



ANNUAL BUDGET OF

# **West Coast District Municipality**

2015/16 TO 2017/18  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS

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ANNEXURE – A – LIST OF BUDGET RELATED POLICIES.

ANNEXURE – B – PROCESS PLAN.

ANNEXURE – C – TARIFFS.

## ABBREVIATIONS AND ACRONYMS

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

## Part 1 – Annual Budget

### 1.1 Mayor's Report / Speech

The Mayor's report / Speech will be circulated as an addendum at the Council Meeting to be held on 27 May 2015.

### 1.2 Council Resolutions

On 27 May 2015 the Council of West Coast District Municipality met in the Council Chambers to consider the annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. The Council of the West Coast District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 10 on page 29;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 11 on page 30;
    - 1.1.3. Budgeted Financial Performance (revenue and expenditure) as contained in Table 13 on page 32; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 14 on page 32.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 15 on page 36;
    - 1.2.2. Budgeted Cash Flows as contained in Table 16 on page 38;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 17 on page 38;
    - 1.2.4. Asset management as contained in Table 18 on page 40; and
    - 1.2.5. Basic service delivery measurement as contained in Table 19 on page 41.
2. The Council of the West Coast District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect the policies.
  - 2.1. All related policies – as set out in Annexure A
3. The Council of the West Coast District Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015 the tariffs for other services.

4. To give proper effect to the municipality's annual budget, the Council of the West Coast District Municipality approves:
  - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue from the RSC Levy Replacement Grant and water services to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

### **1.3 Executive Summary / Financial Plan**

#### **1. Introduction**

The implementation of the Integrated Development Plan is largely reliant on the efficiency of the financial management system, and a strategy to enhance this capacity is necessary.

The principles, Strategic Financial Framework, the Medium Term Expenditure and Revenue Framework (for the next three years) and Capital Investment Programme, are outlined in this section. The emphasis for the initial year, i.e. 2015/2016, is on projects receiving committed funding, and priority projects. It is important for the Municipality to ensure that they source funding for projects in an aggressive way in order to ensure that the implementation process is sustainable.

The emphasis will fall on basic service delivery (bulk water supply), which will be funded, by five local municipalities. Local economic development shall be encouraged as it could have a spillover effect, which will be beneficial to the municipality as a whole, triggering more investment.

#### **2. Arrangements**

The following arrangements regarding Resources and Guidelines will receive attention:

##### **2.1 Inventory of Resources**

###### *2.1.1 Staff*

- a) An organizational structure for the finance department will be regularly reviewed.
- b) Job Descriptions will be kept updated for all Finance staff.
- c) Training of staff will be performed in terms of a Skills Development Plan.

###### *2.1.2 Supervisory Authority*

The Finance Committee deals with all financial issues. The Municipal Manager is the Accounting Officer, and is therefore responsible for financial management. The Chief Financial Officer will however be tasked with the day-to-day management of the Finance directorate in terms of his/her Performance agreement. The Audit Committee will perform a

Monitoring and Evaluation function of External, Internal and Performance audit procedures and control systems.

### 2.1.3 Systems

- a) Debtors Billing, Receipting, Creditors and Main Ledger transactions is performed on the SAMRAS (DB4) Data Processing System. The compatibility of the system with Council's specifications will be regularly reviewed, inclusive of support services (hardware and software), and training for staff on the applications utilized.
- b) Payroll function is managed on the SAMRAS (DB4), and will suffice for the next three years.
- c) BAUD is used as an Assets management system and upgrading thereof is receiving Council's attention. Reconciliations are performed on a monthly basis between the financial management system and the asset management system. In the medium term the councils Asset Management system will be transferred to SAMRAS (DB4)
- d) Grant management, Investments, Cash at Bank (reconciliation), and External Loans will be managed with SAMRAS (DB4) and control spread sheets. Incorporation into the Financial Management System will be updated monthly.

### 2.1.4 Accommodation

- a) *Offices*: This space is restricted.
- b) *Registry*: Is shared with the other Departments in close proximity to Finance.
- c) *Archives*: An archiving system in place and conforms to legislation.

### 2.2 Management Guidelines

The formulation and adoption by Council of Policies and Bylaws to guide management towards the attainment of the vision and mission of the Municipality is a crucial aspect.

The following policies will be reviewed on a regular basis:

- a) *Supply Chain Management Policy* - conforming to National legislation (including the Preferential Procurement Policy Framework Act, Broad Based Black Economic Empowerment Act, and Municipal Finance Management Act) and Council's own vision;
- b) *Investment Policy* - conforming to the guidelines supplied by the Institute of Municipal Finance Officers and the Municipal Finance Management Act;
- c) *Tariff Policy* - conforming to the principles contained in the Municipal Systems Act;
- d) *Rates Policy* - conforming to the principles outlined in the Property Rates Act, regulations;
- e) *Credit Control and Debt Collection Policy* - in accordance with the Municipal Systems Act and Case studies in this respect;
- f) *Indigent Policy* - from the National guidelines on this aspect;
- g) *Asset Management Policy* - to promote the efficient use and effective control over Municipal assets, in terms of the Guidelines supplied by the Institute of Municipal Finance Officers, Local Government Capital Asset Management Guidelines and the Accounting Standards Board.

Legislation requires that certain policies e.g. Credit control and Debt collection be supported by Bylaws, to assist enforcement.



### 3. Strategy

Strategies to be employed to improve the financial management efficiency and the financial position are as follows:

#### *3.1 Financial Guidelines and Procedures*

The Accounting policies will be reviewed to conform to the provisions contained in the Municipal Finance Management Act, and the Guidelines supplied by the Department of Finance and Accounting Standards Board. Procedures to give effect to these policies will be compiled. The Procedures will be aligned with Council's policies regarding the various aspects, with reference to the applicable Job descriptions, and Terms of Reference of the various Standing Committees, to affix responsibility. Alignment with the Performance Management System will ensure the necessary control to Council.

#### *3.2 Financing*

##### 3.2.1 Operating:

Revenue to finance the operating account is mainly attributed to bulk water supply, interest on investments, RSC Levy Replacement Grant and Equitable Share and agency services in respect of road maintenance.

##### 3.2.2 Capital:

Capital expenditure is funded through revenue contributions, grants, capital contributions from Local Municipalities (Bulk water infrastructure).

##### 3.3 Local Economic Development:

Council will embark on an extended Local Economic Development Programme, structured to facilitate financing from internally generated funds as well as Government grants.

#### *3.4 Revenue raising*

##### 3.4.1 Tariffs:

Tariffs for all services will be reviewed to conform to the principles contained in the Tariff policy, the Indigent policy and National guidelines in respect of the provisions of Free Basic Services.

##### 3.4.2 Other Services:

The possibility to raise revenue from services not previously provided by the Council, in accordance with the Schedules to the Constitution, and the Division of Powers and Functions (Section 84(1) of the Municipal Structures Act), will be investigated.

### *3.5 Asset Management:*

All assets will be managed in terms of the applicable policy from Council. Maintenance plans will be drawn up and implemented for all major assets with an extended lifespan.

This municipality has a GRAP compliant Asset Register and utilizes an external service provider to perform yearly asset counts, revision of useful lives, condition assessments and unbundling of assets. The Asset Register is updated on a monthly basis by the Asset Manager. The above procedures is done to mitigate risks and to segregate duties. The obsolescence and redundancy of assets are regularly monitored, with adequate replacement cycles being instituted, where applicable and affordable.

### *3.6 Cost-effectiveness*

The Expenditure / Income and Supply Chain Management divisions will be tasked to perform costing exercises on major expenditure, goods and services, in respect of projects and continuous contracts, to ensure Council obtains maximum benefit. The applicable policies will provide the guidelines in this respect.

## **4. Revenue and Expenditure Forecast**

### **4.1 Financial Position**

#### *4.1.1 Cash Position:*

Council have sufficient cash resources available to meet its medium to long term needs. Certain resources are representative of unspent funds held by Council in respect of Government Grants. The utilization of these monies to finance operating expenses, and projects other than their directed use is not permissible.

#### *4.1.2 Funds and Reserves:*

The Accumulated surplus have been utilized to finance Capital expenditure by the Fire Protection and Finance and Administration directorates and partially the Water Provision directorate. Council's Retained Surplus / Working Capital, as well as the Provisions set aside for specific purposes e.g. Bad debts, Post – employment Health Care Benefits and Employee Benefits Accrual (Performance bonuses and Bonuses), represented by either Cash or Investments.

#### *4.1.3 Debtors:*

The implementation of the procedures in terms of the Credit control and Debt collection Policy has facilitated the management of cash flow, and place Council in a position to finance operation expenses.

#### **4.1.4 Rates and Tariffs**

The structure of Tariffs will be implemented in accordance with the applicable Council Policy documents.

#### 4.1.5 Equitable Share Allocation

One of Council's sources of revenue to finance its Operating expenses is the RSC Levy Replacement Grant. Increased allocations in terms of the Division of Revenue Act were published for the next three years.

#### 4.1.6 Depreciation

The Depreciation cost in the Expenditure forecast was equated.

#### 4.2 Operating Expenses

The following table details the operating expenditure for the medium term revenue and expenditure framework:

<b>Medium Term Revenue and Expenditure Framework</b>			
<b>OPERATING EXPENDITURE</b>	<b>Budget Year 2015 / 2016</b>	<b>Budget Year 2016 / 2017</b>	<b>Budget Year 2017 / 2018</b>
	<b>Budget R</b>	<b>Budget R</b>	<b>Budget R</b>
<b>Operating Expenditure by Type</b>			
<b>Employee costs</b>	154,256	158,963	167,749
<b>Remuneration of councillors</b>	5,931	5,224	5,612
<b>Debt impairment</b>	750	787	827
<b>Depreciation &amp; asset impairment</b>	14,134	16,702	12,750
<b>Finance charges</b>	10,664	9,299	7,778
<b>Bulk purchases</b>	10,300	11,865	12,458
<b>Other materials</b>	41,117	22,646	24,570
<b>Other expenditure</b>	95,430	89,487	90,732
<b>Total Operating Expenditure</b>	<b>332,582</b>	<b>314,973</b>	<b>322,476</b>

## 4.3 Operating Revenue

The following table details the operating revenue for the medium term revenue and expenditure framework:

<b>Medium Term Revenue and Expenditure Framework</b>			
<b>OPERATING REVENUE</b>	<b>Budget Year 2015 / 2016</b>	<b>Budget Year 2016 / 2017</b>	<b>Budget Year 2017 / 2018</b>
	<b>Budget R</b>	<b>Budget R</b>	<b>Budget R</b>
<b>Operating Revenue by Type</b>			
Property rates	-	-	-
Service charges	110,708	121,243	122,055
Rental of facilities	3,147	3,304	3,469
Investment revenue	8,250	8,663	9,096
Interest on debtors	27	28	30
Licences and permits	20	20	20
Transfers recognised – operational	87,057	87,100	90,204
Agency services	101,072	83,961	88,785
Other own revenue	29,419	10,694	12,006
<b>Total Operating Revenue</b>	<b>338,699</b>	<b>315,012</b>	<b>322,910</b>

## 4.4 Grant Receivable

The following table details the grants receivable for the medium term revenue and expenditure framework:

<b>Medium Term Revenue and Expenditure Framework</b>			
<b>GRANT RECEIVABLE</b>	<b>Budget Year 2015 / 2016</b>	<b>Budget Year 2016 / 2017</b>	<b>Budget Year 2017 / 2018</b>
	<b>Budget R</b>	<b>Budget R</b>	<b>Budget R</b>
<b>Grant name</b>			
Financial management grant	1,250	1,250	1,250
Municipal systems improvement grant	930	960	1,033
Equitable share grant	80,458	82,466	83,957
Rural Roads Asset Management System	2,419	2,424	2,545
EPWP Incentive	1,000		
<b>Total Operating Revenue</b>	<b>86,057</b>	<b>87,100</b>	<b>88,785</b>

## 5. Capital Investment Programme

Functional Sector	Programme & Project Description	Funding Source	Budget Year 2015/2016	Budget Year 2016/2017	Budget Year 2017/2018	Total
<b>Water Provision</b>	Vehicles	Surplus	-	750	750	<b>2,750</b>
<b>Water Provision</b>	Flow meters	Surplus	300	250	350	<b>900</b>
<b>Water Provision</b>	Valves	Surplus	2,750	1,500	1,500	<b>4,500</b>
<b>Water Provision</b>	Tools	Surplus	150	200	300	<b>650</b>
<b>Water Provision</b>	Dos equipment	Surplus	45	65	50	<b>160</b>
<b>Water Provision</b>	Network & Communication (Dig-radio's)	Surplus	600	200	100	<b>900</b>
<b>Water Provision</b>	Air conditioning	Surplus	20	20	25	<b>65</b>
<b>Water Provision</b>	Pipe replacement	Surplus	1,250	3,950	1,200	<b>6,400</b>
<b>Water Provision</b>	Motor & Pump	Surplus	200	200	250	<b>650</b>
<b>Health Inspectors</b>	Furniture and equipment	Surplus	20	20	20	<b>60</b>
<b>Firefighting</b>	Fire Fighting	Surplus	1,150	2,000	2,100	<b>5,250</b>

<b>Services</b>	Equipment					
<b>Disaster Management</b>	Furniture and equipment	Surplus	11	6	5	<b>22</b>
<b>Finance and Administration</b>	Furniture and equipment	Surplus	40	280	140	<b>460</b>
<b>Ganzekraal</b>	Furniture and equipment	Surplus	130	140	160	<b>430</b>
<b>Information Technology</b>	Computers & Network	Surplus	49	70	75	<b>194</b>
<b>Firefighting Service</b>	Vehicles	Surplus	1,100	1,000	1,250	<b>3,350</b>
<b>Finance and Administration</b>	SCOA	Surplus	500			<b>500</b>
<b>Total</b>			<b>8,315</b>	<b>10,651</b>	<b>8,275</b>	<b>27,241</b>

## 6. Long-term financial plan 2015/2024

INCA drafted a long-term financial plan for the municipality with funds provided by Provincial Treasury. Some of the following recommendations were taken into account when the budget was compiled.

### RECOMMENTATIONS:

- **Role and Function of District Municipalities – WCDM’s Advocating Role**

Ambiguity regarding the functions of district municipalities that exist in legislation, allocation of an increased number of unfunded mandates and division of certain functions between local and district municipalities all contribute to an uncertainty about the future role and functions of district municipalities.

This uncertainty is made worse by the fact that district municipalities are to a large extent reliant on transfers from the National Treasury, and whereas funding should follow function there exists confusion about the appropriate functions to perform and the funding instruments which the district can expect in future.

The prominence of the WCDM among its peers should be brought to bear in advocating, together with organized local government (e.g. SALGA) in promoting greater clarity of the role and function of District Municipalities as well as funding of these functions at national government level.

- The municipality’s response - Noted

- **Facilitating Economic Development**

The WCDM’s efforts in facilitating economic development in the district should proceed with increased intensity to counter the low economic growth rate and high population growth rate of the district and thereby turn around the stagnant constant (2005) municipal revenue growth experienced in the recent past. However, the WCDM should avoid performing an implementing role and rather participate together with other role players in promoting economic development.

- The municipality's response - Noted

- **Liquidity Policy**

WCDM has a healthy and prudent approach to manage its liquidity, by making sufficient provision for the short as well as long term provisions, statutory requirements and three months' of operating expenditure. WCDM derives useful interest income from its substantial cash reserves. It would be prudent to formally adopt a Liquidity Policy of which a draft has been attached to this report for Council's consideration.

- The municipality's response – Liquidity Policy was adopted by Council on 3 December 2014.

- **Maintain Healthy Credit Rating of Single A**

WCDM is to maintain its healthy Credit Rating of Single A, through prudent management of liquidity, the adoption of a Liquidity Policy and a related Borrowing, Funds and Reserves Policy (drafts attached for consideration). Further, the main risk of managing expenses against revenue needs to be mitigated by realistic future planning within the MTREF and the Long Term Financial Plan.

- The municipality's response - Noted

- **Management Accounts of Functions**

The WCDM has three main sources of revenue, viz. fiscal transfers for Core mandated functions and roles, management fees earned for managing the Water services and allocations received for providing the Roads Agency function.

Whereas the "Votes" system allows the accounting of the functions we recommend that formal management accounts for each of these functions are prepared and submitted to management on a quarterly basis in a digestible format to enable Management and Council to use the information to make the necessary strategic financial decision.

The management accounts, indication the financial performance of each function separately and collectively, will aid management in optimally managing these functions, identifying loss making functions and allow trend analysis to anticipate future problems. The accounts will also improve the understanding of the financial implications of revised mandates in future, e.g. if only the Core functions were to proceed without significant adjustment to the cost structure of the municipality, the operations will rapidly progress into a deficit position, as illustrated in paragraph 9 of the report.

- The municipality's response – Monthly MFMA Section 71 reports are prepared and submitted to the finance portfolio committee.

- **Avoid Performing Non-Profitable Functions**

In the light of paragraph 5 and the limited future resources available, the WCDM should limit the number of non-profitable functions it performs and attempt to pass these on to the local municipalities or the provincial government (e.g. Integrated Transport Planning, Spatial Development Framework).

- The municipality's response - Noted

- **Cost Recovery of Agency Services**

There is some doubt whether all costs, especially overhead expenses and management costs, are appropriately allocated to the different functions. To avoid a situation where the municipality in essence subsidizes its principals in the case of an agency function, we recommend that the municipality increase the pricing of the agency services it delivers, at the first possible contractual opportunity. All costs must be recovered and a management fee (reflective of all unaccounted overhead expenses and management costs), must be added to these costs, through well-designed fees/tariff structure and judicious application thereof. Services it currently renders at cost should include a margin (to the extent possible) or an enlarged management fee, e.g. Roads Agency.

- The municipality's response – All direct cost are recovered from the Department of Transport and allocations to salaries, wages and allowances are provided at a maximum of ten percent of the total budget.

- **Additional Revenue Sources**

Because additional or new revenue sources are difficult to identify, we recommend that the WCDM should encourage staff to identify other revenue sources. We believe that staff are well positioned in their daily tasks to identify such sources but should be incentivized to do so.

Areas that could be considered include, different sources of grants, shared services, sub-letting of council property, technical assistance fees to local municipalities, fees for fire inspections, training and monitoring, fees for environmental health checks, ensuring that connection fees for water users are reflective of full- end not just marginal costs, etc.

The full recovery of Agency Services as discussed under paragraph 7 can also be treated as identification of a revenue stream due to WCDM.

- The municipality's response - Noted

- **Partnership with the Short Term Insurance Sector**

The fire services that the municipality provides to its communities reduce the risks and concomitant underwriting expense of the short term insurers. Management has identified that insurers in Australia part fund the firefighting expenses.

We recommend that the WCDM initiate talks with SALGA for this association to negotiate collectively with the short term insurance sector in obtaining part funding for its fire services.

- The municipality's response - Noted



- **Attempt to save on Salaries and Wages**

Salaries and wages are prescribed and subject to collective bargaining, with little influence that the municipality can exert. The employee costs constitute WCDM's largest expense item and the escalating nature of this expense and requirement to make provision for employee benefits, will challenge the WCDM to manage this expense effectively within the available revenue base which is expected to show limited growth.

In the absence of a clear understanding of the municipality's future role and function and the funding thereof, it will become increasingly more difficult to fund the municipality's existing organogram.

The structure needs to be reviewed regularly to ensure that the municipality remains sustainable. The implementation of a rationalization of the Core function staff must be considered as one of the alternatives.

- The municipality's response – The organogram are reviewed annually and all unfunded positions are filled as funds becomes available.

- **Sharing of Services**

Sharing of services provides an opportunity to share concomitant expenses amongst all institutions that share the service, especially in cases where the capacity is not fully utilized by any one institution.

In an attempt to minimize expenditure the WCDM is advised to assess the cost/benefit of sharing services with other municipalities. The municipality best equipped and/or resourced in a certain area could deliver these services to a number, if not all the others, e.g. legal, internal audit, risk management, fire services, etc.

- The municipality's response – Risk management (Swartland, Bergriver, Cederberg and Matzikama municipalities) and Town planning (Cederberg and Matzikama municipalities) are shared services.

- **Manage Expenses**

The municipality manages its expenses prudently and we recommend that it ensures that annual increases are reflected in tariffs and fees.

- The municipality's response - Noted

- **Avoid saving on Repairs and Maintenance**

Repairs and Maintenance costs have been cut back in the past two financial years and whilst this is understood given the flat revenue base it may result in infrastructure not being adequately maintained and requiring replacement at high and unaffordable capital expense in the near future. The municipality is advised to adjust its Repairs and Maintenance budget upwards, by at least 5 percentage points above CPI p.a. for the Water Function and 2 percentage points above CPI p.a. for the Core Function in an attempt to achieve the MFMA Circular 71 targets of 8% of the carrying value of Property, Plant and Equipment in the longer term.

- The municipality's response – Repairs and Maintenance is at 12.8% of budget.

- **Introduce Integrated Asset Management**

Integrated asset management aims to meet a required level of service, in the most cost effective manner, through the management of assets for present and future customers. This encompasses practices associated with considering management strategies as part of the asset lifecycle by minimizing long term costs. Practices such as management of assets, asset information (such as location and condition), demand forecasts, risk assessment and mitigation, maintenance procedures, refurbishment and renewal procedures.

The municipality's comprehensive asset register is a first step in implementing comprehensive asset management. We recommend that it now migrates (over a number of years) to implementing integrated asset management where expenditure on new infrastructure, replacement infrastructure and repairs and maintenance expenditure are optimized.

- The municipality's response - Noted

- **Prioritization of Projects**

In addition to the recommendation made in paragraph 10, in nominal terms the municipality can afford a 10-year capital investment programme of app. R420 million for the Water- and R243 million for the Core Function. The demand already exceeds this amount by R555 million for Water and R69 million for the Core Function.

Whereas the asset register provides guidance on the assets that need replacement, a clear prioritization of future new infrastructure projects must be undertaken. The municipality should not neglect the replacement of its existing assets and a prioritization should compare the need for new infrastructure with the need of replacing existing infrastructure.

- The municipality's response - Noted

- **Consider a Capital Replacement Reserve ("CRR")**

The municipality's accumulated surplus and associated cash investments are sufficient to cater for liquidity and capital replacement. However, in an attempt to build up dedicated reserves for all expenses associated with capital assets, especially emergency replacement, it would be prudent to dedicate a portion of the surpluses as a ring fenced CRR and preferably invest the cash in a separate investment account.

The municipality could furthermore consider the proposals made in the draft Borrowing, Funds and Reserves Policy attached, in which the objective is adopted to transfer depreciation charges and capital contributions to the cash backed Capital Replacement Reserve.

- The municipality's response - Noted

- **External Gearing to be Managed Prudently**

External gearing has in the short term reached its maximum levels. The WCDM should avoid increasing its long term liabilities (“LTL”) in the next 3 years or at least until the acceptable benchmarks of 30% for LTL/Income and 7.5% for Interest/Expenditure for each of its Functions is reached.

Once gearing is below these benchmarks and sufficient liquidity and capital replacement reserves are held, the municipality should consider using this source of capital funding also for the WCDM’s other funding needs and not only for Water Infrastructure.

- The municipality’s response – No external financing will be sourced over the medium term.

- **Maximize Fiscal Transfers**

WCDM has mainly used own funds and external gearing to fund capital infrastructure. As these resources have declined, capital investment has reduced from R60 million per annum to R30 million per annum. WCDM has maximized gearing in the short term. It would therefore be prudent to seek opportunities to obtain fiscal funding to add to the funding mix. Explore all grant programmes accessible to the municipality.

- The municipality’s response – Noted.

- **Explore the Feasibility of Providing All Fire Services**

It is generally accepted that fire services delivered by local municipalities are limited to local structural fires, whereas the services delivered by the district municipalities encompass regional bush and veld fires as well as fires of hazardous materials. However, the WCDM provides the only professional fire service in all 5 local municipalities. In the event of a disaster it is invariably expected of the WCDM to provide assistance.

Explore the feasibility of providing all fire services in the district including those services normally expected of a local municipality. This requires a presence in a number of towns and appropriate equipping of staff. Before such an arrangement can however be negotiated a source of funding for this service has to be identified, including a dedicated levy linked to the property rates that local municipalities charge as well as increased transfers from national government.

- The municipality’s response – This service are provided to Saldanhabay municipality with a service level agreement in place. Negotiations are underway for the same services at Swartland and Bergriver.

- **Obtain Responsibility as Water Authority**

The WCDM should attempt to become the Water Authority for the entire district. By utilizing economies of scale, all municipalities will benefit. Also the provision of this commercial function will improve the revenue generating ability of the municipality. If this strategy fails the WCDM should at least attempt to extend its current Water Supply Contract at more beneficial terms.

- The municipality’s response – Negotiations are underway.

- **Dispose of Ganzekraal Resort**

It is our understanding that the Ganzekraal Resort is operating at a loss. The land on which the resort is located is subject to a land claim which prevents it from being alienated at this time, although Cape Nature has indicated an interest to obtain the land.

The WCDM is encouraged to dispose of the Ganzekraal Resort as soon as possible alternatively explore the cost-benefit of outsourcing the management of the resort. In the event that the land claim remains unresolved introduce incentives to the resort management in an attempt to increase the number of bed-nights sold.

Should this strategy not be considered feasible, it is proposed that Management and Council agree on the approach to be taken to address this matter.

- The municipality's response – Negotiations are underway.

- **Implementation of Recommendations**

We also propose that each of the recommendations that the WCDM agrees with are allocated to staff to implement as part of their key performance measures and that the Municipal Manager oversees this cross cutting "Project".

- The municipality's response – Noted.

## **7. Standard Chart of Accounts (SCOA)**

The municipality needs to comply with SCOA from 1 July 2017, and already acquired computer hardware to implement the Standard chart of accounts. The municipality is awaiting correspondence from National Treasury regarding the acquisition of software and the way forward.

## **8. Conclusion**

The Financial planning imperatives contribute to ensuring that the Municipality remains financially viable and that municipal services are provided economically to all communities and stakeholders. The Multi-year Financial Plan contains realistic and credible revenue and expenditure forecasts which should provide a sound basis for improved financial management and institutional development as well as service delivery improvements and implementation. The strategy towards cash backing will certainly ensure the sustainability of the Municipality over the medium-to long-term.

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

R thousand	Adjustment Budget 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Operating Revenue	326,788,910	338,698,960	315,012,140	322,910,070
Total Operating Expenditure	295,688,090	332,581,520	314,973,180	322,475,980
<i>(Surplus) / Deficit for the year</i>	31,100,820	6,117,440	38,960	434,090
Total Capital Expenditure	42,907,000	8,315,000	10,651,000	8,275,000

Total operating revenue has increased by R12 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget. For the two outer years, operational revenue will decrease by R16 million, equating to a total revenue decline of R4 million over the MTREF when compared to the 2014/15 financial year.

Total operating expenditure for the 2015/16 financial year has been appropriated at R332.5 million and translates into a budgeted surplus of R6.1 million. When compared to the 2014/15 Adjustments Budget, operational expenditure has grown by R37 million in the 2015/16 budget and declined by R18 million in 2016/17 and decreased by R10 million for 2017/18 of the MTREF. The operating surpluses for the two outer years are R0.03 million and R0.4 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget was R42.9 million for 2014/15. The capital programme decreases to R8.5 million in 2015/16. Capital expenditure in each of the MTREF years will mainly be funded from internally generated funds.

## 1.4 Operating Revenue Framework

For West Coast to continue improving the quality of services provided to its customers it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The expenditure required to address challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipal area and continued economic development;
- Efficient revenue management, which aims to ensure a 98 per cent annual collection rate for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- Increase ability to extend new services and recover costs;
- Tariff policies of the Municipality.

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

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	80 575	88 353	92 630	104 279	104 279	102 193	102 193	110 708	121 243	122 055
Investment revenue	8 076	8 899	10 025	8 250	8 250	8 085	8 085	8 250	8 663	9 096
Transfers recognised - operational	78 037	75 641	77 567	81 632	80 647	79 879	79 879	86 057	87 100	88 785
Other own revenue	80 125	77 573	118 655	88 113	100 113	99 939	99 939	133 684	98 006	102 974
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>246 813</b>	<b>250 466</b>	<b>298 878</b>	<b>282 274</b>	<b>293 289</b>	<b>290 096</b>	<b>290 096</b>	<b>338 699</b>	<b>315 012</b>	<b>322 910</b>

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

Grants and service charge revenues comprise more than two thirds of the total revenue mix. In the 2015/16 financial year, revenue from grants and services charges totaled R196.7 million. This increases to R208.3 million and R210 million in the respective financial years of the MTREF. The third largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees and agency services (roads).

Operating grants and transfers totals R86 million in the 2015/16 financial year and steadily increases to R87 million by 2017/18.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 3 Operating and Capital Transfers and Grant Receipts**

<b>Medium Term Revenue and Expenditure Framework</b>			
<b>GRANT RECEIVABLE</b>	<b>Budget Year 2015 / 2016</b>	<b>Budget Year 2016 / 2017</b>	<b>Budget Year 2017 / 2018</b>
	<b>Budget R</b>	<b>Budget R</b>	<b>Budget R</b>
<b>Grant name</b>			
<b>Financial management grant</b>	1,250	1,250	1,250
<b>Municipal systems improvement grant</b>	930	960	1,033
<b>Equitable share grant</b>	80,458	82,466	83,957
<b>Rural Roads Asset Management System</b>	2,419	2,424	2,545
<b>EPWP Incentive</b>	1,000		
<b>Total Operating Revenue</b>	<b>86,057</b>	<b>87,100</b>	<b>88,785</b>

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

Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Water bulk tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impacts they have on the municipality's bulk water supply are largely outside the control of the municipality.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of water, petrol, diesel, chemicals, cement etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

#### **1.4.1 Sale of Water and Impact of Tariff Increases**

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision water; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure, new pipeline construction, desalination plant and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Bulk water tariffs will increase on average with 8.14 per cent from 1 July 2015.

**Table 4 Proposed Water Tariffs**

CATEGORY	CURRENT TARIFFS 2014/15	PROPOSED TARIFFS 2015/16
	Rand per kℓ	Rand per kℓ
<b>Bulk Sales</b>		
Water Sales - All Municipalities (Water Restrictions 0%)	4.30	4.65
Water Sales - All Municipalities (Water Restrictions 5%)	4.46	4.82
Water Sales - All Municipalities (Water Restrictions 10%)	4.64	5.02
Water Sales - All Municipalities (Water Restrictions 15%)	4.83	5.22
Water Sales - All Municipalities (Water Restrictions 20%)	5.06	5.47
Water Sales - All Municipalities (Water Restrictions 25%)	5.31	5.74
Water Sales - All Municipalities (Water Restrictions 30%)	5.59	6.05
Water Sales - All Municipalities (Water Restrictions 35%)	5.92	6.40
<b>Private users</b>		
Water Sales - All Municipalities (Water Restrictions 0%)	5.37	5.81
Water Sales - All Municipalities (Water Restrictions 5%)	5.58	6.03
Water Sales - All Municipalities (Water Restrictions 10%)	5.80	6.27
Water Sales - All Municipalities (Water Restrictions 15%)	6.04	6.53
Water Sales - All Municipalities (Water Restrictions 20%)	6.33	6.85
Water Sales - All Municipalities (Water Restrictions 25%)	6.63	7.17
Water Sales - All Municipalities (Water Restrictions 30%)	6.99	7.56
Water Sales - All Municipalities (Water Restrictions 35%)	7.40	8.00

## 1.5 Operating Expenditure Framework

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

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



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

**Table 5 Summary of operating expenditure by standard classification item**

Employee costs	66 184	110 881	117 763	85 387	129 792	123 303	123 303	154 256	158 963	167 749
Remuneration of councillors	3 652	4 691	4 908	4 358	4 928	4 682	4 682	5 931	5 224	5 612
Depreciation & asset impairment	19 526	12 485	12 521	16 584	16 584	15 799	15 799	14 134	16 702	12 750
Finance charges	11 164	10 793	11 726	11 847	11 847	11 255	11 255	10 664	9 299	7 778
Materials and bulk purchases	28 770	34 601	52 655	81 759	51 728	49 632	49 632	51 417	34 511	37 028
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	152 915	77 578	67 933	84 738	80 808	80 808	80 808	96 180	90 274	91 559
<b>Total Expenditure</b>	<b>282 211</b>	<b>251 029</b>	<b>267 506</b>	<b>284 673</b>	<b>295 688</b>	<b>285 478</b>	<b>285 478</b>	<b>332 582</b>	<b>314 973</b>	<b>322 476</b>

The budgeted allocation for employee related costs for the 2015/16 financial year totals R154.2 million, which equals 46.3 per cent of the total operating expenditure. This budget adds a salary increase of 7.5 per cent for the 2015/16 financial year. An annual increase of 8 per cent has been included in the two outer years of the MTREF. As part of the municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

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

The provision of debt impairment was determined based on an annual collection rate of 98 per cent and the Credit Control and Debt Management Policy of the Municipality. For the 2015/16 financial year this amount equates to R0.7 million and increases to R0.8 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R14.1 million for the 2015/16 financial year and equates to 4.4 per cent of the total operating expenditure.

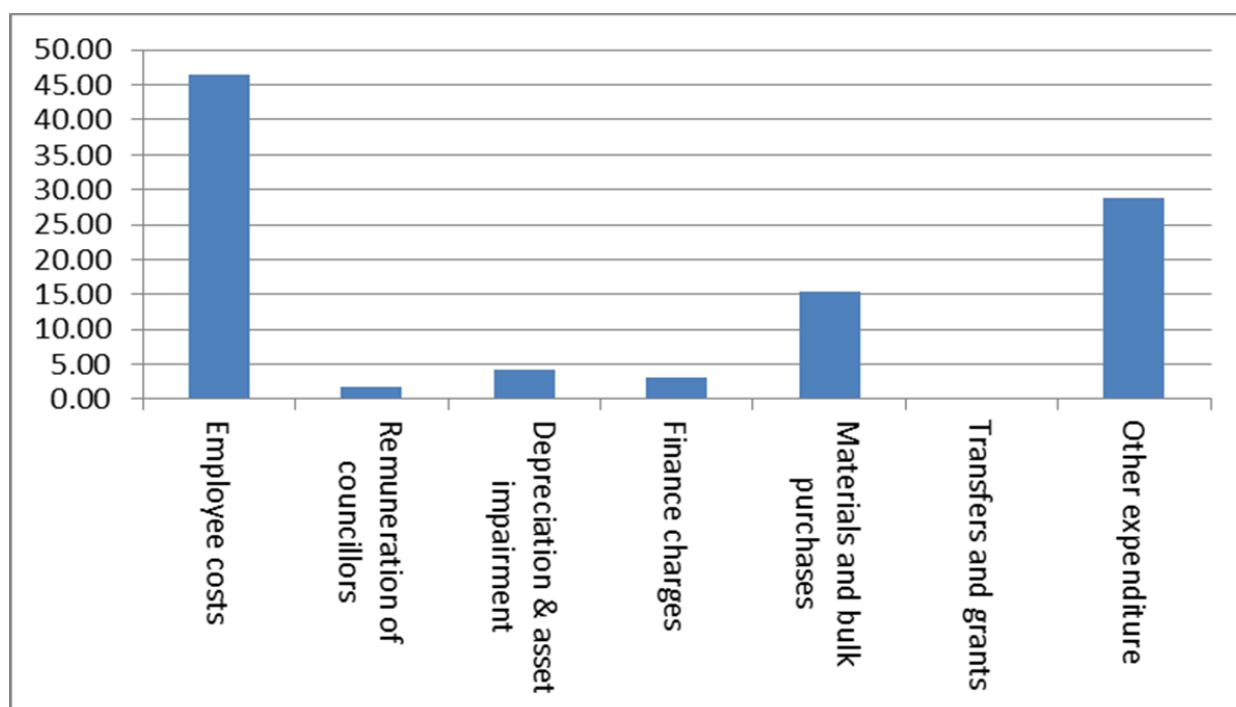
Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 3.1 per cent (R10.6 million) of operating expenditure excluding annual redemption for 2015/16 and decreases to R7.7 million by 2017/18.

Bulk purchases are directly informed by the purchase of water from The Department of Water Affairs and Forestry. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other material comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. For 2015/16 the appropriation against this group of expenditure has grown to R41 million and declines to R20 million by 2017/18.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. For 2015/16 the appropriation against this group of expenditure has grown to R95 million and continues to grow of which budget allocation is in excess of R90 million by 2017/18. Further details relating to contracted services can be seen in Table 54 MBRR SA1 (see page 90).

The following table gives a percentage breakdown of the main expenditure categories for the 2015/16 financial year.



**Figure 1 Main operational expenditure categories for the 2015/16 financial year**

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

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

**Table 6 Operational repairs and maintenance**

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	R thousands	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
<u>Financial Performance</u>										
Materials	21 141	25 881	42 686	71 959	41 928	39 832	39 832	41 117	22 646	24 570

During the compilation of the 2015/16 MTREF operational repairs and maintenance decreased from R41.1 million to R24 million. This is due to the costing method within our agency services.

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

**Table 7 Repairs and maintenance per asset class**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		19 276	22 242	40 262	66 508	36 437	34 653	27 242	7 628	8 777
Infrastructure - Road transport		15 767	17 516	36 955	63 438	33 367	31 736	24 027	4 252	5 233
<i>Roads, Pavements &amp; Bridges</i>		15 767	17 516	36 955	63 438	33 367	31 736	24 027	4 252	5 233
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		3 508	4 726	3 307	3 070	3 070	2 917	3 215	3 376	3 545
<i>Dams &amp; Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	4 726	-	250	250	238	-	-	-
<i>Reticulation</i>		3 508	-	3 307	2 820	2 820	2 679	3 215	3 376	3 545
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>	3	-	-	-	-	-	-	-	-	-
<b>Community</b>		-	1 883	1 280	439	439	417	400	420	441
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	838	275	439	439	417	400	420	441
Fire, safety & emergency		-	1 045	1 005	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics	7	-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		309	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		309	-	-	-	-	-	-	-	-
<b>Other assets</b>		1 529	1 757	1 144	5 013	5 013	4 763	13 475	14 598	15 351
General vehicles		-	-	647	2 287	2 287	2 287	10 174	10 614	11 279
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		501	-	-	217	217	206	434	675	544
Computers - hardware/equipment		18	200	96	10	10	10	126	132	139
Furniture and other office equipment		211	10	-	116	116	110	143	150	158
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		799	805	112	2 082	2 082	1 864	2 373	2 790	2 961
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	742	290	301	301	286	225	236	270
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other ( <i>list sub-class</i> )		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	21 114	25 882	42 687	71 959	41 889	39 832	41 117	22 646	24 570

### 1.6 Capital expenditure

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

Table 8 2015/16 Medium-term capital budget per vote

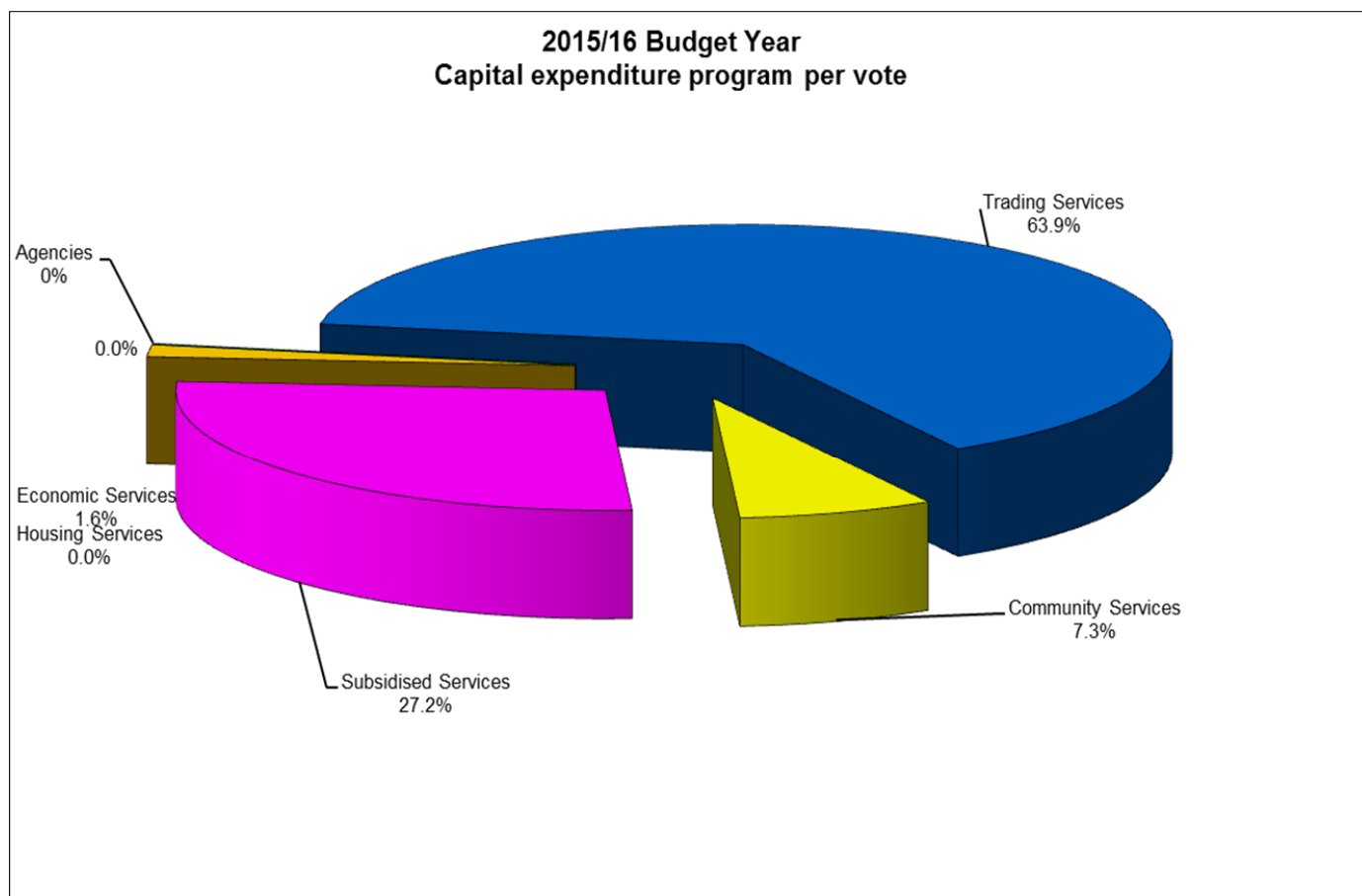
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure - to be appropriated</b>	2										
Vote 1 - COMMUNITY SERVICES		1 231	979	1 318	-	-	-	-	-	-	-
Vote 2 - SUBSIDISED SERVICES		1 221	1 622	326	-	-	-	-	-	-	-
Vote 3 - ECONOMIC SERVICES		-	-	30	-	-	-	-	-	-	-
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		29 200	43 126	16 460	41 650	34 650	14 650	14 650	-	-	-
Vote 6 - AGENCIES		20	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	31 671	45 728	18 134	41 650	34 650	14 650	14 650	-	-	-
<b>Single-year expenditure - to be appropriated</b>	2										
Vote 1 - COMMUNITY SERVICES		-	-	-	167	1 701	1 701	1 701	610	370	235
Vote 2 - SUBSIDISED SERVICES		-	-	-	2 508	2 888	2 888	2 888	2 261	3 006	3 355
Vote 3 - ECONOMIC SERVICES		-	-	-	100	100	100	100	130	140	160
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		-	-	-	3 568	3 568	3 568	3 568	5 315	7 135	4 525
Vote 6 - AGENCIES		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	6 343	8 257	8 257	8 257	8 315	10 651	8 275
<b>Total Capital Expenditure - Vote</b>		31 671	45 728	18 134	47 993	42 907	22 907	22 907	8 315	10 651	8 275
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>		1 037	979	1 317	117	1 651	1 651	1 651	590	350	215
Executive and council		12	979	237	-	-	-	-	-	-	-
Budget and treasury office		1 023	-	1 080	2	55	55	55	-	-	-
Corporate services		2	-	-	115	1 596	1 596	1 596	590	350	215
<i>Community and public safety</i>		1 416	1 622	356	2 658	3 038	3 038	3 038	2 411	3 166	3 535
Community and social services		100	-	30	100	100	100	100	130	140	160
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		1 221	1 622	326	2 508	2 888	2 888	2 888	2 261	3 006	3 355
Housing		-	-	-	-	-	-	-	-	-	-
Health		95	-	-	50	50	50	50	20	20	20
<i>Economic and environmental services</i>		20	-	1	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		20	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	1	-	-	-	-	-	-	-
<i>Trading services</i>		29 200	43 126	16 460	45 218	38 218	18 218	18 218	5 315	7 135	4 525
Electricity		596	-	-	-	-	-	-	-	-	-
Water		28 603	43 126	16 460	45 218	38 218	18 218	18 218	5 315	7 135	4 525
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	31 672	45 728	18 134	47 993	42 907	22 907	22 907	8 315	10 651	8 275
<b>Funded by:</b>											
National Government		-	-	10 305	30 000	30 000	10 000	10 000	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	6 421	-	3 500	3 500	3 500	3 500	-	-	-
Transfers recognised - capital	4	-	6 421	10 305	33 500	33 500	13 500	13 500	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	25 679	-	-	-	-	-	-	-	-
Internally generated funds		31 672	13 628	7 829	14 493	9 407	9 407	9 407	8 315	10 651	8 275
<b>Total Capital Funding</b>	7	31 672	45 728	18 134	47 993	42 907	22 907	22 907	8 315	10 651	8 275

For 2015/16 an amount of R8.5 million has been appropriated. In the outer years this amount totals R10.6, and R8.2 million, respectively for each of the financial years.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 18 MBRR A9 (Asset Management) on page 38. In addition to the MBRR Table A9, MBRR Tables SA34a, c and d provides a detailed breakdown of the capital programme relating to new asset construction, as well as operational repairs and maintenance by asset class (refer to pages 84 and 85). Some of the capital projects to be undertaken over the medium-term includes, amongst others:

Functional Sector	Programme & Project Description	Funding Source	Budget Year 2015/2016	Budget Year 2016/2017	Budget Year 2017/2018	Total
<b>Water Provision</b>	Vehicles	Surplus	-	750	750	<b>2,750</b>
<b>Water Provision</b>	Flow meters	Surplus	300	250	350	<b>900</b>
<b>Water Provision</b>	Valves	Surplus	2,750	1,500	1,500	<b>4,500</b>
<b>Water Provision</b>	Tools	Surplus	150	200	300	<b>650</b>
<b>Water Provision</b>	Dos equipment	Surplus	45	65	50	<b>160</b>
<b>Water Provision</b>	Network & Communication (Dig-radio's)	Surplus	600	200	100	<b>900</b>
<b>Water Provision</b>	Air conditioning	Surplus	20	20	25	<b>65</b>
<b>Water Provision</b>	Pipe replacement	Surplus	1,250	3,950	1,200	<b>6,400</b>
<b>Water Provision</b>	Motor & Pump	Surplus	200	200	250	<b>650</b>
<b>Health Inspectors</b>	Furniture and equipment	Surplus	20	20	20	<b>60</b>
<b>Firefighting Services</b>	Fire Fighting Equipment	Surplus	1,150	2,000	2,100	<b>5,250</b>
<b>Disaster Management</b>	Furniture and equipment	Surplus	11	6	5	<b>22</b>
<b>Finance and Administration</b>	Furniture and equipment	Surplus	40	280	140	<b>460</b>
<b>Ganzekraal</b>	Furniture and equipment	Surplus	130	140	160	<b>430</b>
<b>Information Technology</b>	Computers & Network	Surplus	49	70	75	<b>194</b>
<b>Firefighting Service</b>	Vehicles	Surplus	1,100	1,000	1,250	<b>3,350</b>
<b>Finance and Administration</b>	SCOA	Surplus	500			<b>500</b>
<b>Total</b>			<b>8,315</b>	<b>10,651</b>	<b>8,275</b>	<b>27,241</b>

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



**Figure 2 Capital Infrastructure Programme per service**

### 1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 51 MBRR SA35 on page 87. This table shows that future operational costs associated with the capital programme for services totals R8.5 million in 2015/16 and R8.2 million by 2017/18.

## 1.7 Annual Budget Tables - Parent Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 9 MBRR Table A1 - Budget Summary**

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	80 575	88 353	92 630	104 279	104 279	102 193	102 193	110 708	121 243	122 055
Investment revenue	8 076	8 899	10 025	8 250	8 250	8 085	8 085	8 250	8 663	9 096
Transfers recognised - operational	78 037	75 641	77 567	81 632	80 647	79 879	79 879	86 057	87 100	88 785
Other own revenue	80 125	77 573	118 655	88 113	100 113	99 939	99 939	133 684	98 006	102 974
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>246 813</b>	<b>250 466</b>	<b>298 878</b>	<b>282 274</b>	<b>293 289</b>	<b>290 096</b>	<b>290 096</b>	<b>338 699</b>	<b>315 012</b>	<b>322 910</b>
Employee costs	66 184	110 881	117 763	85 387	129 792	123 303	123 303	154 256	158 963	167 749
Remuneration of councillors	3 652	4 691	4 908	4 358	4 928	4 682	4 682	5 931	5 224	5 612
Depreciation & asset impairment	19 526	12 485	12 521	16 584	16 584	15 799	15 799	14 134	16 702	12 750
Finance charges	11 164	10 793	11 726	11 847	11 847	11 255	11 255	10 664	9 299	7 778
Materials and bulk purchases	28 770	34 601	52 655	81 759	51 728	49 632	49 632	51 417	34 511	37 028
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	152 915	77 578	67 933	84 738	80 808	80 808	80 808	96 180	90 274	91 559
<b>Total Expenditure</b>	<b>282 211</b>	<b>251 029</b>	<b>267 506</b>	<b>284 673</b>	<b>295 688</b>	<b>285 478</b>	<b>285 478</b>	<b>332 582</b>	<b>314 973</b>	<b>322 476</b>
<b>Surplus/(Deficit)</b>	<b>(35 399)</b>	<b>(562)</b>	<b>31 372</b>	<b>(2 399)</b>	<b>(2 399)</b>	<b>4 618</b>	<b>4 618</b>	<b>6 117</b>	<b>39</b>	<b>434</b>
Transfers recognised - capital	-	6 421	10 305	33 500	33 500	13 500	13 500	-	-	-
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(35 399)</b>	<b>5 858</b>	<b>41 676</b>	<b>31 101</b>	<b>31 101</b>	<b>18 118</b>	<b>18 118</b>	<b>6 117</b>	<b>39</b>	<b>434</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(35 399)</b>	<b>5 858</b>	<b>41 676</b>	<b>31 101</b>	<b>31 101</b>	<b>18 118</b>	<b>18 118</b>	<b>6 117</b>	<b>39</b>	<b>434</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	31 672	45 728	18 134	47 993	42 907	22 907	22 907	8 315	10 651	8 275
Transfers recognised - capital	-	6 421	10 305	33 500	33 500	13 500	13 500	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	25 679	-	-	-	-	-	-	-	-
Internally generated funds	31 672	13 628	7 829	14 493	9 407	9 407	9 407	8 315	10 651	8 275
<b>Total sources of capital funds</b>	<b>31 672</b>	<b>45 728</b>	<b>18 134</b>	<b>47 993</b>	<b>42 907</b>	<b>22 907</b>	<b>22 907</b>	<b>8 315</b>	<b>10 651</b>	<b>8 275</b>
<b>Financial position</b>										
Total current assets	150 763	178 590	190 689	181 349	186 435	196 868	196 868	178 022	174 515	171 858
Total non current assets	317 180	351 132	356 137	365 611	360 525	360 525	360 525	350 082	346 723	336 976
Total current liabilities	39 841	42 313	43 343	37 649	37 649	37 649	37 649	35 635	30 485	34 548
Total non current liabilities	137 331	175 413	148 798	155 801	155 801	171 320	171 320	143 354	141 600	124 699
Community wealth/Equity	290 770	311 996	354 686	353 510	353 510	348 424	348 424	349 115	349 153	349 587
<b>Cash flows</b>										
Net cash from (used) operating	(14 106)	49 897	39 797	47 685	47 685	38 118	38 118	21 002	9 895	6 061
Net cash from (used) investing	4 097	(45 482)	(18 134)	(47 993)	(42 907)	(22 907)	(22 907)	(8 315)	(10 651)	(8 275)
Net cash from (used) financing	(7 075)	20 581	(11 861)	(12 944)	(12 944)	(12 944)	(12 944)	(14 127)	(15 493)	(17 004)
<b>Cash/cash equivalents at the year end</b>	<b>134 240</b>	<b>159 237</b>	<b>169 038</b>	<b>168 845</b>	<b>173 931</b>	<b>184 364</b>	<b>184 364</b>	<b>167 598</b>	<b>151 349</b>	<b>132 132</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	134 240	159 237	169 038	168 845	173 931	184 364	184 364	167 598	151 349	132 132
Application of cash and investments	60 486	79 534	72 343	64 510	76 749	76 799	76 799	83 391	78 006	64 211
<b>Balance - surplus (shortfall)</b>	<b>73 754</b>	<b>79 703</b>	<b>96 695</b>	<b>104 334</b>	<b>97 182</b>	<b>107 565</b>	<b>107 565</b>	<b>84 207</b>	<b>73 343</b>	<b>67 921</b>
<b>Asset management</b>										
Asset register summary (WDV)	317 180	351 132	356 137	365 611	360 525	360 525	350 082	350 082	346 723	336 976
Depreciation & asset impairment	19 526	12 485	12 521	16 584	16 584	15 799	14 134	14 134	16 702	12 750
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	21 114	25 882	42 687	71 959	41 889	39 832	41 117	41 117	22 646	24 570
<b>Free services</b>										
Cost of Free Basic Services provided	2	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



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

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. A financial management reform emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognized is reflected on the Financial Performance Budget;
    - ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows Council as well as managements continued efforts to make this municipality financially viable and sustainable in the medium to long-term.

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

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
<b>Revenue - Standard</b>	1									
<i>Governance and administration</i>		81 848	82 511	92 154	80 466	79 481	79 406	101 615	83 812	86 355
Executive and council		48	752	2 779	2 733	3 707	3 633	3 029	3 176	3 372
Budget and treasury office		75 852	69 890	87 935	77 728	75 768	75 768	98 581	80 630	82 977
Corporate services		5 948	11 869	1 440	5	5	5	5	5	6
<i>Community and public safety</i>		14 562	15 089	15 460	21 059	21 059	20 723	24 096	24 728	24 919
Community and social services		2 562	2 821	2 558	3 044	3 044	2 983	3 147	3 304	3 469
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 481	5 557	6 084	10 298	10 298	10 178	11 140	11 414	11 479
Housing		1 474	1 602	1 761	1 777	1 777	1 742	1 946	2 043	2 145
Health		5 045	5 109	5 057	5 939	5 939	5 820	7 864	7 967	7 825
<i>Economic and environmental services</i>		63 619	70 116	96 332	75 094	87 094	87 094	101 072	83 961	87 449
Planning and development		15	26	27	-	-	-	-	-	-
Road transport		63 604	70 090	96 305	75 094	87 094	87 094	101 072	83 961	87 449
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		86 785	89 171	105 236	139 156	139 156	116 373	111 916	122 512	124 187
Electricity		-	-	-	-	-	-	-	-	-
Water		86 785	89 171	105 236	139 156	139 156	116 373	111 916	122 512	124 187
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	246 813	256 887	309 183	315 774	326 789	303 596	338 699	315 012	322 910
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		85 465	56 995	42 027	38 698	35 547	33 770	55 310	42 505	45 474
Executive and council		10 250	12 840	15 525	15 488	17 257	16 395	19 975	17 529	18 700
Budget and treasury office		60 955	31 062	18 014	14 793	9 191	8 732	22 791	15 210	16 359
Corporate services		14 260	13 093	8 489	8 417	9 098	8 643	12 544	9 767	10 416
<i>Community and public safety</i>		46 449	44 991	47 385	55 865	57 639	54 977	60 202	67 596	71 601
Community and social services		3 187	3 501	3 779	3 910	4 251	4 039	4 392	4 672	5 046
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		28 072	26 761	27 124	34 423	35 517	33 961	35 097	40 809	43 210
Housing		500	983	528	985	1 025	973	1 549	1 536	1 631
Health		14 690	13 747	15 954	16 547	16 846	16 004	19 164	20 579	21 714
<i>Economic and environmental services</i>		67 330	73 809	94 528	78 298	90 575	90 401	104 522	87 657	91 404
Planning and development		3 726	4 129	2 632	3 204	3 481	3 307	3 450	3 697	3 955
Road transport		63 604	69 680	91 896	75 094	87 094	87 094	101 072	83 961	87 449
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		82 968	75 233	83 566	111 812	111 928	106 331	112 548	117 215	113 997
Electricity		-	-	-	-	-	-	-	-	-
Water		82 968	75 233	83 566	111 812	111 928	106 331	112 548	117 215	113 997
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	282 211	251 029	267 506	284 673	295 688	285 478	332 582	314 973	322 476
<b>Surplus/(Deficit) for the year</b>		(35 399)	5 858	41 676	31 101	31 101	18 118	6 117	39	434

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditure. The table highlights that this is the case for the water function.
4. Other functions that show a deficit between revenue and expenditure are being financed from grants and other revenue sources reflected under the Budget and Treasury office.

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

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>										
Vote 1 - COMMUNITY SERVICES	1	85 028	86 234	95 301	86 403	85 418	85 225	107 380	89 563	91 840
Vote 2 - SUBSIDISED SERVICES		7 361	6 969	8 021	11 677	11 677	11 529	14 620	15 080	15 341
Vote 3 - ECONOMIC SERVICES		2 562	2 821	2 558	3 044	3 044	2 983	3 147	3 304	3 469
Vote 4 - HOUSING SERVICES		1 474	1 602	1 761	1 777	1 777	1 742	1 946	2 043	2 145
Vote 5 - TRADING SERVICES		86 784	89 171	105 236	137 779	137 779	115 023	110 535	121 061	122 664
Vote 6 - AGENCIES		63 604	70 090	96 305	75 094	87 094	87 094	101 072	83 961	87 449
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	246 813	256 887	309 183	315 774	326 789	303 596	338 699	315 012	322 910
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - COMMUNITY SERVICES	1	97 849	71 875	52 182	57 092	54 596	51 728	66 152	55 829	59 495
Vote 2 - SUBSIDISED SERVICES		34 104	29 757	36 543	40 123	41 357	39 647	52 338	56 430	59 825
Vote 3 - ECONOMIC SERVICES		3 187	3 501	3 779	3 910	4 251	4 039	4 392	4 672	5 046
Vote 4 - HOUSING SERVICES		500	983	528	985	1 025	973	1 549	1 536	1 631
Vote 5 - TRADING SERVICES		82 968	75 233	82 578	107 469	107 365	101 996	107 079	112 546	109 031
Vote 6 - AGENCIES		63 604	69 680	91 896	75 094	87 094	87 094	101 072	83 961	87 449
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	282 211	251 029	267 506	284 673	295 688	285 478	332 582	314 973	322 476
<b>Surplus/(Deficit) for the year</b>	2	(35 399)	5 858	41 676	31 101	31 101	18 118	6 117	39	434

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

**Table 12 Surplus/ (Deficit) calculations for the trading services**

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>		<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>						
<b>Revenue by Vote</b>	1									
Vote 5 - TRADING SERVICES		86 784	89 171	105 236	137 779	137 779	115 023	110 535	121 061	122 664
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 5 - TRADING SERVICES		82 968	75 233	82 578	107 469	107 365	101 996	107 079	112 546	109 031
<b>Surplus/(Deficit) for the year</b>	2	<b>3 816</b>	<b>13 938</b>	<b>22 658</b>	<b>30 310</b>	<b>30 414</b>	<b>13 027</b>	<b>3 456</b>	<b>8 515</b>	<b>13 633</b>

- The surplus on the water account increases over the MTREF translating into a surplus of R3.4 million, R8.5 million and R13.6 million for each of the respective financial years.
- Note that the surpluses on these trading accounts are utilized as an internal funding source for the capital program for asset renewal, refurbishment and the development of new asset infrastructure, *and are not used to cross-subsidized other municipal services.*

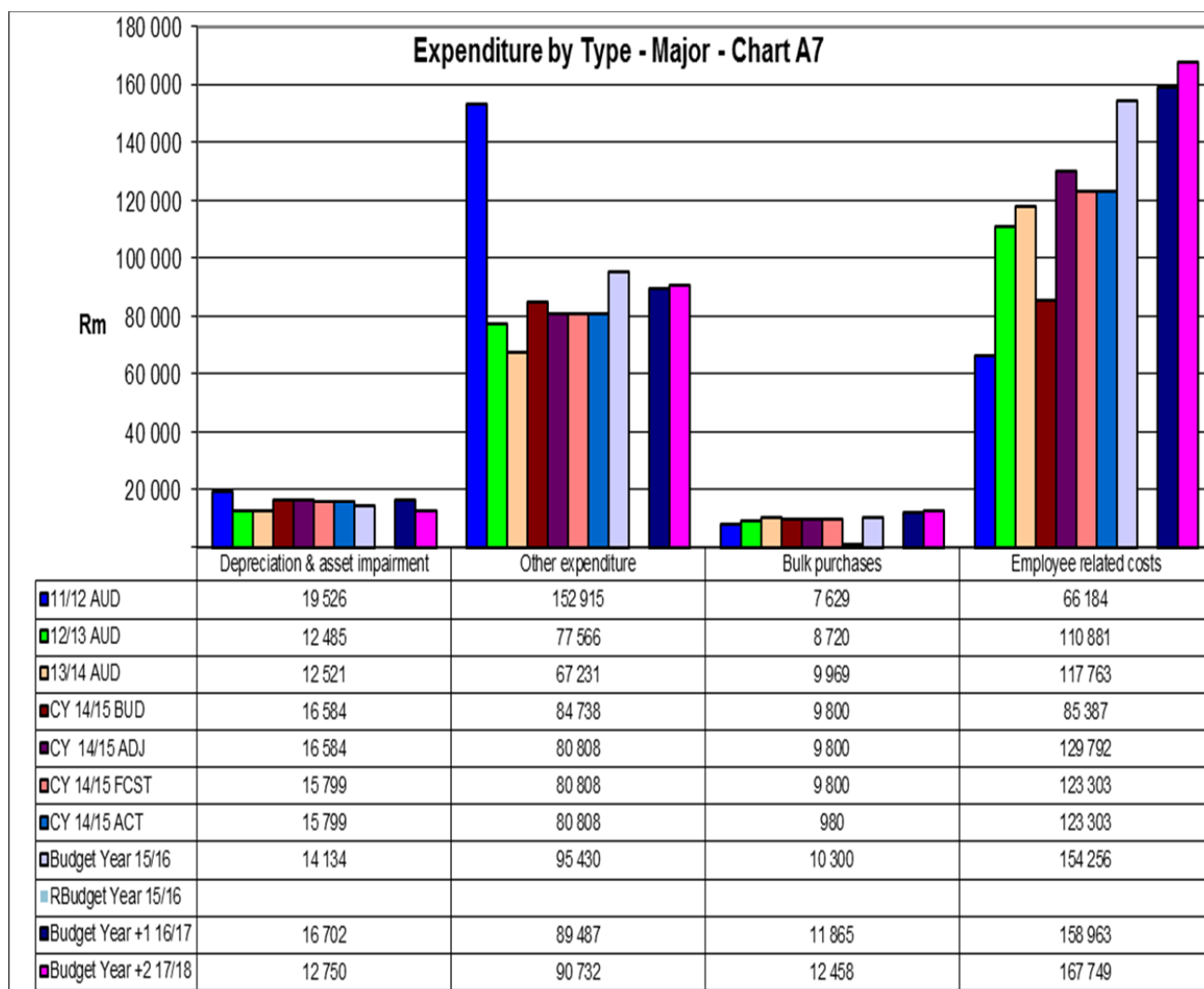
**Table 13 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	80 575	88 353	92 630	104 279	104 279	102 193	102 193	110 708	121 243	122 055
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	3 044	3 044	2 983	2 983	3 147	3 304	3 469
Interest earned - external investments		8 076	8 899	10 025	8 250	8 250	8 085	8 085	8 250	8 663	9 096
Interest earned - outstanding debtors		-	-	-	53	53	52	52	27	28	30
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	59	59	58	58	20	20	20
Agency services		64 439	70 095	91 896	75 094	87 094	87 094	87 094	101 072	83 961	87 449
Transfers recognised - operational		78 037	75 641	77 567	81 632	80 647	79 879	79 879	86 057	87 100	88 785
Other revenue	2	15 260	7 479	26 759	9 863	9 863	9 751	9 751	29 419	10 694	12 006
Gains on disposal of PPE		426	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>246 813</b>	<b>250 466</b>	<b>298 878</b>	<b>282 274</b>	<b>293 289</b>	<b>290 096</b>	<b>290 096</b>	<b>338 699</b>	<b>315 012</b>	<b>322 910</b>
<b>Expenditure By Type</b>											
Employee related costs	2	66 184	110 881	117 763	85 387	129 792	123 303	123 303	154 256	158 963	167 749
Remuneration of councillors		3 652	4 691	4 908	4 358	4 928	4 682	4 682	5 931	5 224	5 612
Debt impairment	3	-	-	-	-	-	-	-	750	787	827
Depreciation & asset impairment	2	19 526	12 485	12 521	16 584	16 584	15 799	15 799	14 134	16 702	12 750
Finance charges		11 164	10 793	11 726	11 847	11 847	11 255	11 255	10 664	9 299	7 778
Bulk purchases	2	7 629	8 720	9 969	9 800	9 800	9 800	9 800	10 300	11 865	12 458
Other materials	8	21 141	25 881	42 686	71 959	41 928	39 832	39 832	41 117	22 646	24 570
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	152 915	77 566	67 231	84 738	80 808	80 808	80 808	95 430	89 487	90 732
Loss on disposal of PPE		-	11	702	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>282 211</b>	<b>251 029</b>	<b>267 506</b>	<b>284 673</b>	<b>295 688</b>	<b>285 478</b>	<b>285 478</b>	<b>332 582</b>	<b>314 973</b>	<b>322 476</b>
<b>Surplus/(Deficit)</b>		<b>(35 399)</b>	<b>(562)</b>	<b>31 372</b>	<b>(2 399)</b>	<b>(2 399)</b>	<b>4 618</b>	<b>4 618</b>	<b>6 117</b>	<b>39</b>	<b>434</b>
Transfers recognised - capital		-	6 421	10 305	33 500	33 500	13 500	13 500	-	-	-
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(35 399)</b>	<b>5 858</b>	<b>41 676</b>	<b>31 101</b>	<b>31 101</b>	<b>18 118</b>	<b>18 118</b>	<b>6 117</b>	<b>39</b>	<b>434</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(35 399)</b>	<b>5 858</b>	<b>41 676</b>	<b>31 101</b>	<b>31 101</b>	<b>18 118</b>	<b>18 118</b>	<b>6 117</b>	<b>39</b>	<b>434</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(35 399)</b>	<b>5 858</b>	<b>41 676</b>	<b>31 101</b>	<b>31 101</b>	<b>18 118</b>	<b>18 118</b>	<b>6 117</b>	<b>39</b>	<b>434</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>(35 399)</b>	<b>5 858</b>	<b>41 676</b>	<b>31 101</b>	<b>31 101</b>	<b>18 118</b>	<b>18 118</b>	<b>6 117</b>	<b>39</b>	<b>434</b>

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

1. Total revenue is R338.6 million in 2015/16 and declines to R322.9 by 2017/18.
2. Services charges relating to water constitutes the biggest component of the revenue basket of the municipality totaling R110.7 million for the 2015/16 financial year and increasing to R122 million by 2017/18.
3. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing slowly over the MTREF.

4. The following graph illustrates the major expenditure items per type.



**Figure 3 Expenditure by major type**

- Bulk purchases have significantly increased over the 2011/12 to 2017/18 period escalating from R7.6 million to R12.4 million. These increases can be attributed to the substantial increase in the cost water.
- Employee related costs and other expenditure are the main cost drivers within the municipality.

**Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure - to be appropriated</b>	2										
Vote 1 - COMMUNITY SERVICES		1 231	979	1 318	-	-	-	-	-	-	-
Vote 2 - SUBSIDISED SERVICES		1 221	1 622	326	-	-	-	-	-	-	-
Vote 3 - ECONOMIC SERVICES		-	-	30	-	-	-	-	-	-	-
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		29 200	43 126	16 460	41 650	34 650	14 650	14 650	-	-	-
Vote 6 - AGENCIES		20	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	31 671	45 728	18 134	41 650	34 650	14 650	14 650	-	-	-
<b>Single-year expenditure - to be appropriated</b>	2										
Vote 1 - COMMUNITY SERVICES		-	-	-	167	1 701	1 701	1 701	610	370	235
Vote 2 - SUBSIDISED SERVICES		-	-	-	2 508	2 888	2 888	2 888	2 261	3 006	3 355
Vote 3 - ECONOMIC SERVICES		-	-	-	100	100	100	100	130	140	160
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		-	-	-	3 568	3 568	3 568	3 568	5 315	7 135	4 525
Vote 6 - AGENCIES		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	6 343	8 257	8 257	8 257	8 315	10 651	8 275
<b>Total Capital Expenditure - Vote</b>		31 671	45 728	18 134	47 993	42 907	22 907	22 907	8 315	10 651	8 275
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>		1 037	979	1 317	117	1 651	1 651	1 651	590	350	215
Executive and council		12	979	237	-	-	-	-	-	-	-
Budget and treasury office		1 023	-	1 080	2	55	55	55	-	-	-
Corporate services		2	-	-	115	1 596	1 596	1 596	590	350	215
<i>Community and public safety</i>		1 416	1 622	356	2 658	3 038	3 038	3 038	2 411	3 166	3 535
Community and social services		100	-	30	100	100	100	100	130	140	160
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		1 221	1 622	326	2 508	2 888	2 888	2 888	2 261	3 006	3 355
Housing		-	-	-	-	-	-	-	-	-	-
Health		95	-	-	50	50	50	50	20	20	20
<i>Economic and environmental services</i>		20	-	1	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		20	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	1	-	-	-	-	-	-	-
<i>Trading services</i>		29 200	43 126	16 460	45 218	38 218	18 218	18 218	5 315	7 135	4 525
Electricity		596	-	-	-	-	-	-	-	-	-
Water		28 603	43 126	16 460	45 218	38 218	18 218	18 218	5 315	7 135	4 525
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	31 672	45 728	18 134	47 993	42 907	22 907	22 907	8 315	10 651	8 275
<b>Funded by:</b>											
National Government		-	-	10 305	30 000	30 000	10 000	10 000	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	6 421	-	3 500	3 500	3 500	3 500	-	-	-
Transfers recognised - capital	4	-	6 421	10 305	33 500	33 500	13 500	13 500	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	25 679	-	-	-	-	-	-	-	-
Internally generated funds		31 672	13 628	7 829	14 493	9 407	9 407	9 407	8 315	10 651	8 275
<b>Total Capital Funding</b>	7	31 672	45 728	18 134	47 993	42 907	22 907	22 907	8 315	10 651	8 275

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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Single-year capital expenditure has been appropriated at R8.5 million for the 2015/16 financial year.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).



**Table 15 MBRR Table A6 - Budgeted Financial Position**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		134 240	159 237	169 038	168 845	173 931	184 364	184 364	167 598	151 349	132 132
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	6 624	7 688	7 638	10 932	10 932	10 932	10 932	6 945	6 228	5 485
Other debtors		8 473	9 992	12 394	-	-	-	-	1 812	15 271	32 575
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	1 426	1 672	1 619	1 572	1 572	1 572	1 572	1 666	1 666	1 666
<b>Total current assets</b>		<b>150 763</b>	<b>178 590</b>	<b>190 689</b>	<b>181 349</b>	<b>186 435</b>	<b>196 868</b>	<b>196 868</b>	<b>178 022</b>	<b>174 515</b>	<b>171 858</b>
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		4 931	4 812	4 673	4 534	4 534	4 534	4 534	4 534	4 394	4 254
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	311 803	346 000	351 237	361 051	355 965	355 965	355 965	345 485	342 330	332 722
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		445	320	227	26	26	26	26	63	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>317 180</b>	<b>351 132</b>	<b>356 137</b>	<b>365 611</b>	<b>360 525</b>	<b>360 525</b>	<b>360 525</b>	<b>350 082</b>	<b>346 723</b>	<b>336 976</b>
<b>TOTAL ASSETS</b>		<b>467 943</b>	<b>529 722</b>	<b>546 826</b>	<b>546 960</b>	<b>546 960</b>	<b>557 393</b>	<b>557 393</b>	<b>528 104</b>	<b>521 238</b>	<b>508 834</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	7 944	10 916	12 944	14 127	14 127	14 127	14 127	14 127	15 493	17 004
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	26 985	25 572	23 376	18 726	18 726	18 726	18 726	14 485	7 969	10 521
Provisions		4 912	5 826	7 023	4 796	4 796	4 796	4 796	7 023	7 023	7 023
<b>Total current liabilities</b>		<b>39 841</b>	<b>42 313</b>	<b>43 343</b>	<b>37 649</b>	<b>37 649</b>	<b>37 649</b>	<b>37 649</b>	<b>35 635</b>	<b>30 485</b>	<b>34 548</b>
<b>Non current liabilities</b>											
Borrowing		83 146	100 756	86 866	86 531	86 531	86 531	86 531	72 714	57 221	40 217
Provisions		54 185	74 657	61 932	69 270	69 270	84 789	84 789	70 640	84 379	84 482
<b>Total non current liabilities</b>		<b>137 331</b>	<b>175 413</b>	<b>148 798</b>	<b>155 801</b>	<b>155 801</b>	<b>171 320</b>	<b>171 320</b>	<b>143 354</b>	<b>141 600</b>	<b>124 699</b>
<b>TOTAL LIABILITIES</b>		<b>177 173</b>	<b>217 726</b>	<b>192 141</b>	<b>193 450</b>	<b>193 450</b>	<b>208 969</b>	<b>208 969</b>	<b>178 989</b>	<b>172 085</b>	<b>159 247</b>
<b>NET ASSETS</b>	5	<b>290 770</b>	<b>311 996</b>	<b>354 686</b>	<b>353 510</b>	<b>353 510</b>	<b>348 424</b>	<b>348 424</b>	<b>349 115</b>	<b>349 153</b>	<b>349 587</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		290 770	311 996	354 686	353 510	353 510	348 424	348 424	349 115	349 153	349 587
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>290 770</b>	<b>311 996</b>	<b>354 686</b>	<b>353 510</b>	<b>353 510</b>	<b>348 424</b>	<b>348 424</b>	<b>349 115</b>	<b>349 153</b>	<b>349 587</b>

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

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 15 is supported by an extensive table of notes (SA3 which can be found on page 94) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 16 MBRR Table A7 - Budgeted Cash Flow Statement**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges		240 724	88 353	92 630	104 279	116 279	114 848	114 848	110 708	116 243	122 055
Other revenue		-	73 271	118 183	88 113	88 113	86 351	86 351	133 657	101 638	101 525
Government - operating	1	-	82 062	87 872	81 632	80 647	80 647	80 647	86 057	88 440	90 204
Government - capital	1	-	6 421	-	33 500	33 500	33 500	33 500	-	-	-
Interest		8 076	8 899	10 025	8 250	8 250	8 250	8 250	8 277	8 691	9 125
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(251 742)	(198 315)	(257 187)	(256 242)	(267 257)	(273 631)	(273 631)	(307 033)	(295 818)	(309 072)
Finance charges		(11 164)	(10 793)	(11 726)	(11 847)	(11 847)	(11 847)	(11 847)	(10 664)	(9 299)	(7 778)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(14 106)</b>	<b>49 897</b>	<b>39 797</b>	<b>47 685</b>	<b>47 685</b>	<b>38 118</b>	<b>38 118</b>	<b>21 002</b>	<b>9 895</b>	<b>6 061</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		35 768	246	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(31 671)	(45 728)	(18 134)	(47 993)	(42 907)	(22 907)	(22 907)	(8 315)	(10 651)	(8 275)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>4 097</b>	<b>(45 482)</b>	<b>(18 134)</b>	<b>(47 993)</b>	<b>(42 907)</b>	<b>(22 907)</b>	<b>(22 907)</b>	<b>(8 315)</b>	<b>(10 651)</b>	<b>(8 275)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(7 075)	20 581	(11 861)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	(12 944)	(12 944)	(12 944)	(12 944)	(14 127)	(15 493)	(17 004)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(7 075)</b>	<b>20 581</b>	<b>(11 861)</b>	<b>(12 944)</b>	<b>(12 944)</b>	<b>(12 944)</b>	<b>(12 944)</b>	<b>(14 127)</b>	<b>(15 493)</b>	<b>(17 004)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(17 084)</b>	<b>24 996</b>	<b>9 802</b>	<b>(13 252)</b>	<b>(8 166)</b>	<b>2 267</b>	<b>2 267</b>	<b>(1 441)</b>	<b>(16 249)</b>	<b>(19 218)</b>
Cash/cash equivalents at the year begin:	2	151 325	134 240	159 237	182 097	182 097	182 097	182 097	169 038	167 598	151 349
Cash/cash equivalents at the year end:	2	134 240	159 237	169 038	168 845	173 931	184 364	184 364	167 598	151 349	132 132

**Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	134 240	159 237	169 038	168 845	173 931	184 364	184 364	167 598	151 349	132 132
Other current investments > 90 days		0	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>134 240</b>	<b>159 237</b>	<b>169 038</b>	<b>168 845</b>	<b>173 931</b>	<b>184 364</b>	<b>184 364</b>	<b>167 598</b>	<b>151 349</b>	<b>132 132</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		1 408	1 725	472	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	2 902	6 487	2 917	7 794	7 794	7 844	7 844	5 728	(13 396)	(27 294)
Other provisions		56 176	71 322	68 955	56 717	68 955	68 955	68 955	77 663	91 402	91 504
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>60 486</b>	<b>79 534</b>	<b>72 343</b>	<b>64 510</b>	<b>76 749</b>	<b>76 799</b>	<b>76 799</b>	<b>83 391</b>	<b>78 006</b>	<b>64 211</b>
<b>Surplus(shortfall)</b>		<b>73 754</b>	<b>79 703</b>	<b>96 695</b>	<b>104 334</b>	<b>97 182</b>	<b>107 565</b>	<b>107 565</b>	<b>84 207</b>	<b>73 343</b>	<b>67 921</b>

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

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels are stable over the 2011/12 to 2017/18 financial years.
4. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R167 million as at the end of the 2015/16 financial year and decreases to R132 million by 2017/18.

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 64 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2011/12 to 2017/18 the surplus decreases slightly from R73 million to R67 million.

**Table 18 MBRR Table A9 - Asset Management**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	31 671	45 728	18 134	47 993	42 907	22 907	8 315	10 651	8 275
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		582	-	-	-	-	-	-	-	-
Infrastructure - Water		28 295	42 626	16 162	41 650	36 564	16 564	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		28 877	42 626	16 162	41 650	36 564	16 564	-	-	-
Community		-	-	-	100	100	100	80	140	160
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	2 781	3 078	1 972	6 243	6 243	6 243	8 235	10 511	8 115
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		13	24	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		582	-	-	-	-	-	-	-	-
Infrastructure - Water		28 295	42 626	16 162	41 650	36 564	16 564	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		28 877	42 626	16 162	41 650	36 564	16 564	-	-	-
Community		-	-	-	100	100	100	80	140	160
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	2 781	3 078	1 972	6 243	6 243	6 243	8 235	10 511	8 115
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		13	24	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	31 671	45 728	18 134	47 993	42 907	22 907	8 315	10 651	8 275
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>										
Infrastructure - Road transport	5	33	146	140	125	125	125	134	129	123
Infrastructure - Electricity		377	488	474	435	435	435	460	446	431
Infrastructure - Water		226 197	266 189	266 044	292 186	287 100	287 100	255 488	256 951	209 262
Infrastructure - Sanitation		3 247	4 491	5 558	4 196	4 196	4 196	5 451	5 345	52 384
Infrastructure - Other		882	-	24 576	-	-	-	24 576	24 576	24 576
Infrastructure		230 736	271 315	296 793	296 942	291 856	291 856	286 110	287 446	286 776
Community		-	41 307	39 811	-	-	-	38 242	36 672	35 103
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		4 931	4 812	4 673	4 534	4 534	4 534	4 534	4 394	4 254
Other assets		81 067	33 378	14 633	64 109	64 109	64 109	21 134	18 211	10 843
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		445	320	227	26	26	26	63	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	317 180	351 132	356 137	365 611	360 525	360 525	350 082	346 723	336 976
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>	3	19 526	12 485	12 521	16 584	16 584	15 799	14 134	16 702	12 750
<b>Repairs and Maintenance by Asset Class</b>		21 114	25 882	42 687	71 959	41 889	39 832	41 117	22 646	24 570
Infrastructure - Road transport		15 767	17 516	36 955	63 438	33 367	31 736	24 027	4 252	5 233
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		3 508	4 726	3 307	3 070	3 070	2 917	3 215	3 376	3 545
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		19 276	22 242	40 262	66 508	36 437	34 653	27 242	7 628	8 777
Community		-	1 883	1 280	439	439	417	400	420	441
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		309	-	-	-	-	-	-	-	-
Other assets	6, 7	1 529	1 757	1 144	5 013	5 013	4 763	13 475	14 598	15 351
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		40 640	38 367	55 208	88 543	58 473	55 631	55 251	39 348	37 320
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprechn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		6.8%	7.5%	12.2%	19.9%	11.8%	11.2%	11.9%	6.6%	7.4%
Renewal and R&M as a % of PPE		7.0%	7.0%	12.0%	20.0%	12.0%	11.0%	12.0%	7.0%	7.0%

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

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

**Table 19 MBRR Table A10 - Basic Service Delivery Measurement**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Household service targets</b>	1									
<i>Water:</i>										
Piped water inside dwelling		973	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)	2	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	3	973	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	973	-	-	-	-	-	-	-	-
<i>Sanitation/sewerage:</i>										
Flush toilet (connected to sewerage)		84	-	-	-	-	-	-	-	-
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>	4	84	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	84	-	-	-	-	-	-	-	-
<i>Energy:</i>										
Electricity (at least min.service level)		84	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	4	84	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	84	-	-	-	-	-	-	-	-
<i>Refuse:</i>										
Removed at least once a week		84	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	4	84	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	84	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		973	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		973	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		973	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		973	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		0	-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		0	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		1	-	-	-	-	-	-	-	-
Refuse (removed once a week)		0	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided (minimum social package)</b>		2	-	-	-	-	-	-	-	-
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		6	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		1	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		1	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		100	-	-	-	-	-	-	-	-
Refuse (average litres per week)		1	-	-	-	-	-	-	-	-
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>	6	-	-	-	-	-	-	-	-	-

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

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

## Part 2 – Supporting Documentation

### 1.8 Overview of the annual budget process

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

#### 1.8.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget. The process plan will be added to this document as an appendix. There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council. This plan is attached as Annexure B.

#### 1.8.2 Integrated Development Plan and Service Delivery and Budget Implementation Plan

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the second revision cycle included the following key IDP processes and deliverables:

- Registration of municipal priorities and community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public stakeholder engagement process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

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

With the compilation of the 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master

planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

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

As part of the compilation of the 2015/16 MTREF extensive financial modelling and the long-term financial plan were taken into account to ensure affordability and sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Policy and expenditure priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation)
- Performance trends
- Cash Flow Management
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 74 has been taken into consideration in the planning and prioritisation process.

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

The Constitution mandates local government with the responsibility to exercise local developmental and co-operative governance. Addressing the inequalities of South African society can only be realized through a credible integrated developmental planning process.

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

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

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



municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 20 IDP Strategic Objectives**

<b>2015/16 MTREF</b>	
1.	Ensuring Environmental Integrity for the West Coast
2.	Pursuing economic growth and the facilitation of job opportunities
3.	Promoting the social wellbeing of the community
4.	Providing essential bulk services to the district
5.	Ensuring good governance and financial viability

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

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Ensuring Environmental Integrity for the West Coast:
  - o Implement an integrated environmental programme;
  - o Implement the air quality management plan;
  - o Carrying forward the disaster management plan; and
  - o Climate change strategy to be developed.
2. Pursuing economic growth and the facilitation of job opportunities:
  - o Review of spatial development framework providing a framework;
  - o Implementation of the regional economic development strategy;
  - o Technical and capacity support to B-Municipalities;
  - o Revision and updating in collaboration with economic development partners; and
  - o Support regional investment promotion.
3. Promoting the social wellbeing of the community:
4. Providing essential bulk services to the district:
  - o Use and update the master plan for bulk water system.
5. Ensuring good governance and financial viability:
  - o Strategic human resource and building of human capital (internally);
  - o Corporate training and development in the district;
  - o Employee wellness and assistance programme; and
  - o Each post is linked to a full job description.

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

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

- Strengthening the analysis and strategic planning processes of the municipality;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

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

**Table 21 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted 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												
MUNICIPAL TRANSFORMATION & INST. DEVELOPMENT		1		17	1 000	1 797	934	934	915	-	-	-
BASIC SERVICE DELIVERY		2		164 225	175 419	215 861	232 264	243 279	221 756	-	-	-
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT		3		78 832	76 871	87 979	78 328	78 328	76 761	-	-	-
GOOD GOVERNANCE & PUBLIC PARTICIPATION		4		1 134	752	987	1 202	1 202	1 178	-	-	-
LOCAL ECONOMIC DEVELOPMENT		5		2 605	2 847	2 558	3 046	3 046	2 985	-	-	-
To ensure the environmental integrity of the district is improved	Environmental sensitive and eco-conserving policies, strategies, plans, by-laws and practices improve the environmental integrity of the district over the next 5 years	1		-	-	-	-	-	-	7 864	7 967	7 825
To pursue economic growth and the facilitation of job opportunities	Over the next 5 years targeted business and skills development interventions significantly improve economic development and job opportunities in the district	2		-	-	-	-	-	-	3 147	3 304	3 469
To promote the social well-being of residents, communities and targeted social groups in the district	The social well-being of inhabitants in the district improves generally with significant improvements in	3		-	-	-	-	-	-	11 140	11 414	11 479
To provide essential bulk services to the district	Over the next 5 years the district provides: An adequate supply of potable water compliant with SANS 241 requirements, A desalination water supply plant that can serve as an alternative water source, A fully operational regional waste management site serving Matzikama and Cederberg municipalities.	4		-	-	-	-	-	-	214 933	208 515	213 782
To ensure good governance and financial viability	Over the next 5 years the district municipality achieves a clean annual audit, builds a satisfied, motivated staff team that is suitably skilled and resourced for their jobs with support provided for continuous and appropriate career development and growth and has a council which exercises its oversight role with due diligence	5		-	-	-	-	-	-	101 615	83 812	86 355
				-	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-	-
Allocations to other priorities		2		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1		246 813	256 888	309 183	315 774	326 789	303 596	338 699	315 012	322 910

**Table 22 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted 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												
MUNICIPAL TRANSFORMATION & INST. DEVELOPMENT		1		6 846	8 595	5 354	5 360	5 360	5 360	-	-	-
BASIC SERVICE DELIVERY		2		198 483	199 213	221 487	238 861	249 876	239 666	-	-	-
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT		3		58 212	21 853	22 402	20 331	20 331	20 331	-	-	-
GOOD GOVERNANCE & PUBLIC PARTICIPATION		4		13 376	15 251	12 289	13 821	13 821	13 821	-	-	-
LOCAL ECONOMIC DEVELOPMENT		5		5 294	6 117	5 974	6 301	6 301	6 301	-	-	-
To ensure the environmental integrity of the district is improved	Environmental sensitive and eco-conserving policies, strategies, plans, by-laws and	1		-	-	-	-	-	-	19 164	20 579	21 714
To pursue economic growth and the facilitation of job opportunities	Over the next 5 years targeted business and skills development interventions	2		-	-	-	-	-	-	7 017	7 418	7 992
To promote the social well-being of residents, communities and targeted	The social well-being of inhabitants in the district improves generally with	3		-	-	-	-	-	-	38 547	44 506	47 165
To provide essential bulk services to the district	Over the next 5 years the district provides: An adequate supply of portable water	4		-	-	-	-	-	-	215 169	202 712	203 077
To ensure good governance and financial viability	Over the next 5 years the district municipality achieves a clean annual audit, builds a	5		-	-	-	-	-	-	52 685	39 758	42 528
Allocations to other priorities				-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>				<b>282 211</b>	<b>251 029</b>	<b>267 506</b>	<b>284 673</b>	<b>295 688</b>	<b>285 478</b>	<b>332 582</b>	<b>314 973</b>	<b>322 476</b>

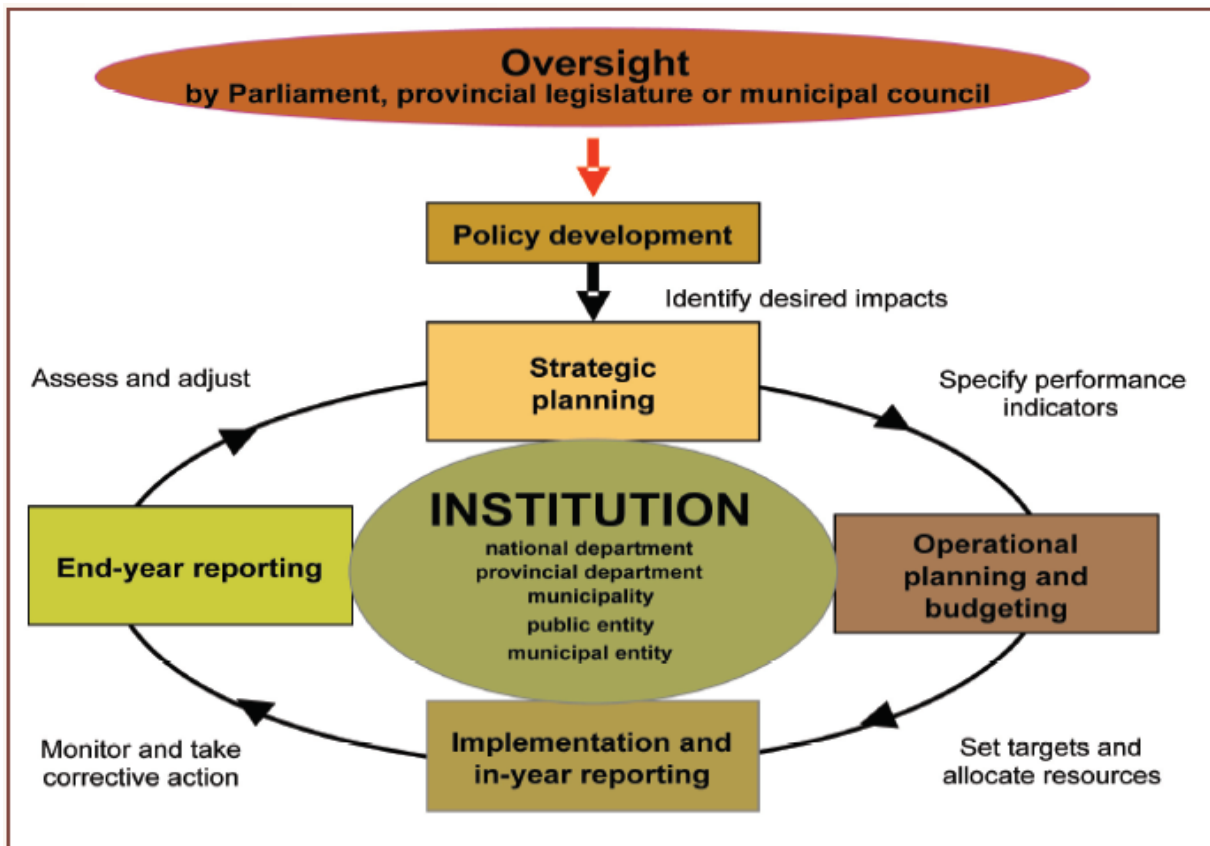
**Table 23 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
MUNICIPAL TRANSFORMATION & INST. DEVELOPMENT		1		-	-	-	-	-	-	-	-	-
BASIC SERVICE DELIVERY		2		30 535	43 126	16 817	47 876	42 790	22 790	-	-	-
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT		3		1 136	2 602	1 317	117	117	117	-	-	-
GOOD GOVERNANCE & PUBLIC PARTICIPATION		4		-	-	-	-	-	-	-	-	-
LOCAL ECONOMIC DEVELOPMENT		5		-	-	-	-	-	-	-	-	-
To ensure the environmental integrity of the district is improved	Environmental sensitive and eco-conserving policies, strategies, plans, by-laws and	1		-	-	-	-	-	-	20	20	20
To pursue economic growth and the facilitation of job opportunities	Over the next 5 years targeted business and skills development interventions	2		-	-	-	-	-	-	130	140	160
To promote the social well-being of residents, communities and targeted social groups in the district	The social well-being of inhabitants in the district improves generally with	3		-	-	-	-	-	-	2 261	3 006	3 355
To provide essential bulk services to the district	Over the next 5 years the district provides: An adequate supply of portable water	4		-	-	-	-	-	-	5 315	7 135	4 525
To ensure good governance and financial viability	Over the next 5 years the district municipality achieves a clean annual audit, builds a	5		-	-	-	-	-	-	590	350	215
Allocations to other priorities		3		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		1		<b>31 671</b>	<b>45 728</b>	<b>18 134</b>	<b>47 993</b>	<b>42 907</b>	<b>22 907</b>	<b>8 315</b>	<b>10 651</b>	<b>8 275</b>

### 1.10 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee’s performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



**Figure 4 Planning, budgeting and reporting cycle**

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

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

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

**Table 24 MBRR Table SA7 - Measurable performance objectives will be attached as an appendix.**

DC1 West Coast - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Vote 1 - Community Services</b>										
<i>The percentage of the municipal capital budget actually spent on capital projects identified in terms of the IDP ((Actual amount spent on projects /Total amount budgeted for capital projects)/Total amount budgeted for capital</i>	((Actual amount spent on projects /Total amount budgeted for capital projects)X100)	103%	103%	111%	95%	95%	95%	95%	95%	95%
<i>Create full time equivalent (FTE's) through expenditure with the EPWP job creation</i>	Number of full time equivalent (FTE's)created	30%	30%	30%	30%	30%	30%	30%	30%	30%
<i>Create temporary job opportunities through capital projects</i>	Number of man days paid	1100	1100	1100	1100	1100	1100	1100	1100	1100
<i>Financial viability measured in terms of the municipality's ability to meet it's service debt obligations</i>	Debt to Revenue (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant	100%	100%	100%	100%	100%	100%	95%	95%	95%
<i>Financial viability measured in terms of the outstanding service debtors</i>	(Total outstanding service debtors/ revenue received for services)	5%	5%	5%	5%	5%	5%	5%	5%	5%
<i>Financial viability measured in terms of the available cash to cover fixed operating expenditure</i>	(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debt	80%	80%	80%	80%	80%	80%	80%	80%	80%
<i>Draft the annual consolidated implementation plan for social development interventions in the district and submit to council for approval by 30 September 2015</i>	Implementation plan drafted and submitted to council by 30 September 2015	1	1	1	1	1	1	1	1	1
<i>Facilitate the meeting of the District coordinating forum (Technical)</i>	Number of meetings initiated	4	4	4	4	4	4	4	4	4
<i>95% of capital conditional grants spent ((Actual amount spent of capital conditional grants/Total budget for capital conditional grants)x100)</i>	(Actual amount spent of capital conditional grants/Total budget for capital conditional grants)x 100	90%	94%	100%	95%	95%	95%	95%	95%	95%
<i>100% of operational conditional grants spent ((Actual amount spent of operational conditional grants/Total budget for operational conditional grants)x100)</i>	(Actual amount spent of operational conditional grants/Total budget for operational conditional grants)x 100	100%	100%	100%	100%	100%	100%	100%	100%	100%
<i>Take quarterly samples and monitor the results of bacterial levels of potable water in towns, farms and communities within in the district</i>	Number of samples taken and monitored	800	800	800	300	300	300	800	800	800
<i>Take quarterly samples and monitor the results in terms of Foodstuffs, Cosmetics and Disinfectants Act</i>	Number of samples taken and monitored	1700	1700	1080	1080	1080	1080	1080	1080	1080
<i>Take quarterly samples and monitor the results regarding bacterial levels in final sewerage effluent</i>	Number of samples taken and monitored	210	210	210	210	210	210	210	210	210



**Table 24 MBRR Table SA7 - Measurable performance objectives will be attached as an appendix. (Continued)**

Vote 2 - Subsidised Services										
Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	1	1	1	0	0	0	1	1	1
The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2016 ((Actual amount spent on training/total personnel budget)x100)	(Actual amount spent on training/total personnel budget)x100	1%	1%	1%	1%	1%	1%	1%	1%	1%
Limit the vacancy rate to less than 15% of budgeted posts by 30 June 2016 ((Number of budgeted posts filled/Number of budgeted posts on the organogram)x100)	((Number of budgeted posts filled/Number of budgeted posts on the organogram)x100)	10%	10%	10%	15%	15%	15%	15%	15%	15%
Compile the Risk based audit plan and submit to the Audit Committee for consideration by 30 June 2016	RBAP submitted to Audit Committee by 30 June 2016	1	1	1	1	1	1	1	1	1
Submit progress reports on the implementation of the RBAP to the Audit Committee	Number of progress reports submitted	4	4	4	4	4	4	4	4	4
Co-ordinate the functioning of the audit committee	Number of meetings held	4	4	4	4	4	4	4	4	4
Perform quarterly risk assessments per the Risk Implementation Plan	Number of risk assessments performed	4	4	4	4	4	4	4	4	4
Host workshops to promote skills development and support the Tourism SMME business sector	Number of workshops hosted	8	8	8	8	8	8	8	8	8
Carry out tourism promotional activities in the print and other media	Number of activities	32	32	32	32	32	32	24	24	24
Assist Tourism BEE entrepreneurs with starting and growing businesses e.g. research, business plans and skills development	Number of tourism BEE entrepreneurs assisted	16	16	16	24	24	24	16	16	16

**Table 24 MBRR Table SA7 - Measurable performance objectives will be attached as an appendix. (Continued)**

Vote 5 - Water Works										
<i>Comply 100% with water quality parameters as per SANS 241 physical and micro parameters for West Coast Bulk Water Supply</i>	% compliance with the water quality parameters	100%	100%	100%	100%	100%	100%	100%	100%	100%
<i>Limit average % water loss for last 12 months to less than 7.5% ((Number of KiloLiters Water Purchased or Purified - Number of KiloLiters Water Sold) / Number of KiloLiters Water Purchased or Purified × 100)</i>	% average water loss for last 12 months ((Number of KiloLiters Water Purchased or Purified - Number of KiloLiters Water Sold) / Number of	5.07%	4.49%	4.96%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Vote 6 - Agencies										
<i>Compile and submit the annual performance plan for the maintenance of provincial roads to the Department of Transport &amp; Public Roads by 30 November 2015</i>	Annual Performance Plan submitted by 30 November 2015	1	1	1	1	1	1	1	1	1
<i>100% of the provincial roads conditional grant budget allocation spent by 30 June 2016 ((Total expenditure divided by the total approved budget) x 100)</i>	% of the budget spent by 30 June 2016 ((Total expenditure divided by the total approved	100%	100%	100%	100%	100%	100%	100%	100%	100%
<i>Kms graded as per planned schedule of 16000 kms per year</i>	Number of kilometers graded	16000	16000	16000	16000	16000	16000	16000	16000	16000
<i>Regravel roads</i>	Number of Kms of road regavelled				New Top Layer SDBIP KPI	New Top Layer SDBIP KPI	New Top Layer SDBIP KPI	32.78	32.78	32.78
<i>Upgrade roads from gravel to bitumen surface</i>	Number of Kms of road upgraded from gravel to bitumen				New Top Layer SDBIP KPI	New Top Layer SDBIP KPI	New Top Layer SDBIP KPI	2.95	2.95	2.95
<i>Reseal surfaced roads</i>	Number of Kms of road resealed				New Top Layer SDBIP KPI	New Top Layer SDBIP KPI	New Top Layer SDBIP KPI	13.94	13.94	13.94

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

**Table 25 MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Borrowing Management</b>											
Credit Rating		A-	A-	A-	A-	A-	A-	A-			
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	4.0%	4.3%	4.4%	8.7%	8.4%	8.5%	8.5%	7.5%	7.9%	7.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	6.6%	6.2%	5.3%	12.4%	11.7%	11.5%	11.5%	9.8%	10.9%	10.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-22.3%	52.4%	-151.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	3.8	4.2	4.4	4.8	5.0	5.2	5.2	5.0	5.7	5.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.8	4.2	4.4	4.8	5.0	5.2	5.2	5.0	5.7	5.0
Liquidity Ratio	Monetary Assets/Current Liabilities	3.4	3.8	3.9	4.5	4.6	4.9	4.9	4.7	5.0	3.8
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		150.2%	97.4%	99.8%	100.0%	100.0%	99.5%	99.5%	100.0%	99.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		150.2%	97.4%	99.8%	100.0%	100.0%	99.5%	99.5%	100.0%	99.4%	99.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.1%	7.1%	6.7%	3.9%	3.7%	3.8%	3.8%	2.6%	6.8%	11.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		19.1%	14.9%	13.5%	11.1%	10.8%	10.2%	10.2%	8.6%	5.3%	8.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 202	1 098	1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235
	Total Cost of Losses (Rand '000)	4 074	3 722	4 692	4 692	4 692	4 692	4 692	4 692	4 692	4 692
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.8%	44.3%	39.4%	30.2%	44.3%	42.5%	42.5%	45.5%	50.5%	51.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28.3%	46.1%	41.0%	31.8%	45.9%	44.1%		47.3%	52.1%	53.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.6%	10.3%	14.3%	25.5%	14.3%	13.7%		12.1%	7.2%	7.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.4%	9.3%	8.1%	10.1%	9.7%	9.3%	9.3%	7.3%	8.3%	6.4%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	19.0	17.4	10.4	9.5	9.5	9.5	9.4	10.4	8.7	9.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	18.7%	20.0%	21.6%	10.2%	10.2%	10.4%	10.4%	7.7%	17.3%	30.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.3	8.2	8.2	8.2	8.0	8.8	8.8	6.8	6.6	5.5

### **1.10.1 Performance indicators and benchmarks**

#### *1.10.1.1 Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position.

#### *1.10.1.2 Liquidity*

- For the 2015/16 MTREF the current ratio is 5.0.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

#### *1.10.1.3 Revenue Management*

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

#### *1.10.1.4 Creditors Management*

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. This has had a favorable impact on suppliers' perceptions of risk of doing business with the municipality.

#### *1.10.1.5 Other Indicators*

- The water distribution losses have been significantly reduced to 5 per cent in 2014/15. It is planned to further reduce distribution losses in 2015/16.
- Employee costs as a percentage of operating revenue continues to be stable over the MTREF.
- Repairs and maintenance as percentage of operating revenue is also decreasing owing directly to the costing method adopted for agency services.

### **1.10.2 Providing clean water**

The municipality provides bulk water services provider to Local Municipalities as well as 876 farmers. The Municipality's bulk water needs are provided by the Department of Water Affairs and Forestry in the form of raw water.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop award for water treatment works that meet certain criteria of excellence.

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

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

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

The credit and debt collection Policy was approved by Council in 2013 and reviewed in 2014. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

The 2015/16 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 98 per cent on current billings.

#### **1.11.2 Asset Management Policy**

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

The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to new assets as well as asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

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

The Supply Chain Management Policy was adopted by Council in September 2005. An amended policy was considered by Council in August 2014.

#### **1.11.4 Cash Management and Investment Policy**

The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

### 1.11.5 Tariff Policies

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

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

## 1.12 Overview of budget assumptions

### 1.12.1 External factors

Due to the below inflation increase in the equitable share allocation the municipality has declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

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

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

- National Government macro-economic targets;
- The general inflationary outlook;
- The impact of municipal cost drivers;
- The increase in prices for bulk water; and
- The increase in the cost of remuneration. Employee related costs comprise 49.8 per cent of total operating expenditure in the 2015/16 MTREF.

### 1.12.3 Credit rating outlook

**Table 26 Credit rating outlook**

Security class	Currency	Rating	Annual rating 2014/15	Previous Rating
Short term	Rand	A1	Des 2014	A1
Long-term	Rand	A	Des 2014	A
Outlook	Rand	Stable	Des 2014	Stable

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

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality's borrowing will decrease over the MTREF.

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

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (98 per cent) of annual billings. Cash flow is assumed to be 100 per cent of billing.

### **1.12.6 Salary increases**

The assumption is that for the three years an across the board increase of 7.5 per cent is allowed.

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

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

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Firefighting services; and
- Fighting corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

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

It is estimated that a spending rate of at least 95 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

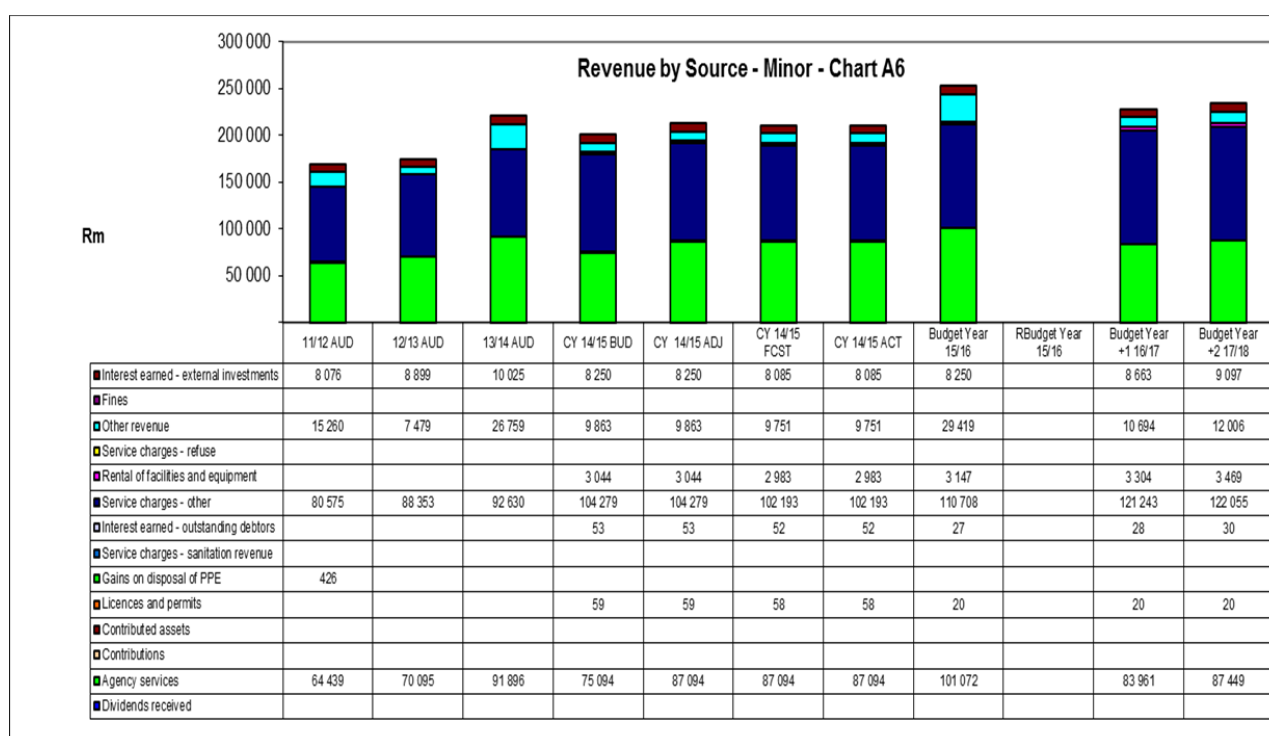
## **1.13 Overview of budget funding**

### **1.13.1 Medium-term outlook: operating revenue**

The following table is a breakdown of the operating revenue over the medium-term:

**Table 27 Breakdown of the operating revenue over the medium-term**

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	80 575	88 353	92 630	104 279	104 279	102 193	102 193	110 708	121 243	122 055
Investment revenue	8 076	8 899	10 025	8 250	8 250	8 085	8 085	8 250	8 663	9 096
Transfers recognised - operational	78 037	75 641	77 567	81 632	80 647	79 879	79 879	86 057	87 100	88 785
Other own revenue	80 125	77 573	118 655	88 113	100 113	99 939	99 939	133 684	98 006	102 974
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>246 813</b>	<b>250 466</b>	<b>298 878</b>	<b>282 274</b>	<b>293 289</b>	<b>290 096</b>	<b>290 096</b>	<b>338 699</b>	<b>315 012</b>	<b>322 910</b>

**Figure 5 Breakdown of operating revenue over the 2015/16 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from bulk water services; agency services (Roads), operating grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.)

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 100 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements.



The above principles guide the annual increase in the tariffs charged to the consumers and aligned to the economic forecasts.

The proposed tariff increases for the 2015/16 MTREF on the different revenue categories are:

**Table 28 Proposed tariff increases over the medium-term**

Revenue category	2015/16 proposed tariff increase	2016/17 proposed tariff increase	2017/18 proposed tariff increase	2014/15 additional revenue for each 1% tariff increase	2014/15 additional revenue owing to 2% tariff increases	2014/15 Total Budgeted revenue
	%	%	%	R'000	R'000	R'000
Water	8.14	12.00	15.20	1 107	2 214	110 708
Total				1 107	2 214	110 708

Services charges relating to bulk water constitutes the biggest component of the revenue basket of the municipality totaling R110.7 million for the 2015/16 financial year and increasing to R122 million by 2017/18. For the 2015/16 financial year services charges amounts to 34 per cent of the total revenue base. This growth can mainly be attributed to the increase in the bulk prices water.

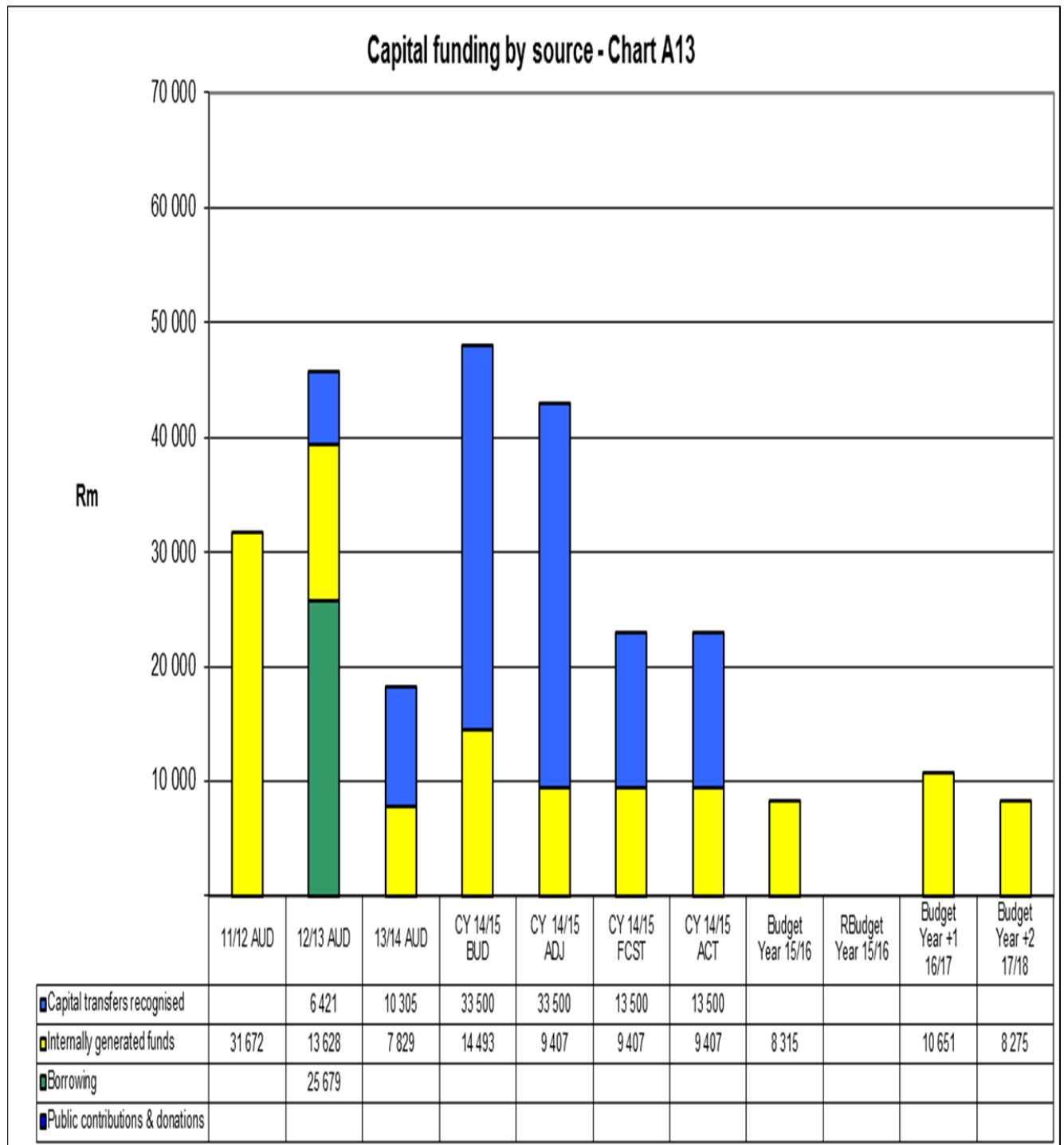
Operational grants and subsidies amounts to R86.0 million, R87.1 million and R88.7 million for each of the respective financial years of the MTREF, or 25, 27 and 27 per cent of operating revenue.

Investment revenue contributes marginally to the revenue base with a budget allocation of R8.2 million, R8.6 million and R9.0 million for the respective three financial years of the 2015/16 MTREF. It should be noted that all cash are classified under cash and cash equivalents as per GRAP. The municipality accounts for cash to comply with GRAP 24.

**Table 29 Sources of capital revenue over the MTREF**

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Funded by:</b>											
National Government		-	-	10 305	30 000	30 000	10 000	10 000	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	6 421	-	3 500	3 500	3 500	3 500	-	-	-
Transfers recognised - capital	4	-	6 421	10 305	33 500	33 500	13 500	13 500	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	25 679	-	-	-	-	-	-	-	-
Internally generated funds		31 672	13 628	7 829	14 493	9 407	9 407	9 407	8 315	10 651	8 275
<b>Total Capital Funding</b>	7	31 672	45 728	18 134	47 993	42 907	22 907	22 907	8 315	10 651	8 275

The above table is graphically represented as follows for the 2015/16 financial year.



**Figure 6 Sources of capital revenue for the 2015/16 financial year**

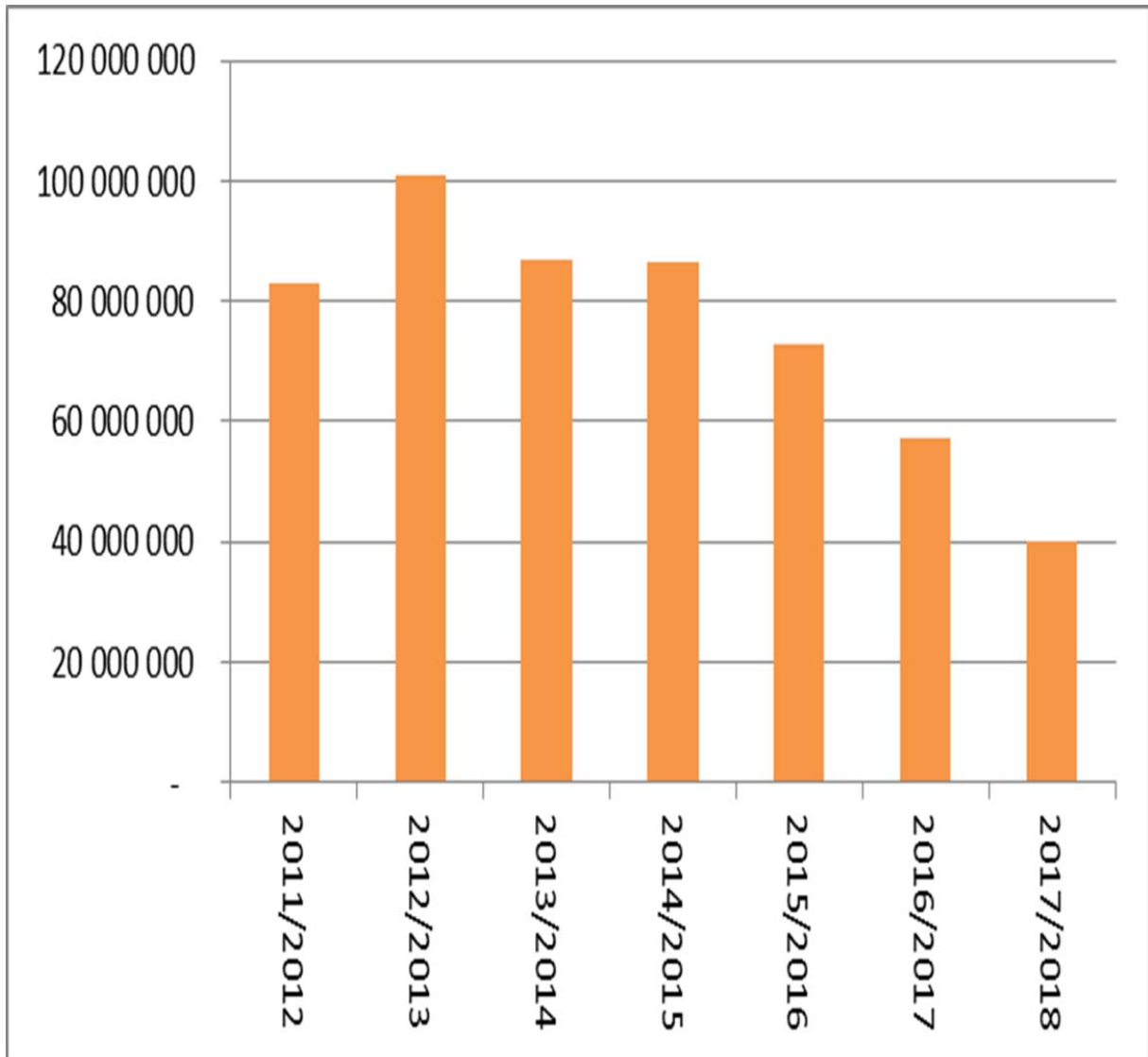
Capital will be financed from internally generated funds.

The following table is a detailed analysis of the municipality’s borrowing liability.

**Table 30 MBRR Table SA 17 - Detail of borrowings**

Borrowing - Categorized by type R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		83 146	100 756	86 866	86 531	86 531	86 531	72 714	57 221	40 217
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	83 146	100 756	86 866	86 531	86 531	86 531	72 714	57 221	40 217
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	83 146	100 756	86 866	86 531	86 531	86 531	72 714	57 221	40 217
<b>Unspent Borrowing - Categorized by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-

The following graph illustrates the decrease in outstanding borrowing for the 2011/12 to 2017/18 period.



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

The municipality does not plan to borrow over the MTREF.

**Table 31 MBRR Table SA 18 - Capital transfers and grants receipts**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		61 966	75 641	77 567	81 128	79 168	78 431	86 057	87 100	88 785
Local Government Equitable Share		59 294	70 000	72 626	75 984	75 984	75 311	80 458	82 466	83 957
Finance Management		1 579	1 250	1 250	1 250	1 250	1 225	1 250	1 250	1 250
Municipal Systems Improvement		790	1 000	890	934	934	915	930	960	1 033
EPWP Incentive		-	1 063	1 000	1 000	1 000	980	1 000	-	-
Rural Roads Asset Management System		-	-	-	1 960	-	-	2 419	2 424	2 545
Other transfers/grants [WSOG]		303	2 328	1 801	-	-	-	-	-	-
Provincial Government:		-	-	-	-	974	955	-	-	-
Other transfers/grants		-	-	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		16 071	6 421	-	504	504	494	-	-	-
Other transfers/grants		16 071	6 421	-	504	504	494	-	-	-
<b>Total Operating Transfers and Grants</b>	5	78 037	82 062	77 567	81 632	80 646	79 879	86 057	87 100	88 785
<b>Capital Transfers and Grants</b>										
National Government:		-	-	10 305	30 000	30 000	10 000	-	-	-
Regional Bulk Infrastructure		-	-	10 305	30 000	30 000	10 000	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	3 500	3 500	3 500	-	-	-
Local Municipalities		-	-	-	3 500	3 500	3 500	-	-	-
<b>Total Capital Transfers and Grants</b>	5	-	-	10 305	33 500	33 500	13 500	-	-	-
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		78 037	82 062	87 872	115 132	114 146	93 379	86 057	87 100	88 785

### 1.13.2 Cash Flow Management

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

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

- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table 32 MBRR Table A7 - Budget cash flow statement**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
Receipts											
Property rates, penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges		240 724	88 353	92 630	104 279	116 279	114 848	114 848	110 708	116 243	122 055
Other revenue		-	73 271	118 183	88 113	88 113	86 351	86 351	133 657	101 638	101 525
Government - operating	1	-	82 062	87 872	81 632	80 647	80 647	80 647	86 057	88 440	90 204
Government - capital	1	-	6 421	-	33 500	33 500	33 500	33 500	-	-	-
Interest		8 076	8 899	10 025	8 250	8 250	8 250	8 250	8 277	8 691	9 125
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(251 742)	(198 315)	(257 187)	(256 242)	(267 257)	(273 631)	(273 631)	(307 033)	(295 818)	(309 072)
Finance charges		(11 164)	(10 793)	(11 726)	(11 847)	(11 847)	(11 847)	(11 847)	(10 664)	(9 299)	(7 778)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(14 106)</b>	<b>49 897</b>	<b>39 797</b>	<b>47 685</b>	<b>47 685</b>	<b>38 118</b>	<b>38 118</b>	<b>21 002</b>	<b>9 895</b>	<b>6 061</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Receipts											
Proceeds on disposal of PPE		35 768	246	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(31 671)	(45 728)	(18 134)	(47 993)	(42 907)	(22 907)	(22 907)	(8 315)	(10 651)	(8 275)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>4 097</b>	<b>(45 482)</b>	<b>(18 134)</b>	<b>(47 993)</b>	<b>(42 907)</b>	<b>(22 907)</b>	<b>(22 907)</b>	<b>(8 315)</b>	<b>(10 651)</b>	<b>(8 275)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(7 075)	20 581	(11 861)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	(12 944)	(12 944)	(12 944)	(12 944)	(14 127)	(15 493)	(17 004)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(7 075)</b>	<b>20 581</b>	<b>(11 861)</b>	<b>(12 944)</b>	<b>(12 944)</b>	<b>(12 944)</b>	<b>(12 944)</b>	<b>(14 127)</b>	<b>(15 493)</b>	<b>(17 004)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(17 084)</b>	<b>24 996</b>	<b>9 802</b>	<b>(13 252)</b>	<b>(8 166)</b>	<b>2 267</b>	<b>2 267</b>	<b>(1 441)</b>	<b>(16 249)</b>	<b>(19 218)</b>
Cash/cash equivalents at the year begin:	2	151 325	134 240	159 237	182 097	182 097	182 097	182 097	169 038	167 598	151 349
Cash/cash equivalents at the year end:	2	134 240	159 237	169 038	168 845	173 931	184 364	184 364	167 598	151 349	132 132

The above table shows that cash and cash equivalents of the municipality equals a positive cash balance of R151.3 million in 2011/12 to R131 million in 2017/18. With the 2014/15 adjustments budget various cost efficiencies and savings had to be realised to ensure the municipality could meet its operational expenditure commitments.

### 1.13.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 64 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with

section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

**Table 33 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	134 240	159 237	169 038	168 845	173 931	184 364	184 364	167 598	151 349	132 132
Other current investments > 90 days		0	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>134 240</b>	<b>159 237</b>	<b>169 038</b>	<b>168 845</b>	<b>173 931</b>	<b>184 364</b>	<b>184 364</b>	<b>167 598</b>	<b>151 349</b>	<b>132 132</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		1 408	1 725	472	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	2 902	6 487	2 917	7 794	7 794	7 844	7 844	5 728	(13 396)	(27 294)
Other provisions		56 176	71 322	68 955	56 717	68 955	68 955	68 955	77 663	91 402	91 504
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>60 486</b>	<b>79 534</b>	<b>72 343</b>	<b>64 510</b>	<b>76 749</b>	<b>76 799</b>	<b>76 799</b>	<b>83 391</b>	<b>78 006</b>	<b>64 211</b>
<b>Surplus(shortfall)</b>		<b>73 754</b>	<b>79 703</b>	<b>96 695</b>	<b>104 334</b>	<b>97 182</b>	<b>107 565</b>	<b>107 565</b>	<b>84 207</b>	<b>73 343</b>	<b>67 921</b>

From the above table it can be seen that the cash available total R84 million in the 2015/16 financial year and progressively decreases to R67 million by 2017/18. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.
- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Against other provisions an amount R77.6 million has been provided for the 2015/16 financial year and these increases to R91.5 million by 2017/18. This liability is informed by, amongst others, the supplementary pension liability.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation. The 2015/16 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA.

The following graph supplies an analysis of the activities relating cash and cash equivalent over a seven year perspective.

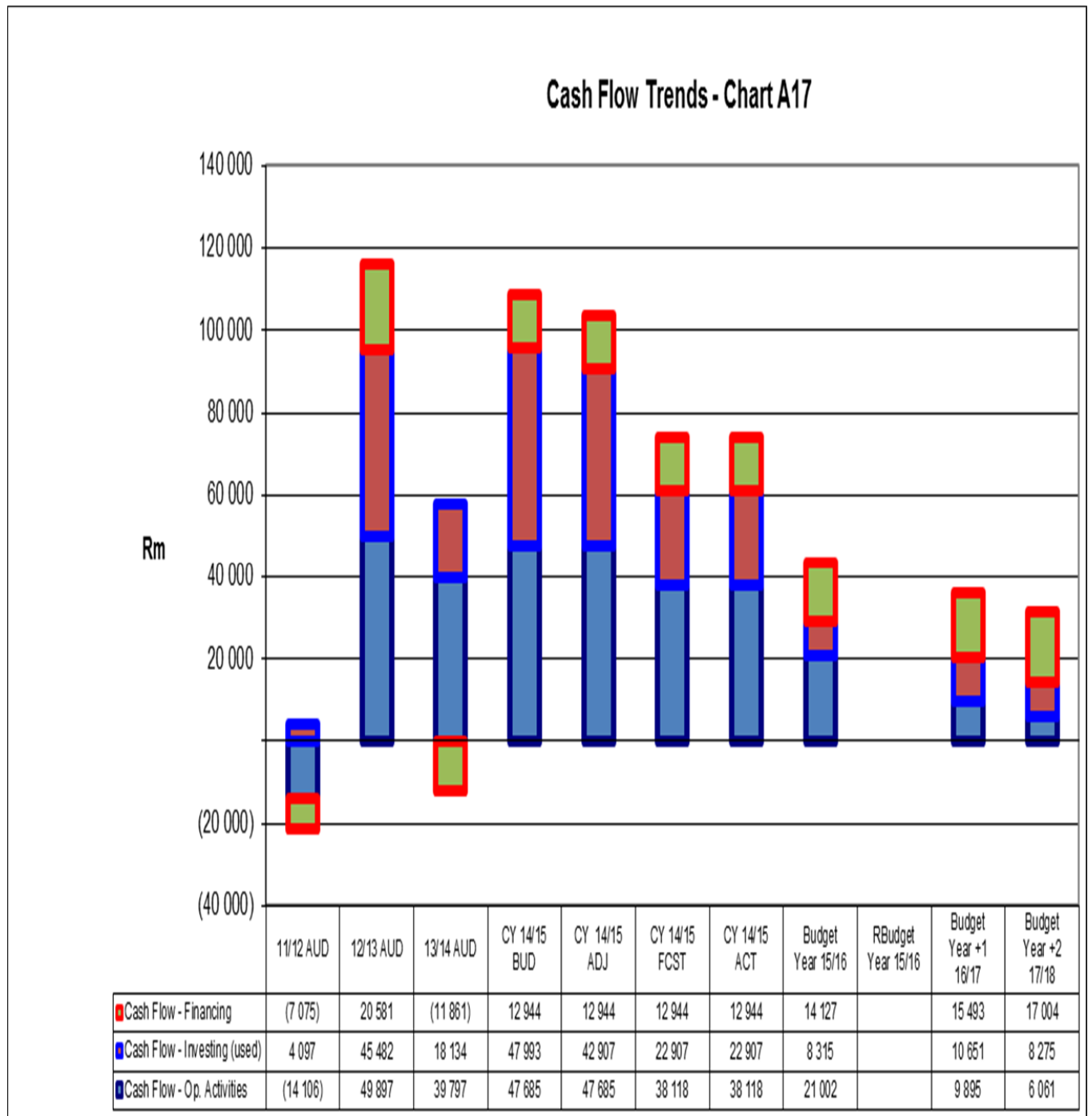


Figure 8 Cash and cash equivalents activities



### 1.13.4 Funding compliance measurement

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

**Table 34 MBRR SA10 – Funding compliance measurement**

Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	134 240	159 237	169 038	168 845	173 931	184 364	184 364	167 598	151 349	132 132
Cash + investments at the yr end less applications - R'000	18(1)b	2	73 754	79 703	96 695	104 334	97 182	107 565	107 565	84 207	73 343	67 921
Cash year end/monthly employee/supplier payments	18(1)b	3	6.3	8.2	8.2	8.2	8.0	8.8	8.8	6.8	6.6	5.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(35 399)	5 858	41 676	31 101	31 101	18 118	18 118	6 117	39	434
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	3.7%	(1.2%)	6.6%	(6.0%)	(8.0%)	(6.0%)	0.2%	3.5%	(5.3%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	150.2%	97.4%	99.8%	100.0%	100.0%	99.5%	99.5%	100.0%	99.4%	99.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.6%	0.7%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(22.3%)	52.4%	(151.5%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Gov t. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	17.1%	13.3%	(45.4%)	0.0%	0.0%	0.0%	(19.9%)	145.5%	77.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	6.8%	7.5%	12.2%	19.9%	11.8%	11.2%	11.6%	11.9%	6.6%	7.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

#### 1.13.4.1 Cash/cash equivalent position

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

The forecasted cash and cash equivalents for the 2015/16 MTREF shows R167 million, R151 million and R131 million for each respective financial year.

#### 1.13.4.2 Cash less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 17, on page 36. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *1.13.4.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. Notably, the ratio is steady.

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

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. For the 2015/16 MTREF the indicative outcome is a surplus of R6 million, R0.03 million and R0.4 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *1.13.4.5 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 100, 100 and 100 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 98 per cent performance target, the cash flow statement has been conservatively determined. Should performance with the mid-year review and adjustments, be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *1.13.4.6 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment has to be increased to offset under-collection of billed revenues. Considering the municipality is a bulk water supplier to local municipalities this ratio is less than 0%.

#### *1.13.4.7 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

#### *1.13.4.8 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0 per cent of own funded capital.

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

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

*1.13.4.10 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

*1.13.4.11 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 49 MBRR SA34c on page 83.

## 1.14 Expenditure on grants and reconciliations of unspent funds

**Table 35 MBRR SA19 - Expenditure on transfers and grant programs**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		61 966	75 641	77 567	81 128	79 168	78 431	86 057	87 100	88 785
Local Government Equitable Share		59 294	70 000	72 626	75 984	75 984	75 311	80 458	82 466	83 957
Finance Management		1 579	1 250	1 250	1 250	1 250	1 225	1 250	1 250	1 250
Municipal Systems Improvement		790	1 000	890	934	934	915	930	960	1 033
EPWP Incentive		-	1 063	1 000	1 000	1 000	980	1 000	-	-
Rural Roads Asset Management System		-	-	-	1 960	-	-	2 419	2 424	2 545
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
<b>Other transfers/grants [WSOG]</b>		<b>303</b>	<b>2 328</b>	<b>1 801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provincial Government:		-	-	-	-	974	955	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
<b>Other transfers/grants</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>974</b>	<b>955</b>	<b>-</b>	<b>-</b>	<b>-</b>
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
Other grant providers:		16 071	6 421	-	504	504	494	-	-	-
<i>Other transfers/grants</i>		16 071	6 421	-	504	504	494	-	-	-
<i>Rural Roads Asset Management System</i>		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants</b>		<b>78 037</b>	<b>82 062</b>	<b>77 567</b>	<b>81 632</b>	<b>80 646</b>	<b>79 879</b>	<b>86 057</b>	<b>87 100</b>	<b>88 785</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	-	10 305	30 000	30 000	10 000	-	-	-
Regional Bulk Infrastructure		-	-	10 305	30 000	30 000	10 000	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
<b>Other capital transfers/grants [insert desc]</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provincial Government:		-	-	-	-	-	-	-	-	-
<i>Other capital transfers/grants [insert description]</i>		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	3 500	3 500	3 500	-	-	-
<i>Local Municipalities</i>		-	-	-	3 500	3 500	3 500	-	-	-
-		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>-</b>	<b>-</b>	<b>10 305</b>	<b>33 500</b>	<b>33 500</b>	<b>13 500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>78 037</b>	<b>82 062</b>	<b>87 872</b>	<b>115 132</b>	<b>114 146</b>	<b>93 379</b>	<b>86 057</b>	<b>87 100</b>	<b>88 785</b>

**Table 36 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

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										
<b>Operating transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		78 037	75 641	75 766	79 168	80 143	78 431	86 057	87 100	88 785
Conditions met - transferred to revenue		78 037	75 641	75 766	79 168	80 143	78 431	86 057	87 100	88 785
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	955	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	955	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	1 801	2 464	504	494	-	-	-
Conditions met - transferred to revenue		-	-	1 801	2 464	504	494	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		<b>78 037</b>	<b>75 641</b>	<b>77 567</b>	<b>81 632</b>	<b>80 647</b>	<b>79 879</b>	<b>86 057</b>	<b>87 100</b>	<b>88 785</b>
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	6 421	10 305	30 000	30 000	10 000	-	-	-
Conditions met - transferred to revenue		-	6 421	10 305	30 000	30 000	10 000	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	3 500	3 500	3 500	-	-	-
Conditions met - transferred to revenue		-	-	-	3 500	3 500	3 500	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		<b>-</b>	<b>6 421</b>	<b>10 305</b>	<b>33 500</b>	<b>33 500</b>	<b>13 500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>78 037</b>	<b>82 062</b>	<b>87 872</b>	<b>115 132</b>	<b>114 147</b>	<b>93 379</b>	<b>86 057</b>	<b>87 100</b>	<b>88 785</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

## 1.15 Councillor and employee benefits

### Table 37 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		2 930	3 158	4 143	3 451	3 451	3 279	4 095	3 819	4 124
Pension and UIF Contributions		137	438	157	174	174	165	286	229	247
Medical Aid Contributions		-	-	-	-	-	-	83	58	63
Motor Vehicle Allowance		444	878	410	518	518	492	560	410	443
Cellphone Allowance		130	183	180	200	200	190	263	187	202
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		11	34	18	14	585	555	644	521	533
<b>Sub Total - Councillors</b>		<b>3 652</b>	<b>4 691</b>	<b>4 908</b>	<b>4 358</b>	<b>4 928</b>	<b>4 682</b>	<b>5 931</b>	<b>5 224</b>	<b>5 612</b>
% increase	4		28.4%	4.6%	(11.2%)	13.1%	(5.0%)	26.7%	(11.9%)	7.4%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		3 545	3 913	4 068	4 392	4 392	4 172	4 596	4 917	5 262
Pension and UIF Contributions		435	198	325	361	361	343	370	395	423
Medical Aid Contributions		59	62	110	137	137	130	115	123	132
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		203	192	170	275	275	261	326	349	373
Motor Vehicle Allowance		261	382	414	172	172	163	338	362	387
Cellphone Allowance	3	-	78	64	61	61	58	61	65	69
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	17	21	21	20	36	39	41
Payments in lieu of leave		101	83	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 604</b>	<b>4 906</b>	<b>5 168</b>	<b>5 419</b>	<b>5 419</b>	<b>5 148</b>	<b>5 841</b>	<b>6 250</b>	<b>6 688</b>
% increase	4		6.6%	5.4%	4.9%	-	(5.0%)	13.5%	7.0%	7.0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		36 995	60 652	66 395	49 017	72 247	68 635	84 128	89 200	95 884
Pension and UIF Contributions		6 532	10 420	15 841	9 053	13 317	12 651	14 899	15 626	16 880
Medical Aid Contributions		4 547	-	-	2 808	3 881	3 687	5 119	3 780	4 083
Overtime		4 021	4 396	3 565	3 125	4 201	3 991	3 659	3 911	2 789
Performance Bonus		2 813	2 143	1 898	4 096	5 940	5 643	6 784	7 111	7 683
Motor Vehicle Allowance	3	4 531	5 384	5 610	5 144	5 705	5 419	5 989	6 818	7 176
Cellphone Allowance	3	607	770	825	549	813	772	769	835	887
Housing Allowances	3	343	510	312	353	524	498	516	520	562
Other benefits and allowances	3	907	6 313	4 643	5 559	7 974	7 575	11 360	11 173	10 870
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		284	423	368	264	264	251	-	-	-
Post-retirement benefit obligations	6	-	14 963	13 137	-	9 508	9 033	15 190	13 739	14 247
<b>Sub Total - Other Municipal Staff</b>		<b>61 580</b>	<b>105 975</b>	<b>112 595</b>	<b>79 968</b>	<b>124 373</b>	<b>118 154</b>	<b>148 414</b>	<b>152 712</b>	<b>161 061</b>
% increase	4		72.1%	6.2%	(29.0%)	55.5%	(5.0%)	25.6%	2.9%	5.5%
<b>Total Parent Municipality</b>		<b>69 836</b>	<b>115 571</b>	<b>122 671</b>	<b>89 745</b>	<b>134 720</b>	<b>127 984</b>	<b>160 187</b>	<b>164 187</b>	<b>173 361</b>



**Table 39 MBRR 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
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		24	7	17	26	7	19	26	7	19
Board Members of municipal entities	4	3	3	-	-	-	-	-	-	-
<b>Municipal employees</b>	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	4	4	-	4	4	-	4	4	-
Other Managers	7	-	-	-	18	18	1	18	18	1
<b>Professionals</b>		114	106	4	186	176	176	186	176	176
<i>Finance</i>		25	21	4	24	24	5	24	24	5
<i>Spatial/town planning</i>		2	2	-	1	1	-	1	1	-
<i>Information Technology</i>		2	2	-	2	1	-	2	1	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Water</i>		4	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		81	81	-	159	150	171	159	150	171
<b>Technicians</b>		493	345	158	313	303	79	313	303	79
<i>Finance</i>		-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Roads</i>		267	170	98	202	202	71	202	202	71
<i>Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Water</i>		104	96	8	111	101	8	111	101	8
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		122	79	52	-	-	-	-	-	-
Clerks (Clerical and administrative)		-	-	-	-	-	-	-	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		26	19	1	29	24	1	29	24	1
Elementary Occupations		-	-	-	-	-	-	-	-	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	664	484	180	576	532	276	576	532	276
% increase					(13.3%)	9.9%	53.3%	-	-	-
Total municipal employees headcount	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	-	-	-



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

### Table 40 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>																
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		15 499	5 535	6 642	6 642	5 535	16 606	9 964	9 964	15 499	2 214	7 750	8 857	110 708	121 243	122 055
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		441	157	189	189	157	472	283	283	441	63	220	252	3 147	3 304	3 469
Interest earned - external investments		1 155	413	495	495	413	1 238	743	743	1 155	165	578	660	8 250	8 663	9 096
Interest earned - outstanding debtors		4	1	2	2	1	4	2	2	4	1	2	2	27	28	30
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		3	1	1	1	1	3	2	2	3	0	1	2	20	20	20
Agency services		14 150	5 054	6 064	6 064	5 054	15 161	9 096	9 096	14 150	2 021	7 075	8 086	101 072	83 961	87 449
Transfers recognised - operational		12 048	4 303	5 163	5 163	4 303	12 909	7 745	7 745	12 048	1 721	6 024	6 885	86 057	87 100	88 785
Other revenue		4 119	1 471	1 765	1 765	1 471	4 413	2 648	2 648	4 119	588	2 059	2 353	29 419	10 694	12 006
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>47 418</b>	<b>16 935</b>	<b>20 322</b>	<b>20 322</b>	<b>16 935</b>	<b>50 805</b>	<b>30 483</b>	<b>30 483</b>	<b>47 418</b>	<b>6 774</b>	<b>23 709</b>	<b>27 096</b>	<b>338 699</b>	<b>315 012</b>	<b>322 910</b>
<b>Expenditure By Type</b>																
Employee related costs		10 798	9 255	10 798	15 426	13 883	16 968	7 713	3 085	16 968	24 681	15 426	9 255	154 256	158 963	167 749
Remuneration of councillors		415	356	415	593	534	652	297	119	652	949	593	356	5 931	5 224	5 612
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	750	750	787	827
Depreciation & asset impairment		989	848	989	1 413	1 272	1 555	707	283	1 555	2 262	1 413	848	14 134	16 702	12 750
Finance charges		3 555	-	-	-	-	3 555	-	-	-	-	-	3 555	10 664	9 299	7 778
Bulk purchases		721	618	721	1 030	927	1 133	515	206	1 133	1 648	1 030	618	10 300	11 865	12 458
Other materials		2 878	2 467	2 878	4 112	3 701	4 523	2 056	822	4 523	6 579	4 112	2 467	41 117	22 646	24 570
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		6 680	5 726	6 680	9 543	8 589	10 497	4 771	1 909	10 497	15 269	9 543	5 726	95 430	89 487	90 732
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>26 036</b>	<b>19 270</b>	<b>22 482</b>	<b>32 117</b>	<b>28 905</b>	<b>38 883</b>	<b>16 058</b>	<b>6 423</b>	<b>35 328</b>	<b>51 387</b>	<b>32 117</b>	<b>23 575</b>	<b>332 582</b>	<b>314 973</b>	<b>322 476</b>
<b>Surplus/(Deficit)</b>																
Transfers recognised - capital		21 381	(2 335)	(2 160)	(11 795)	(11 970)	11 922	14 425	24 060	12 089	(44 613)	(8 408)	3 521	6 117	39	434
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>21 381</b>	<b>(2 335)</b>	<b>(2 160)</b>	<b>(11 795)</b>	<b>(11 970)</b>	<b>11 922</b>	<b>14 425</b>	<b>24 060</b>	<b>12 089</b>	<b>(44 613)</b>	<b>(8 408)</b>	<b>3 521</b>	<b>6 117</b>	<b>39</b>	<b>434</b>
<b>Taxation</b>																
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>21 381</b>	<b>(2 335)</b>	<b>(2 160)</b>	<b>(11 795)</b>	<b>(11 970)</b>	<b>11 922</b>	<b>14 425</b>	<b>24 060</b>	<b>12 089</b>	<b>(44 613)</b>	<b>(8 408)</b>	<b>3 521</b>	<b>6 117</b>	<b>39</b>	<b>434</b>

**Table 41 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>																
Vote 1 - COMMUNITY SERVICES		15 033	5 369	6 443	6 443	5 369	16 107	9 664	9 664	15 033	2 148	7 517	8 590	107 380	89 563	91 840
Vote 2 - SUBSIDISED SERVICES		2 047	731	877	877	731	2 193	1 316	1 316	2 047	292	1 023	1 170	14 620	15 080	15 341
Vote 3 - ECONOMIC SERVICES		441	157	189	189	157	472	283	283	441	63	220	252	3 147	3 304	3 469
Vote 4 - HOUSING SERVICES		272	97	117	117	97	292	175	175	272	39	136	156	1 946	2 043	2 145
Vote 5 - TRADING SERVICES		15 475	5 527	6 632	6 632	5 527	16 580	9 948	9 948	15 475	2 211	7 737	8 843	110 535	121 061	122 664
Vote 6 - AGENCIES		14 150	5 054	6 064	6 064	5 054	15 161	9 096	9 096	14 150	2 021	7 075	8 086	101 072	83 961	87 449
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>47 418</b>	<b>16 935</b>	<b>20 322</b>	<b>20 322</b>	<b>16 935</b>	<b>50 805</b>	<b>30 483</b>	<b>30 483</b>	<b>47 418</b>	<b>6 774</b>	<b>23 709</b>	<b>27 096</b>	<b>338 699</b>	<b>315 012</b>	<b>322 910</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - COMMUNITY SERVICES		4 631	3 969	4 631	6 615	5 954	7 277	3 308	1 323	7 277	10 584	6 615	3 969	66 152	55 829	59 495
Vote 2 - SUBSIDISED SERVICES		3 664	3 140	3 664	5 234	4 710	5 757	2 617	1 047	5 757	8 374	5 234	3 140	52 338	56 430	59 825
Vote 3 - ECONOMIC SERVICES		307	264	307	439	395	483	220	88	483	703	439	264	4 392	4 672	5 046
Vote 4 - HOUSING SERVICES		108	93	108	155	139	170	77	31	170	248	155	93	1 549	1 536	1 631
Vote 5 - TRADING SERVICES		10 304	5 785	6 749	9 642	8 677	14 160	4 820	1 929	10 606	15 427	9 642	9 341	107 079	112 546	109 031
Vote 6 - AGENCIES		7 075	6 064	7 075	10 107	9 096	11 118	5 054	2 021	11 118	16 172	10 107	6 064	101 072	83 961	87 449
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>26 089</b>	<b>19 315</b>	<b>22 534</b>	<b>32 192</b>	<b>28 972</b>	<b>38 965</b>	<b>16 095</b>	<b>6 439</b>	<b>35 411</b>	<b>51 507</b>	<b>32 192</b>	<b>22 871</b>	<b>332 582</b>	<b>314 973</b>	<b>322 476</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>21 329</b>	<b>(2 380)</b>	<b>(2 212)</b>	<b>(11 870)</b>	<b>(12 037)</b>	<b>11 840</b>	<b>14 388</b>	<b>24 044</b>	<b>12 007</b>	<b>(44 733)</b>	<b>(8 483)</b>	<b>4 225</b>	<b>6 117</b>	<b>39</b>	<b>434</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>21 329</b>	<b>(2 380)</b>	<b>(2 212)</b>	<b>(11 870)</b>	<b>(12 037)</b>	<b>11 840</b>	<b>14 388</b>	<b>24 044</b>	<b>12 007</b>	<b>(44 733)</b>	<b>(8 483)</b>	<b>4 225</b>	<b>6 117</b>	<b>39</b>	<b>434</b>

**Table 42 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		14 226	5 081	6 097	6 097	5 081	15 242	9 145	9 145	14 226	2 032	7 113	8 129	101 615	83 812	86 355
Executive and council		424	151	182	182	151	454	273	273	424	61	212	242	3 029	3 176	3 372
Budget and treasury office		13 801	4 929	5 915	5 915	4 929	14 787	8 872	8 872	13 801	1 972	6 901	7 887	98 581	80 630	82 977
Corporate services		1	0	0	0	0	1	0	0	1	0	0	0	5	5	6
<i>Community and public safety</i>		3 373	1 205	1 446	1 446	1 205	3 614	2 169	2 169	3 373	482	1 687	1 928	24 096	24 728	24 919
Community and social services		441	157	189	189	157	472	283	283	441	63	220	252	3 147	3 304	3 469
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		1 560	557	668	668	557	1 671	1 003	1 003	1 560	223	780	891	11 140	11 414	11 479
Housing		272	97	117	117	97	292	175	175	272	39	136	156	1 946	2 043	2 145
Health		1 101	393	472	472	393	1 180	708	708	1 101	157	550	629	7 864	7 967	7 825
<i>Economic and environmental services</i>		14 150	5 054	6 064	6 064	5 054	15 161	9 096	9 096	14 150	2 021	7 075	8 086	101 072	83 961	87 449
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		14 150	5 054	6 064	6 064	5 054	15 161	9 096	9 096	14 150	2 021	7 075	8 086	101 072	83 961	87 449
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		15 668	5 596	6 715	6 715	5 596	16 787	10 072	10 072	15 668	2 238	7 834	8 953	111 916	122 512	124 187
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		15 668	5 596	6 715	6 715	5 596	16 787	10 072	10 072	15 668	2 238	7 834	8 953	111 916	122 512	124 187
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>		<b>47 418</b>	<b>16 935</b>	<b>20 322</b>	<b>20 322</b>	<b>16 935</b>	<b>50 805</b>	<b>30 483</b>	<b>30 483</b>	<b>47 418</b>	<b>6 774</b>	<b>23 709</b>	<b>27 096</b>	<b>338 699</b>	<b>315 012</b>	<b>322 910</b>
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		3 872	3 319	3 872	5 531	4 978	6 084	2 766	1 106	6 084	8 850	5 531	3 319	55 310	42 505	45 474
Executive and council		1 398	1 199	1 398	1 998	1 798	2 197	999	400	2 197	3 196	1 998	1 199	19 975	17 529	18 700
Budget and treasury office		1 595	1 367	1 595	2 279	2 051	2 507	1 140	456	2 507	3 647	2 279	1 367	22 791	15 210	16 359
Corporate services		878	753	878	1 254	1 129	1 380	627	251	1 380	2 007	1 254	753	12 544	9 767	10 416
<i>Community and public safety</i>		4 214	3 612	4 214	6 020	5 418	6 622	3 010	1 204	6 622	9 632	6 020	3 612	60 202	67 596	71 601
Community and social services		307	264	307	439	395	483	220	88	483	703	439	264	4 392	4 672	5 046
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		2 457	2 106	2 457	3 510	3 159	3 861	1 755	702	3 861	5 616	3 510	2 106	35 097	40 809	43 210
Housing		108	93	108	155	139	170	77	31	170	248	155	93	1 549	1 536	1 631
Health		1 341	1 150	1 341	1 916	1 725	2 108	958	383	2 108	3 066	1 916	1 150	19 164	20 579	21 714
<i>Economic and environmental services</i>		7 317	6 271	7 317	10 452	9 407	11 497	5 226	2 090	11 497	16 723	10 452	6 271	104 522	87 657	91 404
Planning and development		241	207	241	345	310	379	172	69	379	552	345	207	3 450	3 697	3 955
Road transport		7 075	6 064	7 075	10 107	9 096	11 118	5 054	2 021	11 118	16 172	10 107	6 064	101 072	83 961	87 449
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		10 686	6 113	7 131	10 189	9 169	14 761	5 093	2 038	11 207	16 302	10 189	9 669	112 548	117 215	113 997
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		10 686	6 113	7 131	10 189	9 169	14 761	5 093	2 038	11 207	16 302	10 189	9 669	112 548	117 215	113 997
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>		<b>26 089</b>	<b>19 315</b>	<b>22 534</b>	<b>32 192</b>	<b>28 972</b>	<b>38 965</b>	<b>16 095</b>	<b>6 439</b>	<b>35 411</b>	<b>51 507</b>	<b>32 192</b>	<b>22 871</b>	<b>332 582</b>	<b>314 973</b>	<b>322 476</b>
Surplus/(Deficit) before assoc.		21 329	(2 380)	(2 212)	(11 870)	(12 037)	11 840	14 388	24 044	12 007	(44 733)	(8 483)	4 225	6 117	39	434
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>21 329</b>	<b>(2 380)</b>	<b>(2 212)</b>	<b>(11 870)</b>	<b>(12 037)</b>	<b>11 840</b>	<b>14 388</b>	<b>24 044</b>	<b>12 007</b>	<b>(44 733)</b>	<b>(8 483)</b>	<b>4 225</b>	<b>6 117</b>	<b>39</b>	<b>434</b>

**Table 43 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
<b>Multi-year expenditure to be appropriated</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - SUBSIDISED SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - ECONOMIC SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - AGENCIES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>		30	30	37	37	43	61	61	49	67	98	61	37	610	370	235	
Vote 1 - COMMUNITY SERVICES		30	30	37	37	43	61	61	49	67	98	61	37	610	370	235	
Vote 2 - SUBSIDISED SERVICES		113	113	136	136	158	226	226	181	249	362	226	136	2 261	3 006	3 355	
Vote 3 - ECONOMIC SERVICES		6	6	8	8	9	13	13	10	14	21	13	8	130	140	160	
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 5 - TRADING SERVICES		266	266	319	319	372	532	532	425	585	850	532	319	5 315	7 135	4 525	
Vote 6 - AGENCIES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	2	416	416	499	499	582	832	832	665	915	1 330	832	499	8 315	10 651	8 275	
<b>Total Capital Expenditure</b>	2	416	416	499	499	582	832	832	665	915	1 330	832	499	8 315	10 651	8 275	

**Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		29	29	35	35	41	59	59	47	65	94	59	35	590	350	215
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services		29	29	35	35	41	59	59	47	65	94	59	35	590	350	215
<i>Community and public safety</i>		121	121	145	145	169	241	241	193	265	386	241	145	2 411	3 166	3 535
Community and social services		6	6	8	8	9	13	13	10	14	21	13	8	130	140	160
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		113	113	136	136	158	226	226	181	249	362	226	136	2 261	3 006	3 355
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		1	1	1	1	1	2	2	2	2	3	2	1	20	20	20
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		266	266	319	319	372	532	532	425	585	850	532	319	5 315	7 135	4 525
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		266	266	319	319	372	532	532	425	585	850	532	319	5 315	7 135	4 525
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	416	416	499	499	582	832	832	665	915	1 330	832	499	8 315	10 651	8 275
<b>Funded by:</b>																
National Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		416	416	499	499	582	832	832	665	915	1 330	832	499	8 315	10 651	8 275
<b>Total Capital Funding</b>		416	416	499	499	582	832	832	665	915	1 330	832	499	8 315	10 651	8 275

**Table 45 MBRR SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash Receipts By Source</b>														1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	15 499	5 535	6 642	6 642	5 535	16 606	9 964	9 964	15 499	2 214	7 750	8 857	110 708	121 243	122 055	
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	441	157	189	189	157	472	283	283	441	63	220	252	3 147	3 304	3 469	
Interest earned - external investments	1 155	413	495	495	413	1 238	743	743	1 155	165	578	660	8 250	8 663	9 096	
Interest earned - outstanding debtors	4	1	2	2	1	4	2	2	4	1	2	2	27	28	30	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	3	1	1	1	1	3	2	2	3	0	1	2	20	20	20	
Agency services	14 150	5 054	6 064	6 064	5 054	15 161	9 096	9 096	14 150	2 021	7 075	8 086	101 072	83 961	87 449	
Transfer receipts - operational	12 048	4 303	5 163	5 163	4 303	12 909	7 745	7 745	12 048	1 721	6 024	6 885	86 057	87 100	88 785	
Other revenue	4 119	1 471	1 765	1 765	1 471	4 413	2 648	2 648	4 119	588	2 059	2 353	29 419	10 694	12 006	
<b>Cash Receipts by Source</b>	<b>47 418</b>	<b>16 935</b>	<b>20 322</b>	<b>20 322</b>	<b>16 935</b>	<b>50 805</b>	<b>30 483</b>	<b>30 483</b>	<b>47 418</b>	<b>6 774</b>	<b>23 709</b>	<b>27 096</b>	<b>338 699</b>	<b>315 012</b>	<b>322 910</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>47 418</b>	<b>16 935</b>	<b>20 322</b>	<b>20 322</b>	<b>16 935</b>	<b>50 805</b>	<b>30 483</b>	<b>30 483</b>	<b>47 418</b>	<b>6 774</b>	<b>23 709</b>	<b>27 096</b>	<b>338 699</b>	<b>315 012</b>	<b>322 910</b>	
<b>Cash Payments by Type</b>																
Employee related costs	10 798	9 255	10 798	15 426	13 883	16 968	7 713	3 085	16 968	24 681	15 426	9 255	154 256	168 620	178 181	
Remuneration of councillors	415	356	415	593	534	652	297	119	652	949	593	356	5 931	5 224	5 612	
Finance charges	3 555	-	-	-	-	3 555	-	-	-	-	-	3 555	10 664	9 299	7 778	
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulk purchases - Water & Sewer	721	618	721	1 030	927	1 133	515	206	1 133	1 648	1 030	618	10 300	11 865	12 458	
Other materials	2 900	2 486	2 900	4 143	3 729	4 557	2 072	829	4 557	6 629	4 143	2 172	41 117	20 621	22 088	
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	6 680	5 726	6 680	9 543	8 589	10 497	4 771	1 909	10 497	15 269	9 543	5 726	95 430	89 487	90 732	
<b>Cash Payments by Type</b>	<b>25 069</b>	<b>18 441</b>	<b>21 514</b>	<b>30 735</b>	<b>27 661</b>	<b>37 363</b>	<b>15 367</b>	<b>6 147</b>	<b>33 808</b>	<b>49 175</b>	<b>30 735</b>	<b>21 682</b>	<b>317 697</b>	<b>305 117</b>	<b>316 849</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	416	416	499	499	582	832	832	665	915	1 330	832	499	8 315	10 651	8 275	
Repayment of borrowing	4 709	-	-	-	-	4 709	-	-	-	-	-	4 709	14 127	15 493	17 004	
Other Cash Flow s/Payments	-	-	-	-	-	-	-	-	-	-	499	(499)	-	-	-	
<b>Total Cash Payments by Type</b>	<b>30 194</b>	<b>18 857</b>	<b>22 013</b>	<b>31 234</b>	<b>28 243</b>	<b>42 903</b>	<b>16 199</b>	<b>6 812</b>	<b>34 723</b>	<b>50 506</b>	<b>32 065</b>	<b>26 391</b>	<b>340 139</b>	<b>331 261</b>	<b>342 128</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>17 224</b>	<b>(1 922)</b>	<b>(1 691)</b>	<b>(10 912)</b>	<b>(11 308)</b>	<b>7 901</b>	<b>14 284</b>	<b>23 671</b>	<b>12 695</b>	<b>(43 732)</b>	<b>(8 356)</b>	<b>705</b>	<b>(1 441)</b>	<b>(16 249)</b>	<b>(19 218)</b>	
Cash/cash equivalents at the month/year begin:	169 038	186 263	184 341	182 650	171 738	160 430	168 331	182 615	206 286	218 981	175 249	166 893	169 038	167 598	151 349	
Cash/cash equivalents at the month/year end:	186 263	184 341	182 650	171 738	160 430	168 331	182 615	206 286	218 981	175 249	166 893	167 598	167 598	151 349	132 132	

## 1.16 Annual budgets and SDBIPs – internal departments

### 1.16.1 Water Services Department – Vote 5

The department is primarily responsible for the distribution of bulk water, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

**Table 46 Water Services Department – total operating revenue, total expenditure by type and total capital expenditure**

Description	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	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 thousands							
<b>Financial Performance</b>							
Total Revenue (including capital transfers and contributions)	137 779	137 779	115 023	115 023	110 535	121 061	122 664
Total Expenditure	107 469	107 365	101 996	101 996	107 079	112 545	109 031
Surplus / (Deficit)	30 310	30 414	13 027	13 027	3 456	8 516	13 633
Capital Expenditure	45 218	38 218	18 218	18 218	5 315	7 135	4 525

**Table 47 Water Services Department – Performance objectives and indicators**

Description	Unit of measurement	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

### Vote 5 - Water Works

Comply 100% with water quality parameters as per SANS 241 physical and micro parameters for West Coast Bulk Water Supply	% compliance with the water quality parameters	100%	100%	100%	100%	100%	100%	100%	100%	100%
Limit average % water loss for last 12 months to less than 7.5% ((Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100)	% average water loss for last 12 months ((Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of	5.07%	4.49%	4.96%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%

There are currently no unfilled positions in the top management structure of the Water Services Department. The top management structure consists of the Director, senior manager and 1 professional engineer.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R3.2 million, R3.3 million and R3.5 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water of which budget appropriation for the 2015/16 financial year is R110.5 million and increases to R122.6 million by 2017/18 and has been informed by a collection rate of 100 per cent and distribution losses of 5 per cent.

The reduction of distribution losses is considered a priority and hence the departmental objectives and targets. Past performance has been steady with a total distribution loss of 5.07 per cent in 2011/12, dropping to 5 per cent the next year resulting in a total distribution loss of 15 per cent for the years.

### **1.17 Contracts having future budgetary implications**

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

### **1.18 Capital expenditure details**

The following two tables present details of the municipality's capital expenditure program, firstly on new assets, then on the repair and maintenance of assets.



**Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class**

DC1 West Coast - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		28 877	42 626	16 162	41 650	36 564	16 564	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>		-	-	-	-	-	-	-	-	-
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		582	-	-	-	-	-	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		582	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		28 295	42 626	16 162	41 650	36 564	16 564	-	-	-
<i>Dams &amp; Reservoirs</i>		4 299	-	-	8 850	3 764	3 764	-	-	-
<i>Water purification</i>		-	1 025	285	-	-	-	-	-	-
<i>Reticulation</i>		23 997	41 601	15 877	32 800	32 800	12 800	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>	3	-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	100	100	100	80	140	160
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	100	100	100	80	140	160
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		2 781	3 078	1 972	6 243	6 243	6 243	8 235	10 511	8 115
General vehicles		26	925	214	750	750	750	1 100	1 750	2 000
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	725	67	2 725	2 725	2 725	6 445	8 365	5 850
Computers - hardware/equipment		-	308	1 240	50	50	50	599	70	75
Furniture and other office equipment		598	140	84	28	28	28	31	26	25
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		2	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		2 155	979	368	2 690	2 690	2 690	60	300	165
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		13	24	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other ( <i>list sub-class</i> )		13	24	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	31 671	45 728	18 134	47 993	42 907	22 907	8 315	10 651	8 275
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

**Table 49 MBRR SA34c - Repairs and maintenance expenditure by asset class**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		19 276	22 242	40 262	66 508	36 437	34 653	27 242	7 628	8 777
Infrastructure - Road transport		15 767	17 516	36 955	63 438	33 367	31 736	24 027	4 252	5 233
<i>Roads, Pavements &amp; Bridges</i>		15 767	17 516	36 955	63 438	33 367	31 736	24 027	4 252	5 233
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		3 508	4 726	3 307	3 070	3 070	2 917	3 215	3 376	3 545
<i>Dams &amp; Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	4 726	-	250	250	238	-	-	-
<i>Reticulation</i>		3 508	-	3 307	2 820	2 820	2 679	3 215	3 376	3 545
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-
<i>Gas</i>	3	-	-	-	-	-	-	-	-	-
<i>Other</i>	3	-	-	-	-	-	-	-	-	-
<b>Community</b>		-	1 883	1 280	439	439	417	400	420	441
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	838	275	439	439	417	400	420	441
Fire, safety & emergency		-	1 045	1 005	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		309	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		309	-	-	-	-	-	-	-	-
<b>Other assets</b>		1 529	1 757	1 144	5 013	5 013	4 763	13 475	14 598	15 351
General vehicles		-	-	647	2 287	2 287	2 287	10 174	10 614	11 279
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		501	-	-	217	217	206	434	675	544
Computers - hardware/equipment		18	200	96	10	10	10	126	132	139
Furniture and other office equipment		211	10	-	116	116	110	143	150	158
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		799	805	112	2 082	2 082	1 864	2 373	2 790	2 961
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	742	290	301	301	286	225	236	270
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other ( <i>list sub-class</i> )		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	21 114	25 882	42 687	71 959	41 889	39 832	41 117	22 646	24 570

Table 50 MBRR SA34d – Depreciation by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		7 798	4 922	5 672	6 294	6 294	5 979	6 304	6 304	6 304
Infrastructure - Road transport		57	8	6	2	2	2	4	4	4
<i>Roads, Pavements &amp; Bridges</i>		57	8	6	2	2	2	4	4	4
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		157	17	-	-	-	-	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		157	17	-	-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		7 437	4 789	5 566	6 192	6 192	5 882	6 190	6 190	6 190
<i>Dams &amp; Reservoirs</i>		2 361	1 461	2	1 500	1 500	1 425	2 250	2 250	2 250
<i>Water purification</i>		1 445	661	643	800	800	760	520	520	520
<i>Reticulation</i>		3 632	2 667	4 921	3 892	3 892	3 697	3 420	3 420	3 420
Infrastructure - Sanitation		148	109	100	100	100	95	110	110	110
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		148	109	100	100	100	95	110	110	110
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>	3	-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		102	139	139	120	120	114	140	140	140
Housing development		-	-	-	-	-	-	-	-	-
Other		102	139	139	120	120	114	140	140	140
<b>Other assets</b>		11 402	7 278	6 550	10 020	10 020	9 563	7 525	10 093	6 141
General vehicles	10	5 172	3 276	2 908	5 000	5 000	4 794	3 000	3 000	3 000
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	435	241	-	-	-	-	-	-
Computers - hardware/equipment		632	339	315	340	340	323	423	423	423
Furniture and other office equipment		975	304	378	280	280	266	300	300	300
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		2 826	1 811	1 627	2 000	2 000	1 900	1 600	1 600	1 600
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		1 797	1 114	1 082	2 400	2 400	2 280	2 202	4 770	818
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		223	147	160	150	150	143	165	165	165
Computers - software & programming		223	147	160	150	150	143	165	165	165
Other ( <i>list sub-class</i> )		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	19 526	12 485	12 521	16 584	16 584	15 799	14 134	16 702	12 750

**Table 51 MBRR SA35 - Future financial implications of the capital budget**

Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - COMMUNITY SERVICES		610	370	235	-	-	-	-
Vote 2 - SUBSIDISED SERVICES		2 261	3 006	3 355	-	-	-	-
Vote 3 - ECONOMIC SERVICES		130	140	160	-	-	-	-
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		5 315	7 135	4 525	-	-	-	-
Vote 6 - AGENCIES		-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		8 315	10 651	8 275	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - COMMUNITY SERVICES		-	-	-	-	-	-	-
Vote 2 - SUBSIDISED SERVICES		-	-	-	-	-	-	-
Vote 3 - ECONOMIC SERVICES		-	-	-	-	-	-	-
Vote 4 - HOUSING SERVICES		-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES		-	-	-	-	-	-	-
Vote 6 - AGENCIES		-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates		-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-
<i>List other revenues sources if applicable</i>		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		8 315	10 651	8 275	-	-	-	-

**Table 52 MBRR SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Water Supply / Reticulation		F Pipeline			No	Infrastructure - Water	Reticulation	Not applicable	-	-	1 200	-	-	-	Swartland	New
Water Supply / Reticulation		Swartland Pipeline		2	No	Infrastructure - Water	Reticulation	18.997 / -33.3451	-	5 449	-	-	-	-	Swartland	New
Water Supply / Reticulation		Desalination Plant		2	No	Infrastructure - Water	Reticulation	Not applicable	-	10 305	-	-	-	-	Saldanha	New
Water Supply / Reticulation		PVR System		2	No	Infrastructure - Water	Reticulation	Not applicable	-	-	1 100	-	-	-	Swartland	New
Water Supply / Reticulation		Voelvlei WTW		2	No	Infrastructure - Water	Reticulation	Not applicable	-	-	500	-	-	-	Swartland	New
Water Supply / Reticulation		Darling Pipeline		2	No	Infrastructure - Water	Reticulation	Not applicable	-	-	1 850	-	-	-	Swartland	New
Other Assets		Other Assets		3,4,5		Other Assets	Other	Not applicable	-	2 380	8 257	8 315	10 651	8 275	West Coast DM	New
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
Parent Capital expenditure	1											8 315	10 651	8 275		
Entities:																
<i>List all capital projects grouped by Entity</i>																
Entity A									-	-	-	-	-	-		
Water project A									-	-	-	-	-	-		
Entity B									-	-	-	-	-	-		
Electricity project B									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
									-	-	-	-	-	-		
Entity Capital expenditure												-	-	-		
Total Capital expenditure												18 134	12 907	8 315	10 651	8 275

**Table 53 MBRR SA37 - Projects delayed from previous financial year**

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
							R thousand		Year			
<i>Parent municipality: List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Water Supply / Reticulation		Desalination Plant		Infrastructure - Water	Reticulation	Not Applicable	2015	30 000	10 000	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-
<i>Entities: List all capital projects grouped by Municipal Entity</i>												
<i>Entity Name</i>							0	-	-	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-
							0	-	-	-	-	-

## 1.19 Legislation compliance status

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

1. In year reporting

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

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department, Supply Chain Management, Internal Audit and Risk Management.

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

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

6. Annual Report

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

7. MFMP Training

The MFMP training is provided by Stellenbosch University in line with the minimum competency levels prescribed in legislation.







**Table 55 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

Description	Ref	Vote 1 - COMMUNITY SERVICES	Vote 2 - SUBSIDISED SERVICES	Vote 3 - ECONOMIC SERVICES	Vote 4 - HOUSING SERVICES	Vote 5 - TRADING SERVICES	Vote 6 - AGENCIES	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
R thousand	1																
<b>Revenue By Source</b>																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	110 508	-	-	-	-	-	-	-	-	-	-	110 508
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	200	-	-	-	-	-	-	-	-	-	-	-	-	-	200
Rental of facilities and equipment		-	-	3 147	-	-	-	-	-	-	-	-	-	-	-	-	3 147
Interest earned - external investments		8 250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 250
Interest earned - outstanding debtors		-	-	-	-	27	-	-	-	-	-	-	-	-	-	-	27
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20
Agency services		-	-	-	-	-	101 072	-	-	-	-	-	-	-	-	-	101 072
Other revenue		20 083	7 390	-	1 946	-	-	-	-	-	-	-	-	-	-	-	29 419
Transfers recognised - operational		79 027	7 030	-	-	-	-	-	-	-	-	-	-	-	-	-	86 057
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>107 380</b>	<b>14 620</b>	<b>3 147</b>	<b>1 946</b>	<b>110 535</b>	<b>101 072</b>										<b>338 699</b>
<b>Expenditure By Type</b>																	
Employee related costs		46 264	32 255	2 837	574	26 732	45 594	-	-	-	-	-	-	-	-	-	154 256
Remuneration of councillors		5 931	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 931
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		896	5 210	100	-	7 929	-	-	-	-	-	-	-	-	-	-	14 134
Finance charges		-	-	-	-	10 664	-	-	-	-	-	-	-	-	-	-	10 664
Bulk purchases		-	-	-	-	10 300	-	-	-	-	-	-	-	-	-	-	10 300
Other materials		282	3 085	447	975	4 335	31 994	-	-	-	-	-	-	-	-	-	41 117
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		12 779	11 789	1 008	1	47 119	23 484	-	-	-	-	-	-	-	-	-	96 180
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>66 152</b>	<b>52 338</b>	<b>4 392</b>	<b>1 549</b>	<b>107 079</b>	<b>101 072</b>										<b>332 582</b>
<b>Surplus/(Deficit)</b>		<b>41 229</b>	<b>(37 718)</b>	<b>(1 245)</b>	<b>397</b>	<b>3 456</b>											<b>6 117</b>
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>41 229</b>	<b>(37 718)</b>	<b>(1 245)</b>	<b>397</b>	<b>3 456</b>											<b>6 117</b>

Table 56 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits < 90 days		-	-	-	-	-	-	-	-	-	-
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-	-
<b>Consumer debtors</b>											
Consumer debtors		6 624	7 939	7 798	11 933	11 933	11 933	11 933	7 635	7 464	7 285
Less: Provision for debt impairment		-	(251)	(160)	(1 001)	(1 001)	(1 001)	(1 001)	(690)	(1 236)	(1 800)
Total Consumer debtors	2	6 624	7 688	7 638	10 932	10 932	10 932	10 932	6 945	6 228	5 485
<b>Debt impairment provision</b>											
Balance at the beginning of the year		-	150	428	538	538	538	538	160	690	1 236
Contributions to the provision		-	960	551	663	663	663	663	330	347	364
Bad debts written off		-	(858)	(820)	(200)	(200)	(200)	(200)	200	200	200
Balance at end of year		-	251	160	1 001	1 001	1 001	1 001	690	1 236	1 800
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		311 803	451 819	467 337	505 837	500 751	500 751	500 751	475 720	488 086	494 951
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	105 818	116 100	144 786	144 786	144 786	144 786	130 235	145 756	162 229
Total Property, plant and equipment (PPE)	2	311 803	346 000	351 237	361 051	355 965	355 965	355 965	345 485	342 330	332 722
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		7 944	10 916	12 944	14 127	14 127	14 127	14 127	14 127	15 493	17 004
Total Current liabilities - Borrowing		7 944	10 916	12 944	14 127	14 127	14 127	14 127	14 127	15 493	17 004
<b>Trade and other payables</b>											
Trade and other creditors		25 577	23 709	22 904	18 726	18 726	18 726	18 726	14 485	7 969	10 521
Unspent conditional transfers		1 408	1 725	472	-	-	-	-	-	-	-
VAT		-	138	-	-	-	-	-	-	-	-
Total Trade and other payables	2	26 985	25 572	23 376	18 726	18 726	18 726	18 726	14 485	7 969	10 521
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	83 146	100 756	86 866	86 531	86 531	86 531	86 531	72 714	57 221	40 217
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		83 146	100 756	86 866	86 531	86 531	86 531	86 531	72 714	57 221	40 217
<b>Provisions - non-current</b>											
Retirement benefits		54 185	69 042	55 450	69 270	69 270	84 789	84 789	70 640	84 379	84 482
<i>List other major provision items</i>		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		-	5 615	6 482	-	-	-	-	-	-	-
Total Provisions - non-current		54 185	74 657	61 932	69 270	69 270	84 789	84 789	70 640	84 379	84 482
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		323 091	290 770	311 996	322 409	322 409	330 306	330 306	342 997	349 114	349 153
GRAP adjustments		3 078	15 367	1 013	-	-	-	-	-	-	-
Restated balance		326 169	306 137	313 009	322 409	322 409	330 306	330 306	342 997	349 114	349 153
Surplus/(Deficit)		(35 399)	5 858	41 676	31 101	31 101	18 118	18 118	6 117	39	434
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	290 770	311 996	354 686	353 510	353 510	348 424	348 424	349 115	349 153	349 587
<b>Reserves</b>											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	290 770	311 996	354 686	353 510	353 510	348 424	348 424	349 115	349 153	349 587

**Table 57 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

DC1 West Coast - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population			-	-	-	0	-	-	-	-	-	-
Females aged 5 - 14			-	-	-	0	-	-	-	-	-	-
Males aged 5 - 14			-	-	-	0	-	-	-	-	-	-
Females aged 15 - 34			-	-	-	68.5	-	-	-	-	-	-
Males aged 15 - 34			-	-	-	-	-	-	-	-	-	-
Unemployment			-	-	-	6 PERCENT	-	-	-	-	-	-
<b>Monthly household income (no. of households)</b>												
No income	1, 12		-	-	-	-	-	-	-	-	-	-
R1 - R1 600			-	-	-	-	-	-	-	-	-	-
R1 601 - R3 200			-	-	-	-	-	-	-	-	-	-
R3 201 - R6 400			-	-	-	-	-	-	-	-	-	-
R6 401 - R12 800			-	-	-	-	-	-	-	-	-	-
R12 801 - R25 600			-	-	-	-	-	-	-	-	-	-
R25 601 - R51 200			-	-	-	-	-	-	-	-	-	-
R52 201 - R102 400			-	-	-	-	-	-	-	-	-	-
R102 401 - R204 800			-	-	-	-	-	-	-	-	-	-
R204 801 - R409 600			-	-	-	-	-	-	-	-	-	-
R409 601 - R819 200			-	-	-	-	-	-	-	-	-	-
> R819 200			-	-	-	-	-	-	-	-	-	-
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13		-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insert description	2		-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Household/demographics (000)</b>												
Number of people in municipal area			-	-	-	-	-	-	-	-	-	-
Number of poor people in municipal area			-	-	-	-	-	-	-	-	-	-
Number of households in municipal area			-	-	-	-	-	-	-	-	-	-
Number of poor households in municipal area			-	-	-	-	-	-	-	-	-	-
Definition of poor household (R per month)			-	-	-	-	-	-	-	-	-	-
<b>Housing statistics</b>												
Formal	3		-	-	-	-	-	-	-	-	-	-
Informal			-	-	-	-	-	-	-	-	-	-
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4		-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s			-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6					6.0%	6.0%	6.0%	6.0%	4.4%	4.4%	4.4%
Interest rate - borrowing						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment						8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Remuneration increases						10.0%	10.0%	10.0%	8.5%	8.5%	8.5%	8.5%
Consumption growth (electricity)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)						10.4%	10.4%	10.4%	10.4%	8.1%	8.1%	8.1%
<b>Collection rates</b>												
Property tax/service charges	7					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental of facilities & equipment						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - external investments						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors						0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%
Revenue from agency services						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



**Table 57 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (Continued)**

Municipal entity services	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		
Name of municipal entity	Household service targets (000) <u>Water:</u> Piped water inside dwelling Piped water inside yard (but not in dwelling) Using public tap (at least min.service level) Other water supply (at least min.service level) <i>Minimum Service Level and Above sub-total</i> Using public tap (< min.service level) Other water supply (< min.service level) No water supply <i>Below Minimum Service Level sub-total</i> Total number of households											
		8										
		10										
		9										
		10										
		Name of municipal entity	<u>Sanitation/Sewerage:</u> 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									
Name of municipal entity	<u>Energy:</u> Electricity (at least min.service level) Electricity - prepaid (min.service level) <i>Minimum Service Level and Above sub-total</i> Electricity (< min.service level) Electricity - prepaid (< min. service level) Other energy sources <i>Below Minimum Service Level sub-total</i> Total number of households											
		Name of municipal entity	<u>Refuse:</u> Removed at least once a week <i>Minimum Service Level and Above sub-total</i> Removed less frequently than once a week Using communal refuse dump Using own refuse dump Other rubbish disposal No rubbish disposal <i>Below Minimum Service Level sub-total</i> Total number of households									
Services provided by 'external mechanisms'	Household service targets (000) <u>Water:</u> Piped water inside dwelling Piped water inside yard (but not in dwelling) Using public tap (at least min.service level) Other water supply (at least min.service level) <i>Minimum Service Level and Above sub-total</i> Using public tap (< min.service level) Other water supply (< min.service level) No water supply <i>Below Minimum Service Level sub-total</i> Total number of households											
Names of service providers	<u>Sanitation/Sewerage:</u> 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											
		Names of service providers	<u>Energy:</u> Electricity (at least min.service level) Electricity - prepaid (min.service level) <i>Minimum Service Level and Above sub-total</i> Electricity (< min.service level) Electricity - prepaid (< min. service level) Other energy sources <i>Below Minimum Service Level sub-total</i> Total number of households									
Names of service providers	<u>Refuse:</u> Removed at least once a week <i>Minimum Service Level and Above sub-total</i> Removed less frequently than once a week Using communal refuse dump Using own refuse dump Other rubbish disposal No rubbish disposal <i>Below Minimum Service Level sub-total</i> Total number of households											



**Table 59 Schedule of Service Delivery Standards****Western Cape : West Coast District Municipality(DC1) - Schedule of Service Delivery Standards Table 59**

Standard	Description	Service Level
<b>Water Service</b>		
	Water Quality rating (Blue/Green/Brown/NO drop)	Blue
	Is free water available to all? (All/only to the indigent consumers)	All
	Frequency of meter reading? (per month, per year)	Per Month
<b>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</b>		
	One service connection affected (number of hours)	48 hours
	Up to 5 service connection affected (number of hours)	48 hours
	Up to 20 service connection affected (number of hours)	48 hours
	Feeder pipe larger than 800mm (number of hours)	48 hours
	What is the average minimum water flow in your municipality?	1 meter per second
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
	How long does it take to replace faulty water meters? (days)	3 Days
	Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	Yes
	To what extent do you subsidize your indigent consumers?	6kl water
<b>Financial Management</b>		
	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Not Applicable
	Are the financial statement outsourced? (Yes/No)	No
	Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?	Yes
	How long does it take for an Tax/Invoice to be paid from the date it has been received?	within 30 Days
	Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Yes
<b>Administration</b>		
	Reaction time on enquiries and requests?	Immediately
	Time to respond to a verbal customer enquiry or request? (working days)	1-5 Days
	Time to respond to a written customer enquiry or request? (working days)	1-5 Days
	Time to resolve a customer enquiry or request? (working days)	1-5 Days
	Does the municipality have control over locked enquiries? (Yes/No)	Yes
	Is there a reduction in the number of complaints or not? (Yes/No)	Yes
	How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	30 min
	How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Weekly
<b>Economic development</b>		
	How many economic development projects does the municipality drive?	EPWP Project
	What percentage of the projects have created sustainable job security?	None
	Does the municipality have any incentive plans in place to create a conducive environment for economic development? (Yes/No)	Yes
<b>Other Service delivery and communication</b>		
	Is an information package handed to the new customer? (Yes/No)	Yes a Contract
	Does the municipality have training or information sessions to inform the community? (Yes/No)	No
	Are customers treated in a professional and humanly manner? (Yes/No)	Yes



### 1.21 Municipal manager's quality certificate

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

Print Name \_\_\_\_\_

Municipal manager of West Coast District Municipality (DC1)

Signature \_\_\_\_\_

Date \_\_\_\_\_