--	--	--
Reticulation		--	--	--	--	--	--	--	--	--
Infrastructure - Sanitation		--	--	--	--	--	--	--	--	--
Reticulation		--	--	--	--	--	--	--	--	--
Sewerage purification		--	--	--	--	--	--	--	--	--
Infrastructure - Other		--	--	--	--	--	--	--	--	--
Waste Management		--	--	--	--	--	--	--	--	--
Transportation	2	--	--	--	--	--	--	--	--	--
Gas		--	--	--	--	--	--	--	--	--
Other	3	--	--	--	--	--	--	--	--	--
<b>Community</b>		--	--	--	--	--	--	--	--	--
Parks & gardens		--	--	--	--	--	--	--	--	--
Sportsfields & stadia		--	--	--	--	--	--	--	--	--
Swimming pools		--	--	--	--	--	--	--	--	--
Community halls		--	--	--	--	--	--	--	--	--
Libraries		--	--	--	--	--	--	--	--	--
Recreational facilities		--	--	--	--	--	--	--	--	--
Fire, safety & emergency		--	--	--	--	--	--	--	--	--
Security and policing		--	--	--	--	--	--	--	--	--
Buses	7	--	--	--	--	--	--	--	--	--
Clinics		--	--	--	--	--	--	--	--	--
Museums & Art Galleries		--	--	--	--	--	--	--	--	--
Cemeteries		--	--	--	--	--	--	--	--	--
Social rental housing	8	--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Heritage assets</b>		--	--	--	--	--	--	--	--	--
Buildings		--	--	--	--	--	--	--	--	--
Other	9	--	--	--	--	--	--	--	--	--
<b>Investment properties</b>		--	--	--	--	--	--	--	--	--
Housing development		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Other assets</b>		2 545	372	841	1 041	1 006	1 006	826	866	913
General vehicles		80	--	201	100	185	185	201	212	223
Specialised vehicles		--	--	--	--	--	--	--	--	--
Plant & equipment		1 523	--	175	292	182	182	160	164	173
Computers - hardware/equipment		--	--	--	--	--	--	--	--	--
Furniture and other office equipment		472	--	--	649	639	639	65	69	72
Abattoirs		--	--	--	--	--	--	--	--	--
Markets		--	--	--	--	--	--	--	--	--
Civic Land and Buildings		--	--	--	--	--	--	--	--	--
Other Buildings		470	372	465	--	--	--	400	422	444
Other Land		--	--	--	--	--	--	--	--	--
Surplus Assets - (Investment or Inventory)		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Agricultural assets</b>		--	--	--	--	--	--	--	--	--
List sub-class		--	--	--	--	--	--	--	--	--
<b>Biological assets</b>		--	--	--	--	--	--	--	--	--
List sub-class		--	--	--	--	--	--	--	--	--
<b>Intangibles</b>		--	--	--	--	--	--	--	--	--
Computers - software & programming		--	--	--	--	--	--	--	--	--
Other (list sub-class)		--	--	--	--	--	--	--	--	--
<b>Total Repairs and Maintenance Expenditure</b>	1	2 545	372	841	1 041	1 006	1 006	826	866	913



**Table 48 MBRR SA35 - Future financial implications of the capital budget**

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Municipal Manager		78	--	--	--	--	--	--
Vote 2 - Manager: Corporate Services		165	--	--	--	--	--	--
Vote 3 - Manager: Economic Development		467	--	--	--	--	--	--
Vote 4 - Manager: Environmental Health		445	159	--	--	--	--	--
Vote 5 - Manager: Finance		--	--	--	--	--	--	--
Vote 6 - Manager: Roads		--	--	--	--	--	--	--
Vote 7 - [NAME OF VOTE 7]		--	--	--	--	--	--	--
Vote 8 - [NAME OF VOTE 8]		--	--	--	--	--	--	--
Vote 9 - [NAME OF VOTE 9]		--	--	--	--	--	--	--
Vote 10 - [NAME OF VOTE 10]		--	--	--	--	--	--	--
Vote 11 - [NAME OF VOTE 11]		--	--	--	--	--	--	--
Vote 12 - [NAME OF VOTE 12]		--	--	--	--	--	--	--
Vote 13 - [NAME OF VOTE 13]		--	--	--	--	--	--	--
Vote 14 - [NAME OF VOTE 14]		--	--	--	--	--	--	--
Vote 15 - [NAME OF VOTE 15]		--	--	--	--	--	--	--
List entity summary if applicable		--	--	--	--	--	--	--
<b>Total Capital Expenditure</b>		1 154	159	--	--	--	--	--
<b>Future operational costs by vote</b>	2							
Vote 1 - Municipal Manager		--	--	--	--	--	--	--
Vote 2 - Manager: Corporate Services		--	--	--	--	--	--	--
Vote 3 - Manager: Economic Development		--	--	--	--	--	--	--
Vote 4 - Manager: Environmental Health		--	--	--	--	--	--	--
Vote 5 - Manager: Finance		--	--	--	--	--	--	--
Vote 6 - Manager: Roads		--	--	--	--	--	--	--
Vote 7 - [NAME OF VOTE 7]		--	--	--	--	--	--	--
Vote 8 - [NAME OF VOTE 8]		--	--	--	--	--	--	--
Vote 9 - [NAME OF VOTE 9]		--	--	--	--	--	--	--
Vote 10 - [NAME OF VOTE 10]		--	--	--	--	--	--	--
Vote 11 - [NAME OF VOTE 11]		--	--	--	--	--	--	--
Vote 12 - [NAME OF VOTE 12]		--	--	--	--	--	--	--
Vote 13 - [NAME OF VOTE 13]		--	--	--	--	--	--	--
Vote 14 - [NAME OF VOTE 14]		--	--	--	--	--	--	--
Vote 15 - [NAME OF VOTE 15]		--	--	--	--	--	--	--
List entity summary if applicable		--	--	--	--	--	--	--
<b>Total future operational costs</b>		--	--	--	--	--	--	--
<b>Future revenue by source</b>	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		--	--	--	--	--	--	--
List other revenues sources if applicable		--	--	--	--	--	--	--
List entity summary if applicable		--	--	--	--	--	--	--
<b>Total future revenue</b>		--	--	--	--	--	--	--
<b>Net Financial Implications</b>		1 154	159	--	--	--	--	--

Table 49 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Year/No)	Asset Class	Asset Sub-Class	GPS co-ordinators	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>Let all capital projects grouped by Municipal Vote</i>																	
Mayer PA	4	Furniture		No	6	Other Assets	Furniture and other office equipment			11	-	40	-	-	-		New
Speaker PA		Furniture		No		Other Assets	Furniture and other office equipment			2	-	-	-	-	-		
Municipal Manager		Furniture		No		Other Assets	Furniture and other office equipment			11	9	-	-	-	-		
Council Administration		Furniture		No		Other Assets	Furniture and other office equipment			-	-	-	-	-	-		
Council Buildings		Furniture		No		Other Assets	Furniture and other office equipment			54	-	-	-	-	-		
Project Management		Furniture		No		Other Assets	Furniture and other office equipment			11	-	-	-	-	-		
Internal Audit		Furniture		No		Other Assets	Furniture and other office equipment			13	-	-	-	-	-		
PMS		Furniture		No		Other Assets	Furniture and other office equipment			-	10	-	-	-	-		New
Administration		Furniture		No		Other Assets	Furniture and other office equipment			-	-	-	-	-	-		
Council Buildings		Furniture		No		Other Assets	Furniture and other office equipment			31	-	-	-	-	-		
Human Resources		Furniture		No		Other Assets	Furniture and other office equipment			-	-	-	-	-	-		
Finance		Furniture		No		Other Assets	Furniture and other office equipment			8	40	-	-	-	-		
Environmental Health		Furniture		No		Other Assets	Furniture and other office equipment			-	-	-	-	-	-		
Safety		Furniture		No		Other Assets	Furniture and other office equipment			-	-	-	-	-	-		
Head Economic Development		Furniture		No		Other Assets	Furniture and other office equipment			-	-	-	-	-	-		
Tourism		Furniture		No		Other Assets	Furniture and other office equipment			16	-	-	-	-	-		New
Mayer PA		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	7	-	-	-	-		
Speaker PA		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	-	-	-	-	-		
Council Administration		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	20	-	-	-	-		
Head Projects		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	-	-	-	-	-		
Municipal Manager		Computer Equipment		No		Other Assets	Computer - hardware/equipment			33	31	-	-	-	-		
Project Management		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	-	-	-	-	-		
Electronic Filing System		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	-	-	-	-	-		
PMS		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	15	-	-	-	-		
Administration		Computer Equipment		No		Other Assets	Computer - hardware/equipment			9	-	35	-	-	-		New
Human Resources		Computer Equipment		No		Other Assets	Computer - hardware/equipment			64	-	-	-	-	-		
Finance		Computer Equipment		No		Other Assets	Computer - hardware/equipment			25	60	-	-	-	-		
Environmental Health		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	-	45	-	-	-		Renewal
Internal Audit		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	-	30	-	-	-		New
Head Economic Development		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	15	-	-	-	-		New
Project Management		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	-	13	-	-	-		New
Development & Marketing Officer		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	-	-	-	-	-		
Tourism		Computer Equipment		No		Other Assets	Computer - hardware/equipment			-	-	-	-	-	-		
Administration		Equipment		No		Other Assets	Plant and Equipment			69	-	-	-	-	-		
Project Management		Equipment		No		Other Assets	Plant and Equipment			-	-	-	-	-	-		
Council Buildings		Equipment		No		Other Assets	Plant and Equipment			-	430	120	-	-	-		Renewal
Human Resources		Equipment		No		Other Assets	Plant and Equipment			36	-	-	-	-	-		
Municipal Manager		Equipment		No		Other Assets	Plant and Equipment			15	-	8	-	-	-		New
Safety		Equipment		No		Other Assets	Plant and Equipment			32	380	400	120	-	-		New
Tourism		Equipment		No		Other Assets	Plant and Equipment			24	-	-	-	-	-		
Environmental Health		Equipment		No		Other Assets	Plant and Equipment			22	-	-	-	-	-		New
PMS		Equipment		No		Other Assets	Plant and Equipment			-	-	-	15	-	-		New
Council Vehicles		Vehicle		No		Other Assets	General Vehicles			284	1 150	424	-	-	-		
Safety		Vehicle		No		Other Assets	General Vehicles			-	630	-	-	-	-		
PMS		Vehicle		No		Other Assets	General Vehicles			-	-	-	-	-	-		
Council Buildings		Land & Buildings		No		Other Assets	General Buildings			207	1 860	-	-	-	-		
Parent Capital expenditure	1									877	5 147	1 154	159	-	-		



Table 50 MBRR SA37 - Projects delayed from previous financial year

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GFS co-ordinates 4	Previous target year to complete Year	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: List all capital projects grouped by Municipal Vote												
0	0	0	-	Examples	Examples	0	0	-	-	-	-	-
0	0		-	0	0	0	0	-	-	-	-	-
0	0		-	0	0	U	0	-	-	-	-	-
0	0		-	0	0	0	0	-	-	-	-	-
0	0		-	0	0	0	0	-	-	-	-	-
0	0		-	0	0	0	0	-	-	-	-	-
0	0		-	0	0	0	0	-	-	-	-	-

## 2.12 Legislation compliance status

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

**1. In year reporting**

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved. Monthly reporting is done in a Budget and Treasury Committee meeting held within 10 working days after month end.

**2. Budget and Treasury Office**

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

**3. Audit Committee**

An Audit Committee has been established and is fully functional.

**4. Service Delivery and Implementation Plan**

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

**5. Annual Report**

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

**6. MFMA Training**

The MFMA training module in electronic format was presented in Concordia for certain senior and middle managers as well in Uppington for top management and other finance staff. The balance of personnel was included in another group that commenced in April 2014.





**Table 51 MBRR Table SA1 - Supporting detail to budgeted financial performance  
(Continued)**

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											
<b>Transfers and grants</b>											
Cash transfers and grants		5 835	2 801	4 370	10 975	10 056	10 056	10 056	4 500	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	1	5 835	2 801	4 370	10 975	10 056	10 056	10 056	4 500	-	-
<b>Contracted services</b>											
Contractors Working for Water		-	-	-	8 521	8 521	8 521	8 521	36 894	35 457	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	1	-	-	-	8 521	8 521	8 521	8 521	36 894	35 457	-
<b>Allocations to organs of state:</b>											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>Total contracted services</b>		-	-	-	8 521	8 521	8 521	8 521	36 894	35 457	-
<b>Other Expenditure By Type</b>											
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Consultant fees		-	-	-	-	-	-	-	-	-	-
Audit fees		863	1 266	1 847	1 972	2 142	2 142	2 142	1 850	1 950	2 055
General expenses	3	23 045	19 816	17 485	10 175	9 291	9 291	9 291	6 443	5 049	5 295
Administration costs		-	-	-	83	83	83	83	13	-	-
Assessment Rates		-	-	-	264	264	264	264	279	294	309
Delegation and Congress Fees		-	-	-	84	64	64	64	76	80	84
Bank Charges		-	-	-	70	68	68	68	70	74	78
FET Trade Test Center		-	-	-	-	-	-	-	-	-	-
Fuel and Oil Costs		-	-	-	438	631	631	631	600	632	667
Project Development		-	-	-	2 253	2 203	2 203	2 203	1 671	1 761	1 856
Namakwa Festival		-	-	-	500	441	441	441	500	527	555
Material / Toxins		-	-	-	1 137	741	741	741	391	-	-
CETA		-	-	-	7 000	3 500	3 500	3 500	-	-	-
Contractor Services		-	-	-	100	-	-	-	-	-	-
Training Fees		-	-	-	1 206	1 206	1 206	1 206	393	-	-
Implementation Fees		-	-	-	1 669	1 669	1 669	1 669	1 398	1 000	-
Other operating grant expenditure		-	-	-	4 192	3 567	3 567	3 567	3 093	2 567	2 668
Rural roads asset management		-	-	-	-	-	-	-	-	2 376	2 667
Repairs and maintenance		-	-	-	1 041	1 006	1 006	1 006	826	866	913
<b>Total 'Other' Expenditure</b>	1	23 908	21 082	19 332	32 183	26 874	26 874	26 874	17 602	17 176	17 147
<b>Repairs and Maintenance</b>	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		2 545	372	841	1 041	1 006	1 006	1 006	826	866	913
<b>Total Repairs and Maintenance Expenditure</b>	9	2 545	372	841	1 041	1 006	1 006	1 006	826	866	913



Table 52 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

R thousand	Ref	Description	Vote 1 - Municipal Manager	Vote 2 - Manager: Corporate Services	Vote 3 - Manager: Economic Development	Vote 4 - Manager: Environment al Health	Vote 5 - Manager: Finance	Vote 6 - Manager: Roads	Total
	1	<b>Revenue By Source</b>							
		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	-	-	747	-	-	-	747
		Interest earned - external investments	-	-	-	-	1 950	-	1 950
		Interest earned - outstanding debtors	-	-	-	-	100	-	100
		Dividends received	-	-	-	-	-	-	-
		Fines	-	-	-	-	5	-	5
		Licences and permits	-	-	-	-	-	-	-
		Agency services	-	-	4 974	-	1 398	-	6 372
		Other revenue	375	-	110	-	-	-	485
		Transfers recognised - operational	9 211	375	41 896	3 059	26 921	8	81 470
		Gains on disposal of PPE	-	-	-	-	-	-	-
		<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>9 586</b>	<b>375</b>	<b>47 727</b>	<b>3 059</b>	<b>30 374</b>	<b>8</b>	<b>91 129</b>
		<b>Expenditure By Type</b>							
		Employee related costs	7 574	5 347	8 518	8 537	3 746	783	34 506
		Remuneration of councillors	2 616	-	-	-	-	-	2 616
		Debt impairment	-	-	-	-	-	-	-
		Depreciation & asset impairment	571	123	879	167	300	-	2 040
		Finance charges	-	1 492	-	-	-	-	1 492
		Bulk purchases	-	-	-	-	-	-	-
		Other materials	-	-	-	-	-	-	-
		Contracted services	-	-	36 894	-	-	-	36 894
		Transfers and grants	4 500	-	-	-	-	-	4 500
		Other expenditure	7 898	1 073	6 292	650	1 559	129	17 602
		Loss on disposal of PPE	-	-	-	-	-	-	-
		<b>Total Expenditure</b>	<b>23 160</b>	<b>8 034</b>	<b>52 584</b>	<b>9 354</b>	<b>5 605</b>	<b>912</b>	<b>99 650</b>
		<b>Surplus/(Deficit)</b>	<b>(13 574)</b>	<b>(7 659)</b>	<b>(4 856)</b>	<b>(6 296)</b>	<b>24 769</b>	<b>(904)</b>	<b>(8 520)</b>
		Transfers recognised - capital	-	-	-	-	-	-	-
		Contributions recognised - capital	-	-	-	-	-	-	-
		Contributed assets	-	-	-	-	-	-	-
		<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(13 574)</b>	<b>(7 659)</b>	<b>(4 856)</b>	<b>(6 296)</b>	<b>24 769</b>	<b>(904)</b>	<b>(8 520)</b>

Table 53 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits < 90 days		63 102	57 729	56 121	46 731	46 731	46 731	46 731	39 611	30 179	18 404
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
<b>Total Call investment deposits</b>	2	63 102	57 729	56 121	46 731	46 731	46 731	46 731	39 611	30 179	18 404
<b>Consumer debtors</b>											
Consumer debtors		-	-	-	-	205	205	205	205	205	205
Less: Provision for debt impairment		-	-	-	-	(205)	(205)	(205)	(205)	(205)	(205)
<b>Total Consumer debtors</b>	2	-	-	-	-	-	-	-	-	-	-
<b>Debt impairment provision</b>											
Balance at the beginning of the year		-	-	-	-	-	-	-	-	-	-
Contributions to the provision		-	-	-	-	205	205	205	205	205	205
Bad debts written off		-	-	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>		-	-	-	-	205	205	205	205	205	205
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		19 348	18 011	19 122	22 688	20 870	20 870	20 870	22 024	22 183	22 183
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		9 798	9 960	11 071	13 988	13 001	13 001	13 001	14 779	16 667	18 555
<b>Total Property, plant and equipment (PPE)</b>	2	9 550	8 051	8 052	8 700	7 869	7 869	7 869	7 245	5 516	3 628
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		41	53	86	-	-	-	-	-	-	-
<b>Total Current liabilities - Borrowing</b>		41	53	86	-	-	-	-	-	-	-
<b>Trade and other payables</b>											
Trade and other creditors		4 039	8 537	11 337	4 453	4 059	4 059	4 059	3 059	2 559	2 309
Unspent conditional transfers		11 685	4 350	3 531	-	-	-	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
<b>Total Trade and other payables</b>	2	15 724	12 886	14 867	4 453	4 059	4 059	4 059	3 059	2 559	2 309
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	137	-	-	-	-	-	-	-	-	-
Finance leases (including PPP asset element)		-	103	146	103	146	146	146	87	57	39
<b>Total Non current liabilities - Borrowing</b>		137	103	146	103	146	146	146	87	57	39
<b>Provisions - non-current</b>											
Retirement benefits		15 292	15 768	17 958	17 506	19 826	19 826	19 826	20 266	20 707	21 825
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Provisions - non-current</b>		15 292	15 768	17 958	17 506	19 826	19 826	19 826	20 266	20 707	21 825
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		38 699	43 857	40 586	34 180	32 299	32 299	32 299	30 749	25 613	15 050
GRAP adjustments		5 908	32	-	-	-	-	-	-	-	-
Restated balance		44 608	43 889	40 586	34 180	32 299	32 299	32 299	30 749	25 613	15 050
Surplus/(Deficit)		(1 877)	(3 023)	(7 968)	(10 787)	(8 906)	(8 906)	(8 906)	(8 520)	(10 832)	(13 174)
Appropriations to Reserves		-	(772)	-	(2 755)	(3 692)	(3 692)	(3 692)	(308)	(39)	-
Transfers from Reserves		1 126	524	834	4 371	4 371	4 371	4 371	3 692	308	39
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	(32)	-	9 054	6 677	6 677	6 677	-	-	-
<b>Accumulated Surplus/(Deficit)</b>	1	43 857	40 586	33 451	34 062	30 749	30 749	30 749	25 613	15 050	1 914
<b>Reserves</b>											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		711	1 773	939	2 755	3 692	3 692	3 692	308	39	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
<b>Total Reserves</b>	2	711	1 773	939	2 755	3 692	3 692	3 692	308	39	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	44 568	42 359	34 390	36 817	34 441	34 441	34 441	25 921	15 089	1 914



**Table 54 MBRR Table 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	Current Year	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population			-	127	116	-	-	-	-	-	-	-
Females aged 5 - 14			-	-	-	-	-	-	-	-	-	-
Males aged 5 - 14			-	-	-	-	-	-	-	-	-	-
Females aged 15 - 34			-	-	-	-	-	-	-	-	-	-
Males aged 15 - 34			-	-	-	-	-	-	-	-	-	-
Unemployment			-	-	-	-	-	-	-	-	-	-
<b>Monthly household income (no. of households)</b>												
No income	1, 12		-	-	-	-	-	-	-	-	-	-
R1 - R1 600			-	-	-	-	-	-	-	-	-	-
R1 601 - R3 200			-	-	-	-	-	-	-	-	-	-
R3 201 - R6 400			-	-	-	-	-	-	-	-	-	-
R6 401 - R12 600			-	-	-	-	-	-	-	-	-	-
R12 601 - R26 600			-	-	-	-	-	-	-	-	-	-
R26 601 - R51 200			-	-	-	-	-	-	-	-	-	-
R52 201 - R102 400			-	-	-	-	-	-	-	-	-	-
R102 401 - R204 600			-	-	-	-	-	-	-	-	-	-
R204 601 - R409 600			-	-	-	-	-	-	-	-	-	-
R409 601 - R819 200			-	-	-	-	-	-	-	-	-	-
> R819 200			-	-	-	-	-	-	-	-	-	-
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13		-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insert description	2		-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Household demographics (000)</b>												
Number of people in municipal area			-	126 514	115 842	-	-	-	-	-	-	-
Number of poor people in municipal area			-	-	-	-	-	-	-	-	-	-
Number of households in municipal area			-	36 445	29 694	-	-	-	-	-	-	-
Number of poor households in municipal area			-	-	-	-	-	-	-	-	-	-
Definition of poor household (R per month)			-	-	-	-	-	-	-	-	-	-
<b>Housing statistics</b>												
Formal	3		-	-	-	-	-	-	-	-	-	-
Informal			-	-	-	-	-	-	-	-	-	-
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4		-	-	-	-	-	-	-	-	-	-
Dwellings provided by provincials			-	126 503	126 503	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	126 503	126 503	-	-	-	-	-	-	-
<b>Economic</b>												
Inflation/inflation outlook (CPI)	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%
<b>Collection rates</b>												
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%

**Table 55 MBRR SA32 – List of external mechanisms**

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Business Connexions	Yrs	Unspecified	Financial system	3 months notice	27
Nashua	Yrs	5	Providing photocopier machines	07 July 1995	48
URB	Yrs	1	Providing telephone system	6 months notice	72
Mubesko	Yrs	3	Providing financial support	After completion of task	200



**2.14 Municipal manager's quality certificate**

I     Madeleine Brandt    , municipal manager of Namakwa District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name     M.L. Brandt    

Municipal manager of Namakwa District Municipality (DC6)

Signature     [Handwritten Signature]    

Date     21/05/14