



**2015/16 TO 2017/18**

**MEDIUM TERM REVENUE AND EXPENDITURE  
FORECASTS**

**28 MAY 2015**

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## **PART 1**

### **1.1. 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 past financial year.

The financial sustainability and proper service delivery to our community remains our main priority.

Today it is my privilege to table the final IDP and budget for 2015/16. This is the IDP and budget that we as councillors have to consider, drive and implement. 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.

According to the legislative requirements set out in the Municipal Systems Act of 2000(MSA) as well as the Planning and Performance Management Regulations, all municipalities, both district and local have to prepare an IDP and subsequently submit the document to the MEC for Local Government.

In terms of Section 34 of the MSA: *A municipal council –*

*(a) Must review its integrated development plan –*

*(i) Annually in accordance with an assessment of its performance measurements in terms of section 41; and*

*(ii) to the extent that changing circumstances so demand; and*

*(b) May amend its IDP in accordance with a prescribed process*

### **IDP PRIORITIES**

The SRVM IDP has adapted and aligned to the ten (10) national medium-term priorities from which eight (8) were endorsed by the Provincial Strategic Framework (PSF). SRVM has adopted the local government Key Performance Areas as its key priorities for the current five year period. As such the SRVM priorities are:

- Basic Service Delivery and Infrastructure Development
- Local Economic development
- Community development
- Good Governance and Public Participation
- Institutional Transformation and Organizational Development
- Municipal Financial Viability and Management

The municipal vision, mission and values were not changed during the current review process. The review process was influenced by the following guiding parameters amongst others:

- Twelve government outcomes
- National Development Plan
- Government Party Manifesto

## Performance Management System

The municipality uses an electronic system that requires Directorates to populate performance information in their discharge. The electronic system with the information fed into it makes it easier to access such information, and to consequently compile the quarterly and annual performance reports mandated by legislation. It also allows management to assess the strides taken to achieve the objectives as set.

### Achievements

- A revenue enhancement strategy is yielding some positive results because revenue is gradually increasing
- All senior management positions were field
- The performance management system policy was reviewed and performance agreements of senior managers were developed.
- Improved public participation
- The MPAC assisted Council with proper oversight over the affairs of the municipality.
- FBS unit established

### Challenges

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

#### *Revenue collection rate*

- The municipality's collection rate is still not at the required level and as mentioned has been influenced by the challenges faced during the implementation of the billing system. Revenue collection target is set at 60% for the 2015/16 financial year and management has made efforts in ensuring an increase revenue collection.
- Councillors should also remember that in terms of the Municipal Systems Act section 99(1)(a) it is the duty of the Executive Committee to oversee and monitor the implementation and enforcement of the credit control and debt collection policy. As such it could be said that each Councillor has the obligation to ensure that the municipality collects what is due to it.

#### *Sufficient indigent registration*

- The municipality is still struggling to register all indigents. Public meetings were held to try and register more indigents. The registration of indigents has a direct influence on the Equitable Share that the municipality will be getting in the future.
- Management will be embarked on a data cleansing & indigent registration project as from July 2014 to try and increase the number of indigent registrations. Councillors are requested to assist where possible with the identification of indigents.

#### *Revenue enhancement*

- The municipality is still struggling with the identification and obtaining of additional funding to embark on much needed unfunded service delivery projects.
- Management has now appointed a service provider to assist with resource mobilisation.

#### *Service delivery*

- Challenges that faced us during this financial year was mainly on roads and water.
- The condition of our roads in all wards is currently a frustration for all and requires serious intervention.
- Operations hampered by protest action

## 1.2 BUDGET OVERVIEW

In compiling the budget for 2015/16, consideration was given to the national priorities as communicated through National Treasury circular.

The Local Government Budgets and Expenditure Review released highlighted the following areas as requiring particular attention:

- Revenue management – To ensure the collection of revenues, municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow up to collect revenues owed.
- Collecting outstanding debts – This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable, especially for poor households.
- Pricing services correctly – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities.
- Under spending on repairs and maintenance – Often seen as a way to reduce spending in the short term, under spending on maintenance can shorten the life of assets, increase long-term maintenance and refurbishment costs, and cause a deterioration in the reliability of services.
- Spending on non-priorities – Many municipalities spend significant amounts on non-priority items including unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects. Consultants are often used to perform routine tasks.

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, and what is financially sustainable over the medium term.

Circular 75 informs municipalities that expenditure priority ought to be given to:

- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- Protecting the poor;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- Securing the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance; and
- Expediting spending on capital projects that are funded by conditional grants.
- Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services and the renewal of the infrastructure of existing

network services.

The increases in tariffs and charges were considered in light of the standard and cost of services that have been provided to the community over the past year and also with a view to funding resources for the improvement of these services in the coming financial year.

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. Service level improvement was the key focus of the Turnaround Plan. 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.

It should be noted that no formal objections with regards to the budget were received from communities since the draft budget was tabled and published for public comments.

### **OPERATING REVENUE**

The operating revenue budget of SRVM amounts to R165 million for 2015/16 financial year. This represents an increase of R15 million (10%).

In revising our tariffs, we considered the inflation rate as well as increased cost to provide the service. 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. Electricity increased with 12.20% as prescribed by NERSA.

### **OPERATING EXPENDITURE**

Sundays River Valley Municipality's budgeted expenditure for the 2015/16 MTREF amounts to R159 million. This represents an increase of 12 per cent.

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 to maintain repairs and maintenance at 4% 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 R4 million (34%).

Non-cash items provisions, rebates and depreciation were considered in the operating expenditure budget to the amount of R37 million.

### **CAPITAL EXPENDITURE**

The capital budget of the municipality amounts to R45 million. This indicates an increase of R19 million.

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

- Upgrading of Addo Waste Water Treatment works – R2 604 000
- Upgrading of Gravel roads – R15 755 000
- Upgrading of Paterson Waste Water Treatment works – R1 000 000
- Rehabilitation of sports fields – R3 604 000
- Community Lighting – R412 000
- Rehabilitation of Parks & Playgrounds- R644

These projects are funded by the Municipal Infrastructure Grant, Financial Management Grant.

### **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
- LIBRARY SUBSIDY – R1 157 000
- INEG- R1 679 000

Grants from Cacadu includes:

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

### **MAJOR CHANGES MADE TO DRAFT BUDGET**

The only major changes made since the draft budget is the additional planned capital expenditure as a result of insurance income to be received. Changes were effected in services and rates to cater for revenue forgone.

### **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 tables the IDP 2015/16 and budget for 2015/16 with

annexure 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.

The service delivery priorities were reviewed as part of this years planning and budget process. Therefore the development of the Budget was informed by the key service delivery priorities, as reflected in the IDP, 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 2015/16MTREF.

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

- The priorities and targets relating to the key strategic focus areas as determined in the IDP.
- 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 budget principles and guidelines had a direct impact on the compilation of the 2015/16 MTREF :

- 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 the low 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 need to take into account the need to address maintenance and infrastructural backlogs.
- 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            | 2015/16     | 2016/17        | 2017/18        |
|                             | R'000              | R'000       | R'000          | R'000          |
| Total Operating Revenue     | 150 231            | 165 982     | 159 170        | 168 266        |
| Total Operating Expenditure | 141 976            | 159 218     | 162 403        | 168 612        |
| Surplus/(Deficit)           | 8 255              | 6 763       | (3 233)        | (346)          |
| Total Capital Expenditure   | 27 618             | 45 064      | 24 434         | 25 655         |
|                             |                    |             |                |                |

Total operating revenue has grown by 10.4 per cent or R15.7 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget. For the two outer years, operational revenue will steadily increase, equating to a total revenue growth of R18 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 R159.2 million and translates into a budgeted surplus of R6.7 million. When compared to the 2014/15 Adjustments Budget, operational expenditure has grown by 12 per cent in the 2015/16 budget. The operating deficit for the 2016/17 outer year decreases to R346 thousand deficit in 2017/18 outer year. The deficit indicates that the municipality will not be fund capital expenditure and to further ensure cash backing of monies.

The capital budget of has increased by R17.4 million or by 63 per cent for the 2015/16 financial year when compared to the 2014/15 Adjustment Budget. A substantial portion of the capital budget will be funded from government grant transfers and insurance payout. The balance will be funded from internally generated funds.

## 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 to ensure financial sustainability.

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);
- 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)**

| Description  | Ref | 2011/12         | 2012/13        | 2013/14        | Current Year 2014/15 |                |                |                | 2015/16        | 2016/17        | 2017/18        |
|--|-----|-----------------|----------------|----------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  |     | Audited Outcome | Audited        | Audited        | Original             | Adjusted       | Full Year      | Pre-audit      | Budget Year    | Budget Year    | Budget Year    |
| R thousand   | 1   |                 |                |                |                      |                |                |                |                |                |                |
| <b>Revenue By Source</b>   |     |                 |                |                |                      |                |                |                |                |                |                |
| Property rates   | 2   | 12 266          | 13 014         | 13 933         | 14 623               | 14 623         | 14 623         | 14 623         | 12 781         | 12 967         | 13 145         |
| Property rates - penalties & collection charges                      |     |                 |                |                |                      |                |                |                |                |                |                |
| Service charges - electricity revenue                                | 2   | 14 423          | 15 622         | 14 489         | 10 501               | 21 232         | 21 232         | 21 232         | 20 089         | 22 722         | 25 680         |
| Service charges - water revenue                                      | 2   | 13 168          | 12 743         | 20 018         | 7 806                | 10 856         | 10 856         | 10 856         | 7 624          | 7 733          | 7 835          |
| Service charges - sanitation revenue                                 | 2   | 2 691           | 3 545          | 3 519          | 2 483                | 3 517          | 3 517          | 3 517          | 2 081          | 2 110          | 2 137          |
| Service charges - refuse revenue                                     | 2   | 5 419           | 6 455          | 7 207          | 4 573                | 6 908          | 6 908          | 6 908          | 4 608          | 4 674          | 4 735          |
| Service charges - other  |     | 11              | 11             |                | -                    | -              | -              | -              |                |                |                |
| Rental of facilities and equipment                                   |     | 142             | 115            | 128            | 134                  | 120            | 120            | 120            | 121            | 123            | 125            |
| Interest earned - external investments                               |     | 168             | 285            | 549            | 213                  | 213            | 213            | 213            | 186            | 189            | 192            |
| Interest earned - outstanding debtors                                |     | 1 357           | 4 649          | 7 058          | 1 706                | 6 977          | 6 977          | 6 977          | 7 111          | 7 224          | 7 336          |
| Dividends received   |     |                 |                |                |                      |                |                |                |                |                |                |
| Fines  |     | 1 582           | 1 907          | 2 013          | 2 805                | 601            | 601            | 601            | 609            | 619            | 629            |
| Licences and permits   |     | 1 327           | 1 327          | 1 989          | 1 284                | 1 283          | 1 283          | 1 283          | 1 302          | 1 323          | 1 344          |
| Agency services  |     |                 | 1 577          | 1 121          | 1 343                | 1 343          | 1 343          | 1 343          | 1 363          | 1 384          | 1 462          |
| Transfers recognised - operational                                   |     | 43 932          | 42 787         | 50 327         | 54 456               | 53 137         | 53 137         | 53 137         | 61 809         | 66 578         | 70 740         |
| Other revenue  | 2   | 5 051           | 2 255          | 406            | 7 081                | 5 274          | 5 274          | 5 274          | 22 678         | 7 090          | 7 252          |
| 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>142 362</b> | <b>134 736</b> | <b>142 612</b> |

**Table 3 (Percentage growth in revenue by main revenue source)**

| Description  | Adjusted Budget | %           | Budget Year 2015/16 | %           | Budget Year +1 2015/17 | %           | Budget Year +2 2017/18 | %           |
|--|-----------------|-------------|---------------------|-------------|------------------------|-------------|------------------------|-------------|
| Property rates   | 14 623          | 12%         | 12 781              | 9%          | 12 967                 | 10%         | 13 145                 | 9%          |
| Property rates - penalties & collection charges                      |                 | 0%          |                     | 0%          |                        | 0%          |                        | 0%          |
| Service charges - electricity revenue                                | 21 232          | 17%         | 20 089              | 14%         | 22 722                 | 17%         | 25 680                 | 18%         |
| Service charges - water revenue                                      | 10 856          | 9%          | 7 624               | 5%          | 7 733                  | 6%          | 7 835                  | 5%          |
| Service charges - sanitation revenue                                 | 3 517           | 3%          | 2 081               | 1%          | 2 110                  | 2%          | 2 137                  | 1%          |
| Service charges - refuse revenue                                     | 6 908           | 6%          | 4 608               | 3%          | 4 674                  | 3%          | 4 735                  | 3%          |
| Service charges - other  | -               | 0%          |                     | 0%          |                        | 0%          |                        | 0%          |
| Rental of facilities and equipment                                   | 120             | 0%          | 121                 | 0%          | 123                    | 0%          | 125                    | 0%          |
| Interest earned - external investments                               | 213             | 0%          | 186                 | 0%          | 189                    | 0%          | 192                    | 0%          |
| Interest earned - outstanding debtors                                | 6 977           | 6%          | 7 111               | 5%          | 7 224                  | 5%          | 7 336                  | 5%          |
| Dividends received   | -               | 0%          |                     | 0%          |                        | 0%          |                        | 0%          |
| Fines  | 601             | 0%          | 609                 | 0%          | 619                    | 0%          | 629                    | 0%          |
| Licences and permits   | 1 283           | 1%          | 1 302               | 1%          | 1 323                  | 1%          | 1 344                  | 1%          |
| Agency services  | 1 343           | 1%          | 1 363               | 1%          | 1 384                  | 1%          | 1 462                  | 1%          |
| Transfers recognised - operational                                   | 53 137          | 43%         | 61 809              | 43%         | 66 578                 | 49%         | 70 740                 | 50%         |
| Other revenue  | 5 274           | 4%          | 22 678              | 16%         | 7 090                  | 5%          | 7 252                  | 5%          |
| Gains on disposal of PPE   |                 |             |                     |             |                        |             |                        |             |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>124 353</b>  | <b>100%</b> | <b>142 362</b>      | <b>100%</b> | <b>134 736</b>         | <b>100%</b> | <b>142 612</b>         | <b>100%</b> |
| <b>Total Revenue from rates and service charges</b>                  | <b>57 137</b>   | <b>46%</b>  | <b>47 183</b>       | <b>33%</b>  | <b>50 205</b>          | <b>37%</b>  | <b>53 532</b>          | <b>38%</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 substantial percentage of the revenue basket for the Sundays River Valley Municipality. In the 2014/15 financial year, rates and service charges amounted to R57.1 million or 46 per cent of the revenue basket. This decreases to R47.1 million in 2015/16 as a result of taking into account revenue foregone through providing the poorest of the poor with basic services. A steady increase will be noted in the two outer financial years, R50.2 million and R53.5 million, respectively. A notable growth can be seen with regards to electricity services. This growth is mainly attributable to increased electricity revenue, as a result of significant increases in the Eskom bulk electricity tariffs.

Property rates represent the fourth largest revenue source, amounting to 9% or R12.7 million in 2015/16 and increasing to R13.1 million in 2017/18.

Operating grants and transfers are the largest revenue source in the revenue mix. They amount to R53.1 million in the 2014/15 financial year and increases to R70.7 million in 2017/18. The year-on-year growth from the 2014/15 financial year is 16 per cent and flattens out to 7.7 and 6.2 per cent in the two outer years. The following table provides a breakdown of the various operating grants and subsidies allocated to the Municipality over the medium term:

**Table 4 (Operating Transfers and Grant Receipts)**

| Description                                   | Ref  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & |                        |                        |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------------------|------------------------|------------------------|
|   |      | 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>RECEIPTS:</b>                              | 1, 2 |                 |                 |                 |                      |                 |                    |                               |                        |                        |
| <b>Operating Transfers and Grants</b>         |      |                 |                 |                 |                      |                 |                    |                               |                        |                        |
| <b>National Government:</b>                   |      | 34 087          | 39 552          | 44 367          | 51 285               | 50 085          | 50 085             | 58 840                        | 63 481                 | 67 501                 |
| Local Government Equitable Share              |      | 31 991          | 36 314          | 40 327          | 46 351               | 46 351          | 46 351             | 52 292                        | 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             | -                    | -               | -                  | 1 500                         |                        |                        |
| Finance Management                            |      | 1 354           | 1 270           | 1 650           | 1 800                | 1 800           | 1 800              | 1 875                         | 2 010                  | 2 345                  |
|   |      |                 |                 |                 |                      |                 |                    |                               |                        |                        |
| MIG   |      |                 | 191             |                 |                      |                 |                    | 1 243                         | 1 286                  | 1 350                  |
| <b>Provincial Government:</b>                 |      | 333             | 271             | 1 507           | 1 507                | 1 507           | 1 507              | 1 157                         | 1 157                  | 1 157                  |
| Small town revitalization                     |      | 333             | 271             | 350             | 350                  | 350             | 350                |                               |                        |                        |
| Library Funding                               |      |                 |                 | 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                         | 1 790                  | 1 932                  |
| Environmental Health                          |      | -               |                 | 990             | 1 089                | 1 170           | 1 170              | 1 287                         | 1 415                  | 1 557                  |
| Fire  |      |                 |                 | 375             | 375                  | 375             | 375                | 375                           | 375                    | 375                    |
| <b>Other grant providers:</b>                 |      | 9 512           | 2 784           | 3 069           | 200                  | -               | -                  | 150                           | 150                    | 150                    |
| DWAF  |      | 8 126           |                 |                 |                      |                 |                    |                               |                        |                        |
| Other grant providers:                        |      | 1 386           | 2 784           | 3 069           | 200                  | -               |                    | 150                           | 150                    | 150                    |
| <b>Total Operating Transfers and Grants</b>   | 5    | 43 932          | 42 607          | 50 308          | 54 456               | 53 137          | 53 137             | 61 809                        | 66 578                 | 70 740                 |

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. The shortfall caused by using CPI must therefore be made up by operational gains or service level reductions. 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 performed.

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 municipalities electricity and in these tariffs are largely outside the control of the municipality.

### Property Rates

Property Rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an important process.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the City's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year.

The categorise of rate-able properties for purposes of levying rates and the proposed rates for 2015/16 financial year based on a 1.2 per cent increase from 1 July 2015 is contained below:

**Table of Comparison of proposed rates to be levied for the 2015/16 financial year**

| <b>Catergory</b>   | <b>Current Tariff<br/>(1 July 2014)</b> | <b>Proposed Tariff<br/>(1 July 2015)</b> |
|--|---|--|
| land and improvements- srvm-residential                      | 0.01078                                 | 0.01091                                  |
| land and improvements- srvm-business & industrial properties | 0.01334                                 | 0.01350                                  |
| land and improvements- state owned properties                | 0.02183                                 | 0.02209                                  |
| agriculture  | 0.00270                                 | 0.00273                                  |
| Public Service Infrastructure                                | 0.00270                                 | 0.00273                                  |
| Rates Building Clause  | 0.01078                                 | 0.01091                                  |

## **Water**

It should be noted water tariffs are not cost reflective. Tariff does not take into account municipal cost drivers such as cost of maintenance and renewal of purification plants etc. Provision of free water to the poorest of the poor (Indigent) has been protected to ensure people receive basic services.

A tariff increase of 1.2 per cent from 1 July is proposed. Water tariffs are structured according to CPI percentage. In addition 6 kl per 30 day period will again be granted free of charge to all residents.

A summary of the proposed tariffs for household are as follows:

**Table of Comparison of proposed water to be levied for the 2015/16 financial year**

| <b>WATER</b>   | <b>Current Tariff<br/>(1 July 2014)</b> | <b>Proposed Tariff<br/>(1 July 2015)</b> |
|--|---|--|
| Metered Water (rising block)                             |   |  |
| 0 to 6 kl free (free basic service and Indigent subsidy) | 6.40                                    | 6.47                                     |
| 7 to 15 kl   | 7.50                                    | 7.59                                     |
| 16 to 25 kl  | 7.98                                    | 8.08                                     |
| 25 to 40 kl  | 8.81                                    | 8.92                                     |
| 41 to 55kl   | 9.51                                    | 9.62                                     |
| 56 to 70 kl  | 9.82                                    | 9.94                                     |
| 70 to ....KL   | 10.08                                   | 10.20                                    |

The tariff structure of 2014/15 has not change. It is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R10.20 per kilo litre for consumption in excess of 70kl per 30 day period.

### **Electricity**

NERSA determines the increase in electricity. A 14.42 per cent increase in Eskom bulk electricity to municipalities will be effective from 10 July 2015.

Considering Eskoms increase, the consumer tariff will be increased by 12.20 per cent in an attempt to offset the additional bulk purchase cost from 1 July 2015.

Registered indigents will again be granted 50 kWh per 30 day period free of charge. It should be noted that although the stepped increase in consumer tariff will generate more income, it is impossible for the income generated to fund capital and maintenance projects thereof owing to the high increase in Eskom bulk tariffs.

A summary of the proposed tariffs for household are as follows:

**Table of Comparison of proposed electricity to be levied for the 2015/16 financial year**

|   | <b>Current Tariff<br/>(1 July 2014)</b> | <b>Proposed Tariff<br/>(1 July 2015)</b> |
|---|---|--|
| <b>NEW INCLINING BLOCK TARIFFS FOR HOUSEHOLDS</b> |   |  |
| up to 50 kwh                                      | 0.77                                    | 0.87                                     |
| 51 - 350 kwh                                      | 0.89                                    | 1.00                                     |
| 351 - 600 kwh                                     | 1.18                                    | 1.33                                     |
| > 600 kwh   | 1.25                                    | 1.40                                     |
| Basic charge residents per room min 2 max 5       | 33.47                                   | 37.56                                    |

### Sanitation

A tariff increase of 1.2 per cent for sanitation from 1 July 2015 is proposed. This is based on the CPI assumption as per water. It therefore fails to take into account municipal cost drivers

A summary of the proposed tariffs for household are as follows:

### Table of Comparison of proposed sanitation to be levied for the 2015/16 financial year

|  | <b>Current Tariff<br/>(1 July 2014)</b> | <b>Proposed Tariff<br/>(1 July 2015)</b> |
|--|---|--|
| <b>SANITATION</b>                            |   |  |
| Sanitation per month                         | 42.33                                   | 42.83                                    |
| suction services - Aqua/MM park- per load    | 70.00                                   | 70.84                                    |
| vip-tanker (per load )-PATERSON              | 135.00                                  | 136.62                                   |
|  |   |  |
| <b>SEWERAGE</b>                              |   |  |
| Households (1st and 2nd toilet included) p.a | 684.20                                  | 692.41                                   |
| Households (every additional toilet)         | 45.42                                   | 45.97                                    |
| Businesses per toilet                        | 179.09                                  | 181.24                                   |
| Business Basic p.a                           | 1163.29                                 | 1177.25                                  |
| Churches per toilet                          | 105.12                                  | 106.38                                   |
| Church Basic                                 | 371.16                                  | 375.61                                   |
| Hotels                                       | 103.82                                  | 105.07                                   |
| Hotel Basic                                  | 532.08                                  | 538.46                                   |
| Schools per toilet                           | 476.27                                  | 481.99                                   |
| Schools basic                                | 369.86                                  | 374.30                                   |
| Hospitals per toilet                         | 615.13                                  | 622.51                                   |
| Hospitals basic                              | 638.49                                  | 646.15                                   |
| Sewerage Blockages Normal Hours              | 142.75                                  | 144.47                                   |
| Sewerage Blockages After Hours               | 285.50                                  | 288.93                                   |
| Nightsoil                                    | 38.28                                   | 38.74                                    |
|  |   |  |

## Refuse

This tariff will increase by 1.2 per cent as from 1 July 2015. This too does not take into account cost drivers of the municipality such as repairs and maintenance of vehicles and increase in general expenditures but based on CPI.

A summary of the proposed tariffs for household are as follows:

**Table of Comparison of proposed refuse to be levied for the 2015/16 financial year**

| <b>REFUSE</b>                      | <b>Current Tariff<br/>(1 July 2014)</b> | <b>Proposed Tariff<br/>(1 July 2015)</b> |
|------------------------------------|---|--|
| Households per month               | 73.06                                   | 73.93                                    |
| No collection (pm)                 | 40.31                                   | 40.79                                    |
| Businesses                         | 130.49                                  | 132.06                                   |
| Garden refuse per load             | ad hoc                                  | ad hoc                                   |
| Refuse Bags (20)                   | 24.03                                   | 24.32                                    |
| Fine for illegal dumping of refuse | 3210.00                                 | 3248.52                                  |
| Fine for illegal dumping of rubble | 6420.00                                 | 6497.04                                  |

## Overall impact of tariff increases

It is widely accepted that rendering of services should at least break even, which is currently not the case as a result of CPI cost drivers vs driver applicable to municipality. Tariffs will increase in average by 4.8 per cent and electricity by 12.20 percent.



## 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**

| Description                     | Ref  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & |                        |                        |
|---------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-------------------------------|------------------------|------------------------|
|                                 |      | 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>R thousand</b>               | 1    |                 |                 |                 |                      |                 |                    |                   |                               |                        |                        |
| <b>Expenditure By Type</b>      |      |                 |                 |                 |                      |                 |                    |                   |                               |                        |                        |
| Employee related costs          | 2    | 28 007          | 31 682          | 37 677          | 48 164               | 45 929          | 45 929             | 45 929            | 47 294                        | 48 094                 | 48 892                 |
| Remuneration of councillors     |      | 3 800           | 4 930           | 5 519           | 5 231                | 5 117           | 5 117              | 5 117             | 5 301                         | 5 390                  | 5 480                  |
| Debt impairment                 | 3    | 10 892          | 15 822          | 42 097          | 10 000               | 10 000          | 10 000             | 10 000            | 18 873                        | 20 082                 | 21 413                 |
| Depreciation & asset impairment | 2    | 17 388          | 13 797          | 19 310          | 17 500               | 17 500          | 17 500             | 17 500            | 17 500                        | 17 500                 | 17 500                 |
| Finance charges                 |      | 2 404           | 2 720           | 328             | 1 038                | 1 038           | 1 038              | 1 038             | 1 054                         | 1 071                  | 1 087                  |
| Bulk purchases                  | 2    | 11 834          | 12 320          | 14 734          | 14 178               | 14 178          | 14 178             | 14 178            | 19 047                        | 21 759                 | 24 857                 |
| Other materials                 | 8    | 2 415           | 11 843          | 11 816          |                      | 2 552           | 2 552              | 2 552             | 7 097                         | 7 210                  | 7 322                  |
| Contracted services             |      | 469             | 2 446           | 1 885           | 2 684                | 2 684           | 2 684              | 2 684             | 1 951                         | 1 982                  | 2 013                  |
| Transfers and grants            |      | 8 102           | -               | 8 043           | 7 244                | 10 798          | 10 798             | 10 798            | -                             | -                      | -                      |
| Other expenditure               | 4, 5 | 15 040          | 24 142          | 17 937          | 39 451               | 28 668          | 28 668             | 28 668            | 41 101                        | 39 315                 | 40 048                 |
| 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>159 218</b>                | <b>162 403</b>         | <b>168 612</b>         |

### Employee related costs

The budgeted allocation for employee related costs for the 2015/16 financial year totals R47.2 million, which equals 29 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. As part of cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards and only critical vacancies have been catered for.

### **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.

### **Debt Impairment**

The provision of debt impairment was determined based on the actual debt impairment raised in the previous year of assessment and related policy. For the 2015/16 financial year this amount equates to R18 million based on the assumption of a minimum collection rate of 60 per cent. 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 10 per cent of the total operating expenditure. Note that the assets lost in the fire have not been written off accordingly as yet therefore this has not informed the budget for 2015/16.

### **Finance Charges**

Finance charges consist primarily of the repayment of interest on long-term borrowing. Finance charges amount to 1 million for the 2015/16 financial year. There is no planned borrowing as the municipality has reached its prudential limits, hence the finance charge have not increased beyond the norm.

### **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 repairs and maintenance expenditure. 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 (R7 million).

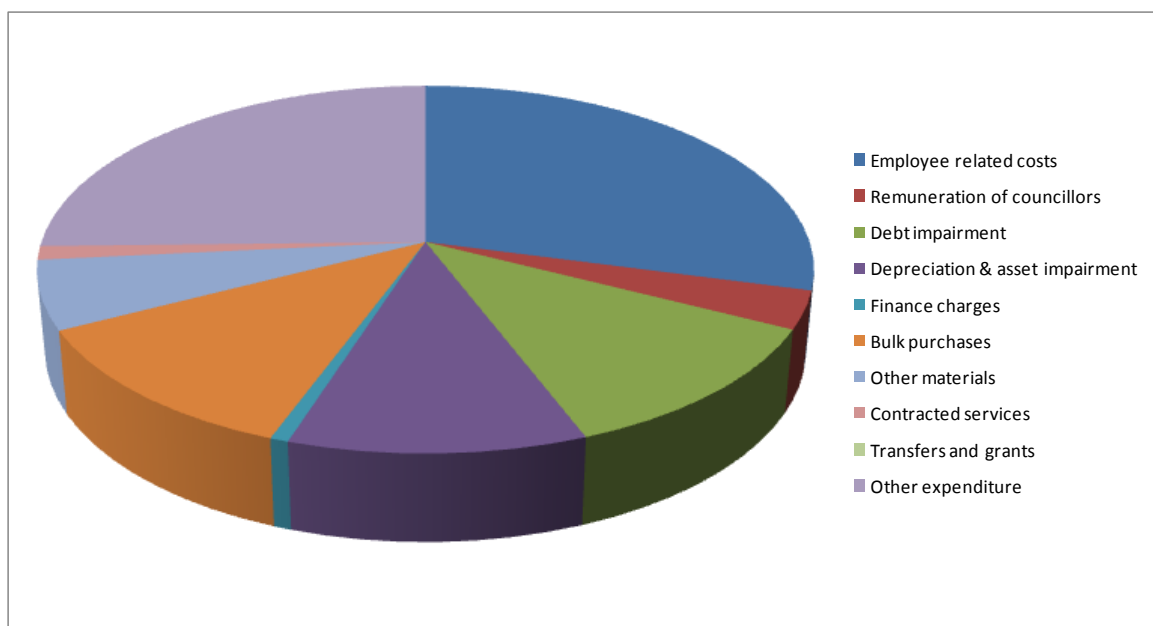
### **Contracted Services**

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 R1.9 million and has decreased by R700 thousand, clearly demonstrating the application of cost savings. For the two outer years growth has been limited to 5.9 and 5.6 per cent

### Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality.

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



#### 1.5.1 Priority relating to repairs and maintenance

In line with the Municipality's stated intention to preserve and maintain its existing infrastructure, the 2015/16 budget and MTREF provide for reasonable growth in the asset maintenance budget, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

During the compilation of the 2015/16 MTREF operational repairs and maintenance was identified as a strategic priority in view of the aging infrastructure and certain deferred maintenance but limited resources hampered on the allocation of funds to repairs and maintenance thus only allowing for an increase of flat 47% in the 2015/16 financial year, from R2.5 million to R5.3 million. In relation to the total operating expenditure, repairs and maintenance constitutes 3% far below the expected norm of 8 %.

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

| Description   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------------------|------------------------|------------------------|
| R thousand  | 1   | 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>Repairs and maintenance expenditure by Asset Class/Sub-class</b> |     |                 |                 |                 |                      |                 |                    |                               |                        |                        |
| <b>Infrastructure</b>   |     | 3 377           | 1 559           | 11 816          | 2 008                | 2 008           | 2 008              | 3 897                         | 3 822                  | 4 147                  |
| <b>Community</b>  |     | 786             | 344             |                 | 380                  | 380             | 380                | 1 411                         | 1 494                  | 1 578                  |
| <b>Other assets</b>   |     | 781             | 2 490           |                 | 938                  | 164             | 164                | 1 788                         | 1 893                  | 1 597                  |
| <b>Total Repairs and Maintenance Expenditure</b>                    |     | 4 943           | 4 393           | 11 816          | 3 327                | 2 552           | 2 552              | 7 096                         | 7 209                  | 7 322                  |

For the 2015/16 MTREF 55 per cent of total repairs and maintenance will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totalling 9 per cent (R600 thousands), followed by water infrastructure at 56 per cent (R3.6 million), electricity at 19 per cent (R1.2 million), sanitation at 15 per cent (R1million). Community assets have been allocated R1.4 million of total repairs and maintenance equating to 20 per cent. Other assets have been allocated R1.7 million which equates to 25%.

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists indigent households that have limited financial ability to pay for municipal services. Currently only nearly 3 thousand customers are registered as Indigent and this needs to be improved drastically to appropriate levels of about 10 thousand customers. In order to qualify for free services the households are required to register in terms of the Municipality's Assistance to the Poor Policy. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

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

## 1.6 CAPITAL EXPENDITURE

The Municipal Capital Budget is R45 million with funding as follows:

- National Grants- R23.6 million
- District Grants- R10 thousand
- Internal Funding-R7.3 million
- Insurance Funding- R14 million

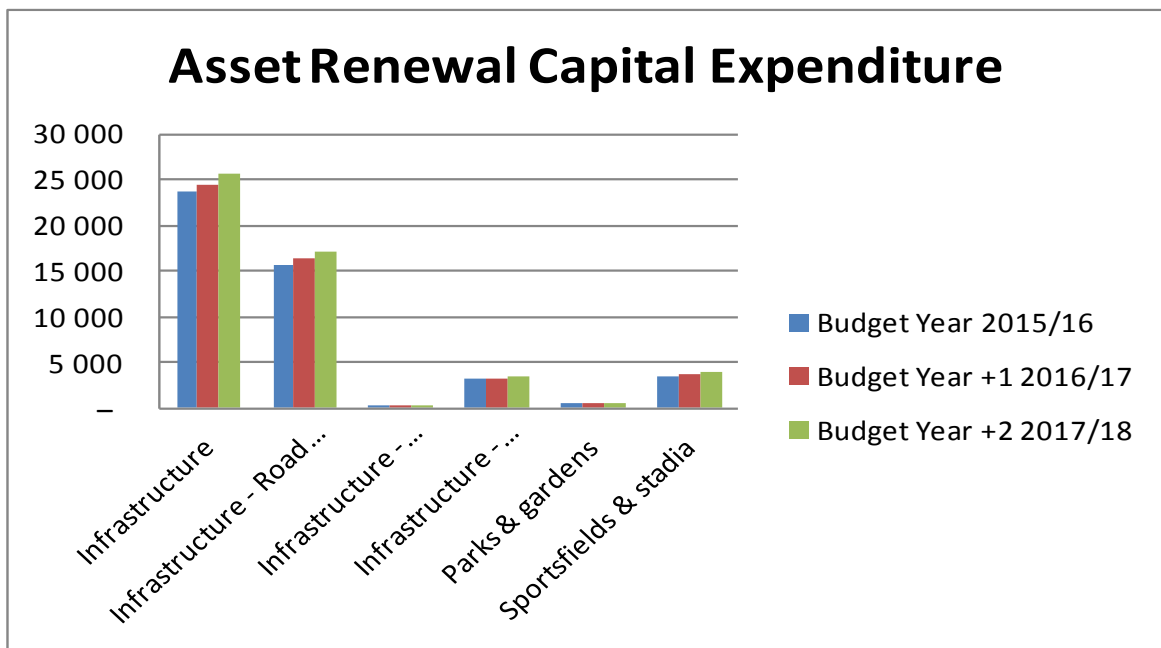
There is not enough funding internally for capital and this must be turned around, as Sundays River Valley Municipality cannot perpetually depend on external grants for capital funding.

If the municipality raises more revenue internally, it will be able to allocate funding to all wards on an equitable basis. The equitable share allocation could therefore be used for capital acquisitions or renewals instead of operational activities.

Total new assets represent 48 per cent or R21.4 million of the total capital budget while asset renewal equates to 52 per cent or R23.6 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 . Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Upgrading of Water Treatment Works-R3 206 000
- Upgrading of Gravel Roads- R15 754 000
- Community Lighting- R412 000
- Rehabilitation of Parks & Playground-R3 604 000
- Rehabilitation of Sport field- R644 000
- Refurbishment and repair of water leaks- R2 694 000
- Office Buildings -R13 000 000
- Installation of Prepaid meter- R600 000
- Plant and machinery -R2 000 000

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



## MBRR Table 1- Budget summary

EC106 Sundays River Valley - Table A1 Budget Summary

| Description  | 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>R thousands</b>   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Financial Performance</b>   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 12 266          | 13 014          | 13 933          | 14 623               | 14 623          | 14 623             | 14 623            | 12 781  | 12 967                 | 13 145                 |
| Service charges  | 35 712          | 38 376          | 45 232          | 25 362               | 42 514          | 42 514             | 42 514            | 34 402  | 37 238                 | 40 387                 |
| Investment revenue   | 168             | 285             | 549             | 213                  | 213             | 213                | 213               | 186   | 189                    | 192                    |
| Transfers recognised - operational                                   | 43 932          | 42 787          | 50 327          | 54 456               | 53 137          | 53 137             | 53 137            | 61 809  | 66 578                 | 70 740                 |
| Other own revenue  | 9 460           | 11 830          | 12 715          | 14 354               | 15 598          | 15 598             | 15 598            | 33 184  | 17 764                 | 18 148                 |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>101 538</b>  | <b>106 293</b>  | <b>122 756</b>  | <b>109 008</b>       | <b>126 084</b>  | <b>126 084</b>     | <b>126 084</b>    | <b>142 362</b>                                      | <b>134 736</b>         | <b>142 612</b>         |
| Employee costs   | 28 007          | 31 682          | 37 667          | 48 164               | 45 929          | 45 929             | 45 929            | 47 294  | 48 094                 | 48 892                 |
| Remuneration of councillors  | 3 800           | 4 930           | 5 519           | 5 231                | 5 117           | 5 117              | 5 117             | 5 301   | 5 390                  | 5 480                  |
| Depreciation & asset impairment                                      | 17 388          | 13 797          | 19 310          | 17 500               | 17 500          | 17 500             | 17 500            | 17 500  | 17 500                 | 17 500                 |
| Finance charges  | 2 404           | 2 720           | 328             | 1 038                | 1 038           | 1 038              | 1 038             | 1 054   | 1 071                  | 1 087                  |
| Materials and bulk purchases   | 14 250          | 24 163          | 26 550          | 14 178               | 19 226          | 19 226             | 19 226            | 26 144  | 28 969                 | 32 180                 |
| Transfers and grants   | 8 102           | -               | 8 043           | 7 244                | 10 798          | 10 798             | -                 | -   | -                      | -                      |
| Other expenditure  | 26 401          | 42 410          | 61 919          | 52 135               | 42 566          | 42 566             | 42 566            | 61 926  | 61 380                 | 63 474                 |
| <b>Total Expenditure</b>   | <b>100 352</b>  | <b>119 702</b>  | <b>159 336</b>  | <b>145 490</b>       | <b>142 174</b>  | <b>142 174</b>     | <b>131 376</b>    | <b>159 218</b>                                      | <b>162 403</b>         | <b>168 612</b>         |
| <b>Surplus/(Deficit)</b>   | <b>1 185</b>    | <b>(13 408)</b> | <b>(36 580)</b> | <b>(36 483)</b>      | <b>(16 090)</b> | <b>(16 090)</b>    | <b>(5 292)</b>    | <b>(16 856)</b>                                     | <b>(27 667)</b>        | <b>(26 001)</b>        |
| Transfers recognised - capital                                       | 17 200          | 22 965          | 22 390          | 25 147               | 24 147          | 24 147             | 24 147            | 23 620  | 24 434                 | 25 655                 |
| Contributions recognised - capital & contributed a                   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <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>8 057</b>    | <b>8 057</b>       | <b>18 855</b>     | <b>6 764</b>  | <b>(3 233)</b>         | <b>(346)</b>           |
| Share of surplus/ (deficit) of associate                             | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>18 385</b>   | <b>9 556</b>    | <b>(14 190)</b> | <b>(11 336)</b>      | <b>8 057</b>    | <b>8 057</b>       | <b>18 855</b>     | <b>6 764</b>  | <b>(3 233)</b>         | <b>(346)</b>           |
| <b>Capital expenditure &amp; funds sources</b>                       |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital expenditure</b>   | <b>52 572</b>   | <b>16 485</b>   | <b>21 616</b>   | <b>26 975</b>        | <b>27 618</b>   | <b>27 618</b>      | <b>27 618</b>     | <b>45 064</b>                                       | <b>24 434</b>          | <b>25 655</b>          |
| Transfers recognised - capital                                       | 50 926          | 16 277          | 17 770          | 25 685               | 24 685          | 24 685             | 24 685            | 23 620  | 24 434                 | 25 655                 |
| Public contributions & donations                                     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Borrowing  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Internally generated funds   | 1 646           | 207             | 3 846           | 1 290                | 2 933           | 2 933              | 2 933             | 21 444  | -                      | -                      |
| <b>Total sources of capital funds</b>                                | <b>52 572</b>   | <b>16 485</b>   | <b>21 616</b>   | <b>26 975</b>        | <b>27 618</b>   | <b>27 618</b>      | <b>27 618</b>     | <b>45 064</b>                                       | <b>24 434</b>          | <b>25 655</b>          |
| <b>Financial position</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total current assets   | 21 255          | 45 100          | 17 809          | 50 694               | 36 314          | 36 314             | -                 | 49 929  | 50 744                 | 53 577                 |
| Total non current assets   | 363 488         | 383 936         | 395 711         | 413 390              | 413 486         | 413 486            | -                 | 370 543   | 394 147                | 419 802                |
| Total current liabilities  | 37 474          | 44 282          | 38 274          | 62 017               | 46 465          | 46 465             | -                 | 23 647  | 24 917                 | 25 913                 |
| Total non current liabilities  | 11 795          | 11 776          | 17 288          | 11 296               | 31 743          | 31 743             | -                 | 18 429  | 17 979                 | 17 613                 |
| Community wealth/Equity  | 335 475         | 372 979         | 357 957         | 390 771              | 371 592         | 371 592            | -                 | 378 396   | 401 996                | 429 854                |
| <b>Cash flows</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net cash from (used) operating                                       | 54 241          | 26 571          | 18 571          | (9 728)              | 526             | 526                | 526               | 24 417  | 17 607                 | 20 461                 |
| Net cash from (used) investing                                       | (52 258)        | (26 335)        | (15 112)        | (25 522)             | (27 610)        | (27 610)           | (27 610)          | (45 064)  | (24 434)               | (25 655)               |
| Net cash from (used) financing                                       | 180             | 764             | (2 750)         | -                    | (1 283)         | (1 283)            | (1 283)           | -   | -                      | -                      |
| <b>Cash/cash equivalents at the year end</b>                         | <b>2 537</b>    | <b>3 538</b>    | <b>6 999</b>    | <b>(73 722)</b>      | <b>(35 366)</b> | <b>(35 366)</b>    | <b>(35 366)</b>   | <b>(13 312)</b>                                     | <b>(20 138)</b>        | <b>(25 332)</b>        |
| <b>Cash backing/surplus reconciliation</b>                           |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash and investments available                                       | 2 223           | 7 316           | 6 999           | 2 080                | 2 080           | 2 080              | -                 | 2 000   | -                      | -                      |
| Application of cash and investments                                  | (22 873)        | (40 135)        | 23 930          | (68 412)             | (37 260)        | (37 260)           | -                 | (5 739)   | (6 601)                | (6 642)                |
| <b>Balance - 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>7 739</b>  | <b>6 601</b>           | <b>6 642</b>           |
| <b>Asset management</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Asset register summary (WDV)   | #REF!           | 293 195         | 409 521         | 351 645              | 353 745         | 355 401            | 370 543           | 370 543   | 394 147                | 419 802                |
| Depreciation & asset impairment                                      | 17 388          | 13 797          | 19 310          | 17 500               | 17 500          | 17 500             | 17 500            | 17 500  | 17 500                 | 17 500                 |
| Renewal of Existing Assets   | 50 926          | 16 277          | 17 770          | 23 233               | 23 207          | 23 207             | 23 207            | 23 620  | 24 434                 | 25 655                 |
| Repairs and Maintenance  | 2 045           | 11 843          | 11 816          | 3 327                | 2 552           | 2 552              | 7 097             | 7 097   | 7 210                  | 7 322                  |
| <b>Free services</b>   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cost of Free Basic Services provided                                 | 5 826           | 7 651           | 7 651           | 7 651                | 7 651           | 7 651              | 8 941             | 8 941   | 9 083                  | 9 224                  |
| Revenue cost of free services provided                               | 19 234          | 22 040          | 22 040          | 23 371               | 23 371          | 23 371             | 23 726            | 23 726  | 24 157                 | 24 588                 |
| <b>Households below minimum service level</b>                        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Water:   | 1               | 0               | 0               | 0                    | 0               | 0                  | 0                 | 0   | 0                      | 0                      |
| Sanitation/sewerage:   | 3               | 0               | 0               | 0                    | 0               | 0                  | 0                 | 0   | 0                      | 0                      |
| Energy:  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Refuse:  | 6               | 6               | 6               | 6                    | 6               | 6                  | 5                 | 5   | 5                      | 5                      |

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

1. Table A1 is a budget summary and provides a concise overview of the Sunday River Valley budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial

position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality promises to make progress in addressing service delivery backlogs.



## MBRR Table 2- Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification 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>Revenue - Standard</b>                  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Governance and administration</b>       |     | 49 132          | 47 948          | 29 496          | 30 800               | 37 801          | 37 801             | 43 854  | 29 231                 | 30 391                 |
| Executive and council                      |     | 21 289          | 2 113           | 2 511           | 8 148                | 8 148           | 8 148              | 7 094   | 7 736                  | 8 172                  |
| Budget and treasury office                 |     | 27 673          | 45 055          | 26 726          | 22 365               | 29 577          | 29 577             | 36 534  | 21 267                 | 21 990                 |
| Corporate services                         |     | 170             | 780             | 259             | 287                  | 76              | 76                 | 227   | 228                    | 229                    |
| <b>Community and public safety</b>         |     | 2 968           | 7 166           | 12 932          | 13 662               | 9 381           | 9 381              | 12 780  | 13 703                 | 14 385                 |
| Community and social services              |     | 75              | 2 484           | 4 384           | 9 394                | 4 186           | 4 186              | 8 193   | 8 982                  | 9 467                  |
| Sport and recreation                       |     | 5               | 2 594           | 6 160           | -                    | 3 500           | 3 500              | 3 604   | 3 728                  | 3 914                  |
| Public safety                              |     | 2 888           | 2 087           | 2 388           | 3 178                | 975             | 975                | 984   | 994                    | 1 003                  |
| Housing                                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |     | -               | -               | -               | 1 090                | 719             | 719                | -   | -                      | -                      |
| <b>Economic and environmental services</b> |     | 1 745           | 15 915          | 13 951          | 15 415               | 21 677          | 21 677             | 21 973  | 21 731                 | 22 849                 |
| Planning and development                   |     | 133             | 2 724           | 2 464           | 3 785                | 2 580           | 2 580              | 2 266   | 1 309                  | 1 374                  |
| Road transport                             |     | 14              | 12 466          | 10 253          | 11 630               | 17 926          | 17 926             | 18 419  | 19 004                 | 19 917                 |
| Environmental protection                   |     | 1 598           | 725             | 1 235           | -                    | 1 171           | 1 171              | 1 288   | 1 417                  | 1 558                  |
| <b>Trading services</b>                    |     | 64 892          | 58 229          | 88 767          | 74 277               | 81 372          | 81 372             | 87 374  | 94 505                 | 100 642                |
| Electricity                                |     | 17 444          | 15 622          | 21 497          | 24 012               | 28 999          | 28 999             | 31 942  | 34 283                 | 37 851                 |
| Water                                      |     | 21 773          | 18 097          | 32 192          | 17 685               | 21 910          | 21 910             | 23 351  | 25 271                 | 26 272                 |
| Waste water management                     |     | 20 023          | 13 697          | 20 878          | 20 259               | 15 838          | 15 838             | 16 734  | 18 314                 | 19 212                 |
| Waste management                           |     | 5 653           | 10 814          | 14 201          | 12 321               | 14 625          | 14 625             | 15 346  | 16 637                 | 17 307                 |
| <b>Other</b>                               | 4   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Revenue - Standard</b>            | 2   | 118 738         | 129 258         | 145 146         | 134 155              | 150 231         | 150 231            | 165 982   | 159 170                | 168 266                |
| <b>Expenditure - Standard</b>              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Governance and administration</b>       |     | 53 744          | 102 201         | 108 958         | 74 387               | 72 624          | 72 624             | 90 474  | 92 502                 | 94 772                 |
| Executive and council                      |     | 6 600           | 6 537           | 17 843          | 16 578               | 11 459          | 11 459             | 11 688  | 11 883                 | 12 077                 |
| Budget and treasury office                 |     | 44 299          | 94 472          | 86 664          | 45 602               | 50 819          | 50 819             | 66 726  | 68 363                 | 70 243                 |
| Corporate services                         |     | 2 845           | 1 192           | 4 450           | 12 207               | 10 346          | 10 346             | 12 060  | 12 256                 | 12 452                 |
| <b>Community and public safety</b>         |     | 8 996           | 2 273           | 10 426          | 16 132               | 14 691          | 14 691             | 16 403  | 16 676                 | 16 949                 |
| Community and social services              |     | 2 534           | 1 548           | 3 205           | 2 827                | 6 481           | 6 481              | 7 786   | 7 915                  | 8 044                  |
| Sport and recreation                       |     | 893             | -               | 1 021           | 3 500                | 145             | 145                | 147   | 150                    | 152                    |
| Public safety                              |     | 5 440           | 725             | 5 767           | 9 805                | 7 464           | 7 464              | 7 859   | 7 991                  | 8 123                  |
| Housing                                    |     | 129             | -               | 433             | -                    | 601             | 601                | 610   | 620                    | 630                    |
| Health                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Economic and environmental services</b> |     | 7 793           | 990             | 7 820           | 18 233               | 14 091          | 14 091             | 15 151  | 13 026                 | 13 297                 |
| Planning and development                   |     | 4 877           | 175             | 4 897           | 7 856                | 9 765           | 9 765              | 10 151  | 7 943                  | 8 131                  |
| Road transport                             |     | 1 881           | 815             | 2 241           | 9 296                | 3 633           | 3 633              | 3 995   | 4 061                  | 4 127                  |
| Environmental protection                   |     | 1 035           | -               | 682             | 1 080                | 694             | 694                | 1 005   | 1 022                  | 1 038                  |
| <b>Trading services</b>                    |     | 29 820          | 14 238          | 32 132          | 36 739               | 40 768          | 40 768             | 37 190  | 40 199                 | 43 594                 |
| Electricity                                |     | 12 997          | 11 817          | 15 053          | 15 678               | 15 787          | 15 787             | 16 901  | 19 133                 | 21 680                 |
| Water                                      |     | 7 825           | 1 183           | 8 100           | 10 337               | 10 447          | 10 447             | 8 143   | 8 722                  | 9 372                  |
| Waste water management                     |     | 3 537           | 135             | 4 297           | 5 779                | 8 615           | 8 615              | 9 240   | 9 390                  | 9 540                  |
| Waste management                           |     | 5 461           | 1 104           | 4 683           | 4 945                | 5 919           | 5 919              | 2 905   | 2 954                  | 3 002                  |
| <b>Other</b>                               | 4   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Expenditure - Standard</b>        | 3   | 100 352         | 119 702         | 159 336         | 145 490              | 142 174         | 142 174            | 159 218   | 162 403                | 168 612                |
| <b>Surplus/(Deficit) for the year</b>      |     | 18 385          | 9 556           | (14 190)        | (11 336)             | 8 057           | 8 057              | 6 764   | (3 233)                | (346)                  |

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

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 6 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.
- 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.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

**MBRR Table 3- Budgeted Financial Performance (revenue and expenditure by municipal vote)**

| 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 | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue by Vote</b>                        | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Vote 1 - Executive Council                    |     | 21 289          | 1 993           | 2 511           | 8 148                | 8 148           | 8 148              | 2 890   | 3 022                  | 3 157                  |
| Vote 2 - Municipal Manager                    |     | -               | 391             | -               | -                    | -               | -                  | 4 204   | 4 714                  | 5 015                  |
| Vote 3 - Budget & Treasury                    |     | 27 673          | 45 055          | 26 726          | 15 135               | 29 577          | 29 577             | 36 586  | 21 320                 | 22 044                 |
| Vote 4 - Corporate Service                    |     | 170             | 780             | 259             | 287                  | 76              | 76                 | 227   | 228                    | 229                    |
| Vote 5 - Community Services                   |     | 10 233          | 20 282          | 28 368          | 28 437               | 26 372          | 26 372             | 32 051  | 34 435                 | 36 026                 |
| Vote 6 - Technical Services                   |     | 59 373          | 60 757          | 87 282          | 82 148               | 86 058          | 86 058             | 90 025  | 95 451                 | 101 796                |
| 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>                  | 2   | <b>118 738</b>  | <b>129 258</b>  | <b>145 146</b>  | <b>134 155</b>       | <b>150 231</b>  | <b>150 231</b>     | <b>165 982</b>                                      | <b>159 170</b>         | <b>168 266</b>         |
| <b>Expenditure by Vote to be appropriated</b> | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Vote 1 - Executive Council                    |     | 4 802           | 5 067           | 5 763           | 6 636                | 6 564           | 6 564              | 6 858   | 6 973                  | 7 087                  |
| Vote 2 - Municipal Manager                    |     | 1 798           | 1 470           | 12 080          | 9 943                | 6 787           | 6 787              | 7 040   | 6 800                  | 6 911                  |
| Vote 3 - Budget & Treasury                    |     | 43 925          | 94 465          | 86 664          | 45 602               | 50 818          | 50 818             | 67 037  | 68 679                 | 70 565                 |
| Vote 4 - Corporate Service                    |     | 2 845           | 1 192           | 4 450           | 12 207               | 10 346          | 10 346             | 12 060  | 12 256                 | 12 452                 |
| Vote 5 - Community Services                   |     | 16 562          | 3 376           | 15 358          | 21 529               | 25 291          | 25 291             | 21 743  | 22 105                 | 22 466                 |
| Vote 6 - Technical Services                   |     | 30 421          | 14 131          | 35 020          | 49 574               | 42 367          | 42 367             | 44 480  | 45 589                 | 49 130                 |
| 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>              | 2   | <b>100 352</b>  | <b>119 702</b>  | <b>159 336</b>  | <b>145 490</b>       | <b>142 174</b>  | <b>142 174</b>     | <b>159 218</b>                                      | <b>162 403</b>         | <b>168 612</b>         |
| <b>Surplus/(Deficit) for the year</b>         | 2   | <b>18 385</b>   | <b>9 556</b>    | <b>(14 190)</b> | <b>(11 336)</b>      | <b>8 057</b>    | <b>8 057</b>       | <b>6 764</b>  | <b>(3 233)</b>         | <b>(346)</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 organisational structure.

**MBRR Table 4 - 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            | 12 781  | 12 967                 | 13 145                 |
| Property rates - penalties & collection charges                      |      |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Service charges - electricity revenue                                | 2    | 14 423          | 15 622          | 14 489          | 10 501               | 21 232          | 21 232             | 21 232            | 20 089  | 22 722                 | 25 680                 |
| Service charges - water revenue                                      | 2    | 13 168          | 12 743          | 20 018          | 7 806                | 10 856          | 10 856             | 10 856            | 7 624   | 7 733                  | 7 835                  |
| Service charges - sanitation revenue                                 | 2    | 2 691           | 3 545           | 3 519           | 2 483                | 3 517           | 3 517              | 3 517             | 2 081   | 2 110                  | 2 137                  |
| Service charges - refuse revenue                                     | 2    | 5 419           | 6 455           | 7 207           | 4 573                | 6 908           | 6 908              | 6 908             | 4 608   | 4 674                  | 4 735                  |
| Service charges - other  |      | 11              | 11              |                 |                      |                 |                    |                   |   |                        |                        |
| Rental of facilities and equipment                                   |      | 142             | 115             | 128             | 134                  | 120             | 120                | 120               | 121   | 123                    | 125                    |
| Interest earned - external investments                               |      | 168             | 285             | 549             | 213                  | 213             | 213                | 213               | 186   | 189                    | 192                    |
| Interest earned - outstanding debtors                                |      | 1 357           | 4 649           | 7 058           | 1 706                | 6 977           | 6 977              | 6 977             | 7 111   | 7 224                  | 7 336                  |
| Dividends received   |      |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Fines  |      | 1 582           | 1 907           | 2 013           | 2 805                | 601             | 601                | 601               | 609   | 619                    | 629                    |
| Licences and permits   |      | 1 327           | 1 327           | 1 989           | 1 284                | 1 283           | 1 283              | 1 283             | 1 302   | 1 323                  | 1 344                  |
| Agency services  |      |                 | 1 577           | 1 121           | 1 343                | 1 343           | 1 343              | 1 343             | 1 363   | 1 384                  | 1 462                  |
| Transfers recognised - operational                                   |      | 43 932          | 42 787          | 50 327          | 54 456               | 53 137          | 53 137             | 53 137            | 61 809  | 66 578                 | 70 740                 |
| Other revenue  | 2    | 5 051           | 2 255           | 406             | 7 081                | 5 274           | 5 274              | 5 274             | 22 678  | 7 090                  | 7 252                  |
| Gains on disposal of PPE   |      |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |      | <b>101 538</b>  | <b>106 293</b>  | <b>122 756</b>  | <b>109 008</b>       | <b>126 084</b>  | <b>126 084</b>     | <b>126 084</b>    | <b>142 362</b>                                      | <b>134 736</b>         | <b>142 612</b>         |
| <b>Expenditure By Type</b>   |      |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee related costs   | 2    | 28 007          | 31 682          | 37 667          | 48 164               | 45 929          | 45 929             | 45 929            | 47 294  | 48 094                 | 48 892                 |
| Remuneration of councillors  |      | 3 800           | 4 930           | 5 519           | 5 231                | 5 117           | 5 117              | 5 117             | 5 301   | 5 390                  | 5 480                  |
| Debt impairment  | 3    | 10 892          | 15 822          | 42 097          | 10 000               | 10 000          | 10 000             | 10 000            | 18 873  | 20 082                 | 21 413                 |
| Depreciation & asset impairment                                      | 2    | 17 388          | 13 797          | 19 310          | 17 500               | 17 500          | 17 500             | 17 500            | 17 500  | 17 500                 | 17 500                 |
| Finance charges  |      | 2 404           | 2 720           | 328             | 1 038                | 1 038           | 1 038              | 1 038             | 1 054   | 1 071                  | 1 087                  |
| Bulk purchases   | 2    | 11 834          | 12 320          | 14 734          | 14 178               | 16 673          | 16 673             | 16 673            | 19 047  | 21 759                 | 24 857                 |
| Other materials  | 8    | 2 415           | 11 843          | 11 815          |                      | 2 552           | 2 552              | 2 552             | 7 097   | 7 210                  | 7 322                  |
| Contracted services  |      | 469             | 2 446           | 1 885           | 2 684                | 1 984           | 1 984              | 1 984             | 1 951   | 1 982                  | 2 013                  |
| Transfers and grants   |      | 8 102           |                 | 8 043           | 7 244                | 10 798          | 10 798             |                   |   |                        |                        |
| Other expenditure  | 4, 5 | 15 040          | 24 142          | 17 937          | 39 451               | 30 582          | 30 582             | 30 582            | 41 101  | 39 315                 | 40 048                 |
| Loss on disposal of PPE  |      |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Expenditure</b>   |      | <b>100 352</b>  | <b>119 702</b>  | <b>159 336</b>  | <b>145 490</b>       | <b>142 174</b>  | <b>142 174</b>     | <b>131 376</b>    | <b>159 218</b>                                      | <b>162 403</b>         | <b>168 612</b>         |
| <b>Surplus/(Deficit)</b>   |      | <b>1 185</b>    | <b>(13 408)</b> | <b>(36 580)</b> | <b>(36 483)</b>      | <b>(16 090)</b> | <b>(16 090)</b>    | <b>(5 292)</b>    | <b>(16 856)</b>                                     | <b>(27 667)</b>        | <b>(26 001)</b>        |
| Transfers recognised - capital                                       |      | 17 200          | 22 965          | 22 390          | 25 147               | 24 147          | 24 147             | 24 147            | 23 620  | 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>8 057</b>    | <b>8 057</b>       | <b>18 855</b>     | <b>6 764</b>  | <b>(3 233)</b>         | <b>(346)</b>           |
| <b>Surplus/(Deficit) after taxation</b>                              |      | <b>18 385</b>   | <b>9 556</b>    | <b>(14 190)</b> | <b>(11 336)</b>      | <b>8 057</b>    | <b>8 057</b>       | <b>18 855</b>     | <b>6 764</b>  | <b>(3 233)</b>         | <b>(346)</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>8 057</b>    | <b>8 057</b>       | <b>18 855</b>     | <b>6 764</b>  | <b>(3 233)</b>         | <b>(346)</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>8 057</b>    | <b>8 057</b>       | <b>18 855</b>     | <b>6 764</b>  | <b>(3 233)</b>         | <b>(346)</b>           |

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

- Total revenue is R126 million in 2014/15 and escalates to R142.6 million by 2017/18. This growth will decline in 2016/17 due to no insurance claims being foreseen and increase again in 2017/18 due to increase in transfers and grants received.
- Revenue to be generated from property rates is R13 million in the 2013/14 financial year and increases to R14 billion by 2014/15 therefore remains a significant funding source for the municipality. In the 2015/16 financial year, property rates decrease to R12 million as a result of accounting for revenue foregone. It remains relatively constant over the medium-term and tariff increases have been factored in at 5.9 per cent and 5.6 per cent for each of the respective financial years of the MTREF.
- Services charges relating to electricity, water, sanitation and refuse removal constitutes the second component of the revenue basket of the municipality totalling R42.5 million for the 2013/14 financial year and decreasing to R34.4 million by 2015/16. For the 2015/16 financial year services charges amount to 33 per cent of the total revenue base and increases by 4 per cent and 1 per cent per annum over the medium-term. This decline can mainly be attributed to the rapid growth in the transfers and grants recognised.
- 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 growing gradually over the

## MTREF

**MBRR Table 5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

| 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>R thousand</b>                                 | 1   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital expenditure - Vote</b>                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <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             | -               | -               | -                    | -               | -                  | -                 | 100   | -                      | -                      |
| Vote 2 - Municipal Manager                        |     | -               | -               | -               | 320                  | 320             | 320                | 320               | 13 382  | -                      | -                      |
| Vote 3 - Budget & Treasury                        |     | 442             | 60              | 3 162           | 1 450                | 2 090           | 2 090              | 2 090             | 1 588   | -                      | -                      |
| Vote 4 - Corporate Service                        |     | 80              | 147             | 684             | 670                  | 670             | 670                | 670               | 1 930   | -                      | -                      |
| Vote 5 - Community Services                       |     | 808             | -               | -               | 5 707                | 4 707           | 4 707              | 4 707             | 5 267   | 4 394                  | 4 613                  |
| Vote 6 - Technical Services                       |     | 50 926          | 16 277          | 17 770          | 18 828               | 19 831          | 19 831             | 19 831            | 22 796  | 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            | 45 064  | 24 434                 | 25 655                 |
| <b>Total Capital Expenditure - Vote</b>           |     | 52 572          | 16 485          | 21 616          | 26 975               | 27 618          | 27 618             | 27 618            | 45 064  | 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             | 17 000  | -                      | -                      |
| Executive and council                             |     | 316             | -               | -               | 320                  | 320             | 320                | 320               | 13 482  | -                      | -                      |
| Budget and treasury office                        |     | 442             | 60              | 3 162           | 1 450                | 2 090           | 2 090              | 2 090             | 1 588   | -                      | -                      |
| Corporate services                                |     | 80              | 147             | 684             | 670                  | 670             | 670                | 670               | 1 930   | -                      | -                      |
| <b>Community and public safety</b>                |     | 808             | -               | -               | 5 082                | 4 598           | 4 598              | 4 598             | 5 267   | 4 394                  | 4 613                  |
| Community and social services                     |     | 4               | -               | -               | 1 432                | 432             | 432                | 432               | 1 254   | 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               | 410   | -                      | -                      |
| 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               | 3 424   | -                      | -                      |
| <b>Total Capital Expenditure - Standard</b>       | 3   | 52 572          | 16 485          | 21 616          | 26 975               | 27 618          | 27 618             | 27 618            | 45 064  | 24 434                 | 25 655                 |
| <b>Funded by:</b>                                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National Government                               |     | 50 926          | 16 277          | 17 770          | 24 653               | 24 653          | 24 653             | 24 653            | 23 620  | 24 434                 | 25 655                 |
| Provincial Government                             |     | -               | -               | -               | 1 000                | -               | -                  | -                 | -   | -                      | -                      |
| District Municipality                             |     | -               | -               | -               | 32                   | 32              | 32                 | 32                | -   | -                      | -                      |
| Other transfers and grants                        |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Transfers recognised - capital</b>             | 4   | 50 926          | 16 277          | 17 770          | 25 685               | 24 685          | 24 685             | 24 685            | 23 620  | 24 434                 | 25 655                 |
| <b>Public contributions &amp; donations</b>       | 5   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Borrowing</b>                                  | 6   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Internally generated funds</b>                 |     | 1 646           | 207             | 3 846           | 1 290                | 2 933           | 2 933              | 2 933             | 21 444  | -                      | -                      |
| <b>Total Capital Funding</b>                      | 7   | 52 572          | 16 485          | 21 616          | 26 975               | 27 618          | 27 618             | 27 618            | 45 064  | 24 434                 | 25 655                 |

**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.
3. Single-year capital expenditure has been appropriated at R45 million for the 2015/16 financial year and declines slightly over the MTREF to levels of R24.4 million and R25.6 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers, insurance replacement and internally generated funds from current year surpluses.

## MBRR Table 6 – 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>R thousand</b>                        |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>ASSETS</b>                            |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Current assets</b>                    |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash                                     |     | 1 647           | 1 120           | (128)           |                      |                 |                    |                   | 2 000   |                        |                        |
| 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             | –                 | 47 768  | 50 586                 | 53 419                 |
| 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>49 929</b>                                       | <b>50 744</b>          | <b>53 577</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            | –                 | 327 216   | 351 650                | 377 304                |
| Agricultural                             |     |                 |                 |                 |                      |                 |                    | –                 | –   | –                      | –                      |
| Biological                               |     |                 |                 |                 |                      |                 |                    | –                 | –   | –                      | –                      |
| Intangible                               |     | 1 198           | 983             | 671             | 1 733                | 2 177           | 2 177              | –                 | 830   | –                      | –                      |
| 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>370 543</b>                                      | <b>394 147</b>         | <b>419 802</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>420 473</b>                                      | <b>444 892</b>         | <b>473 379</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              | –                 | 451   | 366                    | –                      |
| 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>23 647</b>                                       | <b>24 917</b>          | <b>25 913</b>          |
| <b>Non current liabilities</b>           |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing                                |     | 7 977           | 7 656           | 404             | 6 426                | 26 873          | 26 873             | –                 | 2 606   | 2 155                  | 1 790                  |
| Provisions                               |     | 3 818           | 4 120           | 16 884          | 4 870                | 4 870           | 4 870              | –                 | 15 823  | 15 823                 | 15 823                 |
| <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>18 429</b>                                       | <b>17 979</b>          | <b>17 613</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>42 077</b>                                       | <b>42 895</b>          | <b>43 526</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>378 396</b>                                      | <b>401 996</b>         | <b>429 854</b>         |
| <b>COMMUNITY WEALTH/EQUITY</b>           |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Accumulated Surplus/(Deficit)            |     | 335 475         | 372 979         | 357 957         | 390 025              | 370 846         | 370 846            | –                 | 378 396   | 401 996                | 429 854                |
| 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>378 396</b>                                      | <b>401 996</b>         | <b>429 854</b>         |

## Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6 is supported by an extensive table of notes (SA3) 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
- 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.

### MBRR Table 7 – Budgeted Cash Flow Statement

| 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>R thousand</b>                                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <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            | 14 213  | 15 052                 | 15 895                 |
| Service charges                                   |     | 63 528          | 69 732          | 22 930          | 54 456               | 53 317          | 53 317             | 53 317            | 13 377  | 14 166                 | 14 960                 |
| Other revenue                                     |     |                 |                 | 17 666          | 24 147               | 24 147          | 24 147             | 24 147            | 20 630  | 12 267                 | 12 455                 |
| Government - operating                            | 1   | 1 525           | 288             | 75 178          | 213                  | 213             | 213                | 213               | 61 809  | 66 578                 | 72 457                 |
| Government - capital                              | 1   |                 |                 |                 |                      |                 |                    |                   | 23 620  | 24 434                 | 25 655                 |
| Interest  |     |                 |                 |                 |                      |                 |                    |                   | 3 757   | 3 979                  | 4 201                  |
| Dividends   |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Suppliers and employees                           |     | (62 030)        | (76 638)        | (96 876)        | (120 248)            | (113 922)       | (113 922)          | (113 922)         | (110 747)   | (116 494)              | (122 654)              |
| 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)          | (1 764)   | (1 868)                | (1 973)                |
| <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>24 417</b>                                       | <b>17 607</b>          | <b>20 461</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)          | (45 064)  | (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>(45 064)</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>      |     | <b>2 163</b>    | <b>1 000</b>    | <b>708</b>      | <b>(35 250)</b>      | <b>(28 367)</b> | <b>(28 367)</b>    | <b>(28 367)</b>   | <b>(20 647)</b>                                     | <b>(6 827)</b>         | <b>(5 194)</b>         |
| Cash/cash equivalents at the year begin:          | 2   | 374             | 2 537           | 6 291           | (38 472)             | (6 999)         | (6 999)            | (6 999)           | 7 335   | (13 312)               | (20 138)               |
| Cash/cash equivalents at the year end:            | 2   | 2 537           | 3 538           | 6 999           | (73 722)             | (35 366)        | (35 366)           | (35 366)          | (13 312)  | (20 138)               | (25 332)               |

### 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 Sundays River fell significantly over the 2011/12 to 2013/14 period owing directly to a net increase in cash over the prior years.
4. The approved 2014/15 MTREF provide for a further net decrease in cash of R28.3 million for the 2014/15 financial year resulting in an overall projected negative cash position of R35.3 at year end. This unsustainable cash position had been exacerbated as a result of excessive expenditure allocations due to recent protest action consequences and non-containment of spending priorities.
5. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term, the cash flow statement reveals that our budget is unfunded due to cash flow challenges experienced in the past years i.e. repayment of loans not budgeted for and poor planning and high level expenditures.
6. Cash and cash equivalents totals a net decrease of R13.3 million as at the end of the 2015/16 financial year.

**MBRR Table 8 – 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)          | (13 312)  | (20 138)               | (25 332)               |
| Other current investments > 90 days               |     | (314)           | 3 778           | (0)             | 75 801               | 37 446          | 37 446             | 35 366            | 15 312  | 20 138                 | 25 332                 |
| 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>2 000</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)           | -                 | (5 739)   | (6 601)                | (6 642)                |
| 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>(5 739)</b>                                      | <b>(6 601)</b>         | <b>(6 642)</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>7 739</b>  | <b>6 601</b>           | <b>6 642</b>           |

**Explanatory notes to Table A8 – Cash backed Reserves 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 audited outcomes, the period 2011/12 to 2013/14 a surplus of R26 million was noted 2011/12 and by 2013/14 deficit of R19 million was noted.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2015/16 MTREF is funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.



**MBRR Table 9 – Asset Management**

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              | 21 444  | -                      | -                      |
| Infrastructure - Road transport                 |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Electricity                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Water                          |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Sanitation                     |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Other                          |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure                                  |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Community                                       |      | -               | -               | -               | 1 000                | -               | -                  | 410   | -                      | -                      |
| Heritage assets                                 |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Investment properties                           |      | -               | -               | -               | -                    | 516             | 516                | 324   | -                      | -                      |
| Other assets                                    | 6    | 1 621           | 156             | 3 848           | 1 992                | 3 132           | 3 132              | 19 880  | -                      | -                      |
| Agricultural Assets                             |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Biological assets                               |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Intangibles                                     |      | 25              | 52              | -               | 750                  | 750             | 750                | 830   | -                      | -                      |
| <b>Total Renewal of Existing Assets</b>         | 2    | 50 926          | 16 277          | 17 770          | 23 233               | 23 207          | 23 207             | 23 620  | 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                          |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure                                  |      | 50 926          | 16 277          | 17 770          | 18 828               | 18 802          | 18 802             | 19 373  | 20 040                 | 21 042                 |
| Community                                       |      | -               | -               | -               | 4 125                | 4 125           | 4 125              | 4 247   | 4 394                  | 4 613                  |
| Heritage assets                                 |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Investment properties                           |      | -               | -               | -               | -                    | 516             | 516                | 324   | -                      | -                      |
| 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                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| 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                          |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure                                  |      | 50 926          | 16 277          | 17 770          | 18 828               | 18 802          | 18 802             | 19 373  | 20 040                 | 21 042                 |
| Community                                       |      | -               | -               | -               | 5 125                | 4 125           | 4 125              | 4 657   | 4 394                  | 4 613                  |
| Heritage assets                                 |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Investment properties                           |      | -               | -               | -               | -                    | 516             | 516                | 324   | -                      | -                      |
| Other assets                                    | 6    | 1 621           | 156             | 3 848           | 2 272                | 3 412           | 3 412              | 19 880  | -                      | -                      |
| Agricultural Assets                             |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Biological assets                               |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Intangibles                                     |      | 25              | 52              | -               | 750                  | 750             | 750                | 830   | -                      | -                      |
| <b>TOTAL CAPITAL EXPENDITURE - Asset class</b>  | 2    | 52 572          | 16 485          | 21 618          | 26 975               | 27 605          | 27 605             | 45 064  | 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             | 76 729  | 76 729                 | 76 729                 |
| Infrastructure - Sanitation                     |      | 99 811          | -               | -               | 94 359               | 94 359          | 94 359             | 97 565  | 100 883                | 104 366                |
| Infrastructure - Other                          |      | 91 127          | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure                                  |      | 371 043         | 250 037         | 207 434         | 282 284              | 282 284         | 282 284            | 288 922   | 308 963                | 330 004                |
| Community                                       |      | 807             | -               | 20 276          | 25 401               | 25 401          | 25 401             | 25 059  | -                      | -                      |
| 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              | 13 234  | 42 687                 | 47 300                 |
| Agricultural Assets                             |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Biological assets                               |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Intangibles                                     |      | 1 198           | 983             | 671             | 1 733                | 2 177           | 2 177              | 830   | -                      | -                      |
| <b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b> | 5    | #REF!           | 293 195         | 409 521         | 351 645              | 353 745         | 355 401            | 370 543   | 394 147                | 419 802                |
| <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  | 17 500                 | 17 500                 |
| <b>Repairs and Maintenance by Asset Class</b>   | 3    | 2 045           | 11 843          | 11 816          | 3 327                | 2 552           | 2 552              | 7 097   | 7 210                  | 7 322                  |
| Infrastructure - Road transport                 |      | 234             | 2 994           | -               | 725                  | 725             | 725                | 601   | 611                    | 621                    |
| Infrastructure - Electricity                    |      | 248             | 2 290           | -               | 371                  | 371             | 371                | 1 250   | 1 270                  | 1 290                  |
| Infrastructure - Water                          |      | 365             | 1 665           | -               | 506                  | 506             | 506                | 1 000   | 1 016                  | 1 032                  |
| Infrastructure - Sanitation                     |      | 541             | 1 568           | -               | 249                  | 249             | 249                | 1 000   | 1 016                  | 1 032                  |
| Infrastructure - Other                          |      | 63              | 1 535           | 11 816          | 158                  | 158             | 158                | 47  | 48                     | 48                     |
| Infrastructure                                  |      | 1 452           | 10 052          | 11 816          | 2 008                | 2 008           | 2 008              | 3 898   | 3 960                  | 4 022                  |
| Community                                       |      | 402             | 750             | -               | 380                  | 380             | 380                | 1 411   | 1 433                  | 1 456                  |
| Heritage assets                                 |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Investment properties                           |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other assets                                    | 6, 7 | 190             | 1 041           | -               | 938                  | 164             | 164                | 1 788   | 1 816                  | 1 844                  |
| <b>TOTAL EXPENDITURE OTHER ITEMS</b>            |      | 19 433          | 25 640          | 31 126          | 20 827               | 20 052          | 20 052             | 24 597  | 24 710                 | 24 822                 |

**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. Sundays River Valley meets only one of these recommendations and falls short of the Repairs and maintenance by a huge margin of 5.8%.

**MBRR Table 10 – Basic Service Delivery Measurement**

| Description  | Ref | 2011/12       | 2012/13       | 2013/14       | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|---------------|---------------|---------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Outcome       | Outcome       | Outcome       | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Household service targets</b>   | 1   |               |               |               |                      |                 |                    |   |                        |                        |
| <b>Water:</b>  |     |               |               |               |                      |                 |                    |   |                        |                        |
| Piped water inside dwelling  |     | 7 152         | 8 446         | 8 446         | 8 446                | 8 446           | 8 446              | 8 446   | 8 446                  | 8 446                  |
| Piped water inside yard (but not in dwelling)                              |     | 1 987         | 987           | 987           | 987                  | 987             | 987                | 987   | 987                    | 987                    |
| Using public tap (at least min.service level)                              | 2   | 1 143         | 3 083         | 3 083         | 3 083                | 3 083           | 3 083              | 2 160   | 2 160                  | 2 160                  |
| Other water supply (at least min.service level)                            | 4   | 153           | 70            | 70            | 70                   | 70              | 70                 | 477   | 477                    | 477                    |
| <i>Minimum Service Level and Above sub-total</i>                           |     | 10 435        | 12 586        | 12 586        | 12 586               | 12 586          | 12 586             | 12 070  | 12 070                 | 12 070                 |
| Using public tap (< min.service level)                                     | 3   | 1 270         | 70            | 70            | 70                   | 70              | 70                 |   |                        |                        |
| Other water supply (< min.service level)                                   | 4   |               |               |               |                      |                 |                    |   |                        |                        |
| No water supply  |     |               |               |               |                      |                 |                    |   |                        |                        |
| <i>Below Minimum Service Level sub-total</i>                               |     | 1 270         | 70            | 70            | 70                   | 70              | 70                 | -   | -                      | -                      |
| <b>Total number of households</b>  | 5   | <b>11 705</b> | <b>12 656</b> | <b>12 656</b> | <b>12 656</b>        | <b>12 656</b>   | <b>12 656</b>      | <b>12 070</b>                                       | <b>12 070</b>          | <b>12 070</b>          |
| <b>Sanitation/sewage:</b>  |     |               |               |               |                      |                 |                    |   |                        |                        |
| Flush toilet (connected to sewerage)                                       |     | 7 730         | 10 873        | 10 873        | 10 873               | 10 873          | 10 873             | 7 780   | 7 780                  | 7 780                  |
| Flush toilet (with septic tank)  |     | 23            | 25            | 25            | 25                   | 25              | 25                 | 751   | 751                    | 751                    |
| Chemical toilet  |     | -             | -             | -             | -                    | -               | -                  | 85  | 85                     | 85                     |
| Pit toilet (ventilated)  |     | 855           | 219           | 219           | 219                  | 219             | 219                | 527   | 527                    | 527                    |
| Other toilet provisions (> min.service level)                              |     |               |               |               |                      |                 |                    | 2 578   | 2 578                  | 2 578                  |
| <i>Minimum Service Level and Above sub-total</i>                           |     | 8 608         | 11 117        | 11 117        | 11 117               | 11 117          | 11 117             | 11 721  | 11 721                 | 11 721                 |
| Bucket toilet  |     | 254           | 250           | 250           | 250                  | 250             | 250                | 1 060   | 1 060                  | 1 060                  |
| Other toilet provisions (< min.service level)                              |     | 2 704         | 166           | 166           | 166                  | 166             | 166                | 839   | 839                    | 839                    |
| No toilet provisions   |     |               |               |               |                      |                 |                    | 958   | 958                    | 958                    |
| <i>Below Minimum Service Level sub-total</i>                               |     | 2 958         | 416           | 416           | 416                  | 416             | 416                | 2 857   | 2 857                  | 2 857                  |
| <b>Total number of households</b>  | 5   | <b>11 566</b> | <b>11 533</b> | <b>11 533</b> | <b>11 533</b>        | <b>11 533</b>   | <b>11 533</b>      | <b>14 578</b>                                       | <b>14 578</b>          | <b>14 578</b>          |
| <b>Energy:</b>   |     |               |               |               |                      |                 |                    |   |                        |                        |
| Electricity (at least min.service level)                                   |     | 5 046         | 5 046         | 5 046         | 5 046                | 5 046           | 5 046              | 9 589   | 9 589                  | 9 589                  |
| Electricity - prepaid (min.service level)                                  |     | 1 500         | 1 500         | 1 500         | 1 500                | 1 500           | 1 500              | 1 112   | 1 113                  | 1 114                  |
| <i>Minimum Service Level and Above sub-total</i>                           |     | 6 546         | 6 546         | 6 546         | 6 546                | 6 546           | 6 546              | 10 701  | 10 702                 | 10 703                 |
| Electricity (< min.service level)  |     |               |               |               |                      |                 |                    |   |                        |                        |
| Electricity - prepaid (< min. service level)                               |     |               |               |               |                      |                 |                    | 3 877   | 3 877                  | 3 877                  |
| Other energy sources   |     |               |               |               |                      |                 |                    |   |                        |                        |
| <i>Below Minimum Service Level sub-total</i>                               |     | -             | -             | -             | -                    | -               | -                  | 3 877   | 3 877                  | 3 877                  |
| <b>Total number of households</b>  | 5   | <b>6 546</b>  | <b>6 546</b>  | <b>6 546</b>  | <b>6 546</b>         | <b>6 546</b>    | <b>6 546</b>       | <b>14 578</b>                                       | <b>14 579</b>          | <b>14 580</b>          |
| <b>Refuse:</b>   |     |               |               |               |                      |                 |                    |   |                        |                        |
| Removed at least once a week   |     | 3 585         | 3 585         | 3 585         | 3 585                | 3 585           | 3 585              | 9 031   | 9 031                  | 9 031                  |
| <i>Minimum Service Level and Above sub-total</i>                           |     | 3 585         | 3 585         | 3 585         | 3 585                | 3 585           | 3 585              | 9 031   | 9 031                  | 9 031                  |
| Removed less frequently than once a week                                   |     | 468           | 468           | 468           | 468                  | 468             | 468                | 435   | 435                    | 435                    |
| Using communal refuse dump   |     | 4 236         | 4 236         | 4 236         | 4 236                | 4 236           | 4 236              | 454   | 454                    | 454                    |
| Using own refuse dump  |     | 126           | 126           | 126           | 126                  | 126             | 126                | 3 653   | 3 653                  | 3 653                  |
| Other rubbish disposal   |     | 1 614         | 1 614         | 1 614         | 1 614                | 1 614           | 1 614              | 340   | 340                    | 340                    |
| No rubbish disposal  |     |               |               |               |                      |                 |                    | 837   | 837                    | 837                    |
| <i>Below Minimum Service Level sub-total</i>                               |     | 6 444         | 6 444         | 6 444         | 6 444                | 6 444           | 6 444              | 5 719   | 5 719                  | 5 719                  |
| <b>Total number of households</b>  | 5   | <b>10 029</b> | <b>10 029</b> | <b>10 029</b> | <b>10 029</b>        | <b>10 029</b>   | <b>10 029</b>      | <b>14 750</b>                                       | <b>14 750</b>          | <b>14 750</b>          |
| <b>Households receiving Free Basic Service</b>                             | 7   |               |               |               |                      |                 |                    |   |                        |                        |
| Water (6 kilolitres per household per month)                               |     | 11 554        | 11 554        | 11 554        | 11 554               | 11 554          | 11 554             | 11 554  | 11 554                 | 11 554                 |
| Sanitation (free minimum level service)                                    |     |               |               |               |                      |                 |                    |   |                        |                        |
| Electricity/other energy (50kwh per household per month)                   |     |               |               |               |                      |                 |                    |   |                        |                        |
| Refuse (removed at least once a week)                                      |     | 3 585         | 3 585         | 3 585         | 3 585                | 3 585           | 3 585              | 3 585   | 3 585                  | 3 585                  |
| <b>Cost of Free Basic Services provided (R'000)</b>                        | 8   |               |               |               |                      |                 |                    |   |                        |                        |
| Water (6 kilolitres per household per month)                               |     | 1 795         | 2 902         | 2 902         | 2 902                | 2 902           | 2 902              | 13 205  | 13 205                 | 13 205                 |
| Sanitation (free sanitation service)                                       |     | 920           | 1 273         | 1 273         | 1 273                | 1 273           | 1 273              | 1 924   | 1 924                  | 1 924                  |
| Electricity/other energy (50kwh per household per month)                   |     | 1 157         | 1 404         | 1 404         | 1 404                | 1 404           | 1 404              | 2 088   | 2 088                  | 2 088                  |
| Refuse (removed once a week)   |     | 1 954         | 2 071         | 2 071         | 2 071                | 2 071           | 2 071              | 2 812   | 2 812                  | 2 812                  |
| <b>Total cost of FBS provided (minimum social package)</b>                 |     | <b>5 826</b>  | <b>7 651</b>  | <b>7 651</b>  | <b>7 651</b>         | <b>7 651</b>    | <b>7 651</b>       | <b>20 029</b>                                       | <b>20 029</b>          | <b>20 029</b>          |
| <b>Highest level of free service provided</b>                              |     |               |               |               |                      |                 |                    |   |                        |                        |
| Property rates (R value threshold)   |     | 25 000        | 25 000        | 25 000        | 25 000               | 25 000          | 25 000             | 25 000  | 25 000                 | 25 000                 |
| Water (kilolitres per household per month)                                 |     | 6             | 6             | 6             | 6                    | 6               | 6                  | 6   | 6                      | 6                      |
| Sanitation (kilolitres per household per month)                            |     |               |               |               |                      |                 |                    |   |                        |                        |
| Sanitation (Rand per household per month)                                  |     | 34            | 34            | 34            | 34                   | 34              | 34                 | 43  | 43                     | 44                     |
| Electricity (kwh per household per month)                                  |     | 50            | 50            | 50            | 50                   | 50              | 50                 | 50  | 50                     | 50                     |
| Refuse (average litres per week)   |     |               |               |               |                      |                 |                    |   |                        |                        |
| <b>Revenue cost of free services provided (R'000)</b>                      | 9   |               |               |               |                      |                 |                    |   |                        |                        |
| Property rates (R15 000 threshold rebate)                                  |     | 16 390        | 17 865        | 17 865        | 18 937               | 18 937          | 18 937             | 2 017   | 2 049                  | 2 081                  |
| Property rates (other exemptions, reductions and rebates)                  |     |               |               |               |                      |                 |                    | -   | -                      | -                      |
| Water  |     | 1 300         | 1 379         | 1 379         | 1 462                | 1 462           | 1 462              | 3 363   | 3 416                  | 3 469                  |
| Sanitation   |     | 300           | 848           | 848           | 899                  | 899             | 899                | 1 479   | 1 502                  | 1 525                  |
| Electricity/other energy   |     |               | 630           | 630           | 677                  | 677             | 677                | 1 717   | 1 745                  | 1 772                  |
| Refuse   |     | 1 244         | 1 318         | 1 318         | 1 397                | 1 397           | 1 397              | 2 382   | 2 420                  | 2 458                  |
| Municipal Housing - rental rebates   |     |               |               |               |                      |                 |                    |   |                        |                        |
| Housing - top structure subsidies  |     |               |               |               |                      |                 |                    |   |                        |                        |
| Other  |     |               |               |               |                      |                 |                    |   |                        |                        |
| <b>Total revenue cost of free services provided (total social package)</b> | 6   | <b>19 234</b> | <b>22 040</b> | <b>22 040</b> | <b>23 371</b>        | <b>23 371</b>   | <b>23 371</b>      | <b>10 958</b>                                       | <b>11 132</b>          | <b>11 306</b>          |

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

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The attempts to make good progress with the eradication of backlogs:
3. It is anticipated that these Free Basic Services will cost the municipality R10.9 million in 2015/16, increasing to R11.3 million in 2017/18. This is covered by the municipality's equitable share allocation from national government.

## **PART 2- SUPPORTING DOCUMENTATION**

### **2.1. OVERVIEW OF THE ANNUAL BUDGET PROCESS**

This section provides an overview of the Sundays River Valley Municipality's 2015/16 to 2017/18 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of Sundays River Valley Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in Sunday River Valley. Sundays River Valley alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

According to Circular No. 75, the following headline forecasts underpin the national 2015/16 Budget:

| <b>Fiscal Year</b>     | <b>Actual 2013/14</b> | <b>Estimate 2014/15</b> | <b>Forecast 2015/16</b> | <b>Forecast 2016/17</b> | <b>Forecast 2017/18</b> |
|------------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Headline CPI Inflation | 5.80%                 | 5.60%                   | 4.80%                   | 5.90%                   | 5.60%                   |

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities, to ensure that all spheres of government support the national macroeconomic policies, unless it can be shown that external factors impact otherwise.

The entire budget process is prescribed by the Municipal Finance Management Act. Section 21(1) (b) of the MFMA requires the mayor to table not later than 10 months before the start of the budget year a time schedule outlining the key deadlines and processes for the preparation, tabling and approval of the Annual Budget, the review of the IDP and budget related policies and any consultation process which would be part of the process.

The budget process in Sundays River Valley followed the requirements of the MFMA. A Table of key deadlines was prepared for tabling in Council by the Mayor prior to the end of August 2014.

The consultation process involves presenting and eliciting comments from the public by Ward and by placing an advert in the local press requesting budget input.

The following stakeholders are identified:

- communities
- senior management
- the work force
- trade unions
- rate payers association

- general public and interested parties
- district municipality
- national and provincial sector departments

Prescribed forms have been developed for both operating and capital inputs.

A presentation is delivered to the communities and responses are recorded. These are considered within the budget realm and capacity. Meetings are arranged by ward and the related Councillor manages the process.

At this stage the budget still needs to be gauged against realistic income and expenditure which translated to budget performance.

Thereafter the eagerly awaited Division of Revenue is received during February and published the grant and subsidy allocation in terms of which budget parameters are set or adjusted. Information from other sources, District Councils and Provincial Authorities are confirmed. Any surplus capacity is consumed.

During this time the IDP process has started with steering committee meetings as well as public consultation to primary confirm and re-affirm priorities as well as to disclose any new development. Critical to this process is capital project funding in terms of MIG. The IDP and Budget, as policy documents are reflected against each for purpose of IDP preparation and budget finalization.

The draft budget is then tabled to Council and then council authorizes that the budget is made public for comment. Once this period closes the comments received are once again considered and adjustments are brought about. The draft budget was tabled to Council on 31 March 2014.

### ***Political oversight of the process***

The schedule of key deadlines was submitted to management meeting to monitor the progress of the process by officials against the schedule tabled by the Mayor. The Mayor was regularly informed on the progress. The key deadlines were reviewed during the year and were submitted to council for approval.

### ***Consultations & advertisements***

Advertisements will be placed in the local newspapers circulating in the area of jurisdiction and district informing the community of the budget, indicating where they can view a copy and how to lodge comments.

The draft budget tabled to Council was taken to the community for consultation. The community consultation process started on the 15 April 2015 to 05 May 2015, and included ten public briefing sessions. The applicable dates were published accordingly. Individual session was held for all other stakeholder other than residents of the jurisdiction.

A formal process for consultation has been conducted after the draft budget & IDP were



approved by Council.

This was done by the following methods:

- The budget was made public by making them available at SRVM's offices and website
- Notices were published in the area inviting members of the public to submit representations on the budget.
- Community meetings in all wards
- No submissions and or objections were received from community members.

Community hearings were conducted at all areas –

- Bergsig
- Moses Mabida
- Paterson
- Valencia
- Nomathamsanqa
- Kirkwood – Ratepayers Association
- Bersheba

The following is some of the issues raised and comments received during the consultation process:

- Poor state of Roads
- Housing Rectification and development is needed
- Improved water quality and water accessibility
- Cemetery space required and maintenance of existing cemeteries
- Poor performance of contractors and time employed in projects

### ***Financial Modelling and Planning Drivers***

As part of the compilation of the 2015/16 MTREF, the following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Policy priorities and strategic objectives
- Economic climate (i.e. inflation, Eskom increases, household debt)
- The approved adjustment budget against SDBIP
- Debtors payment levels
- The need for tariff increases versus the ability of the community to pay for services
- Improved service delivery

In addition to the above, the strategic guidelines given by National Treasury in MFMA Circular 75 have been taken into consideration in planning and prioritisation process.

## **2.2. ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN** **AMENDMENT AND ADJUSTMENT TO THE 2015/16 IDP**

### ***The review process focussed on:***

- Improving the strategic nature of the document, thereby ensuring effective use of available data, careful consideration of available resources, as well as exploring locally appropriate solutions to complex development issues.
- Increasing the usefulness of the document during implementation and monitoring.

### ***The process was influenced by:***

- Project progress information as provided by Heads of Departments
- An extensive data search to update the analysis chapter.
- Inputs from community based planning initiatives

The alignment of the IDP with the budget is illustrated in schedules SA4, SA5, SA6. The schedules are attached.

These allocations are to link up with the Service Delivery and Budget Implementation plan.

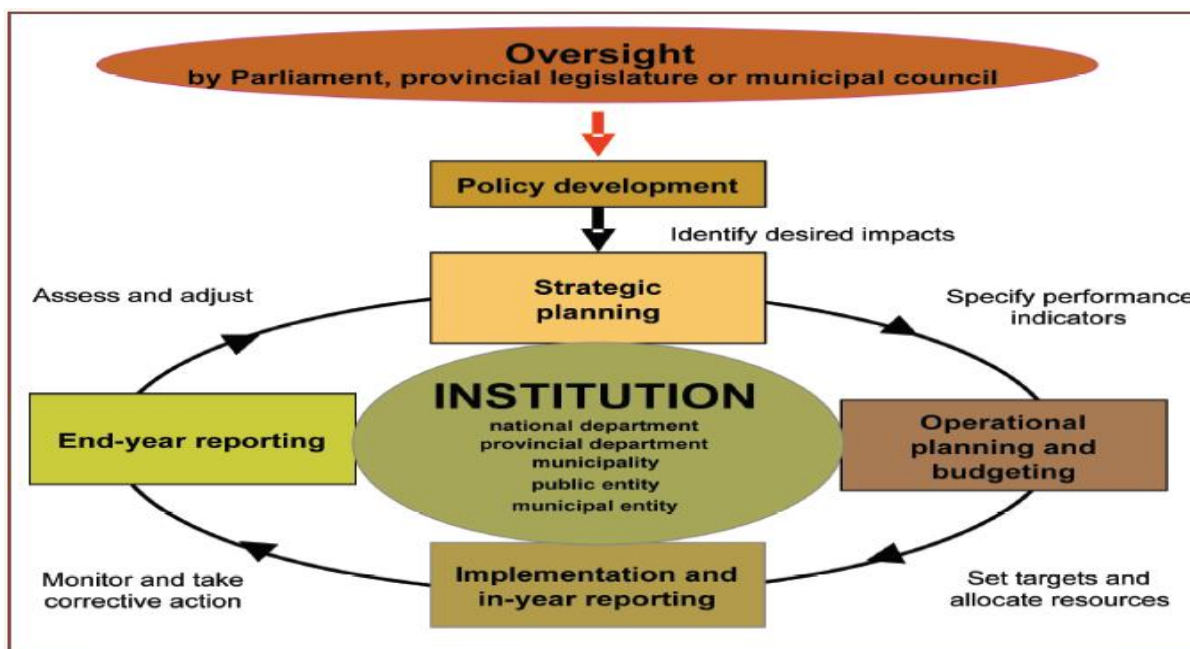
A draft Service Delivery and Budget Implementation Plan has been developed and will be tabled with the budget to Council. The final SDBIP needs to be approved within 28 days after the adoption of the budget. KPA's and KPI's have been developed and strategic alignment between IDP, Budget and SDBIP is ascertained.

### 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, Sundays River Valley 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:



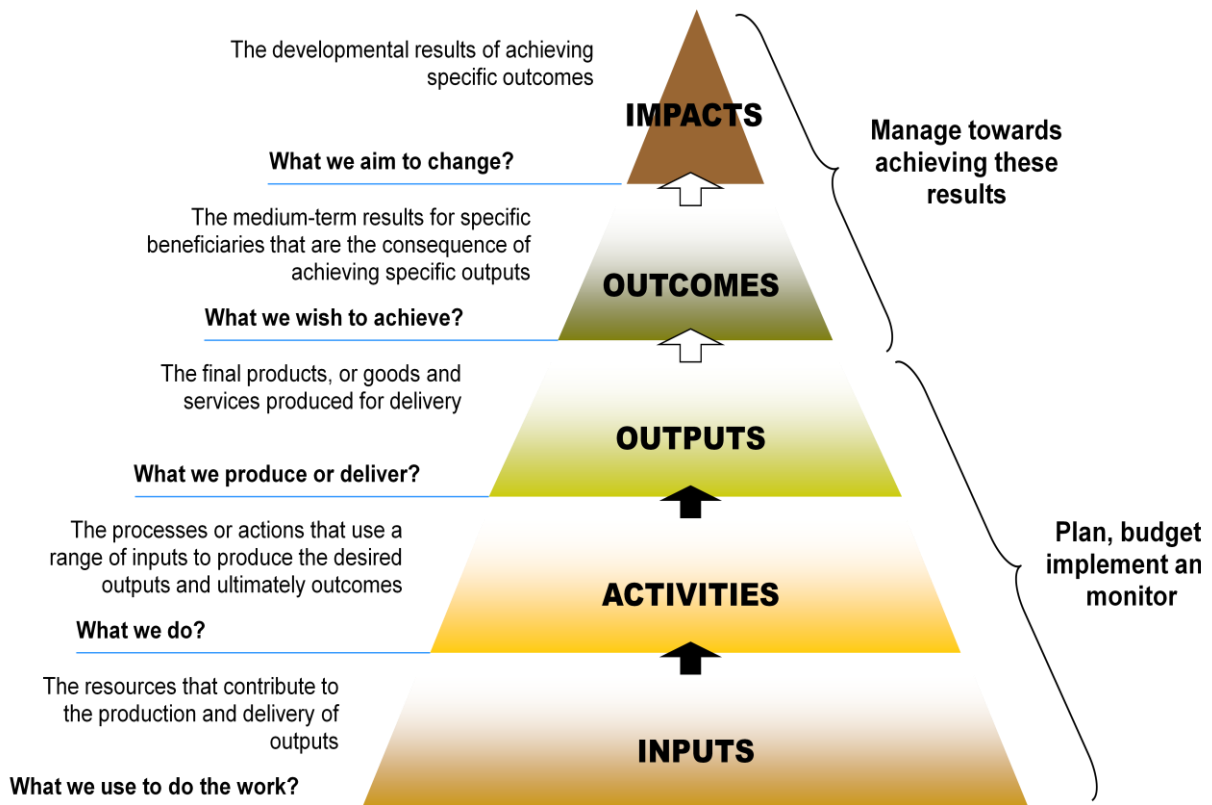
The performance of Sundays River Valley relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. Sundays River Valley therefore has adopted one integrated performance management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



**Table - Performance indicators and benchmarks**

| Description of financial indicator   | Basis of calculation   | 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>Borrowing Management</b>  |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Credit Rating  |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital Charges to Operating Expenditure                                       | Interest & Principal Paid /Operating Expenditure   | 2.4%            | 1.6%            | 0.5%            | 0.7%                 | 1.6%            | 1.6%               | 1.8%              | 0.7%  | 0.7%                   | 0.6%                   |
| Capital Charges to Own Revenue   | Finance charges & Repayment of borrowing /Own Revenue  | 4.2%            | 3.1%            | 1.0%            | 1.9%                 | 3.2%            | 3.2%               | 3.2%              | 1.3%  | 1.6%                   | 1.5%                   |
| Borrowed funding of 'own' capital expenditure                                  | Borrowing/Capital expenditure excl. transfers and grants and contributions   | 11.0%           | 0.0%            | -60.7%          | 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  | 0.0%            | 0.0%            | 0.0%            | 862.0%               | 3605.0%         | 3605.0%            | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <b>Liquidity</b>   |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current Ratio  | Current assets/current liabilities   | 0.6             | 1.0             | 0.5             | 0.8                  | 0.8             | 0.8                | -                 | 2.1   | 2.0                    | 2.1                    |
| Current Ratio adjusted for aged debtors  | Current assets less debtors > 90 days/current liabilities  | 0.6             | 1.0             | 0.5             | 0.8                  | 0.8             | 0.8                | -                 | 2.1   | 2.0                    | 2.1                    |
| Liquidity Ratio  | Monetary Assets/Current Liabilities  | 0.1             | 0.2             | 0.2             | 0.0                  | 0.0             | 0.0                | -                 | 0.1   | -                      | -                      |
| <b>Revenue Management</b>  |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Annual Debtors Collection Rate (Payment Level %)                               | Last 12 Mths Receipts/Last 12 Mths Billing   |                 | 261.1%          | 205.6%          | 38.8%                | 236.2%          | 178.4%             | 178.4%            | 178.4%  | 58.5%                  | 58.2%                  |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) |  | 261.1%          | 205.6%          | 38.8%           | 236.2%               | 178.4%          | 178.4%             | 178.4%            | 58.5%   | 58.2%                  | 57.6%                  |
| Outstanding Debtors to Revenue   | Total Outstanding Debtors to Annual Revenue  | 18.6%           | 35.4%           | 8.7%            | 44.5%                | 27.1%           | 27.1%              | 0.0%              | 33.6%   | 37.5%                  | 37.5%                  |
| Longstanding Debtors Recovered   | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Creditors Management</b>  |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Creditors System Efficiency  | % of Creditors Paid Within Terms (within 'MFMA' s 65(e))   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Creditors to Cash and Investments  |  | 720.3%          | 642.5%          | 383.9%          | -50.8%               | -61.8%          | -61.8%             | 0.0%              | -172.2%   | -120.5%                | -101.2%                |
| <b>Other Indicators</b>  |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Electricity Distribution Losses (2)  | Total Volume Losses (kW)<br>Total Cost of Losses (Rand '000)<br>% Volume (units purchased and generated less units sold)/units purchased and generated |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Water Distribution Losses (2)  | Total Volume Losses (k?)<br>Total Cost of Losses (Rand '000)<br>% Volume (units purchased and generated less units sold)/units purchased and generated |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee costs   | Employee costs/(Total Revenue - capital revenue)   | 27.6%           | 29.8%           | 30.7%           | 44.2%                | 36.4%           | 36.4%              | 36.4%             | 33.2%   | 35.7%                  | 34.3%                  |
| Remuneration   | Total remuneration/(Total Revenue - capital revenue)   | 29.3%           | 34.7%           | 34.5%           | 49.0%                | 40.5%           | 40.5%              |                   | 36.9%   | 39.7%                  | 38.1%                  |
| Repairs & Maintenance  | R&M/(Total Revenue excluding capital revenue)  | 2.0%            | 11.1%           | 9.6%            | 3.1%                 | 2.0%            | 2.0%               |                   | 5.0%  | 5.4%                   | 5.1%                   |
| Finance charges & Depreciation   | FC&D/(Total Revenue - capital revenue)   | 19.5%           | 15.5%           | 16.0%           | 17.0%                | 14.7%           | 14.7%              | 14.7%             | 13.0%   | 13.8%                  | 13.0%                  |
| <b>IDP regulation financial viability indicators</b>                           |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| i. Debt coverage   | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year   | (75.4)          | 152.7           | -               | 42.5                 | 42.5            | 42.5               | 19.4              | 20.2  | 16.2                   | 17.1                   |
| ii. O/S Service Debtors to Revenue   | Total outstanding service debtors/annual revenue received for services   | 39.2%           | 73.1%           | 18.0%           | 120.8%               | 59.5%           | 59.5%              | 0.0%              | 101.0%  | 100.5%                 | 99.6%                  |
| iii. Cost coverage   | (Available cash + Investments)/monthly fixed operational expenditure   | 0.4             | 0.5             | 0.7             | (8.5)                | (4.1)           | (4.1)              | (4.6)             | (1.4)   | (2.1)                  | (2.5)                  |

## Performance indicators and benchmarks

### *Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Sundays River Valley's borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. It needs to be noted that the increased capital grants and transfers contributes to a decrease in the ratio and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. This decrease can be attributed to the non- rising of loans to fund portions of the capital programme. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored moving forward.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality will not be funding its capital expenditure through loans but rather through grants and internal resources.

### *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 2.1.
- *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. Sundays River cannot meet its obligation to its creditors and this needs to be considered a pertinent risk for the municipality as continued under collection of revenue will translate into serious financial challenges for the municipality.

### *Revenue Management*

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

### *Creditors Management*

- Sundays River Valley is unable to ensure timorous payment or settlement of creditors invoice within the legislated timeframe. This has had an unfavourable impact on suppliers' perceptions of doing business with the municipality, which in turn hampers on the

competitive pricing of tenders and rotation of suppliers amongst other issues.

### **Free Basic Services: Basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2015/16 financial year registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, sanitation and free waste removal equivalent to once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table MBRR A10 (Basic Service Delivery Measurement) .

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

### **Providing clean water and managing waste water**

Sundays River Valley Municipality is committed to providing quality services, in a cost effective and efficient manner. As such SRVM has embraced the Water Safety Planning Process as a way of effectively managing the water supply systems within the municipality. Hence the development of the first Water Safety Plan for SRVM and covers the Kirkwood, Enon, Addo, Paterson, Glenconnor and Kleinpoort supply systems.

Sundays River Valley Municipality was designated as the water service authority for its area of jurisdiction on [1 July 2003](#) in terms of Chapter 3 of the Water Services Act, Act No. 108 of 1997.

The various plants were first assessed as part of the Blue Drop Assessment. The results released in the National Blue Drop Report by the DWA, SRVM had an overall Blue Drop Score of 43%. The Green Drop Score is at 60%. The Water safety plan is in place and approved by Council.

Incident management plan is in place and report by environmental officer for records purposes and tested by Talbot which is the independent person in the value chain. These results are loaded on the DWAS website.

This combination of demand exceeding system capacity, water losses, insufficient raw water storage provided by the Lower Sundays River Valley Water User's Association (LSRWUA). The Major Challenge for the upper Valley is the required augmentation of the Kirkwood Plant, through the RBIG, which is implemented by Amatola Water.

An annual maintenance contract for pumps must be entered into to attend to the water and sanitation challenges within the valley. This is estimated to be between R500 000 – R1 000 000.

## **2.4 BUDGET RELATED POLICIES**

The prioritization of service delivery and the management of council functions is the key to the budget. Sundays River Valley municipality's budget process is guided and governed by legislation regulations and budget related policies.

Sundays River Valley Municipality will embarked on a process of reviewing all financial and budget related policies in the next budget cycle .

These policies need to be enacted into by-laws thereby enabling council to undertake its revenue collection effort to court and further securing income generation.

### ***Tariff Policy***

The Municipal Systems Act requires a municipality to have a tariff policy. One of the challenges in setting tariffs is ensuring affordable tariffs whilst maintaining financial stability. The tariff policy tries to address this issue and creates a foundation for the principles that address social, economic and financial imperatives that the process of tariff setting should take into account.

Changes proposed: None

### ***Rates policy***

Sundays River Valley has adopted a rates policy which is line with legislative requirements. The policy became effective 01 July 2009.

The policy provides that properties be rated based on their market value. The valuation roll is still valid for one year.

Changes proposed: None

### ***Indigent Policy***

This policy was reviewed and approved during the 2009/2010 financial year.

Sundays River Valley municipality is committed to ensure that all households have access to its services. Due to the fact that Sundays River Valley Municipality has a high level of unemployment and seasonal workers, the municipality decided to adopt an indigent policy. This policy will ensure that poor households have at least access to basic services.

Changes proposed: None

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

Municipalities are required in terms of section 111 of MFMA to have a supply chain management policy. Sundays River Valley Municipality has a policy within the framework of the legislation. The policy adheres to the following principles:

Procurement system which is fair, equitable, transparent, competitive and cost effective in terms of section 217 of the Constitution



Best practice within supply chain management

Uniformity in supply chain management systems between organs of state in all spheres

Changes proposed: None

### ***Credit control and debt management policy***

The credit control and debt management policy of Sundays River Valley Municipality was reviewed during 2009/2010. This policy provides the procedures and mechanisms for credit control and collection of debts. The primary objective is to ensure that all monies due to the municipality are collected efficiently and promptly.

Changes proposed: none

### ***Banking and Investment policy***

As custodians of public funds, the Council has an obligation to see to it that cash resources are managed as effectively as possible. Council has a responsibility to invest public funds with great care and are liable to the community in that regard.

The investment policy should be aimed at gaining the highest possible return without undue risk during those periods when funds are not needed. To bring this about, it is essential to have an effective cashflow management program.

Changes proposed: None

### ***Asset management policy***

The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Fixed Assets) owned or controlled by municipality.

Changes proposed: None

### ***Policy on the writing off of irrecoverable debt***

Despite strict enforcement of the credit control and indigent policies, Council will continuously be confronted by circumstances requiring the possible write-off of irrecoverable debt. To allow this the Credit Control Policy, inter alia, stipulated that:-

The Municipal Manager must establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the municipality.

In addition, the policy further stipulates that:-

The purpose of this policy is to ensure that the principles and procedures for writing off irrecoverable debt are formalized.

Changes proposed: None

### ***Financial management policy***

This policy incorporates amongst others regulations relating to:

- General budgeting principles and processes
- Levying of tariffs, fees and charges
- Collection and control of income
- Operating expenditure
- Capital expenditure
- Creditors and payments
- Salaries & Wages
- Petty Cash
- Asset management
- Investments
- Risk management and Insurance
- Loans

Changes proposed: None

*It should be noted that these policies have been reviewed but have not been work shopped to Councillors accordingly in order to be approved with the adoption of the budget.*

## **2.5 Overview of budget assumptions**

Budgets are prepared in an environment of uncertainty. To prepare meaningful budget, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all assumptions used in preparing the budget.

### **National Treasury MFMA Circular No 75**

This Circular was issued on 25 May 2015, and provides further guidance to municipalities for the preparation of the 2015/16 budget and MTREF. These circulars were utilised in the compilation of this budget. A copy of the Circulars is attached as an Annexure to this document

### **General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro economic targets;
- The general inflationary outlook as outlined in the Medium Term Budget Policy and the impact on Sundays River Valley residents and businesses;
- The impact of municipal cost drivers;
- The increase of 12.24 per cent in prices for bulk electricity and water which is more or less in line with Eskom's electricity tariff increase to municipalities of 12.20 per cent; and
- The increase in repairs and maintenance and general expenses is in accordance to CPI

### **Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Sundays River Valley does not engage financing arrangements as we have reached our prudence lending ability. However, for simplicity the 2015/16 MTREF is based on the assumption that no borrowings are to be undertaken. As part of the compilation of the 2015/16 MTREF the potential of smoothing out the debt profile over the long term was noted

### **Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate equal to CPI. Investigation in terms of tariff structure settings has to be performed to ensure that tariffs are cost reflective. It is also assumed that current economic conditions, and relatively controlled

inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (60 per cent) of annual billings.

### **Growth or decline in tax base of the municipality**

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of Sundays River Valley.

### **Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and will be ending on 30 June 2015. The salary budget for the 2015/16 financial year is inflation linked and for the outer two years, inflation related increases are applied plus additional 0.25 per cent as per Treasury guideline.

### **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.

## **2.6. LEGISLATIVE COMPLIANCE**

### **Disclosure on implementation of the MFMA & other applicable legislation** **Municipal Finance Management Act – No 56 of 2003**

The MFMA became effective on 1st July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain and financial reporting.

The various sections of the Act are phased in according to the designated financial management of municipalities.

The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

#### **The MFMA and the budget**

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

##### *In year reporting*

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

##### *Internship programme*

Sundays River Valley Municipality is participating in the Municipal Financial Management Internship programme and has employed four interns undergoing training in various divisions of the Financial Services Department. Of the four interns two have been appointed on a contractual basis. The remaining has completed their two year contract on 30 April 2014, and extension for one year has been granted by National Treasury.

##### *Budget and Treasury Office*

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

##### *Audit Committee*

An Audit Committee has been established and is fully functional.

##### *Service Delivery and Implementation Plan*

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.

##### *Annual Report*

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

##### *MFMA Training*

The MFMA training module in electronic format is available and training is ongoing.

### **Investment Particulars by Type**

**Table 18 – SA15: Investment Particular-Type**

| Investment type                            | 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>Parent municipality</b>                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Securities - National Government           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Listed Corporate Bonds                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Deposits - Bank                            |     | 576             | 6 196           | 7 127           | 2 080                | 2 080           | 2 080              |   |                        |                        |
| 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   | 576             | 6 196           | 7 127           | 2 080                | 2 080           | 2 080              | -   | -                      | -                      |
| <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>Consolidated total:</b>                 |     | 576             | 6 196           | 7 127           | 2 080                | 2 080           | 2 080              | -   | -                      | -                      |

The municipality does not have any investments.

**Borrowings****Table 19 – SA17: Borrowing**

| Borrowing - Categorized by type<br>R thousand | 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>Parent municipality</b>                    |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long-Term Loans (annuity/reducing balance)    |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long-Term Loans (non-annuity)                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Local registered stock                        |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Instalment Credit                             |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial Leases                              |     | 7 977           | 7 656           | 404             | 6 426                | 26 873          | 26 873             | 2 606   | 2 155                  | 1 790                  |
| 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   | 7 977           | 7 656           | 404             | 6 426                | 26 873          | 26 873             | 2 606   | 2 155                  | 1 790                  |
| <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   | 7 977           | 7 656           | 404             | 6 426                | 26 873          | 26 873             | 2 606   | 2 155                  | 1 790                  |

## Grants and subsidies

### Table 20 – SA18: Transfers and grants receipt

| 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>RECEIPTS:</b>                                    | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating Transfers and Grants</b>               |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                         |      | 34 087          | 39 552          | 44 367          | 51 285               | 50 085          | 50 085             | 58 840  | 63 481                 | 67 501                 |
| Local Government Equitable Share                    |      | 31 991          | 36 314          | 40 327          | 46 351               | 46 351          | 46 351             | 52 292  | 59 228                 | 62 773                 |
| EPWP Incentive                                      |      |                 | 998             | 1 000           | 2 200                | 1 000           | 1 000              |   |                        |                        |
| Municipal Systems Improvement                       |      | 742             | 779             | 890             | 934                  | 934             | 934                | 930   | 957                    | 1 033                  |
| Integrated National Electrification Programme       |      | -               |                 | 500             | -                    | -               | -                  | 1 500   |                        |                        |
| Finance Management                                  |      | 1 354           | 1 270           | 1 650           | 1 800                | 1 800           | 1 800              | 1 875   | 2 010                  | 2 345                  |
| MIG Operational Portion                             |      |                 | 191             |                 |                      |                 |                    | 1 243   | 1 286                  | 1 350                  |
| <b>Provincial Government:</b>                       |      | 333             | 271             | 1 507           | 1 507                | 1 507           | 1 507              | 1 157   | 1 157                  | 1 157                  |
|   |      |                 |                 |                 |                      | -               | -                  |   |                        |                        |
|   |      |                 |                 |                 |                      | -               | -                  |   |                        |                        |
| Small town revitalization                           |      | 333             | 271             | 350             | 350                  | 350             | 350                | 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   | 1 790                  | 1 932                  |
| Environmental Health                                |      | -               |                 | 990             | 1 089                | 1 170           | 1 170              | 1 287   | 1 415                  | 1 557                  |
| Fire  |      |                 |                 | 375             | 375                  | 375             | 375                | 375   | 375                    | 375                    |
| <b>Other grant providers:</b>                       |      | 9 512           | 2 784           | 3 069           | 200                  | -               | -                  | 150   | 150                    | 150                    |
| DWAF  |      | 8 126           |                 |                 |                      | -               |                    |   |                        |                        |
| LGSETA  |      | 1 386           | 2 784           | 3 069           | 200                  | -               |                    | 150   | 150                    | 150                    |
| <b>Total Operating Transfers and Grants</b>         | 5    | 43 932          | 42 607          | 50 308          | 54 456               | 53 137          | 53 137             | 61 809  | 66 578                 | 70 740                 |
| <b>Capital Transfers and Grants</b>                 |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                         |      | 1 720           | 24 065          | 23 346          | 24 147               | 24 147          | 24 147             | 23 620  | 24 434                 | 25 655                 |
| Municipal Infrastructure Grant (MIG)                |      | 1 720           | 24 065          | 23 346          | 24 147               | 24 147          | 24 147             | 23 620  | 24 434                 | 25 655                 |
| Regional Bulk Infrastructure                        |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other capital transfers/grants [insert desc]        |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Provincial Government:</b>                       |      | -               | -               | -               | 1 000                | -               | -                  | -   | -                      | -                      |
| Other capital transfers/grants [insert description] |      |                 |                 |                 | 1 000                |                 |                    |   |                        |                        |
| <b>District Municipality:</b>                       |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Environmental Health                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                       |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| DWAF  |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Capital Transfers and Grants</b>           | 5    | 1 720           | 24 065          | 23 346          | 25 147               | 24 147          | 24 147             | 23 620  | 24 434                 | 25 655                 |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>     |      | 45 652          | 66 672          | 73 654          | 79 603               | 77 284          | 77 284             | 85 429  | 91 012                 | 96 395                 |



**Table 21 – SA19: Expenditure on transfers and grants**

| 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>EXPENDITURE:</b>  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating expenditure of Transfers and Grants</b>       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                                |     | 34 087          | 39 552          | 44 367          | 51 285               | 50 085          | 50 085             | 58 840  | 63 481                 | 67 501                 |
| Local Government Equitable Share                           |     | 31 991          | 36 314          | 40 327          | 46 351               | 46 351          | 46 351             | 52 292  | 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             | –                    | –               | –                  | 1 500   |                        |                        |
| Finance Management   |     | 1 354           | 1 270           | 1 650           | 1 800                | 1 800           | 1 800              | 1 875   | 2 010                  | 2 345                  |
| MIG Operational Portion                                    |     |                 | 191             |                 |                      |                 |                    | 1 243   | 1 286                  | 1 350                  |
| <b>Provincial Government:</b>                              |     | 333             | 271             | 1 507           | 1 507                | 1 507           | 1 507              | 1 157   | 1 157                  | 1 157                  |
|  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|  |     | 333             | 271             | 350             | 350                  | 350             | 350                |   |                        |                        |
| Small town revitalization                                  |     |                 |                 | 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   | 1 790                  | 1 932                  |
| Environmental Health                                       |     | –               |                 | 990             | 1 089                | 1 170           | 1 170              | 1 287   | 1 415                  | 1 557                  |
| Fire Subsidy   |     |                 |                 | 375             | 375                  | 375             | 375                | 375   | 375                    | 375                    |
| <b>Other grant providers:</b>                              |     | 9 512           | 2 784           | 3 069           | 200                  | –               | –                  | 150   | 150                    | 150                    |
| DWAF   |     | 8 126           |                 |                 |                      |                 |                    |   |                        |                        |
|  |     | 1 386           | 2 784           | 3 069           | 200                  | –               | –                  | 150   | 150                    | 150                    |
| <b>Total operating expenditure of Transfers and Grants</b> |     | <b>43 932</b>   | <b>42 607</b>   | <b>50 308</b>   | <b>54 456</b>        | <b>53 137</b>   | <b>53 137</b>      | <b>61 809</b>                                       | <b>66 578</b>          | <b>70 740</b>          |
| <b>Capital expenditure of Transfers and Grants</b>         |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                                |     | 1 720           | 24 065          | 23 346          | 24 147               | 24 147          | 24 147             | 23 620  | 24 434                 | 25 655                 |
| Municipal Infrastructure Grant (MIG)                       |     | 1 720           | 24 065          | 23 346          | 24 147               | 24 147          | 24 147             | 23 620  | 24 434                 | 25 655                 |
| Regional Bulk Infrastructure                               |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other capital transfers/grants [insert desc]               |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Provincial Government:</b>                              |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Other capital transfers/grants [insert description]        |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>District Municipality:</b>                              |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Environmental Health                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                              |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| DWAF   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total capital expenditure of Transfers and Grants</b>   |     | <b>1 720</b>    | <b>24 065</b>   | <b>23 346</b>   | <b>24 147</b>        | <b>24 147</b>   | <b>24 147</b>      | <b>23 620</b>                                       | <b>24 434</b>          | <b>25 655</b>          |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>           |     | <b>45 652</b>   | <b>66 672</b>   | <b>73 654</b>   | <b>78 603</b>        | <b>77 284</b>   | <b>77 284</b>      | <b>85 429</b>                                       | <b>91 012</b>          | <b>96 395</b>          |



**Table 23 – SA22: Summary of councillor and staff benefits**

| Summary of Employee and Councillor remuneration<br>R thousand | 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 |
|   |     | A               | B               | C               | D                    | E               | F                  | G   | H                      | I                      |
| <b>Councillors (Political Office Bearers plus Other)</b>      | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     | 3 386           | 4 348           | 4 761           | 3 627                | 3 513           | 3 513              | 4 946   | 5 030                  | 5 113                  |
| Pension and UIF Contributions                                 |     | 35              | 66              |                 |                      | -               | -                  |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      | -               | -                  |   |                        |                        |
| Motor Vehicle Allowance                                       |     |                 |                 |                 |                      | -               | -                  | 41  | 42                     | 43                     |
| Cellphone Allowance   |     |                 |                 |                 | 334                  | 334             | 334                | 251   | 256                    | 260                    |
| Housing Allowances  |     |                 |                 |                 |                      | -               | -                  |   |                        |                        |
| Other benefits and allowances                                 |     | 379             | 516             | 363             | 1 270                | 1 270           | 1 270              | 61  | 62                     | 64                     |
| <b>Sub Total - Councillors</b>                                |     | <b>3 800</b>    | <b>4 930</b>    | <b>5 124</b>    | <b>5 231</b>         | <b>5 117</b>    | <b>5 117</b>       | <b>5 301</b>  | <b>5 390</b>           | <b>5 480</b>           |
| <b>% increase</b>   | 4   |                 | <b>29.7%</b>    | <b>3.9%</b>     | <b>2.1%</b>          | <b>(2.2%)</b>   | <b>-</b>           | <b>3.6%</b>   | <b>1.7%</b>            | <b>1.7%</b>            |
| <b>Senior Managers of the Municipality</b>                    | 2   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     | 2 092           | 2 462           | 3 589           | 4 326                | 4 326           | 4 326              | 3 693   | 3 755                  | 3 818                  |
| Pension and UIF Contributions                                 |     | 87              | 54              | 49              | 18                   | 18              | 18                 | 9   | 10                     | 10                     |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     | 75              | 22              | 502             | 614                  | 614             | 614                |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   | 295             | 308             | 231             |                      |                 |                    | 662   | 674                    | 685                    |
| Cellphone Allowance   | 3   |                 |                 | 30              | 25                   | 25              | 25                 | 31  | 32                     | 32                     |
| Housing Allowances  | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 | 188             |                 | 400                  | 400             | 400                | 85  | 87                     | 88                     |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Senior Managers of Municipality</b>            |     | <b>2 549</b>    | <b>3 034</b>    | <b>4 401</b>    | <b>5 383</b>         | <b>5 383</b>    | <b>5 383</b>       | <b>4 482</b>  | <b>4 557</b>           | <b>4 633</b>           |
| <b>% increase</b>   | 4   |                 | <b>19.0%</b>    | <b>45.1%</b>    | <b>22.3%</b>         | <b>-</b>        | <b>-</b>           | <b>(16.8%)</b>                                      | <b>1.7%</b>            | <b>1.7%</b>            |
| <b>Other Municipal Staff</b>                                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     | 15 768          | 20 986          | 24 453          | 35 170               | 31 804          | 31 804             | 33 649  | 34 280                 | 34 786                 |
| Pension and UIF Contributions                                 |     | 1 421           | 4 544           | 3 730           | 949                  | 3 103           | 3 103              | 3 408   | 3 466                  | 3 523                  |
| Medical Aid Contributions                                     |     | 2 459           |                 | 1 363           | 1 321                | 1 813           | 1 813              | 1 841   | 1 873                  | 1 904                  |
| Overtime  |     | 1 180           | 1 354           | 630             | 645                  | 1 970           | 1 970              | 2 001   | 2 035                  | 2 069                  |
| Performance Bonus   |     | 1 112           |                 | 1 483           |                      | -               | -                  |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   |                 | -               | 160             |                      | -               | -                  | 359   | 365                    | 371                    |
| Cellphone Allowance   | 3   |                 |                 | 317             | 153                  | 222             | 222                | 56  | 56                     | 57                     |
| Housing Allowances  | 3   |                 |                 | 146             | 115                  | 176             | 176                | 178   | 181                    | 184                    |
| Other benefits and allowances                                 | 3   | 1 406           | 1 654           | 510             | 4 352                | 1 384           | 1 384              | 1 320   | 1 342                  | 1 365                  |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     | 64              | 208             | 4               | 75                   | 75              | 75                 |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 | 169             |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Other Municipal Staff</b>                      |     | <b>23 411</b>   | <b>28 915</b>   | <b>32 797</b>   | <b>42 780</b>        | <b>40 546</b>   | <b>40 546</b>      | <b>42 813</b>                                       | <b>43 599</b>          | <b>44 259</b>          |
| <b>% increase</b>   | 4   |                 | <b>23.5%</b>    | <b>13.4%</b>    | <b>30.4%</b>         | <b>(5.2%)</b>   | <b>-</b>           | <b>5.6%</b>   | <b>1.8%</b>            | <b>1.5%</b>            |
| <b>Total Parent Municipality</b>                              |     | <b>29 760</b>   | <b>36 879</b>   | <b>42 322</b>   | <b>53 395</b>        | <b>51 047</b>   | <b>51 047</b>      | <b>52 595</b>                                       | <b>53 546</b>          | <b>54 372</b>          |



**Table 25 – SA24: Summary of personnel numbers**

| Summary of Personnel Numbers<br>Number                        | Ref   | 2013/14    |                     |                    | Current Year 2014/15 |                     |                    | Budget Year 2015/16 |                     |                    |
|---|-------|------------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
|   |       | 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) |       | 16         | 16                  | –                  | 16                   | 16                  | –                  | 16                  | 16                  | –                  |
| Board Members of municipal entities                           | 4     | –          | –                   | –                  | –                    | –                   | –                  | –                   | –                   | –                  |
| <b>Municipal employees</b>                                    | 5     |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Municipal Manager and Senior Managers                         | 3     | 5          |                     | 5                  | 5                    |                     | 5                  | 5                   |                     | 5                  |
| Other Managers  | 7     | 4          | 1                   | 3                  | 4                    | 3                   | 1                  | 4                   | 3                   | 1                  |
| Professionals   |       | 11         | 9                   | 9                  | 12                   | 11                  | 2                  | 12                  | 11                  | 2                  |
| Finance   |       | 5          | 3                   | 2                  | 5                    | 4                   | 1                  | 5                   | 4                   | 1                  |
| Spatial/town planning   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Information Technology  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Roads   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Electricity   |       | 1          | 1                   | 1                  | 1                    | 1                   | 1                  | 1                   | 1                   | 1                  |
| Water   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Sanitation  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Refuse  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Other   |       | 5          | 5                   | 6                  | 6                    | 6                   |                    | 6                   | 6                   |                    |
| Technicians   |       | 24         | 19                  | 5                  | 28                   | 19                  | 5                  | 28                  | 22                  | 5                  |
| Finance   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Spatial/town planning   |       | 1          | 1                   | –                  | 1                    | 1                   | –                  | 1                   | 1                   | –                  |
| Information Technology  |       | 1          |                     | 1                  | 1                    |                     | 1                  | 1                   |                     | 1                  |
| Roads   |       | 2          | 2                   |                    | 2                    | 2                   |                    | 2                   | 2                   |                    |
| Electricity   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Water   |       | 2          |                     | 2                  | 2                    |                     | 2                  | 2                   |                     | 2                  |
| Sanitation  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Refuse  |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Other   |       | 18         | 16                  | 2                  | 22                   | 16                  | 2                  | 22                  | 19                  | 2                  |
| Clerks (Clerical and administrative)                          |       | 47         | 41                  | 6                  | 47                   | 44                  | 3                  | 47                  | 44                  | 3                  |
| Service and sales workers                                     |       | 9          | 9                   |                    | 9                    | 9                   |                    | 9                   | 9                   |                    |
| Skilled agricultural and fishery workers                      |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Craft and related trades                                      |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Plant and Machine Operators                                   |       | 9          | 9                   |                    | 9                    | 9                   |                    | 9                   | 9                   |                    |
| Elementary Occupations  |       | 92         | 92                  | 10                 | 92                   | 92                  | 10                 | 92                  | 92                  | 10                 |
| <b>TOTAL PERSONNEL NUMBERS</b>                                | 9     | <b>217</b> | <b>196</b>          | <b>38</b>          | <b>222</b>           | <b>203</b>          | <b>26</b>          | <b>222</b>          | <b>206</b>          | <b>26</b>          |
| % increase  |       |            |                     |                    | 2.3%                 | 3.6%                | (31.6%)            | –                   | 1.5%                | –                  |
| <b>Total municipal employees headcount</b>                    | 6, 10 |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Finance personnel headcount                                   | 8, 10 |            | 31                  | 2                  | 31                   | 31                  | 2                  | 31                  | 31                  | 2                  |
| Human Resources personnel headcount                           | 8, 10 |            | 3                   | 2                  | 5                    | 3                   | 2                  | 5                   | 3                   | 2                  |

## Monthly targets for revenue, expenditure and cash flow

**Table 26 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type**

| Description  | Ref      | Budget Year 2015/16 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|--|----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|
|  |          | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue By Source</b>   |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Property rates   |          | 1 065               | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 12 781  | 12 967                 | 13 145                 |
| Property rates - penalties & collection charges                      |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| Service charges - electricity revenue                                |          | 1 674               | 1 674         | 1 674         | 1 674         | 1 674         | 1 674         | 1 674         | 1 674         | 1 674         | 1 674         | 1 674         | 1 674         | 20 089  | 22 722                 | 25 680                 |
| Service charges - water revenue                                      |          | 635                 | 635           | 635           | 635           | 635           | 635           | 635           | 635           | 635           | 635           | 635           | 635           | 7 624   | 7 733                  | 7 835                  |
| Service charges - sanitation revenue                                 |          | 173                 | 173           | 173           | 173           | 173           | 173           | 173           | 173           | 173           | 173           | 173           | 173           | 2 081   | 2 110                  | 2 137                  |
| Service charges - refuse revenue                                     |          | 384                 | 384           | 384           | 384           | 384           | 384           | 384           | 384           | 384           | 384           | 384           | 384           | 4 608   | 4 674                  | 4 735                  |
| Service charges - other  |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| Rental of facilities and equipment                                   |          | 10                  | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 121   | 123                    | 125                    |
| Interest earned - external investments                               |          | 15                  | 15            | 15            | 15            | 15            | 15            | 15            | 15            | 15            | 15            | 15            | 15            | 186   | 189                    | 192                    |
| Interest earned - outstanding debtors                                |          | 593                 | 593           | 593           | 593           | 593           | 593           | 593           | 593           | 593           | 593           | 593           | 593           | 7 111   | 7 224                  | 7 336                  |
| Dividends received   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| Fines  |          | 51                  | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 609   | 619                    | 629                    |
| Licences and permits   |          | 109                 | 109           | 109           | 109           | 109           | 109           | 109           | 109           | 109           | 109           | 109           | 109           | 1 302   | 1 323                  | 1 344                  |
| Agency services  |          | 114                 | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 1 363   | 1 384                  | 1 462                  |
| Transfers recognised - operational                                   |          | 5 151               | 5 151         | 5 151         | 5 151         | 5 151         | 5 151         | 5 151         | 5 151         | 5 151         | 5 151         | 5 151         | 5 151         | 61 809  | 66 578                 | 70 740                 |
| Other revenue  |          | 1 890               | 1 890         | 1 890         | 1 890         | 1 890         | 1 890         | 1 890         | 1 890         | 1 890         | 1 890         | 1 890         | 1 890         | 22 678  | 7 090                  | 7 252                  |
| Gains on disposal of PPE   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |          | <b>11 863</b>       | <b>11 863</b> | <b>11 863</b> | <b>11 863</b> | <b>11 863</b> | <b>11 863</b> | <b>11 863</b> | <b>11 863</b> | <b>11 863</b> | <b>11 863</b> | <b>11 863</b> | <b>11 863</b> | <b>142 362</b>                                | <b>134 736</b>         | <b>142 612</b>         |
| <b>Expenditure By Type</b>   |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Employee related costs   |          | 3 941               | 3 941         | 3 941         | 3 941         | 3 941         | 3 941         | 3 941         | 3 941         | 3 941         | 3 941         | 3 941         | 3 941         | 47 294  | 48 094                 | 48 892                 |
| Remuneration of councillors  |          | 442                 | 442           | 442           | 442           | 442           | 442           | 442           | 442           | 442           | 442           | 442           | 442           | 5 301   | 5 390                  | 5 480                  |
| Debt impairment  |          | 1 573               | 1 573         | 1 573         | 1 573         | 1 573         | 1 573         | 1 573         | 1 573         | 1 573         | 1 573         | 1 573         | 1 573         | 18 873  | 20 082                 | 21 413                 |
| Depreciation & asset impairment                                      |          | 1 458               | 1 458         | 1 458         | 1 458         | 1 458         | 1 458         | 1 458         | 1 458         | 1 458         | 1 458         | 1 458         | 1 458         | 17 500  | 17 500                 | 17 500                 |
| Finance charges  |          | 88                  | 88            | 88            | 88            | 88            | 88            | 88            | 88            | 88            | 88            | 88            | 88            | 1 054   | 1 071                  | 1 087                  |
| Bulk purchases   |          | 1 587               | 1 587         | 1 587         | 1 587         | 1 587         | 1 587         | 1 587         | 1 587         | 1 587         | 1 587         | 1 587         | 1 587         | 19 047  | 21 759                 | 24 857                 |
| Other materials  |          | 591                 | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 7 097   | 7 210                  | 7 322                  |
| Contracted services  |          | 163                 | 163           | 163           | 163           | 163           | 163           | 163           | 163           | 163           | 163           | 163           | 163           | 1 951   | 1 982                  | 2 013                  |
| Transfers and grants   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| Other expenditure  |          | 3 425               | 3 425         | 3 425         | 3 425         | 3 425         | 3 425         | 3 425         | 3 425         | 3 425         | 3 425         | 3 425         | 3 425         | 41 101  | 39 315                 | 40 048                 |
| Loss on disposal of PPE  |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| <b>Total Expenditure</b>   |          | <b>13 268</b>       | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>159 218</b>                                | <b>162 403</b>         | <b>168 612</b>         |
| <b>Surplus/(Deficit)</b>   |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Transfers recognised - capital                                       |          | (1 405)             | (1 405)       | (1 405)       | (1 405)       | (1 405)       | (1 405)       | (1 405)       | (1 405)       | (1 405)       | (1 405)       | (1 405)       | (1 405)       | (16 856)                                      | (27 667)               | (28 001)               |
| Contributions recognised - capital                                   |          | 1 968               | 1 968         | 1 968         | 1 968         | 1 968         | 1 968         | 1 968         | 1 968         | 1 968         | 1 968         | 1 968         | 1 968         | 23 620  | 24 434                 | 25 655                 |
| Contributed assets   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |          | <b>564</b>          | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>6 764</b>                                  | <b>(3 233)</b>         | <b>(346)</b>           |
| Taxation   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| Attributable to minorities   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| Share of surplus/ (deficit) of associate                             |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| <b>Surplus/(Deficit)</b>   | <b>1</b> | <b>564</b>          | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>6 764</b>                                  | <b>(3 233)</b>         | <b>(346)</b>           |

**Table 27 – SA26: Budgeted monthly revenue and expenditure by municipal vote**

| Description                                   | Ref      | Budget Year 2015/16 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|
|   |          | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue by Vote</b>                        |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Vote 1 - Executive Council                    |          | 241                 | 241           | 241           | 241           | 241           | 241           | 241           | 241           | 241           | 241           | 241           | 241           | 2 890   | 3 022                  | 3 157                  |
| Vote 2 - Municipal Manager                    |          | 350                 | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 4 204   | 4 714                  | 5 015                  |
| Vote 3 - Budget & Treasury                    |          | 3 049               | 3 049         | 3 049         | 3 049         | 3 049         | 3 049         | 3 049         | 3 049         | 3 049         | 3 049         | 3 049         | 3 049         | 36 586  | 21 320                 | 22 044                 |
| Vote 4 - Corporate Service                    |          | 19                  | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 227   | 228                    | 229                    |
| Vote 5 - Community Services                   |          | 2 671               | 2 671         | 2 671         | 2 671         | 2 671         | 2 671         | 2 671         | 2 671         | 2 671         | 2 671         | 2 671         | 2 671         | 32 051  | 34 435                 | 36 028                 |
| Vote 6 - Technical Services                   |          | 7 502               | 7 502         | 7 502         | 7 502         | 7 502         | 7 502         | 7 502         | 7 502         | 7 502         | 7 502         | 7 502         | 7 502         | 90 025  | 95 451                 | 101 796                |
| 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>13 832</b>       | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>165 982</b>                                | <b>159 170</b>         | <b>168 266</b>         |
| <b>Expenditure by Vote to be appropriated</b> |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Vote 1 - Executive Council                    |          | 572                 | 572           | 572           | 572           | 572           | 572           | 572           | 572           | 572           | 572           | 572           | 572           | 6 858   | 6 973                  | 7 087                  |
| Vote 2 - Municipal Manager                    |          | 587                 | 587           | 587           | 587           | 587           | 587           | 587           | 587           | 587           | 587           | 587           | 587           | 7 040   | 6 800                  | 6 911                  |
| Vote 3 - Budget & Treasury                    |          | 5 586               | 5 586         | 5 586         | 5 586         | 5 586         | 5 586         | 5 586         | 5 586         | 5 586         | 5 586         | 5 586         | 5 586         | 67 037  | 68 679                 | 70 565                 |
| Vote 4 - Corporate Service                    |          | 1 005               | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 12 060  | 12 256                 | 12 452                 |
| Vote 5 - Community Services                   |          | 1 812               | 1 812         | 1 812         | 1 812         | 1 812         | 1 812         | 1 812         | 1 812         | 1 812         | 1 812         | 1 812         | 1 812         | 21 743  | 22 105                 | 22 466                 |
| Vote 6 - Technical Services                   |          | 3 707               | 3 707         | 3 707         | 3 707         | 3 707         | 3 707         | 3 707         | 3 707         | 3 707         | 3 707         | 3 707         | 3 707         | 44 480  | 45 589                 | 49 130                 |
| 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>13 268</b>       | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>159 218</b>                                | <b>162 403</b>         | <b>168 612</b>         |
| <b>Surplus/(Deficit) before assoc.</b>        |          | <b>564</b>          | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>6 764</b>                                  | <b>(3 233)</b>         | <b>(346)</b>           |
| Taxation                                      |          |                     |               |               |               |               |               |               |               |               |               |               |               | -   | -                      | -                      |
| Attributable to minorities                    |          |                     |               |               |               |               |               |               |               |               |               |               |               | -   | -                      | -                      |
| Share of surplus/ (deficit) of associate      |          |                     |               |               |               |               |               |               |               |               |               |               |               | -   | -                      | -                      |
| <b>Surplus/(Deficit)</b>                      | <b>1</b> | <b>564</b>          | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>6 764</b>                                  | <b>(3 233)</b>         | <b>(346)</b>           |

**Table 28 – SA27: Budgeted monthly revenue and expenditure by standard classification**

| Description                                | Ref      | Budget Year 2015/16 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |        |
|--|----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|--------|
|  |          | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |        |
| <b>Revenue - Standard</b>                  |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |        |
| <i>Governance and administration</i>       |          | 3 655               | 3 655         | 3 655         | 3 655         | 3 655         | 3 655         | 3 655         | 3 655         | 3 655         | 3 655         | 3 655         | 3 655         | 3 655   | 43 854                 | 29 231                 | 30 391 |
| Executive and council                      |          | 591                 | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 591           | 591   | 7 094                  | 7 736                  | 8 172  |
| Budget and treasury office                 |          | 3 044               | 3 044         | 3 044         | 3 044         | 3 044         | 3 044         | 3 044         | 3 044         | 3 044         | 3 044         | 3 044         | 3 044         | 3 044   | 36 534                 | 21 267                 | 21 990 |
| Corporate services                         |          | 19                  | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 19            | 19  | 227                    | 228                    | 229    |
| <i>Community and public safety</i>         |          | 1 065               | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 1 065         | 12 780  | 13 703                 | 14 385                 |        |
| Community and social services              |          | 683                 | 683           | 683           | 683           | 683           | 683           | 683           | 683           | 683           | 683           | 683           | 683           | 683   | 8 193                  | 8 982                  | 9 467  |
| Sport and recreation                       |          | 300                 | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 3 604   | 3 728                  | 3 914                  |        |
| Public safety                              |          | 82                  | 82            | 82            | 82            | 82            | 82            | 82            | 82            | 82            | 82            | 82            | 82            | 984   | 994                    | 1 003                  |        |
| Housing                                    |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      | -      |
| Health                                     |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      | -      |
| <i>Economic and environmental services</i> |          | 1 831               | 1 831         | 1 831         | 1 831         | 1 831         | 1 831         | 1 831         | 1 831         | 1 831         | 1 831         | 1 831         | 1 831         | 21 973  | 21 731                 | 22 849                 |        |
| Planning and development                   |          | 189                 | 189           | 189           | 189           | 189           | 189           | 189           | 189           | 189           | 189           | 189           | 189           | 2 266   | 1 309                  | 1 374                  |        |
| Road transport                             |          | 1 535               | 1 535         | 1 535         | 1 535         | 1 535         | 1 535         | 1 535         | 1 535         | 1 535         | 1 535         | 1 535         | 1 535         | 18 419  | 19 004                 | 19 917                 |        |
| Environmental protection                   |          | 107                 | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 1 288   | 1 417                  | 1 558                  |        |
| <i>Trading services</i>                    |          | 7 281               | 7 281         | 7 281         | 7 281         | 7 281         | 7 281         | 7 281         | 7 281         | 7 281         | 7 281         | 7 281         | 7 281         | 87 374  | 94 505                 | 100 642                |        |
| Electricity                                |          | 2 662               | 2 662         | 2 662         | 2 662         | 2 662         | 2 662         | 2 662         | 2 662         | 2 662         | 2 662         | 2 662         | 2 662         | 31 942  | 34 283                 | 37 851                 |        |
| Water                                      |          | 1 946               | 1 946         | 1 946         | 1 946         | 1 946         | 1 946         | 1 946         | 1 946         | 1 946         | 1 946         | 1 946         | 1 946         | 23 351  | 25 271                 | 26 272                 |        |
| Waste water management                     |          | 1 395               | 1 395         | 1 395         | 1 395         | 1 395         | 1 395         | 1 395         | 1 395         | 1 395         | 1 395         | 1 395         | 1 395         | 16 734  | 18 314                 | 19 212                 |        |
| Waste management                           |          | 1 279               | 1 279         | 1 279         | 1 279         | 1 279         | 1 279         | 1 279         | 1 279         | 1 279         | 1 279         | 1 279         | 1 279         | 15 346  | 16 637                 | 17 307                 |        |
| <i>Other</i>                               |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      | -      |
| <b>Total Revenue - Standard</b>            |          | <b>13 832</b>       | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>13 832</b> | <b>165 982</b>                                | <b>159 170</b>         | <b>168 266</b>         |        |
| <b>Expenditure - Standard</b>              |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |        |
| <i>Governance and administration</i>       |          | 7 540               | 7 540         | 7 540         | 7 540         | 7 540         | 7 540         | 7 540         | 7 540         | 7 540         | 7 540         | 7 540         | 7 540         | 90 474  | 92 502                 | 94 772                 |        |
| Executive and council                      |          | 974                 | 974           | 974           | 974           | 974           | 974           | 974           | 974           | 974           | 974           | 974           | 974           | 11 688  | 11 883                 | 12 077                 |        |
| Budget and treasury office                 |          | 5 561               | 5 561         | 5 561         | 5 561         | 5 561         | 5 561         | 5 561         | 5 561         | 5 561         | 5 561         | 5 561         | 5 561         | 66 726  | 68 363                 | 70 243                 |        |
| Corporate services                         |          | 1 005               | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 1 005         | 12 060  | 12 256                 | 12 452                 |        |
| <i>Community and public safety</i>         |          | 1 367               | 1 367         | 1 367         | 1 367         | 1 367         | 1 367         | 1 367         | 1 367         | 1 367         | 1 367         | 1 367         | 1 367         | 16 403  | 16 676                 | 16 949                 |        |
| Community and social services              |          | 649                 | 649           | 649           | 649           | 649           | 649           | 649           | 649           | 649           | 649           | 649           | 649           | 7 786   | 7 915                  | 8 044                  |        |
| Sport and recreation                       |          | 12                  | 12            | 12            | 12            | 12            | 12            | 12            | 12            | 12            | 12            | 12            | 12            | 147   | 150                    | 152                    |        |
| Public safety                              |          | 655                 | 655           | 655           | 655           | 655           | 655           | 655           | 655           | 655           | 655           | 655           | 655           | 7 859   | 7 991                  | 8 123                  |        |
| Housing                                    |          | 51                  | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 51            | 610   | 620                    | 630                    |        |
| Health                                     |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |        |
| <i>Economic and environmental services</i> |          | 1 263               | 1 263         | 1 263         | 1 263         | 1 263         | 1 263         | 1 263         | 1 263         | 1 263         | 1 263         | 1 263         | 1 263         | 15 151  | 13 026                 | 13 297                 |        |
| Planning and development                   |          | 846                 | 846           | 846           | 846           | 846           | 846           | 846           | 846           | 846           | 846           | 846           | 846           | 10 151  | 7 943                  | 8 131                  |        |
| Road transport                             |          | 333                 | 333           | 333           | 333           | 333           | 333           | 333           | 333           | 333           | 333           | 333           | 333           | 3 995   | 4 061                  | 4 127                  |        |
| Environmental protection                   |          | 84                  | 84            | 84            | 84            | 84            | 84            | 84            | 84            | 84            | 84            | 84            | 84            | 1 005   | 1 022                  | 1 038                  |        |
| <i>Trading services</i>                    |          | 3 099               | 3 099         | 3 099         | 3 099         | 3 099         | 3 099         | 3 099         | 3 099         | 3 099         | 3 099         | 3 099         | 3 099         | 37 190  | 40 199                 | 43 594                 |        |
| Electricity                                |          | 1 408               | 1 408         | 1 408         | 1 408         | 1 408         | 1 408         | 1 408         | 1 408         | 1 408         | 1 408         | 1 408         | 1 408         | 16 901  | 19 133                 | 21 680                 |        |
| Water                                      |          | 679                 | 679           | 679           | 679           | 679           | 679           | 679           | 679           | 679           | 679           | 679           | 679           | 8 143   | 8 722                  | 9 372                  |        |
| Waste water management                     |          | 770                 | 770           | 770           | 770           | 770           | 770           | 770           | 770           | 770           | 770           | 770           | 770           | 9 240   | 9 390                  | 9 540                  |        |
| Waste management                           |          | 242                 | 242           | 242           | 242           | 242           | 242           | 242           | 242           | 242           | 242           | 242           | 242           | 2 905   | 2 954                  | 3 002                  |        |
| <i>Other</i>                               |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |        |
| <b>Total Expenditure - Standard</b>        |          | <b>13 268</b>       | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>13 268</b> | <b>159 218</b>                                | <b>162 403</b>         | <b>168 612</b>         |        |
| Surplus/(Deficit) before assoc.            |          | 564                 | 564           | 564           | 564           | 564           | 564           | 564           | 564           | 564           | 564           | 564           | 564           | 6 764   | (3 233)                | (346)                  |        |
| Share of surplus/ (deficit) of associate   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |        |
| <b>Surplus/(Deficit)</b>                   | <b>1</b> | <b>564</b>          | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>564</b>    | <b>6 764</b>                                  | <b>(3 233)</b>         | <b>(346)</b>           |        |



**Table 29 – SA28: Budgeted monthly capital expenditure by municipal vote**

| Description                                       | Ref | Budget Year 2015/16 |        |       |         |       |       |         |       |       |       |       |       | Medium Term Revenue and Expenditure Framework |                        |                        |        |
|---|-----|---------------------|--------|-------|---------|-------|-------|---------|-------|-------|-------|-------|-------|---|------------------------|------------------------|--------|
|   |     | July                | August | Sept. | October | Nov.  | Dec.  | January | Feb.  | March | April | May   | June  | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |        |
| <b>Multi-year expenditure to be appropriated</b>  | 1   |                     |        |       |         |       |       |         |       |       |       |       |       |   |                        |                        |        |
| 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>   | 2   | -                   | -      | -     | -       | -     | -     | -       | -     | -     | -     | -     | -     | -   | -                      | -                      | -      |
| <b>Single-year expenditure to be appropriated</b> |     |                     |        |       |         |       |       |         |       |       |       |       |       |   |                        |                        |        |
| Vote 1 - Executive Council                        |     | 8                   | 8      | 8     | 8       | 8     | 8     | 8       | 8     | 8     | 8     | 8     | 8     | 8   | 100                    | -                      | -      |
| Vote 2 - Municipal Manager                        |     | 1 115               | 1 115  | 1 115 | 1 115   | 1 115 | 1 115 | 1 115   | 1 115 | 1 115 | 1 115 | 1 115 | 1 115 | 1 115   | 13 382                 | -                      | -      |
| Vote 3 - Budget & Treasury                        |     | 132                 | 132    | 132   | 132     | 132   | 132   | 132     | 132   | 132   | 132   | 132   | 132   | 132   | 1 588                  | -                      | -      |
| Vote 4 - Corporate Service                        |     | 161                 | 161    | 161   | 161     | 161   | 161   | 161     | 161   | 161   | 161   | 161   | 161   | 161   | 1 930                  | -                      | -      |
| Vote 5 - Community Services                       |     | 439                 | 439    | 439   | 439     | 439   | 439   | 439     | 439   | 439   | 439   | 439   | 439   | 439   | 5 267                  | 4 394                  | 4 613  |
| Vote 6 - Technical Services                       |     | 1 900               | 1 900  | 1 900 | 1 900   | 1 900 | 1 900 | 1 900   | 1 900 | 1 900 | 1 900 | 1 900 | 1 900 | 1 900   | 22 796                 | 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>  | 2   | 3 755               | 3 755  | 3 755 | 3 755   | 3 755 | 3 755 | 3 755   | 3 755 | 3 755 | 3 755 | 3 755 | 3 755 | 3 755   | 45 064                 | 24 434                 | 25 655 |
| <b>Total Capital Expenditure</b>                  | 2   | 3 755               | 3 755  | 3 755 | 3 755   | 3 755 | 3 755 | 3 755   | 3 755 | 3 755 | 3 755 | 3 755 | 3 755 | 3 755   | 45 064                 | 24 434                 | 25 655 |

**Table 30 – SA29: Budgeted monthly capital expenditure by standard classification**

| Description                                 | Ref | Budget Year 2015/16 |        |       |         |       |       |         |       |       |       |       |         | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|-------|---------|-------|-------|---------|-------|-------|-------|-------|---------|---|------------------------|------------------------|
|   |     | July                | August | Sept. | October | Nov.  | Dec.  | January | Feb.  | March | April | May   | June    | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Capital Expenditure - Standard</b>       | 1   |                     |        |       |         |       |       |         |       |       |       |       |         |   |                        |                        |
| <i>Governance and administration</i>        |     | 175                 | 800    | 50    | 175     | 25    | 50    | 175     | 25    | 175   | 25    | 25    | 15 300  | 17 000  | -                      | -                      |
| Executive and council                       |     |                     |        |       |         |       |       |         |       |       |       |       | 13 482  | 13 482  | -                      | -                      |
| Budget and treasury office                  |     | 150                 |        |       | 150     |       |       | 150     |       | 150   |       |       | 988     | 1 588   | -                      | -                      |
| Corporate services                          |     | 25                  | 800    | 50    | 25      | 25    | 50    | 25      | 25    | 25    | 25    |       | 830     | 1 930   | -                      | -                      |
| <i>Community and public safety</i>          |     | 300                 | 300    | 300   | 300     | 300   | 300   | 300     | 300   | 300   | 300   | 300   | 1 964   | 5 267   | 4 394                  | 4 613                  |
| Community and social services               |     |                     |        |       |         |       |       |         |       |       |       |       | 1 254   | 1 254   | 666                    | 699                    |
| Sport and recreation                        |     | 300                 | 300    | 300   | 300     | 300   | 300   | 300     | 300   | 300   | 300   | 300   | 300     | 3 604   | 3 728                  | 3 914                  |
| Public safety                               |     |                     |        |       |         |       |       |         |       |       |       |       | 410     | 410   | -                      | -                      |
| Housing                                     |     |                     |        |       |         |       |       |         |       |       |       |       | -       | -   | -                      | -                      |
| Health                                      |     |                     |        |       |         |       |       |         |       |       |       |       | -       | -   | -                      | -                      |
| <i>Economic and environmental services</i>  |     | 1 313               | 1 313  | 1 313 | 1 313   | 1 313 | 1 313 | 1 313   | 1 313 | 1 313 | 1 313 | 1 313 | 1 313   | 15 754  | 16 297                 | 17 111                 |
| Planning and development                    |     |                     |        |       |         |       |       |         |       |       |       |       | -       | -   | -                      | -                      |
| Road transport                              |     | 1 313               | 1 313  | 1 313 | 1 313   | 1 313 | 1 313 | 1 313   | 1 313 | 1 313 | 1 313 | 1 313 | 1 313   | 15 754  | 16 297                 | 17 111                 |
| Environmental protection                    |     |                     |        |       |         |       |       |         |       |       |       |       | -       | -   | -                      | -                      |
| <i>Trading services</i>                     |     | 302                 | 302    | 302   | 302     | 302   | 302   | 302     | 302   | 302   | 302   | 302   | 302     | 3 619   | 3 744                  | 3 931                  |
| Electricity                                 |     | 34                  | 34     | 34    | 34      | 34    | 34    | 34      | 34    | 34    | 34    | 34    | 34      | 412   | 426                    | 447                    |
| Water                                       |     |                     |        |       |         |       |       |         |       |       |       |       | -       | -   | -                      | -                      |
| Waste water management                      |     | 267                 | 267    | 267   | 267     | 267   | 267   | 267     | 267   | 267   | 267   | 267   | 267     | 3 207   | 3 317                  | 3 483                  |
| Waste management                            |     | -                   | -      | -     | -       | -     | -     | -       | -     | -     | -     | -     | -       | -   | -                      | -                      |
| <i>Other</i>                                |     |                     |        |       |         |       |       |         |       |       |       |       | 3 424   | 3 424   | -                      | -                      |
| <b>Total Capital Expenditure - Standard</b> | 2   | 2 090               | 2 715  | 1 965 | 2 090   | 1 940 | 1 965 | 2 090   | 1 940 | 2 090 | 1 940 | 1 940 | 22 302  | 45 064  | 24 434                 | 25 655                 |
| <b>Funded by:</b>                           |     |                     |        |       |         |       |       |         |       |       |       |       |         |   |                        |                        |
| National Government                         |     | 7 873               |        |       |         | 7 873 |       |         |       | 7 874 |       |       | -       | 23 620  | 24 434                 | 25 655                 |
| Provincial Government                       |     |                     | 10     |       |         |       |       |         |       |       |       |       | (10)    | -   | -                      | -                      |
| District Municipality                       |     |                     |        |       |         |       |       |         |       |       |       |       | -       | -   | -                      | -                      |
| Other transfers and grants                  |     |                     |        | 2 694 |         |       |       |         |       |       |       |       | (2 694) | -   | -                      | -                      |
| <b>Transfers recognised - capital</b>       |     | 7 873               | 10     | 2 694 | -       | 7 873 | -     | -       | -     | 7 874 | -     | -     | (2 704) | 23 620  | 24 434                 | 25 655                 |
| <b>Public contributions &amp; donations</b> |     |                     |        |       |         |       |       |         |       |       |       |       | -       | -   | -                      | -                      |
| <b>Borrowing</b>                            |     |                     |        |       |         |       |       |         |       |       |       |       | -       | -   | -                      | -                      |
| <b>Internally generated funds</b>           |     | 1 000               |        |       | 1 000   | 1 000 |       | 1 000   |       |       | 1 000 |       | 16 444  | 21 444  | -                      | -                      |
| <b>Total Capital Funding</b>                |     | 8 873               | 10     | 2 694 | 1 000   | 8 873 | -     | 1 000   | -     | 7 874 | 1 000 | -     | 13 740  | 45 064  | 24 434                 | 25 655                 |

**Table 31 – SA30: Budgeted monthly cash flow**

| MONTHLY CASH FLOWS                                      | Budget Year 2015/16 |                |                |                |               |                 |                 |                |               |                |                |                 | Medium Term Revenue and Expenditure Framework |                     |                        |                        |
|---|---------------------|----------------|----------------|----------------|---------------|-----------------|-----------------|----------------|---------------|----------------|----------------|-----------------|---|---------------------|------------------------|------------------------|
|   | R thousand          | July           | August         | Sept.          | October       | November        | December        | January        | February      | March          | April          | May             | June  | Budget Year 2015/16 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Cash Receipts By Source</b>                          |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   | 1                   |                        |                        |
| Property rates  | 1 184 425           | 1 184 425      | 1 184 425      | 1 184 425      | 1 184 425     | 1 184 425       | 1 184 425       | 1 184 425      | 1 184 425     | 1 184 425      | 1 184 425      | 1 184 425       | 1 184   | 14 213              | 15 052                 | 15 895                 |
| Property rates - penalties & collection charges         | 0                   | 0              | 0              | 0              | 0             | 0               | 0               | 0              | 0             | 0              | 0              | 0               | 0   | 0                   | 0                      | 0                      |
| Service charges - electricity revenue                   | 1 021 289           | 999 291        | 183 172        | 33 651         | 650 000       | 687 000         | 876 258         | 525 799        | 759 153       | 853 518        | 941 813        | 1 999           | 9 530   | 10 092              | 10 657                 |                        |
| Service charges - water revenue                         | 297 864             | 239 614        | 239 611        | 254 000        | 158 685       | 6 393           | 269 847         | 235 118        | 259 141       | 220 574        | 226 951        | 235             | 2 643   | 2 799               | 2 955                  |                        |
| Service charges - sanitation revenue                    | 43 564              | 38 433         | 26 322         | 11 361         | 12 548        | 27 054          | 0               | 48 202         | 45 644        | 35 582         | 37 567         | 33              | 360   | 381                 | 402                    |                        |
| Service charges - refuse revenue                        | 75 112              | 75 413         | 50 658         | 36 975         | 0             | 59 616          | 0               | 64 696         | 105 517       | 267 057        | 50 042         | 60              | 845   | 895                 | 945                    |                        |
| Service charges - other                                 | 0                   | 0              | 0              | 0              | 0             | 0               | 0               | 0              | 0             | 0              | 0              | 0               | 0   | 0                   | 0                      | 0                      |
| Rental of facilities and equipment                      | 11 318              | 11 985         | 13 793         | 10 299         | 11 553        | 0               | 5 658           | 4 490          | 0             | 7 396          | 16 559         | 9               | 102   | 108                 | 114                    |                        |
| Interest earned - external investments                  | 706 430             | 741 957        | 0              | 0              | 0             | 0               | 0               | 748 550        | 0             | 468 788        | 0              | 0               | 2 666   | 2 823               | 2 981                  |                        |
| Interest earned - outstanding debtors                   | 90 911              | 90 911         | 90 911         | 90 911         | 90 911        | 90 911          | 90 911          | 90 911         | 90 911        | 90 911         | 90 911         | 91              | 1 091   | 1 155               | 1 220                  |                        |
| Dividends received                                      | 0                   | 0              | 0              | 0              | 0             | 0               | 0               | 0              | 0             | 0              | 0              | 0               | 0   | 0                   | 0                      | 0                      |
| Fines   | 60 539              | 31 185         | 2 252          | 0              | 68 746        | 12 173          | 16 529          | 49 319         | 41 190        | 53 942         | 54 593         | 52              | 442   | 468                 | 495                    |                        |
| Licences and permits                                    | 739                 | 0              | 139            | 29 785         | 0             | 0               | 0               | 79             | 236           | 463            | 453            | 1               | 32  | 34                  | 36                     |                        |
| Agency services   | 0                   | 122 676        | 38 446         | 123 586        | 182 230       | 142 989         | 57 555          | 0              | 27 863        | 131 945        | 158 668        | 190             | 1 176   | 1 245               | 1 315                  |                        |
| Transfer receipts - operational                         | 18 593 000          | 2 609 000      | 721 750        | 375 000        | 18 394 000    | 621 750         | 1 157 000       | 0              | 19 016        | 0              | 322            | (0)             | 61 809  | 66 578              | 72 457                 |                        |
| Other revenue   | 14 000 000          | 0              | 1 500 000      | 0              | 0             | 120 000         | 0               | 0              | 1 500 000     | 0              | 0              | 1 758           | 18 878  | 10 411              | 10 496                 |                        |
| <b>Cash Receipts by Source</b>                          | <b>36 085</b>       | <b>6 145</b>   | <b>4 051</b>   | <b>2 150</b>   | <b>20 753</b> | <b>2 952</b>    | <b>3 658</b>    | <b>2 952</b>   | <b>23 030</b> | <b>2 846</b>   | <b>3 553</b>   | <b>5 611</b>    | <b>113 786</b>                                | <b>112 042</b>      | <b>119 968</b>         |                        |
| <b>Other Cash Flows by Source</b>                       |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Transfer receipts - capital                             | 7 873               |                |                |                | 7 873         |                 |                 |                | 7 874         |                |                |                 |   | 23 620              | 24 434                 | 25 655                 |
| Contributions recognised - capital & Contributed assets |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Proceeds on disposal of PPE                             |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Short term loans  |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Borrowing long term/refinancing                         |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Increase (decrease) in consumer deposits                |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Decrease (Increase) in non-current debtors              |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Decrease (increase) other non-current receivables       |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Decrease (increase) in non-current investments          |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| <b>Total Cash Receipts by Source</b>                    | <b>43 958</b>       | <b>6 145</b>   | <b>4 051</b>   | <b>2 150</b>   | <b>28 626</b> | <b>2 952</b>    | <b>3 658</b>    | <b>2 952</b>   | <b>30 904</b> | <b>2 846</b>   | <b>3 553</b>   | <b>5 611</b>    | <b>137 406</b>                                | <b>136 476</b>      | <b>145 623</b>         |                        |
| <b>Cash Payments by Type</b>                            |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Employee related costs                                  | 3 266 549           | 2 582 111      | 2 773 419      | 3 215 965      | 4 404 954     | 3 861 801       | 3 687 685       | 2 991 317      | 2 943 894     | 2 933 558      | 2 494 960      | 12 138          | 47 294  | 48 094              | 48 892                 |                        |
| Remuneration of councillors                             | 447 535             | 447 535        | 447 535        | 447 535        | 447 535       | 447 535         | 447 535         | 447 535        | 447 535       | 447 535        | 447 535        | 448             | 5 371   | 5 693               | 6 034                  |                        |
| Finance charges   | 19 450              | 26 261         | 14 155         | 0              | 22 910        | 0               | 23 252          | 29 622         | 10 068        | 28 764         | 221 190        | 83              | 478   | 506                 | 535                    |                        |
| Bulk purchases - Electricity                            | 1 142 400           | 1 966 500      | 2 004          | 2 756 128      | 1 086 189     | 0               | 2 163 395       | 0              | 66 904        | 1 111 872      | 1 458 488      | 3 766           | 15 520  | 17 730              | 20 255                 |                        |
| Bulk purchases - Water & Sewer                          | 806 690             | 275 784        | 154 563        | 0              | 0             | 4 642           | 0               | 0              | 0             | 21 134         | 0              | 2 264           | 3 527   | 4 029               | 4 603                  |                        |
| Other materials   | 70 716              | 136 764        | 223 815        | 228 983        | 14 621        | 97 546          | 125 938         | 143 977        | 98 675        | 338 392        | 211 316        | 5 406           | 7 097   | 7 210               | 7 322                  |                        |
| Contracted services                                     | 231 645             | 153 970        | 84 323         | 243 244        | 115 310       | 166 072         | 149 003         | 301 589        | 77 066        | 163 120        | 550 122        | (284)           | 1 951   | 1 982               | 2 013                  |                        |
| Transfers and grants - other municipalities             |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Transfers and grants - other                            | 147 000             | 147 000        | 147 000        | 147 000        | 147 000       | 147 000         | 147 000         | 147 000        | 147 000       | 147 000        | 147 000        | 147             | 1 764   | 1 868               | 1 973                  |                        |
| Other expenditure                                       | 3 030 408           | 1 205 428      | 825 191        | 2 242 240      | 2 370 892     | 5 314 703       | 2 287 671       | 4 340 812      | 435 000       | 2 855 002      | 3 048 573      | 2 031           | 29 987  | 31 757              | 33 535                 |                        |
| <b>Cash Payments by Type</b>                            | <b>9 162</b>        | <b>6 941</b>   | <b>4 672</b>   | <b>9 281</b>   | <b>8 609</b>  | <b>10 039</b>   | <b>9 031</b>    | <b>8 402</b>   | <b>4 226</b>  | <b>8 046</b>   | <b>8 579</b>   | <b>25 999</b>   | <b>112 989</b>                                | <b>118 868</b>      | <b>125 161</b>         |                        |
| <b>Other Cash Flows/Payments by Type</b>                |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Capital assets  | 3 693               | 3 016          | 3 956          | 2 816          | 2 456         | 4 756           | 5 115           | 3 556          | 3 245         | 3 661          | 4 456          | 4 338           | 45 064  | 24 434              | 25 655                 |                        |
| Repayment of borrowing                                  |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| Other Cash Flows/Payments                               |                     |                |                |                |               |                 |                 |                |               |                |                |                 |   |                     |                        |                        |
| <b>Total Cash Payments by Type</b>                      | <b>12 855</b>       | <b>9 957</b>   | <b>8 628</b>   | <b>12 097</b>  | <b>11 065</b> | <b>14 795</b>   | <b>14 146</b>   | <b>11 958</b>  | <b>7 471</b>  | <b>11 707</b>  | <b>13 035</b>  | <b>30 336</b>   | <b>158 053</b>                                | <b>143 302</b>      | <b>150 816</b>         |                        |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>             | <b>31 103</b>       | <b>(3 812)</b> | <b>(4 577)</b> | <b>(9 947)</b> | <b>17 561</b> | <b>(11 843)</b> | <b>(10 488)</b> | <b>(9 006)</b> | <b>23 433</b> | <b>(8 862)</b> | <b>(9 483)</b> | <b>(24 725)</b> | <b>(20 647)</b>                               | <b>(6 827)</b>      | <b>(5 194)</b>         |                        |
| Cash/cash equivalents at the month/year begin:          | 7 335               | 38 438         | 34 625         | 30 049         | 20 102        | 37 663          | 25 820          | 15 331         | 6 325         | 29 758         | 20 896         | 11 413          | 7 335   | (13 312)            | (20 138)               |                        |
| Cash/cash equivalents at the month/year end:            | 38 438              | 34 625         | 30 049         | 20 102         | 37 663        | 25 820          | 15 331          | 6 325          | 29 758        | 20 896         | 11 413         | (13 312)        | (13 312)                                      | (20 138)            | (25 332)               |                        |

**Capital expenditure details**

The following three tables present details of the Municipality's capital expenditure programme.

**Table 32 – SA34a: Capital Expenditure on new assets by asset class**

| 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>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  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Gas   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Community</b>  |     |                 |                 |                 | 1 000                |                 |                    | 410   |                        |                        |
| Parks & gardens   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sportsfields & stadia   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Swimming pools  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Community halls   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Libraries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Recreational facilities   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Fire, safety & emergency  |     |                 |                 |                 |                      |                 |                    | 410   |                        |                        |
| Security and policing   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Buses   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Clinics   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Museums & Art Galleries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cemeteries  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Social rental housing   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Heritage assets</b>  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Buildings   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Investment properties</b>                                      |     |                 |                 |                 |                      | 516             | 516                | 324   |                        |                        |
| Housing development   |     |                 |                 |                 |                      | 516             | 516                | 324   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other assets</b>   |     | 1 621           | 156             | 3 848           | 1 992                | 3 132           | 3 132              | 19 880  |                        |                        |
| General vehicles  |     | 776             |                 | 3 133           |                      |                 |                    | 1 440   |                        |                        |
| Specialised vehicles  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Plant & equipment   |     | 367             |                 | 2               | 500                  | 1 140           | 1 140              | 2 000   |                        |                        |
| Computers - hardware/equipment                                    |     |                 | 96              | 27              | 470                  | 470             | 470                | 1 000   |                        |                        |
| Furniture and other office equipment                              |     | 473             | 60              | 684             | 622                  | 622             | 622                | 600   |                        |                        |
| Abattoirs   |     |                 |                 | 2               |                      |                 |                    |   |                        |                        |
| Markets   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Civic Land and Buildings  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Buildings   |     |                 |                 |                 | 400                  | 400             | 400                | 13 282  |                        |                        |
| Other Land  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Surplus Assets - (Investment or Inventory)                        |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     | 4               |                 |                 |                      | 500             | 500                | 1 558   |                        |                        |
| <b>Agricultural assets</b>  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Biological assets</b>  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Intangibles</b>  |     | 25              | 52              |                 | 750                  | 750             | 750                | 830   |                        |                        |
| Computers - software & programming                                |     | 25              | 52              |                 | 750                  | 750             | 750                | 830   |                        |                        |
| Other (list sub-class)  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Capital Expenditure on new assets</b>                    | 1   | 1 646           | 207             | 3 848           | 3 742                | 4 398           | 4 398              | 21 444  |                        |                        |

**Table 33 – SA34b: Capital Expenditure on the renewal of assets by asset Class**

| 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>   | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Infrastructure</b>   |     | 50 926          | 16 277          | 17 770          | 18 828               | 18 802          | 18 802             | 19 373  | 20 040                 | 21 042                 |
| Infrastructure - Road transport   |     | -               | 9 277           | 5 289           | 14 000               | 15 300          | 15 300             | 15 754  | 16 297                 | 17 111                 |
| <i>Roads, Pavements &amp; Bridges</i>   |     |                 | 9 277           | 5 289           | 14 000               | 15 300          | 15 300             | 15 754  | 16 297                 | 17 111                 |
| <i>Storm water</i>  |     |                 |                 | -               |                      |                 |                    |   |                        |                        |
| Infrastructure - Electricity  |     | -               | -               | -               | 1 760                | 400             | 400                | 412   | 426                    | 447                    |
| <i>Generation</i>   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Transmission &amp; Reticulation</i>  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Street Lighting</i>  |     |                 |                 |                 | 1 760                | 400             | 400                | 412   | 426                    | 447                    |
| Infrastructure - Water  |     | 11 067          | -               | 6 450           | 1 000                | -               | -                  | -   | -                      | -                      |
| <i>Dams &amp; Reservoirs</i>  |     |                 |                 |                 | 1 000                |                 |                    |   |                        |                        |
| <i>Water purification</i>   |     | 11 067          |                 | 6 450           |                      |                 |                    |   |                        |                        |
| <i>Reticulation</i>   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Sanitation   |     | 39 859          | 7 000           | 6 031           | 2 068                | 3 102           | 3 102              | 3 207   | 3 317                  | 3 483                  |
| <i>Reticulation</i>   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Sewerage purification</i>  |     | 39 859          | 7 000           | 6 031           | 2 068                | 3 102           | 3 102              | 3 207   | 3 317                  | 3 483                  |
| Infrastructure - Other  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Waste Management</i>   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Transportation</i>   | 2   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Gas</i>  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Other</i>  | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Community</b>  |     | -               | -               | -               | 4 125                | 4 125           | 4 125              | 4 247   | 4 394                  | 4 613                  |
| Parks & gardens   |     |                 |                 |                 | 625                  | 625             | 625                | 644   | 666                    | 699                    |
| Sportsfields & stadia   |     |                 |                 |                 | 3 500                | 3 500           | 3 500              | 3 604   | 3 728                  | 3 914                  |
| 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>   |     | -               | -               | -               | 280                  | 280             | 280                | -   | -                      | -                      |
| General vehicles  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Specialised vehicles  | 10  |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Plant & equipment   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Computers - hardware/equipment  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Furniture and other office equipment  |     |                 |                 |                 | 80                   | 80              | 80                 |   |                        |                        |
| Abattoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Markets   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Civic Land and Buildings  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Buildings   |     |                 |                 |                 | 200                  | 200             | 200                |   |                        |                        |
| Other Land  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Surplus Assets - (Investment or Inventory)  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Agricultural assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>List sub-class</i>   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Biological assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>List sub-class</i>   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Intangibles</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Computers - software & programming  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other ( <i>list sub-class</i> )   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Capital Expenditure on renewal of existing</b>                           | 1   | 50 926          | 16 277          | 17 770          | 23 233               | 23 207          | 23 207             | 23 620  | 24 434                 | 25 655                 |





**Table 34 – SA34d: Depreciation by asset class**



**Table 35 – SA34c: Repairs and maintenance expenditure by asset class**

| 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>Repairs and maintenance expenditure by Asset Class/Sub-class</b> | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Infrastructure</b>   |     | 1 452           | 10 052          | 11 816          | 2 008                | 2 008           | 2 008              | 3 898   | 3 960                  | 4 022                  |
| Infrastructure - Road transport                                     |     | 234             | 2 994           | -               | 725                  | 725             | 725                | 601   | 611                    | 621                    |
| Roads, Pavements & Bridges  |     | 230             | 2 994           | -               | 725                  | 725             | 725                | 601   | 611                    | 621                    |
| Storm water   |     | 5               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Electricity  |     | 248             | 2 290           | -               | 371                  | 371             | 371                | 1 250   | 1 270                  | 1 290                  |
| Generation  |     | -               | -               | -               | -                    | -               | -                  | 1 250   | 1 270                  | 1 290                  |
| Transmission & Reticulation   |     | 248             | 1 400           | -               | 221                  | 221             | 221                | -   | -                      | -                      |
| Street Lighting   |     | -               | 890             | -               | 150                  | 150             | 150                | -   | -                      | -                      |
| Infrastructure - Water  |     | 365             | 1 665           | -               | 506                  | 506             | 506                | 1 000   | 1 016                  | 1 032                  |
| Dams & Reservoirs   |     | -               | 1 665           | -               | 506                  | 506             | 506                | 1 000   | 1 016                  | 1 032                  |
| Water purification  |     | 365             | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Reticulation  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Sanitation   |     | 541             | 1 568           | -               | 249                  | 249             | 249                | 1 000   | 1 016                  | 1 032                  |
| Reticulation  |     | 541             | -               | -               | 249                  | 249             | 249                | 1 000   | 1 016                  | 1 032                  |
| Sewerage purification   |     | -               | 1 568           | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Other  |     | 63              | 1 535           | 11 816          | 158                  | 158             | 158                | 47  | 48                     | 48                     |
| Waste Management  |     | 63              | -               | -               | 158                  | 158             | 158                | 47  | 48                     | 48                     |
| Transportation  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Gas   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other   |     | -               | 1 535           | 11 816          | -                    | -               | -                  | -   | -                      | -                      |
| <b>Community</b>  |     | 402             | 750             | -               | 380                  | 380             | 380                | 1 411   | 1 433                  | 1 456                  |
| Parks & gardens   |     | -               | -               | -               | 13                   | 13              | 13                 | 8   | 8                      | 8                      |
| Sportsfields & stadia   |     | 5               | 16              | -               | -                    | -               | -                  | -   | -                      | -                      |
| Swimming pools  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Community halls   |     | 17              | 53              | -               | 263                  | 263             | 263                | 300   | 305                    | 310                    |
| Libraries   |     | 8               | 42              | -               | -                    | -               | -                  | 203   | 206                    | 209                    |
| Recreational facilities   |     | -               | 38              | -               | -                    | -               | -                  | 100   | 102                    | 103                    |
| Fire, safety & emergency  |     | 56              | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Security and policing   |     | 274             | -               | -               | -                    | -               | -                  | 300   | 305                    | 310                    |
| Buses   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Clinics   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Museums & Art Galleries   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Cemeteries  |     | 40              | -               | -               | 105                  | 105             | 105                | 250   | 254                    | 258                    |
| Social rental housing   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other   |     | 2               | 601             | -               | -                    | -               | -                  | 250   | 254                    | 258                    |
| <b>Heritage assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Buildings   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Investment properties</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing development   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Other assets</b>   |     | 190             | 1 041           | -               | 938                  | 164             | 164                | 1 788   | 1 816                  | 1 844                  |
| General vehicles  |     | -               | 150             | -               | 421                  | 68              | 68                 | 650   | 660                    | 671                    |
| Specialised vehicles  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Plant & equipment   |     | -               | 50              | -               | 42                   | 42              | 42                 | -   | -                      | -                      |
| Computers - hardware/equipment                                      |     | -               | -               | -               | 26                   | 26              | 26                 | 250   | 254                    | 258                    |
| Furniture and other office equipment                                |     | -               | 171             | -               | 27                   | 27              | 27                 | 513   | 521                    | 530                    |
| Abattoirs   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Markets   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Civic Land and Buildings  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other Buildings   |     | -               | 670             | -               | 421                  | -               | -                  | 215   | 218                    | 222                    |
| Other Land  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Surplus Assets - (Investment or Inventory)                          |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other   |     | 190             | -               | -               | -                    | -               | -                  | 160   | 162                    | 165                    |
| <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   | 2 045           | 11 843          | 11 816          | 3 327                | 2 552           | 2 552              | 7 097   | 7 210                  | 7 322                  |

**Table 36 – SA35: Future financial implications of the capital budget**

| Vote Description<br>R thousand                   | Ref | 2015/16 Medium Term Revenue & Expenditure Framework |                           |                           | Forecasts           |                     |                     |                  |
|--|-----|---|---------------------------|---------------------------|---------------------|---------------------|---------------------|------------------|
|  |     | Budget Year<br>2015/16                              | Budget Year<br>+1 2016/17 | Budget Year<br>+2 2017/18 | Forecast<br>2018/19 | Forecast<br>2019/20 | Forecast<br>2020/21 | Present<br>value |
| <b>Capital expenditure</b>                       | 1   |   |                           |                           |                     |                     |                     |                  |
| Vote 1 - Executive Council                       |     | 100   | -                         | -                         |                     |                     |                     |                  |
| Vote 2 - Municipal Manager                       |     | 13 382  | -                         | -                         |                     |                     |                     |                  |
| Vote 3 - Budget & Treasury                       |     | 1 588   | -                         | -                         |                     |                     |                     |                  |
| Vote 4 - Corporate Service                       |     | 1 930   | -                         | -                         |                     |                     |                     |                  |
| Vote 5 - Community Services                      |     | 5 267   | 4 394                     | 4 613                     |                     |                     |                     |                  |
| Vote 6 - Technical Services                      |     | 22 796  | 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]                      |     | -   | -                         | -                         |                     |                     |                     |                  |
| <i>List entity summary if applicable</i>         |     |   |                           |                           |                     |                     |                     |                  |
| <b>Total Capital Expenditure</b>                 |     | <b>45 064</b>                                       | <b>24 434</b>             | <b>25 655</b>             | -                   | -                   | -                   | -                |
| <b>Future operational costs by vote</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]                      |     |   |                           |                           |                     |                     |                     |                  |
| <i>List entity summary if applicable</i>         |     |   |                           |                           |                     |                     |                     |                  |
| <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               |     |   |                           |                           |                     |                     |                     |                  |
| <i>List other revenues sources if applicable</i> |     |   |                           |                           |                     |                     |                     |                  |
| <i>List entity summary if applicable</i>         |     |   |                           |                           |                     |                     |                     |                  |
| <b>Total future revenue</b>                      |     | -   | -                         | -                         | -                   | -                   | -                   | -                |
| <b>Net Financial Implications</b>                |     | <b>45 064</b>                                       | <b>24 434</b>             | <b>25 655</b>             | -                   | -                   | -                   | -                |



**Supporting detail to A4 (Budgeted Financial Performance) and A6  
(Budgeted Financial Position)**

**Table 38 – SA1: Supporting detail to Statement of Financial Performance**



| 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>R thousand</b>                                |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>REVENUE ITEMS:</b>                            |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Property rates</b>                            |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Property Rates                             | 6   | 12 266          | 13 014          | 13 933          | 14 623               | 14 623          | 14 623             | 14 623            | 14 798  | 15 016                 | 15 226                 |
| less Revenue Foregone                            |     |                 |                 |                 |                      |                 |                    |                   | 2 017   | 2 049                  | 2 081                  |
| <b>Net Property Rates</b>                        |     | <b>12 266</b>   | <b>13 014</b>   | <b>13 933</b>   | <b>14 623</b>        | <b>14 623</b>   | <b>14 623</b>      | <b>14 623</b>     | <b>12 781</b>                                       | <b>12 967</b>          | <b>13 145</b>          |
| <b>Service charges - electricity revenue</b>     |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - electricity revenue      | 6   | 14 423          | 15 622          | 14 489          | 10 501               | 21 232          | 21 232             | 21 232            | 21 806  | 24 466                 | 27 451                 |
| less Revenue Foregone                            |     |                 |                 |                 |                      |                 |                    |                   | 1 717   | 1 745                  | 1 772                  |
| <b>Net Service charges - electricity revenue</b> |     | <b>14 423</b>   | <b>15 622</b>   | <b>14 489</b>   | <b>10 501</b>        | <b>21 232</b>   | <b>21 232</b>      | <b>21 232</b>     | <b>20 089</b>                                       | <b>22 722</b>          | <b>25 680</b>          |
| <b>Service charges - water revenue</b>           |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - water revenue            | 6   | 13 168          | 12 743          | 20 018          | 7 806                | 10 856          | 10 856             | 10 856            | 10 987  | 11 149                 | 11 305                 |
| less Revenue Foregone                            |     |                 |                 |                 |                      |                 |                    |                   | 3 363   | 3 416                  | 3 469                  |
| <b>Net Service charges - water revenue</b>       |     | <b>13 168</b>   | <b>12 743</b>   | <b>20 018</b>   | <b>7 806</b>         | <b>10 856</b>   | <b>10 856</b>      | <b>10 856</b>     | <b>7 624</b>  | <b>7 733</b>           | <b>7 835</b>           |
| <b>Service charges - sanitation revenue</b>      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - sanitation revenue       |     | 2 691           | 3 545           | 3 519           | 2 483                | 3 517           | 3 517              | 3 517             | 3 560   | 3 612                  | 3 663                  |
| less Revenue Foregone                            |     |                 |                 |                 |                      |                 |                    |                   | 1 479   | 1 502                  | 1 525                  |
| <b>Net Service charges - sanitation revenue</b>  |     | <b>2 691</b>    | <b>3 545</b>    | <b>3 519</b>    | <b>2 483</b>         | <b>3 517</b>    | <b>3 517</b>       | <b>3 517</b>      | <b>2 081</b>  | <b>2 110</b>           | <b>2 137</b>           |
| <b>Service charges - refuse revenue</b>          |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total refuse removal revenue                     | 6   | 5 419           | 6 455           | 7 207           | 4 573                | 6 908           | 6 908              | 6 908             | 6 990   | 7 094                  | 7 193                  |
| Total landfill revenue                           |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| less Revenue Foregone                            |     |                 |                 |                 |                      |                 |                    |                   | 2 382   | 2 420                  | 2 458                  |
| <b>Net Service charges - refuse revenue</b>      |     | <b>5 419</b>    | <b>6 455</b>    | <b>7 207</b>    | <b>4 573</b>         | <b>6 908</b>    | <b>6 908</b>       | <b>6 908</b>      | <b>4 608</b>  | <b>4 674</b>           | <b>4 735</b>           |
| <b>Other Revenue by source</b>                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Rental of Facilities and equipment               |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Interest Recieved                                |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Agency Fees                                      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Licences and Permits                             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Fines  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Grants & subsidies                               |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other Income                                     |     | 5 051           | 2 255           | 406             | 7 081                | 5 274           | 5 274              | 5 274             | 8 396   | 7 090                  | 7 252                  |
| Insurance Claims                                 |     |                 |                 |                 |                      |                 |                    |                   | 14 282  |                        |                        |
| <b>Total 'Other' Revenue</b>                     | 3   | <b>5 051</b>    | <b>2 255</b>    | <b>406</b>      | <b>7 081</b>         | <b>5 274</b>    | <b>5 274</b>       | <b>5 274</b>      | <b>22 678</b>                                       | <b>7 090</b>           | <b>7 252</b>           |
| <b>EXPENDITURE ITEMS:</b>                        |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Employee related costs</b>                    |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Basic Salaries and Wages                         | 2   | 18 442          | 23 181          | 37 667          | 39 496               | 37 261          | 37 261             | 37 261            | 40 630  | 41 317                 | 42 003                 |
| Pension and UIF Contributions                    |     | 4 056           | 4 619           |                 | 967                  | 967             | 967                | 967               | 6 664   | 6 777                  | 6 890                  |
| Medical Aid Contributions                        |     |                 |                 |                 | 1 321                | 1 321           | 1 321              | 1 321             |   |                        |                        |
| Overtime   |     | 1 661           | 1 354           |                 | 645                  | 645             | 645                | 645               |   |                        |                        |
| Performance Bonus                                |     | 75              |                 |                 | 614                  | 614             | 614                | 614               |   |                        |                        |
| Motor Vehicle Allowance                          |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cellphone Allowance                              |     |                 |                 |                 | 179                  | 179             | 179                | 179               |   |                        |                        |
| Housing Allowances                               |     |                 |                 |                 | 115                  | 115             | 115                | 115               |   |                        |                        |
| Other benefits and allowances                    |     | 3 698           | 2 150           |                 | 4 752                | 4 752           | 4 752              | 4 752             |   |                        |                        |
| Payments in lieu of leave                        |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Long service awards                              |     | 192             | 208             |                 | 75                   | 75              | 75                 | 75                |   |                        |                        |
| Post-retirement benefit obligations              |     | (116)           | 169             |                 |                      |                 |                    |                   |   |                        |                        |
| <b>sub-total</b>                                 | 4   | <b>28 007</b>   | <b>31 682</b>   | <b>37 667</b>   | <b>48 164</b>        | <b>45 929</b>   | <b>45 929</b>      | <b>45 929</b>     | <b>47 294</b>                                       | <b>48 094</b>          | <b>48 892</b>          |
| Less: Employees costs capitalised to PPE         | 5   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Employee related costs</b>              | 1   | <b>28 007</b>   | <b>31 682</b>   | <b>37 667</b>   | <b>48 164</b>        | <b>45 929</b>   | <b>45 929</b>      | <b>45 929</b>     | <b>47 294</b>                                       | <b>48 094</b>          | <b>48 892</b>          |
| <b>Contributions recognised - capital</b>        |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| List contributions by contract                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Contributions recognised - capital</b>  |     | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>          | <b>-</b>  | <b>-</b>               | <b>-</b>               |
| <b>Depreciation &amp; asset impairment</b>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Depreciation of Property, Plant & Equipment      |     | 17 388          | 13 797          | 19 310          | 17 500               | 17 500          | 17 500             | 17 500            | 17 500  | 17 500                 | 17 500                 |
| Lease amortisation                               |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital asset impairment                         |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Depreciation resulting from revaluation of PPE   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Depreciation &amp; asset impairment</b> | 10  | <b>17 388</b>   | <b>13 797</b>   | <b>19 310</b>   | <b>17 500</b>        | <b>17 500</b>   | <b>17 500</b>      | <b>17 500</b>     | <b>17 500</b>                                       | <b>17 500</b>          | <b>17 500</b>          |
| <b>Bulk purchases</b>                            |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Electricity Bulk Purchases                       | 1   | 11 253          | 11 593          | 14 734          | 13 544               | 16 040          | 16 040             | 16 040            | 15 520  | 17 730                 | 20 255                 |

**Table 39– SA3: Supporting detail to Statement of 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>R thousand</b>                                |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>ASSETS</b>                                    |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Call investment deposits</b>                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Call deposits < 90 days                          |     |                 |                 | 7 127           |                      |                 |                    |                   |   |                        |                        |
| Other current investments > 90 days              |     | 576             | 6 196           |                 | 2 080                | 2 080           | 2 080              |                   |   |                        |                        |
| <b>Total Call investment deposits</b>            | 2   | 576             | 6 196           | 7 127           | 2 080                | 2 080           | 2 080              | -                 | -   | -                      | -                      |
| <b>Consumer debtors</b>                          |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Consumer debtors                                 |     | 75 000          | 93 313          | 119 047         | 115 000              | 154 999         | 154 999            |                   | 156 859   | 166 114                | 175 416                |
| Less: Provision for debt impairment              |     | (57 356)        | (68 532)        | (109 091)       | (80 378)             | (120 937)       | (120 937)          |                   | (109 091)   | (115 528)              | (121 997)              |
| <b>Total Consumer debtors</b>                    | 2   | 17 645          | 24 782          | 9 956           | 34 622               | 34 062          | 34 062             | -                 | 47 768  | 50 586                 | 53 419                 |
| <b>Debt impairment provision</b>                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Balance at the beginning of the year             |     |                 |                 |                 | 68 532               | 109 091         | 109 091            |                   |   |                        |                        |
| Contributions to the provision                   |     |                 |                 |                 | 11 846               | 11 846          | 11 846             |                   |   |                        |                        |
| Bad debts written off                            |     | (57 356)        | (68 532)        |                 |                      | -               | -                  |                   |   |                        |                        |
| <b>Balance at end of year</b>                    |     | (57 356)        | (68 532)        | -               | 80 378               | 120 937         | 120 937            | -                 | -   | -                      | -                      |
| <b>Property, plant and equipment (PPE)</b>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| PPE at cost/valuation (excl. finance leases)     |     | 377 610         | 398 059         | 381 355         | 463 723              | 463 375         | 463 375            |                   | 439 338   | 351 650                | 377 304                |
| Leases recognised as PPE                         |     | 5 489           | 5 707           | 4 319           | 6 400                | 6 400           | 6 400              |                   |   |                        |                        |
| Less: Accumulated depreciation                   |     | 63 036          | 63 036          | 18 997          | 100 693              | 100 693         | 100 693            |                   | 112 122   |                        |                        |
| <b>Total Property, plant and equipment (PPE)</b> | 2   | 320 063         | 340 730         | 366 677         | 369 430              | 369 082         | 369 082            | -                 | 327 216   | 351 650                | 377 304                |
| <b>LIABILITIES</b>                               |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Current liabilities - Borrowing</b>           |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans (other than bank overdraft)     |     | 4 013           | 3 571           |                 | 2 500                |                 |                    |                   |   |                        |                        |
| Current portion of long-term liabilities         |     |                 |                 | 3 919           |                      | 2 500           | 2 500              |                   | 451   | 366                    |                        |
| <b>Total Current liabilities - Borrowing</b>     |     | 4 013           | 3 571           | 3 919           | 2 500                | 2 500           | 2 500              | -                 | 451   | 366                    | -                      |
| <b>Trade and other payables</b>                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Trade and other creditors                        |     | 18 276          | 22 731          | 26 872          | 37 424               | 21 872          | 21 872             |                   | 22 922  | 24 274                 | 25 634                 |
| Unspent conditional transfers                    |     |                 |                 | 3 073           |                      | -               | -                  |                   |   |                        |                        |
| VAT  |     |                 | 1 895           | 4 140           | 3 600                | 3 600           | 3 600              |                   |   |                        |                        |
| <b>Total Trade and other payables</b>            | 2   | 18 276          | 24 626          | 34 086          | 41 024               | 25 472          | 25 472             | -                 | 22 922  | 24 274                 | 25 634                 |
| <b>Non current liabilities - Borrowing</b>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing  |     | 6 402           | 6 888           |                 | 5 888                | 26 335          | 26 335             |                   |   |                        |                        |
| Finance leases (including PPP asset element)     |     | 1 575           | 768             | 404             | 538                  | 538             | 538                |                   | 2 606   | 2 155                  | 1 790                  |
| <b>Total Non current liabilities - Borrowing</b> | 4   | 7 977           | 7 656           | 404             | 6 426                | 26 873          | 26 873             | -                 | 2 606   | 2 155                  | 1 790                  |
| <b>Provisions - non-current</b>                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Retirement benefits                              |     | 3 310           | 3 612           | 3 383           | 3 912                | 3 912           | 3 912              |                   |   |                        |                        |
| List other major provision items                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Refuse landfill site rehabilitation              |     |                 |                 |                 | -                    |                 |                    |                   | 15 823  | 15 823                 | 15 823                 |
| Other  |     | 508             | 508             | 13 501          | 958                  | 958             | 958                |                   |   |                        |                        |
| <b>Total Provisions - non-current</b>            |     | 3 818           | 4 120           | 16 884          | 4 870                | 4 870           | 4 870              | -                 | 15 823  | 15 823                 | 15 823                 |
| <b>CHANGES IN NET ASSETS</b>                     |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Accumulated Surplus/(Deficit)</b>             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Accumulated Surplus/(Deficit) - opening balance  |     | 330 089         | 344 651         | 372 147         | 387 823              | 382 182         | 382 182            |                   | 388 847   | 412 037                | 436 720                |
| GRAP adjustments                                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Restated balance                                 |     | 330 089         | 344 651         | 372 147         | 387 823              | 382 182         | 382 182            |                   | 388 847   | 412 037                | 436 720                |
| Surplus/(Deficit)                                |     | 18 385          | 9 556           | (14 190)        | (11 336)             | 8 057           | 8 057              | 18 855            | 6 764   | (3 233)                | (346)                  |
| Appropriations to Reserves                       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Transfers from Reserves                          |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Depreciation offsets                             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other adjustments                                |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Accumulated Surplus/(Deficit)</b>             | 1   | 348 475         | 354 208         | 357 958         | 376 487              | 390 239         | 390 239            | 18 855            | 395 610   | 408 804                | 436 374                |
| <b>Reserves</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Housing Development Fund                         |     |                 |                 |                 | 66                   | 66              | 66                 |                   |   |                        |                        |
| Capital replacement                              |     |                 |                 |                 | 374                  | 374             | 374                |                   |   |                        |                        |
| Self-insurance                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other reserves                                   |     |                 |                 |                 | 306                  | 306             | 306                |                   |   |                        |                        |
| Revaluation                                      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Reserves</b>                            | 2   | -               | -               | -               | 745                  | 745             | 745                | -                 | -   | -                      | -                      |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>             | 2   | 348 475         | 354 208         | 357 958         | 377 233              | 390 985         | 390 985            | 18 855            | 395 610   | 408 804                | 436 374                |

**QUALITY CERTIFICATE**

I, Lonwabo Ngoqo, Municipal Manager of Sundays River Valley municipality, hereby certify that the 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: 28 May 2015**