

**SUNDAYS RIVER VALLEY MUNICIPALITY**



**DRAFT MTREF BUDGET  
FOR 2015/16 FINANCIAL YEAR**

## **CHAPTER 1**

### **MAYOR'S REPORT**

Madam Speaker, my fellow councillors, municipal manager, municipal officials and the public representatives, allow me to express my appreciation for your support during the financial year.

Today it is my privilege to table the draft budget for 2015/16. It is my wish that through this budget, which is the implementing tool for our IDP, we will be able to consider the needs of our community and contribute to creating a better life for all.

The financial sustainability and proper service delivery to our community remains our main priority despite serious cash flow challenges currently being experienced by the municipality due to among other things declining collection rates, historic expenditure patterns and a general lack of "doing business smarter".

### **ACHIEVEMENTS**

This financial year earmarked a number of achievements of which amongst others are:

- Establishment of Free Basic Unit
- Training program has been implemented to its best efforts
- The MPAC assisted Council with proper oversight over the affairs of the municipality
- Executive committee assisted a lot in ensuring that the decision making process for vital service delivery issues has been shortened.
- The municipality also has a filled critical posts and vacancy rate has declined

### **CHALLENGES**

Despite significant achievements, there are still challenges that we face. These are among others:

- Financial system problems caused by incorrect implementation of financial system in 2010/11 as a result inaccurate billing, financial misallocations even poor internal controls amongst others
- The municipality's collection rate is still not at the required level. Revenue collection target is set at 60% for the 2015/16 financial year and management has made efforts in ensuring an increase revenue collection
- The municipality is still struggling to register all indigents. The registration of indigents has a direct influence on the Equitable Share that the municipality will be getting in the future. At current only about 3 000 indigents are registered.
- Service delivery protest during this financial year hampered on operations therefore indirectly depriving the communities of basic services and caused regress to the municipality as a whole.
- Municipal Offices remains the biggest challenge for the institution .

## BUDGET OVERVIEW

In compiling the budget for 2015/16, consideration was given to the national priorities as communicated through National Treasury circulars. The 2015 Budget Review notes that the global economic outlook has weakened and the pattern of slow growth is likely to persist, with consequences for all developing economies.

Circular 75 informs municipalities that the 2015 Budget allocates resources to core social and economic priorities while containing aggregate expenditure growth. Furthermore, it highlighted the following areas as a consequence of fiscal constraints:

- that transfers to municipalities will grow more slowly in the period ahead than they have in the past- Therefore, the municipality must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services
- that the municipality must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework
- that the municipal revenues and cash flows are expected to remain under pressure as the state of the economy has an adverse effect on the consumers
- that the municipality should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services vs associated cost.

Creating decent employment opportunities remains a national priority. In compiling our 2015/16 budgets and MTREFs all municipalities are urged to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Extended Public Works Programme.

Municipalities are further urged to not just employ more people without any reference to the level of staffing required to deliver effective services, relevant qualification and what is financially sustainable over the medium term.

If we want to continue building on a more financially stable municipality and for the benefit of our community, we have to make some hard decisions. It is a reality that the level of services the municipality is currently providing is not up to the required level, and must be improved. SRVM can only improve if it enters into a social contract with the community, which will ensure that we collect the required revenue that will enable us to provide the best services.

### 1. OPERATING REVENUE

The operating revenue budget of SRVM amounts to R139 842 million for 2015/16 financial year. This represents an increase of (10%) compared to the last financial year.

In revising our tariffs, we considered the inflation rate as well as NERSA guidelines. To ensure a credible and funded budget SRVM had to increase tariffs in general by 4.8%. A consideration should be given to the fact that SRVM has been increasing tariffs marginally for a number of years in the past which results in tariffs not being cost effective. A review of the tariff structure is being performed and it is envisaged that further increases are likely to occur to ensure inclusion of cost to provide the service in tariffs.

Electricity increased with 12.20% as prescribed by NERSA.

## 2. OPERATING EXPENDITURE

Sundays River Valley Municipality's budgeted expenditure for the 2015/16 MTREF amounts to R185 851million. This represents an increase 24% increase from the last financial year.

Personnel costs are currently representative of 29% of operating expenditure for the 2015/16 financial year.

We continue focusing on service delivery in our budget for 2015/16 and have managed increase repairs and maintenance from 2.5 million to 5.3 million (47%) due to financial constraints which means that much needed efforts are needed to address ageing infrastructure assets for service delivery to efficiently and effectively take place.

Bulk purchases increased by R2.3 million (12.42%) which is a result of the increase in bulk electricity as per National Treasury guideline.

Non-cash items provisions, rebates and depreciation were considered in the operating expenditure budget.

## 3. CAPITAL EXPENDITURE

The capital budget of the municipality amounts to R29 474 million This indicates an increase of 1.9 million from the 2014/15 capital budget of 27.6 million

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

- Upgrading of Addo Waste Water Treatment works
- Upgrading of Gravel roads
- Upgrading of Paterson Waste Water Treatment works
- Rehabilitation of sports fields
- Community Lighting
- Rehabilitation of Parks & Playgrounds
- Housing Project
- Various items

These projects are funded by the Municipal Infrastructure Grant, Regional Bulk Infrastructure , Equitable Share and Internal funding

## 4. GRANTS TO BE RECEIVED

The following grants were gazetted in the DORA and provincial gazette to be received by SRVM:

- Equitable Share – R 55 182 000
- MIG – R24 863 000
- FMG – R1 875 000
- MSIG – R930 000
- EPWP – R1 000 000
- INEG- R1 679 000

Grants from District Municipality includes:

- Environmental health subsidy - R1 287 000
- Fire- R375 000

Grants from Other State of Organs:

- DSRAC- R1 157 000

## **CONCLUSION**

Madam Speaker, in conclusion I would like to express my gratitude to the following people for their input and assistance in reviewing the IDP and compiling the budget :

- The municipal manager
- The Head of Departments and staff
- The CFO
- Ward committees
- The community
- All Councillors

Honourable Speaker, I now formally table the draft budget for 2015/16 with annexures for Council's consideration.

### 1.3 EXECUTIVE SUMMARY

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

A review of the service delivery priorities as part of this year's planning 'and budget process was undertaken. Therefore the development of the Budget was informed by the key service delivery priorities, and the need to maintain and safeguard the financial sustainability of the institution.

A review of expenditure was also undertaken so to eliminate "nice to have" items as belt tightening is essential moving forward in terms of spending on non-core activities.

Specific revenue collection strategies to improve the collection of outstanding consumer debt are being implemented by the Municipality, such as the appointment of debt collecting company. Furthermore a Free Basic Services unit has been established and Awareness Educational Campaigns to be performed in the jurisdiction.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66,67, 74 and 75 were used to guide the compilation of the 2015/16 MTREF.

The Municipality faced the following significant challenges during the compilation of the 2015/16 MTREF:

- The priorities and targets relating to the key strategic focus areas
- Poor revenue collection rate to implement priorities identified;
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on tariff increases to consumers.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- Salary increases for municipal staff that continue to exceed consumer inflation and the need to fill critical vacancies
- No cash reserves within the municipality
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;

The following principles and guidelines had an impact:

- The municipality needs to focus on its core functions.
- The 2014/15 adjustment budget priorities and targets, as well as the base line allocations contained in the Adjustment Budget as the upper limits for the new base lines for the 2015/16 annual budget;
- The funding constraints with regards to no available funding for the Capital Budget through the Cash backed Reserve;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI. The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural

backlogs, including the expansion of services.

- Nersa's directive that bulk purchases will increase by 14.24% for municipalities and municipal electricity tariff increase should not exceed 12.20%.

In view of the aforementioned, the following table represents a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

**Table 1 (Consolidated Overview of the 2015/16 MTREF)**

	Adjustments Budget	Budget Year	Budget Year +1	Budget Year +2
	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000
Total Operating Revenue	150 231	168 267	171 906	182 148
Total Operating Expenditure	141 973	185 601	197 287	210 011
Surplus/(Deficit)	8 258	(17 334)	(25 381)	(27 863)
Total Capital Expenditure	27 618	29 474	24 434	25 655

Total operating revenue has grown by 12 per cent or R18 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget. For the two outer years, operational revenue will increase by 2 and 5 per cent respectively, equating to a total revenue growth of R31.9 million over the MTREF when compared to the 2014/15 financial year.

Total operating expenditure for the 2015/16 financial year has been appropriated at R185.6 million and translates into a budgeted deficit of R17.3 million. When compared to the 2014/15 Adjustments Budget, operational expenditure has grown by 31 per cent in the 2015/16 budget and by 6.3 and 6.5 per cent for each of the respective outer years of the MTREF. The operating deficit for the two outer years steadily increases to R8.7 million and then stabilise at R6.4 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds should the municipality receive all monies budgeted for.

#### 1.4 OPERATING REVENUE FRAMEWORK

For the municipality to achieve its set targets in terms of service delivery it needs to generate sufficient revenue. Financial state of affairs of the municipality need difficult decisions to be made in terms of tariff increases and balancing expenditure against planned realistic revenues. Efficient and effective revenue management is thus critical.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard;
- Growth in the revenue base;
- Efficient revenue management, aiming to improve annual collection rate for property rates and service charges, after discounting the Free Basic Services (FBS) subsidies;
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Water bulk tariff increases as approved by the Department of Water Affairs (DWA);
- Ensuring fully cost reflective tariffs for trading services;
- The Property Rates Policy;
- The municipality's Indigent Policy and the rendering of Free Basic Services;
- The level of property rates and tariff increases must ensure financially sustainable service delivery.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):



Table 2 (Summary of main revenue sources)

EC106 Sundays River Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	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	12 266	13 014	13 933	14 623	14 623	14 623	14 623	15 219	15 016	15 226
Property rates - penalties & collection charges								-		
Service charges - electricity revenue	14 423	15 622	14 489	10 501	21 232	21 232	21 232	21 661	26 729	29 990
Service charges - water revenue	13 168	12 743	20 018	7 806	10 856	10 856	10 856	11 175	11 149	11 305
Service charges - sanitation revenue	2 691	3 545	3 519	2 483	3 517	3 517	3 517	3 619	3 612	3 723
Service charges - refuse revenue	5 419	6 455	7 197	4 573	6 908	6 908	6 908	7 095	7 446	7 863
Rental of facilities and equipment	142	115	128	134	120	120	120	125	133	140
Interest earned - external investments	168	285	549	213	213	213	213	222	203	215
Interest earned - outstanding debtors	1 357	4 649	7 058	1 706	6 977	6 977	6 977	7 091	7 196	7 296
Fines	1 582	1 907	2 013	2 805	601	601	601	629	666	704
Licences and permits	1 327	1 327	1 989	1 284	1 283	1 283	1 283	1 402	1 485	1 568
Agency services		1 577	1 121	1 343	1 343	1 343	1 343	1 407	1 475	1 546
Transfers recognised - operational	43 932	42 787	50 327	54 456	53 137	53 137	53 137	65 078	63 546	63 546
Other revenue	5 051	2 255	409	7 081	5 274	5 274	5 274	5 119	5 421	5 725
Gains on disposal of PPE										
<b>Total Revenue (excluding capital transfers and</b>	<b>101 538</b>	<b>106 293</b>	<b>122 749</b>	<b>109 008</b>	<b>126 084</b>	<b>126 084</b>	<b>126 084</b>	<b>139 842</b>	<b>142 602</b>	<b>147 301</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 rates and services charges forms a significant percentage of the revenue basket for the municipality. In the 2014/15 financial year, revenue from rates and services charges totalled R57. million. This increases to R58.6 million, R63.9 million and R68.1 million in the respective financial years of the MTREF. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity and newly implemented valuation roll.

Transfers recognised as operational receipts is the second largest revenue source totalling 37 per cent or R65 million rand and increases to 72 million by 2017/18. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

EC106 Sundays River Valley - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2012/13	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		34 087	39 552	46 763	51 285	50 085	50 085	61 909	65 160	69 257
Local Government Equitable Share		31 991	36 314	40 327	46 351	46 351	46 351	55 182	59 228	62 773
EPWP Incentive			998	1 000	2 200	1 000	1 000	1 000		
Municipal Systems Improvement		742	779	890	934	934	934	930	957	1 033
Integrated National Electrification Programme		-		500	-	-	-	1 679	1 679	1 756
Finance Management		1 354	1 270	1 650	1 800	1 800	1 800	1 875	2 010	2 345
MIG						-	-	1 243	1 286	1 350
Disaster Relief Grant				2 396						
<b>Provincial Government:</b>		333	271	1 507	1 507	1 507	1 507	1 507	1 507	1 507
Small town revitalization		333	271	350	350	350	350	350	350	350
Library Grant DISRAC				1 157	1 157	1 157	1 157	1 157	1 157	1 157
<b>District Municipality:</b>		-	-	1 365	1 464	1 545	1 545	1 662	1 573	1 693
Environmental Health		-		990	1 089	1 170	1 170	1 287	1 198	1 318
Fire				375	375	375	375	375	375	375
<b>Total Operating Transfers and Grants</b>	5	34 420	39 823	49 635	54 256	53 137	53 137	65 078	68 240	72 457

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Sundays River Valley has maintained an increase of 4.8% in line with the CPI but this is not a good measure for the municipality as the gap between cost drivers and tariff levies steadily widens.

Although excessive increases are likely to be counterproductive, resulting in higher levels of non-payment moving forward a review of tariff setting processes needs to be revised further before finalising the budget.

The percentage increases of both Eskom and Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality.

## 1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA;
- A balanced budget approach by limiting operating expenditure to the operating revenue;
- The capital programme is aligned to asset management strategy and repairs and backlog eradication plan;
- Strict adherence to the principle of "no budget allocations without a project implementation plan"; and
- Operational gains and efficiencies will be directed to funding the capital budget and other core services

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table Summary of operating expenditure by standard classification item

EC106 Sundays River Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2010/11	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Expenditure By Type</b>										
Employee related costs	28 007	31 682	37 677	48 164	45 929	45 929	45 929	48 106	50 857	53 854
Remuneration of councillors	3 800	4 930	5 519	5 231	5 117	5 117	5 117	5 597	5 877	6 171
Debt impairment	10 892	15 822	42 097	10 000	10 000	10 000	10 000	22 172	23 391	24 631
Depreciation & asset impairment	17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	18 463	19 441
Finance charges	2 404	2 720	328	1 038	1 038	1 038	1 038	1 088	1 153	1 217
Bulk purchases	11 834	12 320	14 734	14 178	16 673	16 673	16 673	19 047	21 465	24 199
Other materials	2 415	11 843	11 816		2 552	2 552	2 552	5 335	5 385	5 686
Contracted services	469	2 446	1 885	2 684	1 984	1 984	1 984	10 816	11 898	13 087
Transfers and grants	8 102	-	8 043	7 244	10 798	10 798	10 798	11 442	12 119	12 805
Other expenditure	15 040	24 142	17 937	39 451	30 581	30 581	30 581	44 750	47 211	49 713
Loss on disposal of PPE										
<b>Total Expenditure</b>	<b>100 352</b>	<b>119 702</b>	<b>159 347</b>	<b>145 490</b>	<b>142 174</b>	<b>142 174</b>	<b>142 174</b>	<b>185 851</b>	<b>197 817</b>	<b>210 804</b>

### Employee related costs

The budgeted allocation for employee related costs for the 2015/16 financial year totals R48.1 million, which equals 26 per cent of the total operating expenditure. The three year collective SALGBC agreement has come to an end, salary increases have been factored into this budget at a percentage increase of 5.8 per cent for the 2015/16 financial year. An annual increase of 0.25 per cent has been included in the two outer years of the MTREF.

### Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act. The most recent proclamation in this regard has been taken into account in compiling the budget. Inclusive of Remuneration of Councillors ,the total employees cost as a percentage of total expenditure is at 29%.

### Debt Impairment

The provision of debt impairment for the 2015/16 financial year equates to R22 million based on annual collection rate of 60 per cent and related policy. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

### Depreciation and Asset Impairment

Provision for depreciation and asset impairment has been informed by the Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R17.5 million for the 2015/16 financial and equates to 9 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.

### Finance Charges

Finance charges consist primarily of the repayment of interest on outstanding creditors. Finance charges make up 0.7 per cent (R1 million) of operating expenditure. It should be noted that the municipality has long reached its prudential limit for borrowings and has no planned borrowing therefore this amount should change drastically.

### Bulk Purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom and Water Affairs. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other material

Other materials comprises of amongst others the purchase materials for maintenance In line with the municipality’s repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the municipality's infrastructure. For 2015/16 the appropriation against this group of expenditure has grown by 47 per cent (R5.3 million) and continues to grow steadily for the two outer years.

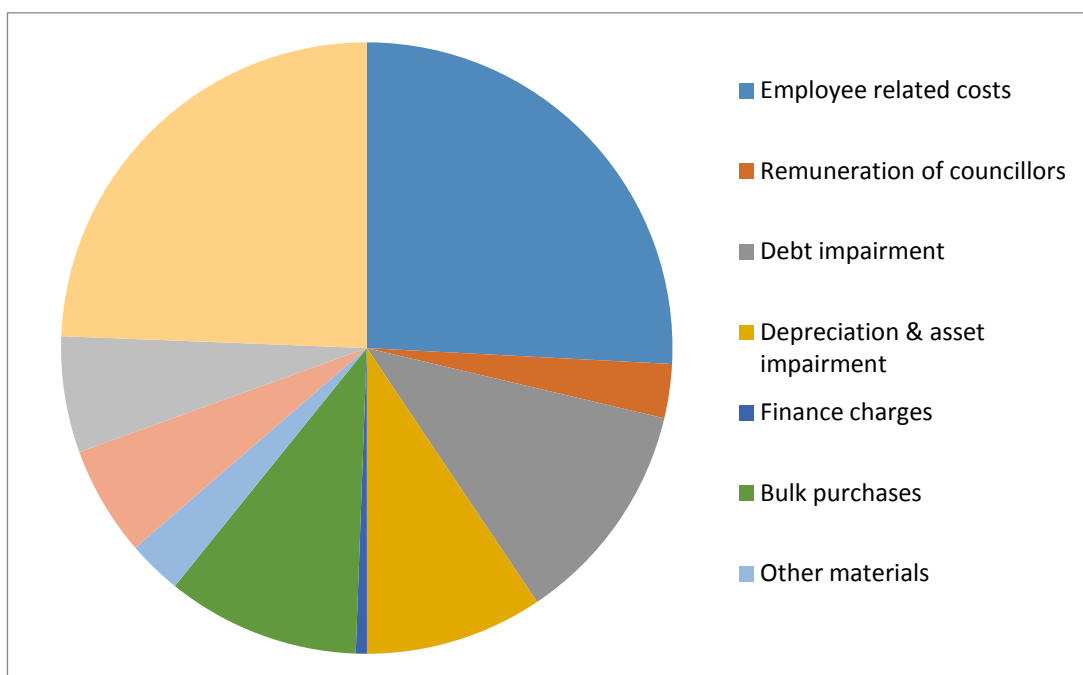
Contracted Services

As part of the compilation of the 2015/16 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2015/16 financial year, this group of expenditure totals R 10 million. Currently on-going SLA’s , SCOA implementation amongst other issues increased contracted service although it is identified as a cost saving area.

Other Expenditure

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. This results from budgeting for all repayments thus decreasing our creditor thus ensuring sound financial management in the future.

The graph below reflects the expenditure components of the budgeted statement of financial performance



## 1. CAPITAL BUDGET 2015/16

The Municipal Capital Budget is R29.4 million. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Upgrading of Addo Waste Water Treatment works
- Upgrading of Gravel roads
- Upgrading of Paterson Waste Water Treatment works
- Rehabilitation of sports fields
- Community Lighting
- Rehabilitation of Parks & Playgrounds
- Housing Project
- Various items

Total new assets represent 3 per cent or R854 thousands of the total capital budget while asset renewal equates to 97 per cent or R28.6 million. Further detail can be found in , MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class .

EC106 Sundays River Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>											
Property rates	2	12 266	13 014	13 933	14 623	14 623	14 623	14 623	15 219	15 016	15 226
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	14 423	15 622	14 489	10 501	21 232	21 232	21 232	21 661	26 729	29 990
Service charges - water revenue	2	13 168	12 743	20 018	7 806	10 856	10 856	10 856	11 175	11 149	11 305
Service charges - sanitation revenue	2	2 691	3 545	3 519	2 483	3 517	3 517	3 517	3 619	3 612	3 723
Service charges - refuse revenue	2	5 419	6 455	7 197	4 573	6 908	6 908	6 908	7 095	7 446	7 863
Service charges - other		11	11			-	-	-			
Rental of facilities and equipment		142	115	128	134	120	120	120	125	133	140
Interest earned - external investments		168	285	549	213	213	213	213	222	203	215
Interest earned - outstanding debtors		1 357	4 649	7 058	1 706	6 977	6 977	6 977	7 091	7 196	7 296
Dividends received						-	-	-			
Fines		1 582	1 907	2 013	2 805	601	601	601	629	666	704
Licences and permits		1 327	1 327	1 989	1 284	1 283	1 283	1 283	1 402	1 485	1 568
Agency services			1 577	1 121	1 343	1 343	1 343	1 343	1 407	1 490	1 574
Transfers recognised - operational		43 932	42 787	50 327	54 456	53 137	53 137	53 137	65 078	66 925	71 164
Other revenue	2	5 051	2 255	409	7 081	5 274	5 274	5 274	5 119	5 421	5 725
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>101 538</b>	<b>106 293</b>	<b>122 749</b>	<b>109 008</b>	<b>126 084</b>	<b>126 084</b>	<b>126 084</b>	<b>139 842</b>	<b>147 472</b>	<b>156 493</b>
<b>Expenditure By Type</b>											
Employee related costs	2	28 007	31 682	37 677	48 164	45 929	45 929	45 929	48 106	50 857	53 854
Remuneration of councillors		3 800	4 930	5 519	5 231	5 117	5 117	5 117	5 597	5 347	5 377
Debt impairment	3	10 892	15 822	42 097	10 000	10 000	10 000	10 000	22 172	23 391	24 631
Depreciation & asset impairment	2	17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	18 463	19 441
Finance charges		2 404	2 720	328	1 038	1 038	1 038	1 038	1 088	1 153	1 217
Bulk purchases	2	11 834	12 320	14 734	14 178	14 178	14 178	14 178	19 047	21 465	24 199
Other materials	8	2 415	11 843	11 816		2 552	2 552	2 552	5 335	5 385	5 686
Contracted services		469	2 446	1 885	2 684	2 684	2 684	2 684	10 816	11 898	13 087
Transfers and grants		8 102	-	8 043	7 244	10 798	10 798	10 798	11 442	12 119	12 805
Other expenditure	4, 5	15 040	24 142	17 937	39 451	28 668	28 668	28 668	44 750	47 211	49 713
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>100 352</b>	<b>119 702</b>	<b>159 347</b>	<b>145 490</b>	<b>138 465</b>	<b>138 465</b>	<b>138 465</b>	<b>185 851</b>	<b>197 287</b>	<b>210 011</b>
<b>Surplus/(Deficit)</b>		<b>1 185</b>	<b>(13 408)</b>	<b>(36 598)</b>	<b>(36 483)</b>	<b>(12 381)</b>	<b>(12 381)</b>	<b>(12 381)</b>	<b>(46 009)</b>	<b>(49 815)</b>	<b>(53 518)</b>
Transfers recognised - capital		17 200	22 965	22 407	25 147	24 147	24 147	24 147	28 620	24 434	25 655
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>18 385</b>	<b>9 556</b>	<b>(14 190)</b>	<b>(11 336)</b>	<b>11 766</b>	<b>11 766</b>	<b>11 766</b>	<b>(17 389)</b>	<b>(25 381)</b>	<b>(27 863)</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>18 385</b>	<b>9 556</b>	<b>(14 190)</b>	<b>(11 336)</b>	<b>11 766</b>	<b>11 766</b>	<b>11 766</b>	<b>(17 389)</b>	<b>(25 381)</b>	<b>(27 863)</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>18 385</b>	<b>9 556</b>	<b>(14 190)</b>	<b>(11 336)</b>	<b>11 766</b>	<b>11 766</b>	<b>11 766</b>	<b>(17 389)</b>	<b>(25 381)</b>	<b>(27 863)</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>18 385</b>	<b>9 556</b>	<b>(14 190)</b>	<b>(11 336)</b>	<b>11 766</b>	<b>11 766</b>	<b>11 766</b>	<b>(17 389)</b>	<b>(25 381)</b>	<b>(27 863)</b>

EC106 Sundays River Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>											
Property rates	2	12 266	13 014	13 933	14 623	14 623	14 623	14 623	15 219	15 016	15 226
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	14 423	15 622	14 489	10 501	21 232	21 232	21 232	21 661	26 729	29 990
Service charges - water revenue	2	13 168	12 743	20 018	7 806	10 856	10 856	10 856	11 175	11 149	11 305
Service charges - sanitation revenue	2	2 691	3 545	3 519	2 483	3 517	3 517	3 517	3 619	3 612	3 723
Service charges - refuse revenue	2	5 419	6 455	7 197	4 573	6 908	6 908	6 908	7 095	7 446	7 863
Service charges - other		11	11								
Rental of facilities and equipment		142	115	128	134	120	120	120	125	133	140
Interest earned - external investments		168	285	549	213	213	213	213	222	203	215
Interest earned - outstanding debtors		1 357	4 649	7 058	1 706	6 977	6 977	6 977	7 091	7 196	7 296
Dividends received											
Fines		1 582	1 907	2 013	2 805	601	601	601	629	666	704
Licences and permits		1 327	1 327	1 989	1 284	1 283	1 283	1 283	1 402	1 485	1 568
Agency services			1 577	1 121	1 343	1 343	1 343	1 343	1 407	1 490	1 574
Transfers recognised - operational		43 932	42 787	50 327	54 456	53 137	53 137	53 137	65 078	66 925	71 164
Other revenue	2	5 051	2 255	409	7 081	5 274	5 274	5 274	5 119	5 421	5 725
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>101 538</b>	<b>106 293</b>	<b>122 749</b>	<b>109 008</b>	<b>126 084</b>	<b>126 084</b>	<b>126 084</b>	<b>139 842</b>	<b>147 472</b>	<b>156 493</b>
<b>Expenditure By Type</b>											
Employee related costs	2	28 007	31 682	37 677	48 164	45 929	45 929	45 929	48 106	50 857	53 854
Remuneration of councillors		3 800	4 930	5 519	5 231	5 117	5 117	5 117	5 597	5 347	5 377
Debt impairment	3	10 892	15 822	42 097	10 000	10 000	10 000	10 000	22 172	23 391	24 631
Depreciation & asset impairment	2	17 388	13 797	19 310	17 500	17 500	17 500	17 500	17 500	18 463	19 441
Finance charges		2 404	2 720	328	1 038	1 038	1 038	1 038	1 088	1 153	1 217
Bulk purchases	2	11 834	12 320	14 734	14 178	14 178	14 178	14 178	19 047	21 465	24 199
Other materials	8	2 415	11 843	11 816		2 552	2 552	2 552	5 335	5 385	5 686
Contracted services		469	2 446	1 885	2 684	2 684	2 684	2 684	10 816	11 898	13 087
Transfers and grants		8 102	-	8 043	7 244	10 798	10 798	10 798	11 442	12 119	12 805
Other expenditure	4, 5	15 040	24 142	17 937	39 451	28 668	28 668	28 668	44 750	47 211	49 713
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>100 352</b>	<b>119 702</b>	<b>159 347</b>	<b>145 490</b>	<b>138 465</b>	<b>138 465</b>	<b>138 465</b>	<b>185 851</b>	<b>197 287</b>	<b>210 011</b>
<b>Surplus/(Deficit)</b>		<b>1 185</b>	<b>(13 408)</b>	<b>(36 598)</b>	<b>(36 483)</b>	<b>(12 381)</b>	<b>(12 381)</b>	<b>(12 381)</b>	<b>(46 009)</b>	<b>(49 815)</b>	<b>(53 518)</b>
Transfers recognised - capital		17 200	22 965	22 407	25 147	24 147	24 147	24 147	28 620	24 434	25 655
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>18 385</b>	<b>9 556</b>	<b>(14 190)</b>	<b>(11 336)</b>	<b>11 766</b>	<b>11 766</b>	<b>11 766</b>	<b>(17 389)</b>	<b>(25 381)</b>	<b>(27 863)</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>18 385</b>	<b>9 556</b>	<b>(14 190)</b>	<b>(11 336)</b>	<b>11 766</b>	<b>11 766</b>	<b>11 766</b>	<b>(17 389)</b>	<b>(25 381)</b>	<b>(27 863)</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>18 385</b>	<b>9 556</b>	<b>(14 190)</b>	<b>(11 336)</b>	<b>11 766</b>	<b>11 766</b>	<b>11 766</b>	<b>(17 389)</b>	<b>(25 381)</b>	<b>(27 863)</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>18 385</b>	<b>9 556</b>	<b>(14 190)</b>	<b>(11 336)</b>	<b>11 766</b>	<b>11 766</b>	<b>11 766</b>	<b>(17 389)</b>	<b>(25 381)</b>	<b>(27 863)</b>



EC106 Sundays River Valley - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>	1										
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Service		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-
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 - Executive Council		316	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	320	320	320	320	-	-	-
Vote 3 - Budget & Treasury		442	60	3 162	1 450	2 090	2 090	2 090	430	-	-
Vote 4 - Corporate Service		80	147	684	670	670	670	670	90	-	-
Vote 5 - Community Services		808	-	-	5 707	4 707	4 707	4 707	4 257	4 394	4 613
Vote 6 - Technical Services		50 926	16 277	17 770	18 828	19 831	19 831	19 831	24 696	20 040	21 042
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>		52 572	16 485	21 616	26 975	27 618	27 618	27 618	29 474	24 434	25 655
<b>Total Capital Expenditure - Vote</b>		52 572	16 485	21 616	26 975	27 618	27 618	27 618	29 474	24 434	25 655
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		838	207	3 846	2 440	3 080	3 080	3 080	520	-	-
Executive and council		316	-	-	320	320	320	320	-	-	-
Budget and treasury office		442	60	3 162	1 450	2 090	2 090	2 090	430	-	-
Corporate services		80	147	684	670	670	670	670	90	-	-
<b>Community and public safety</b>		808	-	-	5 082	4 598	4 598	4 598	4 257	4 394	4 613
Community and social services		4	-	-	1 432	432	432	432	654	666	699
Sport and recreation		-	-	-	3 500	3 500	3 500	3 500	3 604	3 728	3 914
Public safety		805	-	-	150	150	150	150	-	-	-
Housing		-	-	-	-	516	516	516	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	9 277	-	14 000	15 800	15 800	15 800	15 754	16 297	17 111
Planning and development		-	-	-	500	500	500	500	-	-	-
Road transport		-	9 277	-	14 000	15 300	15 300	15 300	15 754	16 297	17 111
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		50 926	7 000	17 770	4 828	3 515	3 515	3 515	3 619	3 744	3 931
Electricity		-	-	-	1 760	400	400	400	412	426	447
Water		11 067	-	17 770	1 000	-	-	-	-	-	-
Waste water management		39 859	7 000	-	2 068	3 115	3 115	3 115	3 207	3 317	3 483
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	625	625	625	625	5 324	-	-
<b>Total Capital Expenditure - Standard</b>	3	52 572	16 485	21 616	26 975	27 618	27 618	27 618	29 474	24 434	25 655
<b>Funded by:</b>											
National Government		50 926	16 277	17 770	24 653	24 653	24 653	24 653	28 630	24 434	25 655
Provincial Government		-	-	-	1 000	-	-	-	-	-	-
District Municipality		-	-	-	32	32	32	32	10	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	50 926	16 277	17 770	25 685	24 685	24 685	24 685	28 640	24 434	25 655
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 646	207	3 846	1 290	2 933	2 933	2 933	834	-	-
<b>Total Capital Funding</b>	7	52 572	16 485	21 616	26 975	27 618	27 618	27 618	29 474	24 434	25 655

EC106 Sundays River Valley - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		1 647	1 120	(128)					7 335		
Call investment deposits	1	576	6 196	7 127	2 080	2 080	2 080	-	-	-	-
Consumer debtors	1	17 645	24 782	9 956	34 622	34 062	34 062	-	47 058	49 834	52 625
Other debtors		1 226	12 841	696	13 820	-	-	-	-	-	-
Current portion of long-term receivables		3	4		4	4	4		3		
Inventory	2	158	158	158	168	168	168		158	158	158
<b>Total current assets</b>		<b>21 255</b>	<b>45 100</b>	<b>17 809</b>	<b>50 694</b>	<b>36 314</b>	<b>36 314</b>	<b>-</b>	<b>54 554</b>	<b>49 992</b>	<b>52 783</b>
<b>Non current assets</b>											
Long-term receivables					52	52	52				
Investments											
Investment property		42 174	42 174	28 364	42 174	42 174	42 174		42 498	42 498	42 498
Investment in Associate											
Property, plant and equipment	3	320 063	340 730	366 677	369 430	369 082	369 082	-	382 698	364 195	385 236
Agricultural											
Biological											
Intangible		1 198	983	671	1 733	2 177	2 177				
Other non-current assets		52	49								
<b>Total non current assets</b>		<b>363 488</b>	<b>383 936</b>	<b>395 711</b>	<b>413 390</b>	<b>413 486</b>	<b>413 486</b>	<b>-</b>	<b>425 196</b>	<b>406 693</b>	<b>427 734</b>
<b>TOTAL ASSETS</b>		<b>384 743</b>	<b>429 036</b>	<b>413 520</b>	<b>464 083</b>	<b>449 799</b>	<b>449 799</b>	<b>-</b>	<b>479 750</b>	<b>456 685</b>	<b>480 517</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	4 013	3 571	3 919	2 500	2 500	2 500	-	-	-	-
Consumer deposits		257	262	270	262	262	262		275	277	279
Trade and other payables	4	18 276	24 626	34 086	41 024	25 472	25 472	-	22 922	24 274	25 634
Provisions		14 928	15 823		18 231	18 231	18 231				
<b>Total current liabilities</b>		<b>37 474</b>	<b>44 282</b>	<b>38 274</b>	<b>62 017</b>	<b>46 465</b>	<b>46 465</b>	<b>-</b>	<b>23 197</b>	<b>24 551</b>	<b>25 913</b>
<b>Non current liabilities</b>											
Borrowing		7 977	7 656	404	6 426	26 873	26 873	-	-	-	-
Provisions		3 818	4 120	16 884	4 870	4 870	4 870	-	-	-	-
<b>Total non current liabilities</b>		<b>11 795</b>	<b>11 776</b>	<b>17 288</b>	<b>11 296</b>	<b>31 743</b>	<b>31 743</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>49 268</b>	<b>56 057</b>	<b>55 562</b>	<b>73 313</b>	<b>78 208</b>	<b>78 208</b>	<b>-</b>	<b>23 197</b>	<b>24 551</b>	<b>25 913</b>
<b>NET ASSETS</b>	5	<b>335 475</b>	<b>372 979</b>	<b>357 957</b>	<b>390 771</b>	<b>371 592</b>	<b>371 592</b>	<b>-</b>	<b>456 553</b>	<b>432 134</b>	<b>454 604</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		335 475	372 979	357 957	390 025	370 846	370 846		456 553	432 134	454 604
Reserves	4	-	-	-	745	745	745	-	-	-	-
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>335 475</b>	<b>372 979</b>	<b>357 957</b>	<b>390 771</b>	<b>371 592</b>	<b>371 592</b>	<b>-</b>	<b>456 553</b>	<b>432 134</b>	<b>454 604</b>

EC106 Sundays River Valley - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		61 724	35 909		39 986	48 607	48 607	48 607	11 013	11 663	12 316
Service charges		63 528	69 732	22 930	54 456	53 317	53 317	53 317	25 136	26 619	28 110
Other revenue				17 666	24 147	24 147	24 147	24 147	1 752	1 856	1 960
Government - operating	1	1 525	288	75 178	213	213	213	213	65 078	68 240	72 457
Government - capital	1								28 620	24 434	25 655
Interest									4 257	4 508	4 761
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(62 030)	(76 638)	(96 876)	(120 248)	(113 922)	(113 922)	(113 922)	(92 762)	(98 344)	(103 967)
Finance charges		(2 404)	(2 720)	(328)	(1 038)	(1 038)	(1 038)	(1 038)	(478)	(506)	(535)
Transfers and Grants	1	(8 102)	-		(7 244)	(10 798)	(10 798)	(10 798)	(14 162)	(14 998)	(15 838)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>54 241</b>	<b>26 571</b>	<b>18 571</b>	<b>(9 728)</b>	<b>526</b>	<b>526</b>	<b>526</b>	<b>28 453</b>	<b>23 471</b>	<b>24 918</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE				37					-	-	-
Decrease (Increase) in non-current debtors					3	3	3	3	-	-	-
Decrease (increase) other non-current receivables			3						-	-	-
Decrease (increase) in non-current investments		314	(5 619)						-	-	-
<b>Payments</b>											
Capital assets		(52 572)	(20 719)	(15 150)	(25 525)	(27 613)	(27 613)	(27 613)	(29 474)	(24 434)	(25 655)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(52 258)</b>	<b>(26 335)</b>	<b>(15 112)</b>	<b>(25 522)</b>	<b>(27 610)</b>	<b>(27 610)</b>	<b>(27 610)</b>	<b>(29 474)</b>	<b>(24 434)</b>	<b>(25 655)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing		180		(2 334)					-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing			764	(416)		(1 283)	(1 283)	(1 283)	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>180</b>	<b>764</b>	<b>(2 750)</b>	<b>-</b>	<b>(1 283)</b>	<b>(1 283)</b>	<b>(1 283)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2	374	2 537	6 291	(38 472)	(6 999)	(6 999)	(6 999)	7 335	6 314	5 351
Cash/cash equivalents at the year end:	2	2 537	3 538	6 999	(73 722)	(35 366)	(35 366)	(35 366)	6 314	5 351	4 615

EC106 Sundays River Valley - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	2 537	3 538	6 999	(73 722)	(35 366)	(35 366)	(35 366)	6 314	5 351	4 615
Other current investments > 90 days		(314)	3 778	(0)	75 801	37 446	37 446	35 366	1 021	(5 351)	(4 615)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2 223</b>	<b>7 316</b>	<b>6 999</b>	<b>2 080</b>	<b>2 080</b>	<b>2 080</b>	<b>-</b>	<b>7 335</b>	<b>-</b>	<b>-</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	3 073	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(22 873)	(40 135)	20 856	(68 412)	(37 260)	(37 260)	-	(1 005)	(622)	(572)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>(22 873)</b>	<b>(40 135)</b>	<b>23 930</b>	<b>(68 412)</b>	<b>(37 260)</b>	<b>(37 260)</b>	<b>-</b>	<b>(1 005)</b>	<b>(622)</b>	<b>(572)</b>
<b>Surplus(shortfall)</b>		<b>25 096</b>	<b>47 451</b>	<b>(16 930)</b>	<b>70 492</b>	<b>39 340</b>	<b>39 340</b>	<b>-</b>	<b>8 340</b>	<b>622</b>	<b>572</b>

EC106 Sundays River Valley - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	1 646	207	3 848	3 742	4 398	4 398	854	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	1 000	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	516	516	324	-	-
Other assets	6	1 621	156	3 848	1 992	3 132	3 132	530	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		25	52	-	750	750	750	-	-	-
<b>Total Renewal of Existing Assets</b>	2	50 926	16 277	17 770	23 233	23 207	23 207	28 620	24 434	25 655
Infrastructure - Road transport		-	9 277	5 289	14 000	15 300	15 300	15 754	16 297	17 111
Infrastructure - Electricity		-	-	-	1 760	400	400	412	426	447
Infrastructure - Water		11 067	-	6 450	1 000	-	-	-	-	-
Infrastructure - Sanitation		39 859	7 000	6 031	2 068	3 102	3 102	3 207	3 317	3 483
Infrastructure - Other		-	-	-	-	-	-	5 000	-	-
Infrastructure		50 926	16 277	17 770	18 828	18 802	18 802	24 373	20 040	21 042
Community		-	-	-	4 125	4 125	4 125	4 247	4 394	4 613
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	280	280	280	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	9 277	5 289	14 000	15 300	15 300	15 754	16 297	17 111
Infrastructure - Road transport		-	-	-	1 760	400	400	412	426	447
Infrastructure - Electricity		11 067	-	6 450	1 000	-	-	-	-	-
Infrastructure - Water		39 859	7 000	6 031	2 068	3 102	3 102	3 207	3 317	3 483
Infrastructure - Sanitation		-	-	-	-	-	-	5 000	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		50 926	16 277	17 770	18 828	18 802	18 802	24 373	20 040	21 042
Community		-	-	-	5 125	4 125	4 125	4 247	4 394	4 613
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	516	516	324	-	-
Other assets		1 621	156	3 848	2 272	3 412	3 412	530	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		25	52	-	750	750	750	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	52 572	16 485	21 618	26 975	27 605	27 605	29 474	24 434	25 655
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		69 123	250 037	207 434	82 262	82 262	82 262	98 016	114 313	131 424
Infrastructure - Electricity		14 420	-	-	16 200	16 200	16 200	16 612	17 038	17 485
Infrastructure - Water		96 561	-	-	89 463	89 463	89 463	89 463	89 463	89 463
Infrastructure - Sanitation		99 811	-	-	94 359	94 359	94 359	97 565	100 883	104 366
Infrastructure - Other		91 127	-	-	-	-	-	5 000	-	-
Infrastructure		371 043	250 037	207 434	282 284	282 284	282 284	306 657	321 697	342 738
Community		807	-	20 276	25 401	25 401	25 401	29 649	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		#REF!	42 174	42 174	42 174	42 174	42 174	42 498	42 498	42 498
Other assets		11 721	-	138 966	52	1 708	3 364	3 894	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		1 198	983	671	1 733	2 177	2 177	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	#REF!	293 195	409 521	351 645	353 745	355 401	382 698	364 195	385 236
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		17 388	13 797	19 310	17 500	17 500	17 500	17 500	18 463	19 441
<b>Repairs and Maintenance by Asset Class</b>	3	2 045	11 843	11 816	3 327	2 552	2 552	5 335	5 385	5 686
Infrastructure - Road transport		234	2 994	-	725	725	725	-	-	-
Infrastructure - Electricity		248	2 290	-	371	371	371	-	-	-
Infrastructure - Water		365	1 665	-	506	506	506	-	-	-
Infrastructure - Sanitation		541	1 568	-	249	249	249	-	-	-
Infrastructure - Other		63	1 535	11 816	158	158	158	-	-	-
Infrastructure		1 452	10 052	11 816	2 008	2 008	2 008	-	-	-
Community		402	750	-	380	380	380	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	190	1 041	-	938	164	164	5 335	5 385	5 686
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		19 433	25 640	31 126	20 827	20 052	20 052	22 835	23 847	25 127

**QUALITY CERTIFICATE**

I, Lonwabo Ngoqo, Municipal Manager of Sundays River Valley municipality, hereby certify that the draft annual budget 2015/16 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 documentation are consistent with the Integrated Development Plan of the municipality.

L.M.R. NGOQO

MUNICIPAL MANAGER OF SUNDAYS RIVER VALLEY MUNICIPALITY – EC106

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**SIGNATURE**

**DATE: 31 March 2015**