

**ANNUAL BUDGET OF  
MBHSHE LOCAL MUNICIPALITY**



**2015/16 TO 2017/18**

**MEDIUM TERM REVENUE AND EXPENDITURE  
FORECAST**

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# Part 1 – Annual Budget

## 1.1 Mayor's Report

In his State of the Nation Address President Jacob Zuma re-irritated the challenges of poverty, inequality and unemployment, which we continue to grapple with. Dealing with these challenges has become a central focus of all democratic administrations. We elected to focus on five priorities, education, health, the fight against crime and corruption, rural development and land reform as well as creating decent work". Emphasis was also put on infrastructure development.

In this IDP and Budget I want to emphasize that, we cannot expect to do the same old things and expect different results. We need to improve the way we do things for the betterment of our communities.

In the past couple of years the world economy has gone through its deepest recession. Signals are that the recovery is still fragile and many commentators caution that current positive economic trends may be short-lived. Mbhashe Local Municipality is no way immune to the harsh economic realities associated with the recession.

Among the impacts are the serious cash flow challenges currently being experienced by the municipality due to among other things declining collection rates, historic expenditure patterns and a general lack of doing business in a more appropriate manner.

In his last budget speech for the current administration Finance Minister Nhlanhla Nene said "the current budget sets out the resource plan for an intensified implementation of our National Development Plan". This means all South Africans will gain from the economic transformation and will all share in our Constitutional democracy. He also emphasized the importance of infrastructure maintenance and ensuring that communities receive basic services thus the equitable share allocation was protected from baseline reductions.

Central to the NDP, is the commitment to reduce poverty and unemployment. Mbhashe is one of the areas with high unemployment and illiteracy rate. There is also a high infrastructure backlog. This means out of our total budget of R368m for 2015/16, R376m and R380m for 2016/17 and 2017/18 respectively we must create an environment for job opportunities and partner with businesses.

Premier of the Eastern Cape (Phumulo Masualle) said in his State of the Province address, "Our success moving into the new term of government will be determined by the active participation and involvement of citizens of this Province in the programs of government. We cannot be spectators in the struggle for our own emancipation". He also mentioned the importance of implementing the "back to basics" campaign in municipalities.

As it was evident in our community meetings, people want service delivery and we have been entrusted with such a task. More than R124m has been allocated for capital investment in 2015/16, R125m in 2016/17 and R133m in 2017/18.

Adding to this allocation, the municipality received an in-kind grant of R71m from National Treasury as a means of supporting the municipality in terms of addressing the infrastructural backlogs that are facing the municipality. This grant will be shared amongst all 31 wards within

the municipal area. The municipal council resolved on spending this grant on access roads which is a major challenge to the municipality.

It is our duty as Councilors to correctly inform the public and not to mislead them as a way of electioneering. We need to ask ourselves a question that over the past 20 years of democracy, have we done enough to service our communities.

Portfolio heads in this cluster which is service delivery are full-time and should make sure that there will be no roll-overs. It is no secret that in the last two years we have not done well in service delivery which is our core function. That has to change. The municipality has and plans to acquire more plant machinery to speed up the construction of access roads and that is provided for in its capital budget. This will also ensure that the no funds are withheld by National Treasury due to low spending.

As way of creating sustainable jobs, the municipality is in the process of filling all vacancies that exist in our organogram for this financial year. Hence we have a budgeted more than R80m for salaries of employees and R25m for the remuneration of Councillors in 2015/16, R84m and R27m for 2016/17 and R89m and 28m for 2017/18. Portfolio head for HR and Administration should lead in making sure that working conditions are improved.

We have budgeted more than R1.2m under good governance in order to improve oversight and accountability. We have oversight committees that are doing well like Audit Committee, Performance Audit Committee and Municipal Public Accounts Committee. These committees should always be objections and provide advices to Council and not does a witch hunt.

One of our strength in Mbhashe is on agriculture and farming. Hence we intend to review our LED strategy in order to be able to coordinate all the resources in reducing poverty and unemployment. More than R 13m has been set aside in the 2015/16 financial year to enhance our local economic development.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Mbhashe Municipality.

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

As we know, local government elections are coming up in 2016 therefore, I call upon citizens in our Province to go all out to discharge their civic duty and exercise their hard won democratic right in voting for progress so that, together, we can move South Africa forward.

I thank you

## 1.2 Council Resolutions

On the 27<sup>th</sup> of May 2015 the Council of Mbhashe Local Municipality met in the Council Chamber of Mbhashe Local Municipality to consider the annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. The Council of Mbhashe Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification)
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type)
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position
    - 1.2.2. Budgeted Cash Flows
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation
    - 1.2.4. Asset management
    - 1.2.5. Basic service delivery measurement
2. The Council of Mbhashe Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the tariffs with effect from 01 July 2015.
  - 2.1. The tariffs for property rates – as set out in annexure A;
  - 2.2. The tariffs for refuse removal – as set out in annexure B.
3. The Council of Mbhashe Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the tariffs with effect from 01 July 2015 the tariffs for other services, as set out in Annexures G1 to G21 respectively.

### 1.3 Executive Summary

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

Mbhashe municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken to ensure that resources are allocated to core social and economic priorities while containing expenditure growth and to reduce costs without adversely affecting basic services as outlined in circular 75.

The municipality has embarked on the implementation of data cleansing report which include management of municipal leases, writing off of long outstanding and untraceable balances and implement credit control and debt collection policy. The municipality has reviewed its revenue enhancement strategy with the aim of give rise to additional sources of revenue and to grow its own revenue base. In addition to the above, the municipality has since appointed a debt collector and handed over all long outstanding debts to the debt collector for collection. The municipality has updated its general valuation roll thus basing its property rates and refuse projections on the current valuation roll.

National Treasury's MFMA Circular No. 54, 55, 58, 59, 64, 66, 67, 70, 72 and 75 were used to guide the compilation of the 2015/16 to 2017/18 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The slowdown in the country's economic growth and GDP;
- Aging and poorly maintained infrastructure;
- High rate of vacancies within the municipality and the need to fill the vacancies in order to be able to implement IDP and Budget optimally;
- Lack of capacity within the BTO section in terms of compiling the municipal budget;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Increase in debtor's book as a result of non-payment by rate payers.
- High dependence on the grant funding from the national government.
- Lack of resources to fund infrastructure backlog
- Low levels of spending in terms of infrastructure related grants.

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The municipal budget must be linked to the IDP in order to achieve the municipal priorities committed in the IDP;
- The allocation of the municipal budget is made to specific service delivery programmes and this will ensure accountability and avoid discretionary budget allocations;
- The municipal budget is funded from anticipated revenues to ensure that estimated expenditure does not exceed the anticipated revenue;
- As per MFMA circular 75, the budget must allocate resources to core social and economic priorities whilst containing expenditure growth i.e. have cost containment measures in place;

- The socio economic factors of our communities and affordability have been considered in setting the tariffs for property rates and services;
- The tariff increase has been based on the CPI inflationary rate of 4.8 except for new tariffs that were not previously considered by the municipality (e.g. application for demolition of building structures);
- Allocations have made for contingency plans for anticipated power outages;
- As per MFMA circular 75, provisions have been made Eskom and Water Services Authorities to ensure continuous payment of accounts and;
- The implementation of SCOA has also been taken into consideration to ensure that the municipality adopts the relevant budget planning and reporting framework.

**Table 1 Overview of the 2015/16 MTREF**

Description	Budget Year 2015/16	Budget Outer Year 2016/17	Budget Outer Year 2017/18
Total Revenue	368 161 473	376 297 391	380 959 045
Total Operating Expenditure	266 470 145	281 360 104	297 170 374
Total Capital Expenditure	124 099 011	125 106 999	133 473 826

The total revenue constitutes of grants and subsidies which make up 80% and own revenue which is made up of income derived from our tariffs and possible proceeds from the MIG funds as the municipality plans to construct some of the access roads in the IDP. The total revenue has increased by 48% when compared to the previous financial year. This is mainly caused by a significant increase in the equitable share allocation and possible proceeds that will be derived from MIG since the municipal plans to construct some it access roads internally. Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of Mhashe Municipality.

The total operating expenditure has grown by 24% when compared to the 2014/15 financial year. The expenditure listed above is fully funded from the above mentioned sources of revenue. Personnel expenditure including remuneration of councillors constitutes about 40% of the operating expenditure budget. The municipality has lot of vacancies that results to lack of service delivery and the municipality plans to fill all budgeted vacancies by the end of the 2015/16 financial year. The auditors have also raised the issue of employment as a major concern for the municipality's going concern.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). T

Other operating expenditures include repairs and maintenance (11%) and other expenditure which is general expenditure (35%). Included in the general expenditure are operational projects from all departments of the municipality. These projects are focused on improving financial management, capacity building within the municipality, local economic development and job creation. Focus has also been made to the SDF and implementation of SPLUMA, thus some funds have been set aside for these items.

The capital budget for 2015/16 has been increased by 82% when compared to the 2014/15 financial period. A substantial portion of the capital budget will be funded from the MIG (45%), INEP (16%) and anticipated proceeds from MIG since the municipality plans to construct some of its access roads internally. The municipality plans to acquire two sets of plant for Elliotdale and Willowvale and these will be used to construct access roads internally. The municipality has also received an in-kind grant of approximately R 71 million from National Treasury which is meant for construction of access roads that are in the IDP. This will ease up a bit on the backlog that is currently faced by the municipality.

The municipality also plans to reopen its Registering Authority (RA) and Driver's License Testing Centre (DLTC) during the 2015/16 financial period. A sum of R 1,5m has been set aside for this development. This will also enhance the municipality's revenue.

## **1.4 Operating Revenue Framework**

It is evident from the performance and revenue figures of previous financial years that the municipality needs to generate additional revenue to ensure sustainable delivery of municipal services to its communities is maintained. The municipality is faced with serious challenges of infrastructural backlogs in terms of development.

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

- Tariff Structure and Fees Review;
- Expansion of Traffic Services and Improving the Collection of Traffic Fines;
- Reviewing of all other sources of revenue;
- Reviewing of Municipal Property Leases;
- Enhancing the Credibility of Billing Data and;
- Reviewing all its revenue related policies.

Below is the summary of the 2015/16 MTREF (Classified by main revenue source):



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

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	6 973	4 710	4 365	5 844	5 844	5 844	-	5 957	6 308	6 662
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	802	916	765	771	771	771	-	808	816	862
Service charges - other											
Rental of facilities and equipment		543	537	762	770	1 170	1 170		807	849	896
Interest earned - external investments		2 087	3 626	6 022	4 000	4 500	4 500		6 000	6 324	6 665
Interest earned - outstanding debtors											
Dividends received											
Fines		521	620	627	919	461	461		483	511	540
Licences and permits		924	-	952	1 673	2 025	2 025		1 753	1 856	1 960
Agency services											
Transfers recognised - operational		112 728	137 664	141 581	169 325	170 152	170 152		228 289	228 345	223 335
Other revenue	2	590	1 272	621	10 721	11 431	11 431	-	50 943	51 076	51 696
Gains on disposal of PPE					100	100	100				
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>125 167</b>	<b>149 346</b>	<b>155 696</b>	<b>194 124</b>	<b>196 455</b>	<b>196 455</b>	<b>-</b>	<b>295 039</b>	<b>296 087</b>	<b>292 617</b>

Operating grants and transfer total to R227m for the 2015/16 financial year which is approximately 61% of the total revenue. This clearly indicates that the municipality is largely dependent on grants and transfers for sustainability. The operating grants and transfer increases by 0.5% in 2016/17 steadily and drops by 2% in 2017/18. This projection might be caused by the tough economic conditions that are anticipated by country's economy. Below is the breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 3 Operating Transfer and Grant Receipts**

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>										
<b>Operating Transfers and Grants</b>	1, 2									
<b>National Government:</b>		<b>107 528</b>	<b>115 940</b>	<b>131 278</b>	<b>168 563</b>	<b>167 620</b>	<b>167 620</b>	<b>227 575</b>	<b>228 045</b>	<b>223 020</b>
Local Government Equitable Share		105 238	112 640	127 838	162 715	162 715	162 715	220 782	222 126	216 760
Finance Management		1 500	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1 033
EPWP Incentive		-	1 000	1 000	1 153	1 153	1 153	1 052		
Other transfers/grants [insert description]					2 161	1 218	1 218	3 211	3 337	3 527
<b>Provincial Government:</b>		<b>991</b>	<b>-</b>	<b>-</b>	<b>762</b>	<b>762</b>	<b>762</b>	<b>300</b>	<b>300</b>	<b>300</b>
Sport and Recreation					300	300	300	300	300	300
					350	350	350	-	-	-
LED Assistance		991			112	112	112			
<b>District Municipality:</b> [insert description]		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b> [insert description]		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating Transfers and Grants</b>	5	<b>108 519</b>	<b>115 940</b>	<b>131 278</b>	<b>169 325</b>	<b>168 382</b>	<b>168 382</b>	<b>227 875</b>	<b>228 345</b>	<b>223 320</b>

When setting tariffs particularly for property rates and refuse removal, the municipality took a number of factors into consideration such as local economic conditions and affordability so as to ensure that residents are able to pay. The increase on these tariffs has been linked to CPI of the country. All households receive a rebate of the first R15 000 of the market value of rate-able properties for property rates. Therefore the applicable tariff is applied after the rebate has been deducted from the market value of such property. For other exemptions residents are encouraged to apply to the municipality in order for those to be considered.

Below is the summary of all the property rates tariffs that are applicable to the municipality:

**Table 4 Summary of an increase in property rates tariffs from 2014/15 to 2015/16**

<b>Category</b>	<b>Current Tariff (from 01 July 2014)</b>	<b>Proposed Tariff (from 01 July 2015)</b>
	<b>c</b>	<b>c</b>
Residential properties	1,313	1,376
State owned properties	1,693	1,774
Business & Commercial	1,454	1,524
Vacant land	1,454	1,524

## 1.5 Operating Expenditure Framework

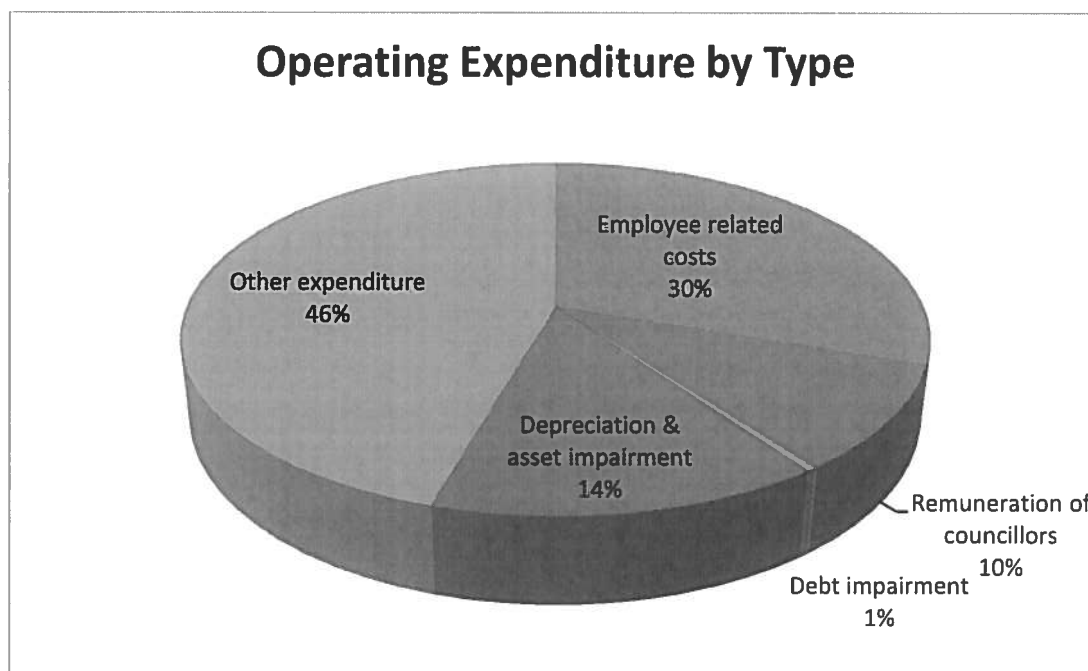
The municipality's expenditure framework for the 2015/16 budget is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit which is not the case in Mbhashe;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the infrastructure backlog;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;
- The current agreement with the unions in terms of collective bargaining has used to inform the municipality's remuneration of employees; and
- Depreciation is widely considered a proxy for the measurement of the rate of asset consumption (implementation of GRAP 17).

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

**Table 5 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 & 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>Expenditure By Type</b>											
Employee related costs	2	38 264	37 033	38 122	70 485	69 244	69 244	-	80 351	84 389	89 115
Remuneration of councillors		15 745	17 907	18 867	20 133	20 133	20 133		25 586	27 095	28 612
Debt impairment	3	5 894	2 933	963	1 010	1 010	1 010		1 010	1 346	1 418
Depreciation & asset impairment	2	24 338	30 327	33 638	33 467	33 467	33 467	-	38 200	40 377	42 637
Finance charges		71	600	166							
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	54 342	51 422	64 517	89 498	103 510	103 510	-	121 323	128 472	135 725
Loss on disposal of PPE			1 142								
<b>Total Expenditure</b>		<b>138 654</b>	<b>141 363</b>	<b>156 273</b>	<b>214 593</b>	<b>227 363</b>	<b>227 363</b>	<b>-</b>	<b>266 470</b>	<b>281 679</b>	<b>297 507</b>



The budget allocation for employee related costs for the 2015/16 financial year equals to 30% of the operating expenditure budget. An increment based on the CPI has been projected for the two outer years. The municipality plans to fill all vacant budgeted posts in the 2015/16 financial year as it has not been able to do so in the past. The high vacancy rate in the municipality has been hampering service delivery at all levels and even poised a threat to the municipality going concern.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget. This portion equals to 10% of the operating expenditure budget.

The provision of debt impairment was determined based on the municipality's challenges surrounding the accuracy of the municipality's billing system data. The municipality's data integrity when it comes to its billing system has been brought into dispute several times and therefore it is evident that there could still be some write-offs to be anticipated. 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. The provision of debt impairment equals to 1% of the operating expenditure budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard equals to 14% of the operating expenditure budget also anticipating the plant acquisition planned by the municipality. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

A substantial portion of the operating expenditure budget has been allocated under other expenditure. This includes operational costs, finance costs, contracted services and operational projects as per the various directorates.

## 1.6 Capital expenditure

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

**Table 6 2015/16 Medium-term capital budget per vote**

Vote Description	Ref	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1						
	2						
Executive and Council		950	1 050	1 050	200	-	-
Finance and Administration		2 258	4 608	4 608	4 285	2 444	2 581
Planning and Development		60	60	60	63	67	70
Community and Social Services		200	200	200	210	222	234
Housing		20	20	20	21	22	23
Public Safety		150	645	645	257	166	176
Environmental Management		950	950	950	650	-	-
Solid Management		1 800	4 200	4 200	-	-	-
Waste Water Management		300	300	300	300	-	-
Road Transport		59 386	85 109	85 109	115 613	120 288	128 389
Electricity		1 800	2 400	2 400	2 500	1 897	2 000
<b>Total Capital Budget</b>		<b>67 874</b>	<b>99 543</b>	<b>99 543</b>	<b>124 099</b>	<b>125 107</b>	<b>133 474</b>

For 2015/16 financial year an amount of R115 million has been appropriated for the development of infrastructure and electrification of rural households. This represents approximately 92% of the capital budget for the 2015/16 financial year. This is budgeted under Roads Transport which constitutes the largest portion of the capital budget. The municipality also plans to acquire its own plant machinery that will be used for roads construction and any other related requirements by the municipality.

## 1.7 Annual Budget Tables

The tables below represent the main budget tables as required in terms section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the council.

**Table 7 MBRR Table A1 - Budget Summary**

**EC121 Mhashe - 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	6 973	4 710	4 365	5 844	5 844	5 844	-	5 957	6 308	6 662
Service charges	802	916	765	771	771	771	-	808	816	862
Investment revenue	2 087	3 626	6 022	4 000	4 500	4 500	-	6 000	6 324	6 665
Transfers recognised - operational	112 728	137 664	141 581	169 325	170 152	170 152	-	228 289	228 345	223 335
Other own revenue	2 578	2 429	2 962	14 184	15 188	15 188	-	53 986	54 293	55 093
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>125 167</b>	<b>149 346</b>	<b>155 696</b>	<b>194 124</b>	<b>196 455</b>	<b>196 455</b>	<b>-</b>	<b>295 039</b>	<b>296 087</b>	<b>292 617</b>
Employee costs	38 264	37 033	38 122	70 485	69 244	69 244	-	80 351	84 389	89 115
Remuneration of councillors	15 745	17 907	18 867	20 133	20 133	20 133	-	25 586	27 095	28 612
Depreciation & asset impairment	24 338	30 327	33 638	33 467	33 467	33 467	-	38 200	40 377	42 637
Finance charges	71	600	166	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	60 236	55 497	65 480	90 508	104 520	104 520	-	122 333	129 818	137 143
<b>Total Expenditure</b>	<b>138 654</b>	<b>141 363</b>	<b>156 273</b>	<b>214 593</b>	<b>227 363</b>	<b>227 363</b>	<b>-</b>	<b>266 470</b>	<b>281 679</b>	<b>297 507</b>
<b>Surplus/(Deficit)</b>	<b>(13 487)</b>	<b>7 983</b>	<b>(577)</b>	<b>(20 469)</b>	<b>(30 909)</b>	<b>(30 909)</b>	<b>-</b>	<b>28 569</b>	<b>14 408</b>	<b>(4 890)</b>
Transfers recognised - capital	49 526	28 222	41 789	53 866	67 400	67 400	-	73 122	80 211	88 342
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>36 038</b>	<b>36 206</b>	<b>41 212</b>	<b>33 397</b>	<b>36 492</b>	<b>36 492</b>	<b>-</b>	<b>101 691</b>	<b>94 619</b>	<b>83 452</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>36 038</b>	<b>36 206</b>	<b>41 212</b>	<b>33 397</b>	<b>36 492</b>	<b>36 492</b>	<b>-</b>	<b>101 691</b>	<b>94 619</b>	<b>83 452</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>49 526</b>	<b>38 254</b>	<b>42 114</b>	<b>67 874</b>	<b>99 543</b>	<b>99 543</b>	<b>-</b>	<b>124 099</b>	<b>125 107</b>	<b>133 474</b>
Transfers recognised - capital	49 526	28 222	42 114	67 874	99 543	99 543	-	124 099	125 107	133 474
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	10 031	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>49 526</b>	<b>38 254</b>	<b>42 114</b>	<b>67 874</b>	<b>99 543</b>	<b>99 543</b>	<b>-</b>	<b>124 099</b>	<b>125 107</b>	<b>133 474</b>
<b>Financial position</b>										
Total current assets	37 817	69 657	117 375	54 103	54 103	54 103	166 252	55 274	55 891	56 321
Total non current assets	209 425	285 435	294 295	378 965	378 965	378 965	55 443	466 127	552 140	642 977
Total current liabilities	20 480	18 211	32 529	27 979	27 979	27 979	-	29 397	29 982	29 982
Total non current liabilities	-	3 911	4 258	4 258	4 365	4 365	-	5 633	6 953	6 953
Community wealth/Equity	226 762	332 971	374 883	400 723	400 723	400 723	221 695	486 372	571 095	662 362
<b>Cash flows</b>										
Net cash from (used) operating	64 977	79 658	83 765	33 297	36 392	36 392	126 762	73 869	64 805	51 969
Net cash from (used) investing	(49 325)	(38 363)	(39 252)	(67 774)	(99 443)	(99 443)	(23 881)	(73 122)	(80 211)	(88 342)
Net cash from (used) financing	-	-	8	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>27 155</b>	<b>68 417</b>	<b>44 521</b>	<b>(34 477)</b>	<b>(63 051)</b>	<b>(63 051)</b>	<b>102 881</b>	<b>747</b>	<b>(14 659)</b>	<b>(51 032)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	27 155	68 352	111 373	46 679	46 679	46 679	165 554	46 679	46 679	46 679
Application of cash and investments	11 270	17 146	28 726	20 555	20 555	20 555	-	26 461	26 770	26 499
<b>Balance - surplus (shortfall)</b>	<b>15 885</b>	<b>51 207</b>	<b>82 647</b>	<b>26 123</b>	<b>26 123</b>	<b>26 123</b>	<b>165 554</b>	<b>20 218</b>	<b>19 909</b>	<b>20 180</b>
<b>Asset management</b>										
Asset register summary (WDV)	46 864	55 158	292 190	50 221	50 221	50 221	51 485	51 485	52 767	52 767
Depreciation & asset impairment	24 338	30 327	33 638	33 467	33 467	33 467	38 200	38 200	40 377	42 637
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	31 860	35 680	35 680	29 366	29 366	31 098	32 840
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

**Table 8 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

EC121 Mbashe - Table A2 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>										
<i>Governance and administration</i>		117 313	131 947	150 043	185 702	187 102	187 102	245 990	248 203	244 290
Executive and council		-	-	-	10 543	10 543	10 543	11 047	11 552	12 065
Budget and treasury office		117 313	131 314	149 466	174 297	175 397	175 397	234 333	236 005	231 544
Corporate services		-	633	577	862	1 162	1 162	610	645	681
<i>Community and public safety</i>		2 750	1 748	2 280	3 252	7 598	7 598	2 913	3 067	3 237
Community and social services		1 248	122	135	465	465	465	473	483	509
Sport and recreation		-	-	350	-	-	-	-	-	-
Public safety		1 503	1 626	1 794	2 787	5 279	5 279	2 440	2 584	2 728
Housing		-	-	-	-	1 853	1 853	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		53 799	42 921	44 694	58 182	75 445	75 445	118 365	124 120	132 473
Planning and development		310	136	555	652	4 986	4 986	980	572	604
Road transport		53 489	42 786	43 789	57 180	69 772	69 772	117 385	123 548	131 869
Environmental protection		-	-	350	350	688	688	-	-	-
<i>Trading services</i>		829	952	817	853	3 253	3 253	894	908	959
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		26	36	52	83	83	83	87	92	97
Waste management		802	916	765	771	3 171	3 171	808	816	862
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	174 692	177 568	197 834	247 989	273 399	273 399	368 161	376 297	380 959
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		97 465	96 152	101 028	97 768	97 618	97 618	107 788	113 589	119 983
Executive and council		28 157	57 218	59 540	43 775	43 675	43 675	53 816	57 010	60 224
Budget and treasury office		55 629	25 457	26 293	34 685	34 635	34 635	29 417	31 101	32 848
Corporate services		13 679	13 476	15 194	19 308	19 308	19 308	24 555	25 478	26 911
<i>Community and public safety</i>		16 836	19 275	16 188	31 146	32 602	32 602	44 292	46 876	49 516
Community and social services		1 428	1 233	2 049	8 514	7 014	7 014	9 341	9 887	10 448
Sport and recreation		-	-	809	-	-	-	-	-	-
Public safety		10 524	11 786	9 241	15 080	16 183	16 183	25 933	27 439	28 983
Housing		4 885	6 256	4 089	7 552	9 405	9 405	9 019	9 551	10 085
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		18 138	16 706	28 888	69 710	82 415	82 415	92 171	97 403	102 864
Planning and development		8 628	7 900	8 622	11 907	15 430	15 430	22 306	23 411	24 723
Road transport		8 320	8 806	20 131	56 225	65 069	65 069	68 128	72 153	76 199
Environmental protection		1 190	-	134	1 578	1 916	1 916	1 737	1 840	1 943
<i>Trading services</i>		6 205	7 979	10 560	15 969	14 728	14 728	22 219	23 492	24 807
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		555	466	817	1 469	1 469	1 469	1 373	1 454	1 536
Waste management		5 650	7 513	9 743	14 500	13 259	13 259	20 845	22 037	23 271
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	138 645	140 113	156 663	214 593	227 363	227 363	266 470	281 360	297 170
<b>Surplus/(Deficit) for the year</b>		36 047	37 456	41 171	33 397	46 036	46 036	101 691	94 937	83 789

**Table 9 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

**EC121 Mbashe - Table A3 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>										
Vote 1 - Executive and Council	1	-	-	-	10 543	10 543	10 543	11 047	11 552	12 065
Vote 2 - Finance and Administration		117 314	131 947	150 043	175 159	176 559	176 559	234 943	236 651	232 225
Vote 3 - Planning and Development		310	136	555	652	4 986	4 986	980	572	604
Vote 4 - Community and Social Services		1 248	122	135	465	465	465	473	483	509
Vote 5 - Housing		-	-	-	-	1 853	1 853	-	-	-
Vote 6 - Public Safety		1 503	1 626	1 794	2 787	3 426	3 426	2 440	2 584	2 728
Vote 7 - Environmental Management		-	-	350	350	688	688	-	-	-
Vote 8 - Solid Management		802	916	765	771	3 171	3 171	808	816	862
Vote 9 - Waste Water Management		26	36	52	83	83	83	87	92	97
Vote 10 - Road Transport		53 489	42 786	43 789	57 180	69 772	69 772	117 385	123 548	131 869
Vote 11 - Electricity		-	-	-	-	-	-	-	-	-
Vote 12 - Other		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>174 692</b>	<b>177 568</b>	<b>197 484</b>	<b>247 989</b>	<b>271 545</b>	<b>271 545</b>	<b>368 161</b>	<b>376 297</b>	<b>380 959</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - Executive and Council	1	28 157	57 218	59 540	43 775	43 675	43 675	55 138	58 410	61 703
Vote 2 - Finance and Administration		69 308	38 933	41 096	53 992	53 942	53 942	53 972	56 579	59 759
Vote 3 - Planning and Development		8 628	7 900	8 622	11 907	15 430	15 430	22 306	23 411	24 723
Vote 4 - Community and Social Services		1 428	1 233	2 049	8 514	7 014	7 014	8 018	8 487	8 969
Vote 5 - Housing		4 885	6 256	4 089	7 552	9 405	9 405	9 019	9 551	10 085
Vote 6 - Public Safety		8 165	10 627	7 899	12 944	13 547	13 547	23 076	24 444	25 820
Vote 7 - Environmental Management		1 190	1 250	943	1 578	1 916	1 916	1 737	1 840	1 943
Vote 8 - Solid Management		5 650	7 513	9 743	14 500	13 259	13 259	20 845	22 037	23 271
Vote 9 - Waste Water Management		564	466	817	1 469	1 469	1 469	1 373	1 454	1 536
Vote 10 - Road Transport		8 320	8 806	20 131	56 225	65 069	65 069	68 128	72 153	76 199
Vote 11 - Electricity		701	1 160	1 342	2 136	2 636	2 636	2 857	2 995	3 163
Vote 12 - Other		1 658	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>138 654</b>	<b>141 363</b>	<b>156 273</b>	<b>214 593</b>	<b>227 363</b>	<b>227 363</b>	<b>266 470</b>	<b>281 360</b>	<b>297 170</b>
<b>Surplus(Deficit) for the year</b>	<b>2</b>	<b>36 038</b>	<b>36 206</b>	<b>41 212</b>	<b>33 397</b>	<b>44 182</b>	<b>44 182</b>	<b>101 691</b>	<b>94 937</b>	<b>83 789</b>



**Table 10 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

EC121 Mbashe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>											
Property rates	2	6 973	4 710	4 365	5 844	5 844	5 844	-	5 957	6 308	6 662
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	802	916	765	771	771	771	-	808	816	862
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		543	537	762	770	1 170	1 170	-	807	849	896
Interest earned - external investments		2 087	3 626	6 022	4 000	4 500	4 500	-	6 000	6 324	6 665
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		521	620	627	919	461	461	-	483	511	540
Licences and permits		924	-	952	1 673	2 025	2 025	-	1 753	1 856	1 960
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		112 728	137 664	141 581	169 325	170 152	170 152	-	228 289	228 345	223 335
Other revenue	2	590	1 272	621	10 721	11 431	11 431	-	50 943	51 076	51 696
Gains on disposal of PPE		-	-	-	100	100	100	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>125 167</b>	<b>149 346</b>	<b>155 696</b>	<b>194 124</b>	<b>196 455</b>	<b>196 455</b>	<b>-</b>	<b>295 039</b>	<b>296 087</b>	<b>292 617</b>
<b>Expenditure By Type</b>											
Employee related costs	2	38 264	37 033	38 122	70 485	69 244	69 244	-	80 351	84 389	89 115
Remuneration of councillors		15 745	17 907	18 867	20 133	20 133	20 133	-	25 586	27 095	28 612
Debt impairment	3	5 894	2 933	963	1 010	1 010	1 010	-	1 010	1 346	1 418
Depreciation & asset impairment	2	24 338	30 327	33 638	33 467	33 467	33 467	-	38 200	40 377	42 637
Finance charges		71	600	166	-	-	-	-	-	-	-
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	54 342	51 422	64 517	89 498	103 510	103 510	-	121 323	128 472	135 725
Loss on disposal of PPE		-	1 142	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>138 654</b>	<b>141 363</b>	<b>156 273</b>	<b>214 593</b>	<b>227 363</b>	<b>227 363</b>	<b>-</b>	<b>266 470</b>	<b>281 679</b>	<b>297 507</b>
<b>Surplus/(Deficit)</b>											
Surplus/(Deficit)		(13 487)	7 983	(577)	(20 469)	(30 909)	(30 909)	-	28 569	14 408	(4 890)
Transfers recognised - capital		49 526	28 222	41 789	53 866	67 400	67 400	-	73 122	80 211	88 342
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>36 038</b>	<b>36 206</b>	<b>41 212</b>	<b>33 397</b>	<b>36 492</b>	<b>36 492</b>	<b>-</b>	<b>101 691</b>	<b>94 619</b>	<b>83 452</b>
<b>Taxation</b>											
<b>Surplus/(Deficit) after taxation</b>		<b>36 038</b>	<b>36 206</b>	<b>41 212</b>	<b>33 397</b>	<b>36 492</b>	<b>36 492</b>	<b>-</b>	<b>101 691</b>	<b>94 619</b>	<b>83 452</b>
Atributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>36 038</b>	<b>36 206</b>	<b>41 212</b>	<b>33 397</b>	<b>36 492</b>	<b>36 492</b>	<b>-</b>	<b>101 691</b>	<b>94 619</b>	<b>83 452</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>36 038</b>	<b>36 206</b>	<b>41 212</b>	<b>33 397</b>	<b>36 492</b>	<b>36 492</b>	<b>-</b>	<b>101 691</b>	<b>94 619</b>	<b>83 452</b>

**Table 11 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

EC121 Mbashe - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 3 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Environmental Management		-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Management		-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 11 - Electricity		-	-	-	-	-	-	-	-	-	-
Vote 12 - Other		-	-	-	-	-	-	-	-	-	-
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 and Council		-	-	556	950	1 050	1 050	-	200	-	-
Vote 2 - Finance and Administration		738	286	1 025	2 258	4 608	4 608	-	4 285	2 444	2 581
Vote 3 - Planning and Development		395	395	-	60	60	60	-	63	67	70
Vote 4 - Community and Social Services		-	-	-	200	200	200	-	210	222	234
Vote 5 - Housing		-	-	-	20	20	20	-	21	22	23
Vote 6 - Public Safety		868	3 415	191	150	645	645	-	257	166	176
Vote 7 - Environmental Management		-	-	-	950	950	950	-	650	-	-
Vote 8 - Solid Management		-	-	-	1 800	4 200	4 200	-	-	-	-
Vote 9 - Waste Water Management		612	612	-	300	300	300	-	300	-	-
Vote 10 - Road Transport		28 772	33 545	40 341	59 386	85 109	85 109	-	115 613	120 288	128 389
Vote 11 - Electricity		18 140	-	-	1 800	2 400	2 400	-	2 500	1 897	2 000
Vote 12 - Other		-	-	-	-	-	-	-	-	-	-
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>		49 526	38 254	42 114	67 874	99 543	99 543	-	124 099	125 107	133 474
<b>Total Capital Expenditure - Vote</b>		49 526	38 254	42 114	67 874	99 543	99 543	-	124 099	125 107	133 474
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		738	286	1 581	3 208	5 658	5 658	-	4 485	2 444	2 581
Executive and council		-	-	556	950	1 050	1 050	-	200	-	-
Budget and treasury office		51	222	83	253	903	903	-	400	56	59
Corporate services		687	64	942	2 005	3 705	3 705	-	3 885	2 388	2 522
<b>Community and public safety</b>		868	3 415	191	2 170	3 265	3 265	-	488	411	434
Community and social services		-	-	-	200	200	200	-	210	222	234
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		868	3 415	191	1 950	3 045	3 045	-	257	166	176
Housing		-	-	-	20	20	20	-	21	22	23
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		29 167	33 940	40 341	60 396	86 119	86 119	-	116 326	120 355	128 460
Planning and development		395	395	-	60	60	60	-	63	67	70
Road transport		28 772	33 545	40 341	59 386	85 109	85 109	-	115 613	120 288	128 389
Environmental protection		-	-	-	950	950	950	-	650	-	-
<b>Trading services</b>		18 753	612	-	2 100	4 500	4 500	-	2 800	1 897	2 000
Electricity		18 140	-	-	-	-	-	-	2 500	1 897	2 000
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	300	300	300	-	300	-	-
Waste management		612	612	-	1 800	4 200	4 200	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	49 526	38 254	42 114	67 874	99 543	99 543	-	124 099	125 107	133 474
<b>Funded by:</b>											
National Government		49 526	28 222	42 114	67 874	99 543	99 543	-	124 099	125 107	133 474
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	49 526	28 222	42 114	67 874	99 543	99 543	-	124 099	125 107	133 474
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	10 031	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	7	49 526	38 254	42 114	67 874	99 543	99 543	-	124 099	125 107	133 474

**Table 12 MBRR Table A6 - Budgeted Financial Position**

**EC121 Mbhashe - Table A6 Budgeted Financial Position**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		32 224	68 352	113 514	46 679	46 679	46 679	165 554	46 679	46 679	46 679
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	648	599	522	1 698	1 698	1 698	-	2 115	2 609	3 039
Other debtors		4 945	705	706	5 726	5 726	5 726	698	6 480	6 603	6 603
Current portion of long-term receivables				2 634							
Inventory	2										
<b>Total current assets</b>		<b>37 817</b>	<b>69 657</b>	<b>117 375</b>	<b>54 103</b>	<b>54 103</b>	<b>54 103</b>	<b>166 252</b>	<b>55 274</b>	<b>55 891</b>	<b>56 321</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property		46 628	54 704	53 527	49 721	49 721	49 721	54 484	50 958	52 211	52 211
Investment in Associate											
Property, plant and equipment	3	162 562	230 277	238 201	328 744	328 744	328 744	-	414 643	499 373	590 210
Agricultural											
Biological											
Intangible		236	454	453	500	500	500	959	527	555	555
Other non-current assets				2 115							
<b>Total non current assets</b>		<b>209 425</b>	<b>285 435</b>	<b>294 295</b>	<b>378 965</b>	<b>378 965</b>	<b>378 965</b>	<b>55 443</b>	<b>466 127</b>	<b>552 140</b>	<b>642 977</b>
<b>TOTAL ASSETS</b>		<b>247 242</b>	<b>355 092</b>	<b>411 671</b>	<b>433 068</b>	<b>433 068</b>	<b>433 068</b>	<b>221 695</b>	<b>521 401</b>	<b>608 031</b>	<b>699 298</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	5 069	-	2 142							
Borrowing	4	-	-	4	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	14 460	17 941	30 092	27 979	27 979	27 979	-	29 397	29 982	29 982
Provisions		951	270	292							
<b>Total current liabilities</b>		<b>20 480</b>	<b>18 211</b>	<b>32 529</b>	<b>27 979</b>	<b>27 979</b>	<b>27 979</b>	<b>-</b>	<b>29 397</b>	<b>29 982</b>	<b>29 982</b>
<b>Non current liabilities</b>											
Borrowing		-	18	14	-	-	-	-	-	-	-
Provisions		-	3 892	4 244	4 365	4 365	4 365	-	5 633	6 953	6 953
<b>Total non current liabilities</b>		<b>-</b>	<b>3 911</b>	<b>4 258</b>	<b>4 365</b>	<b>4 365</b>	<b>4 365</b>	<b>-</b>	<b>5 633</b>	<b>6 953</b>	<b>6 953</b>
<b>TOTAL LIABILITIES</b>		<b>20 480</b>	<b>22 121</b>	<b>36 788</b>	<b>32 345</b>	<b>32 345</b>	<b>32 345</b>	<b>-</b>	<b>35 030</b>	<b>36 935</b>	<b>36 935</b>
<b>NET ASSETS</b>	5	<b>226 762</b>	<b>332 971</b>	<b>374 883</b>	<b>400 723</b>	<b>400 723</b>	<b>400 723</b>	<b>221 695</b>	<b>486 372</b>	<b>571 095</b>	<b>662 362</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		226 762	332 971	374 883	400 723	400 723	400 723	221 695	486 372	571 095	662 362
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>226 762</b>	<b>332 971</b>	<b>374 883</b>	<b>400 723</b>	<b>400 723</b>	<b>400 723</b>	<b>221 695</b>	<b>486 372</b>	<b>571 095</b>	<b>662 362</b>

**Table 13 MBRR Table A7 - Budgeted Cash Flow Statement**

EC121 Mhhashe - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Properly rates, penalties & collection charges		5 905	2 478	6 043	20 698	21 702	21 702	9 018	5 957	6 308	6 662
Service charges								808	816	862	
Other revenue			2 429	2 962				13 986	14 293	15 093	
Government - operating	1	162 254	137 654	168 864	169 325	170 152	170 152	123 767	268 702	268 345	263 335
Government - capital	1	28 222	28 222	21 545	53 866	67 400	67 400	50 596	73 122	80 211	88 342
Interest		2 087	3 723	6 022	4 000	4 500	4 500	4 452	6 000	6 324	6 665
Dividends								-	-	-	
<b>Payments</b>											
Suppliers and employees		(105 197)	(94 258)	(121 506)	(214 593)	(227 363)	(227 363)	(61 071)	(294 706)	(311 492)	(328 990)
Finance charges		(71)	(600)	(166)					-	-	-
Transfers and Grants	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>64 977</b>	<b>79 658</b>	<b>83 765</b>	<b>33 297</b>	<b>36 392</b>	<b>36 392</b>	<b>126 762</b>	<b>73 869</b>	<b>64 805</b>	<b>51 969</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			239	373	100	100	100		-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(49 325)	(38 602)	(39 625)	(67 874)	(99 543)	(99 543)	(23 881)	(73 122)	(80 211)	(88 342)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(49 325)</b>	<b>(38 363)</b>	<b>(39 252)</b>	<b>(67 774)</b>	<b>(99 443)</b>	<b>(99 443)</b>	<b>(23 881)</b>	<b>(73 122)</b>	<b>(80 211)</b>	<b>(88 342)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing				4					-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing				4					-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>15 652</b>	<b>41 296</b>	<b>44 521</b>	<b>(34 477)</b>	<b>(63 051)</b>	<b>(63 051)</b>	<b>102 881</b>	<b>747</b>	<b>(15 406)</b>	<b>(36 373)</b>
Cash/cash equivalents at the year end	2	11 503	27 121						-	747	(14 659)
Cash/cash equivalents at the year begin:	2	27 155	68 417	44 521	(34 477)	(63 051)	(63 051)	102 881	747	(14 659)	(51 032)

**Table 14 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

EC121 Mhhashe - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash and Investments available</b>											
Cash/cash equivalents at the year end	1	27 155	68 417	44 521	(34 477)	(63 051)	(63 051)	102 881	747	(14 659)	(51 032)
Other current investments > 90 days		0	(64)	66 851	81 156	109 730	109 730	62 673	45 932	61 338	97 711
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and Investments available:</b>		<b>27 155</b>	<b>68 352</b>	<b>111 373</b>	<b>46 679</b>	<b>46 679</b>	<b>46 679</b>	<b>165 554</b>	<b>46 679</b>	<b>46 679</b>	<b>46 679</b>
<b>Application of cash and Investments</b>											
Unspent conditional transfers		3 755	13 014	20 054	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	7 515	4 132	8 672	20 555	20 555	20 555	-	26 461	26 770	26 499
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and Investments:</b>		<b>11 270</b>	<b>17 146</b>	<b>28 726</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>-</b>	<b>26 461</b>	<b>26 770</b>	<b>26 499</b>
<b>Surplus(shortfall)</b>		<b>15 885</b>	<b>51 207</b>	<b>82 647</b>	<b>26 123</b>	<b>26 123</b>	<b>26 123</b>	<b>165 554</b>	<b>20 218</b>	<b>19 909</b>	<b>20 180</b>

EC121 Mbashe - 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	49 526	36 796	8 255	67 874	99 543	99 543	124 099	125 107	133 474
Infrastructure - Road transport		149	35 699	-	51 866	72 862	72 862	53 122	55 211	58 342
Infrastructure - Electricity		18 660	851	-	3 800	5 400	5 400	22 500	26 897	32 000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		28 049	-	-	-	2 418	2 418	-	-	-
Infrastructure		46 858	36 549	-	55 666	80 680	80 680	75 622	82 108	90 342
Community		-	-	-	200	500	500	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	2 467	247	7 825	11 508	17 263	17 263	47 477	41 940	42 013
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		201	-	430	500	1 100	1 100	1 000	1 059	1 118
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		149	35 699	-	51 866	72 862	72 862	53 122	55 211	58 342
Infrastructure - Electricity		18 660	851	-	3 800	5 400	5 400	22 500	26 897	32 000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		28 049	-	-	-	2 418	2 418	-	-	-
Infrastructure		46 858	36 549	-	55 666	80 680	80 680	75 622	82 108	90 342
Community		-	-	-	200	500	500	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	2 467	247	7 825	11 508	17 263	17 263	47 477	41 940	42 013
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		201	-	430	500	1 100	1 100	1 000	1 059	1 118
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	49 526	36 796	8 255	67 874	99 543	99 543	124 099	125 107	133 474
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>										
Infrastructure - Road transport	5	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	4 028	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	4 028	-	-	-	-	-	-
Community		-	-	99 417	-	-	-	-	-	-
Heritage assets		-	-	9	-	-	-	-	-	-
Investment properties		46 628	54 704	53 527	49 721	49 721	49 721	50 958	52 211	52 211
Other assets		-	-	134 757	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		236	454	453	500	500	500	527	555	555
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	46 864	55 158	292 190	50 221	50 221	50 221	51 485	52 767	52 767
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		24 338	30 327	33 638	33 467	33 467	33 467	38 200	40 377	42 637
<b>Repairs and Maintenance by Asset Class</b>	3	-	-	-	31 860	35 680	35 680	29 366	31 098	32 840
Infrastructure - Road transport		-	-	-	12 650	17 550	17 550	13 204	13 983	14 767
Infrastructure - Electricity		-	-	-	400	900	900	419	444	469
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	13 050	18 450	18 450	13 624	14 427	15 235
Community		-	-	-	6 500	6 500	6 500	6 812	7 214	7 618
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	12 310	10 730	10 730	8 930	9 457	9 986
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		24 338	30 327	33 638	65 327	69 147	69 147	67 566	71 475	75 476
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>R&amp;M as a % of PPE</b>		0.0%	0.0%	0.0%	9.7%	10.9%	10.9%	7.1%	6.2%	5.6%
<b>Renewal and R&amp;M as a % of PPE</b>		0.0%	0.0%	0.0%	63.0%	71.0%	71.0%	57.0%	59.0%	62.0%

EC121 Mbashe - Table A10 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										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kw h per household per month)										
Refuse (removed at least once a week)										
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kw h per household per month)										
Refuse (removed once a week)										
<b>Total cost of FBS provided (minimum social packa</b>		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kw h per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - bp structure subsidies										
Other										
<b>Total revenue cost of free services provided (total social package)</b>	6	-	-	-	-	-	-	-	-	-

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

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

The Budget Steering Committee consists of all the EXCO members, Municipal Manager, Directors and senior officials of the municipality.

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

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### **2.1.1 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

Budget templates reflecting the actual figures, forecast expenditure for the year were distributed for population of the line item details, at meetings held between different directorates and the budget and treasury office. Directorates were also given guidelines funding as well as the expenditure levels.

After all that, the budget was considered by the Budget Technical Team which consists of all directors, section heads of various departments, project managers and union representatives, where areas of possible cuts were assessed. The main objective of the Budget Task Team is to ensure that the budget is maintained within the affordability levels, taking the IDP deliverables into account and inputs from the consultation process.

The Mayor tabled in Council the required the IDP and budget time schedule on the 27<sup>th</sup> August 2014. Key dates applicable to the process were:

## SCHEDULE OF MEETINGS FOR IDP AND BUDGET PROCESS

JULY-PRE-PLANNING PHASE				
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	RESPONSIBLE PERSON
1.	Provincial IDP Assessment	Assessments	07/07-11/07/2014	KPA Champs
AUGUST-PLANNING PHASE				
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	RESPONSIBLE PERSON
1.	Process Plan	IDP/Budget/PMS Steering Committee	14/08/2014	Steering Committee
2.	ADM	IGR Forum	18/08/2014	Strategic
3.	ADM	District Planning Coordinating Forum	19/08/2014	IDP Practitioners
4.	Adoption of the IDP/Budget Process Plan	Council Meeting	27/08/2014	Mayor
5.	Preparation for Ward Base Plans	IDP/Budget/PMS Steering Committee	28/08/2014	MM
SEPTEMBER-PLANNING PHASE				
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	RESPONSIBLE PERSON
1.	Process Plan to be Advertised and submitted to ADM/MEC & relevant offices	None	02/09/2014	Strategic
2.	Ward Base Plans	Consultations, Imbizo's	01/09 – 30/09/2014	Steering Committee, Mayor



3.	Presentation of the process plan and to get status quo of projects implemented by sector departments	IGR	09/09/14	MM
4.	ADM	IDP Budget Rep Forum	18/09/2014	Mayor, IDP Practitioners
5.	Presentation of the process plan and Performance reporting	IDP/Budget Rep Forum	23/09/2014	Mayor
<b>OCTOBER-ANALYSIS PHASE</b>				
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	
1.	Presentation Ward Base Plan, Situational Analysis	IDP/Budget/PMS Steering Committee	08/10/2014	MM
2.	PMS Quarterly Reports	Cluster Meetings	13 - 14/10/2014	MM
3.	<ul style="list-style-type: none"> <li>• Presentation of budget statement-quarterly report.</li> <li>• Conclude first draft budget to confirm priorities and identify other financial &amp; non - financial budget parameters including government allocations.</li> </ul>	Budget Steering Committee	20/10/2014	Mayor
5.	ADM	District Planning Coordinating Forum  IGR	30/10/2014	IDP Practitioners
<b>NOVEMBER-ANALYSIS PHASE</b>				
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	

1.	Presentation of the Situational Analysis to the steering committee, Presentation of Municipal Priorities from Ward level	IDP Steering Committee meeting	06/11/2014	MM
2.	ADM	IDP/ Budget Rep Forum	20/11/2014	Mayor, IDP Practitioners
3.	Presentation of situational analysis and Ward priorities to IGR Forum	IGR Forum	21/11/2014	MM
4.	Presentation of the situational analysis and ward priorities	IDP/Budget Rep Forum	25/11/2014	Mayor
<b>DECEMBER-STRATEGIES PHASE</b>				
<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	Presentation of draft objectives, strategies and programs	IDP/Budget Steering Committee	08/12/2014	MM
<b>JANUARY-STRATEGIES PHASE</b>				
<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	PMS Quarterly Reports	Meetings	12-13/01/2015	MM
3.	Refinement of Strategies, Objectives and Programs	IDP Steering Committee	15/01/2015	MM
4.	<ul style="list-style-type: none"> <li>• Consider audit report on financial statements &amp; prepare action and identify areas that need to be funded.</li> <li>• Presentation of SALGA upper limits.</li> </ul>	Budget steering Committee	26/01/2015	Mayor
<b>FEBRUARY-STRATEGIES PHASE</b>				

ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	
1.	Final presentations for Strategic Planning	IDP/Budget/PMS Steering Committee	09/02/2015	MM
2.	Reviewal of the strategies and objectives, setting up new objectives and strategies based on new priorities	Strategic Sessions	10/02 – 12/02/2015	MM
3.	ADM	District Planning Coordinating Forum	26/02/2015	IDP Practitioners
<b>MARCH-PROJECTS PHASE</b>				
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	
1.	Alignment of Strategies, Objectives to project priorities	IDP/Budget/PMS Steering Committee	03/03/2015	MM
	ADM	IGR Forum	09/03/2015	Strategic
2.	Presentation of project plans from Sector Departments	Clusters	12/03/2015	KPA Champs
3.	Presentation of project plans from Sector Departments	IGR Forum	13/03/2015	MM
4.	Presentation of draft revised IDP with broad budget per cluster, draft project lists and revised sector plan	IDP/Budget/PMS Rep Forum	17/03/2015	MM
5.	ADM	IDP/ Budget Rep Forum	18/03/2015	Mayor, IDP Practitioners
7.	Presentation and approval of the draft Budget/ IDP/SDBIP, Annual and	Council Meeting	25/03/2015	Mayor

	Oversight Reports to and by Council			
8.	Advertising of the Draft IDP and Budget, calling for public comments	None	26 /03/2015	Strategic
9.	Public Comments Phase Presentations of the IDP and Budget to the communities	IDP/Budget Roadshows	30/03/2015 -	Mayor
10.	Submit draft IDP/SDBIP & Budget to MEC /Treasury/ ADM and any other relevant office	None	31/03/2015	Strategic
<b>APRIL-APPROVAL PHASE</b>				
<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	Public Comments Phase presentation of the IDP to the communities	IDP/Budget Roadshows	30/03 – 15/04/2015	Mayor
2.	PMS Quarterly Reports	Cluster Meetings	16 -17/04/2015	Cluster Champs
3.	Consider inputs from Roadshows for IDP	IDP/Budget/PMS Steering Committee	20/04/2015	MM
4.	ADM	District Planning Coordination Forum	28/04/2015	IDP Practitioners
<b>MAY-APPROVAL PHASE</b>				
<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	Presentation of final Draft IDP and Budget	IDP Steering Committee	05/05/2015	MM

		Meeting		
2.	Presentation of final Draft IDP and Budget	IGR Forum	06/05/2015	MM
3.	Presentation of inputs and action plan from Roadshows & IGR	Clusters	07/05/2015	KPA Champs
5.	ADM	IGR Forum	08/05/2015	Strategic
6.	Presentation of the final draft IDP/Budget to rep forum	IDP/Budget/PMS Rep Forum	13/05/2015	MM
7.	ADM	IDP/ Budget Rep Forum	21/05/2015	Mayor, IDP Practitioners
8.	Approval of Final Draft IDP and Budget and SDBIP	Council Meeting	27/05/2015	Mayor
<b>JUNE-APPROVAL PHASE</b>				
<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	Submission of the Final IDP/SDBIP to MEC and other relevant departments	None	01/06/2015	MM
2.	Public notice on the adoption of the IDP/Budget/SDBIP	None	09/06/2015	MM
3.	Signing of MM and Section 56 Managers Performance Agreements no later than 14 days after approval	None	15/06/2015	MM, Mayor
4.	ADM	District Coordination Planning Forum	25/06/2015	IDP Practitioners
5.	SDBIP submitted to Provincial Treasury & MEC for COGTA, AG & ADM	None	30/06/2015	MM

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

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

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/15 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2015/16 MTREF, each department had to review the planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2015/16 MTREF, the following key factors and planning strategies were undertaken to ensure affordability and financial sustainability:

- Policy priorities and strategic objectives
- Back to Basic approach
- Outcomes 9 of the NDP
- Asset management
- Economic situation (i.e inflation rate and debt)
- Performance trends
- The approved 2014/15, adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

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

### **2.1.4 Community Consultation**

The draft 2015/16 MTREF as tabled before Council on 30 March 2015 for community consultation was published on the newspaper, and hard copies were made available at all the unit offices and libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury and provincial treasury, and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Councillors Ward Committees were utilised to facilitate the community consultation process. The applicable dates and venues were published in the local newspapers (from 01/04/2015 to 15/04/2015). The consultation processes, including the specific targeting of ratepayer associations, sessions were scheduled with organised business. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2015/16 MTREF. Feedback and responses to the submissions received are available on request.

## **2.2 Overview of alignment of annual budget with IDP**

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

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

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

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

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

The review of the IDP focuses on the infrastructure backlog of the whole Mphashe area and also the prioritised as identified by the communities in all wards. The budget has been prepared in accordance with the IDP focusing on five national key performance areas, which are:

- Municipal transformation and development
- Service delivery and infrastructure development
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

The abovementioned strategic focus areas informed the preparation of the budget and SDBIP with measurable performance indicators and targets.

After the tabling of the draft budget, a series of meetings was held throughout the municipal area to consult with the public representatives, civil society, business, labour and other government departments on how the budget addresses the IDP priorities and objectives. The feedback flowing from these meetings was referred to a management and EXCO to find a way of attending to all the issues. Some has financial implications and some not.

The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources through its budget and speed up service delivery.

IDP is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. The municipality has also aligned its budget and IDP in line with the National, provincial and district.

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

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

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national, provincial and district priorities.



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

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of this IDP and budget with the aim of improving.

The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 17 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

EC121 Mhhashe - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	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
R thousand												
KPA 1 :- Municipal Transformation and organisational Development					265	17	375	375	375	100	105	111
KPA 2 :- Basic Service Delivery and Infrastructure				57 195	45 990	46 885	62 662	69 914	69 914	121 192	127 523	136 065
KPA 3 :- Local Economic Development				184		1 116	112	7 626	7 626	1 490	1 112	1 175
KPA 4 :- Financial Viability				117 313	131 314	149 466	174 297	175 397	175 397	234 333	236 005	231 544
KPA 5 :- Good Governance and Public Participation							10 543	10 543	10 543	11 047	11 552	12 065
Allocations to other priorities			2									
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	<b>174 692</b>	<b>177 568</b>	<b>197 484</b>	<b>247 989</b>	<b>263 855</b>	<b>263 855</b>	<b>368 161</b>	<b>376 297</b>	<b>380 959</b>

**Table 18 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

EC121 Mbhashe - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	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	
R thousand													
KPA 1 :- Municipal Transformation and organisational Development				12 030	12 189	14 064	14 378	21 072	21 072	19 995	20 970	22 144	
KPA 2 :- Basic Service Delivery and Infrastructure				32 807	38 729	42 925	112 937	98 216	98 216	126 036	133 410	140 901	
KPA 3 :- Local Economic Development				10 031	7 768	13 450	9 592	29 765	29 765	35 884	37 788	39 911	
KPA 4 :- Financial Viability				55 629	25 457	26 293	34 685	34 635	34 635	29 417	31 101	32 848	
KPA 5 :- Good Governance and Public Participation				28 157	57 218	59 540	43 002	43 675	43 675	55 138	58 410	61 703	
Allocations to other priorities													
<b>Total Expenditure</b>				1	138 654	141 363	156 273	214 593	227 363	227 363	266 470	281 679	297 507

**Table 19 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

EC121 Mbhashe - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	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	
R thousand													
KPA 1 :- Municipal Transformation and organisational Development		A		687	64	942	2 005	1 900	1 900	2 250	2 277	2 404	
KPA 2 :- Basic Service Delivery and Infrastructure		B		48 392	37 572	40 533	64 626	93 805	93 805	119 530	122 574	130 799	
KPA 3 :- Local Economic Development		C		395	395	-	40	1 885	1 885	1 719	200	212	
KPA 4 :- Financial Viability		D		51	222	83	253	903	903	400	56	59	
KPA 5 :- Good Governance and Public Participation		E		-	-	556	950	1 050	1 050	200	-	-	
		F											
		G											
		H											
		I											
		J											
		K											
		L											
		M											
		N											
		O											
		P											
Allocations to other priorities				3									
<b>Total Capital Expenditure</b>				1	49 526	38 254	42 114	67 874	99 543	99 543	124 099	125 107	133 474

## 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 Performance Management, the municipality has to develop and implement a performance management system of which system must be constantly refined as the integrated planning process unfolds.

The Municipality intends to monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance and cascade it downwards to all levels. This will be done by appointing a service provider to assist in this process.

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. This area needs to be strengthened in order to improve service delivery.

The following table sets out the municipalities main performance objectives and benchmarks for the 2015/16 MTREF.

**Table 20 MBRR Table SA8 - Performance indicators and benchmarks**

EC121 Mbashe - Supporting Table SA8 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	0.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.6%	5.1%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.8	3.8	3.6	1.9	1.9	1.9	-	1.9	1.9	1.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.8	3.8	3.6	1.9	1.9	1.9	-	1.9	1.9	1.9
Liquidity Ratio	Monetary Assets/Current Liabilities	1.6	3.8	3.5	1.7	1.7	1.7	-	1.6	1.6	1.6
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		76.0%	44.0%	117.8%	312.9%	328.1%	328.1%	0.0%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		76.0%	44.0%	117.8%	312.9%	328.1%	328.1%	0.0%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	4.5%	0.9%	2.5%	3.8%	3.8%	3.8%	0.0%	2.9%	3.1%	3.3%
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		39.4%	7.2%	22.5%	-81.2%	-44.4%	-44.4%	0.0%	3935.4%	-204.5%	-58.8%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
Employee costs	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.6%	24.8%	24.5%	36.3%	35.2%	35.2%	0.0%	27.2%	28.5%	30.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	46.7%	45.5%	45.5%		35.9%	37.7%	40.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	16.4%	18.2%	18.2%		10.0%	10.5%	11.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	19.5%	20.7%	21.7%	17.2%	17.0%	17.0%	0.0%	12.9%	13.6%	14.6%
<b>IDP regulation financial viability Indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	3.3	1.9	3.5	5.5	5.5	5.5	-	10.6	10.2	10.4
ii O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	67.2%	21.2%	65.5%	100.5%	95.4%	95.4%	0.0%	113.5%	115.5%	114.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.0	10.4	6.4	(3.2)	(5.7)	(5.7)	-	0.1	(1.1)	(3.5)

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

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The municipality has the following budget related policies:

- Credit control and debt collection policy
- Supply Chain Management policy
- Asset management policy
- Budget policy
- Virement policy
- Banking policy
- Investment policy
- Tariff policy
- Property rates policy
- Payment policy
- Indigent support policy
- Petty cash policy

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

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

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

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

- National Government economic targets;
- NDP targets and alignment;
- The general inflationary outlook and the impact on the municipality's residents and businesses;
- The impact of municipal cost drivers;
- The impact of tariffs;
- The increase in the cost of remuneration. The wage agreement SALGBC concluded with the municipal workers unions.
- Infrastructure backlogs

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

The base assumption is that tariff for property rates will not increase as the municipality is currently doing valuation. The collection rate on arrear debt is very high and consumers are not paying. The municipality only collect rates and refuse.

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

Integration of service delivery between national, provincial, district 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;
- Infrastructure development
- 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, district and local objectives.

### **2.5.5 Ability of the municipality to spend and deliver on the programmes**

The municipality has been underspending in past two years resulting in roll overs of the conditional grants. The cash flow projection for this 2015/16 has been completed in the budget.

## **2.6 Overview of budget funding**

### **2.6.1 Cash Flow Management**

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from ratepayers and other to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

### **Cash Backed Reserves/Accumulated Surplus Reconciliation**

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is

greater than funds available or to be collected). It is also important to analyse trends to understand the consequences.

## **2.6.2 Funding compliance measurement**

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

### *2.6.2.1 Cash/cash equivalent position*

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

## 2.7 Expenditure on grants and reconciliations of unspent funds

**Table 21 MBRR SA19 - Expenditure on transfers and grant programmes**

EC121 Mhashe - Supporting Table SA19 Expenditure on transfers and grant programme

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>										
National Government:		-	-	-	168 563	167 620	167 620	227 575	228 045	223 020
Local Government Equitable Share					162 715	162 715	162 715	220 782	222 126	216 760
Finance Management					1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement					934	934	934	930	957	1 033
EPWP Incentive					1 153	1 153	1 153	1 052		
Other transfers/grants [insert description]					2 161	1 218	1 218	3 211	3 337	3 527
Provincial Government:		-	-	-	762	762	762	300	300	300
Sport and Recreation					350	350	350	300	300	300
					300	300	300	-	-	-
LED Assistance					112	112	112			
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants</b>		-	-	-	169 325	168 382	168 382	227 875	228 345	223 320
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	-	-	53 866	73 977	73 977	73 122	80 211	88 342
Municipal Infrastructure Grant (MIG)					51 866	70 977	70 977	53 122	55 211	58 342
ELECTRIFICATION					2 000	3 000	3 000	20 000	25 000	30 000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		-	-	-	53 866	73 977	73 977	73 122	80 211	88 342
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	-	-	223 191	242 359	242 359	300 997	308 556	311 662



## 2.8 Councillor and employee benefits

**Table 22 MBRR SA22 - Summary of councillor and staff benefits**

EC121 Mhashe - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration 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					19 907	19 907	19 907	21 255	22 509	23 770
Pension and UIF Contributions					-	-	-			
Medical Aid Contributions					-	-	-			
Motor Vehicle Allowance					-	-	-			
Cellphone Allowance					226	226	226			
Housing Allowances										
Other benefits and allowances								4 330	4 586	4 843
<b>Sub Total - Councillors</b>					20 133	20 133	20 133	25 586	27 095	28 612
<b>% Increase</b>	4				-	-	-	27.1%	5.9%	5.6%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages					46 905	45 664	45 664	7 393	7 829	8 268
Pension and UIF Contributions					7 718	7 718	7 718			
Medical Aid Contributions					4 403	4 403	4 403			
Overtime					726	726	726			
Performance Bonus					4 820	4 820	4 820	739	783	827
Motor Vehicle Allowance	3				1 021	1 021	1 021			
Cellphone Allowance	3				1 375	1 375	1 375			
Housing Allowances	3				554	554	554			
Other benefits and allowances	3				1 864	1 864	1 864			
Payments in lieu of leave					753	753	753			
Long service awards					346	346	346			
Post-retirement benefit obligations	6				-	-	-			
<b>Sub Total - Senior Managers of Municipality</b>					70 485	69 244	69 244	8 133	8 612	9 095
<b>% Increase</b>	4				-	(1.8%)	-	(88.3%)	5.9%	5.6%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages								47 073	48 862	51 211
Pension and UIF Contributions								5 328	5 701	6 101
Medical Aid Contributions								8 923	9 547	10 216
Overtime								777	831	889
Performance Bonus								4 418	4 735	5 078
Motor Vehicle Allowance	3							1 093	1 169	1 251
Cellphone Allowance	3							1 471	1 574	1 685
Housing Allowances	3							1 748	1 870	2 001
Other benefits and allowances	3							212	227	243
Payments in lieu of leave								806	862	922
Long service awards								370	396	424
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>								72 219	75 777	80 020
<b>% Increase</b>	4							-	4.9%	5.6%
<b>Total Parent Municipality</b>					90 617	89 376	89 376	105 937	111 484	117 727



EC121 Mbashe - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
														Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		July	August	Sept.	October	November	December	January	February	March	April	May	June			
<b>Revenue By Source</b>		496	496	496	496	496	496	496	496	496	496	496	496	5 957	6 308	6 662
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		67	67	67	67	67	67	67	67	67	67	67	67	808	816	862
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		67	67	67	67	67	67	67	67	67	67	67	67	807	849	896
Interest earned - external investments		500	500	500	500	500	500	500	500	500	500	500	500	6 000	6 324	6 665
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		40	40	40	40	40	40	40	40	40	40	40	40	483	511	540
Licences and permits		146	146	146	146	146	146	146	146	146	146	146	146	1 753	1 856	1 960
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		19 024	22 392	22 392	22 392	22 392	22 392	22 392	22 392	22 392	22 392	22 392	22 392	228 289	228 345	223 335
Other revenue		4 245	912	912	912	912	912	912	912	912	912	912	912	50 943	51 076	51 696
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and con</b>		<b>24 587</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>295 039</b>	<b>296 087</b>	<b>292 617</b>
<b>Expenditure By Type</b>																
Employee related costs		6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	80 351	84 389	88 115
Remuneration of councillors		2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	25 586	27 095	28 612
Debt impairment		84	84	84	84	84	84	84	84	84	84	84	84	1 010	1 346	1 418
Depreciation & asset impairment		3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	38 200	40 377	42 637
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	-	-	-
Contracted services		-	116	116	116	116	116	116	116	116	116	116	116	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		10 110	7 112	7 112	7 112	7 112	7 112	7 112	7 112	7 112	7 112	7 112	7 112	121 323	128 472	135 725
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>22 206</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>266 470</b>	<b>281 679</b>	<b>297 507</b>
<b>Surplus/(Deficit)</b>		<b>2 381</b>	<b>3 061</b>	<b>3 061</b>	<b>3 061</b>	<b>3 061</b>	<b>3 061</b>	<b>3 061</b>	<b>3 061</b>	<b>3 061</b>	<b>3 061</b>	<b>3 061</b>	<b>3 061</b>	<b>28 569</b>	<b>14 408</b>	<b>(4 890)</b>
Transfers recognised - capital		6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	73 122	80 211	86 342
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>8 474</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>101 691</b>	<b>94 619</b>	<b>83 452</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>8 474</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>9 154</b>	<b>101 691</b>	<b>94 619</b>	<b>83 452</b>



EC121 Mphashe - Supporting Table SA26 Budgeted monthly revenue and expenditure (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 and Council		921	921	921	921	921	921	921	921	921	921	921	921	11 047	11 552	12 065
Vote 2 - Finance and Administration		19 579	19 579	19 579	19 579	19 579	19 579	19 579	19 579	19 579	19 579	19 579	19 579	234 943	236 651	232 225
Vote 3 - Planning and Development		82	116	116	116	116	116	116	116	116	116	116	116	980	572	604
Vote 4 - Community and Social Services		39	39	39	39	39	39	39	39	39	39	39	39	473	483	509
Vote 5 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		203	203	203	203	203	203	203	203	203	203	203	2 440	2 584	2 728	
Vote 7 - Environmental Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Management		67	67	67	67	67	67	67	67	67	67	67	808	816	862	
Vote 9 - Waste Water Management		7	7	7	7	7	7	7	7	7	7	7	87	92	97	
Vote 10 - Road Transport		9 782	9 782	9 782	9 782	9 782	9 782	9 782	9 782	9 782	9 782	9 782	117 385	123 548	131 869	
Vote 11 - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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>30 680</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>368 161</b>	<b>376 297</b>	<b>380 959</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive and Council		4 595	4 562	4 562	4 562	4 562	4 562	4 562	4 562	4 562	4 562	4 562	4 562	55 138	58 410	61 703
Vote 2 - Finance and Administration		4 498	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	53 972	56 579	59 759
Vote 3 - Planning and Development		1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	22 306	23 411	24 723
Vote 4 - Community and Social Services		668	668	668	668	668	668	668	668	668	668	668	668	8 018	8 487	8 969
Vote 5 - Housing		752	752	752	752	752	752	752	752	752	752	752	752	9 019	9 551	10 085
Vote 6 - Public Safety		1 923	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	1 945	23 076	24 444	25 820
Vote 7 - Environmental Management		145	145	145	145	145	145	145	145	145	145	145	145	1 737	1 840	1 943
Vote 8 - Solid Management		1 737	1 737	1 737	1 737	1 737	1 737	1 737	1 737	1 737	1 737	1 737	1 737	22 037	23 271	
Vote 9 - Waste Water Management		114	114	114	114	114	114	114	114	114	114	114	114	1 373	1 454	1 536
Vote 10 - Road Transport		5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	68 128	72 153	76 199
Vote 11 - Electricity		238	238	238	238	238	238	238	238	238	238	238	238	2 857	2 995	3 163
Vote 12 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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>22 206</b>	<b>21 578</b>	<b>21 578</b>	<b>21 578</b>	<b>21 578</b>	<b>21 578</b>	<b>21 578</b>	<b>21 578</b>	<b>21 578</b>	<b>21 578</b>	<b>21 578</b>	<b>21 578</b>	<b>266 470</b>	<b>281 360</b>	<b>297 170</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>8 474</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>101 691</b>	<b>94 937</b>	<b>83 789</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>8 474</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>9 137</b>	<b>101 691</b>	<b>94 937</b>	<b>83 789</b>

EC-121 M'hashe - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

R thousand	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>		20 499	20 499	20 499	20 499	20 499	20 499	20 499	20 499	20 499	20 499	20 499	20 499	245 990	248 203	244 290
	<i>Governance and administration</i>		921	921	921	921	921	921	921	921	921	921	921	921	11 047	11 552	12 065
	Executive and council		19 528	19 528	19 528	19 528	19 528	19 528	19 528	19 528	19 528	19 528	19 528	19 528	234 333	236 005	231 544
	Budget and treasury office		51	51	51	51	51	51	51	51	51	51	51	610	645	681	
	Corporate services		243	243	243	243	243	243	243	243	243	243	243	2 913	3 067	3 237	
	<i>Community and public safety</i>		39	39	39	39	39	39	39	39	39	39	39	473	483	509	
	Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sport and recreation		203	203	203	203	203	203	203	203	203	203	203	2 440	2 584	2 728	
	Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Economic and environmental services</i>		9 898	9 898	9 898	9 898	9 898	9 898	9 898	9 898	9 898	9 898	9 898	118 365	124 120	132 473	
	Planning and development		82	116	116	116	116	116	116	116	116	116	116	980	572	604	
	Road transport		9 782	9 782	9 782	9 782	9 782	9 782	9 782	9 782	9 782	9 782	9 782	117 385	123 548	131 869	
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Trading services</i>		75	75	75	75	75	75	75	75	75	75	75	894	908	959	
	Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste water management		7	7	7	7	7	7	7	7	7	7	7	87	92	97	
	Waste management		67	67	67	67	67	67	67	67	67	67	67	808	816	862	
	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Revenue - Standard</b>		30 680	30 715	30 715	30 715	30 715	30 715	30 715	30 715	30 715	30 715	30 715	368 161	376 297	380 959	
	<b>Expenditure - Standard</b>		8 982	8 363	8 363	8 363	8 363	8 363	8 363	8 363	8 363	8 363	8 363	107 788	113 589	119 983	
	<i>Governance and administration</i>		4 485	4 482	4 482	4 482	4 482	4 482	4 482	4 482	4 482	4 482	4 482	53 816	57 010	60 224	
	Executive and council		2 451	2 451	2 451	2 451	2 451	2 451	2 451	2 451	2 451	2 451	2 451	29 417	31 101	32 848	
	Budget and treasury office		2 046	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	24 555	25 478	26 911	
	Corporate services		3 691	3 682	3 682	3 682	3 682	3 682	3 682	3 682	3 682	3 682	3 682	44 292	46 876	49 516	
	<i>Community and public safety</i>		778	748	748	748	748	748	748	748	748	748	748	9 341	9 887	10 448	
	Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sport and recreation		2 161	2 183	2 183	2 183	2 183	2 183	2 183	2 183	2 183	2 183	2 183	25 933	27 439	28 983	
	Public safety		752	752	752	752	752	752	752	752	752	752	752	9 019	9 551	10 085	
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health		7 681	7 681	7 681	7 681	7 681	7 681	7 681	7 681	7 681	7 681	7 681	92 171	97 403	102 864	
	<i>Economic and environmental services</i>		1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	22 306	23 411	24 723	
	Planning and development		5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	68 128	72 153	76 199	
	Road transport		145	145	145	145	145	145	145	145	145	145	145	1 737	1 840	1 943	
	Environmental protection		1 852	1 852	1 852	1 852	1 852	1 852	1 852	1 852	1 852	1 852	1 852	22 219	23 492	24 807	
	<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste water management		114	114	114	114	114	114	114	114	114	114	114	1 373	1 454	1 536	
	Waste management		1 737	1 737	1 737	1 737	1 737	1 737	1 737	1 737	1 737	1 737	1 737	20 845	22 037	23 271	
	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Expenditure - Standard</b>		22 206	21 578	21 578	21 578	21 578	21 578	21 578	21 578	21 578	21 578	21 578	266 470	281 360	297 170	
	<b>Surplus/(Deficit) before assoc.</b>		8 474	9 137	9 137	9 137	9 137	9 137	9 137	9 137	9 137	9 137	9 137	101 691	94 937	83 789	
	Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Surplus/(Deficit)</b>	1	8 474	9 137	9 137	9 137	9 137	9 137	9 137	9 137	9 137	9 137	9 137	101 691	94 937	83 789	







EC121 Mbashe - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	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
	R thousand														
<b>Cash Receipts by Source</b>															
Property rates	496	496	496	496	496	496	496	496	496	496	496	496	5 957	6 308	6 662
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	67	67	67	67	67	67	67	67	67	67	67	67	808	816	862
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	67	67	67	67	67	67	67	67	67	67	67	67	807	849	896
Interest earned - external investments	500	500	500	500	500	500	500	500	500	500	500	500	6 000	6 324	6 665
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	40	40	40	40	40	40	40	40	40	40	40	40	483	511	540
Licences and permits	146	146	146	146	146	146	146	146	146	146	146	146	1 753	1 856	1 960
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	22 392	22 392	22 392	22 392	22 392	22 392	22 392	22 392	22 392	22 392	22 392	22 392	268 702	268 345	263 335
Other revenue	912	912	912	912	912	912	912	912	912	912	912	912	10 943	11 076	11 696
<b>Cash Receipts by Source</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>24 621</b>	<b>295 453</b>	<b>296 087</b>	<b>292 617</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	73 122	80 211	88 342
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>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>30 715</b>	<b>368 575</b>	<b>376 297</b>	<b>380 959</b>
<b>Cash Payments by Type</b>															
Employee related costs	6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	6 696	80 351	84 389	89 115
Remuneration of councillors	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	25 586	27 095	28 612
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	2 237	26 840	28 168	29 745
Contracted services	116	115	116	116	116	116	116	116	116	116	116	116	1 396	1 646	1 738
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	13 378	10 373	10 379	10 379	10 379	10 379	10 379	10 379	10 379	10 379	10 379	10 379	160 533	170 195	179 780
<b>Cash Payments by Type</b>	<b>24 559</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>21 560</b>	<b>294 706</b>	<b>311 492</b>	<b>328 990</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094	73 122	80 211	88 342
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## 2.10 Capital expenditure details

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

### Table 30-32 MBRR SA 34a - Capital expenditure on new assets by asset class



EC121 Mbashe - Supporting Table 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>										
<b>Infrastructure</b>		-	-	-	13 050	18 450	18 450	13 624	14 427	15 235
Infrastructure - Road transport		-	-	-	12 650	17 550	17 550	13 204	13 983	14 767
Roads, Pavements & Bridges					11 550	17 050	17 050	12 104	12 819	13 536
Storm water					1 100	500	500	1 100	1 165	1 230
Infrastructure - Electricity		-	-	-	400	900	900	419	444	469
Generation										
Transmission & Reticulation										
Street Lighting					400	900	900	419	444	469
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3									
<b>Community</b>		-	-	-	6 500	6 500	6 500	6 812	7 214	7 618
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls					6 500	6 500	6 500	6 812	7 214	7 618
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>		-	-	-	12 310	10 730	10 730	8 930	9 457	9 986
General vehicles					664	744	744	441	467	483
Specialised vehicles					-	-	-	-	-	-
Plant & equipment					1 095	1 095	1 095	1 500	1 589	1 677
Computers - hardware/equipment					50	50	50	-	-	-
Furniture and other office equipment					167	167	167	-	-	-
Abattoirs					-	-	-	-	-	-
Markets					-	-	-	-	-	-
Civic Land and Buildings					-	-	-	-	-	-
Other Buildings					1 711	1 711	1 711	1 793	1 899	2 005
Other Land					750	590	590	500	530	559
Surplus Assets - (Investment or Inventory)					-	-	-	-	-	-
Other					7 873	6 373	6 373	4 696	4 973	5 251
<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	-	-	-	31 860	35 680	35 680	29 366	31 098	32 840

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Specialised vehicles										
Refuse										
Fire										
Conservancy										
Ambulances										

<b>R&amp;M as a % of PPE</b>	0.0%	0.0%	0.0%	9.7%	10.9%	10.9%	7.1%	6.2%	5.6%
<b>R&amp;M as % Operating Expenditure</b>	0.0%	0.0%	0.0%	14.8%	15.7%	15.7%	11.0%	11.0%	11.0%



## 2.11 Legislation compliance status

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

1. In year reporting  
Reporting to Provincial and National Treasury in electronic format was complied with on a monthly basis. Reporting will have to improve more during the 2015/16 financial year.
2. Internship programme  
The municipality is participating in the Municipal Financial Management Internship programme and the municipality looks to employ the four interns who are about to complete their two year internship programme. The municipality also plans to runs its own internship programme internally for all directorates.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA but requires more capacity.
4. Audit Committee  
An Audit Committee and performance audit committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the IDP and budget, and will be signed by the mayor thereafter.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury guidelines.
7. Policies  
The municipality has reviewed its policies and a workshop was conducted for all councilors and employees before submission to council for adoption.

## 2.12 Other Supporting Documents

**Table 33 MBRR Table SA1 - Supporting detail to budgeted financial performance**

EC121 Mbashe - Supporting Table SA1 Supporting detail to 'Budgeted 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	6 973	4 710	4 365	5 844	5 844	5 844		6 841	7 245	7 651
less Revenue Foregone								884	937	989	
<b>Net Property Rates</b>		<b>6 973</b>	<b>4 710</b>	<b>4 365</b>	<b>5 844</b>	<b>5 844</b>	<b>5 844</b>	<b>-</b>	<b>5 957</b>	<b>6 308</b>	<b>6 662</b>
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6										
less Revenue Foregone											
<b>Net Service charges - electricity revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6										
less Revenue Foregone											
<b>Net Service charges - water revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue	6										
less Revenue Foregone											
<b>Net Service charges - sanitation revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6	802	916	765	771	771	771		808	816	862
Total landfill revenue											
less Revenue Foregone											
<b>Net Service charges - refuse revenue</b>		<b>802</b>	<b>916</b>	<b>765</b>	<b>771</b>	<b>771</b>	<b>771</b>	<b>-</b>	<b>808</b>	<b>816</b>	<b>862</b>
<b>Other Revenue by source</b>											
<b>CEMETERIES</b>					3	3	3		3	3	4
<b>ADMIN FEES</b>					473	473	473		495	500	529
<b>BUILDING PLAN</b>					124	124	124		130	131	138
<b>POUND FEES</b>					197	197	197		206	218	230
<b>VAT RECOVERY</b>					9 065	9 065	9 065		9 500	9 599	10 137
<b>SUNDRY INCOME OTHER</b>					488	488	488		119	120	127
<b>LAND SALES</b>					290	1 000	1 000		304	307	324
<b>PUBLIC TOILETS</b>					83	83	83		87	92	97
<b>WOOD SALES</b>											
<b>LGSETA</b>									100	105	111
<b>Other Revenue</b>		590	1 272	621	-	-	-				
<b>PROCEEDS FROM MIG</b>	3								40 000	40 000	40 000
<b>Total 'Other' Revenue</b>	1	<b>590</b>	<b>1 272</b>	<b>621</b>	<b>10 721</b>	<b>11 431</b>	<b>11 431</b>	<b>-</b>	<b>50 943</b>	<b>51 076</b>	<b>51 696</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	29 596	28 643	26 487	46 905	45 664	45 664		54 466	56 692	59 479
Pension and UIF Contributions		239	232	263	7 718	7 718	7 718		5 328	5 701	6 101
Medical Aid Contributions		1 357	1 314	1 992	4 403	4 403	4 403		8 923	9 547	10 216
Overtime		675	653	1 854	726	726	726		777	831	889
Performance Bonus				1 551	4 820	4 820	4 820		5 157	5 518	5 905
Motor Vehicle Allowance		843	816		1 021	1 021	1 021		1 093	1 169	1 251
Cellphone Allowance					1 375	1 375	1 375		1 471	1 574	1 685
Housing Allowances		345	333	806	554	554	554		1 748	1 870	2 001
Other benefits and allowances		108	105	1 233	1 864	1 864	1 864		212	227	243
Payments in lieu of leave		1 094	1 059	411	753	753	753		806	862	922
Long service awards		1 233	1 194	211	346	346	346		370	396	424
Post-retirement benefit obligations	4	2 773	2 683	3 316	-	-	-				
<b>sub-total</b>	5	<b>38 264</b>	<b>37 033</b>	<b>38 122</b>	<b>70 485</b>	<b>69 244</b>	<b>69 244</b>	<b>-</b>	<b>80 351</b>	<b>84 389</b>	<b>89 115</b>
Less: Employees costs capitalised to PPE											
<b>Total Employee related costs</b>	1	<b>38 264</b>	<b>37 033</b>	<b>38 122</b>	<b>70 485</b>	<b>69 244</b>	<b>69 244</b>	<b>-</b>	<b>80 351</b>	<b>84 389</b>	<b>89 115</b>
<b>Contributions recognised - capital</b>											
<i>List contributions by contract</i>											
<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	10	24 338	30 327	33 638	33 467	33 467	33 467		38 200	40 377	42 637
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
<b>Total Depreciation &amp; asset impairment</b>	1	<b>24 338</b>	<b>30 327</b>	<b>33 638</b>	<b>33 467</b>	<b>33 467</b>	<b>33 467</b>	<b>-</b>	<b>38 200</b>	<b>40 377</b>	<b>42 637</b>
<b>Bulk purchases</b>											
Electricity Bulk Purchases											
Water Bulk Purchases											
<b>Total bulk purchases</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





**Table 34 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

EC121 Mbhashe - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)		Vote 1 - Executive and Council	Vote 2 - Finance and Administral on	Vote 3 - Planning and Development	Vote 4 - Community and Social Services	Vote 5 - Housing	Vote 6 - Public Safety	Vote 7 - Environmenta l Management	Vote 8 - Solid Management	Vote 9 - Waste Water Management	Vote 10 - Road Transport	Vote 11 - Electricity	Vote 12 - Other	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
<b>R thousand</b>																	
	<b>Revenue By Source</b>																
	Property rates		5 957						808								5 957
	Property rates - penalties & collection charges																808
	Service charges - electricity revenue				168												-
	Service charges - water revenue																-
	Service charges - sanitation revenue																-
	Service charges - refuse revenue																-
	Service charges - other			130													-
	Rental of facilities and equipment		510														807
	Interest earned - external investments		6 000														6 000
	Interest earned - outstanding debtors																-
	Dividends received																-
	Fines						481										-
	Licences and permits				2		1 753										483
	Agency services																-
	Other revenue		10 214	434	3		206										50 943
	Transfers recognised - operational	11 047	212 265	414	300					87	40 000						228 289
	Gains on disposal of PPE										4 263						-
	<b>Total Revenue (excluding capital transfers and cont</b>	<b>11 047</b>	<b>234 946</b>	<b>977</b>	<b>473</b>	<b>-</b>	<b>2 440</b>	<b>-</b>	<b>808</b>	<b>87</b>	<b>44 263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>295 039</b>
	<b>Expenditure By Type</b>																
	Employee related costs	17 057	19 797	3 329	509	1 347	10 485	331	15 436	330	10 628	902					80 351
	Remuneration of councillors	25 596															25 596
	Debt impairment		1 010						780		35 250	629					1 010
	Depreciation & asset impairment		181			1 360											36 200
	Finance charges																-
	Bulk purchases																-
	Other materials																-
	Contracted services																-
	Transfers and grants	11 173	34 306	18 977	7 510	6 312	12 591	1 406	4 629	1 043	22 050	1 327					121 323
	Other expenditure																-
	Loss on disposal of PPE																-
	<b>Total Expenditure</b>	<b>53 816</b>	<b>55 284</b>	<b>22 306</b>	<b>8 018</b>	<b>9 019</b>	<b>23 076</b>	<b>1 737</b>	<b>20 845</b>	<b>1 373</b>	<b>68 728</b>	<b>2 857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265 470</b>
	<b>Surplus/(Deficit)</b>	<b>(42 769)</b>	<b>179 652</b>	<b>(21 329)</b>	<b>(7 545)</b>	<b>(9 019)</b>	<b>(20 636)</b>	<b>(1 737)</b>	<b>(20 036)</b>	<b>(1 287)</b>	<b>(23 865)</b>	<b>(2 857)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28 569</b>
	Transfers recognised - capital																73 122
	Contributions recognised - capital																-
	Contributed assets																-
	<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(42 769)</b>	<b>179 652</b>	<b>(21 329)</b>	<b>(7 545)</b>	<b>(9 019)</b>	<b>(20 636)</b>	<b>(1 737)</b>	<b>(20 036)</b>	<b>(1 287)</b>	<b>49 257</b>	<b>(2 857)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101 691</b>

**Table 35 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

EC121 Mbashe - Supporting Table SA3 Supporting detail to '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>Call investment deposits</b>											
Call deposits < 90 days											
Other current investments > 90 days											
<b>Total Call investment deposits</b>	2	-	-	-	-	-	-	-	-	-	-
<b>Consumer debtors</b>											
Consumer debtors		21 962	24 814	522	29 739	29 739	29 739	31 167	33 005	34 854	
Less: Provision for debt impairment		(21 314)	(24 215)		(28 041)	(28 041)	(28 041)	(29 051)	(30 397)	(31 815)	
<b>Total Consumer debtors</b>	2	648	599	522	1 698	1 698	1 698	2 115	2 609	3 039	
<b>Debt impairment provision</b>											
Balance at the beginning of the year		(21 429)	(21 314)	(24 215)	(27 030)	(27 030)	(27 030)	(28 041)	(29 051)	(30 397)	
Contributions to the provision		-	(2 901)	3 340	(1 010)	(1 010)	(1 010)	(1 010)	(1 346)	(1 418)	
Bad debts written off		115									
<b>Balance at end of year</b>		(21 314)	(24 215)	(20 875)	(28 041)	(28 041)	(28 041)	(29 051)	(30 397)	(31 815)	
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		274 200	379 192	238 201	542 818	542 818	542 818	666 917	792 024	925 498	
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	
Less: Accumulated depreciation		111 639	148 915		214 074	214 074	214 074	252 274	292 651	335 288	
<b>Total Property, plant and equipment (PPE)</b>	2	162 562	230 277	238 201	328 744	328 744	328 744	414 643	499 373	590 210	
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities				4							
<b>Total Current liabilities - Borrowing</b>		-	-	4	-	-	-	-	-	-	-
<b>Trade and other payables</b>											
Trade and other creditors		10 705	4 927	10 038	27 979	27 979	27 979	29 397	29 982	29 982	
Unspent conditional transfers		3 755	13 014	20 054							
VAT											
<b>Total Trade and other payables</b>	2	14 460	17 941	30 092	27 979	27 979	27 979	29 397	29 982	29 982	
<b>Non current liabilities - Borrowing</b>											
Borrowing	4		18								
Finance leases (including PPP asset element)				14							
<b>Total Non current liabilities - Borrowing</b>		-	18	14	-	-	-	-	-	-	
<b>Provisions - non-current</b>											
Retirement benefits			3 892	1 842	4 365	4 365	4 365	5 633	6 953	6 953	
List other major provision items											
Refuse landfill site rehabilitation				2 403							
Other											
<b>Total Provisions - non-current</b>		-	3 892	4 244	4 365	4 365	4 365	5 633	6 953	6 953	
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		190 724	226 762		364 244	364 244	364 244	400 735	502 427	597 045	
GRAP adjustments			70 003								
Restated balance		190 724	296 765	-	364 244	364 244	364 244	400 735	502 427	597 045	
Surplus/(Deficit)		36 038	36 206	41 212	33 397	36 492	36 492	101 691	94 619	83 452	
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
<b>Accumulated Surplus/(Deficit)</b>	1	226 762	332 971	41 212	397 641	400 735	400 735	502 427	597 045	680 498	
<b>Reserves</b>											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	226 762	332 971	41 212	397 641	400 735	400 735	502 427	597 045	680 498	

**MBHASHE LOCAL MUNICIPALITY PROPOSED TARIFFS (2015/16)**

SERVICE	2014/2015			2015/16
	TARIFF VAT EXCL	VAT ON TARIFF	TARIFF VAT INCL	TARIFF VAT INCL
	Rands	Rands	Rands	Rands
<b>REFUSE REMOVAL</b>				
RESIDENTIAL (Per month, one removal a week)	85.41	11.96	97.37	102.05
Additional removal (per load or part thereof)	55.00	7.70	62.70	65.71
<b>SMALL BUSINESS</b>	168.89	23.64	192.53	201.78
<b>MEDIUM/LARGE BUSINESS</b> (per month, five removals per week)	513.93	71.95	585.88	614.00
Additional removal (per load or part thereof)	137.50	19.25	156.75	164.28
Garden/Rubble Refuse (per load)(to be paid in advance)	137.50	19.25	156.75	164.28
Penalty for dumping and cost of removal of refuse from pavements	1 908.00	267.12	2 175.12	2 279.53
<b>HIRE OF TOWN HALL</b>				
SECURITY FEE \DAY\NIGHT	440.10	61.61	501.72	525.80
NIGHT- PROFIT MAKER	500.90	70.13	571.03	598.44
NON PROFIT MAKER	401.01	56.14	457.15	479.09
DAY PROFIT MAKER	401.01	56.14	457.15	479.09
NON PROFIT MAKER	301.12	42.16	343.28	359.76
CHAIR HIRING	4.36	0.61	4.97	5.20
SECURITY FEE (CHAIRS)	182.42	25.54	207.95	217.94
<b>HIRE OF IN-DOOR SPORT CENTRE</b>				
SECURITY FEE \DAY\NIGHT	880.20	123.23	1 003.43	1 051.60
NIGHT- PROFIT MAKER	1 001.81	140.25	1 142.06	1 196.88
NON PROFIT MAKER	802.02	112.28	914.30	958.19
<b>PROPERTY RATES</b>				
Rateable property a general rate per rand on total market value of the property:	0.00	0.00	0.00	0.00
Residential Properties	0.01313		0.01	0.01
Business Properties	0.01454		0.01	0.02
Government Properties	0.01693		0.02	0.02
Vacant Sites	0.01454		0.01	0.02
<b>TOTAL INCOME PER MONTH</b>	REBATE	REBATE	REBATE	REBATE
NOT EXCEEDING R2100 per month (Indigent)	100%	100%	100%	100%
Any other rebates will be applied as per the municipality's rates policy				
<b>COMMONAGE</b>				
VAN LOAD	240.32	33.65	273.97	287.12
TREE	50.67	7.09	57.76	60.53
SLEDGE LOAD	110.03	15.40	125.43	131.45
HEAD LOAD	4.36	0.61	4.97	5.20
FENCING	1.45	0.20	1.66	1.73
BUILDING POLES	4.36	0.61	4.97	5.20
BRUSH	27.52	3.85	31.37	32.88
BUNDLE OF LATH	11.58	1.62	13.20	13.83
<b>COMMUNITY SERVICES</b>				
GRASS CUTTING PER SQUARE METER	12.08	1.69	13.78	14.44
TREE FELLING & PRUNING PER TREE	60.42	8.46	68.88	72.18
<b>POUND FEES:</b>				
<b>ENTRANCE FEES:</b>				
LARGE STOCK PER HEAD	72.50	10.15	82.65	86.62
SMALL STOCK PER HEAD	36.25	5.08	41.33	43.31
TRESPASS ON CULTIVATED LAND - LARGE ANIMALS	318.00	44.52	362.52	379.92
TRESPASS ON CULTIVATED LAND - SMALL ANIMALS	159.00	22.26	181.26	189.96
TRESPASS ON UNCULTIVATED LAND - LARGE ANIMALS	318.00	44.52	362.52	379.92
TRESPASS ON UNCULTIVATED LAND - SMALL ANIMALS	159.00	22.26	181.26	189.96
<b>SUSTENANCE:</b>				
LARGE STOCK PER DAY	36.25	5.08	41.33	43.31
SMALL STOCK PER DAY	24.17	3.38	27.55	28.87
DRIVING PER KILOMETER RETURN	10.14	1.42	11.56	12.12
<b>DAMAGES:</b>			0.00	0.00
LARGE STOCK PER HEAD	60.42	8.46	68.88	72.18
SMALL STOCK PER HEAD	24.17	3.38	27.55	28.87
<b>STREET TRADING</b>				
STATIONERY STREET VENDORS	175.30	24.54	199.85	209.44
CONTAINER HAWKER	292.17	40.90	333.07	349.06
ROVING HAWKERS	175.30	24.54	199.85	209.44
SEASONAL HAWKERS	87.65	12.27	99.92	104.72
<b>SPORTSFIELD</b>				
<b>SPORT EVENTS FOR SCHOOLS</b>				
SECUTITY FEE	440.10	61.61	501.72	525.80
RENTAL: DAY PER HOUR	57.92	8.11	66.03	69.20
<b>Other Events</b>				

SECURITY FEE	658.37	92.17	750.54	786.56
RENTAL: DAY PER HOUR	86.62	12.13	98.75	103.49
	0.00	0.00	0.00	0.00
<b>ADMINISTRATION FEES</b>				
SEARCHING FEES	37.64	5.27	42.91	44.97
REPRINTING OF A CHEQUE	33.39	4.67	38.06	39.89
PRINTING STATEMENTS - PREVIOUS YEARS	26.50	3.71	30.21	31.66
PRINTING STATEMENTS - CURRENT YEAR	10.60	1.48	12.08	12.66
SEARCH FOR ACCOUNT IN A SERVICE REGISTER	26.50	3.71	30.21	31.66
<b>LIBRARY FEES</b>				
STUDENT (URBAN AREA) - SUBSCRIPTION	37.64	5.27	42.91	44.97
(RURAL AREA) - SUBSCRIPTION	37.64	5.27	42.91	44.97
ADULT (URBAN AREA) - SUBSCRIPTION	75.28	10.54	85.82	89.94
(RURAL AREA) - SUBSCRIPTION	75.28	10.54	85.82	89.94
DAMAGE FEES (LIBRARY BOOKS)	24.61	3.45	28.06	29.41
PHOTOCOPY	1.45	0.20	1.66	1.73
LATE RETURNS	28.95	4.05	33.00	34.59
INTERNET USE/HOUR	21.20	2.97	24.17	25.33
LOST LIBRARY CARDS	31.80	4.45	36.25	37.99
	VALUE	VALUE	VALUE	VALUE
	OF THE	OF THE	OF THE	OF THE
	BOOK	BOOK	BOOK	BOOK
LOST BOOK				
<b>CEMETERY</b>				
CEMETERY			0.00	0.00
<b>GRAVE PLOT</b>				
Adult	302.50	42.35	344.85	361.41
Children	169.60	23.74	193.34	202.62
Child	0.00	0.00	0.00	0.00
Adult	275.60	38.58	314.18	329.26
<b>DIGGING</b>	0.00	0.00	0.00	0.00
Adult	127.20	17.81	145.01	151.97
Child	106.00	14.84	120.84	126.64
<b>EXHUMATIONS</b>				
Adult	1 375.03	192.50	1 567.54	1 642.78
Child	1 375.03	192.50	1 567.54	1 642.78
<b>DEVELOPMENT PLANNING TARIFF FEES</b>				
<b>Application for consent (Application fees plus advertising costs)</b>	1 163.35	162.87	1 326.22	1 389.88
<b>Application for rezoning</b>				
Application Fees	1 131.93	158.47	1 290.40	1 352.34
Erven 0 - 2500 square meters	1 240.90	173.73	1 414.63	1 482.53
Erven 2501 - 5000 square meters	2 326.69	325.74	2 652.43	2 779.74
Erven 5001 - 10 000 square meters	4 653.38	651.47	5 304.85	5 559.48
Erven 1 ha - 5 ha	6 204.51	868.63	7 073.14	7 412.65
Erven over 5 ha	7 755.64	1 085.79	8 841.43	9 265.82
Advertising fees	1 551.13	217.16	1 768.29	1 853.17
<b>Application for departure from building lines &amp; spaza shop applic fees</b>				
Erven smaller than 500m	127.31	17.82	145.13	152.10
Erven 500m - 750m	246.77	34.55	281.32	294.82
Erven larger than 750m	493.54	69.10	562.63	589.64
Departures other than building lines and spaza shops	1 163.35	162.87	1 326.22	1 389.88
<b>Application for subdivision - application fees</b>				
Basic fee	846.07	118.45	964.52	1 010.82
Charge per subdivision (Remainder considered a subdivision)	77.56	10.86	88.42	92.66
<b>Application for removal of restriction</b>				
Advertisement fees	5 428.95	760.05	6 189.00	6 486.07
<b>Application for Demolition of Buildings</b>				
Demolition of buildings				1 200.00
<b>SALE OR LEASE OF LAND</b>				
Administration fees	72.08	10.09	82.17	86.12
Application fees (Refundable Deposit)	853.12	119.44	972.56	1 019.24
Advertising fee (Recoverable cost against Survey and Advertising)	5 358.44	750.18	6 108.62	6 401.83
<b>Zoning Certificate</b>	35.26	4.94	40.19	42.12
<b>Extension of Time</b>	190.37	26.65	217.02	227.43
<b>Amendments to existing subdivisions</b>	853.12	119.44	972.56	1 019.24
<b>Town Planning Scheme Document</b>	465.34	65.15	530.49	555.95
<b>TENDER</b>				
TENDER DOCUMENTS: 80:20	265.00	37.10	302.10	316.60
TENDER DOCUMENTS: 90:10	371.00	51.94	422.94	443.24
<b>BILL BOARDS</b>				
<b>APPLICATION FEES</b>				
Application Fees - bill board	1 208.40	169.18	1 377.58	1 443.70
Application Fees - Mobile Signs Permit	302.10	42.29	344.39	360.92
Application Fees - For Sale Signs Permit	1 208.40	169.18	1 377.58	1 443.70
Application Fees - Onshow Signs Permit	1 208.40	169.18	1 377.58	1 443.70

<b>ANNUAL FEES</b>				
Annual Fees - Bill boards (Council Property per signface)	5 437.80	761.29	6 199.09	6 496.65
Annual Fees - Bill boards (Private Property per signface)	2 537.64	355.27	2 892.91	3 031.77
Annual Fees - Directional Sign (Per signface)	664.62	93.05	757.67	794.03
Annual Fees - Illuminated Street Name Signs (Per Signface)	785.46	109.96	895.42	938.40
Annual Fees - Litter Bins	422.94	59.21	482.15	505.29
Annual Fees - Permanent Street Pole Posters	0.00	0.00	0.00	0.00
Annual Fees - Pole Bins	422.94	59.21	482.15	505.29
Annual Fees - Sitting Bench	664.62	93.05	757.67	794.03
Annual Fees - Encroaching Sign	664.62	93.05	757.67	794.03
<b>PERMIT FEES</b>				
Permit Fees - Banner	422.94	59.21	482.15	505.29
Permit Fees - Mobile Signs	1 450.08	203.01	1 653.09	1 732.44
Permit Fees - non - commercial per poster maximum 100 posters	604.20	84.59	688.79	721.85
Permit Fees - Commercial per poster maximum 100 posters	1 208.40	169.18	1 377.58	1 443.70
<b>DEPOSIT</b>				
Deposit - Banner	604.20	84.59	688.79	721.85
Deposit - For Sale Permit	1 208.40	169.18	1 377.58	1 443.70
Deposit - Mobile Signs	1 208.40	169.18	1 377.58	1 443.70
Deposit - On show Permit	1 208.40	169.18	1 377.58	1 443.70
Deposit - Poster	1 208.40	169.18	1 377.58	1 443.70
Deposit - Election Poster (per party)	6 042.00	845.88	6 887.88	7 218.50

**Municipal manager's quality certificate**

I .....S.V. Poswa.....,acting municipal manager of Mbhashe Local Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Mbhashe Local Municipality

Acting Municipal manager of Mbhashe Local Municipality (EC121)

Signature 

Date 09/06/2015