

ELUNDINI LOCAL MUNICIPALITY



FINAL BUDGET FOR 2015/16 – 2017/18 MTREF PERIOD

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PART 1 – ANNUAL BUDGET

1.1 Executive Mayor’s Report

The Municipality reaffirms its commitment to the achievement of the goals enshrined within the Integrated Development Plan, namely:

- Meeting basic service delivery needs of communities to improve their lives;
- Building a clean, efficient, responsive and accountable Municipality;
- Strengthening oversight over the Municipality’s service delivery and financial performance;
- Changing the socio- economic landscape by investing in Infrastructure, human resource development and promoting enterprise development;
- Strengthening partnerships between the Municipality, communities and civil society.

In the year ahead, the Municipality will further strengthen its capacity to implement the adopted Budget, so as to positively impact on the lives of residents.

**COUNCILLOR N.LENGS
JUNE 2015**

1.2 Budget Resolutions

- (a) The Mayor recommends that the Council resolves that:
1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the Elundini Municipality for the financial year 2015/16, and indicative allocations for the two projected outer years 2016/2017 and 2017/2018, and the multi-year and single year capital appropriations be approved as set out in the following tables:
 - a. Budgeted Financial Performance(Revenue and Expenditure by Standard Classification);[Pg 37]
 - b. Budgeted Financial Performance(Revenue and Expenditure by Municipal Vote);[Pg39]
 - c. Budgeted Financial Performance(Revenue by Source and Expenditure by Type); and[Pg40]
 - d. Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.[Pg43]
 2. That the financial position, cashflow, cash backed reserves/accumulated surplus, asset management and basic service delivery targets be adopted as set out in the following tables:
 - a. Budgeted Financial Position;[Pg45]
 - b. Budgeted Cash Flows;[Pg47]
 - c. Cash Backed Reserves and accumulated surplus reconciliation;[Pg48]
 - d. Asset Management; and[Pg50]
 - e. Basic Service Delivery Measurement.[Pg53]
 3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, Act 56 of 2003 and sections 74 and 75A of the Local Government Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of electricity, waste services, sundry services and property rates as set out in the tariff book(Annexure “A”), that were used to prepare the estimates of revenue by source, are approved effective from 1 July 2013.
 4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy as set out in (Annexure “B”) be approved.

5. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in supporting table SA7 are approved [pg84]
6. That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out elsewhere in the agenda be approved.

1.2 Executive Summary

The 2015/2016 to 2017/18 Budget preparation commenced in August 2014 after Council approved a timetable for the IDP and Budget preparation process.

The Budget comprises both Operating and Capital Budgets, which is a requirement of the Constitution and the Municipal Finance Management Act (MFMA). The capital budget generally contain new or replacement assets such as roads, vehicles, buildings, etc. The Operating Budget, which is by far the largest component of the Budget, includes the provision of services, such as electricity, refuse collection ,road functioning etc.

One of the objectives of the budget timetable is to ensure integration between the development of the Integrated Development Plan (IDP) and the Budget. The IDP is the strategic plan of the Municipality and it is critical that the Budget enables the achievement of the IDP objectives. The Table in section 1.3.5 illustrates the link between the IDP and Budget.

The assumptions and principles applied in the development of this Budget are mainly based upon guidelines received from National Treasury (expenditure growth) and other external bodies such as the National Electricity Regulator of South Africa (NERSA), South African Local Government Bargaining Council, major service providers, etc. The IDP's strategic focus areas informed the development of the Budget, in addition to assessing the relative capacity to implement the Budget, taking affordability considerations into account. The aforementioned guidelines were considered appropriate to inform the development of the Budget.

The Operating Budget for the 2015/2016 financial year amounts to R 267.2 Million, funded from revenues amounting to R 283.7 Million.

The major expenditure items are employee costs (24%), Remuneration of Councillors (5%) bulk electricity purchases (8%), general expenses (59%), repairs and maintenance (4%)

Funding is obtained from various sources, the major sources being service charges such as electricity, refuse collection (10%), property rates (5%), sundry related income eg. Hire of plant, agency services, interest on investments (20%), grants and subsidies received from National and Provincial Governments (65%).

In order to fund the 2015/16 Operating Budget, the following general inflationary linked increase in rates and service charges have been proposed, with effect from 1 July 2015:

Property rates	-	4.8 %
Electricity	-	12.29 %
Refuse	-	4.8 %
Sundry Income	-	4.8%

A provision of R 8.3 million has been set aside to cover potential bad debts arising from property rates and service charges not collected. This is based upon a level of payment of debtors' accounts averaging 80%.

It must also be noted that as per treasury guidelines the municipality has to set aside an amount equivalent to 8% of the total assets in order to address maintenance backlogs, in this current financial year the municipality is unable to provide that 8% due to limitation of funds.

The Assistance to the Poor Programme currently, provides the following monthly benefits to poor households in the municipality:

- Free 50 kwh Electricity
- Free basic refuse removal
- Property rates subsidy

The Elundini Local municipality has prioritized spending on the free services program and as such has prioritized allocations for the MTEF 2015/2016 in the sum of R4.5 million increasing to R4.8 Million in 2017/2018. The increased allocations are in alignment with the service delivery targets established aimed at accelerating access to alternative energy sources in Eskom subserviced areas, as well as Council's resolve to significantly enhance the level of households participating on the formal indigent support program.

The Capital Budget totals R 54.5 million and this is funded primarily through revenue from operations (30.3%), Government grants (69.7%). Grants and subsidies are mainly earmarked road and electrical infrastructural projects.

Annexure "A" provides a summary of the capital projects included in the Capital Budget.

The Budget related policies as have been adhered to in the development of the Budget, whilst continuous monitoring of budget performance is possible through Key Performance Indicators as contained within the Service Delivery and Budget Implementation Plan.

3.1 TOTAL SERVICE DELIVERY PACKAGE OF THE MUNICIPALITY AND ASSOCIATED FINANCIAL IMPLICATIONS

The Municipality provides the following services:

- Electricity
- Refuse Removal

PART 2- SUPPORTING DOCUMENTATION

1.3.2 EFFECT OF THE ANNUAL BUDGET

In this section the operating and capital budget are discussed.

1.3.2.1 Operating Budget

The assumptions and principles applied in the development of this Budget are mainly based upon guidelines received from National Treasury (expenditure growth) and other external bodies such as the National Electricity Regulator of South Africa (NERSA), South African Local Government Bargaining Council, major service providers, etc.

The IDP’s strategic focus areas informed the development of the Budget, in addition to assessing the relative capacity to implement the Budget, taking affordability considerations into account. The aforementioned guidelines were considered appropriate to inform the development of the Budget.

The Operating Budget totals R 267.2 Million, which funds the continued provision of services provided by the Municipality.

The table below reflects the MTREF allocations towards expenditures per type.

EC141 Elundini - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

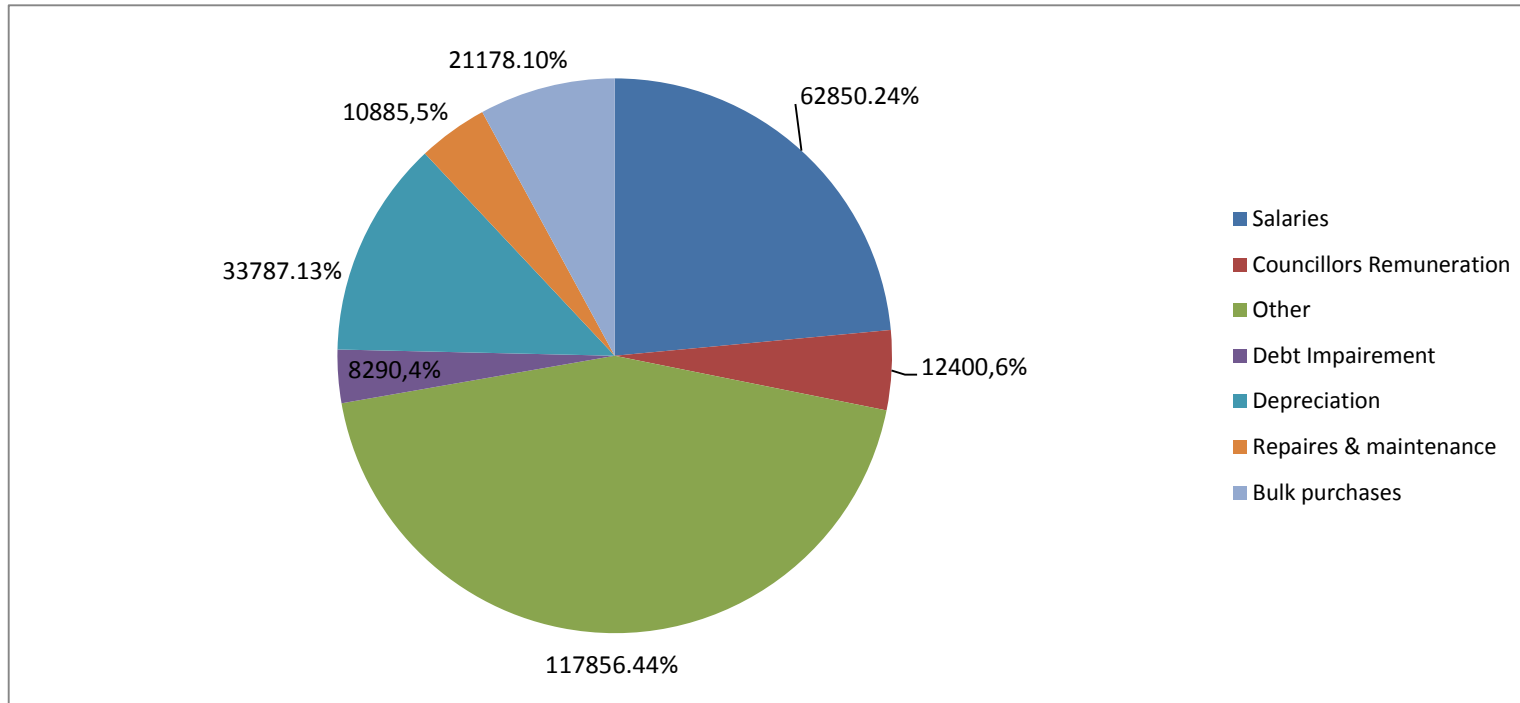
Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework
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R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
<i>Governance and administration</i>		111 500	133 484	107 059	126 293	128 892	128 892	161 453	164 822	163 858
Executive and council		-	-	8	331	-	-	-	-	-
Budget and treasury office		111 500	133 481	107 039	125 963	128 892	128 892	161 453	164 822	163 858
Corporate services		-	3	12	-	-	-	-	-	-
<i>Community and public safety</i>		-	2 079	3 515	3 745	3 090	3 090	3 206	3 356	3 540
Community and social services		-	-	755	1 429	755	755	760	766	805
Sport and recreation		-	5	0	-	-	-	-	-	-
Public safety		-	2 074	2 760	2 316	2 335	2 335	2 446	2 590	2 735
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	1 314	34 660	78 580	85 600	85 600	80 505	88 292	102 641
Planning and development		-	-	4 121	-	2 489	2 489	-	-	-
Road transport		-	1 314	30 539	78 580	83 111	83 111	80 505	88 292	102 641
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	18 336	21 688	25 067	31 069	31 069	76 573	50 365	52 065
Electricity		-	14 641	17 699	20 817	26 819	26 819	72 119	45 648	47 084
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	3 695	3 989	4 250	4 250	4 250	4 454	4 717	4 981
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	111 500	155 213	166 922	233 685	248 651	248 651	321 736	306 835	322 105
Expenditure - Standard	-									
<i>Governance and administration</i>		145 607	81 485	74 809	88 828	88 550	88 550	99 180	104 430	109 989
Executive and council		-	23 568	28 051	30 328	32 907	32 907	35 691	37 539	39 490
Budget and treasury office		145 607	39 498	28 943	34 029	33 187	33 187	37 526	39 537	41 695
Corporate services		-	18 419	17 815	24 471	22 456	22 456	25 962	27 355	28 805
<i>Community and public safety</i>		-	10 284	13 931	13 019	12 659	12 659	13 752	14 409	15 125
Community and social services		-	3 574	4 079	2 188	4 171	4 171	4 356	4 563	4 789
Sport and recreation		-	4 347	3 852	5 396	4 137	4 137	4 276	4 476	4 695
Public safety		-	3 323	4 268	4 909	3 773	3 773	4 516	4 738	4 977
Housing		-	(960)	1 732	526	578	578	604	632	664
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	46 390	50 228	52 752	53 450	53 450	57 716	59 593	62 642
Planning and development		-	6 430	8 389	10 085	9 111	9 111	10 102	10 636	11 195
Road transport		-	39 960	41 839	42 667	44 339	44 339	47 614	48 958	51 446
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	31 148	37 113	39 833	42 607	42 607	96 598	71 474	74 301
Electricity		-	21 968	24 918	31 798	31 410	31 410	83 962	58 152	60 269

Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	9 180	12 195	8 034	11 197	11 197	12 636	13 322	14 033
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	145 607	169 307	176 081	194 432	197 266	197 266	267 246	249 906	262 058
Surplus/(Deficit) for the year		(34 107)	(14 094)	(9 159)	39 253	51 385	51 385	54 491	56 929	60 047

The graph below reflects the componentization of the operating budget in the sum of R 267.2 Million as denoted within the budgeted statement of financial performance by expenditure type.

2015/2016 Statement of Financial Performance- Budget Expenditure



Below is a discussion of the main expenditure components:

Employee Costs

National Treasury prescribes a norm of 29% for salary expenditure, Municipalities are required to develop a personnel expenditure ratio that is based on the nature of its functions, organizational structure, labour intensity of intensity of its operations, extent to which labour intensive components of its operations are outsourced and the composition of non personnel components of its operational expenditure. The 2015/2016 budget reflects that 24 % of the operational budget is allocated to salary expenditure, way below the norm for Local Government.

Bulk Purchases

Eskom has increased bulk tariffs to Municipalities by 10% as relates to the 2015/2016 financial year. The 2015/16 budget accordingly allows for a concomitant increase for bulk power purchases from Eskom. It has been estimated, however, that energy consumption levels will reflect a negative growth of approximately 2%, attributable to the following:

- Significant increases in electricity prices;
- Consumer awareness of the need to conserve energy;
- The implementation of energy conservation measures; and
- The down turn in the economy and its consequential impact on industry.

Repairs and Maintenance

In terms of the analysis provided the organisation has committed in excess of 5% of the operating budget to finance maintenance related activities over the MTREF; importantly as per the benchmark indicators set for local government the ELM is expected to provide 8% of net asset value of assets towards repairs and maintenance related activities; this naturally would imply a fundamental shift in funding choices as the implications of this is that the existing allocation would have to be increased from the current allocation of R 10.8 million to R 24 million per annum; in response to the challenge the organisation has pledged to further enhance the reduction of consumption based spending in favour of ensuring appropriate levels of funding; the financing model is premised to realise this equilibrium by 2017/2018.

Operational Sources of Funding

The Municipality receives its funding from many sources including property rates, services charges and government grants. The following table identifies the sources of funding for the current financial year 2015/2016 and the projected outer year budgets for 2016/17 to 2017/18.

Importantly the revenue streams have been linked to CPI as defined with the headline inflation forecasts as defined within the National Budget with Electricity being aligned to NERSA proposed IBT tariff increase parameters, :

Below is a graph reflecting the revenue components of the budgeted statement of financial performance

2015/2016 Statement of Financial Performance- Budget Revenue

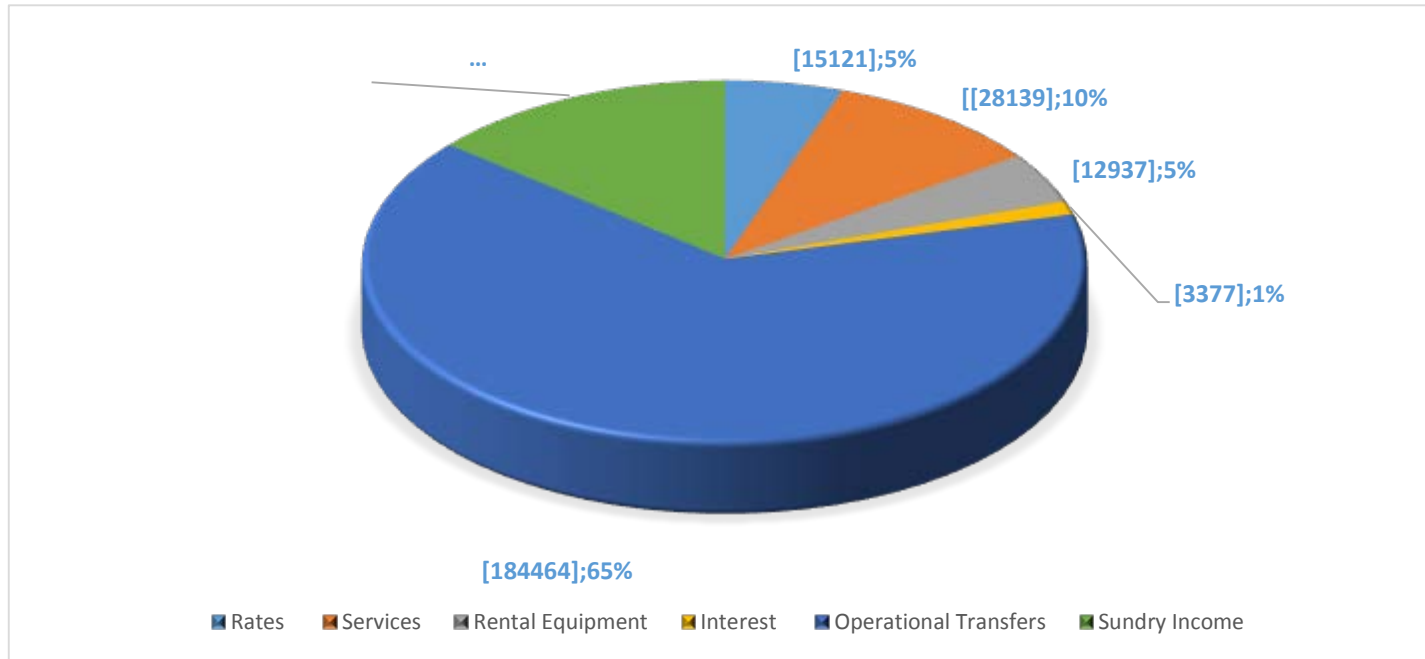
EC141 Elundini - Table A4 Budgeted Financial Performance (revenue and expenditure)

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
R thousand	1										
Revenue By Source											
Property rates	2	11 980	14 126	13 354	14 428	14 428	14 428	-	15 121	16 013	16 909
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	14 641	15 090	20 817	21 109	21 109	-	23 685	25 082	26 487
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	3 695	3 984	4 250	4 250	4 250	-	4 454	4 717	4 981
Service charges - other		18 619									
Rental of facilities and equipment		668	1 023	1 121	13 380	12 370	12 370		12 937	13 700	14 468
Interest earned - external investments		2 077	1 834	1 592	1 957	850	850		1 500	1 589	1 677
Interest earned - outstanding debtors		4 705	2 827	1 787	1 791	1 791	1 791		1 877	1 988	2 099
Dividends received						-	-				
Fines		102	64	589	57	72	72		76	80	85
Licences and permits		1 703	2 010	2 188	2 259	4 536	4 536		2 386	2 527	2 669
Agency services			1 218	1 449	1 479	1 479	1 479		1 550	1 641	13 358
Transfers recognised - operational		70 224	81 475	96 148	731	106 731	106 731		184 464	157 045	154 518
Other revenue	2	1 422	1 603	1 023	31 578	33 344	33 344	-	35 694	43 036	43 303
Gains on disposal of PPE		(2)	334	413	296	325	325				
Total Revenue (excluding capital transfers and contributions)		111 498	124 850	138 738	199 024	201 285	201 285	-	283 744	267 419	280 555
Expenditure By Type											
Employee related costs	2	40 223	48 673	57 617	59 459	60 201	60 201	-	62 850	65 772	68 995
Remuneration of councillors		7 738	8 430	9 483	11 877	11 877	11 877		12 400	12 976	13 612
Debt impairment	3	10 900	14 101	7 315	7 910	7 910	7 910		8 289	8 779	9 270
Depreciation & asset impairment	2	34 065	29 863	31 093	32 220	32 240	32 240	-	33 787	35 781	37 784
Finance charges		1 398	798	621	869	89	89		93	99	104
Bulk purchases	2	13 619	14 722	14 809	18 539	18 539	18 539	-	21 178	22 428	23 684
Other materials	8	4 205	5 241	8 131	10 213	9 740	9 740		10 885	11 527	11 994
Contracted services		-	-	2 261	4 994	4 994	4 994	-	4 345	4 601	4 859
Transfers and grants		2 958	350	263	-	-	-	-	-	-	-

Other expenditure	4, 5	30 269	46 907	44 286	48 351	51 676	51 676	-	113 418	87 943	91 755
Loss on disposal of PPE		233	223	201							
Total Expenditure		145 608	169 308	176 080	194 432	197 266	197 266	-	267 246	249 906	262 058
Surplus/(Deficit)		(34 110)	(44 458)	(37 342)	4 592	4 019	4 019	-	16 499	17 513	18 497
Transfers recognised - capital		-	30 363	28 184	34 661	47 366	47 366	-	37 992	39 416	41 550
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047
Taxation											
Surplus/(Deficit) after taxation		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047

The graph below reflects the componentization of the operating revenue in the sum of R 283.7 Million as denoted within the budgeted statement of financial performance revenue by source.

2015/2016 Statement of Financial Performance- Revenue By Source



Below is a discussion of the main revenue components:

Operational Transfers

Growth within the Equitable Share of Nationally raised revenue as gazetted with the Division of Revenue Act has increased 23.4%, as compared with 2014/2015 fiscal year; with outer year adjustments increasing 1.2%, and 2.1% (decrease) respectively; the above mentioned revenue correction is a second attempt by National Government to realign the funding

formula to Local Government aimed at enhancing the resource base to Local Municipalities that are rural in nature and hence have limitation within their revenue raising capacity, and to counter the effect of the cost of Governance related costs in relation to revenue raising ability.

Service Charges

Electricity charges have been increased by 12.20%, 5.9% and 5.6 for two outer years respectively. Nersa has not yet approved electricity tariffs for 2016 financial year.

Solid waste tariffs have increased by 5.9%, the above mentioned increase has been necessitated by the introduction of a PPP agreement that will effectively culminate in the outsourcing of the three landfill sites within Elundini LM, at an annualized cost of R 2 million per annum.

The Municipality renders all consumers a consolidated monthly account in line with Municipal Bylaws, which become due and payable within 30 days from date of invoice.

The Municipality likewise maintains a fully functional customer care centre that receives and deals with all service delivery related complaints, including billing related queries; the ELM manages all logged complaints in line with the service standards charter, which inter alia regulates communications protocols and stringent turnaround times.

Rental Income

The Elundini Local Municipality has undertaken significant investment as part of the revenue diversification strategy employed into revenue generation assets and activities, as such the ELM is anticipating in generating in excess of R 11.9 million per annum over the MTREF in direct revenue inflows premised on road construction related activities, and R992 000 of housing rental totalling to R12.9 million

Likewise direct investments into recapitalisation of all commercially owned properties will be undertaken to enhance overall rental income earned on investment properties.

Comparative Rates and Tariffs

In order to support the Operating Budget, the following increases in rates and service charges have been proposed, compared to the 2015/2016 financial year:

	2014/15	2015/16	2016/17	2017/18
	%	%	%	%
Property rates Increase	6.0	4.8	5.9	5.6
Electricity Increase	7.39	12.20	5.9	5.6
Refuse Increase	6.0	4.8	5.9	5.6

1.3.2.2 Capital Budget

The three year capital budget presented below has been prepared to give effect to the service delivery objectives as contained within the Integrated Development Plan.

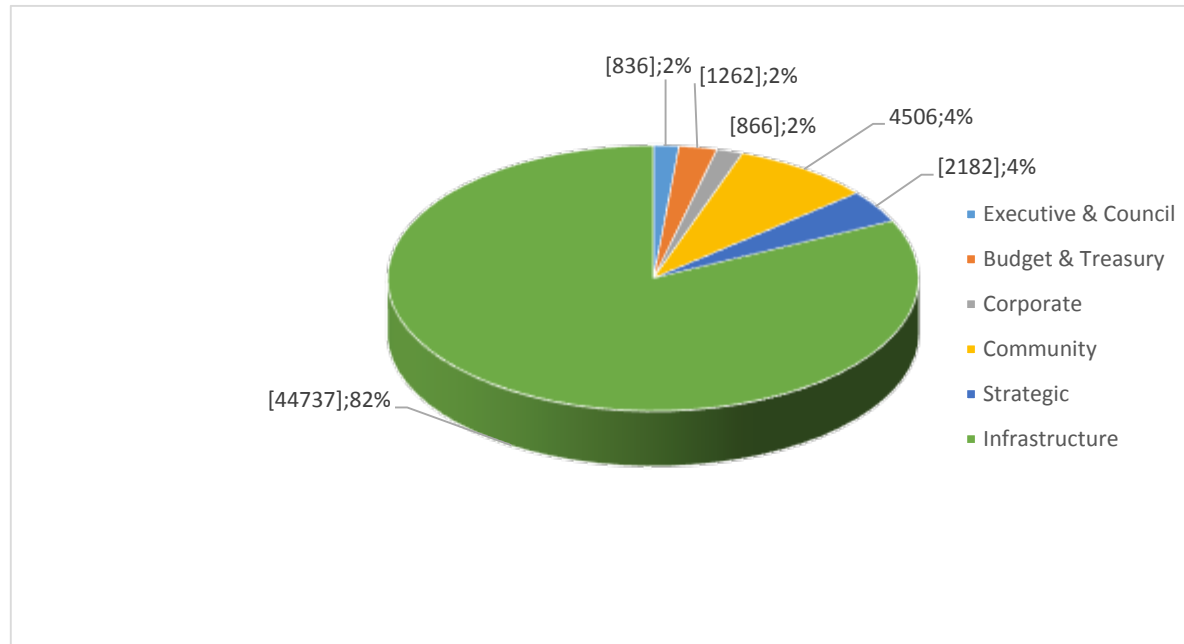
Importantly, R 283.7 million will be invested over the 2015/2016-2017/18 MTREF in capital expansion programmes, with R54.5 Million of opex being invested into repairs and maintenance initiatives aimed at maintaining all assets in good operational order to maximise ROI. (See Asset Management commentary elsewhere in this report for detailed analysis around % benchmark indicators)

EC141 Elundini - 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
R thousand	1										
Capital expenditure - Vote Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		645	645	831	100	980	980	-	836	885	935
Vote 2 - Budget & Treasury		2 214	2 214	684	500	570	570	-	1 262	1 336	1 411
Vote 3 - Corporate services		695	695	905	400	590	590	-	868	920	971
Vote 4 - Community Services		1 973	1 973	1 605	200	220	220	-	4 605	4 876	5 150
Vote 5 - Strategic Planning & Development		1 213	1 213	3 583	1 159	3 228	3 228	-	2 182	2 311	2 441
Vote 6 - Infrastructure Development & Planning		31 381	30 681	28 829	36 175	45 796	45 796	-	44 737	46 600	49 140
Total Capital Expenditure - Vote		38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047

The graph below reflects the 2015/16 Capital Budget by Vote.

CAPITAL EXPENDITURE BY VOTE R'000



Capital Source of Financing

The table denoted below provides Council with an understanding as to the basis under which the Capital expansion programmes of Council are to be financed, importantly the funding is primarily driven through the Division of Revenue Act, as well as funding agreements concluded through the Donor funding policy,

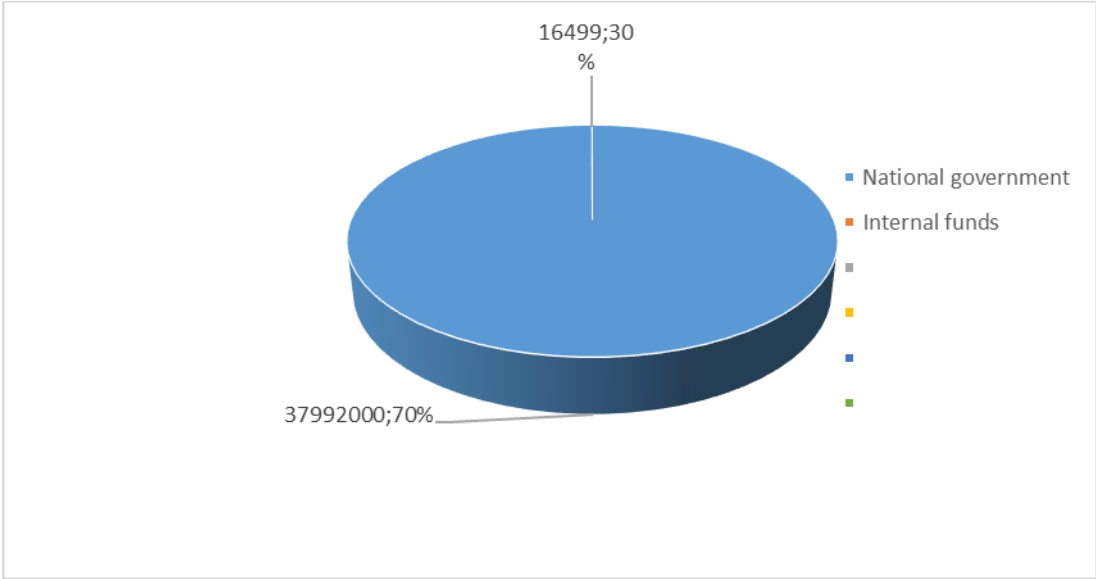
Councils contribution of retained earnings towards Capital expansion programs have been curtailed within the MTREF to allow for reserves to be adequately resourced(cashback) based on the funding compliance assessment undertaken to ensure alignment with industry standards.

EC141 Elundini - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	R e f	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
R thousand	1										
Funded by:											
National Government		31 381		–	32 704	40 587	40 587		37 992	39 416	41 550
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	31 381	–	–	32 704	40 587	40 587	–	37 992	39 416	41 550
Public contributions & donations	5	6 740	37 421	36 437			–				
Borrowing	6						–				
Internally generated funds					5 830	10 797	10 797		16 499	17 513	18 497
Total Capital Funding	7	38 121	37 421	36 437	38 534	51 384	51 384	–	54 491	56 929	60 047

The Graph below denotes the capital sources of funding

2015/2016 Capital Sources of Financing



1.3.3 Funding of the Budget

Fiscal Overview

1.3.3.1 2014/15 Actual and 2015/16 Projected Financial Performance

The municipality's financial performance and position appears to be as evidenced by the following:

- Budgets are balanced, being funded from the current financial year's revenues.
- The municipality operates within its annual budget, as approved by Council.
- The municipality maintains a positive cash and investments position.
- Higher than expected/modelled collection rates are being achieved.

1.3.3.1.1 Operating Budget

In the 2014/2015 financial year expenditure in the amount of R 197 million was fully funded from the municipality's revenues. A similar performance is projected for 2015/16 with R 267 million of expenditure being funded by revenue of R 283 million leaving a budgeted surplus of R 54.5 million which is appropriated in the Statement of Changes in Net Assets. For both financial years, the current financial year's revenues were sufficient to cover the operating expenditures.

In February 2015 it was reported to the Budget and Treasury Standing Committee that the average revenue collection rate was 53% of the current financial year's billings. The collection rate of 80% on which the 2014/15 Operating Budget is premised, is in line with the IDP target. It will assist the municipality in maintaining its financial position to support the mid-term plan in this Budget.

The Municipality has developed and implemented a Revenue enhancement strategy, it is anticipated that the gains made to date improving the collection rate from 53% in 2014/2015 to 95% by June 2017, will continue and result in the achievement of a consistent collection rate of 50+% within the MTREF.

1.3.3.1.2 Capital Budget

The actual capital budget projected spend in 2014/2015 amounted to R51.4 Million, of which R57.9 million was funded from National and Provincial Government grants, and the remaining

R 10.8 million was funded from Council's internal sources.

The projected spending level over the 2015/16-2017/18 MTREF is in line with expectation, a concerted effort must be made over the MTREF to accelerate spending to promote spare capacity to undertake enhanced capital works through reprioritised funding the MIG and INEP. A capital budget allocation of R54.7million being proposed for 2015/2016, financed through National Government in the sum of R 37.9 Million, and internal reserves of R16.5 Million.

In the two outer years of the MTEF 2016/17 and 2017/2018, the Capital budgets have been modelled primarily around gazette Municipal Infrastructure Grant allocations.

1.3.3.2 Mid Term Outlook – 2015/16 to 2017/2018

Operating Budget

The operating budget amounts to R 267 million for the 2015/16 financial year. It then increases to R 249 Million in 2016/2017, and finally to R 262 Million in 2017/18. This growth is mainly in the following areas:

- Increased spending attributable to addressing maintenance backlogs in infrastructure;
- Increased spending on employee related costs;
- Increased spending attributable to bulk purchasing costs for electricity;
- Increased spending on Loss Management;
- Increased spending on Job Creation;
- Provisioning of Free Basic Services;
- Increased spending on Solid Waste Functioning;
- Increased spending special programmes of Council- youth, women development and HIV/AIDS;
- Entrenchment of Public Consultation;
- Strengthening of Ward Based Committees;
- SMME Development and support

Capital Budget

Over the next three financial years, 2015/2016 to 2017/18, capital spending is projected at R54.5 million in 2015/16, R 56.9 million in 2016/17 and R60 million in 2017/18

Councils contribution of retained earnings towards Capital expansion programs have been curtailed within the MTREF to allow for reserves to be adequately resourced (cashback) based on the funding compliance assessment undertaken to ensure alignment with industry standards.

This situation has been brought about by an accelerated drive over the last 4 years towards the eradication of backlogs that has seen a cumulative investment of over R 57 million of retained earnings being invested into Property Plant and Equipment.

Due to limitations imposed on the financing model, the provisions of the Donor Support policy will be invoked to ensure that all available funding streams outside of the DORA and internal reserves are explored and maximized to sustain the commitment to eradicate service

delivery related backlogs; the focus on MTREF will be Road and Stormwater networks, considering that the Electricity Distribution networks within Elundini LM's service jurisdiction have been comprehensively upgraded and rehabilitated.

Financial Ratios

The table below provides Council with the assurance that the financial modelling, under pinning the IDP is aligned to Best Operating Practice insofar as financial sustainability is concerned; the information presented also provides Council with an understanding as to the fundamental modelling provisions used to ensure a credible and implementable IDP; the analysis also aligns the IDP and Budget to National IDP regulation on financial viability.

In terms of the Measurable performance objectives and indicators presented, careful consideration and oversight must be given to the management of liquidity and the cost cover ratio of Council monthly over the MTREF to ensure alignment to industry norms.

On the whole the financial positioning of Council is stable as reflective within the Performance indicators and benchmarks

Ongoing issues requiring monitoring and evaluation

The municipality is closely monitoring certain issues that could have a significant financial impact on future budgets. If one or more of them require substantial resources beyond what is included in the mid-term budget, the municipality will have to adjust its spending plans to maintain its financial position. Many of the items listed below could have major and permanent impacts on the operating budget, and would therefore require permanent increases in revenue, or commensurate reductions in other services. Consequently, they should be carefully monitored and evaluated:

- Maintenance backlogs in respect of Council's assets – adequacy of budgetary provisions alignment of benchmark indicator to 8% of net book value of asset base;
 - Staffing requirements and the impact on the personnel expenditure target;
- Improvement of current collection rates;
 - Electricity Distribution Losses;
 - Unpaid Water and Sanitation Operating Subsidies;
 - Liquidity Ratio within short term
 - Cost Cover Ratio within the short term

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 2017/18
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.0%	0.5%	0.4%	0.5%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.7%	1.8%	1.8%	1.0%	0.2%	0.2%	0.0%	0.1%	0.1%	0.1%
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%
<u>Safety of Capital</u>											
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%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.7	1.3	1.0	1.5	2.9	2.9	-	1.7	2.2	2.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.3	1.0	1.5	2.9	2.9	-	1.7	2.2	2.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.6	0.5	0.4	1.7	1.7	-	1.3	1.8	2.1
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	56.0%	100.0%	372.6%	369.9%	369.9%	0.0%	53.0%	53.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	56.0%	100.0%	372.6%	369.9%	369.9%	0.0%	53.0%	53.0%	53.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.0%	15.7%	10.5%	9.6%	9.5%	9.5%	0.0%	7.2%	8.1%	8.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		87.9%	143.9%	164.1%	-192.3%	42.0%	42.0%	0.0%	24.8%	18.6%	16.0%
<u>Other Indicators</u>											

Electricity Distribution Losses (2)	Total Volume Losses (kW)											
	Total Cost of Losses (Rand '000)											
	% Volume (units purchased and generated less units sold)/units purchased and generated											
Water Distribution Losses (2)	Total Volume Losses (kℓ)											
	Total Cost of Losses (Rand '000)											
	% Volume (units purchased and generated less units sold)/units purchased and generated											
Employee costs	Employee costs/(Total Revenue - capital revenue)	36.1%	39.0%	41.5%	29.9%	29.9%	29.9%	0.0%	22.2%	24.6%	24.6%	
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	51.1%	46.7%	35.8%	35.8%	35.8%		26.7%	29.6%	29.6%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	5.1%	4.8%	4.8%		3.8%	4.3%	4.3%	
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	31.8%	24.6%	22.9%	16.6%	16.1%	16.1%	0.0%	11.9%	13.4%	13.5%	
IDP regulation financial viability indicators	-											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	8.9	12.3	616.3	1 337.6	1 337.6	1 337.6	1	-	27.7	29.2	33.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	82.0%	58.6%	43.5%	36.3%	36.8%	36.8%	0.0%	36.3%	36.3%	36.3%	
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.4	2.4	2.6	(0.9)	4.0	4.0	4.0	-	6.6	9.7	11.3

1.3.4 Medium Term Revenue and Expenditure

The Projected Financial Results over the MTREF are depicted within the table below:

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

EC141 Elundini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	R e f	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
Revenue By Source	1										
Property rates	2	11 980	14 126	13 354	14 428	14 428	14 428	-	15 121	16 013	16 909
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	14 641	15 090	20 817	21 109	21 109	-	23 685	25 082	26 487
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	3 695	3 984	4 250	4 250	4 250	-	4 454	4 717	4 981
Service charges - other		18 619									
Rental of facilities and equipment		668	1 023	1 121	13 380	12 370	12 370		12 937	13 700	14 468
Interest earned - external investments		2 077	1 834	1 592	1 957	850	850		1 500	1 589	1 677
Interest earned - outstanding debtors		4 705	2 827	1 787	1 791	1 791	1 791		1 877	1 988	2 099
Dividends received						-	-				
Fines		102	64	589	57	72	72		76	80	85
Licences and permits		1 703	2 010	2 188	2 259	4 536	4 536		2 386	2 527	2 669
Agency services			1 218	1 449	1 479	1 479	1 479		1 550	1 641	13 358
Transfers recognised - operational		70 224	81 475	96 148	106 731	106 731	106 731		184 464	157 045	154 518
Other revenue	2	1 422	1 603	1 023	31 578	33 344	33 344	-	35 694	43 036	43 303
Gains on disposal of PPE		(2)	334	413	296	325	325				
Total Revenue (excluding capital transfers and contributions)		111 498	124 850	138 738	199 024	201 285	201 285	-	283 744	267 419	280 555
Expenditure By Type	-										

Employee related costs	2	40 223	48 673	57 617	59 459	60 201	60 201	-	62 850	65 772	68 995
Remuneration of councillors		7 738	8 430	9 483	11 877	11 877	11 877		12 400	12 976	13 612
Debt impairment	3	10 900	14 101	7 315	7 910	7 910	7 910		8 289	8 779	9 270
Depreciation & asset impairment	2	34 065	29 863	31 093	32 220	32 240	32 240	-	33 787	35 781	37 784
Finance charges		1 398	798	621	869	89	89		93	99	104
Bulk purchases	2	13 619	14 722	14 809	18 539	18 539	18 539	-	21 178	22 428	23 684
Other materials	8	4 205	5 241	8 131	10 213	9 740	9 740		10 885	11 527	11 994
Contracted services		-	-	2 261	4 994	4 994	4 994	-	4 345	4 601	4 859
Transfers and grants	4	2 958	350	263	-	-	-	-	-	-	-
Other expenditure	5	30 269	46 907	44 286	48 351	51 676	51 676	-	113 418	87 943	91 755
Loss on disposal of PPE		233	223	201							
Total Expenditure		145 608	169 308	176 080	194 432	197 266	197 266	-	267 246	249 906	262 058
Surplus/(Deficit)		(34 110)	(44 458)	(37 342)	4 592	4 019	4 019	-	16 499	17 513	18 497
Transfers recognised - capital		-	30 363	28 184	34 661	47 366	47 366		37 992	39 416	41 550
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047
Taxation											
Surplus/(Deficit) after taxation		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047

From the analysis presented above it would be clear that the surpluses generated are sufficient to cover investment into infrastructure over the MTREF, special caution is made that the Organisation has begun a formal process of limiting operational costs in favour of bolstering retained earnings aimed at enhancing liquidity ratio, cost cover ratios and mitigating the effects of potential cashflow problems.

1.3.5 Priorities and linkages to the IDP

The Integrated Development Plan (IDP) determines and prioritizes the needs of the community.

The 2015/16 to 2017/18 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- 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.

After the tabling of the budget, a series of meetings was held throughout the municipal area to consult with the elected public representatives, Ward Committees, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the draft budget addresses the IDP priorities and objectives. The feedback flowing from these meetings were positive and no material amendments to the budget were undertaken.

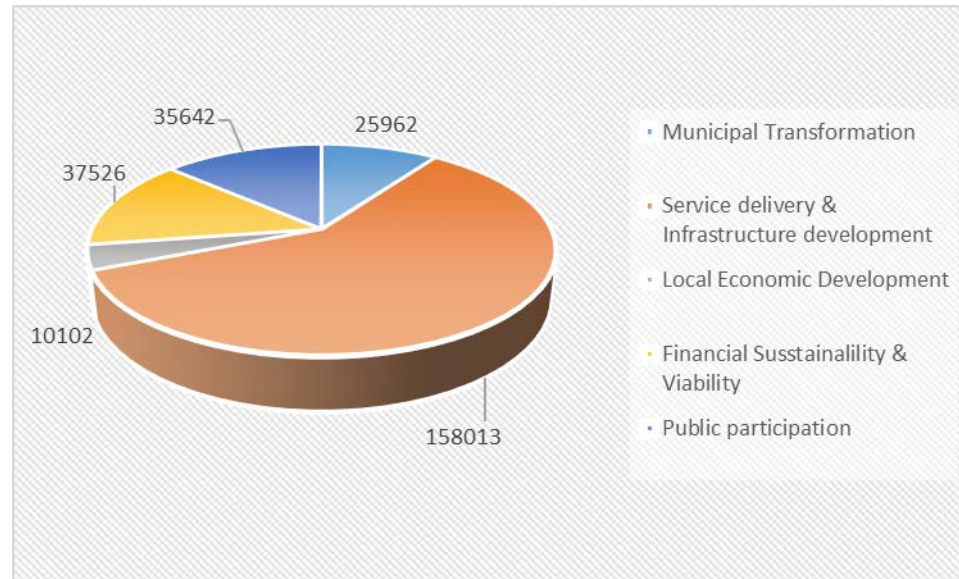
The linking of capital projects to the IDP priorities has been relatively simple, whilst the difficulty in the past has been to link the Operating budget to the IDP. This is now facilitated through the Service Delivery and Budget Implementation Plan (SDBIP).

Below is a table, which illustrates the link between the Budget and the IDP.

BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES

	Municipal Transformation and Development	Service Delivery and Infrastructure Development	Local Economic Development	Financial Sustainability and Viability	Good Governance and Public Participation	Total
	R '000	R '000	R '000	R '000	R '000	R '000
2015/16 Budget						
Capital Expenditure	868	49342	2182	1262	836	54490
Operating Expenditure	25962	158013	10 102	37526	35642	267245
Total	26830	207355	12284	38788	36478	321735
2016/17 Budget						
Capital Expenditure	920	51476	2311	1336	886	56929
Operating Expenditure	27355	134891	10 636	39537	38373	249906
Total	28275	186367	12947	40873	32 272	306835
2017/18 Budget						
Capital Expenditure	971	54289	2441	1411	935	60047
Operating Expenditure	28805	140927	11 195	41695	37487	262109
Total	29776	195216	13636	43106	38422	322156

2015/2016 Expenditure by IDP Priority



Key amendments to IDP

The review of the Integrated Development Plan (IDP) in terms of the Municipal Systems Act has been guided and informed by the following principles:

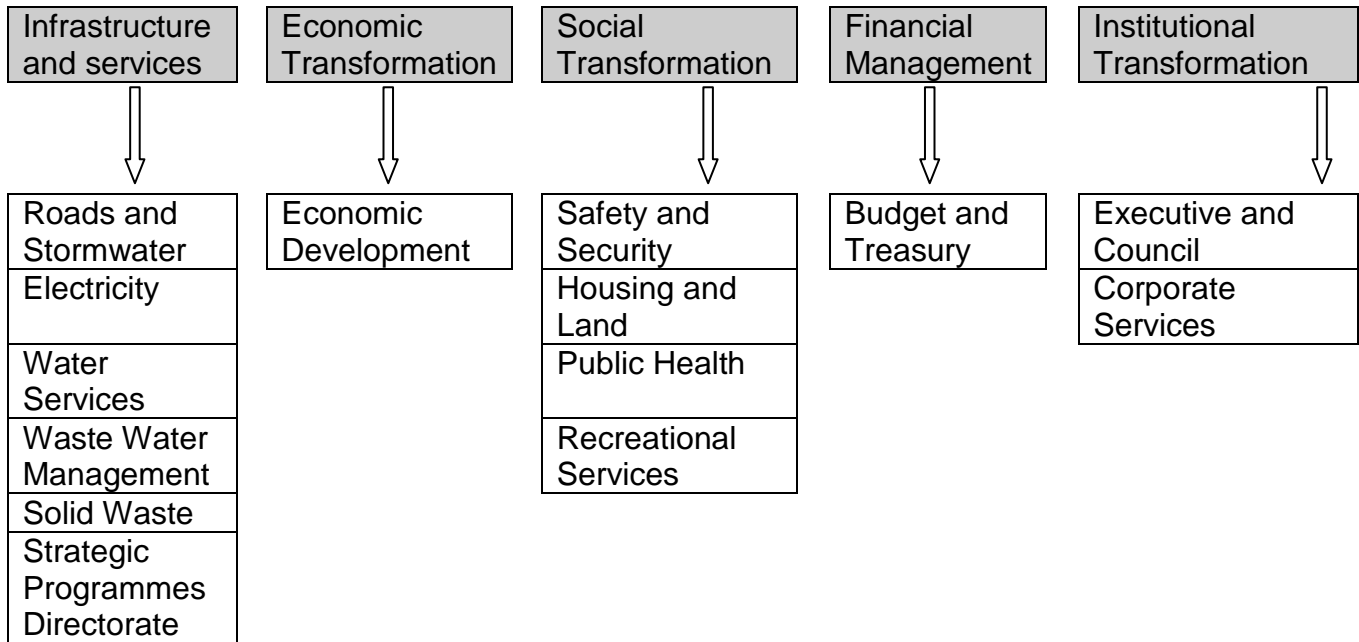
- It must support the achievement of the five strategic priorities of the Elundini LM.
- Focus on service delivery and the maintenance of infrastructure.
- Address community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the SDBIP.

Alignment with National and Provincial Priorities

The Municipality's priorities are aligned to those of the National and Provincial Governments.

The matrix below shows the alignment with National and Provincial Government priorities:



The above is an indication of Elundini Local Municipality alignment to the National and Provincial Key Performance Areas and how Directorates are aligned thereto. It should, however, be noted that in terms of implementation all Directorates are focusing on the five areas. In order to monitor and evaluate service delivery and financial performance, key performance indicators are included in all Directors' performance agreements.

1.3.8 Amendments to Budget Related Policies

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

A review of the existing budget related policies indicated that no significant changes are The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

The Municipality has formally approved 22 budget related policies as denoted below, importantly in line with the requirements of the Municipal Systems Act Municipal bylaws have been promulgated to give effect to policy considerations.

The following budget related policies are in existence and inform the presentation of the financial plan

- Rates Policy
- Tariff Policy
- Credit control and Debt Management Policy
- Indigent Support Policy
- Supply Chain Management Policy
- Cash and Investment Policy
- Fleet Management Policy
- Borrowing Policy
- Funding and Reserves Policy
- Policy related to long term financial plan
- Policy relating to infrastructural investment and capital projects
- Budget Implementation Plan
- Policies related to Management of losses
- Policy on Pauper Burials
- Policy on Lease of Property
- Policy on Unauthorised/irregular and wasteful expenditure
- Policy on Contingent Liabilities
- Policy on Related Party Disclosures
- Policy on VAT
- Policy on GRAP Disclosures
- Policy on journal Entries
- Policy on Capital Commitments

All budget related policies have been reviewed and amended where necessary to address service delivery imperatives.

1.3.9 Budget Assumptions

The following key assumptions underpinned the preparation of the multi-year budget:

	2015/16	2016/2017	2017/2018
Income	%	%	%
Refuse Tariff Increase	4.8	5.9	5.6
Property Rates Increase	4.8	5.9	5.6
Electricity Tariff Increase	4.8	12.20	5.6
Revenue collection rates	4.8	5.9	5.6
Expenditure			
Total Expenditure Increase allowed (excluding repairs and maintenance)	4.8	5.9	5.6
Salary increase	5.8	5.8	5.8
Increase in repairs and maintenance	4.8	5.9	5.6
Increase in bulk purchase of power costs	14.24	5.9	5.6

1.4 Annual Budget Tables

The annual budget tables are included in this section.

1.4.1 Budget Summary

The aim of the Budget Summary is to 'provide a concise overview of the proposed budget from all of the major financial perspectives (operating expenditure, capital expenditure, financial position and cash flow, and MFMA funding compliance). The table provides a 'snapshot view' of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

Taking the aforementioned budget strategy, assumptions and principles into consideration the 2014/15 to 2016/17 Budget was arrived at as follows:

Choose name from list - Table A1
Consolidated Budget Summary

Choose name from list - 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
<u>Financial Performance</u>										
Property rates	11 980	14 126	13 354	14 428	14 428	428	14	15 121	16 013	16 909
Service charges	18 619	18 336	19 074	25 067	25 359	359	25	28 139	29 799	31 468
Investment revenue	2 077	1 834	1 592	1 957	850	850	106	1 500	1 589	1 677
Transfers recognised - operational	70 224	81 475	96 148	106 731	106 731	731	53	184 464	157 045	154 518
Other own revenue	8 598	9 079	8 570	50 841	53 917	917	–	54 521	62 974	75 982
Total Revenue (excluding capital transfers and contributions)	111 498	124 850	138 738	199 024	201 285	201 285	–	283 744	267 419	280 555
Employee costs	40 223	48 673	57 617	59 459	60 201	201	60	62 850	65 772	68 995
Remuneration of councillors	7 738	8 430	9 483	11 877	11 877	877	11	12 400	12 976	13 612
Depreciation & asset impairment	34 065	29 863	31 093	32 220	32 240	240	32	33 787	35 781	37 784
Finance charges	1 398	798	621	869	89			93	99	104

Materials and bulk purchases	17 824	19 963	22 940	28 752	28 279	89 28 279	-	-	32 064	33 955	35 678
Transfers and grants	2 958	350	263	-	-	-	-	-	-	-	-
Other expenditure	41 402	61 231	54 063	61 255	64 580	64 580	-	-	126 052	101 322	105 884
Total Expenditure	145 608	169 308	176 080	194 432	197 266	197 266	-	-	267 246	249 906	262 058
Surplus/(Deficit)	110	(458)	(342)	4 592	4 019	4 019	-	-	16 499	17 513	18 497
Transfers recognised - capital	-	30 363	28 184	34 661	47 366	47 366	-	-	37 992	39 416	41 550
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	-	54 491	56 929	60 047
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	-	54 491	56 929	60 047
<u>Capital expenditure & funds sources</u>											
Capital expenditure	38 121	37 421	36 437	38 534	51 384	51 384	-	-	54 491	56 929	60 047
Transfers recognised - capital	31 381	-	-	32 704	40 587	40 587	-	-	37 992	39 416	41 550
Public contributions & donations	6 740	37 421	36 437	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	5 830	10 797	10 797	-	-	16 499	17 513	18 497
Total sources of capital funds	38 121	37 421	36 437	38 534	51 384	51 384	-	-	54 491	56 929	60 047
<u>Financial position</u>											
Total current assets	74 913	49 443	46 120	37 219	70 663	70 663	-	-	115 261	153 286	183 159
Total non current assets	348 037	352 538	346 791	364 288	364 288	364 288	-	-	353 658	374 524	395 498
Total current liabilities	44 627	38 616	48 440	24 682	24 682	24 682	-	-	66 527	70 452	74 397
Total non current liabilities	9 315	9 321	9 302	10 157	10 157	10 157	-	-	5 517	5 842	6 170
Community wealth/Equity	369 008	354 044	335 169	366 668	400 112	400 112	-	-	396 876	451 516	498 089
<u>Cash flows</u>											
Net cash from (used) operating	51 373	17 597	38 333	(6 956)	(9 948)	(9	-	-	99 532	95 830	89 802

Net cash from (used) investing	(38 121)	(37 073)	(35 924)	(38 534)	(51 384)	948) (51 384)	-	(57 992)	(59 416)	(61 550)
Net cash from (used) financing	(128)	416	(137)	(69)	(69)	(69)	-	-	-	-
Cash/cash equivalents at the year end	41 020	21 961	24 233	(9 333)	42 777	777	42	87 952	124 367	152 619
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	41 020	21 961	24 233	9 333	42 778	778	42	87 952	124 366	152 619
Application of cash and investments	16 443	19 963	25 236	(21 185)	(19 783)	783)	(19	46 254	49 438	52 932
Balance - surplus (shortfall)	24 577	1 998	(1 003)	30 518	62 561	561	62	41 698	74 928	99 687
<u>Asset management</u>										
Asset register summary (WDV)	196 830	230 166	344 482	65 991	27 457	457	27	392 283	392 283	481 610
Depreciation & asset impairment	34 065	29 863	31 093	32 220	32 240	240	32	33 787	33 787	35 781
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	10 212	9 740	740	9	10 885	10 885	11 527
<u>Free services</u>										
Cost of Free Basic Services provided	5 930	-	6 156	3 524	3 524	524	3	3 693	3 693	3 911
Revenue cost of free services provided	9 232	-	8 864	5 727	5 727	727	5	6 002	6 002	6 356
<u>Households below minimum service level</u>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	30	-	30	29	29	29	30	30	32	34
Refuse:	22	-	26	26	26	26	27	27	29	30

1.4.2 Consolidated Financial Performance 2015/16 to 2017/18

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities.

Choose name from list - Table A2 Consolidated 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
Revenue - Standard	1									
<i>Governance and administration</i>		111 500	133 484	107 059	126 293	128 892	128 892	161 453	164 822	163 858
Executive and council		-	-	8	331	-	-	-	-	-
Budget and treasury office		111 500	133 481	107 039	125 963	128 892	128 892	161 453	164 822	163 858
Corporate services		-	3	12	-	-	-	-	-	-
<i>Community and public safety</i>		-	2 079	3 515	3 745	3 090	3 090	3 206	3 356	3 540
Community and social services		-	-	755	1 429	755	755	760	766	805
Sport and recreation		-	5	0	-	-	-	-	-	-
Public safety		-	2 074	2 760	2 316	2 335	2 335	2 446	2 590	2 735
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	1 314	34 660	78 580	85 600	85 600	80 505	88 292	102 641
Planning and development		-	-	4 121	-	2 489	2 489	-	-	-
Road transport		-	1 314	30 539	78 580	83 111	83 111	80 505	88 292	102 641
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	18 336	21 688	25 067	31 069	31 069	76 573	50 365	52 065
Electricity		-	14 641	17 699	20 817	26 819	26 819	72 119	45 648	47 084
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	3 695	3 989	4 250	4 250	4 250	4 454	4 717	4 981

<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	111 500	155 213	166 922	233 685	248 651	248 651	321 736	306 835	322 105
Expenditure - Standard	-									
<i>Governance and administration</i>		145 607	81 485	74 809	88 828	88 550	88 550	99 180	104 430	109 989
Executive and council		-	23 568	28 051	30 328	32 907	32 907	35 691	37 539	39 490
Budget and treasury office		145 607	39 498	28 943	34 029	33 187	33 187	37 526	39 537	41 695
Corporate services		-	18 419	17 815	24 471	22 456	22 456	25 962	27 355	28 805
<i>Community and public safety</i>		-	10 284	13 931	13 019	12 659	12 659	13 752	14 409	15 125
Community and social services		-	3 574	4 079	2 188	4 171	4 171	4 356	4 563	4 789
Sport and recreation		-	4 347	3 852	5 396	4 137	4 137	4 276	4 476	4 695
Public safety		-	3 323	4 268	4 909	3 773	3 773	4 516	4 738	4 977
Housing		-	(960)	1 732	526	578	578	604	632	664
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	46 390	50 228	52 752	53 450	53 450	57 716	59 593	62 642
Planning and development		-	6 430	8 389	10 085	9 111	9 111	10 102	10 636	11 195
Road transport		-	39 960	41 839	42 667	44 339	44 339	47 614	48 958	51 446
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	31 148	37 113	39 833	42 607	42 607	96 598	71 474	74 301
Electricity		-	21 968	24 918	31 798	31 410	31 410	83 962	58 152	60 269
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	9 180	12 195	8 034	11 197	11 197	12 636	13 322	14 033
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	145 607	169 307	176 081	194 432	197 266	197 266	267 246	249 906	262 058
Surplus/(Deficit) for the year		(34 107)	(14 094)	(9 159)	39 253	51 385	51 385	54 491	56 929	60 047

The purpose of the format in which the budget is presented below, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Below is a classification of operating revenue and expenditure by 'vote'. A 'vote' is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Choose name from list - Table A3 Consolidated 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
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	8	331	-	-	-	-	-
Vote 2 - Budget & Treasury		111 500	133 481	107 039	125 963	128 892	128 892	161 453	164 822	163 858
Vote 3 - Corporate services		-	3	12	-	-	-	-	-	-
Vote 4 - Community Services		-	5 774	7 504	7 995	7 340	7 340	7 660	8 073	8 521
Vote 5 - Strategic Planning & Development		-	-	4 121	-	2 489	2 489	-	-	-
Vote 6 - Infrastructure Development & Planning		-	15 955	48 238	99 397	109 930	109 930	152 624	133 940	149 725
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	111 500	155 213	166 922	233 685	248 651	248 651	321 736	306 835	322 105
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		-	23 568	28 051	30 328	32 907	32 907	35 691	37 539	39 490
Vote 2 - Budget & Treasury		145 607	39 498	28 943	34 029	33 187	33 187	37 526	39 537	41 695
Vote 3 - Corporate services		-	18 419	17 815	24 471	22 456	22 456	25 962	27 355	28 805
Vote 4 - Community Services		-	19 464	26 126	21 053	23 856	23 856	26 388	27 731	29 158
Vote 5 - Strategic Planning & Development		-	6 430	8 389	10 085	9 111	9 111	10 102	10 636	11 195
Vote 6 - Infrastructure Development & Planning		-	61 928	66 757	74 465	75 749	75 749	131 577	107 109	111 715
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-

Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	145 607	169 307	176 081	194 432	197 266	197 266	267 246	249 906	262 058
Surplus/(Deficit) for the year	2	(34 107)	(14 094)	(9 159)	39 253	51 385	51 385	54 491	56 929	60 047

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the original budget, so as to assess performance.

The following table reflect the budgeted financial performance by expenditure and income categories: The Projected Financial Results over the MTREF are depicted within the table below:

Elundini Local Municipality - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

1.4.3 Capital Budget Summary

EC141 Elundini - 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
Revenue By Source											
Property rates	2	11 980	14 126	13 354	14 428	14 428	14 428	-	15 121	16 013	16 909
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	14 641	15 090	20 817	21 109	21 109	-	23 685	25 082	26 487
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-

Service charges - refuse revenue	2	-	3 695	3 984	4 250	4 250	4 250	-	4 454	4 717	4 981
Service charges - other		18 619									
Rental of facilities and equipment		668	1 023	1 121	13 380	12 370	12 370		12 937	13 700	14 468
Interest earned - external investments		2 077	1 834	1 592	1 957	850	850		1 500	1 589	1 677
Interest earned - outstanding debtors		4 705	2 827	1 787	1 791	1 791	1 791		1 877	1 988	2 099
Dividends received						-	-				
Fines		102	64	589	57	72	72		76	80	85
Licences and permits		1 703	2 010	2 188	2 259	4 536	4 536		2 386	2 527	2 669
Agency services			1 218	1 449	1 479	1 479	1 479		1 550	1 641	13 358
Transfers recognised - operational		70 224	81 475	96 148	731	106 731	106 731		184 464	157 045	154 518
Other revenue	2	1 422	1 603	1 023	31 578	33 344	33 344	-	35 694	43 036	43 303
Gains on disposal of PPE		(2)	334	413	296	325	325				
Total Revenue (excluding capital transfers and contributions)		111 498	124 850	138 738	199 024	201 285	201 285	-	283 744	267 419	280 555
Expenditure By Type											
Employee related costs	2	40 223	48 673	57 617	59 459	60 201	60 201	-	62 850	65 772	68 995
Remuneration of councillors		7 738	8 430	9 483	11 877	11 877	11 877		12 400	12 976	13 612
Debt impairment	3	10 900	14 101	7 315	7 910	7 910	7 910		8 289	8 779	9 270
Depreciation & asset impairment	2	34 065	29 863	31 093	32 220	32 240	32 240	-	33 787	35 781	37 784
Finance charges		1 398	798	621	869	89	89		93	99	104
Bulk purchases	2	13 619	14 722	14 809	18 539	18 539	18 539	-	21 178	22 428	23 684
Other materials	8	4 205	5 241	8 131	10 213	9 740	9 740		10 885	11 527	11 994
Contracted services		-	-	2 261	4 994	4 994	4 994	-	4 345	4 601	4 859
Transfers and grants		2 958	350	263	-	-	-	-	-	-	-
Other expenditure	4, 5	30 269	46 907	44 286	48 351	51 676	51 676	-	113 418	87 943	91 755
Loss on disposal of PPE		233	223	201							
Total Expenditure		145 608	169 308	176 080	194 432	197 266	197 266	-	267 246	249 906	262 058
Surplus/(Deficit)		(34 110)	(44 458)	(37 342)	4 592	4 019	4 019	-	16 499	17 513	18 497
Transfers recognised - capital		-	30 363	28 184	34 661	47 366	47 366		37 992	39 416	41 550
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047
Taxation											
Surplus/(Deficit) after taxation		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047

Share of surplus/ (deficit) of associate	7											
Surplus/(Deficit) for the year		(34 110)	(14 095)	(9 157)	39 253	51 385	51 385	-	54 491	56 929	60 047	

The three year capital budget presented below has been prepared to give effect to the service delivery objectives as contained within the Integrated Development Plan.

Importantly, R 171.5 million will be invested over the 2015/2016-2017/18 MTREF in capital expansion programmes, with R 10.8 Million of opex being invested into repairs and maintenance initiatives aimed at maintaining all assets in good operational order to maximise ROI. (See Asset Management commentary elsewhere in this report for detailed analysis around % benchmark indicators)

Importantly in terms of the audited outcome for 2013/2014, the capital budget was 75% spent; the projected level of Capital spend for 2014/2015 is anticipated to be more than 80% of the previous financial year, based on indicative levels of spend contained within the section 71 in year reporting conducted to Council and Treasury.

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

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

Table A5 seeks to meet three requirements, namely it shows:

- capital expenditure by municipal vote;
- capital expenditure by standard classification; and
- the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial governments that fund the capital budget.

Elundini LM - Table A5 Consolidated 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
R thousand	1										
<u>Capital expenditure - Vote</u> <u>Multi-year expenditure to be appropriated</u> Vote 1 - Executive & Council	2	-	-	-	-	-	-	-	-	-	-

Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development & Planning		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		645	645	831	100	980	980	-	836	885	935
Vote 2 - Budget & Treasury		2 214	2 214	684	500	570	570	-	1 262	1 336	1 411
Vote 3 - Corporate services		695	695	905	400	590	590	-	868	920	971
Vote 4 - Community Services		1 973	1 973	1 605	200	220	220	-	4 605	4 876	5 150
Vote 5 - Strategic Planning & Development		1 213	1 213	3 583	1 159	3 228	3 228	-	2 182	2 311	2 441
Vote 6 - Infrastructure Development & Planning		31 381	30 681	28 829	36 175	45 796	45 796	-	44 737	46 600	49 140
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047
Total Capital Expenditure - Vote		38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047
Capital Expenditure - Standard											
<i>Governance and administration</i>		3 554	3 554	2 420	1 000	2 140	2 140	-	2 967	3 142	3 318
Executive and council		645	645	831	100	980	980	-	836	886	935
Budget and treasury office		2 214	2 214	684	500	570	570	-	1 262	1 336	1 411
Corporate services		695	695	905	400	590	590	-	868	920	971
<i>Community and public safety</i>		1 973	1 973	974	200	220	220	-	2 555	2 706	2 857
Community and social services		1 973	1 973	170	100	100	100	-	2 245	2 377	2 510

Sport and recreation				142	100	120	120		310	328	347
Public safety				592							
Housing				70					-	-	-
Health											
Economic and environmental services		28 664	28 664	29 141	32 313	40 883	40 883	-	43 325	45 104	47 560
Planning and development		1 213	1 213	3 583	1 159	3 228	3 228		2 182	2 311	2 441
Road transport		27 451	27 451	25 558	31 154	37 655	37 655		41 142	42 793	45 120
Environmental protection							-				
Trading services		3 930	3 230	3 902	5 021	8 141	8 141	-	5 645	5 978	6 312
Electricity		3 930	3 230	3 271	5 021	8 141	8 141		3 595	3 807	4 020
Water											
Waste water management											
Waste management				631					2 050	2 171	2 293
Other											
Total Capital Expenditure - Standard	3	38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047
Funded by:											
National Government		31 381		-	32 704	40 587	40 587		37 992	39 416	41 550
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	31 381	-	-	32 704	40 587	40 587	-	37 992	39 416	41 550
Public contributions & donations	5	6 740	37 421	36 437			-				
Borrowing	6						-				
Internally generated funds					5 830	10 797	10 797		16 499	17 513	18 497
Total Capital Funding	7	38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047

1.4.4 Budgeted Financial Statements

The financial statements below identify the financial viability of the Municipality. It is evident from this statement that value of the Municipality is increasing and liquidity although appropriate at this point of time, will require monitoring.

1.4.4.1 Table A6 Budgeted Financial Position

The table below presents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity ie. Assets readily converted to cash or liabilities immediately required to be met from cash appears first.

The financial viability of the Organisation is deemed sound as evidenced by the Statement of Financial Performance, although the cost cover within the short term remains a relative challenge, it would be evident that the planned performance has been structured to ensure a progressive alignment of liquidity to international norms; please see further commentary on ratio's under section Financial Ratio's and benchmarking.

Elundini Local Municipality - Table A6 Consolidated Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position

Vote Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	1	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
<u>Capital expenditure - Vote</u>											
<u>Multi-year expenditure to be appropriated</u>	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development & Planning		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure to be appropriated</u>	2										

Vote 1 - Executive & Council		645	645	831	100	980	980	-	836	885	935
Vote 2 - Budget & Treasury		2 214	2 214	684	500	570	570	-	1 262	1 336	1 411
Vote 3 - Corporate services		695	695	905	400	590	590	-	868	920	971
Vote 4 - Community Services		1 973	1 973	1 605	200	220	220	-	4 605	4 876	5 150
Vote 5 - Strategic Planning & Development		1 213	1 213	3 583	1 159	3 228	3 228	-	2 182	2 311	2 441
Vote 6 - Infrastructure Development & Planning		31 381	30 681	28 829	36 175	45 796	45 796	-	44 737	46 600	49 140
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047
Total Capital Expenditure - Vote		38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047
Capital Expenditure - Standard											
<i>Governance and administration</i>		3 554	3 554	2 420	1 000	2 140	2 140	-	2 967	3 142	3 318
Executive and council		645	645	831	100	980	980		836	886	935
Budget and treasury office		2 214	2 214	684	500	570	570		1 262	1 336	1 411
Corporate services		695	695	905	400	590	590		868	920	971
<i>Community and public safety</i>		1 973	1 973	974	200	220	220	-	2 555	2 706	2 857
Community and social services		1 973	1 973	170	100	100	100		2 245	2 377	2 510
Sport and recreation				142	100	120	120		310	328	347
Public safety				592							
Housing				70					-	-	-
Health											
<i>Economic and environmental services</i>		28 664	28 664	29 141	32 313	40 883	40 883	-	43 325	45 104	47 560
Planning and development		1 213	1 213	3 583	1 159	3 228	3 228		2 182	2 311	2 441
Road transport		27 451	27 451	25 558	31 154	37 655	37 655		41 142	42 793	45 120
Environmental protection											
<i>Trading services</i>		3 930	3 230	3 902	5 021	8 141	8 141	-	5 645	5 978	6 312
Electricity		3 930	3 230	3 271	5 021	8 141	8 141		3 595	3 807	4 020
Water											
Waste water management											
Waste management				631					2 050	2 171	2 293
<i>Other</i>											
Total Capital Expenditure - Standard	3	38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047
Funded by:											

National Government		31 381		-	32 704	40 587	40 587		37 992	39 416	41 550
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	31 381	-	-	32 704	40 587	40 587	-	37 992	39 416	41 550
Public contributions & donations	5	6 740	37 421	36 437			-				
Borrowing	6						-				
Internally generated funds					5 830	10 797	10 797		16 499	17 513	18 497
Total Capital Funding	7	38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047

1.4.4.2 Table A7 Budgeted Cash Flows

The table below depicts the projected cashflows emanating from operating activities, investing activities and financing activities and the extent to which these activities contribute to the overall increase in cash held within the organization over the 2014/2015- 2016/17 MTREF.

The budget statement presented is of particular interest to the Organization considering that the entire Organizational Service Delivery mandate is premised on ensuring that sufficient cash resources are maintained by the Organization at all times to meet obligations imposed.

The Cashflow Statement presented clearly defines that the Municipality's revenue inflows are stable, furthermore Division of Revenue Act allocations are transferred in 3 tranches per annum in advance, and as such contributes significantly in providing a stable revenue resource platform from which to settle obligations.

Analysis of the cashflow clearly defines that the organisation's cash holdings are expected to improve significantly from the 2015/2016 financial year, underpinning sound and sustainable service delivery

Elundini LM - Table A7 Consolidated Budgeted Cash Flows

Choose name from list - 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	Pr e-audit	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											

								out co me			
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		11 980	14 126	13 354	40 442	40 442	40 442		17 346	18 369	19 398
Service charges		18 619	4 049	19 074	106 731	106 731	106 731		5 575	5 903	6 234
Other revenue		10 070	6 251	7 981	36 485	36 485	36 485		19 999	21 179	22 365
Government - operating	1	65 824	81 251	96 148	3 749	3 749	3 749		136 564	137 045	134 518
Government - capital	1	35 073	30 363	28 184					57 992	59 416	61 550
Interest		6 782	4 661	3 379					3 379	3 579	3 779
Dividends									-	-	-
Payments											
Suppliers and employees		(95 577)	(122 307)	(129 256)	(193 562)	(197 266)	(197 266)		(141 255)	(149 589)	(157 966)
Finance charges		(1 398)	(798)	(531)	(800)	(89)	(89)		(68)	(72)	(76)
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		51 373	17 597	38 333	(6 956)	(9 948)	(9 948)	-	99 532	95 830	89 802
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			348						-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(38 121)	(37 421)	(35 924)	(38 534)	(51 384)	(51 384)		(57 992)	(59 416)	(61 550)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(38 121)	(37 073)	(35 924)	(38 534)	(51 384)	(51 384)	-	(57 992)	(59 416)	(61 550)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			387						-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		(1)	29						-	-	-
Payments											
Repayment of borrowing		(127)	-	(137)	(69)	(69)	(69)		-	-	-

NET CASH FROM/(USED) FINANCING ACTIVITIES		(128)	416	(137)	(69)	(69)	(69)	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		13 123	(19 059)	2 272	(45 558)	(61 401)	(61 401)	-	41 540	36 414	28 252
Cash/cash equivalents at the year begin:	2	27 897	41 020	21 961	36 225	104 178	104 178	-	46 412	87 952	124 367
Cash/cash equivalents at the year end:	2	41 020	21 961	24 233	(9 333)	42 777	42 777	-	87 952	124 367	152 619

1.4.4.3 Table A8 Cash backed reserves/accumulated surplus reconciliation

The underlying purpose of the table is to reflect the predicted cash and investments that are available at the end of a particular budget year and how those funds were used. A surplus would indicate that sufficient cash and investments is available to meet commitments, whilst a shortfall would indicate inadequate cash and investments was available to meet commitments.

Elundini LM - Table A8 Consolidated 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
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	41 020	21 961	24 233	(9 333)	42 777	42 777	-	87 952	124 367	152 619
Other current investments > 90 days		(0)	0	0	18 666	1	1	-	(0)	(1)	0
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		41 020	21 961	24 233	9 333	42 778	42 778	-	87 952	124 366	152 619
<u>Application of cash and investments</u>											
Unspent conditional transfers		-	-	-	-	-	-	-	33 387	35 357	37 337
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	16 443	19 963	25 236	(21 333)	(19 333)	(19 333)	-	12 867	14 082	15 596

Other provisions					185)	783)	783)				
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		16 443	19 963	25 236	(21 185)	(19 783)	(19 783)	-	46 254	49 438	52 932
Surplus(shortfall)		24 577	1 998	003)	(1 30 518)	62 561	62 561	-	41 698	74 928	99 687

1.4.5 Table A9 Asset Management

The below mentioned table is design to provide a clear guidance to the Organization of the extent to which the investment choice effected/planned, address backlog eradication, versus the replacement of existing assets within the organization, and the extent to which the organization is investing in maintenance programmes aimed at maximizing the useful of the asset.

Notably, the Organization has successfully rehabilitated/ and or replaced the entire Maclear and Ugie Electricity distribution networks over the last three financial years; the focus for the 2014/2015 MTREF is on Roads and Storm water Infrastructure to create the enabling environment to promote economic development within the region.

The Water Service Authority, Joe Gqabi DM is responsible for direct infrastructural investment within the water services infrastructure within the region, the Local Municipalities investment is critically linked to the Spatial Development Plan, that includes all sector investment nodals.

In terms of the analysis presented, it would be clearly defined that the level of funding provided to Repairs and Maintenance related activity is positioned at 3% of net book value of Property Plant and Equipment, as per National Treasury prescripts this level is required to be positioned at 8% of net book value to circumvent under investment in the maintenance of assets, the ELM has been systematically investing in the maintenance of income generating assets as a first order priority given that the majority composition of property plant and equipment constitute gravel access roads, cost of which are funded through external government grants.

Similarly given the legacy of backlogs within the Elundini Local Municipality all available funding has been prioritised towards eradication of backlogs, ie new services and no allocations have been made towards existing asset refurbishment; whilst National Treasury advocates for a 40% allocation of capex towards refurbishment of PPE the ELM has taken a decision to prioritise backlogs and intensify repairs and maintenance activities through increased allocations to ensure maximum economic lifespan of assets.

Choose name from list - 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
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	38 121	37 421	36 437	38 534	51 384	51 384	54 491	56 929	60 047
Infrastructure - Road transport		27 451	27 451	25 558	30 404	35 387	35 387	41 142	42 793	45 120
Infrastructure - Electricity		1 000	3 230	3 271	650	6 070	6 070	3 595	3 807	4 020
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	655	-	-	-	2 050	2 171	2 293
Infrastructure		28 451	30 681	29 485	31 054	41 457	41 457	46 787	48 771	51 432
Community		1 973	-	346	-	-	-	2 555	2 706	2 857
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	7 697	6 740	6 606	7 480	9 927	9 927	5 149	5 453	5 758
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	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		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4									
Infrastructure - Road transport		27 451	27 451	25 558	30 404	35 387	35 387	41 142	42 793	45 120
Infrastructure - Electricity		1 000	3 230	3 271	650	6 070	6 070	3 595	3 807	4 020
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	655	-	-	-	2 050	2 171	2 293
Infrastructure		28 451	30 681	29 485	31 054	41 457	41 457	46 787	48 771	51 432
Community		1 973	-	346	-	-	-	2 555	2 706	2 857
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		7 697	6 740	6 606	7 480	9 927	9 927	5 149	5 453	5 758
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	38 121	37 421	36 437	38 534	51 384	51 384	54 491	56 929	60 047
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		83 209	131 495	218 745	30 404			259 887	318 013	380 942
Infrastructure - Electricity		34 213	58 019	60 507	650			83 707	112 035	163 429
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other		12 907		555				555	588	621
Infrastructure		130 329	189 514	279 808	31 054	-	-	344 150	430 636	544 992
Community		2 673		(4) 204)				2 555	2 706	2 857
Heritage assets										
Investment properties		28 094	28 286	38 432	27 369	27 369	27 369	38 432	40 700	42 979
Other assets		35 606	12 267	30 099	7 480			6 799	7 200	7 603
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		127	99	347	88	88	88	347	368	388
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	196 830	230 166	344 482	65 991	27 457	27 457	392 283	481 610	598 819
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		34 065	29 863	31 093	32 220	32 240	32 240	33 787	35 781	37 784
<u>Repairs and Maintenance by Asset Class</u>	3									
Infrastructure - Road transport		-	-	-	5 593	6 517	6 517	6 830	7 233	7 638
Infrastructure - Electricity		-	-	-	1 191	1 345	1 345	1 760	1 864	1 968

<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	396	659	659	940	996	1 051
Infrastructure		-	-	-	7 180	8 521	8 521	9 530	10 092	10 658
Community		-	-	-	81	216	216	204	216	228
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	2 951	1 003	1 003	1 151	1 219	1 108
TOTAL EXPENDITURE OTHER ITEMS		34 065	29 863	31 093	42 432	41 980	41 980	44 672	47 308	49 778
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		0.0%	0.0%	0.0%	3.0%	2.9%	2.9%	3.8%	3.8%	3.7%
<i>Renewal and R&M as a % of PPE</i>		0.0%	0.0%	0.0%	15.0%	35.0%	35.0%	3.0%	2.0%	2.0%

1.4.6 Table A10 Basic service delivery measurement

The table below denotes the Service delivery measurement as adopted by Council, the importance of this table signifies the impact that the Budget has on Service Delivery, considering the Organization's vested interest in gauging the effectiveness of the investment choices and the extent to which the investment choices have promote access to basic services, the migration of households on a progressive approach to enhanced service level offerings, as well as providing an understanding on what investments are being effected in the provision of alternative service delivery options eg. Solar Systems.

Similarly, the table also provides Council with an understanding as to how the policy choices made translate into the commitment of resources as part of the overall poverty alleviation programme of Council, from the analysis it would be evident that the Organization has committed R 18.4 Million over the 2014/2015- 2016/2017 towards this initiative to an estimated 7000 qualifying households within the Serviced Region.

The Elundini Local Municipality provides a basket of services to households based on the following thresholds:

- Rates R 15 000.00 rebate on rateable valuation imposed per households(all Households);
 - 100% Rebate on Rates to all Registered Indigent households;
- Electricity- a 50kwh allocation to all households earning less than R 2360.00 per month;
 - Eskom rebate structure to all indigents registered within Eskom supplied areas within region- 50 kwh;
 - Provision of a R 34 per month subsidy per household earning less than R 2360 per month(Non-Grid);
- Refuse 100% rebate to all Indigents registered as per the Indigent Support policy;

Choose name from list - Table A10 Basic service delivery measurement

EC141 Elundini - 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
Household service targets	1									
Water:										
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>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
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>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)	1	210		1 284	1 308	1 308	1 308	1 371	1 452	1 533
Electricity - prepaid (min.service level)	2	332		2 473	3 236	3 236	3 236	3 391	3 591	3 793
<i>Minimum Service Level and Above sub-total</i>	3	542	-	3 757	4 544	4 544	4 544	4 762	5 043	5 325

Electricity (< min.service level)	1		8 883	11 169	11 169	11 169	11 705	12 396	13 090
Electricity - prepaid (< min. service level)	230						-	-	-
Other energy sources	29		21 000	17 927	17 927	17 927	18 787	19 896	21 010
<i>Below Minimum Service Level sub-total</i>	30								
	230	-	29 883	29 096	29 096	29 096	30 493	32 292	34 100
Total number of households	5	33							
	772	-	33 640	33 640	33 640	33 640	35 255	37 335	39 425
<u>Refuse:</u>									
Removed at least once a week	7		7 590	7 741	7 741	7 741	8 113	8 591	9 072
<i>Minimum Service Level and Above sub-total</i>	7								
	154	-	7 590	7 741	7 741	7 741	8 113	8 591	9 072
Removed less frequently than once a week	21		26 050	25 899	25 899	25 899	27 142	28 744	30 353
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal									
<i>Below Minimum Service Level sub-total</i>	21								
	989	-	26 050	25 899	25 899	25 899	27 142	28 744	30 353
Total number of households	5	29							
	143	-	33 640	33 640	33 640	33 640	35 255	37 335	39 425
<u>Households receiving Free Basic Service</u>	7								
Water (6 kilolitres per household per month)									
Sanitation (free minimum level service)									
Electricity/other energy (50kwh per household per month)	5		5 314	7 213	7 213	7 213	7 559	8 005	8 454
Refuse (removed at least once a week)	1		1 487	4 489	4 489	4 489	4 704	4 982	5 261
300									
<u>Cost of Free Basic Services provided (R'000)</u>	8								
Water (6 kilolitres per household per month)									
Sanitation (free sanitation service)									
Electricity/other energy (50kwh per household per month)	5		3 535	3 077	3 077	3 077	3 224 696	3 414 953	3 606 190
Refuse (removed once a week)			2 621	447	447	447	468 456	496 095	523 876
Total cost of FBS provided (minimum social package)	5								
	930	-	6 156	3 524	3 524	3 524	3 693	3 911	4 130
<u>Highest level of free service provided</u>									
Property rates (R value threshold)	15		15 000	15 000	15 000	15 000	15 720	16 647	17 580
Water (kilolitres per household per month)	000								
Sanitation (kilolitres per household per month)									

Sanitation (Rand per household per month)		50								
Electricity (kwh per household per month)		000	50 000	50 000	50 000	50 000	52 400	55 492	58 599	
Refuse (average litres per week)		000	40 000	40 000	40 000	40 000	41 920	44 393	46 879	
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		1	2 147	411	411	411	430 728	456 141	481 685	
Property rates (other exemptions, reductions and rebates)		3	561	1 610	1 610	1 610	1 687 280	1 786 830	1 886 892	
Water		1					-	-	-	
Sanitation		800					-	-	-	
Electricity/other energy		695	3 535	3 259	3 259	3 259	3 415 432	3 616 942	3 819 491	
Refuse		1	2 621	447	447	447	468 456	496 095	523 876	
Municipal Housing - rental rebates							-	-	-	
Housing - top structure subsidies	6						-	-	-	
Other							-	-	-	
Total revenue cost of free services provided (total social package)	9	232	8 864	5 727	5 727	5 727	6 002	6 356	6 712	

2.1 Overview of annual budget process

The Budget process started in September 2014 after the approval of a timetable and strategy to guide the preparation of the 2015/16 to 2017/18 Operating and Capital Budgets.

The timetable provided broad timeframes for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, Ward Committees, employees of the Municipality, Civil Society, State departments, other municipalities, business and labour, during March/April/May 2014. The main aims of the timetable are to ensure that a revised IDP and a balanced Budget are tabled in March 2015. The Budget was tabled by the Mayor at a Council meeting held on 28/03/2014, following which it was submitted to National Treasury as well as being subjected to a consultation process with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, other municipalities, business, labour, National and Provincial Governments.

The consultation took place in the form of a series of public meetings in the various wards (clustering certain wards) under the direction and leadership of the Mayor and her Executive Committee. Taking the inputs of the aforementioned consultations into account, the Mayor will table the IDP and Budget for final approval at a Council meeting to be held on 31 May 2014.

The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget is aligned.

The draft budget was also considered by the Budget Task Team. The Task Team consists of Councillors of the Budget and Treasury Committee, whilst being chaired by the Portfolio Councillor. The main objective of the Budget Task Team was to ensure that the budget is maintained within the affordability levels, taking the IDP deliverables into account.

The deliberations of the Budget Task Team were considered by the IDP and Budget Steering Committee under the direction of the Mayor. The purpose of the aforementioned Committee is to co-ordinate the review of the IDP and ensuring that the key service delivery priorities are addressed in the Budget.

2.1.1 IDP & Budget Timetable 2015/16 to 2017/18

The preparation of the 2015/16 to 2017/18 IDP and Budget was guided by following schedule of key deadlines as approved by Council on August 2014.

1. INTRODUCTION

Elundini Local Municipality is geographically the second largest Municipality, behind Senqu LM, within the Joe Gqabi District Municipality with an area of 5064 km² and has 17 wards. It is located in the East of the Joe Gqabi DM and shares the boundaries with the following LMs:

- Umzimvubu to the Northeast,
- Matatiele to the North,
- Mhlontlo to the southeast,
- Sakhisizwe to the southwest and,
- Senqu to the West.

According to the revised population estimates based on the Community Survey 2007 (Statistics SA, 2007), ELM has a population of approximately 123 634 (compared to the Census 2001 estimates of 137 580) people residing in 35 553 households (compared to 33 248 households).

According to the 2001 Census 77% of households are rural in nature, this includes rural villages and farm households. This dynamic is shifting with the phenomenon of urban in-migration occurring in ELM. This is especially evident in the town of Ugie, where the town's population has increased from 8 344 in 2001 to approximately 16 355 in 2004.

LEGAL CONTEXT

An Integrated Development Plan (IDP), adopted by the Municipal Council, is a key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) 32 of 2000 as:

35(1) (a) "...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality";
(b) "...binds the municipality in the exercise of its executive authority...;

In accordance with legislation, Elundini Local Municipality's IDP sets out the long-term vision of the Municipality:

"...a better quality life for all citizens."

Elundini Local Municipality's IDP also details the:

- development priorities and objectives, which contribute towards achieving this vision, over the Council's elected term;
- strategies, which are the means by which these objectives will be achieved;
- IDP programmes and projects which link to the strategies and contribute to the achievement of the objectives.

Elundini Local Municipality will review and further develop its IDP and Budget in accordance with the requirements as set out in the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and the Municipal Finance Management Act 56 of 2003.

In terms of the MSA, a municipality is required to review its IDP annually. Annual reviews allow the municipality to expand upon or refine plan and strategies, to include additional issues and to ensure that these plans and strategies inform institutional and financial planning.

The review and amendment of the IDP thus, further develops the IDP and ensures that it remains the principal management tool and strategic instrument for the Municipality.

MSA 34 - A Municipal Council-
(a) must review its IDP-
(i) annually in accordance with an assessment of its performance measurements ... ; and
(ii) to the extent that changing circumstances so demand; and
(b) may amend its IDP in accordance with a prescribed process.

PROCESS PLAN

It is required by legislation that a municipal council prepares and adopts a process to guide the planning, drafting and adoption of its IDP.

MSA 28(1) each municipal council ... must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.

This Process Plan outlines the programme to be followed and provides details on issues specified in the Act. A Process Plan is required to include:

- a programme specifying time-frames for different steps;
- outline mechanisms, processes and procedures for consultation of the community, organs of state, traditional authorities and other role players;
- identify all plans and planning requirements binding on the municipality;
- be consistent with other matters prescribed by legislation.

MSA 29(1) the process followed by a municipality to draft its IDP, including its consideration and adoption of the draft plan, must –
(a) be in accordance with a predetermined programme specifying time-frames for the different steps;
(b) through appropriate mechanisms, processes and procedures establish in terms Chapter 4, allow for –
(i) the local community to be consulted on its development needs and priorities;
(ii) the local to participate in the drafting of the IDP; and
(iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the IDP;
(c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and

(d) be consistent with any other matters that may be prescribed by regulation.

IDP INFORMANTS

In reviewing the 2015/2016 IDP, consideration has been given to:

- an assessment of implementation performance and the achievement of IDP targets and strategic objectives, considering the impact of success and the corrective measures necessary to address problems;
- issues raised by communities;
- changing internal and external circumstances, that impact on the priority issues, objectives and strategies;
- comments received from the MEC;
- issues raised by the Auditor-General;
- the powers and functions of the municipality;
- recent research, surveys, studies and new information arising out of Elundini Local Municipality Sector Plans and from other institutions;
- National and Provincial studies, plans and policies.

BINDING PLANS & LEGISLATION

The Local Government: Municipal Structures Act 117 of 1998, Municipal Systems Act 32 of 2000 and Municipal Finance Management Act 56 of 2003 are specific to municipalities and are the key important legislations for the development of the IDP. Further, national sector legislations contain various kinds of requirements for municipalities to undertake planning.

A list National and Provincial legislation impacting on the development and review of the IDP and Budget is attached as an **Annexure**.

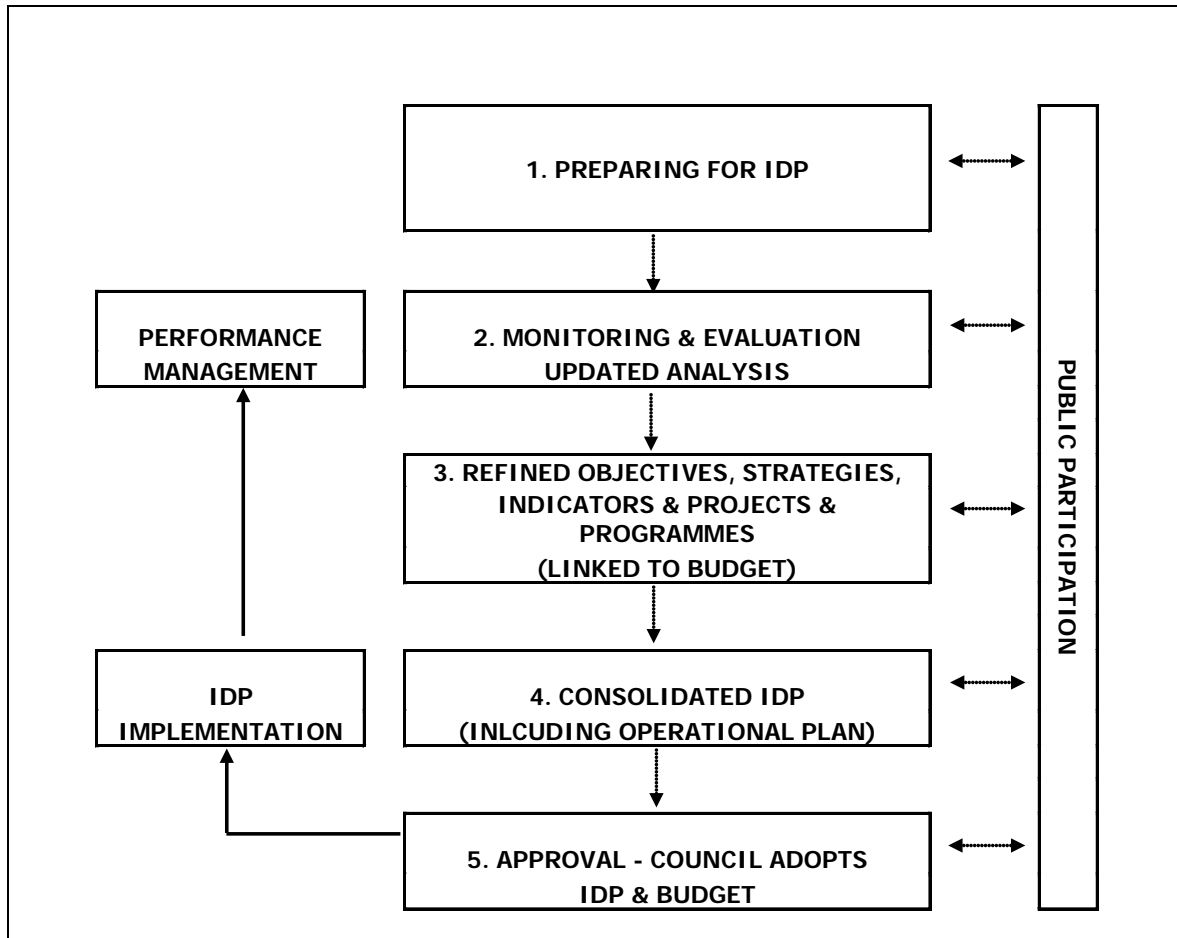
Some important National and Provincial guiding plans and policy documents for the IDP include the Medium-term Strategic Framework, the National Development Perspective (NSDP), the Eastern Cape Provincial Spatial Development Plan (ECPSDP), the Eastern Cape Provincial Growth and Development Plan (ECPGDP) and recently the Joe Gqabi District Growth and Development Summit (GDS).

ELUNDINI LOCAL MUNICIPALITY: KEY FOCUS FOR IDP 2015 – 2016

It is imperative that the IDP explicitly articulates the priorities and objectives of the Council and that the resources of the Council are effectively utilized to achieve these. To this end ELM's IDP and Budget are developed as part of a coherent integrated process. One of the key focuses this year will be to enhance the effective utilisation of Elundini's resources through the further development of a project prioritisation application and the Capital Expenditure Framework Plan.

2. IDP PROCESS

The IDP Process as depicted in the figure below is a continuous cycle of planning, implementation and evaluation.



All municipalities are required by law to prepare a Process Plan for their integrated development planning. The preparation of the planning process has been regulated in the Municipal Systems Act, 2000 (Chapter 4, Section 29). This document identifies the roles and responsibilities for everyone involved in the process; it also sets out mechanisms and procedures for community participation, timeframe and costs estimates. It is this Process Plan which will be a guide to the actual Integrated Development Planning Process.

2.1. PROGRAMME AND TIME FRAMES

Below is a table of the Programme that summarizes the overall time frames for various phases and highlights some of the key events and activities.

PHASES	PERIOD	KEY EVENTS/ACTIVITIES
Preparation	July 2015 – Aug 2015	<ul style="list-style-type: none"> • Submit SDBIP to the Mayor • Review of performance plans/agreements • Prepare Process Plan • Presentation and submission of draft Process Plan to the EXCO • Submit the Process Plan to for adoption • Attend District IDP Rep Forum
Monitoring, Evaluation & Updated Analysis	Aug 2015 – Nov 2015	<ul style="list-style-type: none"> • IDP & Budget Rep Forum • IDP & Budget Steering Committee • Ward Surveys • Public Consultation (Mayoral Outreach) • IDP & Budget Steering Committee • Attend District IDP Rep Forum
Objectives, Strategies, Projects & Programmes	Nov 2015 – Jan 2016	<ul style="list-style-type: none"> • Mayoral Strategic Planning Workshop: • IDP & Budget Steering Committee • Review of performance plans/agreements • Attend District IDP Rep Forum • 1st Mayoral Strategic Planning Workshop
Consolidate IDP	Jan 2016 – April 2016	<ul style="list-style-type: none"> • IDP & Budget Rep Forum • Attend District IDP Rep Forum • IDP & Budget Steering Committee • Council approve draft IDP & Budget • Advertise for comments & public participation • Submit the draft IDP & Budget to MEC for Local Government and to National & Provincial Treasury for commenting • Public Consultation (Mayoral Outreach) • Attend District IDP Rep Forum
Approval	April 2016 – Jun 2016	<ul style="list-style-type: none"> • Public Consultation on Draft IDP & Budget • 2nd Mayoral Strategic Planning Workshop • IDP & Budget Rep Forum • Final IDP & Budget submitted to Council for adoption • Submit the final IDP & Budget to MEC for Local Government and to National & Provincial Treasury for commenting • Develop draft SDBIP

2.2. PHASE 1: PREPARING FOR IDP REVIEW

During this phase all institutional preparations and arrangements are made to ensure that the process runs smoothly. This include among others:

- Designing an action plan/programme (**attached as an Annexure**) for the process indicating main activities and time framed;
- Assigning roles and responsibilities;
- Putting in place organizational arrangements and the procedures and mechanisms for public participation.

The key “output” of this phase is a Process Plan to be approved by Council.

2.3. PHASE 2: MONITRING, EVALUATION & UPDATED ANALYSIS

The purpose of this phase is to find out “what is happening” and to ensure that decisions will be based on:

- people’s priority needs and problems;
- knowledge of available and accessible resources;
- proper information and understanding of the dynamics influencing the development in the municipality.

The process will involve gathering and collecting relevant information, including:

- identification of what has been achieved and the gaps with respect to previous IDPs;
- progress with the internal and external sources, for example:
 - (i) new policy legislation;
 - (ii) budget information from other spheres of government and Senqu Municipality – identifying potential and available funding from all sources;
 - (iii) more or improve in-depth information about the existing situation and priority issue, information about new development and trends – including information arising out of sector plans;
 - (iv) input from stakeholder organizations and constituencies.

Since all Ward Committees are now in place and where they are not functioning, their revival will then have to be effected, a ward survey using Ward Plans, will be undertaken to clarify the key issues for each of the 17 wards. Consideration will need to be given as to how all of the information impacts on the priority issues, objectives and strategies.

The output of this phase will be a draft updated Analysis Report, wherein the prioritized/key issues for ELM, are identified, elaborated and discussed. This report will port will then be given to both the IDP & Budget Steering Committee and IDP & Budget Representative Forum Meetings.

2.4. PHASE 3: OBJECTIVES, STRATEGIES, PROJECTS & PROGRAMMES

The knowledge generated by the previous phase will inform this phase. The objectives, strategies, projects and programmes, within the existing IDP, will be evaluated in the light of the 'Analysis' and thereafter, appropriate changes and adjustments will be made.

It will therefore be proposed that the prioritisation undertaken during this phase be informed by both geographical areas and critical issues.

The Mayoral Strategic Workshop/Meeting will have to be held with the Executive Committee, Ward Councillors and the IDP & Budget Technical Committee to discuss among other, the following:

- the draft analysis report, including the ward survey;
- key issues will be presented for discussion and debate;
- the proposed broad areas of geographic focus will be presented for discussion and debate;
- IDP objectives and strategies;
- consideration will be given to the draft operational budget, in the light of the key issues;
- discussions will be held on broad budget allocations and the project evaluation application.

2.5. PHASE 4: CONSOLIDATE

It is anticipated that during this phase:

- the IDP programmes and projects will be further refined through the work of both the IDP & Budget Steering and IDP & Budget Technical Committees;
- the draft IDP & Budget will be presented to the IDP & Budget Rep Forum; and
- the IDP & Budget Report will be consolidated, ready for submission to the Council for approval.

Once the draft IDP and Budget 2014 - 15 have been approved by the Council, they will be advertised for public comments and reviewed.

2.6. PHASE 5: APPROVAL

During this phase consideration will be given to the comments arising out of the public participation process and the draft IDP will be submitted, together with the budget, to the Council for adoption.

3. INSTITUTIONAL ARRANGEMENTS AND ROLES & RESPONSIBILITIES

The development of the IDP and Budget involves Municipal Officials, Councillors as well as stakeholders/actors outside the Municipality.

The proposed distribution of roles and responsibilities of structures is described overleaf:

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
Local Municipality	<ul style="list-style-type: none"> • Prepare, decide and adopt a Process Plan • Overall management and co-ordination of plan • Co-ordinate public participation • Review sector plans • Adopt and approve the IDP • Adjust IDP in accordance with MEC's proposals • Align IDP with key performance indicators developed by DPLG.
Executive Committee	<p>As the Senior Governing Body of the municipality, it has to:</p> <ul style="list-style-type: none"> • Decide on the Process Plan. • Manage, co-ordinate and monitor the process and draft the IDP (or delegate to the MM) • Approve nominated persons to be in charge of the different roles, activities and responsibilities
Municipal Council	<ul style="list-style-type: none"> • Political decision making body • Consider, adopt and approve process plan and IDP • Ensure the annual business plans and budget are linked to and based on the IDP. • Adjust IDP in accordance with the MEC's proposals
Ward Councillors/Ward Committees (assisted by CDWs)	<ul style="list-style-type: none"> • Major link between municipality and residents • Link the planning process to their wards or constituencies • Organize public consultation and participation • Represent the ward at the IDP & Budget representative forum • Analyze ward-based issues, determine priorities, negotiate and reach consensus.
Municipal Manager/ IDP Manager (Mr. K. Gashi)	<p>The Municipal Manager or IDP Manager has to manage and co-ordinate the IDP process. This includes:</p> <ul style="list-style-type: none"> • Preparing the Process Plan • Undertake the overall management and co-ordination of the planning process • Ensure that all relevant actors are appropriately involved • Nominate persons in charge of different roles • Responsible for day-to-day management of the drafting process • Responds to comments on the draft IDP from public and other spheres of government to the satisfaction of the municipal council

	<ul style="list-style-type: none"> • Ensure that the planning process is participatory, strategic and implementation oriented and is aligned with and satisfies sector planning process. • Ensure proper documentation of the results of the planning of the IDP document • Adjust IDP in accordance with MEC's proposals <p>The Municipal Manager can and may delegate a some of his/her functions to the Municipality's top management or any other municipal official in terms of Section 79 (1) (b) (i) and (ii) of the MFMA but the ultimate responsibility and accountability still rests with him.</p>
<p>Heads of Department and Officials</p>	<p>As people in charge for the implementation of IDP, they have to be fully involved in the planning process to:</p> <ul style="list-style-type: none"> • Provide relevant technical, sector and financial information for analyzing and determining priority issues, • Contribute technical expertise in the consideration and finalization of strategies and identification of projects, • Provide departmental operational and capital budgetary information, • Be responsible for the preparation of project proposal, the integration of projects and sector programmes, • Review sector plans • Attend IDP & Budget Steering Committee and all other IDP & Budget related engagements, and • Be responsible for preparing amendments to the draft IDP for submission to the Municipal Council for approval and the MEC for Local Government for alignment.
<p>Community at Large</p>	<ul style="list-style-type: none"> • Represents interests, contribute knowledge and ideas to the Representative Forum • Inform interest groups, communities and organizations • Analyze issues, determine priorities, negotiate and reach consensus • Participate in designing project proposals • Discuss and comment on the draft IDP • Monitor performance in implementation • Conduct meetings with groups, communities, etc to prepare for and follow-up on relevant planning activities.

The proposed institutional arrangement for the IDP & Budget is described as follows:

STRUCTURE	MEMBERS	TERMS OF REFERENCE
IDP & Budget Steering Committee	<p>Chair: Mr. K. Gashi (Municipal Manager)</p> <p>Secretariat: IDP Unit</p> <p>Composition: EXCO: Mayor, Cllrs Mvumvu, Mqamelo, Baduza, Nkalitshana and Lehata.</p> <p>All HODs and Assistant Managers</p>	<ul style="list-style-type: none"> • Provide ToR for various planning activities • Commissions research studies • Considers and comments on: <ul style="list-style-type: none"> - inputs from sub-committee study teams and Service Providers - inputs from national and provincial sector departments and support providers • Processes, summaries and documents inputs. • Makes content recommendations • Prepares, facilitates and documents meetings
Finance Sub-committee	Chair: (CFO)	Considers budget proposals
IDP & Budget Rep Forum	<p>Chair: Mayor: Cllr Lengs</p> <p>Secretariat: IDP Unit</p> <p>Composition:</p> <ul style="list-style-type: none"> • All councillors • HODs and Assistant Managers • 2 Reps from Ward Committees • All CDWs • 2 Reps from Traditional Leaders • 1 Rep from Stakeholder representatives of organized groups • 2 Reps from Community representatives • Reps from Sector Depts. • 2 Reps from Advocates for unorganized groups 	<ul style="list-style-type: none"> • Represents interests of their constituencies in the IDP processes • Provide an organizational mechanism for discussion, negotiation and decision making between stakeholders including the municipal government. • Monitor performance of the planning and implementation processes • Participates in the process of setting up and monitoring KPIs
Assistant Manager: IDP/PMS	IDP Unit	<ul style="list-style-type: none"> • Responsible for preparing the Process Plan • Responsible for the day-to-day management of the planning process
IDP & Budget Technical	Chair: Mr. K. Gashi	<ul style="list-style-type: none"> • Must provide relevant

Committee	Composition: All HODs; Assistant Managers and officials reporting directly to the HODs	<p>technical, sector and financial information for analysis for determining priority issues</p> <ul style="list-style-type: none"> • Must contribute technical expertise in the consideration and finalization of strategies and identification of projects • Must provide departmental operational and capital budgetary information • Must be responsible for the preparation of project proposals, the integration of projects and sector programmes • Must be responsible for preparing amendments to the draft IDP for submission to Municipal Council for approval
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4. MECHANISMS AND PROCEDURES FOR COMMUNITY AND STAKEHOLDER PARTICIPATION

One of the main features about IDP and Budget Processes is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are being experienced by the citizens. Both the Constitution of the Republic of South Africa, 1996 and the Municipal Systems Act of 2000 stipulate that one of the objectives of municipalities is “To encourage the involvement of communities and community organizations in the matters of local government”. The White Paper on Local Government also put emphasis on public participation.

Through the Municipal Systems Act, participation in the decision-making processes of the municipality, participation of communities, residents and ratepayers is determined to be a right. IDP is, therefore, also emphasized as a special field of public participation.

4.1. Participation Mechanism

Provisions of MSA Chapter 4 Section 17 provide for mechanisms for participation:

- IDP Rep Forum to verify and add data
- District Municipality's Rep Forum to ensure that local priorities are adequately reflected on the District's IDP
- Use Ward Councillors to call meetings to keep communities informed on IDP progress (including Ward Committees and CDWs)
- Publish annual reports on municipal progress
- Advertise on local news papers and community radios on the progress
- Develop pamphlets and booklets on IDP where necessary
- Making the IDP document available to all units and public places for public comments
- Making use of municipal website.

4.2. Appropriate Language Use

English will be used as a medium language; however, in community meetings languages that are spoken in that community will also be used.

4.3. Appropriate Venues and Transport

- Officials will be responsible for arranging venues and transport for all wards;
- Transport will be arranged for Traditional Leaders, Designated Groups and Ward Committees;
- ELM will be responsible for the costs of these meetings
- ELM will prepare a budget outline for IDP & Budget meetings
- Refreshments will be provided at the discretion of the Municipal Manager.

4.4. Mechanisms and Procedures for Alignment

The IDP Manager (Municipal Manager) and the Assistant Manager IDP/PMS of ELM will be responsible for ensuring smooth co-ordination of the IDP process and its alignment with the District's IDP through bilateral discussions with affected sector departments and neighbouring Municipalities. Inter-Governmental Forums will also be used to ensure that beneficial alignment of programmes and projects do occur.

5. ANNEXURES

5.1. Binding Legislation

5.2. Action Plan

ANNEXURE 5.1

BINDING LEGISLATION

The Elundini Local Municipality's IDP & Budget formulation and implementation processes will be bound by the following set of legislations (the inventory in the table below is not exclusive of other applicable legislation that may be omitted for lack of information or other reasons):

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
GENERAL MANAGEMENT	
Constitution of the Republic of South Africa, 1996	<ul style="list-style-type: none"> To introduce the constitution and to provide for matters incidental thereto
Local Government: Municipal Systems Act, 2000	<ul style="list-style-type: none"> To give effect to "developmental local government" To set principles, mechanisms and processes to promote social and economic upliftment of communities and to ensure access to affordable services for all To set a framework for planning, performance management, resource mobilization and organizational change and community participation
Local Government: Municipal Structures Act, 1998 as amended	<ul style="list-style-type: none"> To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipalities, the division of functions and powers between municipalities and appropriate electoral systems To regulate internal systems, structures and office-bearers
Local Government: Municipal Demarcation Act, 1998	<ul style="list-style-type: none"> To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities
Local Government: Cross-Boundary Municipalities Act, 2000	<ul style="list-style-type: none"> To authorize the establishment of cross-boundary municipalities To provide for the re-demarcation of the boundaries of such municipalities under certain circumstances and to provide for matters connected therewith.
Consumer Affairs (Unfair Business Practices) Act, 1996	<ul style="list-style-type: none"> To provide for the investigation, prohibition and control of unfair business practices in the interest of consumers.
Municipal Electoral Act, 2000	<ul style="list-style-type: none"> To regulate municipal elections To amend certain laws and to provide for

	matters connected therewith
Organized Local Government Act, 1997	<ul style="list-style-type: none"> To provide for the recognition of national and provincial organizations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces
Promotion of Local Government Affairs Act, 1983	<ul style="list-style-type: none"> To provide for the co-ordination of functions of general interest to local authorities and of those functions of local authorities which should in the national interest be co-ordinated.
Local Government Transition Act, 1983	<ul style="list-style-type: none"> To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of officials and councillors
Occupational Health and Safety Act, 1993	<ul style="list-style-type: none"> To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place
Promotion of Access to Information Act, 2000	<ul style="list-style-type: none"> To control and regulate the right of all persons to access to information
Promotion of Fair Administrative Justice Act, 2000	<ul style="list-style-type: none"> To give effect to the right to administrative action that is lawful, reasonable and procedurally fair in terms of the Constitution of the Republic of South Africa
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	<ul style="list-style-type: none"> To give effect to Section 9 read with Item 23(1) of Schedule 6 to the Constitution of the Republic of South Africa, 1996, to prevent and prohibit unfair discrimination and harassment. To promote equality and to eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith
FINANCE	
Appropriation of Revenue Act, 2000	<ul style="list-style-type: none"> To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres
Business Act, 1991	<ul style="list-style-type: none"> To repeal certain laws regarding the licensing of businesses. To provide for the licensing and operation of certain businesses, shop hours and related matters
Debt Collection Act, 1998	<ul style="list-style-type: none"> To provide for controlled debt collecting
Income Tax Act, 1962	<ul style="list-style-type: none"> To provide for the payment of taxes on incomes of persons and taxes on donations
Insolvency Act, 1936	<ul style="list-style-type: none"> To consolidate and amend the law relating to insolvent persons and their estates
Local Authorities Capital Development Fund Ordinance, 1978	<ul style="list-style-type: none"> To provide for the establishment and management of a Capital Development Fund

READ WITH Local Government Affairs Second Amendment Act, 1993	and for matters incidental thereto
Municipal Accountants' Act, 1988	<ul style="list-style-type: none"> To provide for the establishment of a Board for Municipal Accountants and for the registration of Municipal Accountants and the control of their profession
Local Government: Municipal Finance Management Act, 2003	<ul style="list-style-type: none"> To regulate financial management in the local sphere of government to require that all revenue, expenditure, assets and liabilities of municipalities and municipal entities are managed efficiently and effectively. To determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith
Public Finance Management Act, 1999	<ul style="list-style-type: none"> To regulate financial management in the national and provincial government and, inter alia, provincial public entities
Local Government: Municipal Property Rates Act, 2004	<ul style="list-style-type: none"> To regulate the power of a municipality to impose rates on property To make provision for fair and equitable valuation methods on properties.
Pension Benefits for Councillors of Local Authorities Act, 1987	<ul style="list-style-type: none"> To provide pension benefits for councillors
Reporting by Public Entities Act, 1992	<ul style="list-style-type: none"> To provide for the reporting to Parliament by public entities
Prescribed Rate of Interest Act, 1975	<ul style="list-style-type: none"> To prescribe and regulate the levying of interest from debtors
Value-Added Tax Act, 1991	<ul style="list-style-type: none"> To provide for the taxation in respect of the supply of goods and services.
ADMINISTRATION/CORPORATE AND LEGAL SERVICES	
Electoral Act, 1998	<ul style="list-style-type: none"> To manage and regulate elections on national, provincial and local government level
Expropriation Act, 1975	<ul style="list-style-type: none"> To provide for the expropriation of land and other property for public and certain other purposes and matters connected thereto
Rental Housing Act, 1999	<ul style="list-style-type: none"> To define the regulation of Government in respect of rental housing
Residential Landlord and Tenant Act, 1997	<ul style="list-style-type: none"> To provide for the regulation of landlord-tenant relations in order to promote stability in the residential rental sector in the province.
TOWN PLANNING AND SPATIAL DEVELOPMENT	
Development Facilitation Act, 1995	<ul style="list-style-type: none"> To provide for IDPs, reflecting current planning and to institutionalise development tribunals for evaluation applications
Land Use Management Bill, 2002	<ul style="list-style-type: none"> To establish a uniform land use management system.
Physical Planning Act, 1991	<ul style="list-style-type: none"> To provide guidelines for the drafting of urban

	development plans.
Planning Professions Act, 1998	<ul style="list-style-type: none"> To provide for the training and registration of professional planners.
ENVIRONMENT	
Environmental Conservation Act, 1989	<ul style="list-style-type: none"> To provide for environmental impact assessments and exemptions, noise control areas etc. To provide for the effective protection and controlled utilisation of the environment and for matters incidental therewith
National Environmental Management Act, 1998	<ul style="list-style-type: none"> To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide for matters connected therewith.
ENGINEERING/TECHNICAL SERVICES	
National Water Act, 1998	<ul style="list-style-type: none"> To provide for fundamental reform of the laws relating to water resources
Water Services Act, 1997	<ul style="list-style-type: none"> To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans.
Regulations on Advertisements on or Visible from National Roads, 1998	<ul style="list-style-type: none"> To control all advertising on national and regional roads
SAFETY AND SECURITY	
South African Police Service Act, 1995	<ul style="list-style-type: none"> To provide, inter alia, for a municipal police
Criminal Procedure Act, 1977	<ul style="list-style-type: none"> To consolidate and regulate procedure and evidence in criminal proceedings
Road Traffic Management Corporation Act, 1999	<ul style="list-style-type: none"> To provide, in the public interest, for co-operative and co-ordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters and to provide for matters connected therewith
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	<ul style="list-style-type: none"> To provide for the eviction of unlawful occupants of land the protection of the rights of such occupants under certain conditions
National Road Traffic Act, 1996	<ul style="list-style-type: none"> To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers, including fitness requirements and incidental matters
National Land Transport Interim Arrangements Act, 1998	<ul style="list-style-type: none"> To make arrangements relevant to transport planning and public road transport services.
Disaster Management Act, 2002	<ul style="list-style-type: none"> To provide for an integrated, co-ordinated and common approach to disaster management by all spheres of government and related matters
Fire Brigade Services Act, 1987	<ul style="list-style-type: none"> To provide for the rendering of fire brigade services and certain conditions to the rendering of the service
HEALTH AND WELFARE	

Hazardous Substance Act, 1973	<ul style="list-style-type: none"> To control matters relating to gas, petrol and liquids
Health Act, 1977	<ul style="list-style-type: none"> To provide for the promotion of health of the inhabitants of the Republic of South Africa, for the rendering of health service To define the duties, powers and responsibilities of certain authorities which render such services and for the co-ordination of the services
National Policy for Health Act, 1990	<ul style="list-style-type: none"> To provide for control measures to promote the health of the inhabitants of the Republic of South Africa and for matters connected thereto
HUMAN RESOURCES	
Employment Equity Act, 1998	<ul style="list-style-type: none"> To promote the constitutional right of equality and the exercise of true democracy To eliminate unfair discrimination in employment To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population
Basic Conditions of Employment Act, 1997	<ul style="list-style-type: none"> To give effect to the right to fair labour practices To provide for the regulation of basic conditions of employment.
Labour Relations Act, 1995	<ul style="list-style-type: none"> To regulate the organizational rights to trade unions, the right to strike and lock-outs To promote and facilitate collective bargaining and employee participation in decision making To provide simple procedures for labour disputes
Skills Development Act, 1998	<ul style="list-style-type: none"> To provide for the implementation of strategies to develop and improve the skills of South African workforce To provide for Learnerships To regulate the employment services and the financing of skills development
Compensation of Occupational Injuries and Diseases Act, 1993	<ul style="list-style-type: none"> To regulate the categories of persons entitled to compensation for occupational injuries and diseases, and to determine the degree of disabled employees
Skills Development Levies Act, 1999	<ul style="list-style-type: none"> To provide for the imposition of a skills development levy and for matters connected therewith
South African Qualifications Authority Act, 1995	<ul style="list-style-type: none"> To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standard Generating Bodies and the financing thereof
Unemployment Insurance Act, 1966	<ul style="list-style-type: none"> To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the

	combating of unemployment
ELECTRICITY	
Electricity Act, 1987	<ul style="list-style-type: none">• To provide for and regulate the supply of electricity and matters connected thereto.

ANNEXURE 5.2

ACTION PLAN

ANALYSIS PHASE		JULY '13 TO NOVEMBER '13		
	PURPOSE	ACTIVITIES	OUTCOME	DATE
IDP & Budget Steering Committee (Internal)	To outline the IDP Process Plan	<ol style="list-style-type: none"> 1. Deal with Powers & Functions 2. Deal with current IDP projects & Budget 3. Discuss the Process Plan 	<ul style="list-style-type: none"> • Clarified LM's powers & functions • Clarified IDP projects, expenditure & progress • Finalized IDP Process Plan & budget. 	September 2015
IDP Information for Analysis	To capture community priorities & projects	<ol style="list-style-type: none"> 1. Conduct ward visits. 2. Collection of facts and figures. 	<ul style="list-style-type: none"> • Understanding ward priorities and projects 	September 2015 – October 2015
IDP & Budget Steering Committee (Sector Dept's)		<ol style="list-style-type: none"> 1. Presentation of the IDP Process Plan. 2. Presentation of priorities & projects 		October 2015
IDP & Budget Rep Forum	To convene IDP Forum and set out the process to be followed on the formulation of IDP	<ol style="list-style-type: none"> 1. Presentation of 3 Priorities & 3 Projects per Ward. 2. Presentation of IDP Process Plan 	<ul style="list-style-type: none"> • Finalized Process Plan 	November 2015
IDP & Budget Steering Committee Meeting		Presentation of draft budget & projects	<ul style="list-style-type: none"> • Draft budget & projects 	November 2015
STRATEGIES PHASE		DECEMBER '13 TO FEBRUARY '14		
IDP & Budget Steering Committee	To discuss activities indicated	<ol style="list-style-type: none"> 1. Vision & Mission 2. Strategies (Linked to KPA's) 3. Projects 4. Budget/MTEF 		December 2015
IDP & Budget Rep Forum		<ol style="list-style-type: none"> 1. Vision & Mission 2. Strategies 		December 2015

		(Linked to KPA's) 3. Projects 4. Budget/MTEF		
Municipal Workshop on IDP	Projects & Budget Workshop	Projects & Budget	• To finalise IDP Projects & Budgets	January 2015
IDP & Budget Rep Forum		Projects & Budget		February 2015
INTEGRATION & APPROVAL		MARCH '14 TO MAY '14		
IDP & Budget Steering Committee		1. First Draft IDP & Budget 2. Publicise draft IDP & Budget for comments	• (allow 21 days for the public to comment on the document)	March 2015
IDP & Budget Rep Forum		Presentation of draft IDP & Budget		March 2015
Council	To Adopt & approve of draft IDP & Budget	Council approves the draft IDP & Budget document.	Approved draft IDP & Budget Document	March 2015
Municipal Manager	To submit draft IDP & Budget to MEC for comments	The MEC to comment on the draft IDP & Budget document	Confirmed receipt of the draft IDP & Budget document	30 March 2015
IDP & Budget Steering Committee	To discuss comments from the MEC	Prepare final IDP & Budget	Comments from the MEC incorporated	16 April 2015
IDP & Budget Rep Forum	To prepare & present final IDP & Budget documents	Presentation of the final IDP & Budget IDP	Prepared and final IDP & Budget documents	30 April 2015
Council	To adopt & approve the final IDP & Budget documents	Approve & adopt the final IDP & Budget Document	Adoption & approve of the final IDP & Budget Document	31 May 2015
Municipal Manager	To submit to the Mayor a draft SDBIP & annual performance agreements (not later than 14 days) for approval	Submission of draft SDBIP & annual performance agreements	Submitted draft SDBIP & annual performance agreements.	14 June 2015
Mayor	To approve SDBIP	Approval of the SDBIP	Approved SDBIP	28 June 2015

2.2 Alignment of Annual Budget with Integrated Development Plan

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the Integrated Development Plan (IDP) in terms of the Municipal Systems Act was guided and informed by the following principles:

- Achievement of the five strategic priorities of Elunidini Local Municipality.
- Focus on service delivery of backlogs and the maintenance of infrastructure.
- Address community priorities (needs) as identified in the IDP.

The 2015/16 to 2017/18 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- 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.

After the tabling of the budget, a series of meetings will be held throughout the municipal area to consult with the elected public representatives, Ward Committees, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the draft budget addresses the IDP priorities and objectives. The feedback flowing from these meetings will be referred to the relevant Directorates for their attention.

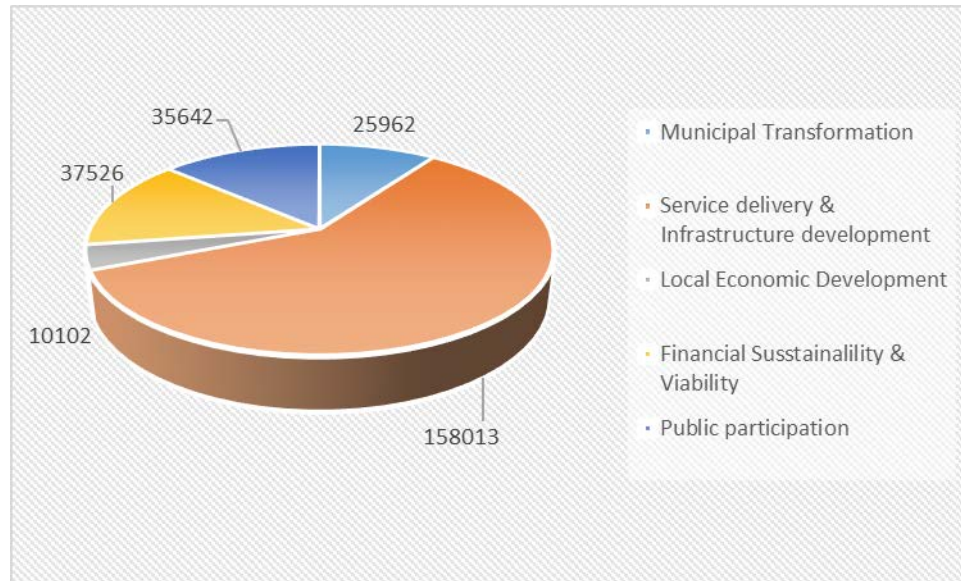
The linking of capital projects to the IDP priorities has been relatively simple, whilst the difficulty in the past has been to link the Operating budget to the IDP. This is now facilitated through the Service Delivery and Budget Implementation Plan (SDBIP).

Below is a table, which illustrates the link between the Budget and the IDP.

BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES

	Municipal Transformation and Development	Service Delivery and Infrastructure Development	Local Economic Development	Financial Sustainability and Viability	Good Governance and Public Participation	Total
	R '000	R '000	R '000	R '000	R '000	R '000
2015/16 Budget						
Capital Expenditure	868	49342	2182	1262	836	54490
Operating Expenditure	25962	158013	10 102	37526	35642	267245
Total	26830	207355	12284	38788	36478	321735
2016/17 Budget						
Capital Expenditure	920	51476	2311	1336	886	56929
Operating Expenditure	27355	134891	10 636	39537	38373	249906
Total	28275	186367	12947	40873	32 272	306835
2017/18 Budget						
Capital Expenditure	971	54289	2441	1411	935	60047
Operating Expenditure	28805	140927	11 195	41695	37487	262109
Total	29776	195216	13636	43106	38422	322156

2015/2016 Expenditure by IDP Priority



2.3 Measurable performance objectives and indicators

This section contains the key performance indicators.

Choose name from list - 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												
To provide a secure ICT infrastructure which delivers appropriate levels of data confidentiality, integrity and availability	To ensure the provision of efficient, effective and transformed human capital and sound labour relations						-	-	-			
% of households earning less than R 1100 with access to basic services	To ensure that all citizens of ELM have access to basic services						79 237	117 269	117 269	160 284	142 013	158 246
Promotion of economic development within the Region	To promote economic development through the creation of sustainable jobs, support of local business and the attraction of investors						-					
To improve financial management and financial viability linked to LG financial benchmarks by 2018	An organisation that subscribes to the attainment of benchmark standards on profitability and financial viability set for Local Government						1 600	2 489	2 489	161 453	164 822	163 858

<p>Obtaining fo a clean audit by 2014</p> <p>To promote participation and effective communication with communities and stakeholders</p>	<p>An organisation that is committed to sound financial management practices and the attainment of a clean audit by 2015</p> <p>To be a municipality that is responsive, effecient, transparent, accountable and compliant to legilsation</p>						<p>124 363</p> <p>28 486</p>	<p>128 892</p> <p>-</p>	<p>128 892</p> <p>-</p>			
<p>Allocations to other priorities</p>			<p>2</p>									
<p>Total Revenue (excluding capital transfers and contributions)</p>			<p>1</p>	<p>-</p>	<p>-</p>	<p>-</p>	<p>233 686</p>	<p>248 650</p>	<p>248 650</p>	<p>321 737</p>	<p>306 835</p>	<p>322 104</p>

Choose name from list - 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												
To provide a secure ICT infrastructure which delivers appropriate levels of data confidentiality, integrity and availability	To ensure the provision of efficient, effective and transformed human capital and sound labour relations						24 471	22 456	22 456	25 962	27 355	28 805
% of households earning less than R 1100 with access to basic services	To ensure that all citizens of ELM have access to basic services						42 666	99 605	99 605	158 013	134 891	140 927
Promotion of economic development within the Region	To promote economic development through the creation of sustainable jobs, support of local business and the attraction of investors						10 085	9 111	9 111	10 102	10 636	11 195
To improve financial management and financial viability linked to LG financial benchmarks by 2018	An organisation that subscribes to the attainment of benchmark standards on profitability and financial viability set for Local Government						34 029	33 187	33 187	37 526	39 537	41 695
Obtaining fo a clean audit by 2014	An organisation that is committed to sound financial management practices and the						-	-	-	-	-	-

To promote participation and effective communication with communities and stakeholders	attainment of a clean audit by 2015 To be a municipality that is responsive, effecient, transparent, accountable and compliant to legilsation						83 180	32 907	32 907	35 642	37 487	39 435
Allocations to other priorities												
Total Expenditure			1	-	-	-	194 431	197 266	197 266	267 245	249 906	262 057

EC141 Elundini - Supporting Table SA8 Performance indicators and benchmarks

		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.5%	1.0%	0.6%	0.2%	1.1%	1.1%	0.0%	0.6%	0.5%	0.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.5%	3.2%	2.3%	0.3%	2.7%	2.7%	0.0%	1.3%	1.3%	1.2%
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%
<u>Safety of Capital</u>											
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%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.8	1.7	1.3	1.2	1.1	1.1	-	1.5	2.3	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.8	1.7	1.3	1.2	1.1	1.1	-	1.5	2.3	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.9	0.6	0.7	0.2	0.2	-	0.4	1.1	1.9
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		147.2%	73.4%	59.3%	107.2%	42.3%	42.3%	0.0%	40.4%	52.9%

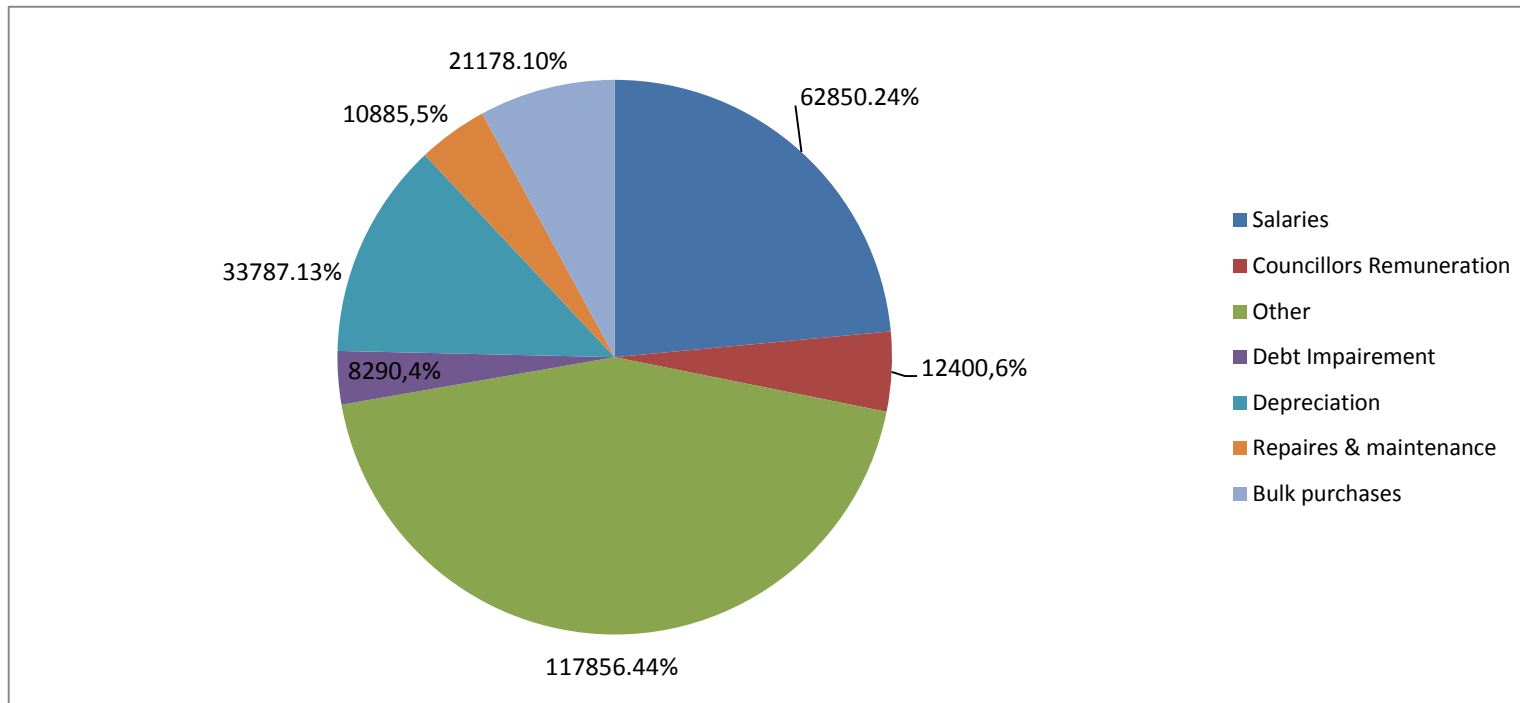
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		147.2%	73.4%	59.3%	107.2%	42.3%	42.3%	0.0%	40.4%	52.9%	52.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.8%	22.2%	15.6%	16.2%	17.1%	17.1%	0.0%	9.8%	7.4%	5.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		99.7%	87.5%	134.0%	120.7%	348.7%	348.7%	0.0%	183.0%	54.2%	30.5%
Other Indicators											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										

Employee costs	Employee costs/(Total Revenue - capital revenue)	34.3%	34.4%	38.0%	33.2%	32.7%	32.7%	0.0%	30.3%	30.4%	31.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	51.4%	0.0%	51.1%	38.9%	0.0%	0.0%		36.3%	36.4%	37.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.6%	3.7%	9.5%	5.3%	6.2%	6.2%		5.2%	5.2%	5.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	31.4%	30.5%	20.3%	5.2%	20.1%	20.1%	0.0%	16.8%	16.8%	15.2%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	6.2	9.0	22.6	20.7	20.7	20.7	-	22.5	17.6	18.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	85.9%	84.2%	58.1%	57.1%	80.4%	80.4%	0.0%	36.1%	27.5%	20.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.7	5.6	2.4	4.1	1.0	1.0	-	0.9	2.0	3.2

2.3.1 The Mix of Expenditure Types

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

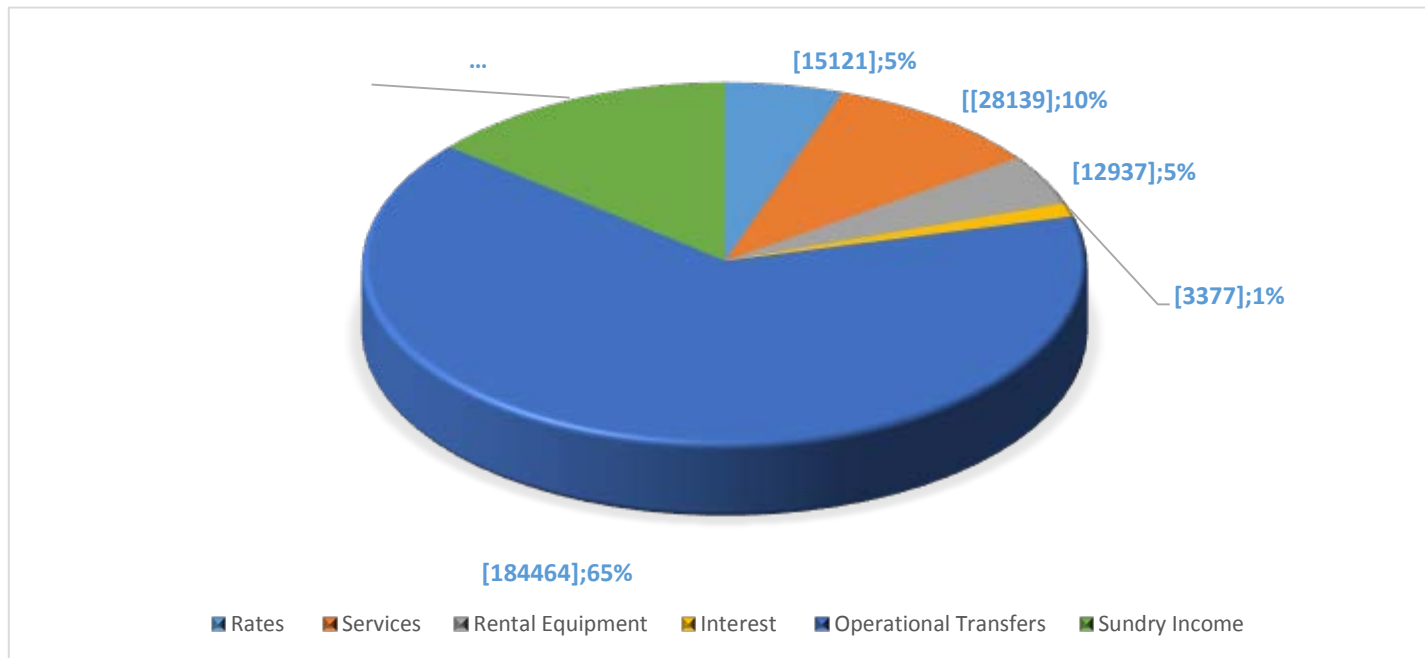
2015/2016 Statement of Financial Performance- Budget Expenditure



2.3.2 The Mix of Revenue Sources

Below is a graph reflecting the revenue components of the budgeted statement of financial performance.

2015/2016 Statement of Financial Performance- Budget Revenue



2.4 Overview of Budget Related Policies

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

In terms of policies that have been reviewed and updated the following policies will be tabled at the Council meeting in May 2013:

- Rates Policy;

Policies reviewed and authorized as appropriate to inform budget framework

- Borrowing Policy;
- Funding and Reserves Policy;
- Policy related to long term financial plan;
- Policy relating to infrastructural investment and capital projects;
- Budget Implementation Plan;
- Policies related to Management of losses;
- Policy on Pauper Burials;
- Policy on Lease of Property;
- Policy on Unauthorized/irregular and wasteful expenditure;
- Policy on Contingent Liabilities;
- Policy on Related Party Disclosures;
- Policy on VAT;
- Policy on GRAP Disclosures;
- Policy on journal Entries;
- Tariff Policy
- Fleet Management
- Indigent Support
- SCM Policy
- Subsistence and Travelling Policy
- Policy on Capital Commitments.

Budget related policy frameworks are accessible to the public through the municipal website or available at the Budget and Treasury Office during normal office hours.

2.5 Overview of Budget Assumptions

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets.

The municipal fiscal environment is influenced by a variety of macro- economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases and the Department of Water Affairs (DWA) regulates bulk water tariff increases. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets in relation to the key strategic focus areas as determined in the IDP.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
- An assessment of the relative capacity to implement the Budget.
- The need to enhance the municipality's revenue base.

The multi-year budget is therefore underpinned by the following assumptions:

	2013/14	2014/2015	2015/2016
Income	%	%	%
Refuse Tariff Increase	8.0	5.1	4.9
Property Rates Increase	8.0	5.1	4.9
Electricity Tariff Increase	12.20	5.1	4.9
Revenue collection rates	80	85	90
Expenditure			
Total Expenditure Increase allowed (excluding repairs and maintenance)	5.9	5.1	4.9
Salary increase	6.95	5.1	4.9
Increase in repairs and maintenance	5.9	5.1	4.9
Increase in bulk purchase of power costs	8	8	8

2.6 Overview of Budget Funding

2.6.1 Funding the Budget

2.6.1.1 Funding of operating expenditure

The Municipality's operating expenditure is mainly funded from sources such as property rates, service charges and government grants. The table below reflects the funding sources:

EC141 Elundini - 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
Revenue By Source											
Property rates	2	980	126	354	14 428	14 428	14 428	-	121	013	909
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	641	090	20 817	21 109	21 109	-	685	082	487
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	695	984	4 250	4 250	4 250	-	454	717	981
Service charges - other		619									
Rental of facilities and equipment		668	023	121	13 380	12 370	12 370		937	700	468
Interest earned - external investments		077	834	592	1 957	850	850		500	589	677
Interest earned - outstanding debtors		705	827	787	1 791	1 791	1 791		877	988	099
Dividends received						-	-				
Fines		102	64	589	57	72	72		76	80	85
Licences and permits		703	010	188	2 259	4 536	4 536		386	527	669
Agency services			218	449	1 479	1 479	1 479		550	641	358

Transfers recognised - operational		70 224	81 475	96 148	106 731	106 731	106 731		184 464	157 045	154 518
Other revenue	2	1 422	1 603	1 023	31 578	33 344	33 344	-	35 694	43 036	43 303
Gains on disposal of PPE		(2)	334	413	296	325	325				
Total Revenue (excluding capital transfers and contributions)		111 498	124 850	138 738	199 024	201 285	201 285	-	283 744	267 419	280 555

2.6.1.2 Funding of capital expenditure

EC141 Elundini - 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
R thousand	1										
Funded by:											
National Government		31 381		-	32 704	40 587	40 587		37 992	39 416	41 550
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	31 381	-	-	32 704	40 587	40 587	-	37 992	39 416	41 550
Public contributions & donations	5	6 740	37 421	36 437			-				
Borrowing	6						-				
Internally generated funds					5 830	10 797	10 797		16 499	17 513	18 497
Total Capital Funding	7	38 121	37 421	36 437	38 534	51 384	51 384	-	54 491	56 929	60 047

2.6.2 Reconciliation showing that Operating and Capital Expenditure remain funded in accordance with Section 18 of the MFMA

EC141 Elundini Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
Funding measures	-	-						
Cash/cash equivalents at the year end - R'000	18(1)b	1	41 020	961	24 233	(9 333)	42 777	42 777
Cash + investments at the yr end less applications - R'000	18(1)b	2	24 577	998	(1 003)	30 518	62 561	62 561
Cash year end/monthly employee/supplier payments	18(1)b	3	5.4	2.4	2.6	(0.9)	4.0	4.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(34 110)	(14 095)	(9 157)	39 253	51 385	51 385
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	0.1%	(6.1%)	15.8%	(5.3%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	103.8%	59.3%	99.6%	204.0%	196.7%	196.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	35.6%	43.4%	22.6%	20.0%	19.9%	19.9%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	98.6%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10						
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(23.5%)	(25.6%)	31.4%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	3.0%	2.9%	2.9%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.6.3 Particulars of Property Valuations, Tariffs and other Charges

EC141 Elundini -
Supporting Table SA13
Property rates by
category (budget year)

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Exemptions, reductions and rebates (Rands)</u> <i>[Insert lines as applicable]</i>						88 800 000	93 062 400	98 553 082	104 072 054
						255 000	267 240	283 007	298 856
						45 360 000	47 537 280	50 341 980	53 161 130
						810 096 087	848 980 700	899 070 561	949 418 512
						26 278 000	27 539 344	29 164 165	30 797 359
<u>Water tariffs</u> <i>[Insert blocks as applicable]</i>		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
<u>Waste water tariffs</u>									

<i>[Insert blocks as applicable]</i>	(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)							
Electricity tariffs								
<i>[Insert blocks as applicable]</i>	(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)	59 63 104 120 59 63 104 120 59 63 104 120	64 68 111 128 64 68 111 128	69 73 118 136 69 73 118 136	74 93 126 145 74 93 126 145	78 97 132 152 78 97 132 152	82 103 140 161 82 103 140 161	87 109 148 170 87 109 148 170

Consolidated total:		37 585	23 910	38 787	8 605	35 415	35 415	46 446	49 186	51 940
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2.7 Expenditure on allocations and grant programmes

GRANTS RECEIVED

EC141 Elundini - Supporting Table SA18 Transfers 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
RECEIPTS:	1, 2									
- <u>Operating Transfers and Grants</u>										
National Government:		-	75 766	87 066	106 002	106 002	106 002	135 908	136 389	133 829
Local Government Equitable Share			73 466	84 626	101 878	101 878	101 878	132 110	133 807	131 096
Finance Management			1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement			800	890	934	934	934	930	957	1 033
EPWP Incentive					1 590	1 590	1 590	1 268	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	721	721	721	656	656	689
Sport and Recreation					656	656	656	656	656	689
Sport and Recreation					65	65	65			
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										

Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	-	75 766	87 066	106 723	106 723	106 723	136 564	137 045	134 518
Capital Transfers and Grants										
National Government:		-	28 253	28 448	36 485	41 685	41 685	57 992	59 416	61 550
Municipal Infrastructure Grant (MIG)			27 253	26 448	36 485	36 485	36 485	37 992	39 416	41 550
INEP			1 000	2 000		5 200	5 200	20 000	20 000	20 000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>										
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	28 253	28 448	36 485	41 685	41 685	57 992	59 416	61 550
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	104 019	115 514	143 208	148 408	148 408	194 556	196 461	196 068

EXPENDITURE INCURRED AGAINST GRANTS

EC141 Elundini - Supporting Table SA19 Expenditure on transfers and grant programme

Description	R e f	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
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	75 766	87 066	106 002	106 002	106 002	135 908	136 389	133 829
Local Government Equitable Share			73 466	84 626	101 878	101 878	101 878	132 110	133 807	131 096
Finance Management			1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement			800	890	934	934	934	930	957	1 033
EPWP Incentive					1 590	1 590	1 590	1 268	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	721	721	721	656	656	689
Sport and Recreation					656	656	656	656	656	689
Sport and Recreation					65	65	65			
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		-	75 766	87 066	106 723	106 723	106 723	136 564	137 045	134 518
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	28 253	28 448	36 485	41 685	41 685	57 992	59 416	61 550

Municipal Infrastructure Grant (MIG)		27 253	26 448	36 485	36 485	36 485	37 992	39 416	41 550
INEP		1 000	2 000		5 200	5 200	20 000	20 000	20 000
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total capital expenditure of Transfers and Grants	-	28 253	28 448	36 485	41 685	41 685	57 992	59 416	61 550
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	-	104 019	115 514	143 208	148 408	148 408	194 556	196 461	196 068

2.8 Allocations or Grants made by the Municipality

No grant allocations are made by the municipality

2.9 Councillors and board members allowances and employee benefits provide the following information

EC141 Elundini - 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
-	1									
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages			6 130	6 477	8 407	8 407	8 407	9 625	10 183	10 774
Pension and UIF Contributions			64	94	100	100	100	104	110	117
Medical Aid Contributions				-	80	80	80	83	88	93
Motor Vehicle Allowance			2 048	-	1 814	1 814	1 814	1 894	2 004	2 120
Cellphone Allowance			413	724	574	574	574	613	648	686
Housing Allowances				-		-	-		-	-
Other benefits and allowances			56	2 239	902	902	902	81	86	91
Sub Total - Councillors		-	8 711	9 534	11 877	11 877	11 877	12 400	13 119	13 880
% increase	4		-	9.4%	24.6%	(0.0%)	-	4.4%	5.8%	5.8%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages			3 489	3 661	3 910	3 910	3 910	4 137	4 372	4 625
Pension and UIF Contributions			9	154	164	164	164	174	184	194
Medical Aid Contributions				68	73	73	73	77	82	86
Overtime				-	-	-	-	-	-	-
Performance Bonus				761	813	813	813	860	910	963
Motor Vehicle Allowance	3		554	1 832	1 956	1 956	1 956	2 069	2 189	2 316
Cellphone Allowance	3		902	-		-	-	-	-	-
Housing Allowances	3		48	380		-	-	-	-	-
Other benefits and allowances	3		334	394	406	406	406	430	454	481
Payments in lieu of leave				-	421	421	421	445	471	499
Long service awards				-		-	-	-	-	-
Post-retirement benefit obligations	6			-		-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	5 336	7 250	7 742	7 743	7 743	8 192	8 662	9 165
% increase	4		-	35.9%	6.8%	0.0%	-	5.8%	5.7%	5.8%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages			30 263	25 141	38 024	38 766	38 766	40 562	42 049	43 776

Pension and UIF Contributions			5 148	1 675		-	-	-	-	-	
Medical Aid Contributions			2 412	2 741	2 999	2 999	2 999	3 173	3 357	3 552	
Overtime			60	-	141	141	141	149	158	167	
Performance Bonus				744	794	794	794	840	889	940	
Motor Vehicle Allowance	3		2 569	118	4 952	4 952	4 952	5 239	5 543	5 865	
Cellphone Allowance	3			191		-	-	-	-	-	
Housing Allowances	3		885	619	1 067	1 067	1 067	1 129	1 194	1 264	
Other benefits and allowances	3		8 404	16 180	3 169	3 169	3 169	3 353	3 547	3 753	
Payments in lieu of leave				295	315	315	315	333	353	373	
Long service awards				238	255	255	255	270	285	302	
Post-retirement benefit obligations	6			-		-	-	-	-	-	
Sub Total - Other Municipal Staff			-	49 741	47 942	51 716	52 458	52 458	55 048	57 375	59 991
% increase	4		-	(3.6%)	7.9%	1.4%	-	4.9%	4.2%	4.6%	
Total Parent Municipality			-	63 788	64 726	71 335	72 078	72 078	75 640	79 157	83 036
				-	1.5%	10.2%	1.0%	-	4.9%	4.6%	4.9%
<u>Board Members of Entities</u>											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance	3										
Cellphone Allowance	3										
Housing Allowances	3										
Other benefits and allowances	3										
Board Fees											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations	6										
Sub Total - Board Members of Entities			-	-	-	-	-	-	-	-	
% increase	4		-	-	-	-	-	-	-	-	
<u>Senior Managers of Entities</u>											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance	3										
Cellphone Allowance	3										

Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		-	63 788	64 726	71 335	72 078	72 078	75 640	79 157	83 036
% increase	4		-	1.5%	10.2%	1.0%	-	4.9%	4.6%	4.9%
TOTAL MANAGERS AND STAFF	5,7	-	55 077	55 192	59 458	60 201	60 201	63 240	66 037	69 155

2.9.1 Composition of Municipal Personnel Employed

Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		34		34	34		34	34		34
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	-	6	6	-	6	6		6
Other Managers	7	20	8	12	20	8	12	20	6	14
Professionals		4	4	-	4	4	-	5	5	-
<i>Finance</i>		3	3	-	3	3	-	3	3	
<i>Spatial/town planning</i>		1	1		1	1		2	2	
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Technicians		22	12	10	22	12	10	22	12	10
<i>Finance</i>										
<i>Spatial/town planning</i>		1	1	-	1	1	-	1	1	
<i>Information Technology</i>		2	2		2	2	-	2	2	
<i>Roads</i>		5	1	4	5	1	4	5	1	4
<i>Electricity</i>		8	8		8	8		8	8	
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		6	-	6	6	-	6	6		6
Clerks (Clerical and administrative)		111	111	-	111	111	-	111	111	
Service and sales workers		1	1	-	1	1	-	1	1	
Skilled agricultural and fishery workers										
Craft and related trades										

Plant and Machine Operators		18	18	-	18	18	-	18	18	
Elementary Occupations		60	60	-	60	60	-	60	60	
TOTAL PERSONNEL NUMBERS	9	276	214	62	276	214	62	277	213	64
% increase					-	-	-	0.4%	(0.5%)	3.2%
Total municipal employees headcount	6,10	242	214	28						
Finance personnel headcount	8,10	34	25	9						
Human Resources personnel headcount	8,10	36	33	3						

2.10 Monthly Targets for revenue, expenditure and Cashflow

Choose name from list - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	R e f	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																
R thousand	-															
Revenue By Source		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates		1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	15 121	16 013	16 909
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	23 685	25 082	26 487
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		371	371	371	371	371	371	371	371	371	371	371	371	4 454	4 717	4 981
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	12 937	13 700	14 468
Interest earned - external investments		125	125	125	125	125	125	125	125	125	125	125	125	1 500	1 589	1 677
Interest earned - outstanding debtors		156	156	156	156	156	156	156	156	156	156	156	156	1 877	1 988	2 099
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		6	6	6	6	6	6	6	6	6	6	6	6	76	80	85

Licences and permits	199	199	199	199	199	199	199	199	199	199	199	199	2 386	2 527	2 669
Agency services	129	129	129	129	129	129	129	129	129	129	129	129	1 550	1 641	13 358
Transfers recognised - operational	15 372	15 15 372	15 372	15 372	15 372	15 372	15 372	15 372	15 372	15 372	15 372	15 372	184 464	157 045	154 518
Other revenue	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	35 694	43 036	43 303
Gains on disposal of PPE	23 645	23 645	23 645	23 645	23 645	23 645	23 645	23 645	23 645	23 645	23 645	23 645	283 744	267 419	280 555
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure By Type	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee related costs	5 237	5 237	5 237	5 237	5 237	5 237	5 237	5 237	5 237	5 237	5 237	5 237	62 850	65 772	68 995
Remuneration of councillors	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	12 400	12 976	13 612
Debt impairment	691	691	691	691	691	691	691	691	691	691	691	691	8 289	8 779	9 270
Depreciation & asset impairment	2 816	2 816	2 816	2 816	2 816	2 816	2 816	2 816	2 816	2 816	2 816	2 816	33 787	35 781	37 784
Finance charges	8	8	8	8	8	8	8	8	8	8	8	8	93	99	104
Bulk purchases	1 765	1 765	1 765	1 765	1 765	1 765	1 765	1 765	1 765	1 765	1 765	1 765	21 178	22 428	23 684
Other materials	907	907	907	907	907	907	907	907	907	907	907	907	10 885	11 527	11 994
Contracted services	362	362	362	362	362	362	362	362	362	362	362	362	4 345	4 601	4 859
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	9 451	9 451	9 451	9 451	9 451	9 451	9 451	9 451	9 451	9 451	9 451	9 451	113 418	87 943	91 755
Loss on disposal of PPE	22 270	22 270	22 270	22 270	22 270	22 270	22 270	22 270	22 270	22 270	22 270	22 270	267 246	249 906	262 058
0	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	16 499	17 513	18 497
Surplus/(Deficit)	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	16 499	17 513	18 497
Transfers recognised - capital	3 166	3 166	3 166	3 166	3 166	3 166	3 166	3 166	3 166	3 166	3 166	3 166	37 992	39 416	41 550
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	5 916	5 916	5 916	5 916	5 916	5 916	5 916	5 916	5 916	5 916	5 916	5 916	70 989	74 442	78 544
Surplus/(Deficit) after capital transfers & contributions													54 491	54 491	56 929
Surplus/(Deficit) after taxation													54 491	54 491	56 929

Surplus/(Deficit) attributable to municipality																
													54 491	54 491	56 929	60 047
0	1	5 916	5 916	5 916	5 916	5 916	5 916	5 916	5 916	5 916	5 916	5 916	169 388	234 461	245 229	258 686

EC141 Elundini - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	R e f	Budget Year 2015/16												Medium Term Revenue Expenditure Framework	
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17
R thousand															
R thousand	-														
Revenue by Vote													-	-	-
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 2 - Budget & Treasury		13 454	13 454	13 454	13 454	13 454	13 454	13 454	13 454	13 454	13 454	13 454	13 454	161 453	164 822
Vote 3 - Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 4 - Community Services		638	638	638	638	638	638	638	638	638	638	638	638	7 660	8 073
Vote 5 - Strategic Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 6 - Infrastructure Development & Planning													152 624	152 624	133 940
Vote 15 - [NAME OF VOTE 15]		14 093	14 093	14 093	14 093	14 093	14 093	14 093	14 093	14 093	14 093	14 093	166 717	321 736	306 835
	0														
Revenue by Vote		-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 1 - Executive & Council		2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	35 691	37 539
Vote 2 - Budget & Treasury		3 127	3 127	3 127	3 127	3 127	3 127	3 127	3 127	3 127	3 127	3 127	3 127	37 526	39 537
Vote 3 - Corporate services		2 164	2 164	2 164	2 164	2 164	2 164	2 164	2 164	2 164	2 164	2 164	2 164	25 962	27 355
Vote 4 - Community Services		2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	26 388	27 731
Vote 5 - Strategic Planning & Development		842	842	842	842	842	842	842	842	842	842	842	842	10 102	10 636
Vote 6 - Infrastructure Development & Planning													131 577	131 577	107 109
Vote 15 - [NAME OF VOTE 15]		11 306	11 306	11 306	11 306	11 306	11 306	11 306	11 306	11 306	11 306	11 306	142 883	267 246	249 906

before assoc.		2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	23 834	54 491	56 929	
Surplus/(Deficit) after capital transfers & contributions													54 491	54 491	56 929	
Taxation Surplus/(Deficit) attributable to municipality													-	-	-	
													54 491	54 491	56 929	
	0	1	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	78 325	108 981	113 858	

2.11 Contracts having Future Budgetary Implications

Council has no long term contracts entered into beyond three years.

2.12 Capital expenditure details

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
R thousand	1									
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		28 890	30 681	-	31 054	41 457	41 457	46 787	48 771	51 432
Infrastructure - Road transport		-	27 451	-	30 404	35 387	35 387	41 142	42 793	45 120
<i>Roads, Pavements & Bridges</i>			27 451		30 404	35 387	35 387	41 142	42 793	45 120
<i>Storm water</i>										
Infrastructure - Electricity		-	3 230	-	650	6 070	6 070	3 595	3 807	4 020
<i>Generation</i>					650	6 070	6 070	3 595	3 807	4 020
<i>Transmission & Reticulation</i>			3 230							
<i>Street Lighting</i>										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		28 890	-	-	-	-	-	2 050	2 171	2 293
<i>Waste Management</i>								2 050	2 171	2 293
<i>Transportation</i>	2									

Gas									
Other	28 890								
Community	-	-	-	-	-	-	2 555	2 706	2 857
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other				-			2 555	2 706	2 857
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									
Other assets	9 206	6 740	-	7 480	9 927	9 927	5 149	5 453	5 758
General vehicles	5 474								
Specialised vehicles									
Plant & equipment	211			650	650	650			
Computers - hardware/equipment									
Furniture and other office equipment	547			850	850	850			
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	2 261								
Other Land									
Surplus Assets - (Investment or Inventory)									

Other		713	6 740		5 980	8 427	8 427	5 149	5 453	5 758
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		140	-	-	-	-	-	-	-	-
Computers - software & programming		140	-							
Other (<i>list sub-class</i>)										
Total Capital Expenditure on new assets	1	38 236	37 421	-	38 534	51 384	51 384	54 491	56 929	60 047

Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

2.13 Municipal Manager’s Quality Certification

Quality Certificate

I, Khaya Gashi, Municipal Manager of Elundini 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 _____

Municipal Manager of Elundini Local Municipality Municipality (EC41)

Signature _____

Date _____