

CAPE AGULHAS MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2015/2016 TO 2017/2018



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ANNUAL BUDGET OF
CAPE AGULHAS
MUNICIPALITY

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

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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
MM	Municipal 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 Vision & Mission

Our Vision

To render continuous, sustainable effective services to all inhabitants and visitors in the area in order to create a healthy and safer environment for happy communities.

Our Mission

“We the Cape Agulhas Municipality will strive to render the best affordable municipal services in a sympathetic manner to the whole area and its inhabitants in order to create a happy economic active and informed community.”

This will be achieved through:

- Enhanced service levels in the whole area
- Enhanced human development and health
- Sustainable development
- Effective financial management of municipal resources
- Institutional transformation

1.2 Mayor’s Report

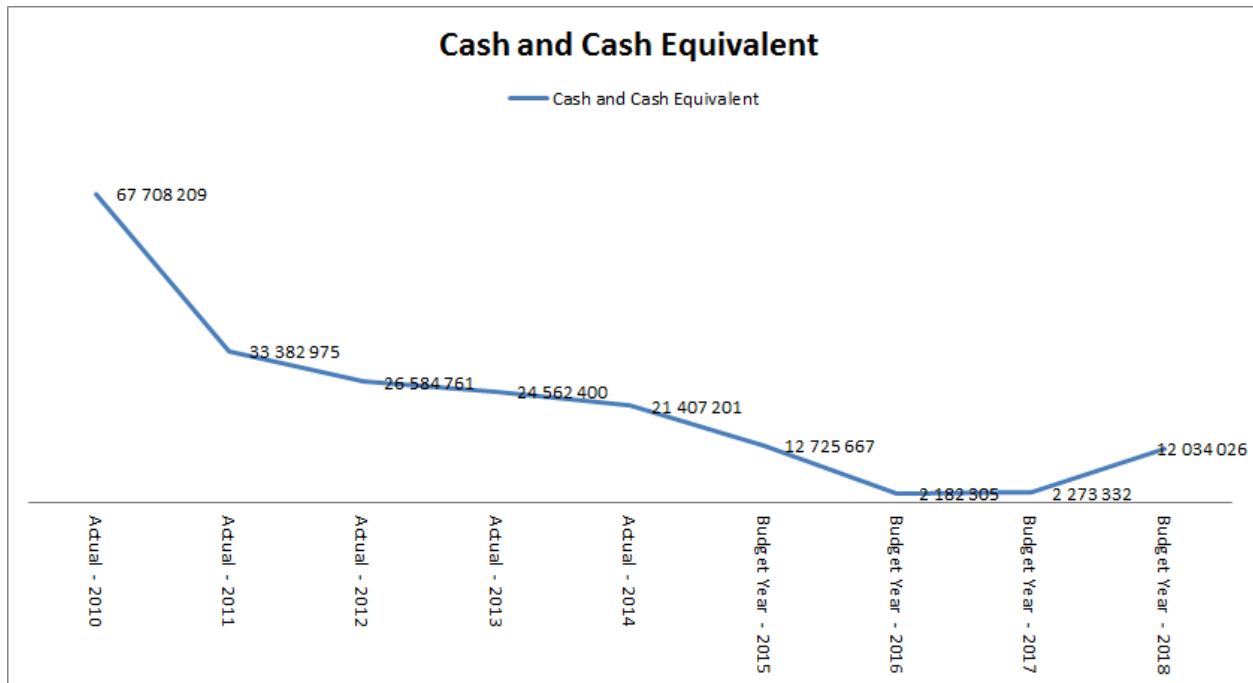
Section 215 of the Constitution of the Republic of South Africa requires that all National, Provincial and Municipal budgets and budgetary processes promote the following principles -

- Transparency;
- Accountability; and
- The effective financial management of the economy, debt and the public sector.

In order to fulfill this constitutional obligation towards the citizens of South Africa, sound financial principles and policies should be adopted and applied by municipalities at all times.

Most municipalities in South Africa, with Cape Agulhas Municipality being no exception, are faced with numerous community needs and infrastructure backlogs. On the other hand, the cash resources available to eradicate infrastructure backlogs and to attend to the vast number of needs are very limited. It is thus the responsibility of Council to strike the perfect balance between delivering high quality basic services while also ensuring that the municipality remain financially viable.

Although the municipality has experienced a significant downward trend in cash resources over recent years, it is anticipated that through the implementation of the current proposed budget that the municipality will be able to curb the downward trend in cash resources as depicted below:



From a sustainability point of view, it is of the utmost importance to ensure that budgets are implemented where cash resources are maintained (or even improved) at acceptable levels. In order to ensure that acceptable levels of cash are maintained at all times, the municipality should continuously explore the following options:

- Cut back on operational expenditure to a point where the budget will be cash funded. Council should refrain from allocating resources to non-priority expenditure items.
- Reduce the capital program to ensure that it is affordable within the limitations of the current structure the municipality is operating in.
- Raise external loans (within the borrowing limits of the municipality) for capital purposes to alleviate the pressure on cash resources of the municipality.

The following longer term strategies should also be explored:

- Explore avenues to increase internal revenue streams. Currently the only option for the municipality is to increase rates and tariffs. The municipality should however guard against excessive increases that might be counterproductive and lead to an increase in non-payment;
- Ensure that all departments with the ability to generate own revenue become cost reflective (ie traffic department). These departments should not be financed from property rates or service charges; and/or

- Explore further avenues to obtain more grant funding for operating and capital purposes (keeping in mind the additional maintenance expenditure that will still be the liability of the municipality even though the additional capital acquisitions are financed from external sources).

A full viability analysis will be presented in Section 1.4 of this report.

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the Integrated Development Plan. National Treasury's MFMA Circular No. 74 and No. 75 was also used to guide the compilation of the 2015/16 MTREF.

The Medium Term Budget Policy Statement (MTBPS) 2014 highlights that South Africa's economic performance has deteriorated over the past several years. Gross domestic product (GDP) growth of 1.4 per cent is estimated in 2014, down from 3.6 per cent in 2011. GDP growth is projected to improve over the medium term as infrastructure constraints ease, private investment recovers and exports grow. Economic growth is expected to rise gradually over the medium term, reaching 3 per cent by 2017. Inadequate electricity supply, however, will impose a serious constraint on output and exports over the short term.

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore, municipalities must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritization of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure. Furthermore municipalities should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services versus the associated cost. To assist municipalities, Government will also provide support to improve revenue collection.

The Medium Term Strategic Framework (MTSF) priorities for structural reform over the period ahead include:

- Building the capacity of local government through the "**back to basics**" approach which will focus on improving service delivery, accountability and financial management. Local government should be effective and efficient; and this will be measured by its ability to perform the basic mandate of service delivery.
- Reshaping South Africa's urban environment through integrated spatial planning and an expansion of the municipal debt market. Municipalities play a critical role in growing the economy through well-planned and well-managed urbanisation. In order to achieve this, large municipalities require massive investment to stimulate growth, maintain infrastructure and ensure that basic services are provided for growing populations. Over the next three years, the government will roll-out a new approach to local government infrastructure financing. Incentives will be introduced to encourage large urban municipalities to promote more compact, efficient and equitable cities. Planning will focus on developing mixed-use precincts that can help to catalyse economic activity, and on

upgrading informal settlements. Government will also aim to improve the management of infrastructure financed from grants and own sources, with emphasis being placed on the ability of municipalities to expand their own contribution to infrastructure development.

Sustainable job creation remains a national priority. Cape Agulhas Municipality is committed to this cause through the full participation in the Expanded Public Works Program (EPWP). The municipality does however recognise the fact that the EPWP incentive provided by National Government will not succeed as a stand-alone solution to address unemployment and poverty in the municipal area. For this reason, economic growth that benefits all has also been identified as the first major priority in the IDP. Strategic goals contained in the IDP can be summarised as follows:

<i>Institutional Transformation and Organisational Development</i>	Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practises and training
<i>Provision of Infrastructure for Basic Service Delivery</i>	Development and regular maintenance of bulk infrastructure such as roads, storm water networks, potable water networks, waste water treatment plants, land and integrated human settlements. Provision of quality basic services such as water, electricity, refuse removal and sanitation
<i>Economic Development</i>	To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities
<i>Financial Viability</i>	To implement sound financial management systems & procedures that will ensure the financial viability of Cape Agulhas Municipality Prepare a budget and exercise effective asset management over the resources of the municipality
<i>Good Governance</i>	To provide an administration that ensures public participation in a transparent and accountable way as well as to promote intergovernmental relations Promote service excellence and a corruption free environment
<i>Human Development</i>	To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods

The Integrated Development Plan (IDP) is a 5 year strategic developmental plan, setting strategic and budget priorities as required in terms of the Municipal Systems Act of 2000. It is a plan to help us set our budget priorities, so in essence it indicates how Cape Agulhas Municipality will spend its money for the next five years. The IDP should be aligned with the development plans of provincial and national government, and is agreed upon between Cape Agulhas Municipality

and the residents during the public participation process. Therefore the IDP enables Cape Agulhas Municipality to make the best use of scarce resources and it also enables the councillors to make decisions based on the needs and priorities of their communities.

With the IDP, Cape Agulhas Municipality can:

- Develop a clear vision
- Identify its key development priorities
- Formulate appropriate strategies
- Develop the appropriate organisational structure and systems
- Align resources with development priorities

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

Table 1 Consolidated Operating Overview of the 2015/16 MTREF (R'000)

R thousand	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Operating Revenue	226 499	222 541	264 210	308 648
Total Operating Expenditure	242 116	236 597	268 716	299 993
<i>Surplus/(Deficit) before capital transfers</i>	(15 617)	(14 056)	(4 506)	8 655
Transferred Recognised Capital	14 352	13 464	13 761	12 965
<i>Surplus/(Deficit) for the year</i>	(1 265)	(592)	9 254	21 620

Table 2 Consolidated Capital Overview of the 2015/16 MTREF (R'000)

R thousand	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard				
<i>Governance and administration</i>	1 375	1 594	1 199	377
<i>Community and public safety</i>	4 041	6 971	4 372	4 078
<i>Economic and environmental services</i>	9 040	5 246	13 663	14 885
<i>Trading services</i>	6 625	7 880	11 790	7 430
<i>Other</i>	74	-	-	-
Total Capital Expenditure	21 154	21 691	31 024	26 770

1.3 Council Resolutions

It is recommended that the Council approves and adopts the following resolutions for the annual budget:

The Council of Cape Agulhas 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 in part 1.8 of this report
 - 1.1.1. Budget Summary as contained in Table A1;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
 - 1.1.3. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
 - 1.1.4. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
 - 1.1.5. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
- 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 in part 1.8 of this report:
 - 1.2.1. Budgeted Financial Position as contained in Table A6;
 - 1.2.2. Budgeted Cash Flows as contained in Table A7;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
 - 1.2.4. Asset management as contained in Table A9; and
 - 1.2.5. Basic service delivery measurement as contained in Table A10.
2. The Council of Cape Agulhas Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:
 - 2.1. the tariffs for property rates(*Appendix A*) – as set out in Annexure A
 - 2.2. the tariffs for electricity(*Appendix A*) – as set out in Annexure A
 - 2.3. the tariffs for the supply of water(*Appendix A*) – as set out in Annexure A
 - 2.4. the tariffs for sanitation services(*Appendix A*) – as set out in Annexure A
 - 2.5. the tariffs for solid waste services(*Appendix A*) – as set out in Annexure A
 - 2.6. the tariffs for sundries (*Appendix B*) – as set out in Annexure A
 - 2.7. the tariffs for renting of halls and amenities(*Appendix C*) – as set out in Annexure A
3. The Council of Cape Agulhas 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, as set out in Annexure A.

1.4 Executive Summary

For Cape Agulhas Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue to fund the expenditure program of the municipality. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty.

The expenditure required to address these 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.

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

Table 3 Consolidated Overview of the 2015/16 MTREF (R'000)

R thousand	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Operating Revenue	226 499	222 541	264 210	308 648
Total Operating Expenditure	242 116	236 597	268 716	299 993
<i>Surplus/(Deficit) before capital transfers</i>	(15 617)	(14 056)	(4 506)	8 655
Transferred Recognised Capital	14 352	13 464	13 761	12 965
<i>Surplus/(Deficit) for the year</i>	(1 265)	(592)	9 254	21 620

As can be seen from the above, it is only anticipated that the municipality will only be able to generate and operating surplus in the 2017/2018. In order to obtain this target, the municipality will need to ensure that revenue streams remain intact while also ensuring that non-priority spending is kept at a minimum.

A revised vote structure will be introduced during the MTREF. The vote structure will be aligned in the following 6 votes with the relevant departments allocated to each:

Executive and Council	Infrastructure	Budget and Treasury Office	Corporate Services	Community and Social Services	Electricity
Municipal Manager	Administration	Finance	Corporate Services	Library	Electricity
Council General Expenses	Workshop	Supply Chain Management	Human Resources	Vehicle Testing Station	
Office of the Municipal Manager	Streets & Stormwater	Revenue Management	Town Planning/Building Control	Protection Services	
Strategic Planning and IDP	Water	Expenditure Management	Information Technology	Environmental Services	
Internal Audit	Sewerage & Sanitation	Budget and Treasury Office	Client Services	Beaches & Public Amenities	
Risk Management	Solid Waste		Administrative Support Services	Parks and Sports Facilities	
				Cemetery	
				Buildings and Commonage	
				Public Services	
				Housing	
				Social Development	
				Administration	
				Traffic	

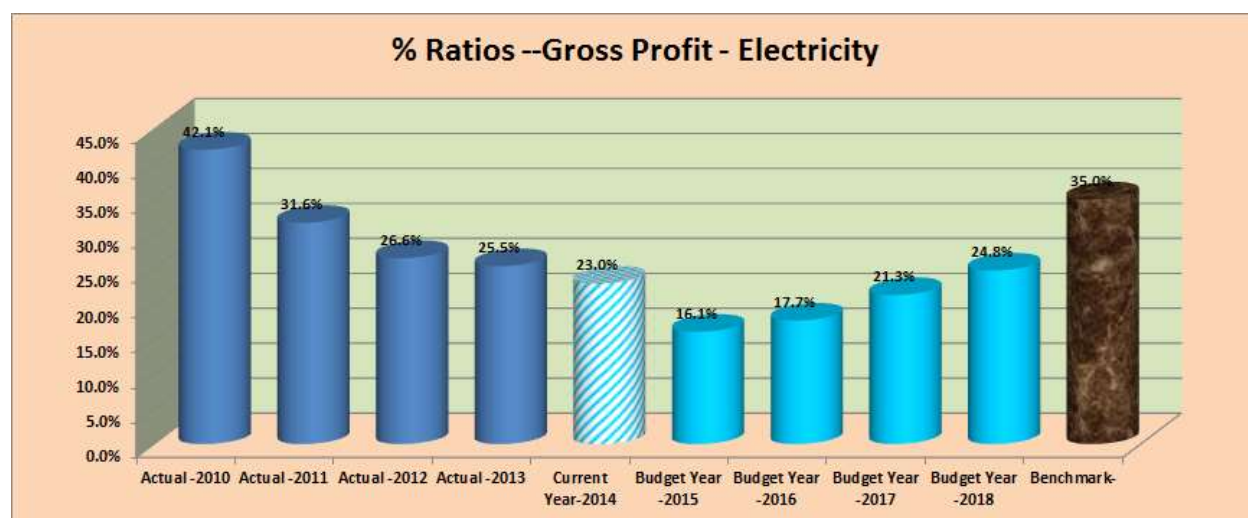
In line with the proposed vote structure, the following revenue (excluding capital transfers) is appropriated to each vote (as illustrated below). The municipality should carefully review each of these departments to identify areas where expenditure levels can be reduced.

R000	2015/2016			2016/2017			2017/2018		
	Revenue	Expenditure	Surplus/ (Deficit)	Revenue	Expenditure	Surplus/ (Deficit)	Revenue	Expenditure	Surplus/ (Deficit)
Executive and Council	13 309 000	16 681 986	-3 372 986	14 780 230	17 696 064	-2 915 834	16 416 970	18 522 916	-2 105 946
Municipal Manager	-	2 415 364	-2 415 364	-	2 554 174	-2 554 174	-	2 695 012	-2 695 012
Council General Expenses	13 309 000	9 290 200	4 018 800	14 780 230	9 750 520	5 029 710	16 416 970	10 158 160	6 258 810
Office of the Municipal Manager	-	1 194 708	-1 194 708	-	1 277 453	-1 277 453	-	1 366 001	-1 366 001
Strategic Planning and IDP	-	1 681 454	-1 681 454	-	1 786 773	-1 786 773	-	1 896 656	-1 896 656
Internal Audit	-	1 541 129	-1 541 129	-	1 650 598	-1 650 598	-	1 695 016	-1 695 016
Risk Management	-	559 131	-559 131	-	676 546	-676 546	-	712 071	-712 071
Infrastructure	48 081 680	48 650 057	-568 377	52 681 340	49 951 077	2 730 263	58 708 040	52 703 572	6 004 468
Administration	1 341 350	2 862 266	-1 520 916	552 300	2 192 029	-1 639 729	571 550	2 373 541	-1 801 991
Workshop	-	1 046 136	-1 046 136	-	1 106 548	-1 106 548	-	1 170 269	-1 170 269
Streets & Stormwater	-	11 531 939	-11 531 939	-	11 898 040	-11 898 040	-	12 606 405	-12 606 405
Water	21 852 790	13 274 453	8 578 337	24 399 910	13 797 475	10 602 435	27 239 930	14 525 685	12 714 245
Sewerage & Sanitation	9 576 930	7 186 730	2 390 200	10 675 980	7 599 399	3 076 581	11 901 400	8 044 251	3 857 149
Solid Waste	15 310 610	12 748 533	2 562 077	17 053 150	13 357 586	3 695 564	18 995 160	13 983 421	5 011 739
Budget and Treasury Office	54 422 520	31 219 268	23 203 252	59 833 372	34 490 471	25 342 901	66 397 156	35 403 163	30 993 993
Finance	1 230 000	5 744 791	-4 514 791	1 475 000	6 035 551	-4 560 551	2 363 000	7 063 058	-4 700 058
Supply Chain Management	10 000	2 069 876	-2 059 876	10 000	2 198 286	-2 188 286	10 000	2 336 949	-2 326 949
Revenue Management	51 022 520	10 032 889	40 989 631	56 081 122	12 239 713	43 841 409	61 643 386	11 173 494	50 469 892
Expenditure Management	2 160 000	3 141 731	-981 731	2 267 250	3 316 688	-1 049 438	2 380 770	3 494 749	-1 113 979
Budget and Treasury Office	-	10 229 981	-10 229 981	-	10 700 233	-10 700 233	-	11 334 913	-11 334 913
Corporate Services	2 740 100	23 082 940	-20 342 840	2 905 700	23 766 543	-20 860 843	3 062 040	25 541 235	-22 479 195
Corporate Services	-	1 553 611	-1 553 611	-	1 642 972	-1 642 972	-	1 718 575	-1 718 575
Human Resources	700 000	5 744 826	-5 044 826	730 000	5 664 763	-4 934 763	761 500	5 982 574	-5 221 074
Town Planning/Building Control	789 600	5 325 067	-4 535 467	872 700	5 467 722	-4 595 022	942 700	5 597 336	-4 654 636
Information Technology	-	2 266 415	-2 266 415	-	2 453 745	-2 453 745	-	3 227 814	-3 227 814
Client Services	-	2 298 896	-2 298 896	-	2 327 328	-2 327 328	-	2 475 025	-2 475 025
Administrative Support Services	1 250 500	5 894 125	-4 643 625	1 303 000	6 210 013	-4 907 013	1 357 840	6 539 911	-5 182 071
Community and Social Services	16 476 600	35 409 234	-18 932 634	35 563 140	55 387 095	-19 823 955	53 316 220	73 989 455	-20 673 235
Library	4 314 000	4 195 325	118 675	4 118 750	4 463 066	-344 316	4 742 800	4 747 296	-4 496
Vehicle Testing Station	2 193 500	2 412 260	-218 760	2 302 910	2 553 056	-250 146	2 417 820	2 718 943	-301 123
Protection Services	-	1 715 370	-1 715 370	-	1 775 041	-1 775 041	-	1 820 854	-1 820 854
Environmental Services	-	444 997	-444 997	-	478 064	-478 064	-	509 441	-509 441
Beaches & Public Amenities	5 395 500	4 979 518	415 982	5 632 500	5 286 575	345 925	6 081 800	5 612 078	469 722
Parks and Sports Facilities	19 600	3 822 924	-3 803 324	20 580	4 035 451	-4 014 871	21 600	4 290 408	-4 268 808
Cemetery	52 000	613 427	-561 427	54 600	653 336	-598 736	57 400	696 221	-638 821
Buildings and Commonage	205 000	3 214 744	-3 009 744	215 000	3 421 040	-3 206 040	226 000	3 628 170	-3 402 170
Public Services	-	955 509	-955 509	-	950 281	-950 281	-	1 006 080	-1 006 080
Housing	2 300 000	3 641 510	-1 341 510	20 450 000	21 861 462	-1 411 462	37 120 000	38 613 777	-1 493 777
Social Development	192 000	1 666 404	-1 474 404	273 500	1 836 839	-1 563 339	93 000	1 755 959	-1 662 959
Administration	-	1 916 760	-1 916 760	-	1 898 895	-1 898 895	-	2 012 639	-2 012 639
Traffic	1 805 000	5 830 486	-4 025 486	2 495 300	6 173 989	-3 678 689	2 555 800	6 577 589	-4 021 789
Electricity	87 511 080	81 553 184	5 957 896	98 446 031	87 424 833	11 021 198	110 747 845	93 833 129	16 914 716
Electricity	87 511 080	81 553 184	5 957 896	98 446 031	87 424 833	11 021 198	110 747 845	93 833 129	16 914 716
Total (excluding Capital Transfers)	222 540 980	236 596 669	-14 055 689	264 209 813	268 716 083	-4 506 270	308 648 271	299 993 470	8 654 801

As a rule of thumb, all trading services (water, electricity, refuse and sanitation) should be cost reflective, meaning that sufficient revenue is raised to cover all the costs associated with the provision of the service. All services are currently operating at a surplus. Furthermore, it is expected that all services will show a steady improvement in profitability over the MTREF.

Trading Services	2013/2014		2014/2015		2015/2016		2016/2017		2017/2018	
	Surplus/ (Deficit)	Net Profit %	Surplus/ (Deficit)	Net Profit %	Surplus/ (Deficit)	Net Profit %	Surplus/ (Deficit)	Net Profit %	Surplus/ (Deficit)	Net Profit %
Electricity	9 668 948	14%	5 923 313	8%	5 957 896	7%	11 021 198	11%	16 914 716	15%
Water	4 981 104	29%	7 311 000	35%	8 578 337	39%	10 602 435	43%	12 714 245	47%
Sewerage & Sanitation	744 170	10%	2 488 197	25%	2 390 200	25%	3 076 581	29%	3 857 149	32%
Solid Waste	-1 179 472	-11%	1 003 538	8%	2 562 077	17%	3 695 564	22%	5 011 739	26%

Electricity is historically the largest “profit making” service and for many years assisted municipalities to ensure that budgets are funded. However, with significant increases in the cost of bulk electricity (provided by Eskom) and the inability of the municipality to pass these cost increases down to the Cape Agulhas consumer, the profitability of the electricity service is currently under threat in recent years. To curb this downward trend, the municipality is left with no alternative but to increase electricity tariffs to improve the trend as indicated below:



With the cost of bulk purchases largely beyond the control of the municipality, and the constraints with regards to excessive consumer tariff increases over and above already provided in the budget, the municipality should investigate the possibility of cutting back on other expenditure to ensure that the service remain profitable for the foreseeable future.

Other than the trading services, the municipality should also ensure that departments with the ability to generate its own revenue are cost reflective as far possible.

With specific reference to the traffic department which is currently operating at a deficit of approximately **R 4 million per year** – this department has the ability to collect fines and should be able to generate sufficient cash to support itself. Currently however, this department is financed by the consumer of services and ratepayers in the community.

FINANCIAL VIABILITY

Financial viability and sustainability is one of the major cornerstones that needs to remain intact to ensure that municipalities follow through on their constitutional obligation to deliver high quality basic services to the citizens of South Africa.

From the perspective of a municipality, the focus point of any sustainability and viability analysis revolves firmly around the municipality's ability to implement policies that contributes to the preservation of cash resources over the long term.

The viability ratios to be utilised are based on the model jointly developed by Swartland Municipality and the Western Cape Provincial Treasury and assesses 10 key ratios that is considered the most important indicators when assessing the long term viability of the municipality. A weighting is attached to each indicator that will eventually provide the municipality with a viability score out of 100. The municipality should always strive for the maximum score of 100. Any score below 100 will be indicative of "sustainability cracks" that could eventually negatively impact on service delivery in the municipal area.

The 10 indicators, along with the proposed benchmark and weight are included in the following table:

ITEM	Benchmark	Viability Weight	Standard 1	Score 1	Standard 2	Score 2	Standard 3	Score 3	Standard 4	Score 4	Standard 5	Score 5
Asset Test Ratio	200%	10	200%	10	150%	8	100%	5	50%	2	0%	0
Payment Level (Excluding write-off of bad debts)	> 95%	15	95%	15	90%	11	85%	6	80%	3	75%	0
Cash Generated from Operations as % of Revenue	> 20%	8	20%	8	15%	6	10%	4	5%	2	0%	0
Purchase of PPE as % of Cash Generated	< 100%	8	100%	8	110%	6	120%	4	135%	2	150%	0
Cost Coverage (Excluding Unspent Grants)	4	15	4	15	4	10	3	5	2	2	1	0
Debtors Turnover (days) (Before impairment)	< 45 days	2	75	2	90	1	110	0	130	0	150	0
Longterm debt as % of Revenue	< 40%	5	40%	5	50%	4	75%	3	95%	2	100%	0
Debt servicing cost to Revenue	< 5%	8	5%	8	7.50%	6	10%	4	12.50%	2	15%	0
Short-term debt as % of Cash	< 100%	4	50%	4	70%	3	80%	2	100%	1	125%	0
Cash Funded Budget over MTREF	> R0	25	Yes	25	No	0	0	0	0	0	0	0

The 10 indicators provide the municipality with an assessment of the following major areas:

- Revenue Management
- Expenditure Management
- Debtor and Creditor Management
- Cash Management
- Asset Management
- Funding and Reserve Strategy

All the indicators will be discussed below.

1.4.1.1 Asset Test Ratio

The asset test ratio provides with an indication of the municipality’s ability to settle commitments if and when they become due. It is calculated as follows ratio between current assets (excluding inventory) and current liabilities:

A ratio of 2:1 is considered to be appropriate.

This ratio has already slipped below the acceptable level of 2:1 during 2013/2014. It is not expected that the level of 2:1 will be reached over the MTREF.

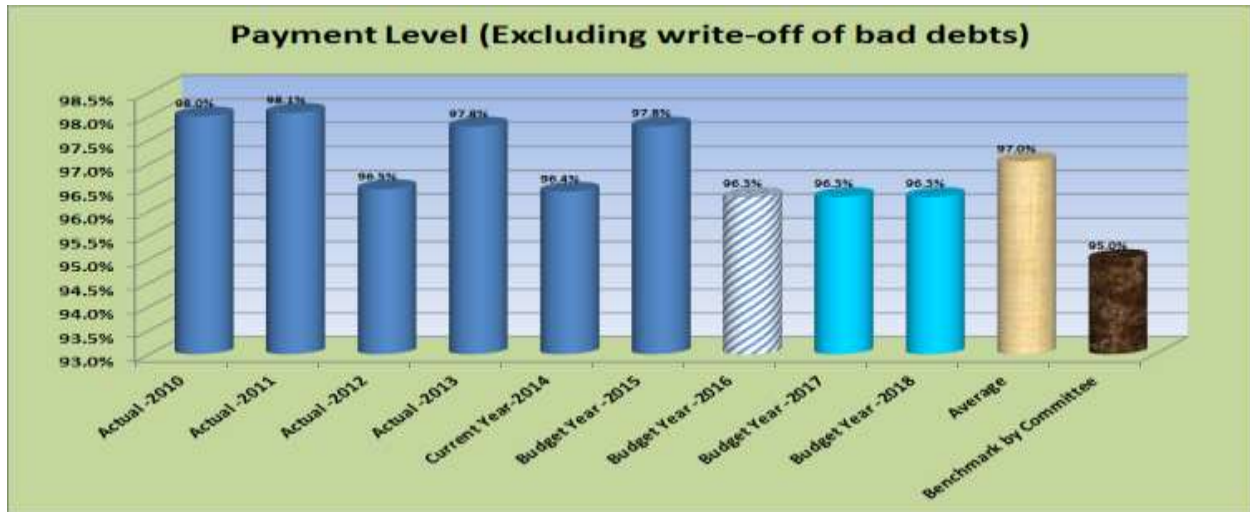


From a viability scoring out of 10 for this indicator, the following is allocated for this indicator:

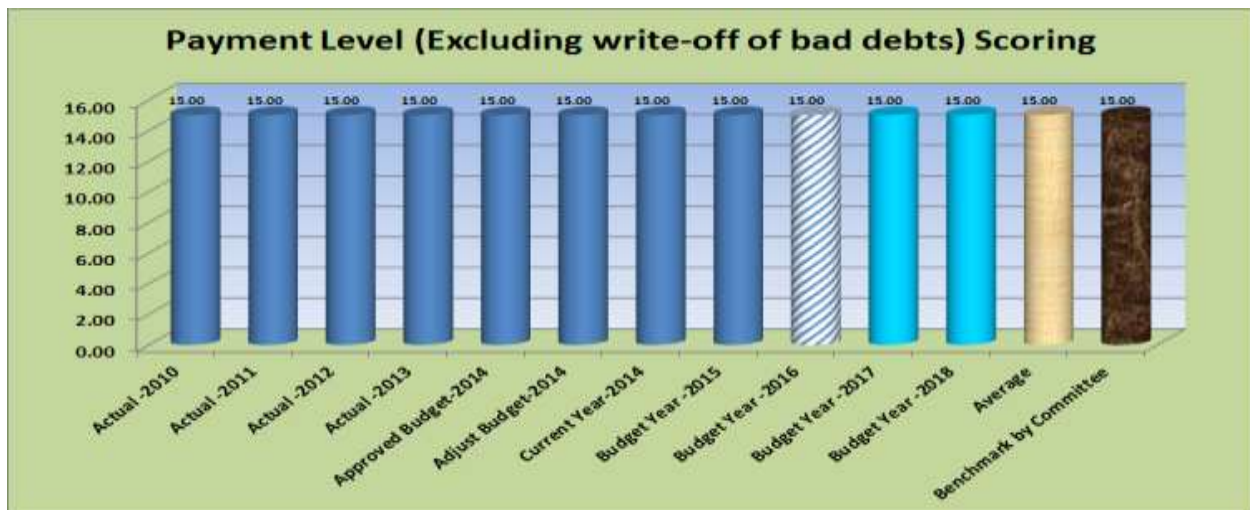


1.4.1.2 Payment Level

Historically, the municipality has always been able to apply strict measures when it comes to revenue collection and this trend is set to continue. A revenue collection rate in excess of 95% is considered to be exceptional in the current economic environment.



A full score of 15 is allocated for this indicator in all periods under review.



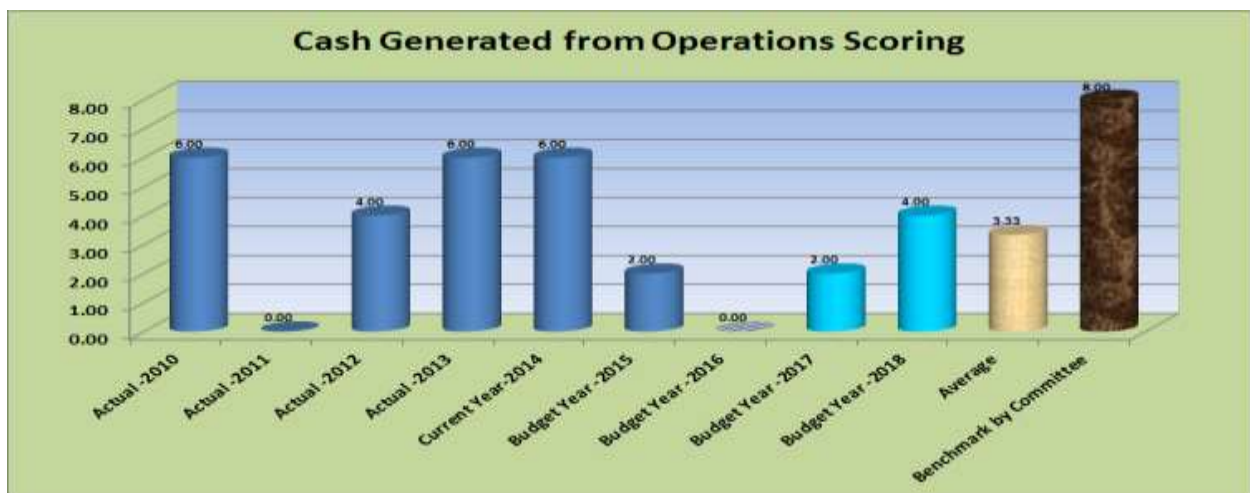
1.4.1.3 Cash Generated from Operations as % of Revenue

This indicator provides the municipality with a measure of the municipality’s ability to translate the operating budget into cash. The downward trend as identified in the graph below is an indication of the inability of the municipality to pass the increases in major cost drivers to the consumer/rate payer in the form of service charges and taxes. The municipality should explore relevant areas where non-essential expenditure can be reduced in order to improve this indicator. Any improvement in this indicator will significantly contribute to the availability of cash resources for capital purposes. A ratio of 20% (Cash generated by operations vs Revenue) is deemed to be appropriate.

It is quite evident that the municipality is not generating appropriate levels of cash that will enable the municipality to contribute to the capital program of the municipality. With collection rates already established to be very good, cost cutting measures is considered the only possible short term remedy to correct this indicator.



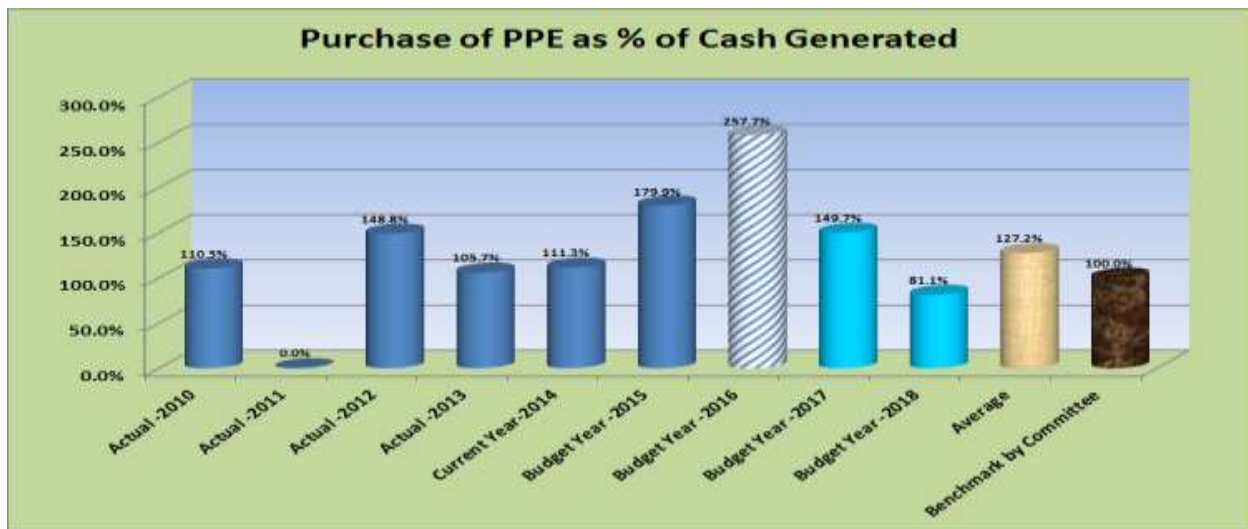
From a possible score of 8, the municipality will score limited points over the MTREF.



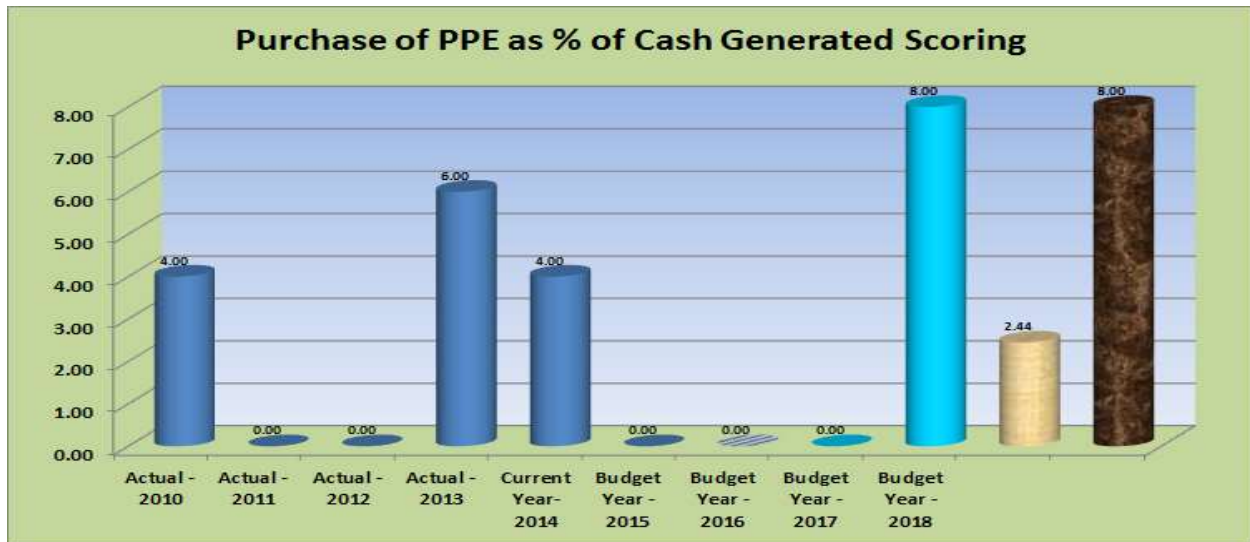
1.4.1.4 Purchase of PPE as % of Cash Generated

This indicator measures the ability of the municipality to finance the capital program from cash generated in the same financial period. Any indicator above 100% is indicative of a shortfall in cash which increases the need to utilise accumulated cash resources from prior years. Alternatively in order to preserve cash resources, the municipality will need to raise external loans. An external loan is an excellent instrument to promote the principle of “user pays” (Interest and redemption charges are factored into the cost of providing the service. Thus, the user of the specific asset will pay for the asset over the period when benefits are derived from the asset). It is also very useful to fast track much needed infrastructure projects where the municipality is not in a position to finance a specific project from own resources. The municipality should however be mindful of the affordability factor specifically relating to loans that will be discussed in more detail in section 1.4.1.7 and 1.4.1.8.

In recent years and as it is currently projected, the municipality’s capital program is always in excess of cash generated by operations, except for 2017/2018.

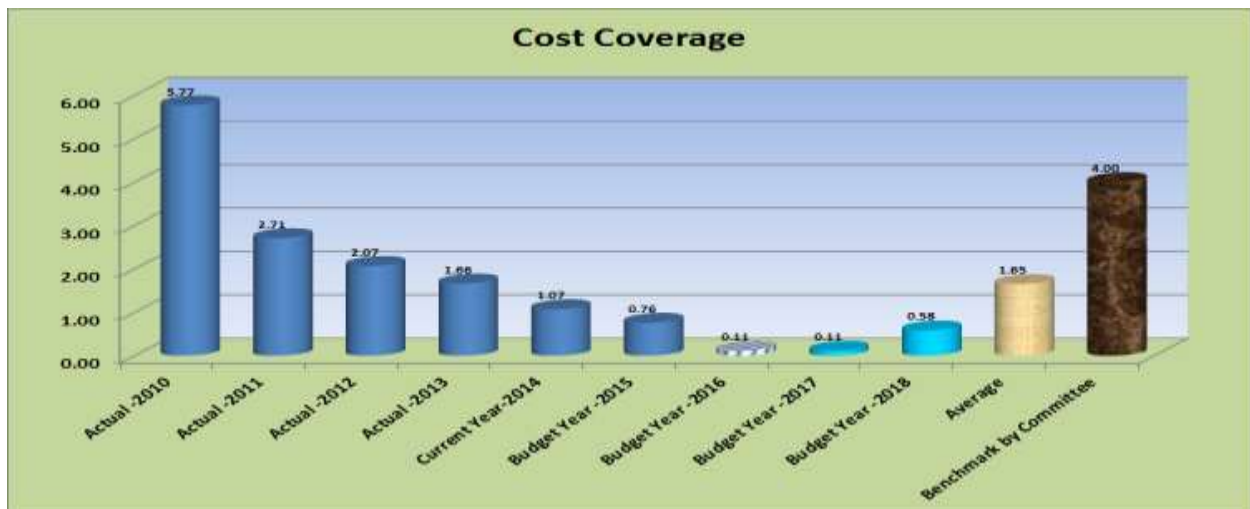


Similar to the indicator discussed in 1.4.1.3, the municipality will need to cut back on operating expenditure to ensure that this indicator becomes more favorable than the current possible score out of 8. Over the MTREF, the municipality will only be allocated a score during 2017/2018.



1.4.1.5 Cost Coverage

This ratio measures the amount of months' operating expenditure for which cash is available. This indicator will also provide a good indication of how the municipality will be able to react to financial "shock/setbacks" that is beyond the control of the municipality (for example - National Treasury delays the payments of grants or a sudden drop in payment levels from consumers/rate payers). The guidelines provided by National Treasury indicate that a level of 1 to 3 months is considered to be acceptable. A level of 4 months, which is in line with other municipalities that are considered to be financially sound, is considered to be an acceptable level.



The downward trend is in line with the projected decline in cash resources and accordingly no contribution is made to the viability scoring over the MTREF



1.4.1.6 Debtor Turnover Days

In short, the indicator provides an indication of how many days it takes to convert billed revenue into cash. Thus, it is a good indicator of how credit control and debt collection measures are being implemented at the municipality. It also provides an indication of the municipality’s write off policy. High standards are maintained when it comes to debt collection. The upward trend evident below can only be attributed to the municipality not writing off old irrecoverable debt. Not only does this result in a sharp increase in consumer debt, but it also contribute to significant interest charges to be levied in the statement of financial performance. Although considered to be revenue, very little interest revenue will translate into cash.



A total score of only 2 is available for this indicator.

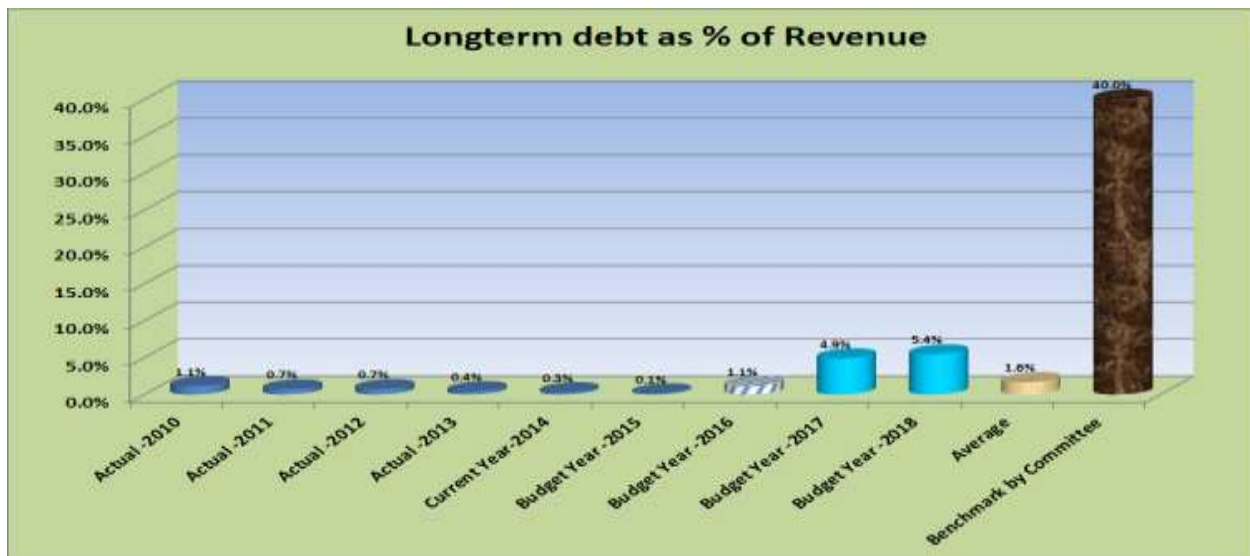


1.4.1.7 Long Term Debt as % of Revenue

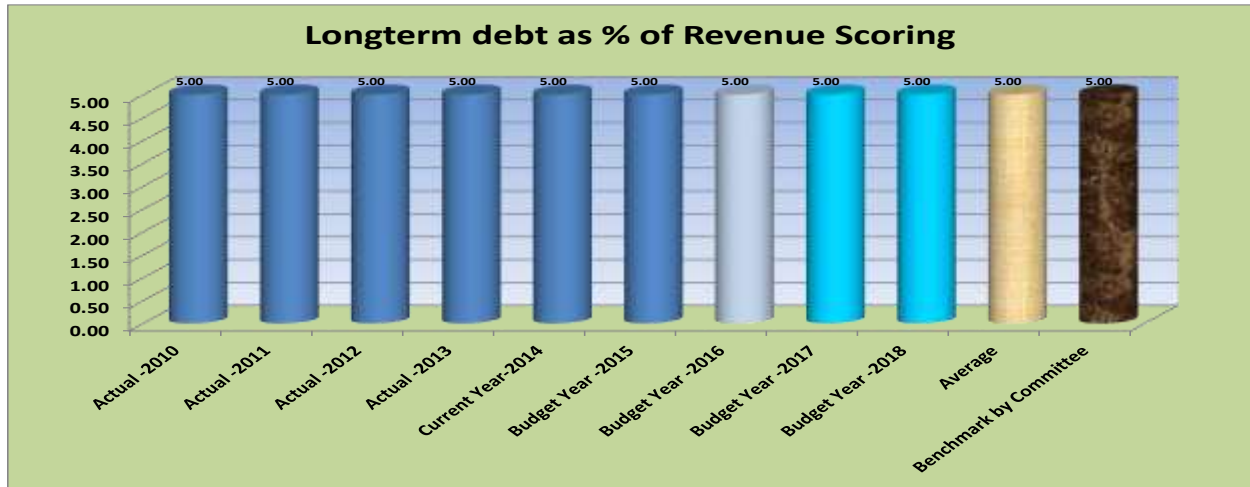
External borrowing is an important part of the funding model of the municipality. Not only does it instantly provide the municipality with relatively inexpensive capital to fast-track service delivery and infrastructure backlogs, but it also ensures that the user of the infrastructure pay for the use over the lifetime of the asset. The current capital program provides for a significant portion of the program to be financed through external financing.

This indicator provides the municipality with a debt ceiling – the maximum level of external borrowing that the municipality will be able to accommodate in the in the statement of financial position before the “affordability” factor becomes a concern.

Currently the municipality is operating well below the debt ceiling of 40%. This is an area that the municipality should definitely explore as a funding option.



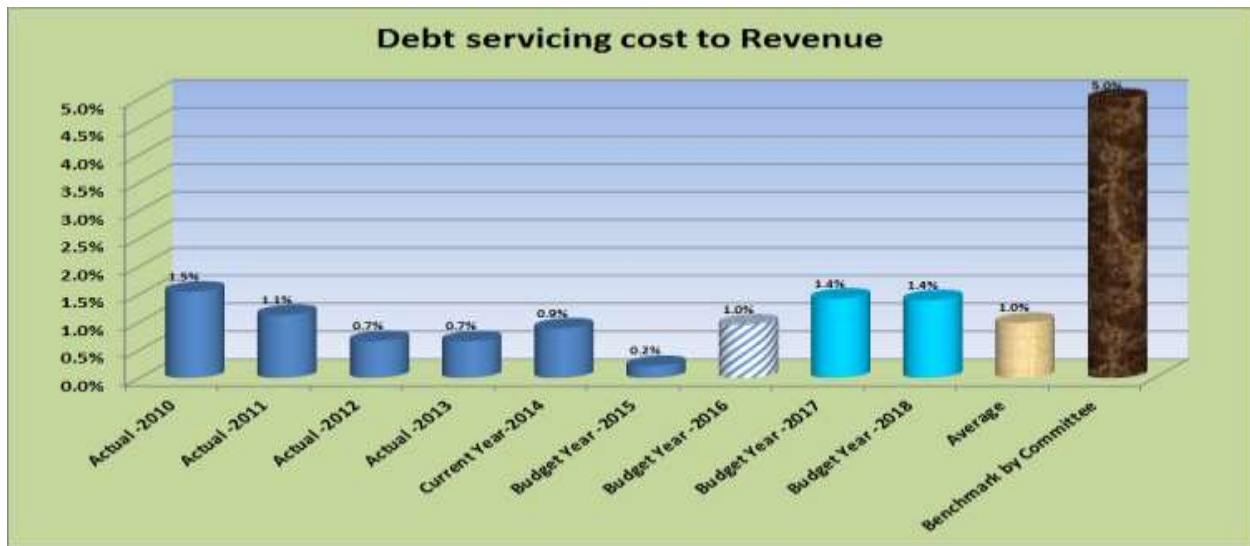
A full score is allocated to this indicator for all periods under review, although it should be noted that the municipality is not make full use of the benefits available in this area.



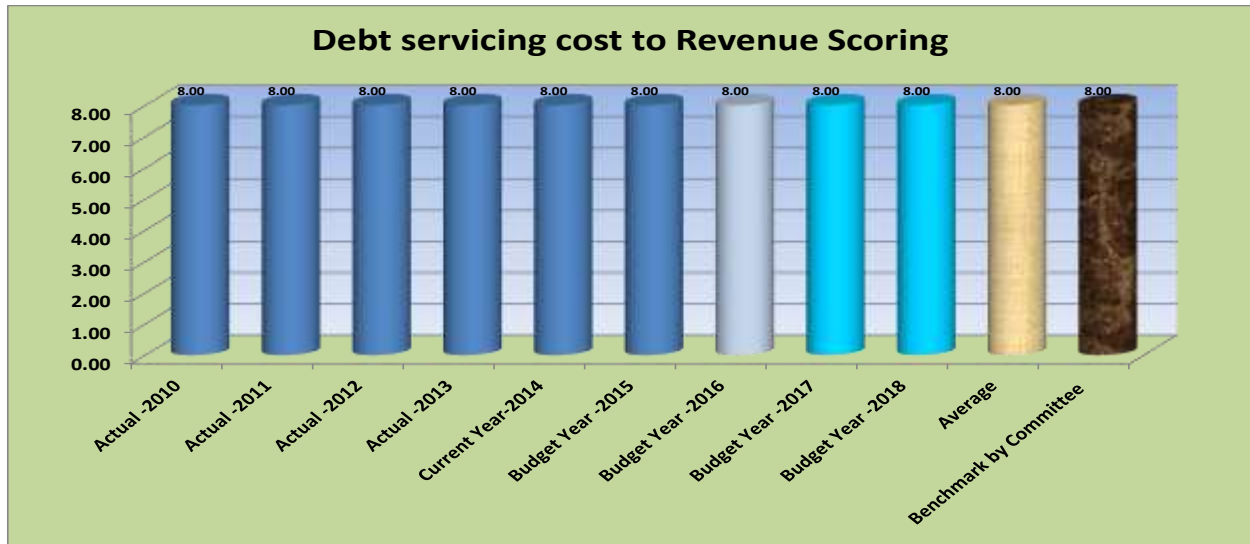
1.4.1.8 Debt Servicing Cost to Revenue

This indicator should be reviewed in conjunction with the debt ceiling as discussed in section 1.4.1.8 and is a measure of the ability of the operating budget to finance loan installments when they become due. A level of 5% is considered to be affordable.

Based on the fact that the municipality is operating well below the debt ceiling, the municipality is performing well on this indicator.

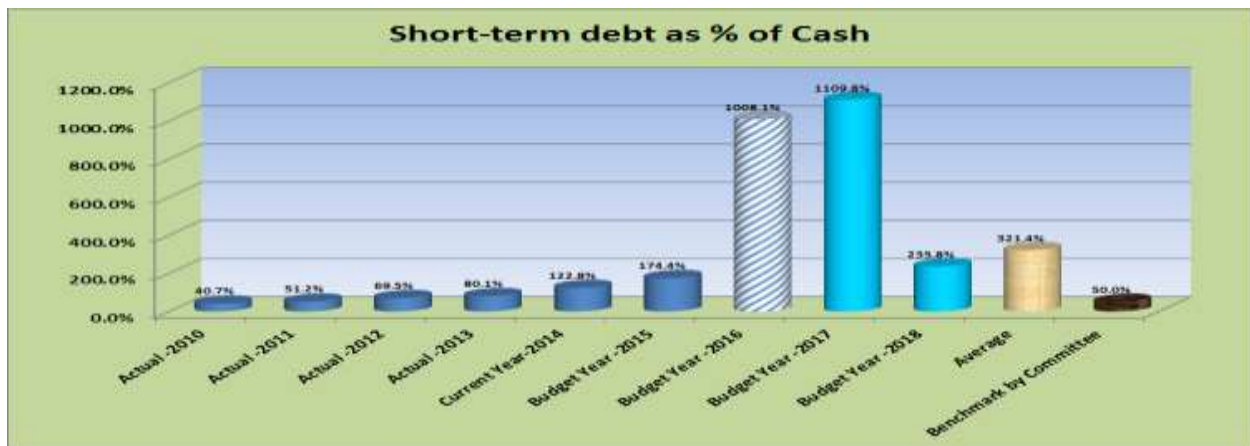


From a possible score of 8, the municipality will be allocated a full score in all periods under review.



1.4.1.9 Short Term Debt as % of Cash

This indicator provides a measure of the municipality’s ability to settle short term liabilities when they become due and payable. The trend below is an indication that the municipality will not be able to pay liabilities when they become due over the MTREF. A level below 50% is considered to be acceptable.



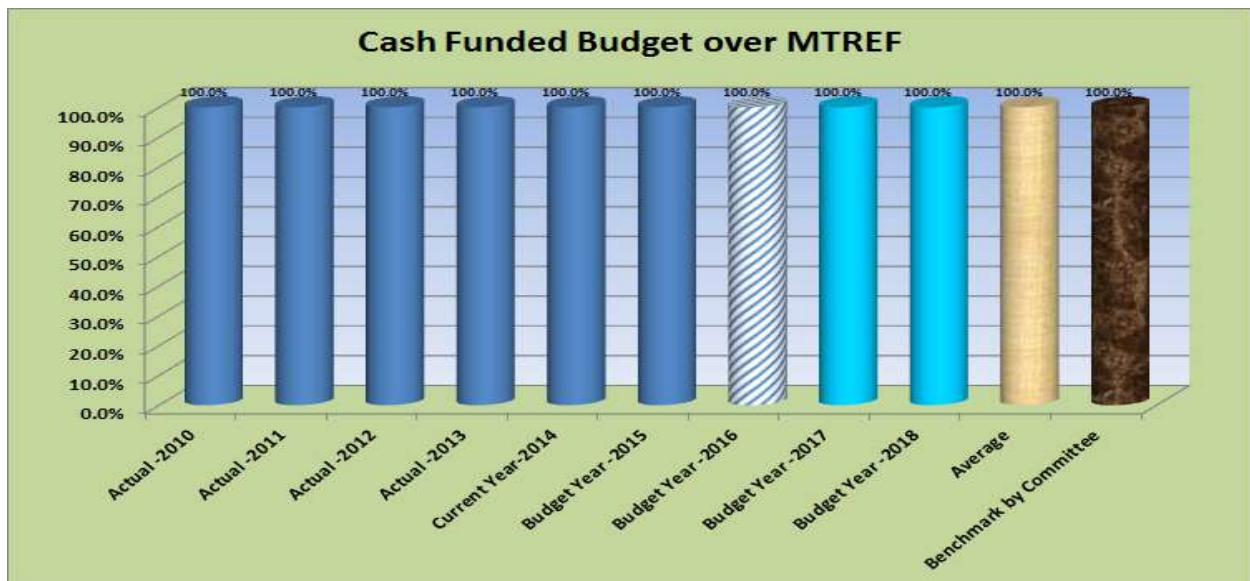
As cash resources decline and short term liabilities increase, the scoring allocated to this indicator will drop to zero.

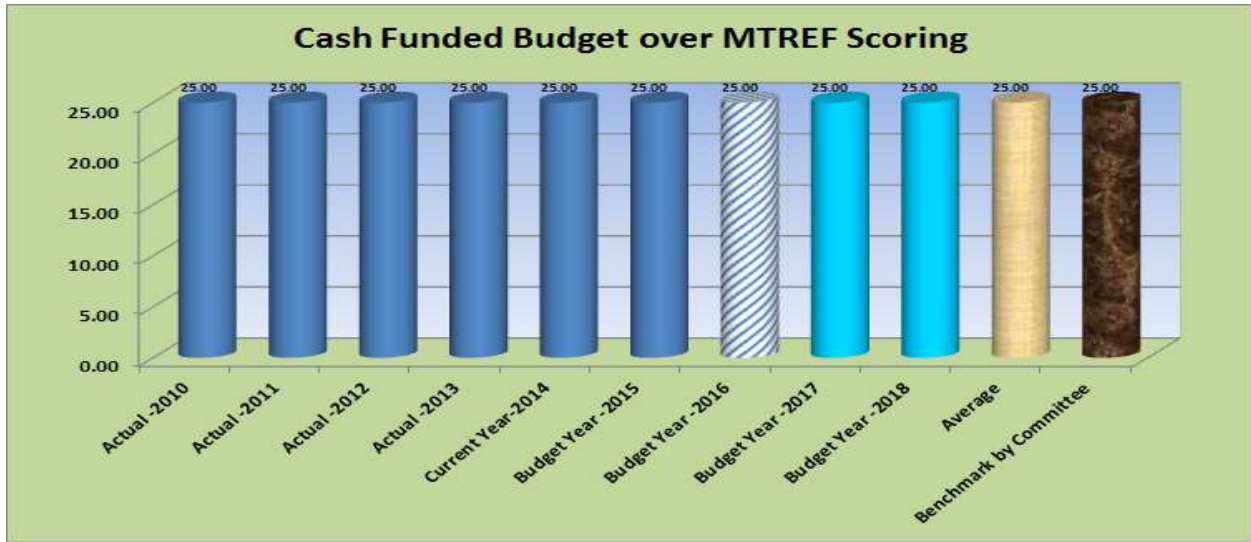


1.4.1.10 Cash Funded Budget over the MTREF

A cash funded budget is arguably the most important indicator for a credible budget that is aligned to the funding requirement in MFMA Section 18 and for this reason the indicator carries the largest weighting in the financial viability scoring model.

The entire MTREF will be cash funded.





1.4.1.11 Total Viability Scoring

Based on the outcome of the 10 indicators above, and most importantly ensuring that a cash funded budget is proposed, the municipality has managed to project an improvement in viability scoring over the MTREF. This is considered to be very positive.



1.5 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

(1) "An annual budget may only be funded from –

- (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
- (b) Cash-backed accumulated funds from previous financial years' surpluses not committed for other purposes; and
- (c) Borrowed funds, but only for the capital budget referred to in section 17(2).

(2) Revenue projections in the budget must be realistic, taking into account –

- (a) projected revenue for the current year based on collection levels to date; and
- (b) actual revenue collected in previous years."

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

Table 3 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	Audited	Audited	Original	Adjusted	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Outcome	Outcome	Outcome	Budget	Budget			
Revenue By Source								
Property rates	32 427	34 763	39 325	42 304	42 783	49 956	54 960	60 464
Property rates - penalties & collection	–	–	–	–	–	–	–	–
Service charges - electricity revenue	60 022	65 092	69 614	74 134	77 330	86 845	97 700	109 913
Service charges - water revenue	14 765	16 175	16 950	20 238	20 238	20 408	22 914	25 708
Service charges - sanitation revenue	5 434	6 336	7 534	8 446	8 446	6 687	7 745	8 920
Service charges - refuse revenue	8 664	9 534	10 495	12 912	12 912	11 576	13 258	15 130
Service charges - other	–	–	–	–	–	–	–	–
Rental of facilities and equipment	4 756	5 014	5 177	5 287	5 292	6 680	7 159	7 675
Interest earned - external investments	2 224	2 050	1 889	1 666	1 741	1 970	2 069	2 172
Interest earned - outstanding debtors	514	637	760	723	800	800	840	882
Dividends received	–	–	–	–	–	–	–	–
Fines	751	861	1 400	572	1 422	1 836	2 532	2 598
Licences and permits	1 012	1 036	963	1 223	1 177	330	346	364
Agency services	1 079	1 095	1 255	1 306	1 306	1 309	1 374	1 443
Transfers recognised - operational	57 579	62 567	50 775	47 665	50 671	30 290	49 172	68 946
Other revenue	2 867	2 600	4 853	2 366	2 380	3 855	4 141	4 435
Gains on disposal of PPE	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	192 095	207 760	210 990	218 845	226 499	222 541	264 210	308 648

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.

Table 4 Summary of revenue classified by municipal vote

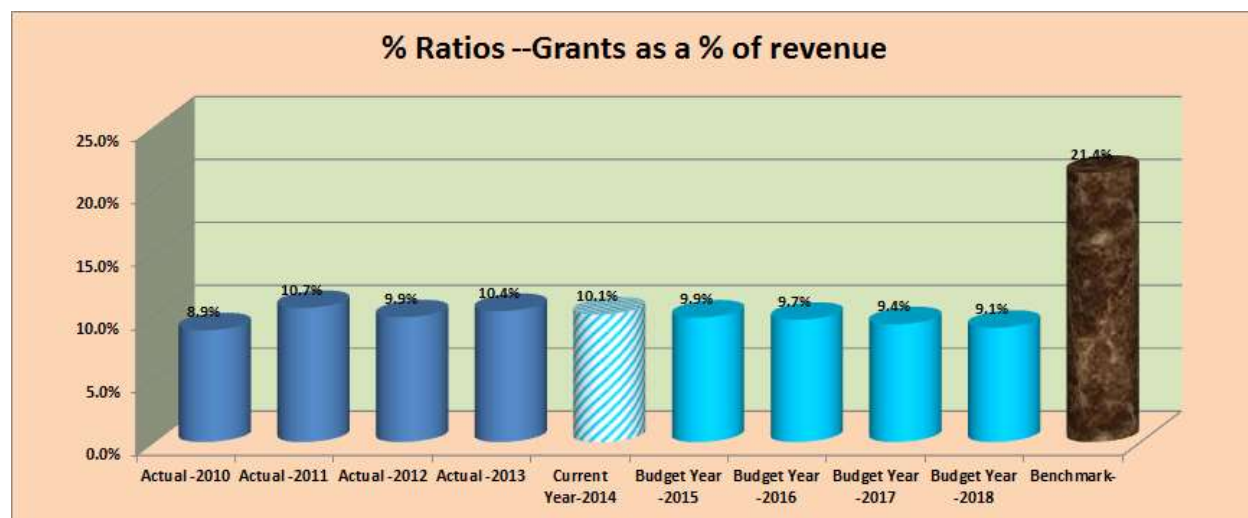
Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Executive and Council	59 292	79 274	61 675	20 320	20 327	20 327	13 309	14 780	16 417
Vote 2 - Budget and Treasury Office	35 963	37 889	42 714	46 874	47 505	47 996	55 423	60 583	66 397
Vote 3 - Corporate Services	881	896	618	84	1 330	3 388	2 740	2 906	3 062
Vote 4 - Community and Social Services	3 955	4 975	6 295	24 826	29 005	29 177	16 696	36 099	53 441
Vote 5 - Sport and Recreation	3 932	3 992	4 254	4 624	4 729	5 390	-	-	-
Vote 6 - Public Safety	2 710	2 868	3 455	2 942	3 792	3 508	-	-	-
Vote 7 - Road Transport	3 083	3 261	212	85	99	104	-	-	-
Vote 8 - Electricity	60 539	65 680	71 612	76 821	80 017	76 980	89 511	100 446	112 748
Vote 9 - Water	14 986	16 392	17 163	20 422	20 422	20 604	-	-	-
Vote 10 - Waste Water Management	5 520	6 435	7 656	8 568	9 277	9 766	-	-	-
Vote 11 - Waste Management	8 981	9 806	10 773	13 316	13 316	13 339	-	-	-
Vote 12 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote 13 - Other	-	5	-	11 033	11 033	11 032	-	-	-
Vote 14 - Infrastructure	-	-	-	-	-	-	58 326	63 156	69 548
Total Revenue by Vote	199 842	231 473	226 427	229 916	240 851	241 611	236 005	277 971	321 614

Table 5 Percentage growth in revenue base by main revenue source

Description R thousand	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source								
Property rates	42 783	18.9%	49 956	22.4%	54 960	20.8%	60 464	19.6%
Service charges - electricity revenue	77 330	34.1%	86 845	39.0%	97 700	37.0%	109 913	35.6%
Service charges - water revenue	20 238	8.9%	20 408	9.2%	22 914	8.7%	25 708	8.3%
Service charges - sanitation revenue	8 446	3.7%	6 687	3.0%	7 745	2.9%	8 920	2.9%
Service charges - refuse revenue	12 912	5.7%	11 576	5.2%	13 258	5.0%	15 130	4.9%
Rental of facilities and equipment	5 292	2.3%	6 680	3.0%	7 159	2.7%	7 675	2.5%
Interest earned - external investments	1 741	0.8%	1 970	0.9%	2 069	0.8%	2 172	0.7%
Interest earned - outstanding debtors	800	0.4%	800	0.4%	840	0.3%	882	0.3%
Fines	1 422	0.6%	1 836	0.8%	2 532	1.0%	2 598	0.8%
Licences and permits	1 177	0.5%	330	0.1%	346	0.1%	364	0.1%
Agency services	1 306	0.6%	1 309	0.6%	1 374	0.5%	1 443	0.5%
Transfers recognised - operational	50 671	22.4%	30 290	13.6%	49 172	18.6%	68 946	22.3%
Other revenue	2 380	1.1%	3 855	1.7%	4 141	1.6%	4 435	1.4%
Total Revenue (excluding capital transfers and contributions)	226 499	100%	222 541	100%	264 210	100%	308 648	100%
Total Revenue from Rates and Service Charges	161 710	71.4%	175 472	78.8%	196 576	74.4%	220 135	71.3%

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise between 70 and 75 percent of the total revenue mix.

The municipality remains highly dependent on internal revenue sources to fund the budget. This trend is set to continue over the MTREF, as the equitable share allocation as a percentage of total revenue is still well below the average benchmark of 21.4% in the Western Cape:



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

Table 2 Operating Transfers and Grant Receipts

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:					
Operating expenditure of Transfers and Grants					
National Government:	24 620	22 857	23 601	24 428	27 093
Local Government Equitable Share	19 386	19 386	20 679	22 195	23 939
Finance Management	1 175	1 175	1 230	1 475	1 550
Municipal Systems Improvement	146	649	150	207	1 033
Municipal Infrastructure (MIG)	793	527	542	551	571
EPWP Incentive	1 120	1 120	1 000	-	-
INEG	2 000	-	-	-	-
Provincial Government:	23 046	27 814	6 689	24 744	41 853
Housing	18 590	22 466	2 300	20 450	37 120
Community Development Workers	70	140	54	57	60
Subsidy Main Roads	60	60	73	-	-
Subsidy Libraries	4 157	4 157	4 250	4 052	4 673
Housing Consumer	-	-	-	-	-
Thusong Centre	169	181	12	185	-
Provincial Financial Grant	-	810	-	-	-
Total operating expenditure of Transfers and Grants:	47 665	50 671	30 290	49 172	68 946

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper limit of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

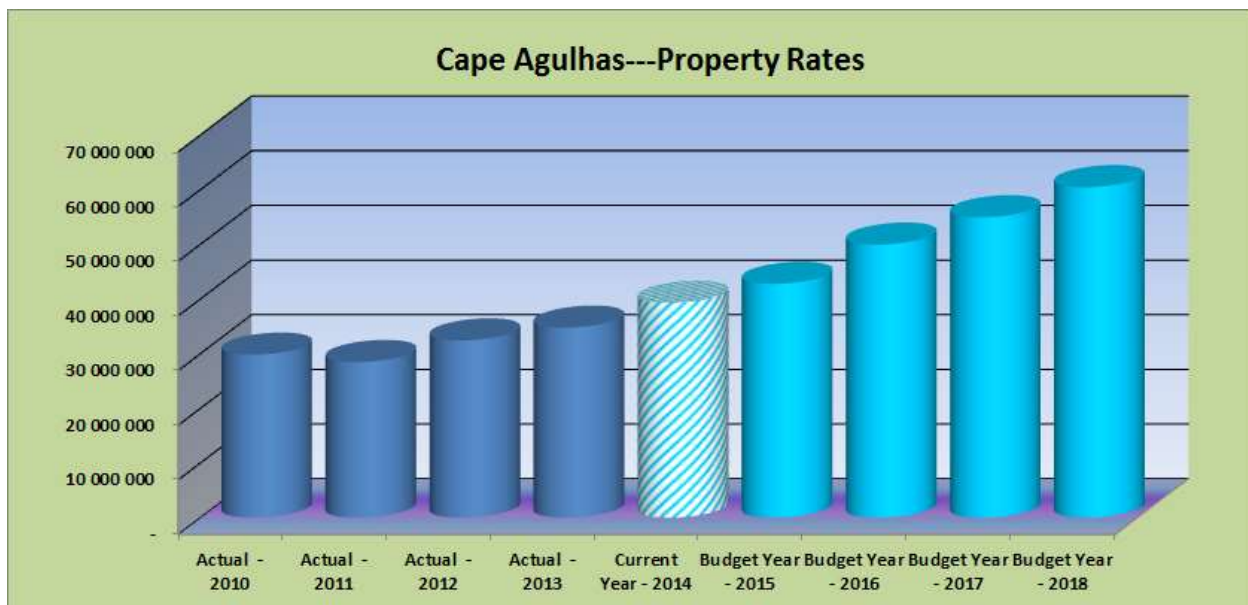
The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. A recovery rate of approximately 96.3% is factored into the MTREF period.

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. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.5.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

An increase of 15 per cent is proposed for 2015/16. This increase is above the upper boundary of the South African Reserve Bank's inflation target, but is required to curb the downward trend in cash resources as identified earlier in the report.



1.5.2 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 of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

One of the main challenges facing the municipality is water losses. The municipality is continuously exploring ways to limit its water losses to an acceptable level.

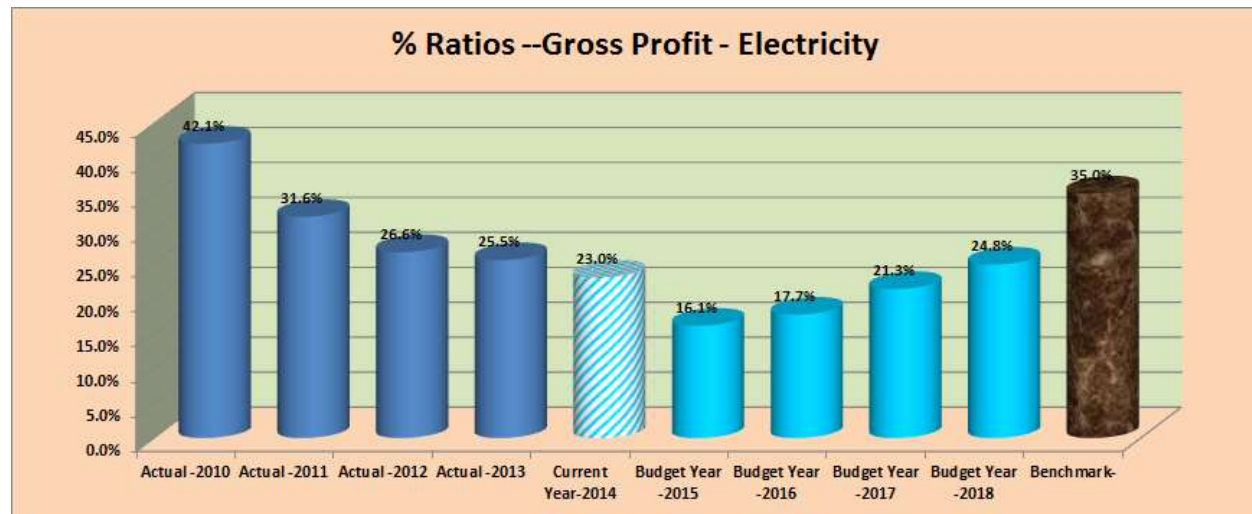
A tariff increase of 9.0 per cent for residential consumers and 10.0 per cent for businesses from 1 July 2015 for water is proposed. This increase is above the 6 per cent upper boundary of the South African Reserve Bank's inflation target. However, this increase is required due to the fact that the service is currently being operated at a loss if we take into account the capital requirements to be financed from own capital.

Full details regarding the tariffs are included as Appendix B to this document.

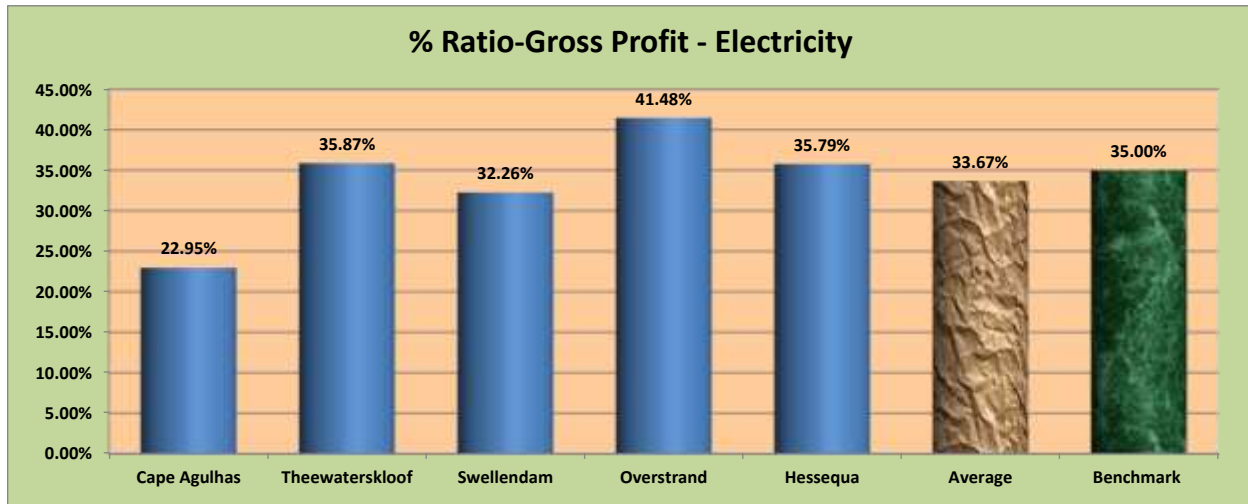
1.5.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 14.24 per cent (nominal) increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

From the graph below it is clearly evident that the gross profit margin has been placed under pressure due to the inability of the municipality to pass all bulk tariff increases on to the consumer over recent years. The municipality is in process to rectify the issue over the MTREF.



Compared to a selection of other municipalities in the Western Cape, the municipality has already been operating at a lower gross profit percentage in 2013/2014 as indicated below:



According to NERSA guidelines, the municipality is allowed a 12.69 percent increase in electricity tariffs to be levied for consumers.

1.5.4 Sanitation and Impact of Tariff Increases

A tariff increase of 11.58 per cent for sanitation from 1 July 2015 is proposed. This increase was required to ensure that the tariff charged is more cost reflective. This increase is above the 6 per cent upper boundary of the South African Reserve Bank's inflation target. However, this increase is required due to the fact that the service is currently being operated at a loss if we take into account the capital requirements to be financed from internal sources.

1.5.5 Waste Removal and Impact of Tariff Increases

A 11.06 percent increase in the waste removal tariff is proposed from 1 July 2015. This increase is above the 6 per cent upper boundary of the South African Reserve Bank's inflation target. However, this increase is required due to the fact that the service is currently being operated at a loss if we take into account the capital requirements and other commitments to be financed from own funds. Commitments include the rehabilitation of landfill sites, which is one of the major liabilities of the municipality. This liability is currently not fully funded.

1.5.6 Overall impact of tariff increases on households

Information on the impact on households can be illustrated below.

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	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	449.19	480.18	489.75	543.99	543.99	543.99		625.60	669.40	716.25
Electricity : Basic levy	177.20	186.00	189.72	201.10	201.10	201.10		216.00	232.20	249.62
Electricity : Consumption	910.00	1 010.37	1 107.22	1 200.46	1 200.46	1 200.46		1 338.90	1 439.32	1 547.27
Water: Basic levy	71.50	76.51	81.87	89.64	89.64	89.64		95.20	101.86	108.99
Water: Consumption	99.56	106.53	114.08	124.92	124.92	124.92		136.47	146.02	156.24
Sanitation	63.51	69.23	77.54	85.14	85.14	85.14		95.00	101.65	108.77
Refuse removal	73.44	78.14	83.61	93.64	93.64	93.64		104.00	111.28	119.07
sub-total	1 844.40	2 006.96	2 143.79	2 338.89	2 338.89	2 338.89	11.6%	2 611.17	2 801.73	3 006.21
VAT on Services	195.33	213.75	231.57	251.29	251.29	251.29		277.98	297.44	318.26
Total large household bill:	2 039.73	2 220.71	2 375.36	2 590.18	2 590.18	2 590.18	11.5%	2 889.15	3 099.17	3 324.47
% increase/-decrease		8.9%	7.0%	9.0%	-	-		11.5%	7.3%	7.3%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	12.50	13.36	194.38	210.90	210.90	210.90		242.54	259.52	277.68
Electricity : Basic levy	88.60	93.00	94.86	100.55	100.55	100.55		108.00	116.10	124.81
Electricity : Consumption	379.54	421.40	454.67	492.44	492.44	492.44		535.19	575.33	618.48
Water: Basic levy	71.50	76.51	81.87	89.64	89.64	89.64		95.20	101.86	108.99
Water: Consumption	78.41	83.90	89.85	98.38	98.38	98.38		107.53	115.06	123.11
Sanitation	63.51	69.23	77.54	85.14	85.14	85.14		95.00	101.65	108.77
Refuse removal	73.44	78.14	83.61	93.64	93.64	93.64		104.00	111.28	119.07
sub-total	767.50	835.54	1 076.78	1 170.69	1 170.69	1 170.69	10.0%	1 287.46	1 380.80	1 480.91
VAT on Services	105.70	115.10	123.54	134.37	134.37	134.37		146.29	156.53	167.48
Total small household bill:	873.20	950.64	1 200.32	1 305.06	1 305.06	1 305.06	9.9%	1 433.75	1 537.33	1 648.40
% increase/-decrease		8.9%	26.3%	8.7%	-	-		9.9%	7.2%	7.2%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	8.45	9.04	9.22	17.84	17.84	17.84		20.50	21.94	23.47
Electricity : Basic levy	-	-	-	-	-	-		-	-	-
Electricity : Consumption	-	-	-	-	-	-		-	-	-
Water: Basic levy	-	-	16.83	17.83	17.83	17.83		19.04	20.37	21.80
Water: Consumption	-	-	-	-	-	-		-	-	-
Sanitation	-	-	15.51	17.03	17.03	17.03		19.00	20.33	21.75
Refuse removal	-	-	16.72	18.73	18.73	18.73		20.80	22.26	23.81
sub-total	8.45	9.04	58.28	71.43	71.43	71.43	11.1%	79.34	84.90	90.84
VAT on Services	-	-	6.87	7.50	7.50	7.50		8.24	8.82	9.43
Total small household bill:	8.45	9.04	65.15	78.93	78.93	78.93	11.0%	87.58	93.71	100.27
% increase/-decrease		7.0%	620.7%	21.2%	-	-		11.0%	7.0%	7.0%

1.6 Operating Expenditure Framework

Building on cost containment guidelines approved by Cabinet in October 2013, government at all levels will need to identify opportunities to increase efficiency and reduce waste. At a national level, the 2015 budget will pay particular attention to reducing line items that are not critical to service delivery to reinforce cost containment.

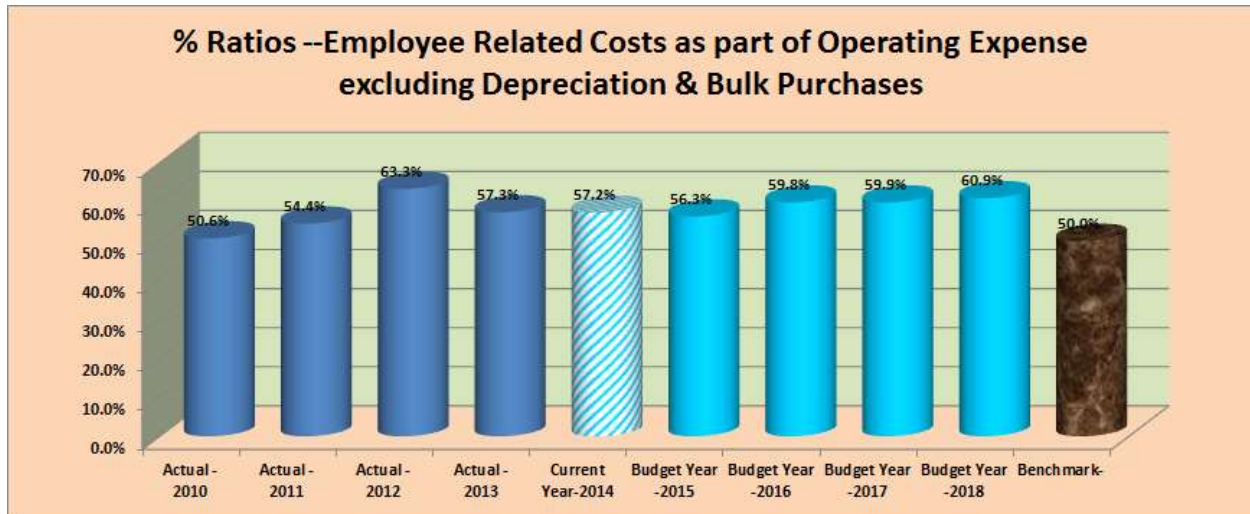
Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential and non-priority activities.

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

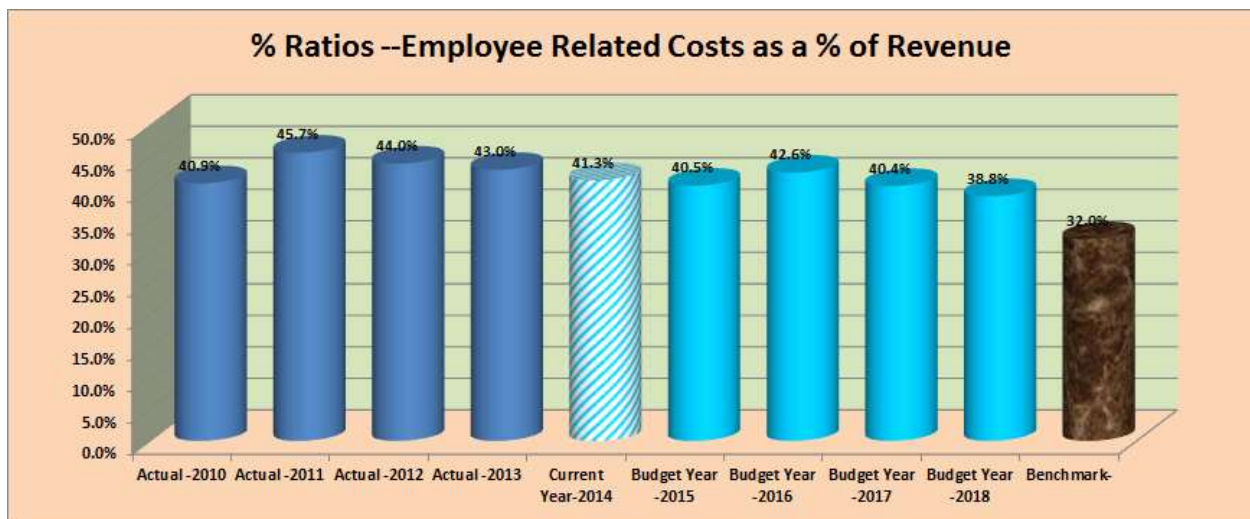
Table 3 Summary of operating expenditure by standard classification item

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Expenditure By Type									
Employee related costs	65 699	69 692	73 679	78 871	79 372	79 333	90 608	95 924	102 341
Remuneration of councillors	2 907	3 077	3 288	3 511	3 511	3 419	3 760	3 968	4 188
Debt impairment	1 004	2 179	2 969	1 095	3 160	4 184	4 690	4 875	5 182
Depreciation & asset impairment	6 096	7 437	10 729	6 945	9 037	9 037	8 289	8 660	9 046
Finance charges	351	665	1 142	1 242	1 373	1 373	2 883	3 008	3 038
Bulk purchases	44 664	49 044	54 261	59 397	63 311	63 611	72 802	78 230	84 063
Contracted services	988	1 127	1 336	1 430	1 285	1 363	8 401	9 615	8 005
Transfers and grants	-	-	-	-	-	-	1 539	1 570	1 601
Other expenditure	69 685	79 580	70 866	73 989	81 067	78 202	43 623	62 866	82 529
Loss on disposal of PPE	1 376	6 775	1 266	-	-	-	-	-	-
Total Expenditure	192 768	219 575	219 535	226 480	242 116	240 521	236 597	268 716	299 993

The budgeted allocation for employee related costs for the 2015/16 financial year totals R90.61 million, which equals 38.30 per cent of the total operating expenditure. This percentage is set to decrease over the two outer years of the MTREF to 35.70 per cent and 34.11 per cent respectively. Should electricity bulk purchases and depreciation be excluded, in order to compare it with other municipalities on a more equal basis the situation is as follows:



This ratio is significantly higher than the benchmarking figure set between the municipalities in the Western Cape. This trend is further confirmed when compared to revenue as illustrated below:



Employee related costs are currently too high and the necessary steps should be taken to contain and even reduce this significant expenditure line item.

The increase in Employee Related Costs takes into account the implementation of TASK at the municipality, annual notch increments and in the absence of a multi-year Salary and Wage Collective Agreement which ended 30 June 2015 an annual salary increase based on 7%. The salary increase in the 2 outer years is calculated at the same rate.

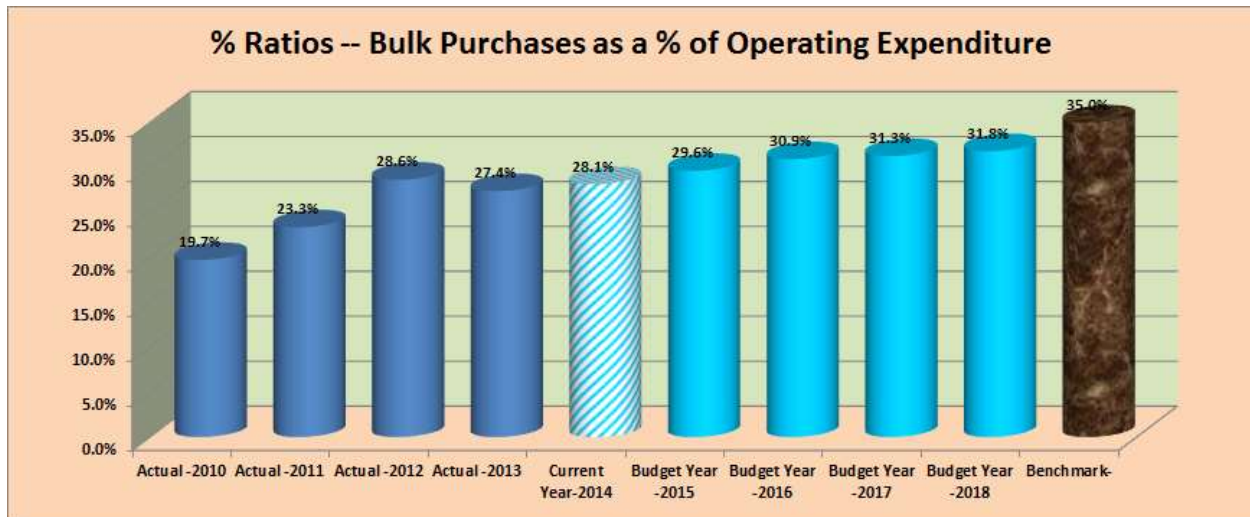
The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in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

The provision of debt impairment was determined based on an annual collection rate of 96.3 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be

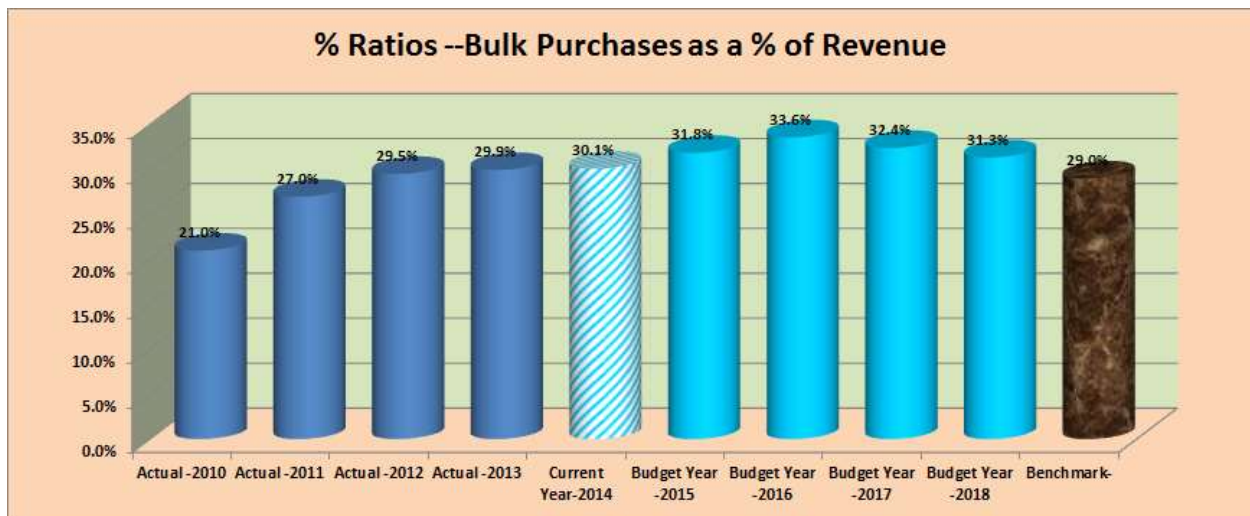
a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality’s realistically anticipated revenues.

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 of asset consumption.

Bulk purchases are largely informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. Bulk purchases represent approximately 30% of total expenditure throughout the MTREF. When compared to the expenditure benchmarks in the Western Cape, this ratio’s for the municipality is in line.



However, compared to revenue, the cost of bulk services are considered to be too high. This is an indication of the municipality not being able to raise sufficient revenue in line with the cost drivers of the municipality.



Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption.

National Treasury is introducing a new Chart of Accounts and additional expenditure line-items in the budget. One of these line-items is "Other materials". Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. This group of expenditure has been identified in order to measure sustainability of the Municipality's infrastructure. The municipality's financial systems are, however, not yet ready to implement this change and will be addressed in future budgets.

Contracted services consist of the following and are linked to the delivery of primary services:

Description	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year	Budget Year	Budget Year
	2015/16	+1 2016/17	+2 2017/18
R thousand			
<u>Contracted services</u>			
<i>Cleaning Services</i>	135	143	162
<i>Clearing & Grass Cutting Services</i>	110	116	124
<i>Audit Committee</i>	110	116	123
<i>Professional Services</i>	3 210	2 470	2 327
<i>Property Valuation</i>	504	2 280	607
<i>Debt Collection Services</i>	200	210	215
<i>Legal fees</i>	1 304	1 364	1 424
<i>Refuse Removal</i>	1 100	1 155	1 213
<i>Roads and Stormwater</i>	150	140	147
<i>Security Services</i>	779	821	864
<i>Traffic Fine Management</i>	800	800	800
	8 401	9 615	8 005

Other expenditure comprises of various line items relating to the daily operations of the municipality (including repairs and maintenance as well as operating grant expenditure). These items should be reviewed by the municipality to ensure that all non-priority expenditure is eliminated.

1.6.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

For the 2015/16 budgets and MTREF's, municipalities must ensure they prioritise asset management and take into consideration the following:

- 1) 40 per cent of its 2015/16 Capital Budget should be allocated to the renewal of existing assets it.
- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE)

Insufficient funds are currently allocated to repairs and maintenance. This could lead to impairment charges as well as shortened useful lives of assets.

Table 4 Repairs and maintenance per asset class

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE OTHER ITEMS									
Repairs and Maintenance by Asset Class	7 862	8 697	10 057	10 063	10 523	9 963	10 911	11 385	11 957
Infrastructure - Road transport	1 512	1 773	1 605	1 524	1 584	1 554	1 275	1 244	1 317
Infrastructure - Electricity	749	1 089	1 145	855	800	702	823	833	825
Infrastructure - Water	958	989	1 052	1 368	1 368	1 240	950	980	1 020
Infrastructure - Sanitation	474	379	435	496	496	487	420	438	446
Infrastructure - Other	-	-	-	-	-	-	620	658	742
Infrastructure	3 692	4 230	4 237	4 243	4 248	3 983	4 088	4 152	4 350
Community	-	-	-	-	-	-	785	853	896
Other assets	4 170	4 467	5 820	5 820	6 275	5 979	6 039	6 380	6 712
TOTAL EXPENDITURE OTHER ITEMS	13 957	16 134	20 786	17 008	19 560	19 000	19 200	20 044	21 003
<i>Renewal of Existing Assets as % of total capex</i>	71.9%	53.8%	52.2%	60.5%	59.0%	59.0%	40.3%	29.2%	36.0%
<i>Renewal of Existing Assets as % of deprecn"</i>	381.3%	315.9%	161.4%	128.0%	138.1%	138.1%	105.5%	104.8%	106.4%
<i>R&M as a % of PPE</i>	3.4%	3.4%	3.6%	3.7%	3.7%	3.5%	3.6%	3.5%	3.5%
<i>Renewal and R&M as a % of PPE</i>	11.0%	11.0%	9.0%	6.0%	7.0%	7.0%	6.0%	6.0%	6.0%

1.6.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The cost associated with indigent subsidies amounts to R7.520 million in 2015/16 and increases to R7.622 million and R7.742 million in the 2 outer years respectively. These figures do not include the 50 kWh electricity provided to indigents.

1.7 Capital expenditure

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

Table 5 2015/16 Medium-term capital budget per vote

Vote Description R thousand	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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office	-	-	-	-	-	-	70	30
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services	708	-	-	-	-	1 200	2 000	1 775
Vote 5 - Sport and Recreation	482	70	933	100	100	-	-	-
Vote 6 - Public Safety	-	103	-	-	-	-	-	-
Vote 7 - Road Transport	1 540	5 999	7 685	100	100	-	-	-
Vote 8 - Electricity	3 758	1 476	1 028	800	800	-	-	-
Vote 9 - Water	312	85	-	350	350	-	-	-
Vote 10 - Waste Water Management	7 206	9 068	7 494	-	-	-	-	-
Vote 11 - Waste Management	128	60	-	-	-	-	-	-
Vote 12 - Environmental Protection	-	-	-	-	-	-	-	-
Vote 13 - Other	-	-	-	-	-	-	-	-
Vote 14 - Infrastructure	-	-	-	-	-	1 350	2 730	3 175
Capital multi-year expenditure sub-total	14 135	16 861	17 140	1 350	1 350	2 550	4 800	4 980
Single-year expenditure to be appropriated								
Vote 1 - Executive and Council	557	14	2 585	57	123	-	-	-
Vote 2 - Budget and Treasury Office	1 227	628	593	925	867	28	6	-
Vote 3 - Corporate Services	480	296	3	305	385	1 567	1 123	347
Vote 4 - Community and Social Services	873	2 589	6 470	1 643	1 413	5 771	2 372	2 303
Vote 5 - Sport and Recreation	485	1 018	246	1 994	2 508	-	-	-
Vote 6 - Public Safety	564	410	-	24	20	-	-	-
Vote 7 - Road Transport	2 517	2 359	1 774	7 388	8 940	-	-	-
Vote 8 - Electricity	38	452	1 140	50	2 281	3 330	3 200	3 480
Vote 9 - Water	1 619	8 267	45	550	450	-	-	-
Vote 10 - Waste Water Management	945	45	656	50	759	-	-	-
Vote 11 - Waste Management	8 883	10 714	2 501	280	1 985	-	-	-
Vote 12 - Environmental Protection	-	-	-	-	-	-	-	-
Vote 13 - Other	15	-	-	85	74	-	-	-
Vote 14 - Infrastructure	-	-	-	-	-	8 446	19 523	15 660
Capital single-year expenditure sub-total	18 203	26 792	16 014	13 351	19 804	19 141	26 224	21 790
Total Capital Expenditure - Vote	32 338	43 653	33 154	14 701	21 154	21 691	31 024	26 770

The following table provides more information on the breakdown of the capital budget.

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand								
CAPITAL EXPENDITURE								
<u>Total New Assets</u>	9 097	20 158	15 841	5 813	8 678	12 947	21 951	17 142
Infrastructure - Road transport	1 180	4 934	7 131	650	650	2 921	10 455	11 160
Infrastructure - Electricity	1 533	677	2 926	300	2 300	2 200	2 150	2 150
Infrastructure - Water	324	7 828	-	-	-	240	1 400	850
Infrastructure - Sanitation	437	614	-	-	709	-	-	750
Infrastructure - Other	22	-	-	20	20	200	1 200	550
Infrastructure	3 497	14 052	10 056	970	3 679	5 561	15 205	15 460
Community	30	1 951	4 168	3 035	2 430	4 876	793	371
Investment properties	426	-	-	-	-	-	-	-
Other assets	5 101	3 703	1 451	1 485	1 985	2 510	5 753	1 310
Intangibles	43	452	166	323	585	-	200	-
<u>Total Renewal of Existing Assets</u>	23 240	23 495	17 313	8 888	12 476	8 745	9 072	9 629
Infrastructure - Road transport	2 483	3 040	4 751	6 758	8 331	1 800	2 540	3 725
Infrastructure - Electricity	2 199	1 224	957	500	740	1 110	1 030	1 310
Infrastructure - Water	917	158	45	850	750	-	2 550	1 300
Infrastructure - Sanitation	7 654	8 455	7 501	-	-	3 000	-	500
Infrastructure - Other	8 041	9 999	2 423	-	1 700	-	-	-
Infrastructure	21 293	22 875	15 678	8 108	11 521	5 910	6 120	6 835
Community	14	393	1 147	140	140	1 215	1 370	1 300
Other assets	1 933	227	488	440	541	1 620	1 583	1 494
Intangibles	-	-	-	200	275	-	-	-
<u>Total Capital Expenditure</u>								
Infrastructure - Road transport	3 663	7 973	11 882	7 408	8 981	4 721	12 995	14 885
Infrastructure - Electricity	3 732	1 901	3 883	800	3 040	3 310	3 180	3 460
Infrastructure - Water	1 241	7 986	45	850	750	240	3 950	2 150
Infrastructure - Sanitation	8 091	9 068	7 501	-	709	3 000	-	1 250
Infrastructure - Other	8 064	9 999	2 423	20	1 720	200	1 200	550
Infrastructure	24 790	36 927	25 734	9 078	15 199	11 471	21 325	22 295
Community	44	2 344	5 315	3 175	2 570	6 091	2 163	1 671
Investment properties	426	-	-	-	-	-	-	-
Other assets	7 034	3 930	1 939	1 924	2 525	4 129	7 336	2 804
Intangibles	43	452	166	523	860	-	200	-
TOTAL CAPITAL EXPENDITURE - Asset	32 338	43 653	33 154	14 701	21 154	21 691	31 024	26 770

As previously mentioned, the municipality is not generation sufficient cash resources to maintain this large expenditure program. The municipality should cut back on both capital and operating expenditure.

1.8 Annual Budget Tables

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 to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 6 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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Financial Performance									
Property rates	32 427	34 763	39 325	42 304	42 783	42 781	49 956	54 960	60 464
Service charges	88 886	97 136	104 594	115 731	118 927	116 579	125 516	141 617	159 670
Investment revenue	2 224	2 050	1 889	1 666	1 741	1 763	1 970	2 069	2 172
Transfers recognised - operational	57 579	62 567	50 775	47 665	50 671	50 671	30 290	49 172	68 946
Other own revenue	10 979	11 244	14 407	11 479	12 378	15 465	14 809	16 393	17 396
Total Revenue (excluding capital transfers and contributions)	192 095	207 760	210 990	218 845	226 499	227 259	222 541	264 210	308 648
Employee costs	65 699	69 692	73 679	78 871	79 372	79 333	90 608	95 924	102 341
Remuneration of councillors	2 907	3 077	3 288	3 511	3 511	3 419	3 760	3 968	4 188
Depreciation & asset impairment	6 096	7 437	10 729	6 945	9 037	9 037	8 289	8 660	9 046
Finance charges	351	665	1 142	1 242	1 373	1 373	2 883	3 008	3 038
Materials and bulk purchases	44 664	49 044	54 261	59 397	63 311	63 611	72 802	78 230	84 063
Transfers and grants	-	-	-	-	-	-	1 539	1 570	1 601
Other expenditure	73 052	89 660	76 437	76 514	85 512	83 748	56 714	77 357	95 716
Total Expenditure	192 768	219 575	219 535	226 480	242 116	240 521	236 597	268 716	299 993
Surplus/(Deficit)	(673)	(11 815)	(8 545)	(7 635)	(15 617)	(13 262)	(14 056)	(4 506)	8 655
Transfers recognised - capital	7 747	23 712	15 437	11 071	14 352	14 352	13 464	13 761	12 965
Surplus/(Deficit) for the year	7 074	11 897	6 893	3 436	(1 265)	1 089	(592)	9 254	21 620
Capital expenditure & funds sources									
Capital expenditure	32 338	43 653	33 154	14 701	21 154	21 154	21 691	31 024	26 770
Transfers recognised - capital	7 747	23 712	15 437	11 071	14 352	14 352	13 464	13 761	12 965
Borrowing	759	44	168	-	-	-	2 930	11 850	5 235
Internally generated funds	23 832	19 896	17 549	3 631	6 803	6 803	5 297	5 413	8 570
Total sources of capital funds	32 338	43 653	33 154	14 701	21 154	21 154	21 691	31 024	26 770

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
<u>Financial position</u>									
Total current assets	42 244	40 880	40 253	35 334	27 898	31 953	24 722	28 803	43 222
Total non current assets	286 045	315 651	335 851	327 450	347 963	347 963	361 359	383 717	401 435
Total current liabilities	18 486	19 794	26 351	18 912	22 274	22 274	22 454	25 730	28 487
Total non current liabilities	37 231	52 267	58 391	59 073	63 491	65 191	71 767	85 676	93 435
Community wealth/Equity	272 572	284 469	291 362	284 800	290 096	292 451	291 860	301 114	322 734
<u>Cash flows</u>									
Net cash from (used) operating	15 516	31 892	27 606	10 170	4 607	10 815	8 418	20 722	33 020
Net cash from (used) investing	(22 683)	(33 818)	(30 720)	(14 695)	(21 148)	(19 448)	(21 685)	(31 018)	(26 764)
Net cash from (used) financing	368	(96)	(42)	(98)	(49)	(49)	2 724	10 387	3 505
Cash/cash equivalents at the year end	26 585	24 562	21 407	13 443	4 818	12 726	2 182	2 273	12 034
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	26 585	24 698	21 452	13 583	4 863	12 771	2 227	2 318	12 079
Application of cash and investments	16 048	11 543	11 281	956	(8 832)	(5 433)	(14 087)	(16 447)	(19 551)
Balance - surplus (shortfall)	10 537	13 155	10 171	12 628	13 695	18 204	16 314	18 766	31 630
<u>Asset management</u>									
Asset register summary (WDV)	276 403	296 099	317 732	308 736	330 364	330 364	344 178	366 954	385 090
Depreciation & asset impairment	6 096	7 437	10 729	6 945	9 037	9 037	8 289	8 660	9 046
Renewal of Existing Assets	23 240	23 495	17 313	8 888	12 476	12 476	8 745	9 072	9 629
Repairs and Maintenance	7 862	8 697	10 057	10 063	10 523	9 963	10 911	11 385	11 957
<u>Free services</u>									
Cost of Free Basic Services provided	4 614	6 904	7 503	7 503	7 503	7 503	8	8	8
Revenue cost of free services provided	4 273	4 395	7 653	7 684	7 684	7 664	168	176	184
<u>Households below minimum service level</u>									
Water:	1	1	1	1	1	1	1	1	1
Sanitation/sewerage:	1	1	1	1	1	1	1	1	1
Energy:	1	1	1	1	1	1	1	1	1
Refuse:	1	1	1	1	1	1	1	1	1

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. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The accumulated surplus is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. 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.

Table 7 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
<i>Governance and administration</i>	96 136	118 059	105 007	67 278	68 640	71 007	70 682	77 397	84 933
Executive and council	59 292	79 274	61 675	20 320	20 327	20 327	13 309	14 780	16 417
Budget and treasury office	35 963	37 889	42 714	46 874	47 505	47 996	55 423	60 583	66 397
Corporate services	881	896	618	84	809	2 684	1 951	2 033	2 119
<i>Community and public safety</i>	10 597	11 834	14 004	32 392	37 526	38 075	16 696	36 099	53 441
Community and social services	3 955	4 975	6 295	24 826	29 005	29 177	4 983	5 198	5 244
Sport and recreation	3 932	3 992	4 254	4 624	4 729	5 390	5 415	5 653	6 103
Public safety	2 710	2 868	3 455	2 942	3 792	3 508	3 999	4 798	4 974
Housing	-	-	-	-	-	-	2 300	20 450	37 120
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	3 083	3 266	212	11 118	11 652	11 840	12 376	11 900	12 355
Planning and development	-	-	-	-	521	704	12 376	11 900	12 355
Road transport	3 083	3 266	212	11 118	11 132	11 136	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	90 026	98 313	107 204	119 127	123 032	120 689	136 251	152 575	170 884
Electricity	60 539	65 680	71 612	76 821	80 017	76 980	89 511	100 446	112 748
Water	14 986	16 392	17 163	20 422	20 422	20 604	21 853	24 400	27 240
Waste water management	5 520	6 435	7 656	8 568	9 277	9 766	9 577	10 676	11 901
Waste management	8 981	9 806	10 773	13 316	13 316	13 339	15 311	17 053	18 995
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	199 842	231 473	226 427	229 916	240 851	241 611	236 005	277 971	321 614

Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure - Standard									
Governance and administration	84 927	99 021	87 797	62 996	65 643	67 463	65 659	70 485	73 870
Executive and council	52 082	53 766	43 090	19 599	21 735	21 435	16 682	17 696	18 523
Budget and treasury office	18 749	24 862	27 512	26 547	28 715	29 334	31 219	34 490	35 403
Corporate services	14 097	20 393	17 195	16 851	15 193	16 694	17 758	18 299	19 944
Community and public safety	20 976	22 313	26 154	46 758	50 755	50 881	34 964	54 909	73 480
Community and social services	10 313	10 155	12 574	31 292	34 360	34 706	12 562	13 223	13 846
Sport and recreation	5 684	6 709	6 979	9 056	8 590	8 291	8 802	9 322	9 902
Public safety	4 979	5 449	6 601	6 410	7 804	7 883	9 958	10 502	11 117
Housing	-	-	-	-	-	-	3 642	21 861	38 614
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	14 143	15 873	12 595	16 039	21 083	18 214	21 210	21 142	22 257
Planning and development	-	-	-	-	4 536	3 563	8 187	7 660	7 971
Road transport	13 812	15 490	12 202	15 466	16 219	14 329	12 578	13 005	13 777
Environmental protection	331	383	393	573	328	321	445	478	509
Trading services	72 722	82 369	92 989	100 687	104 636	103 963	114 763	122 179	130 386
Electricity	50 734	57 034	61 943	69 692	71 380	71 057	81 553	87 425	93 833
Water	9 305	10 813	12 182	12 876	13 038	13 293	13 274	13 797	14 526
Waste water management	5 334	6 101	6 911	6 895	7 201	7 278	7 187	7 599	8 044
Waste management	7 350	8 420	11 952	11 223	13 016	12 335	12 749	13 358	13 983
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	192 768	219 575	219 535	226 480	242 116	240 521	236 597	268 716	299 993
Surplus/(Deficit) for the year	7 074	11 897	6 893	3 436	(1 265)	1 089	(592)	9 254	21 620

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 that as a general principle the revenues for the Trading Services should exceed their expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 8 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote 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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Executive and Council	59 292	79 274	61 675	20 320	20 327	20 327	13 309	14 780	16 417
Vote 2 - Budget and Treasury Office	35 963	37 889	42 714	46 874	47 505	47 996	55 423	60 583	66 397
Vote 3 - Corporate Services	881	896	618	84	1 330	3 388	2 740	2 906	3 062
Vote 4 - Community and Social Services	3 955	4 975	6 295	24 826	29 005	29 177	16 696	36 099	53 441
Vote 5 - Sport and Recreation	3 932	3 992	4 254	4 624	4 729	5 390	-	-	-
Vote 6 - Public Safety	2 710	2 868	3 455	2 942	3 792	3 508	-	-	-
Vote 7 - Road Transport	3 083	3 261	212	85	99	104	-	-	-
Vote 8 - Electricity	60 539	65 680	71 612	76 821	80 017	76 980	89 511	100 446	112 748
Vote 9 - Water	14 986	16 392	17 163	20 422	20 422	20 604	-	-	-
Vote 10 - Waste Water Management	5 520	6 435	7 656	8 568	9 277	9 766	-	-	-
Vote 11 - Waste Management	8 981	9 806	10 773	13 316	13 316	13 339	-	-	-
Vote 12 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote 13 - Other	-	5	-	11 033	11 033	11 032	-	-	-
Vote 14 - Infrastructure	-	-	-	-	-	-	58 326	63 156	69 548
Total Revenue by Vote	199 842	231 473	226 427	229 916	240 851	241 611	236 005	277 971	321 614
Expenditure by Vote to be appropriated									
Vote 1 - Executive and Council	52 082	53 766	43 090	19 599	21 735	21 435	16 682	17 696	18 523
Vote 2 - Budget and Treasury Office	18 749	24 862	27 512	26 547	28 715	29 334	31 219	34 490	35 403
Vote 3 - Corporate Services	14 097	20 393	17 195	16 851	19 730	20 258	23 083	23 767	25 541
Vote 4 - Community and Social Services	10 313	10 155	12 574	31 292	34 360	34 706	35 409	55 387	73 989
Vote 5 - Sport and Recreation	5 684	6 709	6 979	9 056	8 590	8 291	-	-	-
Vote 6 - Public Safety	4 979	5 449	6 601	6 410	7 804	7 883	-	-	-
Vote 7 - Road Transport	11 909	13 374	9 896	11 005	11 305	11 121	-	-	-
Vote 8 - Electricity	50 734	57 034	61 943	69 692	71 380	71 057	81 553	87 425	93 833
Vote 9 - Water	9 305	10 813	12 182	12 876	13 038	13 293	-	-	-
Vote 10 - Waste Water Management	5 334	6 101	6 911	6 895	7 201	7 278	-	-	-
Vote 11 - Waste Management	7 350	8 420	11 952	11 223	13 016	12 335	-	-	-
Vote 12 - Environmental Protection	331	383	393	573	328	321	-	-	-
Vote 13 - Other	1 902	2 116	2 306	4 461	4 913	3 208	-	-	-
Vote 14 - Infrastructure	-	-	-	-	-	-	48 650	49 951	52 704
Total Expenditure by Vote	192 768	219 575	219 535	226 480	242 116	240 521	236 597	268 716	299 993
Surplus/(Deficit) for the year	7 074	11 897	6 893	3 436	(1 265)	1 089	(592)	9 254	21 620

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

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 9 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Revenue By Source									
Property rates	32 427	34 763	39 325	42 304	42 783	42 781	49 956	54 960	60 464
Service charges - electricity revenue	60 022	65 092	69 614	74 134	77 330	74 357	86 845	97 700	109 913
Service charges - water revenue	14 765	16 175	16 950	20 238	20 238	20 355	20 408	22 914	25 708
Service charges - sanitation revenue	5 434	6 336	7 534	8 446	8 446	8 962	6 687	7 745	8 920
Service charges - refuse revenue	8 664	9 534	10 495	12 912	12 912	12 905	11 576	13 258	15 130
Rental of facilities and equipment	4 756	5 014	5 177	5 287	5 292	6 068	6 680	7 159	7 675
Interest earned - external investments	2 224	2 050	1 889	1 666	1 741	1 763	1 970	2 069	2 172
Interest earned - outstanding debtors	514	637	760	723	800	1 150	800	840	882
Fines	751	861	1 400	572	1 422	1 497	1 836	2 532	2 598
Licences and permits	1 012	1 036	963	1 223	1 177	939	330	346	364
Agency services	1 079	1 095	1 255	1 306	1 306	1 255	1 309	1 374	1 443
Transfers recognised - operational	57 579	62 567	50 775	47 665	50 671	50 671	30 290	49 172	68 946
Other revenue	2 867	2 600	4 853	2 366	2 380	4 555	3 855	4 141	4 435
Total Revenue (excluding capital transfers and contributions)	192 095	207 760	210 990	218 845	226 499	227 259	222 541	264 210	308 648
Expenditure By Type									
Employee related costs	65 699	69 692	73 679	78 871	79 372	79 333	90 608	95 924	102 341
Remuneration of councillors	2 907	3 077	3 288	3 511	3 511	3 419	3 760	3 968	4 188
Debt impairment	1 004	2 179	2 969	1 095	3 160	4 184	4 690	4 875	5 182
Depreciation & asset impairment	6 096	7 437	10 729	6 945	9 037	9 037	8 289	8 660	9 046
Finance charges	351	665	1 142	1 242	1 373	1 373	2 883	3 008	3 038
Bulk purchases	44 664	49 044	54 261	59 397	63 311	63 611	72 802	78 230	84 063
Contracted services	988	1 127	1 336	1 430	1 285	1 363	8 401	9 615	8 005
Transfers and grants	-	-	-	-	-	-	1 539	1 570	1 601
Other expenditure	69 685	79 580	70 866	73 989	81 067	78 202	43 623	62 866	82 529
Loss on disposal of PPE	1 376	6 775	1 266	-	-	-	-	-	-
Total Expenditure	192 768	219 575	219 535	226 480	242 116	240 521	236 597	268 716	299 993
Surplus/(Deficit)	(673)	(11 815)	(8 545)	(7 635)	(15 617)	(13 262)	(14 056)	(4 506)	8 655
Transfers recognised - capital	7 747	23 712	15 437	11 071	14 352	14 352	13 464	13 761	12 965
Surplus/(Deficit) for the year	7 074	11 897	6 893	3 436	(1 265)	1 089	(592)	9 254	21 620

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

- Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality.

Table 10 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote 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
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office	-	-	-	-	-	-	-	-	70	30
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services	708	-	-	-	-	-	-	1 200	2 000	1 775
Vote 5 - Sport and Recreation	482	70	933	100	100	100	100	-	-	-
Vote 6 - Public Safety	-	103	-	-	-	-	-	-	-	-
Vote 7 - Road Transport	1 540	5 999	7 685	100	100	100	100	-	-	-
Vote 8 - Electricity	3 758	1 476	1 028	800	800	800	800	-	-	-
Vote 9 - Water	312	85	-	350	350	350	350	-	-	-
Vote 10 - Waste Water Management	7 206	9 068	7 494	-	-	-	-	-	-	-
Vote 11 - Waste Management	128	60	-	-	-	-	-	-	-	-
Vote 12 - Environmental Protection	-	-	-	-	-	-	-	-	-	-
Vote 13 - Other	-	-	-	-	-	-	-	-	-	-
Vote 14 - Infrastructure	-	-	-	-	-	-	-	1 350	2 730	3 175
Capital multi-year expenditure sub-total	14 135	16 861	17 140	1 350	1 350	1 350	1 350	2 550	4 800	4 980
Single-year expenditure to be appropriated										
Vote 1 - Executive and Council	557	14	2 585	57	123	123	123	-	-	-
Vote 2 - Budget and Treasury Office	1 227	628	593	925	867	867	867	28	6	-
Vote 3 - Corporate Services	480	296	3	305	385	385	385	1 567	1 123	347
Vote 4 - Community and Social Services	873	2 589	6 470	1 643	1 413	1 413	1 413	5 771	2 372	2 303
Vote 5 - Sport and Recreation	485	1 018	246	1 994	2 508	2 508	2 508	-	-	-
Vote 6 - Public Safety	564	410	-	24	20	20	20	-	-	-
Vote 7 - Road Transport	2 517	2 359	1 774	7 388	8 940	8 940	8 940	-	-	-
Vote 8 - Electricity	38	452	1 140	50	2 281	2 281	2 281	3 330	3 200	3 480
Vote 9 - Water	1 619	8 267	45	550	450	450	450	-	-	-
Vote 10 - Waste Water Management	945	45	656	50	759	759	759	-	-	-
Vote 11 - Waste Management	8 883	10 714	2 501	280	1 985	1 985	1 985	-	-	-
Vote 12 - Environmental Protection	-	-	-	-	-	-	-	-	-	-
Vote 13 - Other	15	-	-	85	74	74	74	-	-	-
Vote 14 - Infrastructure	-	-	-	-	-	-	-	8 446	19 523	15 660
Capital single-year expenditure sub-total	18 203	26 792	16 014	13 351	19 804	19 804	19 804	19 141	26 224	21 790
Total Capital Expenditure - Vote	32 338	43 653	33 154	14 701	21 154	21 154	21 154	21 691	31 024	26 770

Vote 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
Capital Expenditure - Standard										
Governance and administration	2 264	938	1 169	1 286	1 375	1 375	1 375	1 594	1 199	377
Executive and council	557	14	168	57	123	123	123	-	-	-
Budget and treasury office	1 227	628	999	925	867	867	867	28	76	30
Corporate services	480	296	3	305	385	385	385	1 567	1 123	347
Community and public safety	3 113	4 191	7 664	3 761	4 041	4 041	4 041	6 971	4 372	4 078
Community and social services	1 581	2 589	6 485	1 643	1 413	1 413	1 413	5 315	2 129	1 071
Sport and recreation	967	1 088	1 179	2 094	2 608	2 608	2 608	1 349	1 475	1 380
Public safety	564	513	-	24	20	20	20	307	754	1 627
Housing	-	-	-	-	-	-	-	-	14	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	4 057	8 358	9 459	7 488	9 040	9 040	9 040	5 246	13 663	14 885
Planning and development	-	-	-	-	-	-	-	-	-	-
Road transport	4 057	8 358	9 459	7 488	9 040	9 040	9 040	5 246	13 663	14 885
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	22 889	30 166	14 862	2 080	6 625	6 625	6 625	7 880	11 790	7 430
Electricity	3 796	1 927	4 165	850	3 081	3 081	3 081	3 330	3 200	3 480
Water	1 931	8 352	45	900	800	800	800	240	3 965	2 150
Waste water management	8 151	9 113	8 150	50	759	759	759	4 050	815	1 250
Waste management	9 011	10 773	2 501	280	1 985	1 985	1 985	260	3 810	550
Other	15	-	-	85	74	74	74	-	-	-
Total Capital Expenditure - Standard	32 338	43 653	33 154	14 701	21 154	21 154	21 154	21 691	31 024	26 770
Funded by:										
National Government	7 608	18 607	11 307	10 802	12 565	12 565	12 565	13 245	13 225	12 840
Provincial Government	85	4 778	4 109	269	1 786	1 786	1 786	220	536	125
District Municipality	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	54	328	21	-	-	-	-	-	-	-
Transfers recognised - capital	7 747	23 712	15 437	11 071	14 352	14 352	14 352	13 464	13 761	12 965
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	759	44	168	-	-	-	-	2 930	11 850	5 235
Internally generated funds	23 832	19 896	17 549	3 631	6 803	6 803	6 803	5 297	5 413	8 570
Total Capital Funding	32 338	43 653	33 154	14 701	21 154	21 154	21 154	21 691	31 024	26 770

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
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 of the Municipality. 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 National, Provincial and Other grants and transfers, borrowing and internally generated funds from current and prior year surpluses.

Table 11 MBRR Table A6 - Budgeted Financial Position

Description R thousand	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
ASSETS									
Current assets									
Cash	26 585	24 562	11 407	13 443	4 818	12 726	2 182	2 273	12 034
Call investment deposits	-	-	10 000	-	-	-	-	-	-
Consumer debtors	13 714	14 729	17 643	20 121	21 494	17 641	20 909	24 853	29 462
Other debtors	966	674	504	630	854	854	854	854	854
Current portion of long-term receivables	6	6	7	6	6	6	6	6	6
Inventory	973	909	692	1 135	727	727	770	817	866
Total current assets	42 244	40 880	40 253	35 334	27 898	31 953	24 722	28 803	43 222
Non current assets									
Long-term receivables	380	351	318	338	312	312	306	300	294
Investments	-	135	45	140	45	45	45	45	45
Investment property	41 626	40 733	40 694	35 704	40 692	40 692	40 683	40 674	40 666
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	234 663	254 846	276 473	272 060	288 287	288 287	302 231	324 938	343 204
Agricultural	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-
Intangible	114	520	565	971	1 385	1 385	1 263	1 341	1 219
Other non-current assets	9 262	19 065	17 757	18 236	17 242	17 242	16 830	16 418	16 006
Total non current assets	286 045	315 651	335 851	327 450	347 963	347 963	361 359	383 717	401 435
TOTAL ASSETS	328 290	356 531	376 104	362 785	375 861	379 916	386 081	412 520	444 657
LIABILITIES									
Current liabilities									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	390	424	304	272	255	255	570	1 519	2 002
Consumer deposits	3 153	3 412	3 643	3 755	3 898	3 898	4 171	4 463	4 775
Trade and other payables	8 804	8 521	12 743	8 231	7 965	7 965	6 970	8 384	9 688
Provisions	6 139	7 438	9 661	6 654	10 155	10 155	10 743	11 365	12 022
Total current liabilities	18 486	19 794	26 351	18 912	22 274	22 274	22 454	25 730	28 487
Non current liabilities									
Borrowing	1 044	656	504	214	248	248	2 385	11 531	14 241
Provisions	36 187	51 611	57 888	58 859	63 243	64 943	69 382	74 145	79 194
Total non current liabilities	37 231	52 267	58 391	59 073	63 491	65 191	71 767	85 676	93 435
TOTAL LIABILITIES	55 718	72 062	84 742	77 984	85 765	87 465	94 221	111 406	121 923
NET ASSETS	272 572	284 469	291 362	284 800	290 096	292 451	291 860	301 114	322 734
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	250 572	265 969	275 612	271 800	285 296	287 651	291 860	301 114	322 734
Reserves	22 000	18 500	15 750	13 000	4 800	4 800	-	-	-
Minorities' interests	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	272 572	284 469	291 362	284 800	290 096	292 451	291 860	301 114	322 734

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 A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
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 12 MBRR Table A7 - Budgeted Cash Flow Statement

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	31 227	33 477	37 870	40 739	41 200	41 925	48 108	52 926	58 227
Service charges	85 597	93 542	100 724	111 449	114 526	114 248	120 873	136 377	153 763
Other revenue	9 327	13 622	8 993	10 781	10 200	12 994	12 572	14 038	14 900
Government - operating	60 327	63 697	52 700	47 665	46 725	46 725	30 290	49 172	68 946
Government - capital	8 592	23 712	17 099	11 071	12 921	12 921	13 464	13 761	12 965
Interest	2 779	2 712	2 660	2 390	2 541	2 890	2 740	2 877	3 021
Payments									
Suppliers and employees	(181 983)	(198 206)	(191 298)	(212 682)	(223 393)	(220 774)	(216 532)	(245 247)	(275 572)
Finance charges	(351)	(665)	(1 142)	(1 242)	(114)	(114)	(1 558)	(1 613)	(1 630)
Transfers and Grants	-	-	-	-	-	-	(1 539)	(1 570)	(1 601)
NET CASH FROM/(USED) OPERATING ACTIVITIES	15 516	31 892	27 606	10 170	4 607	10 815	8 418	20 722	33 020
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	367	230	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	33	29	33	6	7	7	6	6	6
Decrease (increase) in non-current investments	-	(377)	(21)	-	-	-	-	-	-
Payments									
Capital assets	(23 082)	(33 700)	(30 731)	(14 701)	(21 154)	(19 454)	(21 691)	(31 024)	(26 770)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(22 683)	(33 818)	(30 720)	(14 695)	(21 148)	(19 448)	(21 685)	(31 018)	(26 764)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	731	44	168	-	-	-	2 930	11 850	5 235
Increase (decrease) in consumer deposits	272	260	231	213	255	255	273	292	312
Payments									
Repayment of borrowing	(635)	(399)	(440)	(311)	(304)	(304)	(478)	(1 755)	(2 043)
NET CASH FROM/(USED) FINANCING ACTIVITIES	368	(96)	(42)	(98)	(49)	(49)	2 724	10 387	3 505
NET INCREASE/ (DECREASE) IN CASH HELD	(6 798)	(2 022)	(3 155)	(4 623)	(16 590)	(8 682)	(10 543)	91	9 761
Cash/cash equivalents at the year begin:	33 383	26 585	24 562	18 066	21 407	21 407	12 726	2 182	2 273
Cash/cash equivalents at the year end:	26 585	24 562	21 407	13 443	4 818	12 726	2 182	2 273	12 034

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. Compared to 2014/15 cash projection it is projected that the municipality cash will decrease during 2015/16, which might pose the risk that the budget not being cash funded in not properly monitored.

Table 13 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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
Cash and investments available										
Cash/cash equivalents at the year end	26 585	24 562	21 407	13 443	4 818	12 726	12 726	2 182	2 273	12 034
Other current investments > 90 days	0	0	-	-	0	0	0	-	-	-
Non current assets - Investments	-	135	45	140	45	45	45	45	45	45
Cash and investments available:	26 585	24 698	21 452	13 583	4 863	12 771	12 771	2 227	2 318	12 079
Application of cash and investments										
Unspent conditional transfers	1 517	2 351	5 529	419	153	153	153	153	153	153
Other working capital requirements	(7 469)	(9 308)	(9 998)	(12 463)	(13 785)	(10 386)	(10 386)	(14 240)	(16 601)	(19 704)
Reserves to be backed by cash/investments	22 000	18 500	15 750	13 000	4 800	4 800	4 800	-	-	-
Total Application of cash and investments:	16 048	11 543	11 281	956	(8 832)	(5 433)	(5 433)	(14 087)	(16 447)	(19 551)
Surplus(shortfall)	10 537	13 155	10 171	12 628	13 695	18 204	18 204	16 314	18 766	31 630

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 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework is to ensure the budget is funded and aligned to section 18 of the MFMA.

Table 14 MBRR Table A9 - Asset Management

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand								
CAPITAL EXPENDITURE								
Total New Assets	9 097	20 158	15 841	5 813	8 678	12 947	21 951	17 142
Infrastructure - Road transport	1 180	4 934	7 131	650	650	2 921	10 455	11 160
Infrastructure - Electricity	1 533	677	2 926	300	2 300	2 200	2 150	2 150
Infrastructure - Water	324	7 828	-	-	-	240	1 400	850
Infrastructure - Sanitation	437	614	-	-	709	-	-	750
Infrastructure - Other	22	-	-	20	20	200	1 200	550
Infrastructure	3 497	14 052	10 056	970	3 679	5 561	15 205	15 460
Community	30	1 951	4 168	3 035	2 430	4 876	793	371
Investment properties	426	-	-	-	-	-	-	-
Other assets	5 101	3 703	1 451	1 485	1 985	2 510	5 753	1 310
Intangibles	43	452	166	323	585	-	200	-
Total Renewal of Existing Assets	23 240	23 495	17 313	8 888	12 476	8 745	9 072	9 629
Infrastructure - Road transport	2 483	3 040	4 751	6 758	8 331	1 800	2 540	3 725
Infrastructure - Electricity	2 199	1 224	957	500	740	1 110	1 030	1 310
Infrastructure - Water	917	158	45	850	750	-	2 550	1 300
Infrastructure - Sanitation	7 654	8 455	7 501	-	-	3 000	-	500
Infrastructure - Other	8 041	9 999	2 423	-	1 700	-	-	-
Infrastructure	21 293	22 875	15 678	8 108	11 521	5 910	6 120	6 835
Community	14	393	1 147	140	140	1 215	1 370	1 300
Other assets	1 933	227	488	440	541	1 620	1 583	1 494
Intangibles	-	-	-	200	275	-	-	-
Total Capital Expenditure								
Infrastructure - Road transport	3 663	7 973	11 882	7 408	8 981	4 721	12 995	14 885
Infrastructure - Electricity	3 732	1 901	3 883	800	3 040	3 310	3 180	3 460
Infrastructure - Water	1 241	7 986	45	850	750	240	3 950	2 150
Infrastructure - Sanitation	8 091	9 068	7 501	-	709	3 000	-	1 250
Infrastructure - Other	8 064	9 999	2 423	20	1 720	200	1 200	550
Infrastructure	24 790	36 927	25 734	9 078	15 199	11 471	21 325	22 295
Community	44	2 344	5 315	3 175	2 570	6 091	2 163	1 671
Investment properties	426	-	-	-	-	-	-	-
Other assets	7 034	3 930	1 939	1 924	2 525	4 129	7 336	2 804
Intangibles	43	452	166	523	860	-	200	-
TOTAL CAPITAL EXPENDITURE - Asset	32 338	43 653	33 154	14 701	21 154	21 691	31 024	26 770

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand								
ASSET REGISTER SUMMARY - PPE (WDV)								
<i>Infrastructure - Road transport</i>	45 728	52 355	62 017	67 583	69 362	72 546	83 931	97 130
<i>Infrastructure - Electricity</i>	35 258	35 930	38 827	31 649	40 993	43 021	44 857	46 909
<i>Infrastructure - Water</i>	23 591	30 767	29 890	29 501	29 844	29 040	31 896	32 900
<i>Infrastructure - Sanitation</i>	28 672	36 903	43 718	41 045	43 602	45 755	44 868	45 188
<i>Infrastructure - Other</i>	946	872	843	700	786	912	2 035	2 504
Infrastructure	134 195	156 827	175 295	170 479	184 587	191 274	207 586	224 630
Community	7 336	9 448	13 877	16 503	16 232	22 091	24 012	25 429
Heritage assets	-	-	-	-	-	-	-	-
Investment properties	41 626	40 733	40 694	35 704	40 692	40 683	40 674	40 666
Other assets	93 132	88 571	87 301	85 079	87 468	88 866	93 340	93 146
Agricultural Assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Intangibles	114	520	565	971	1 385	1 263	1 341	1 219
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	276 403	296 099	317 732	308 736	330 364	344 178	366 954	385 090
EXPENDITURE OTHER ITEMS								
<u>Depreciation & asset impairment</u>	6 096	7 437	10 729	6 945	9 037	8 289	8 660	9 046
<u>Repairs and Maintenance by Asset Class</u>	7 862	8 697	10 057	10 063	10 523	10 911	11 385	11 957
<i>Infrastructure - Road transport</i>	1 512	1 773	1 605	1 524	1 584	1 275	1 244	1 317
<i>Infrastructure - Electricity</i>	749	1 089	1 145	855	800	823	833	825
<i>Infrastructure - Water</i>	958	989	1 052	1 368	1 368	950	980	1 020
<i>Infrastructure - Sanitation</i>	474	379	435	496	496	420	438	446
<i>Infrastructure - Other</i>	-	-	-	-	-	620	658	742
Infrastructure	3 692	4 230	4 237	4 243	4 248	4 088	4 152	4 350
Community	-	-	-	-	-	785	853	896
Heritage assets	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Other assets	4 170	4 467	5 820	5 820	6 275	6 039	6 380	6 712
TOTAL EXPENDITURE OTHER ITEMS	13 957	16 134	20 786	17 008	19 560	19 200	20 044	21 003
<i>Renewal of Existing Assets as % of total capex</i>	71.9%	53.8%	52.2%	60.5%	59.0%	40.3%	29.2%	36.0%
<i>Renewal of Existing Assets as % of deprecn"</i>	381.3%	315.9%	161.4%	128.0%	138.1%	105.5%	104.8%	106.4%
<i>R&M as a % of PPE</i>	3.4%	3.4%	3.6%	3.7%	3.7%	3.6%	3.5%	3.5%
<i>Renewal and R&M as a % of PPE</i>	11.0%	11.0%	9.0%	6.0%	7.0%	6.0%	6.0%	6.0%

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.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.

Table 15 MBRR Table A10 - Basic Service Delivery Measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets								
Water:								
Piped water inside dwelling	7 463	7 762	7 903	7 903	7 903	8 298	8 298	8 298
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	2	2	2	2	2	2	2
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	7 465	7 764	7 905	7 905	7 905	8 300	8 300	8 300
Using public tap (< min.service level)	804	804	834	834	834	876	876	876
Other water supply (< min.service level)	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	804	804	834	834	834	876	876	876
Total number of households	8 269	8 568	8 739	8 739	8 739	9 176	9 176	9 176
Sanitation/sewerage:								
Flush toilet (connected to sewerage)	4 276	5 311	5 485	5 485	5 485	5 759	5 759	5 759
Flush toilet (with septic tank)	3 068	2 993	3 004	3 004	3 004	3 154	3 154	3 154
Chemical toilet	1	1	1	1	1	1	1	1
Pit toilet (ventilated)	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	7 345	8 305	8 490	8 490	8 490	8 914	8 914	8 914
Bucket toilet	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	804	804	834	834	834	876	876	876
No toilet provisions	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	804	804	834	834	834	876	876	876
Total number of households	8 149	9 109	9 324	9 324	9 324	9 790	9 790	9 790
Energy:								
Electricity (at least min.service level)	4 376	4 207	4 290	4 290	4 290	4 505	4 505	4 505
Electricity - prepaid (min.service level)	3 036	3 554	3 975	3 975	3 975	4 174	4 174	4 174
<i>Minimum Service Level and Above sub-total</i>	7 412	7 761	8 265	8 265	8 265	8 679	8 679	8 679
Electricity (< min.service level)	804	804	834	834	834	876	876	876
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	804	804	834	834	834	876	876	876
Total number of households	8 216	8 565	9 099	9 099	9 099	9 555	9 555	9 555
Refuse:								
Removed at least once a week	8 169	8 851	9 021	9 021	9 021	9 472	9 472	9 472
<i>Minimum Service Level and Above sub-total</i>	8 169	8 851	9 021	9 021	9 021	9 472	9 472	9 472
Removed less frequently than once a week	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-
Using own refuse dump	804	804	834	834	834	876	876	876
Other rubbish disposal	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	804	804	834	834	834	876	876	876
Total number of households	8 973	9 655	9 855	9 855	9 855	10 348	10 348	10 348

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Households receiving Free Basic Service</u>								
Water (6 kilolitres per household per month)	7 400	7 762	7 903	7 903	7 903	8 298	8 298	8 298
Sanitation (free minimum level service)	2 781	2 343	2 418	2 418	2 418	2 539	2 539	2 539
Electricity/other energy (50kwh per household per month)	9 400	2 343	2 418	2 418	2 418	2 539	2 539	2 539
Refuse (removed at least once a week)	2 781	2 343	2 418	2 418	2 418	2 539	2 539	2 539
<u>Cost of Free Basic Services provided (R'000)</u>								
Water (6 kilolitres per household per month)	642	2 280	2 439	2 439	2 439	3	3	3
Sanitation (free sanitation service)	1 519	1 786	2 000	2 000	2 000	2	2	2
Electricity/other energy (50kwh per household per month)	2 225	773	834	834	834	1	1	1
Refuse (removed once a week)	228	2 065	2 230	2 230	2 230	2	2	2
Total cost of FBS provided (minimum social package)	4 614	6 904	7 503	7 503	7 503	8	8	8
<u>Highest level of free service provided</u>								
Property rates (R value threshold)	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	-	-	-	-	-	-	-	-
Electricity (kw h per household per month)	50	50	50	50	50	50	50	50
Refuse (average litres per week)	-	-	-	-	-	-	-	-
<u>Revenue cost of free services provided (R'000)</u>								
Property rates (R15 000 threshold rebate)	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)	126	126	150	181	181	160	168	176
Water	594	2 280	2 439	2 439	2 439	3	3	3
Sanitation	1 406	1 640	2 000	2 000	2 000	2	2	2
Electricity/other energy	1 935	103	834	834	834	1	1	1
Refuse	211	247	2 230	2 230	2 230	2	2	2
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)	4 273	4 395	7 653	7 684	7 684	168	176	184

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

POLITICAL OVERSIGHT OF THE BUDGET PROCESS

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans. The mayoral committee is one of the key elements in accomplishing the linkage between the IDP and the Budget of a municipality.

SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP and budget-related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP. These key dates are available on the website of the municipality

PURPOSE OF THE BUDGET AND IDP PROCESS PLAN

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its Integrated Development Plan for the five year cycle (2013/2014-2017/2018) and the budget for the 2015/2016 financial year and the two outer years.

The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget. It fulfils the role of an operational framework for the IDP and Budget process outlining the manner in which this process was undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

2.1.1 IDP 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.

2.1.2 Community Consultation

A full consultation process will be carried out during April 2015. During this process members of the community will be afforded the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs will be reviewed and where viable the proposed changes will be incorporated into the final budget to be approved by Council at the end of May 2015.

2.2 Overview of alignment of annual budget with IDP

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

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

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

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to 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 2015/16 MTREF has therefore been directly informed by the IDP process and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 16 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	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
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	59 292	79 274	61 675	20 320	20 327	20 327	13 309	14 780	16 417
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	3 083	3 261	212	85	99	104	11 586	11 027	11 412
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	C	60 539	65 680	71 612	76 821	80 017	76 980	89 511	100 446	112 748
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	D	14 986	16 392	17 163	20 422	20 422	20 604	21 853	24 400	27 240
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	E	5 520	6 435	7 656	8 568	9 277	9 766	9 577	10 676	11 901
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	F	8 981	9 806	10 773	13 316	13 316	13 339	15 311	17 053	18 995
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	G	-	5	-	11 033	11 033	11 032	-	-	-
Environmental Protection	The allocation of sufficient funds to the protection and conservation of the municipal area	H	-	-	-	-	-	-	-	-	-
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	I	3 955	4 975	6 295	24 826	29 005	29 177	7 283	25 648	42 364
	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	J	3 932	3 992	4 254	4 624	4 729	5 390	5 415	5 653	6 103
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	K	35 963	37 889	42 714	46 874	47 505	47 996	55 423	60 583	66 397
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	L	881	896	618	84	1 330	3 388	2 740	2 906	3 062
Safety & Security	To create a safe and secure environment by providing traffic and related services.	M	2 710	2 868	3 455	2 942	3 792	3 508	3 999	4 798	4 974
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			199 842	231 473	226 427	229 916	240 851	241 611	236 005	277 971	321 614

Table 17 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	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
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	52 082	53 766	43 090	19 599	21 735	21 435	16 682	17 696	18 523
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	11 909	13 374	9 896	11 005	11 305	11 121	15 440	15 197	16 150
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	C	50 734	57 034	61 943	69 692	71 380	71 057	81 553	87 425	93 833
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	D	9 305	10 813	12 182	12 876	13 038	13 293	13 274	13 797	14 526
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	E	5 334	6 101	6 911	6 895	7 201	7 278	7 187	7 599	8 044
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	F	7 350	8 420	11 952	11 223	13 016	12 335	12 749	13 358	13 983
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	G	1 902	2 116	2 306	4 461	4 913	3 208	-	-	-
Environmental Protection	The allocation of sufficient funds to the protection and conservation of the municipal area	H	331	383	393	573	328	321	445	478	509
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	I	10 313	10 155	12 574	31 292	34 360	34 706	16 204	35 085	52 460
	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	J	5 684	6 709	6 979	9 056	8 590	8 291	8 802	9 322	9 902
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	K	18 749	24 862	27 512	26 547	28 715	29 334	31 219	34 490	35 403
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	L	14 097	20 393	17 195	16 851	19 730	20 258	23 083	23 767	25 541
Safety & Security	To create a safe and secure environment by providing traffic and related services.	M	4 979	5 449	6 601	6 410	7 804	7 883	9 958	10 502	11 117
Total Expenditure			192 768	219 575	219 535	226 480	242 116	240 521	236 597	268 716	299 993

Table 18 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	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											
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	557	14	2 585	57	123	123	-	-	-
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	4 057	8 358	9 459	7 488	9 040	9 040	5 246	13 663	14 885
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	C	3 796	1 927	2 168	850	3 081	3 081	3 330	3 200	3 480
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	D	1 931	8 352	45	900	800	800	240	3 965	2 150
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	E	8 151	9 113	8 150	50	759	759	4 050	815	1 250
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	F	9 011	10 773	2 501	280	1 985	1 985	260	3 810	550
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	G	15	-	-	85	74	74	-	-	-
Environmental Protection	The allocation of sufficient funds to the protection and conservation of the municipal area	H	-	-	-	-	-	-	-	-	-
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	I	1 581	2 589	6 470	1 643	1 413	1 413	5 315	2 144	1 071
	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	J	967	1 088	1 179	2 094	2 608	2 608	1 349	1 475	1 380
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	K	1 227	628	593	925	867	867	28	76	30
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	L	480	296	3	305	385	385	1 567	1 123	347
Safety & Security	To create a safe and secure environment by providing traffic and related services.	M	564	513	-	24	20	20	307	754	1 627
Total Capital Expenditure			32 338	43 653	33 154	14 701	21 154	21 154	21 691	31 024	26 770

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.

Description	Unit of measurement	2015/16 Medium Term Revenue & Expenditure Framework		
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - vote name				
Corporate services				
Institutional Transformation and Organisational Development				
<i>Implementation of a biometric access control system in the municipal buildings by the end of March</i>	Access control system implemented for the municipality	50.0%	50.0%	
Human Resource Mngement	Spent 0.5% of the operational budget on implementing workplace skills plan ((Actual amount spent on training/total operational budget)x 100)			
<i>Workplace skill Plan Implementation</i>		0.5%	0.5%	0.5%
Community services	Project completed by end of June 2016			
<i>Social Development</i>		100.0%		
Completion of Phase two Thusong Centre				
Human Development	Number of HH receiving free basic water			
<i>Provide free basic servicers</i>		3 180.00	3 300.00	3 400.00
Infrastructure Services				
<i>Civil Engineering</i>				
Road transport	95% of the roads and stormwater maintenance & capital budget spent	95.0%	95.0%	95.0%
Provision of Infrastructure for Basic Service Delivery				
<i>Water</i>				
Provision of Infrastructure for Basic Service Delivery	95% of the water maintenance & capital budget spent	95.0%	95.0%	95.0%
Sewerage	95% of the sewerage maintenance & capital budget spent			
Provision of Infrastructure for Basic Service Delivery		95.0%	95.0%	95.0%
Solid Waste	95% of the solid waste maintenance & capital budget spent			
Provision of Infrastructure for Basic Service Delivery		95.0%	95.0%	95.0%
Electrical Engineering				
Electricity	95% of the electricity maintenance & capital budget spent			
<i>Provision of Infrastructure for Basic Service Delivery</i>		95.0%	95.0%	95.0%
Financial Viability				
Finance				
<i>Budget & Treasury Office</i>				
Implement sound financial management, systems and procedures	Achieve a debtors payment percentage of at least 98% by 30 June	98.0%	98.0%	98.0%
<i>Budget & Treasury Office</i>	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational			
Implement sound financial management, systems and procedures		1.5	1.5	1.5

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

Table 19 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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Borrowing Management</u>										
Credit Rating		n/a	n/a	n/a	n/a	n/a	n/a			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.5%	0.5%	0.7%	0.7%	0.7%	0.7%	1.4%	1.8%	1.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.7%	0.7%	1.0%	0.9%	1.0%	0.9%	1.7%	2.2%	2.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	3.0%	0.2%	0.9%	0.0%	0.0%	0.0%	35.6%	68.6%	37.9%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	4.7%	3.5%	3.2%	1.6%	5.2%	5.2%	0.0%	0.0%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	2.3	2.1	1.5	1.9	1.3	1.4	1.1	1.1	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.3	2.1	1.2	1.3	0.7	0.9	0.5	0.5	0.8
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	1.2	0.8	0.7	0.2	0.6	0.1	0.1	0.4
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		95.4%	98.3%	93.2%	96.1%	95.3%	96.8%	95.4%	95.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		95.4%	98.3%	93.2%	96.1%	95.3%	96.8%	95.4%	95.5%	95.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	7.8%	7.6%	8.8%	9.6%	10.0%	8.3%	9.9%	9.8%	9.9%
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%
<u>Creditors Management</u>										
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%
Creditors to Cash and Investments		25.9%	25.1%	33.7%	58.1%	162.2%	61.4%	312.4%	362.0%	79.2%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	6 448 709	6 999 175	6 203 948	6 000 000	6 000 000	6 000 000	6 000 000	6 000 000	6 000 000
	Total Cost of Losses (Rand '000)	2 773	3 163	3 346	3 000	3 000	3 000	3 000	3 000	3 000
	% Volume (units purchased and generated less units sold)/units purchased and generated	9.04%	9.93%	8.65%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	373 115	491 619	523 186	500 000	500 000	500 000	500 000	500 000	500 000
	Total Cost of Losses (Rand '000)	392	605	669	600	600	600	600	600	600
	% Volume (units purchased and generated less units sold)/units purchased and generated	16.89%	20.80%	22.53%	20%	20.00%	20.00%	20.00%	20.00%	20.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.2%	33.5%	34.9%	36.0%	35.0%	34.9%	40.7%	36.3%	33.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.7%	35.0%	36.5%	37.6%	36.6%	36.4%	42.4%	37.8%	34.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.1%	4.2%	4.8%	4.6%	4.6%	4.4%	4.9%	4.3%	3.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	3.4%	3.9%	5.6%	3.7%	4.6%	4.6%	5.0%	4.4%	3.9%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	43.2	46.8	59.3	60.2	60.2	60.2	41.5	42.5	47.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11.6%	11.3%	12.2%	12.7%	13.4%	11.2%	12.0%	12.6%	13.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.2	1.9	1.6	0.9	0.3	0.8	0.1	0.1	0.6

Performance indicators and benchmarks

2.2.1.1 *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.

2.2.1.2 *Safety of Capital*

The *gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.2.1.3 *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2.
- *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.

2.2.1.4 *Revenue Management*

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

2.2.1.5 *Creditors Management*

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice or statement. This has had a favorable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.2.1.6 *Other Indicators*

- Employee costs as a percentage of operating revenue remains relatively high over the MTREF as discussed previously in this report.
- Repairs and maintenance as percentage of operating revenue is constant over the MTREF. This percentage is indicative of insufficient allocations made towards the maintenance of assets.

2.3 Overview of budget related-policies

There are no amendments made to any budget related policies except for the Supply Chain Management, Petty Cash, Property Rates, Borrowing and Cash Reserves policies to be taken to Council during June 2015 as a result of information still to be confirmed.

2.4 Overview of budget assumptions

2.4.1 External factors

The recovery rate of debtors is currently 96.3 per cent.

2.4.2 General inflation outlook and its impact on the municipal activities

The inflation outlook for South Africa is indicated below and has been taken into consideration in the compilation of the 2015/16 MTREF.

Fiscal year	2014 Actual	2015 Estimate	2016	2017 Forecast	2018
Real GDP growth	2.2	1.4	2.0	2.6	3.0
CPI Inflation	5.8	5.6	4.8	5.9	5.6

Source: Budget Review 2015

A low oil price is contributing to the lower rate of inflation. However, the lower oil price is partially offset by the weakening in the Rand vs the Dollar.

2.4.3 Credit rating outlook

The credit outlook of South Africa remained under pressure. The current electricity crisis in South Africa is a large contributing factor to this pressure, as the uncertainties surrounding the supply of electricity is negatively impacting on any possible growth opportunities.

Interest rates for borrowing and investment of funds

On 30 January 2014 the South African Reserve Bank increased its lending rate by 50 basis points. On 18 July 2014 the lending rate was increased by a further 25 basis points. The inflation rate is currently within the target range of the South African Reserve Bank (3 % – 6 %) and it is not expected that interest will go up any further in the near future.

2.4.4 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 of annual billings. Cash flow is assumed to be 96.3 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.5 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.4.6 Salary increases

The Salary and Wage Collective Agreement for the period 01 July 2012 to 30 June 2015 has come to an end. The South African Local Government Association issued a press release on 03 March 2015 indicating that it tabled the following offer for salaries and wages increase:

- 2015/16 Financial Year – 4.4 per cent (inflation linked)
- 2016/17 and 2017/18 Financial Years – inflation related increase plus additional 0.25 per cent

As the negotiations are still underway, municipalities are advised to use the above proposed guidelines in preparing their 2015/16 budgets although it seems not to be realistic.

2.4.7 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;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between

policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.4.8 Ability of the municipality to spend and deliver on the programmes

It is estimated, based on prior year's performance and current spending trends, that both capital and operating expenditure will be no less than 95 per cent of the budgeted amounts.

2.5 Overview of budget funding

2.5.1 Medium-term outlook: operating revenue

The following table is a 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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance									
Property rates	32 427	34 763	39 325	42 304	42 783	42 781	49 956	54 960	60 464
Service charges	88 886	97 136	104 594	115 731	118 927	116 579	125 516	141 617	159 670
Investment revenue	2 224	2 050	1 889	1 666	1 741	1 763	1 970	2 069	2 172
Transfers recognised - operational	57 579	62 567	50 775	47 665	50 671	50 671	30 290	49 172	68 946
Other own revenue	10 979	11 244	14 407	11 479	12 378	15 465	14 809	16 393	17 396
Total Revenue (excluding capital transfers and contributions)	192 095	207 760	210 990	218 845	226 499	227 259	222 541	264 210	308 648

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 the provision of goods and services such as water, electricity, sanitation, solid waste removal, property rates, operating grants and other minor charges (such as building plan fees, licenses and permits etc.).

Investment revenue contributes marginally to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

All investments are transferred to the current account at year-end. However, excess cash is invested periodically to ensure maximum return.

2.5.2 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 understandability 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 20 MBRR Table A7 - Budget cash flow statement

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	31 227	33 477	37 870	40 739	41 200	41 925	48 108	52 926	58 227
Service charges	85 597	93 542	100 724	111 449	114 526	114 248	120 873	136 377	153 763
Other revenue	9 327	13 622	8 993	10 781	10 200	12 994	12 572	14 038	14 900
Government - operating	60 327	63 697	52 700	47 665	46 725	46 725	30 290	49 172	68 946
Government - capital	8 592	23 712	17 099	11 071	12 921	12 921	13 464	13 761	12 965
Interest	2 779	2 712	2 660	2 390	2 541	2 890	2 740	2 877	3 021
Payments									
Suppliers and employees	(181 983)	(198 206)	(191 298)	(212 682)	(223 393)	(220 774)	(216 532)	(245 247)	(275 572)
Finance charges	(351)	(665)	(1 142)	(1 242)	(114)	(114)	(1 558)	(1 613)	(1 630)
Transfers and Grants	-	-	-	-	-	-	(1 539)	(1 570)	(1 601)
NET CASH FROM/(USED) OPERATING ACTIVITIES	15 516	31 892	27 606	10 170	4 607	10 815	8 418	20 722	33 020
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	367	230	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	33	29	33	6	7	7	6	6	6
Decrease (increase) in non-current investments	-	(377)	(21)	-	-	-	-	-	-
Payments									
Capital assets	(23 082)	(33 700)	(30 731)	(14 701)	(21 154)	(19 454)	(21 691)	(31 024)	(26 770)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(22 683)	(33 818)	(30 720)	(14 695)	(21 148)	(19 448)	(21 685)	(31 018)	(26 764)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	731	44	168	-	-	-	2 930	11 850	5 235
Increase (decrease) in consumer deposits	272	260	231	213	255	255	273	292	312
Payments									
Repayment of borrowing	(635)	(399)	(440)	(311)	(304)	(304)	(478)	(1 755)	(2 043)
NET CASH FROM/(USED) FINANCING ACTIVITIES	368	(96)	(42)	(98)	(49)	(49)	2 724	10 387	3 505
NET INCREASE/ (DECREASE) IN CASH HELD	(6 798)	(2 022)	(3 155)	(4 623)	(16 590)	(8 682)	(10 543)	91	9 761
Cash/cash equivalents at the year begin:	33 383	26 585	24 562	18 066	21 407	21 407	12 726	2 182	2 273
Cash/cash equivalents at the year end:	26 585	24 562	21 407	13 443	4 818	12 726	2 182	2 273	12 034

2.5.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 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). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	26 585	24 562	21 407	13 443	4 818	12 726	2 182	2 273	12 034
Other current investments > 90 days	0	0	-	-	0	0	-	-	-
Non current assets - Investments	-	135	45	140	45	45	45	45	45
Cash and investments available:	26 585	24 698	21 452	13 583	4 863	12 771	2 227	2 318	12 079
Application of cash and investments									
Unspent conditional transfers	1 517	2 351	5 529	419	153	153	153	153	153
Other working capital requirements	(7 469)	(9 308)	(9 998)	(12 463)	(13 785)	(10 386)	(14 240)	(16 601)	(19 704)
Reserves to be backed by cash/investments	22 000	18 500	15 750	13 000	4 800	4 800	-	-	-
Total Application of cash and investments:	16 048	11 543	11 281	956	(8 832)	(5 433)	(14 087)	(16 447)	(19 551)
Surplus(shortfall)	10 537	13 155	10 171	12 628	13 695	18 204	16 314	18 766	31 630

The municipality will be cash funded for the entire MTREF. However, it is very important for the municipality to increase cash levels in order to allow for a contribution to the capital replacement reserve. The surplus indicated above for 2015/2016 is also supported by a positive working capital balance. This positive working capital balance is the result of the municipality's commitment to settle outstanding creditor balances on a timely basis. Creditor balances are thus always very low when compared to the current assets which include receivables.

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.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges.

2.5.4 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 22 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
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	26 585	24 562	21 407	13 443	4 818	12 726	12 726	2 182	2 273	12 034
Cash + investments at the yr end less applications - R'000	18(1)b	2	10 537	13 155	10 171	12 628	13 695	18 204	18 204	16 314	18 766	31 630
Cash year end/monthly employee/supplier payments	18(1)b	3	2.2	1.9	1.6	0.9	0.3	0.8	0.8	0.1	0.1	0.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	7 074	11 897	6 893	3 436	(1 265)	1 089	1 089	(592)	9 254	21 620
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	2.7%	3.1%	3.8%	(3.7%)	(7.5%)	(6.0%)	2.5%	6.0%	6.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	95.4%	98.3%	93.2%	96.1%	95.3%	96.8%	96.8%	95.4%	95.5%	95.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.8%	1.7%	2.1%	0.7%	2.0%	2.6%	2.6%	2.7%	2.5%	2.4%
Capital payments % of capital expenditure	18(1)c;19	8	71.4%	77.2%	92.7%	100.0%	100.0%	92.0%	92.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	3.0%	0.2%	0.9%	0.0%	0.0%	0.0%	0.0%	35.6%	68.6%	37.9%
Grants % of Govt. 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.	4.9%	17.8%	14.3%	7.7%	(17.2%)	0.0%	(2.6%)	18.1%	17.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(7.8%)	(9.4%)	6.4%	(7.8%)	0.0%	0.0%	(1.9%)	(2.0%)	(2.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	13	3.4%	3.4%	3.6%	3.7%	3.7%	3.5%	3.8%	3.6%	3.5%	3.5%
Asset renewal % of capital budget	20(1)(vi)	14	71.9%	53.8%	52.2%	60.5%	59.0%	59.0%	0.0%	40.3%	29.2%	36.0%

2.5.4.1 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.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

2.5.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. 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.

2.5.4.3 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. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.5.4.4 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. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus or deficit 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.

2.5.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

2.5.4.6 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 analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 95 per cent performance target, the cash flow statement has been conservatively determined when compared to actual results in 2013/2014. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. 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.

2.5.4.7 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 (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

2.5.4.8 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. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

2.5.4.9 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 and therefore no percentage is being shown as outstanding.

2.5.4.10 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. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

2.5.4.11 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. .

2.5.4.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

2.6 Expenditure on grants and reconciliations of unspent funds

Table 23 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:					
<u>Operating expenditure of Transfers and Grants</u>					
National Government:	24 620	22 857	23 601	24 428	27 093
Local Government Equitable Share	19 386	19 386	20 679	22 195	23 939
Finance Management	1 175	1 175	1 230	1 475	1 550
Municipal Systems Improvement	146	649	150	207	1 033
Municipal Infrastructure (MIG)	793	527	542	551	571
EPWP Incentive	1 120	1 120	1 000	–	–
INEG	2 000	–	–	–	–
Provincial Government:	23 046	27 814	6 689	24 744	41 853
Housing	18 590	22 466	2 300	20 450	37 120
Community Development Workers	70	140	54	57	60
Subsidy Main Roads	60	60	73	–	–
Subsidy Libraries	4 157	4 157	4 250	4 052	4 673
Thusong Centre	169	181	12	185	–
Provincial Financial Grant	–	810	–	–	–
Total operating expenditure of Transfers and Grants:	47 665	50 671	30 290	49 172	68 946
<u>Capital expenditure of Transfers and Grants</u>					
National Government:	10 802	12 565	13 245	13 225	12 840
Municipal Infrastructure (MIG)	9 739	10 005	10 245	10 475	10 840
Finance Management	275	275	220	–	–
Municipal Systems Improvement	788	285	780	750	–
INEG	–	2 000	2 000	2 000	2 000
Provincial Government:	269	1 786	220	536	125
Sport and Recreation	–	100	–	–	–
Housing	–	709	–	–	–
Subsidy Libraries	216	937	21	475	125
Thusong Centre	53	40	199	61	–
Total capital expenditure of Transfers and Grants	11 071	14 352	13 464	13 761	12 965
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	58 736	65 022	43 754	62 933	81 911

Table 24 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand					
<u>Operating transfers and grants:</u>					
National Government:					
Balance unspent at beginning of the year	-	-	-	-	-
Current year receipts	24 620	22 857	23 601	24 428	27 093
Conditions met - transferred to revenue	24 620	22 857	23 601	24 428	27 093
Conditions still to be met - transferred to liabilities	-	-	-	-	-
Provincial Government:					
Balance unspent at beginning of the year	-	4 099	153	153	153
Current year receipts	23 046	23 868	6 689	24 744	41 853
Conditions met - transferred to revenue	23 046	27 814	6 689	24 744	41 853
Conditions still to be met - transferred to liabilities	-	153	153	153	153
Other grant providers:					
Balance unspent at beginning of the year	419	-	-	-	-
Current year receipts	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-
Conditions still to be met - transferred to liabilities	419	-	-	-	-
Total operating transfers and grants revenue	47 665	50 671	30 290	49 172	68 946
Total operating transfers and grants - CTBM	419	153	153	153	153
<u>Capital transfers and grants:</u>					
National Government:					
Balance unspent at beginning of the year	-	-	-	-	-
Current year receipts	10 802	12 565	13 245	13 225	12 840
Conditions met - transferred to revenue	10 802	12 565	13 245	13 225	12 840
Conditions still to be met - transferred to liabilities	-	-	-	-	-
Provincial Government:					
Balance unspent at beginning of the year	-	1 430	-	-	-
Current year receipts	269	356	220	536	125
Conditions met - transferred to revenue	269	1 786	220	536	125
Conditions still to be met - transferred to liabilities	-	-	-	-	-
Total capital transfers and grants revenue	11 071	14 352	13 464	13 761	12 965
Total capital transfers and grants - CTBM	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	58 736	65 022	43 754	62 933	81 911
TOTAL TRANSFERS AND GRANTS - CTBM	419	153	153	153	153

2.7 Allocations and Grants made by the municipality

The following contributions are projected over the MTREF:

Description	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand			
<u>Cash Transfers to Entities/Other External Mechanisms</u>			
CONTRIBUTION - ELIM COMMUNITY	300	300	300
CONTRIBUTION - KASSIEBAAI COMMUNITY	120	120	120
CONTRIBUTION - SHIPWRECK MUSEUM	50	50	50
CONTRIBUTION - TOURISM BURO	780	800	820
CONTRIBUTION - OVERBERG RADIO	75	75	75
OTHER CONTRIBUTIONS	214	225	236
Total Cash Transfers To Entities/Ems'	1 539	1 570	1 601
TOTAL CASH TRANSFERS AND GRANTS	1 539	1 570	1 601

2.8 Councilor and employee benefits

Table 25 MBRR SA22 - Summary of councilor and staff benefits

Summary of Employee and Councilor remuneration	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									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	1 800	1 903	2 000	2 136	2 136	2 089	2 299	2 426	2 561
Pension and UIF Contributions	276	299	314	335	335	334	345	364	384
Medical Aid Contributions	1	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	695	733	765	817	817	812	874	922	973
Cellphone Allowance	134	141	209	223	223	184	239	252	266
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	4	4	5
Sub Total - Councillors	2 907	3 077	3 288	3 511	3 511	3 419	3 760	3 968	4 188
% increase		5.8%	6.9%	6.8%	(0.0%)	(2.6%)	10.0%	5.5%	5.5%
Senior Managers of the Municipality									
Basic Salaries and Wages	2 907	2 597	3 123	3 753	3 753	3 753	4 094	4 355	4 632
Pension and UIF Contributions	535	589	575	746	746	746	746	780	816
Medical Aid Contributions	137	-	153	-	-	-	214	229	245
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	479	421	428	484	484	484	629	673	720
Motor Vehicle Allowance	398	192	481	479	479	479	416	442	470
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	104	66	114	76	76	76	80	85	90
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	4 560	3 865	4 873	5 539	5 539	5 539	6 179	6 564	6 973
% increase		(15.3%)	26.1%	13.7%	-	-	11.6%	6.2%	6.2%
Other Municipal Staff									
Basic Salaries and Wages	42 287	44 130	46 000	48 135	48 374	47 570	57 383	61 423	65 790
Pension and UIF Contributions	5 515	5 746	6 605	7 408	7 372	7 639	10 066	10 771	11 525
Medical Aid Contributions	1 896	2 113	2 278	2 591	2 591	2 709	2 557	2 736	2 927
Overtime	2 044	2 380	2 978	2 628	2 634	3 109	2 434	2 611	2 808
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3 047	3 669	3 799	4 174	4 087	3 975	4 172	3 849	3 849
Cellphone Allowance	-	-	-	-	-	-	237	237	237
Housing Allowances	375	384	386	437	437	425	542	557	583
Other benefits and allowances	1 878	2 150	2 194	2 511	2 506	2 533	2 781	2 776	2 959
Payments in lieu of leave	587	1 391	79	500	400	400	500	500	500
Long service awards	603	659	669	727	780	780	489	550	590
Post-retirement benefit obligations	2 907	3 205	3 818	4 222	4 652	4 652	3 270	3 350	3 600
Sub Total - Other Municipal Staff	61 138	65 827	68 807	73 333	73 833	73 794	84 430	89 360	95 368
% increase		7.7%	4.5%	6.6%	0.7%	(0.1%)	14.4%	5.8%	6.7%
Total Parent Municipality	68 606	72 769	76 967	82 382	82 882	82 751	94 368	99 892	106 530
		6.1%	5.8%	7.0%	0.6%	(0.2%)	14.0%	5.9%	6.6%

Table 26 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum							
<u>Councillors</u>							
Speaker		375 577	56 337	166 299			598 213
Chief Whip							-
Executive Mayor		375 577	56 337	166 299			598 213
Deputy Executive Mayor		469 472	70 421	224 711			764 604
Executive Committee		338 844	66 075	157 302			562 221
Total for all other councillors		749 528	105 631	381 590			1 236 749
Total Councillors	-	2 308 999	354 800	1 096 201			3 760 000
<u>Senior Managers of the Municipality</u>							
Municipal Manager (MM)		1 075 540	262 925	77 040	159 090		1 574 595
Chief Finance Officer		830 500	193 775	128 400	118 270		1 270 945
Corporate Services		723 130	192 935	77 590	117 210		1 110 865
Community Services		734 240	195 225	64 200	117 210		1 110 875
Infrastructure Services		730 810	195 181	68 330	117 210		1 111 531
Total Senior Managers of the Municipality	-	4 094 220	1 040 041	415 560	628 990		6 178 811
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	-	6 403 219	1 394 841	1 511 761	628 990		9 938 811

Table 27 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	2013/14			Current Year 2014/15			Budget Year 2015/16		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	9			9					
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	6	1	5	6	1	5	6	1	5
Other Managers	18	16	–	22	20	–	18	15	–
Professionals	230	177	10	239	186	10	142	118	13
<i>Finance</i>	41	34	5	44	37	5	31	26	5
<i>Spatial/town planning</i>	10	8	1	10	8	1	10	9	
<i>Information Technology</i>	1	1	–	1	1	–	2	1	1
<i>Roads</i>	48	32	2	48	32	2	41	35	2
<i>Electricity</i>	21	18	–	23	20	–	20	18	
<i>Water</i>	59	51	2	63	55	2	38	29	5
<i>Sanitation</i>	50	33	–	50	33	–			
<i>Refuse</i>									
<i>Other</i>									
Technicians	–	–	–	–	–	–	–	–	–
<i>Finance</i>									
<i>Spatial/town planning</i>									
<i>Information Technology</i>									
<i>Roads</i>									
<i>Electricity</i>									
<i>Water</i>									
<i>Sanitation</i>									
<i>Refuse</i>									
<i>Other</i>									
Clerks (Clerical and administrative)	181	123	15	182	124	15	178	126	17
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trades	62	40	1	62	40	1	62	42	–
Plant and Machine Operators									
Elementary Occupations	132	105	7	132	105	7	132	112	5
TOTAL PERSONNEL NUMBERS	638	462	38	652	476	38	538	414	40

2.9 Monthly targets for revenue, expenditure and cash flow

Table 28 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	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
Revenue By Source															
Property rates	49 531	(1)	6	(15)	(2)	-	-	15	(101)	(6)	555	(27)	49 956	54 960	60 464
Service charges - electricity revenue	7 263	7 631	7 944	7 779	7 095	7 830	6 386	6 823	7 086	7 177	7 907	5 923	86 845	97 700	109 913
Service charges - water revenue	1 554	1 596	1 627	1 610	1 680	1 909	1 757	1 871	1 956	1 791	1 793	1 262	20 408	22 914	25 708
Service charges - sanitation revenue	543	547	570	557	587	653	483	532	537	595	557	526	6 687	7 745	8 920
Service charges - refuse revenue	1 037	1 041	1 036	1 039	1 044	1 043	572	918	1 036	1 035	1 040	735	11 576	13 258	15 130
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	258	357	950	1 322	447	537	1 327	258	381	394	236	213	6 680	7 159	7 675
Interest earned - external investments	50	137	162	160	168	72	227	182	165	231	266	150	1 970	2 069	2 172
Interest earned - outstanding debtors	31	56	59	64	69	77	74	77	80	64	75	73	800	840	882
Fines	159	133	157	78	128	165	194	210	168	119	109	215	1 836	2 532	2 598
Licences and permits	28	23	25	36	26	29	29	28	28	26	25	27	330	346	364
Agency services	131	88	109	165	78	126	54	120	127	85	103	124	1 309	1 374	1 443
Transfers recognised - operational	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	30 290	49 172	68 946
Other revenue	119	603	349	357	408	535	334	156	142	185	385	282	3 855	4 141	4 435
Total Revenue (excluding capital transfers and contributions)	63 229	14 736	15 519	15 676	14 254	15 499	13 961	13 715	14 130	14 219	15 575	12 028	222 541	264 210	308 648
Expenditure By Type															
Employee related costs	6 969	6 971	6 987	7 392	11 174	7 205	8 244	7 245	7 196	7 448	7 296	6 481	90 608	95 924	102 341
Remuneration of councillors	297	289	293	293	293	293	293	457	313	313	313	313	3 760	3 968	4 188
Debt impairment	391	391	391	391	391	391	391	391	391	391	391	391	4 690	4 875	5 182
Depreciation & asset impairment	691	691	691	691	691	691	691	691	691	691	691	691	8 289	8 660	9 046
Finance charges	-	-	-	-	-	1 526	-	-	-	-	-	1 357	2 883	3 008	3 038
Bulk purchases	6 064	3 063	7 739	10 547	1 946	8 374	5 568	2 391	8 242	1 690	8 792	8 386	72 802	78 230	84 063
Contracted services	91	477	612	1 086	492	1 077	643	685	699	769	1 005	765	8 401	9 615	8 005
Transfers and grants	128	128	128	128	128	128	128	128	128	128	128	128	1 539	1 570	1 601
Other expenditure	2 214	2 753	2 325	3 441	3 381	6 544	1 002	3 337	3 120	6 438	4 313	4 758	43 623	62 866	82 529
Total Expenditure	16 845	14 762	19 165	23 968	18 494	26 228	16 960	15 326	20 780	17 869	22 929	23 271	236 597	268 716	299 993
Surplus/(Deficit)	46 384	(26)	(3 646)	(8 292)	(4 241)	(10 729)	(2 999)	(1 611)	(6 650)	(3 649)	(7 354)	(11 243)	(14 056)	(4 506)	8 655
Transfers recognised - capital	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	13 464	13 761	12 965
Surplus/(Deficit)	47 506	1 096	(2 524)	(7 170)	(3 119)	(9 607)	(1 877)	(489)	(5 528)	(2 527)	(6 232)	(10 121)	(592)	9 254	21 620

Table 29 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	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
Revenue by Vote															
Vote 1 - Executive and Council	1 102	1 097	1 087	1 092	1 074	1 033	1 254	1 124	1 081	1 066	1 081	1 217	13 309	14 780	16 417
Vote 2 - Budget and Treasury Office	49 812	452	455	439	471	399	527	479	347	497	1 129	417	55 423	60 583	66 397
Vote 3 - Corporate Services	94	304	310	379	243	310	372	110	126	145	196	151	2 740	2 906	3 062
Vote 4 - Community and Social Services	1 142	1 230	1 721	2 014	1 258	1 441	2 013	1 187	1 250	1 175	1 087	1 179	16 696	36 099	53 441
Vote 8 - Electricity	7 450	7 902	8 171	8 008	7 333	8 089	6 610	7 017	7 278	7 375	8 140	6 139	89 511	100 446	112 748
Vote 14 - Infrastructure	4 750	4 874	4 898	4 866	4 997	5 350	4 307	4 920	5 171	5 083	5 065	4 047	58 326	63 156	69 548
Total Revenue by Vote	64 351	15 858	16 641	16 798	15 376	16 621	15 083	14 837	15 252	15 341	16 697	13 150	236 005	277 971	321 614
Expenditure by Vote to be appropriated															
Vote 1 - Executive and Council	1 082	1 205	1 205	1 430	1 537	1 672	1 185	1 486	1 324	1 630	1 498	1 428	16 682	17 696	18 523
Vote 2 - Budget and Treasury Office	2 054	2 262	2 216	2 636	3 175	3 205	2 201	2 482	2 434	3 149	2 767	2 638	31 219	34 490	35 403
Vote 3 - Corporate Services	1 426	1 551	1 503	1 787	2 299	3 017	1 497	1 706	1 666	2 222	1 898	2 511	23 083	23 767	25 541
Vote 4 - Community and Social Services	2 405	2 576	2 503	2 918	3 802	3 555	2 539	2 804	2 745	3 554	3 076	2 932	35 409	55 387	73 989
Vote 8 - Electricity	6 681	3 762	8 333	11 176	2 972	9 192	6 214	3 151	8 882	2 638	9 491	9 063	81 553	87 425	93 833
Vote 14 - Infrastructure	3 197	3 407	3 405	4 021	4 709	5 588	3 323	3 697	3 728	4 677	4 199	4 700	48 650	49 951	52 704
Total Expenditure by Vote	16 845	14 762	19 165	23 968	18 494	26 228	16 960	15 326	20 780	17 869	22 929	23 271	236 597	268 716	299 993
Surplus/(Deficit)	47 506	1 096	(2 524)	(7 170)	(3 119)	(9 607)	(1 877)	(489)	(5 528)	(2 527)	(6 232)	(10 121)	(592)	9 254	21 620

Table 30 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	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
Revenue - Standard															
<i>Governance and administration</i>	50 984	1 730	1 780	1 838	1 705	1 632	2 085	1 680	1 524	1 670	2 327	1 727	70 682	77 397	84 933
Executive and council	1 102	1 097	1 087	1 092	1 074	1 033	1 254	1 124	1 081	1 066	1 081	1 217	13 309	14 780	16 417
Budget and treasury office	49 812	452	455	439	471	399	527	479	347	497	1 129	417	55 423	60 583	66 397
Corporate services	69	182	239	307	160	201	303	77	96	107	117	93	1 951	2 033	2 119
<i>Community and public safety</i>	1 142	1 230	1 721	2 014	1 258	1 441	2 013	1 187	1 250	1 175	1 087	1 179	16 696	36 099	53 441
Community and social services	400	414	430	443	413	419	444	402	405	406	404	403	4 983	5 198	5 244
Sport and recreation	217	295	760	1 051	366	436	1 055	217	313	323	200	182	5 415	5 653	6 103
Public safety	333	329	339	329	288	394	322	377	340	254	291	403	3 999	4 798	4 974
Housing	192	192	192	192	192	192	192	192	192	192	192	192	2 300	20 450	37 120
<i>Economic and environmental services</i>	990	1 088	1 037	1 038	1 049	1 075	1 034	998	995	1 003	1 044	1 024	12 376	11 900	12 355
Planning and development	990	1 088	1 037	1 038	1 049	1 075	1 034	998	995	1 003	1 044	1 024	12 376	11 900	12 355
<i>Trading services</i>	11 235	11 810	12 103	11 908	11 364	12 474	9 951	10 972	11 483	11 493	12 239	9 220	136 251	152 575	170 884
Electricity	7 450	7 902	8 171	8 008	7 333	8 089	6 610	7 017	7 278	7 375	8 140	6 139	89 511	100 446	112 748
Water	1 654	1 726	1 745	1 727	1 804	2 054	1 882	1 993	2 082	1 910	1 923	1 354	21 853	24 400	27 240
Waste water management	775	788	816	799	841	938	692	759	767	850	799	753	9 577	10 676	11 901
Waste management	1 355	1 395	1 371	1 375	1 386	1 393	767	1 203	1 356	1 358	1 378	975	15 311	17 053	18 995
Total Revenue - Standard	64 351	15 858	16 641	16 798	15 376	16 621	15 083	14 837	15 252	15 341	16 697	13 150	236 005	277 971	321 614
Expenditure - Standard															
<i>Governance and administration</i>	4 208	4 634	4 551	5 413	6 441	7 350	4 508	5 253	5 013	6 459	5 697	6 133	65 659	70 485	73 870
Executive and council	1 082	1 205	1 205	1 430	1 537	1 672	1 185	1 486	1 324	1 630	1 498	1 428	16 682	17 696	18 523
Budget and treasury office	2 054	2 262	2 216	2 636	3 175	3 205	2 201	2 482	2 434	3 149	2 767	2 638	31 219	34 490	35 403
Corporate services	1 072	1 168	1 130	1 347	1 728	2 473	1 122	1 285	1 255	1 680	1 432	2 067	17 758	18 299	19 944
<i>Community and public safety</i>	2 374	2 544	2 472	2 882	3 752	3 512	2 506	2 769	2 711	3 510	3 038	2 896	34 964	54 909	73 480
Community and social services	878	920	890	1 018	1 393	1 234	918	993	972	1 249	1 074	1 024	12 562	13 223	13 846
Sport and recreation	591	634	611	719	944	909	606	694	677	910	768	740	8 802	9 322	9 902
Public safety	691	743	749	853	1 080	906	819	798	791	891	857	779	9 958	10 502	11 117
Housing	214	246	222	291	335	464	164	283	270	460	339	353	3 642	21 861	38 614
<i>Economic and environmental services</i>	1 434	1 543	1 497	1 751	2 225	2 159	1 492	1 681	1 645	2 152	1 853	1 779	21 210	21 142	22 257
Planning and development	534	583	557	670	854	879	532	644	627	877	725	706	8 187	7 660	7 971
Road transport	868	927	908	1 045	1 322	1 236	927	1 002	984	1 231	1 090	1 038	12 578	13 005	13 777
Environmental protection	31	33	32	36	50	43	33	35	34	44	38	36	445	478	509
<i>Trading services</i>	8 830	6 042	10 645	13 922	6 076	13 208	8 454	5 623	11 411	5 748	12 342	12 462	114 763	122 179	130 386
Electricity	6 681	3 762	8 333	11 176	2 972	9 192	6 214	3 151	8 882	2 638	9 491	9 063	81 553	87 425	93 833
Water	945	934	988	1 155	1 286	1 373	949	988	1 073	1 221	1 181	1 179	13 274	13 797	14 526
Waste water management	497	529	512	590	744	724	508	571	559	724	624	604	7 187	7 599	8 044
Waste management	706	817	812	1 002	1 074	1 919	783	912	896	1 165	1 045	1 617	12 749	13 358	13 983
Total Expenditure - Standard	16 845	14 762	19 165	23 968	18 494	26 228	16 960	15 326	20 780	17 869	22 929	23 271	236 597	268 716	299 993
Surplus/(Deficit)	47 506	1 096	(2 524)	(7 170)	(3 119)	(9 607)	(1 877)	(489)	(5 528)	(2 527)	(6 232)	(10 121)	(592)	9 254	21 620

Table 31 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	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
R thousand															
Multi-year expenditure to be appropriated															
Vote 2 - Budget and Treasury Office	-	-	-	-	-	-	-	-	-	-	-	-	-	70	30
Vote 4 - Community and Social Services	56	87	63	161	61	144	82	97	87	66	115	181	1 200	2 000	1 775
Vote 14 - Infrastructure	63	98	71	182	69	162	92	109	98	74	129	204	1 350	2 730	3 175
Capital multi-year expenditure sub-total	119	184	135	343	130	306	173	205	185	139	244	385	2 550	4 800	4 980
Single-year expenditure to be appropriated															
Vote 2 - Budget and Treasury Office	1	2	1	4	1	3	2	2	2	2	3	4	28	6	-
Vote 3 - Corporate Services	73	113	83	211	80	188	107	126	113	86	150	237	1 567	1 123	347
Vote 4 - Community and Social Services	270	417	304	777	293	693	393	465	418	315	553	872	5 771	2 372	2 303
Vote 8 - Electricity	156	241	176	448	169	400	227	268	241	182	319	503	3 330	3 200	3 480
Vote 14 - Infrastructure	395	611	446	1 136	429	1 015	574	681	612	462	809	1 276	8 446	19 523	15 660
Capital single-year expenditure sub-total	896	1 384	1 010	2 576	973	2 300	1 302	1 542	1 386	1 046	1 834	2 892	19 141	26 224	21 790
Total Capital Expenditure	1 015	1 569	1 144	2 919	1 103	2 607	1 475	1 748	1 571	1 186	2 078	3 277	21 691	31 024	26 770

Table 32 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	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
Capital Expenditure - Standard															
<i>Governance and administration</i>	75	115	84	215	81	192	108	128	115	87	153	241	1 594	1 199	377
Budget and treasury office	1	2	1	4	1	3	2	2	2	2	3	4	28	76	30
Corporate services	73	113	83	211	80	188	107	126	113	86	150	237	1 567	1 123	347
<i>Community and public safety</i>	326	504	368	938	354	838	474	562	505	381	668	1 053	6 971	4 372	4 078
Community and social services	249	384	280	715	270	639	362	428	385	291	509	803	5 315	2 129	1 071
Sport and recreation	63	98	71	181	69	162	92	109	98	74	129	204	1 349	1 475	1 380
Public safety	14	22	16	41	16	37	21	25	22	17	29	46	307	754	1 627
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	14	-
<i>Economic and environmental services</i>	246	379	277	706	267	630	357	423	380	287	503	793	5 246	13 663	14 885
Road transport	246	379	277	706	267	630	357	423	380	287	503	793	5 246	13 663	14 885
<i>Trading services</i>	369	570	416	1 060	401	947	536	635	571	431	755	1 191	7 880	11 790	7 430
Electricity	156	241	176	448	169	400	227	268	241	182	319	503	3 330	3 200	3 480
Water	11	17	13	32	12	29	16	19	17	13	23	36	240	3 965	2 150
Waste water management	190	293	214	545	206	487	275	326	293	221	388	612	4 050	815	1 250
Waste management	12	19	14	35	13	31	18	21	19	14	25	39	260	3 810	550
Total Capital Expenditure - Standard	1 015	1 569	1 144	2 919	1 103	2 607	1 475	1 748	1 571	1 186	2 078	3 277	21 691	31 024	26 770
Funded by:															
National Government	620	958	699	1 782	673	1 592	901	1 067	959	724	1 269	2 001	13 245	13 225	12 840
Provincial Government	10	16	12	30	11	26	15	18	16	12	21	33	220	536	125
Transfers recognised - capital	630	974	710	1 812	684	1 618	916	1 085	975	736	1 290	2 034	13 464	13 761	12 965
Borrowing	137	212	155	394	149	352	199	236	212	160	281	443	2 930	11 850	5 235
Internally generated funds	248	383	279	713	269	637	360	427	384	290	508	800	5 297	5 413	8 570
Total Capital Funding	1 015	1 569	1 144	2 919	1 103	2 607	1 475	1 748	1 571	1 186	2 078	3 277	21 691	31 024	26 770

Table 33 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand															
Cash Receipts By Source													1		
Property rates	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	48 108	52 926	58 227
Service charges - electricity revenue	6 994	7 348	7 650	7 492	6 833	7 540	6 149	6 571	6 824	6 911	7 614	5 704	83 632	94 085	105 846
Service charges - water revenue	1 496	1 537	1 567	1 551	1 618	1 838	1 692	1 802	1 884	1 725	1 727	1 215	19 653	22 067	24 756
Service charges - sanitation revenue	523	527	549	537	565	629	465	512	517	573	536	507	6 440	7 458	8 590
Service charges - refuse revenue	998	1 002	998	1 000	1 006	1 005	551	884	998	997	1 001	708	11 148	12 767	14 570
Rental of facilities and equipment	249	344	915	1 273	431	517	1 278	248	367	379	227	205	6 432	6 894	7 391
Interest earned - external investments	50	137	162	160	168	72	227	182	165	231	266	150	1 970	2 069	2 172
Interest earned - outstanding debtors	30	54	57	62	67	74	71	74	77	62	72	71	770	809	849
Fines	56	47	55	27	45	58	68	74	59	42	38	76	646	1 282	1 268
Licences and permits	28	23	25	36	26	29	29	28	28	26	25	27	330	346	364
Agency services	131	88	109	165	78	126	54	120	127	85	103	124	1 309	1 374	1 443
Transfer receipts - operational	7 947	285	3 371	4 566	2 203	4 278	759	856	648	3 740	1 284	354	30 290	49 172	68 946
Other revenue	119	603	349	357	408	535	334	156	142	185	385	282	3 855	4 141	4 435
Cash Receipts by Source	22 631	16 005	19 816	21 234	17 456	20 710	15 687	15 516	15 845	18 964	17 288	13 431	214 582	255 391	298 857
Other Cash Flows by Source															
Transfer receipts - capital	1 683	-	-	-	6 732	-	-	-	5 049	-	-	-	13 464	13 761	12 965
Borrowing long term/refinancing	-	-	-	-	2 930	-	-	-	-	-	-	-	2 930	11 850	5 235
Increase (decrease) in consumer deposits	23	23	23	23	23	23	23	23	23	23	23	23	273	292	312
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	6	6	6
Total Cash Receipts by Source	24 337	16 028	19 839	21 257	27 141	20 733	15 710	15 539	20 917	18 987	17 312	13 454	231 255	281 300	317 376
Cash Payments by Type															
Employee related costs	6 684	6 686	6 701	7 090	10 717	6 911	7 907	6 949	6 902	7 144	6 998	6 217	86 906	91 934	98 042
Remuneration of councillors	297	289	293	293	293	293	293	457	313	313	313	313	3 760	3 968	4 188
Finance charges	-	-	-	-	-	825	-	-	-	-	-	733	1 558	1 613	1 630
Bulk purchases - Electricity	6 004	3 032	7 661	10 441	1 926	8 290	5 513	2 367	8 159	1 673	8 704	8 302	72 072	76 144	82 012
Bulk purchases - Water & Sewer	109	55	139	190	35	151	100	43	148	30	158	151	1 310	1 352	1 423
Contracted services	91	481	617	1 095	496	1 085	648	691	705	776	1 013	771	8 468	9 525	7 945
Transfers and grants - other	128	128	128	128	128	128	128	128	128	128	128	128	1 539	1 570	1 601
Other expenditure	2 233	2 777	2 346	3 471	3 411	6 602	1 011	3 367	3 148	6 495	4 352	4 801	44 015	62 323	81 961
Cash Payments by Type	15 548	13 449	17 885	22 708	17 006	24 285	15 600	14 002	19 503	16 560	21 666	21 416	219 629	248 430	278 802
Other Cash Flows/Payments by Type															
Capital assets	1 015	1 569	1 144	2 919	1 103	2 607	1 475	1 748	1 571	1 186	2 078	3 277	21 691	31 024	26 770
Repayment of borrowing	-	-	-	-	-	239	-	-	-	-	-	239	478	1 755	2 043
Other Cash Flow s/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	16 563	15 017	19 029	25 627	18 108	27 131	17 075	15 750	21 074	17 746	23 744	24 933	241 799	281 209	307 615
NET INCREASE/(DECREASE) IN CASH HELD	7 774	1 011	810	(4 369)	9 033	(6 398)	(1 365)	(211)	(157)	1 241	(6 433)	(11 479)	(10 543)	91	9 761
Cash/cash equivalents at the month/year begin:	12 726	20 500	21 511	22 321	17 951	26 984	20 586	19 220	19 009	18 852	20 093	13 661	12 726	2 182	2 273
Cash/cash equivalents at the month/year end:	20 500	21 511	22 321	17 951	26 984	20 586	19 220	19 009	18 852	20 093	13 661	2 182	2 182	2 273	12 034

2.10 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.

Schedule SA35 is not applicable at the municipality.

2.11 Capital expenditure details

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, then the repair and maintenance of assets and finally the depreciation per asset class.

Table 34 MBRR SA34a - Capital expenditure on new assets by asset class

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand								
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	3 497	14 052	10 056	970	3 679	5 561	15 205	15 460
Infrastructure - Road transport	1 180	4 934	7 131	650	650	2 921	10 455	11 160
<i>Roads, Pavements & Bridges</i>	357	3 228	6 775	100	100	2 311	10 025	10 610
<i>Storm water</i>	822	1 706	356	550	550	610	430	550
Infrastructure - Electricity	1 533	677	2 926	300	2 300	2 200	2 150	2 150
<i>Transmission & Reticulation</i>	1 533	677	2 926	100	2 100	2 200	2 150	2 150
<i>Street Lighting</i>	-	-	-	200	200	-	-	-
Infrastructure - Water	324	7 828	-	-	-	240	1 400	850
<i>Dams & Reservoirs</i>	-	5 124	-	-	-	-	1 000	-
<i>Water purification</i>	69	-	-	-	-	140	-	-
<i>Reticulation Water</i>	255	2 704	-	-	-	100	400	850
Infrastructure - Sanitation	437	614	-	-	709	-	-	750
<i>Reticulation Sewerage</i>	61	614	-	-	709	-	-	750
<i>Sewerage purification</i>	377	-	-	-	-	-	-	-
Infrastructure - Other	22	-	-	20	20	200	1 200	550
<i>Waste Management</i>	22	-	-	20	20	200	1 200	550
Community	30	1 951	4 168	3 035	2 430	4 876	793	371
Parks & gardens	-	-	12	55	55	-	-	-
Sportsfields & stadia	-	55	-	1 579	2 125	1 522	-	-
Community halls	-	1 896	4 107	1 301	150	3 312	500	-
Recreational facilities	-	-	-	100	100	33	-	-
Cemeteries	30	-	-	-	-	10	293	371
Other Community	-	-	48	-	-	-	-	-
Investment properties	426	-	-	-	-	-	-	-
Other Investment Property	426	-	-	-	-	-	-	-
Other assets	5 101	3 703	1 451	1 485	1 985	2 510	5 753	1 310
General v ehicles	1 836	1 845	-	160	160	330	760	390
Plant & equipment	714	333	71	185	168	945	2 916	98
Computers - hardware/equipment	1 379	615	419	574	224	875	667	122
Furniture and other office equipment	435	313	940	206	510	269	486	-
Civic Land and Buildings	-	483	-	-	-	-	-	-
Other Buildings	535	-	-	330	901	90	925	700
Other Assets - Other	201	115	21	30	21	-	-	-
Intangibles	43	452	166	323	585	-	200	-
Computers - software & programming	43	452	166	323	585	-	200	-
Total Capital Expenditure on new assets	9 097	20 158	15 841	5 813	8 678	12 947	21 951	17 142

Table 35 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class								
Infrastructure	21 293	22 875	15 678	8 108	11 521	5 910	6 120	6 835
Infrastructure - Road transport	2 483	3 040	4 751	6 758	8 331	1 800	2 540	3 725
<i>Roads, Pavements & Bridges</i>	2 226	2 422	4 751	5 443	5 543	1 800	2 540	3 625
<i>Storm water</i>	257	618	-	1 316	2 788	-	-	100
Infrastructure - Electricity	2 199	1 224	957	500	740	1 110	1 030	1 310
<i>Transmission & Reticulation</i>	2 199	1 119	957	500	740	980	900	1 180
<i>Street Lighting</i>	-	105	-	-	-	130	130	130
Infrastructure - Water	917	158	45	850	750	-	2 550	1 300
<i>Water purification</i>	552	85	18	500	400	-	1 000	1 000
<i>Reticulation Water</i>	365	73	27	350	350	-	1 550	300
Infrastructure - Sanitation	7 654	8 455	7 501	-	-	3 000	-	500
<i>Reticulation Sewerage</i>	24	620	2 863	-	-	3 000	-	500
<i>Sewerage purification</i>	7 630	7 835	4 638	-	-	-	-	-
Infrastructure - Other	8 041	9 999	2 423	-	1 700	-	-	-
<i>Other - Rehabilitation costs</i>	8 041	9 999	2 423	-	1 700	-	-	-
Community	14	393	1 147	140	140	1 215	1 370	1 300
Parks & gardens	-	59	-	-	-	-	-	-
Sportsfields & stadia	-	264	-	120	120	-	-	-
Community halls	14	-	-	20	20	-	-	-
Recreational facilities	-	70	1 130	-	-	1 215	1 370	1 300
Other Community	-	-	17	-	-	-	-	-
Other assets	1 933	227	488	440	541	1 620	1 583	1 494
General vehicles	60	-	-	-	150	-	-	-
Specialised vehicles	-	-	-	-	-	800	800	-
Plant & equipment	180	127	230	245	223	88	89	1 239
Computers - hardware/equipment	34	15	-	165	156	97	166	225
Furniture and other office equipment	863	85	168	30	12	-	-	-
Civic Land and Buildings	-	-	46	-	-	-	-	-
Other Buildings	685	-	19	-	-	635	528	30
Other Assets - Other	112	-	25	-	-	-	-	-
Intangibles	-	-	-	200	275	-	-	-
Computers - software & programming	-	-	-	200	275	-	-	-
Total Capital Expenditure on renewal of existing	23 240	23 495	17 313	8 888	12 476	8 745	9 072	9 629

Table 36 MBRR SA34c - Repairs and maintenance expenditure by asset class

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	3 692	4 230	4 237	4 243	4 248	3 983	4 088	4 152	4 350
Infrastructure - Road transport	1 512	1 773	1 605	1 524	1 584	1 554	1 275	1 244	1 317
<i>Roads, Pavements & Bridges</i>	1 512	1 773	1 605	1 524	1 584	1 554	1 275	1 244	1 317
Infrastructure - Electricity	749	1 089	1 145	855	800	702	823	833	825
<i>Transmission & Reticulation</i>	676	1 016	1 059	762	707	627	725	730	717
<i>Street Lighting</i>	72	72	86	92	92	75	97	103	108
Infrastructure - Water	958	989	1 052	1 368	1 368	1 240	950	980	1 020
<i>Reticulation Water</i>	958	989	1 052	1 368	1 368	1 240	950	980	1 020
Infrastructure - Sanitation	474	379	435	496	496	487	420	438	446
<i>Reticulation Sewerage</i>	474	379	435	496	496	487	420	438	446
Infrastructure - Other	-	-	-	-	-	-	620	658	742
<i>Waste Management</i>	-	-	-	-	-	-	620	658	742
Community	-	-	-	-	-	-	785	853	896
Community halls	-	-	-	-	-	-	150	170	191
Recreational facilities	-	-	-	-	-	-	585	630	650
Cemeteries	-	-	-	-	-	-	50	53	55
Other assets	4 170	4 467	5 820	5 820	6 275	5 979	3 701	3 880	4 051
General vehicles	1 200	1 290	1 989	1 922	1 950	1 958	1 852	1 947	2 040
Plant & equipment	328	386	322	443	489	477	533	575	608
Computers - hardware/equipment	29	71	97	89	564	561	89	93	98
Furniture and other office equipment	21	17	18	53	66	13	133	149	151
Civic Land and Buildings	1 238	1 234	1 785	1 322	1 244	1 189	1 094	1 116	1 154
Other Buildings	1 290	1 332	1 470	1 796	1 768	1 654	-	-	-
Other Land	-	57	111	137	137	95	-	-	-
Other Assets - Other	64	80	28	58	58	33	-	-	-
Intangibles	-	-	-	-	-	-	2 338	2 500	2 661
Computers - software & programming	-	-	-	-	-	-	2 338	2 500	2 661
Total Repairs and Maintenance Expenditure	7 862	8 697	10 057	10 063	10 523	9 963	10 911	11 385	11 957

Table 37 MBRR SA34d - Depreciation by asset class

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand								
<u>Depreciation by Asset Class/Sub-class</u>								
<u>Infrastructure</u>	3 794	4 492	7 610	4 330	6 422	5 196	5 425	5 663
Infrastructure - Road transport	1 298	1 346	1 550	1 344	1 636	1 537	1 610	1 687
<i>Roads, Pavements & Bridges</i>	1 298	1 346	1 550	1 344	1 636	1 537	1 610	1 687
Infrastructure - Electricity	820	1 229	1 294	873	873	1 283	1 344	1 408
<i>Transmission & Reticulation</i>	820	1 229	1 294	873	873	1 283	1 344	1 408
Infrastructure - Water	768	810	1 053	796	796	1 044	1 094	1 146
<i>Reticulation Water</i>	768	810	1 053	796	796	1 044	1 094	1 146
Infrastructure - Sanitation	803	837	854	825	825	847	887	930
<i>Reticulation Sewerage</i>	803	837	854	825	825	847	887	930
Infrastructure - Other	105	270	2 859	492	2 292	486	489	493
<i>Waste Management</i>	77	74	75	77	77	74	77	81
<i>Other</i>	28	196	2 785	415	2 215	412	412	412
<u>Community</u>	218	232	234	215	215	232	243	254
Parks & gardens	12	12	13	12	12	13	13	14
Sportsfields & stadia	15	15	15	15	15	15	16	17
Community halls	32	32	32	32	32	32	34	35
Libraries	35	48	48	34	34	48	50	53
Recreational facilities	123	123	123	121	121	122	128	134
Clinics	1	1	1	1	1	1	1	1
Cemeteries	0	0	0	0	0	0	1	1
<u>Investment properties</u>	3	9	9	3	3	9	9	9
Other	3	9	9	3	3	9	9	9
<u>Other assets</u>	2 051	2 665	2 755	2 358	2 358	2 731	2 862	2 998
General vehicles	565	754	940	741	741	932	976	1 023
Specialised vehicles	57	63	63	57	57	62	65	68
Plant & equipment	226	302	314	297	297	311	326	342
Computers - hardware/equipment	256	279	332	279	279	330	345	362
Furniture and other office equipment	436	465	470	452	452	466	488	511
Civic Land and Buildings	70	70	74	69	69	73	77	81
Other Buildings	195	241	231	211	211	229	240	252
Surplus Assets - (Investment or Inventory)	-	242	111	-	-	110	115	121
Other	246	250	219	253	253	217	228	239
<u>Intangibles</u>	29	40	122	40	40	122	122	122
Computers - software & programming	29	40	122	40	40	122	122	122
Other (<i>list sub-class</i>)	-	-	-	-	-	-	-	-
Total Depreciation	6 096	7 437	10 729	6 945	9 037	8 289	8 660	9 046

Table 38 MBRR SA35 - Future financial implications of the capital budget

No future implications identified on the capital budget beyond the MTREF period.

Table 39 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
					2.6 - Revenue Management	DESK	K	Other assets	Furniture and other office equipment
2.6 - Revenue Management	High Back Chair	K	Other assets	Furniture and other office equipment	1	-	-	Alg	N
2.6 - Revenue Management	Visitor Chairs	K	Other assets	Furniture and other office equipment	1	-	-	Alg	N
2.6 - Revenue Management	Visitor Chairs	K	Other assets	Furniture and other office equipment	10	-	-	Alg	N
2.6 - Revenue Management	Upgrade / Security Buildings: Cash Points	K	Other assets	Other Buildings	-	70	30	Alg	R
2.3 - Supply Chain Management	Stationary Steel Cupboard (x4)	K	Other assets	Furniture and other office equipment	7	-	-	Alg	N
2.3 - Supply Chain Management	Drawer Filing Cabinet (x3)	K	Other assets	Furniture and other office equipment	5	-	-	Alg	N
2.3 - Supply Chain Management	Utility Trolley	K	Other assets	Furniture and other office equipment	2	-	-	Alg	N
2.3 - Supply Chain Management	Folding Nose Trolley	K	Other assets	Furniture and other office equipment	-	2	-	Alg	N
2.3 - Supply Chain Management	OAK Melamine Hinged Door System	K	Other assets	Furniture and other office equipment	-	4	-	Alg	N
3.4 - Information Technology	Computer - PC's (Replacement / Upgrade)	L	Other assets	Computers - hardware/equipment	85	157	215	Alg	R
3.4 - Information Technology	Computer - PC's (x9 New)	L	Other assets	Computers - hardware/equipment	59	-	-	Alg	N
3.4 - Information Technology	Screens (Replacements)	L	Other assets	Computers - hardware/equipment	12	9	10	Alg	R
3.4 - Information Technology	Computer Notebook - Laptops (x5 New)	L	Other assets	Computers - hardware/equipment	60	76	79	Alg	N
3.4 - Information Technology	UPS Small (offices)	L	Other assets	Computers - hardware/equipment	17	15	15	Alg	N
3.4 - Information Technology	UPS Small (Viop 2 KVA)	L	Other assets	Computers - hardware/equipment	26	-	-	Alg	N
3.4 - Information Technology	SCM Printer order and remittance printers for Creditors Div	L	Other assets	Computers - hardware/equipment	16	-	-	Alg	N
3.4 - Information Technology	Switch PoE	L	Other assets	Computers - hardware/equipment	25	26	28	Alg	N
3.4 - Information Technology	Backup Device & HDD	L	Other assets	Computers - hardware/equipment	60	-	-	Alg	N
3.4 - Information Technology	Time & Attendance (Biometric / Access Control)	L	Other assets	Computers - hardware/equipment	500	500	-	Alg	N
3.4 - Information Technology	Buildings: Upgrade of Server Room (MSIG Funding)	L	Other assets	Other Buildings	280	-	-	Alg	R
3.4 - Information Technology	Buildings: Upgrade of Server Room (FMG Funding)	L	Other assets	Other Buildings	220	-	-	Alg	R
3.4 - Information Technology	Symantec Enterprise Vault - Mail Archiving	L	Intangibles	Computers - software & programming	-	200	-	Alg	N
3.4 - Information Technology	CCTV Traffic	L	Other assets	Computers - hardware/equipment	-	50	-	Alg	N
3.4 - Information Technology	UPS Nedbank Building	L	Other assets	Computers - hardware/equipment	113	-	-	Alg	N
3.6 - Administrative Support Services	Steel Shelves & Zipples - Strong Room Nedbank Building	L	Other assets	Furniture and other office equipment	80	90	-	Alg	N
3.6 - Administrative Support Services	Building: Improvements - Committee Services Office "Bind -	L	Other assets	Other Buildings	15	-	-	Alg	R
4.7 - Social Development	KANTOOR MEUBELS	I	Other assets	Furniture and other office equipment	6	-	-	Alg	N
4.7 - Social Development	OUTDOOR WOODEN FURNITURE FOR COURT YARD AT	I	Other assets	Furniture and other office equipment	-	6	-	Alg	N
4.7 - Social Development	OUTDOOR WOODEN BENCHES FOR COURT YARD AT T	I	Other assets	Furniture and other office equipment	-	15	-	Alg	N
4.7 - Social Development	STEAL BALUSTRADE	I	Other assets	Furniture and other office equipment	-	20	-	Alg	N
4.7 - Social Development	2M X 3M GALVANISED STRUCTURE FOR DIRT COLLEC	I	Other assets	Furniture and other office equipment	-	20	-	Alg	N
4.7 - Social Development	HYDRO BOIL WITH INSTALLATION	I	Other assets	Furniture and other office equipment	8	-	-	Alg	N
4.7 - Social Development	SOUND SYSTEM FOR SOCIAL UPLIFTMENT	I	Other assets	Furniture and other office equipment	10	-	-	Alg	N
4.7 - Social Development	PHOTOSTAT MACHINE	I	Other assets	Furniture and other office equipment	10	-	-	Alg	N
4.7 - Social Development	CAR	I	Other assets	General vehicles	150	-	-	Alg	N
4.7 - Social Development	WOODEN BLINDS FOR FRONT OFFICE	I	Other assets	Furniture and other office equipment	15	-	-	Alg	N
4.1 - Library	BUILDING EXTRA STEPS WELVERDIEND	I	Other assets	Other Buildings	5	-	-	Alg	N

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
4.1 - Library	DVD PLAYER WELVERDIEND	I	Other assets	Furniture and other office equipment	1	-	-	Alg	N
4.1 - Library	FURNITURE	I	Other assets	Furniture and other office equipment	10	-	-	Alg	N
4.1 - Library	TV WELVERDIEND	I	Other assets	Furniture and other office equipment	5	-	-	Alg	N
4.1 - Library	Ex tra Shelves & Fencing - Waenshuiskrans	I	Other assets	Other Buildings	-	125	125	Alg	N
4.1 - Library	Building - Bredasdorp Extention	I	Other assets	Other Buildings	-	90	-	Alg	R
4.1 - Library	Welverdiend: Aircon and projector	I	Other assets	Furniture and other office equipment	-	60	-	Alg	N
4.1 - Library	Napier: Book detection system	I	Other assets	Furniture and other office equipment	-	200	-	Alg	N
4.6 - Housing	Steel Cabinets - 4 Drawer Filling (x 4)	I	Other assets	Furniture and other office equipment	-	9	-	Alg	N
4.6 - Housing	Furniture - Desk / Chairs	I	Other assets	Furniture and other office equipment	-	5	-	Alg	N
4.9 - Traffic	Alcohol Breathalyser Testers	M	Other assets	Plant & equipment	8	9	9	Alg	R
4.9 - Traffic	Vehicles: x1 Bakkie (Animal Control)	M	Other assets	General vehicles	180	-	-	Alg	N
4.9 - Traffic	Vehicles: x1 Sedan (Traffic)	M	Other assets	General vehicles	-	160	-	Alg	N
4.9 - Traffic	Vehicles: x1 Mini-Bus (Law Enforcement)	M	Other assets	General vehicles	-	-	390	Alg	N
4.9 - Traffic	Firearms	M	Other assets	Plant & equipment	-	35	40	Alg	N
4.9 - Traffic	Handradio's	M	Other assets	Plant & equipment	18	24	23	Alg	N
4.9 - Traffic	PA System / Siren with GIZZ WAC	M	Other assets	Plant & equipment	-	9	15	Alg	N
4.9 - Traffic	Zippels	M	Other assets	Plant & equipment	50	110	-	Alg	N
4.9 - Traffic	Air conditioners	M	Other assets	Furniture and other office equipment	46	-	-	Alg	N
4.9 - Traffic	Kantoor meubels	M	Other assets	Furniture and other office equipment	4	9	-	Alg	N
4.9 - Traffic	Urn 6L	M	Other assets	Furniture and other office equipment	1	-	-	Alg	N
4.9 - Traffic	Create Storage Space	M	Other assets	Furniture and other office equipment	-	30	-	Alg	N
4.9 - Traffic	Upgrade of Pit Testing Equipment	M	Other assets	Plant & equipment	-	-	350	Alg	R
4.9 - Traffic	Upgrade of Yard Test: K53	M	Other assets	Plant & equipment	-	-	800	Alg	R
4.9 - Traffic	Buildings - Renovation of male toilet to Cashier area Fines	M	Other assets	Other Buildings	-	38	-	Alg	R
4.9 - Traffic	Buildings - Expansion of "Toetsstasie Gebou"	M	Other assets	Other Buildings	-	330	-	Alg	R
4.13 - Beaches & Public Amenities	Upgrade of Ablution Facilities at Old Nostra	J	Community	Recreational facilities	1 200	1 200	1 200	Alg	R
4.13 - Beaches & Public Amenities	Upgrade of Ablution Facility at Duiker Street, Struisbaai - Bloubaai	J	Community	Recreational facilities	-	170	100	Alg	R
4.13 - Beaches & Public Amenities	Tile of New Ablution Facility at Arniston Resort	J	Community	Recreational facilities	33	-	-	Alg	N
4.13 - Beaches & Public Amenities	Furniture at Resorts (Suikerbossie, Struisbaai, L'Agulhas & Agulhas)	J	Other assets	Plant & equipment	80	80	80	Alg	R
4.13 - Beaches & Public Amenities	Kudu 750 with Kohler 14hp Engine - L'Agulhas Resort	J	Other assets	Plant & equipment	-	25	-	Alg	N
4.13 - Beaches & Public Amenities	Gate at Struisbaai Resort	J	Community	Recreational facilities	15	-	-	Alg	R
4.14 - Parks and Sports Facilities	MS 381 with Bar & Chain	J	Other assets	Plant & equipment	7	-	-	Alg	N
4.14 - Parks and Sports Facilities	2 x Brush Cutter Maruyama 50.2cc	J	Other assets	Plant & equipment	14	-	-	Alg	N
4.3 - Cemetery	Ablution Facility and Fencing of New Cemetery at Napier	I	Community	Cemeteries	-	143	180	Alg	N
4.3 - Cemetery	Bou van suigtenk (Napier Begraafplaas)	I	Community	Cemeteries	10	-	-	Alg	N
4.3 - Cemetery	Ablution Facility and Fencing of New Cemetery at Bredasdorp	I	Community	Cemeteries	-	150	191	Alg	N
4.4 - Buildings and Commonage	Cloakroom at Nelson Mandela Hall	I	Community	Community halls	-	500	-	Alg	N
4.4 - Buildings and Commonage	Numatic CT470-2 Industrial Carpet extraction Unit	I	Other assets	Plant & equipment	13	-	-	Alg	N

Municipal Vote/Capital project	Program/Project description	IDP Goal code	Asset Class	Asset Sub-Class	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
					R thousand	2	3	3	
4.4 - Buildings and Commonage	Super 5 Trailer with Roof Rack for ladders	I	Other assets	Plant & equipment	13	-	-	Alg	N
4.4 - Buildings and Commonage	Construction of new wing at "Ons Huis"	I	Other assets	Other Buildings	-	800	575	Alg	N
4.4 - Buildings and Commonage	Galvanised Gates with Remote Controls Napier Offices (x2)	I	Other assets	Other Buildings	10	-	-	Alg	N
4.4 - Buildings and Commonage	Building: Nelson Mandela (Ceiling Replacement)	I	Other assets	Other Buildings	120	-	-	Alg	R
4.4 - Buildings and Commonage	Shaded Parking - Main Building	I	Other assets	Other Buildings	75	-	-	Alg	N
4.4 - Buildings and Commonage	Cloak Room at Zwellitsha Sport Complex - Soccer Field	I	Community	Sportsfields & stadia	1 522	-	-	Alg	N
4.5 - Public Services	Furniture - Desk, Chairs, Cabinets, etc.	I	Other assets	Furniture and other office equipment	21	-	-	Alg	N
14.2 - Workshop	Hydrolic Lift	B	Other assets	Plant & equipment	-	48	-	Alg	N
14.2 - Workshop	Handradio's	B	Other assets	Plant & equipment	-	5	-	Alg	N
14.4 - Water	1 MI resevoir, Waenhuiskrans	D	Infrastructure - Water	Dams & Reservoirs	-	1 000	-	Alg	N
14.4 - Water	Opgradeer Vleidoof pompstasie	D	Infrastructure - Water	Reticulation Water	-	750	-	Alg	R
14.4 - Water	Vervang Bulkmeters	D	Infrastructure - Water	Reticulation Water	-	150	100	Alg	R
14.4 - Water	Vervang midblok waterlyne BD	D	Infrastructure - Water	Reticulation Water	-	150	150	Alg	R
14.4 - Water	Ontwikkel boorgate NP	D	Infrastructure - Water	Reticulation Water	-	250	250	Alg	N
14.4 - Water	Elektriese panele pompstasies	D	Infrastructure - Water	Reticulation Water	100	150	150	Alg	N
14.4 - Water	Opgradeer WTW Napier	D	Infrastructure - Water	Water purification	-	1 000	1 000	Alg	R
14.4 - Water	Verskuif waterlyne erf 1353 NP	D	Infrastructure - Water	Reticulation Water	-	100	-	Alg	R
14.4 - Water	Aluin (oorskakeling na vloestof)	D	Infrastructure - Water	Water purification	140	-	-	Alg	N
14.4 - Water	Tweeringradios	D	Other assets	Plant & equipment	-	15	-	Alg	N
14.4 - Water	Vervangingsboorgate BD1	D	Infrastructure - Water	Reticulation Water	-	400	50	Alg	R
14.4 - Water	Dienste: Kalkoentjie- & Daliasingel, BD	D	Infrastructure - Water	Reticulation Water	-	-	450	Alg	N
14.5 - Sewerage & Sanitation	RIOLSKEMA FASE 4, NAPIER	E	Infrastructure - Sanitation	Reticulation Sewerage	-	-	750	Alg	N
14.5 - Sewerage & Sanitation	Riooltrok	E	Other assets	Refuse	800	800	-	Alg	R
14.5 - Sewerage & Sanitation	STRUISBAAI RIOOLSKEMA	E	Infrastructure - Sanitation	Reticulation Sewerage	-	-	500	Alg	R
14.5 - Sewerage & Sanitation	Jetcleanser	E	Other assets	Plant & equipment	250	-	-	Alg	N
14.5 - Sewerage & Sanitation	Tweeringradios	E	Other assets	Plant & equipment	-	15	-	Alg	N
14.6 - Solid Waste	Herwiningsloop	F	Infrastructure - Other	Waste Management	-	850	-	Alg	N
14.6 - Solid Waste	Oortaaistasie	F	Infrastructure - Other	Waste Management	-	150	-	Alg	N
14.6 - Solid Waste	Vullishouers	F	Other assets	Plant & equipment	60	-	-	Alg	N
14.6 - Solid Waste	1 x "Skips"	F	Other assets	Plant & equipment	-	90	-	Alg	N
14.6 - Solid Waste	"Compactor" Stortingsterrein	F	Other assets	Plant & equipment	-	2 500	-	Alg	N
14.6 - Solid Waste	Omheining Stortingsterrein	F	Infrastructure - Other	Waste Management	200	200	100	Alg	N
14.6 - Solid Waste	Teerpad na Stortingsterrein	F	Infrastructure - Other	Waste Management	-	-	450	Alg	N
14.6 - Solid Waste	Handradio's	F	Other assets	Plant & equipment	-	20	-	Alg	N
14.3 - Streets & Stormwater	Herseel	B	Infrastructure - Road transport	Roads, Pavements & Bridges	500	450	600	Alg	R
14.3 - Streets & Stormwater	Ou Meule- Bastiaanstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	750	Alg	R
14.3 - Streets & Stormwater	Lay-buys (Aftreplekke)	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	300	-	Alg	N
14.3 - Streets & Stormwater	Taxi - Afdakke	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	170	Alg	N

Municipal Vote/Capital project	Program/Project description	IDP Goal code	Asset Class	Asset Sub-Class	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
R thousand		2	3	3					
14.3 - Streets & Stormwater	Brandstraat verlenging	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	N
14.3 - Streets & Stormwater	1 x 10 - Ton Tipper Trok	B	Other assets	General vehicles	-	600	-	Alg	N
14.3 - Streets & Stormwater	Rolbesem	B	Other assets	Plant & equipment	300	-	-	Alg	N
14.3 - Streets & Stormwater	1 x Pedestrian Roller (1Ton)	B	Other assets	Plant & equipment	200	-	-	Alg	N
14.3 - Streets & Stormwater	Brug Lang/ Fabriekstraat "Link"	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	400	Alg	R
14.3 - Streets & Stormwater	Kantoor & Meubels (Superintendent & Admin)	B	Other assets	Furniture and other office equipment	25	15	-	Alg	N
14.3 - Streets & Stormwater	Teer VD Bylstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	250	280	325	Alg	R
14.3 - Streets & Stormwater	Sypaadjes opgradeer	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	100	Alg	R
14.3 - Streets & Stormwater	Herseel	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	100	Alg	R
14.3 - Streets & Stormwater	Teer Woulerstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	150	180	400	Alg	R
14.3 - Streets & Stormwater	Herbegruising Strate Tamatiekraal	B	Infrastructure - Road transport	Roads, Pavements & Bridges	200	220	300	Alg	R
14.3 - Streets & Stormwater	Teer Kareestraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Shortstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Ericastraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Proteastraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Pinestraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Nu- Uniestraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Geelstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Kragstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Sypad Sarel Cillierstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Herseel	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	100	-	Alg	R
14.3 - Streets & Stormwater	Voetpad SB na LA	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	N
14.3 - Streets & Stormwater	Pad Tennisbaan	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Adellestraat (Finale Fase)	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Gruisstrate Plavei	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Sypaadjes	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	180	Alg	R
14.3 - Streets & Stormwater	Rehabiliteer pad na Suiderstrand	B	Infrastructure - Road transport	Roads, Pavements & Bridges	450	150	-	Alg	R
14.3 - Streets & Stormwater	Seemansweg Fase 3	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	150	Alg	R
14.3 - Streets & Stormwater	Herbegruis SS paaie	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	100	Alg	R
14.3 - Streets & Stormwater	Plavei Strate	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Sypaadjies Hoofstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	150	-	Alg	R
14.3 - Streets & Stormwater	Teer straat Klipdale.	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	300	-	Alg	R
14.3 - Streets & Stormwater	Teer ingang na Skema	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	610	-	Alg	R
14.3 - Streets & Stormwater	Droerivier rehabilitasie (perm opp)	B	Infrastructure - Road transport	Storm water	-	-	100	Alg	R
14.3 - Streets & Stormwater	Fletcherstraat Stormwaterslot	B	Infrastructure - Road transport	Storm water	-	-	-	Alg	R
14.3 - Streets & Stormwater	Kapitaal Meesterplan - Implimentering (Stormwater)	B	Infrastructure - Road transport	Storm water	180	120	150	Alg	N
14.3 - Streets & Stormwater	Kapitaal Meesterplan - Implimentering (Stormwater)	B	Infrastructure - Road transport	Storm water	150	-	-	Alg	N
14.3 - Streets & Stormwater	Escomstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	120	Alg	R

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
14.3 - Streets & Stormwater	Swartstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	100	Alg	R
14.3 - Streets & Stormwater	Struisbaai - Noord Stormwater	B	Infrastructure - Road transport	Roads, Pavements & Bridges	250	100	-	Alg	R
14.3 - Streets & Stormwater	Kapitaal Meesterplan - Implimentering (Stormwater)	B	Infrastructure - Road transport	Storm water	180	140	200	Alg	N
14.3 - Streets & Stormwater	Kapitaal Meesterplan - Implimentering (Stormwater)	B	Infrastructure - Road transport	Storm water	100	170	200	Alg	N
8.1 - Electricity	Christmas light	C	Infrastructure - Electricity	Street Lighting	30	30	30	Alg	R
8.1 - Electricity	Change Transformers with minisubs	C	Infrastructure - Electricity	Transmission & Reticulation	330	400	500	Alg	R
8.1 - Electricity	Streetlights	C	Infrastructure - Electricity	Street Lighting	100	100	100	Alg	R
8.1 - Electricity	Electrification of informal settlements	C	Infrastructure - Electricity	Transmission & Reticulation	100	100	100	Alg	N
8.1 - Electricity	Replace medium and low voltage overheadlines where nee	C	Infrastructure - Electricity	Transmission & Reticulation	650	500	680	Alg	R
8.1 - Electricity	Quality of Supply meters	C	Infrastructure - Electricity	Transmission & Reticulation	100	50	50	Alg	N
8.1 - Electricity	Small hand tools	C	Other assets	Plant & equipment	20	20	20	Alg	N
8.1 - Electricity	Electrical Infrastructure	C	Infrastructure - Electricity	Transmission & Reticulation	2 000	2 000	2 000	Alg	N
14.5 - Sew erage & Sanitation	Opgradering van Ou Meule Rioolpompstasie	E	Infrastructure - Sanitation	Reticulation Sewerage	1 500	-	-	Alg	R
14.5 - Sew erage & Sanitation	SB noord Rioolpompstasie	E	Infrastructure - Sanitation	Reticulation Sewerage	1 500	-	-	Alg	R
14.3 - Streets & Stormwater	Nuwerus Strate	B	Infrastructure - Road transport	Roads, Pavements & Bridges	840	-	-	Alg	N
4.7 - Social Development	Thusongsentrum	I	Community	Community halls	3 312	-	-	Alg	N
14.3 - Streets & Stormwater	Hop Strate WHK	B	Infrastructure - Road transport	Roads, Pavements & Bridges	500	-	-	Alg	N
14.3 - Streets & Stormwater	Hop Strate Bredasdorp	B	Infrastructure - Road transport	Roads, Pavements & Bridges	485	9 725	10 440	Alg	N
14.3 - Streets & Stormwater	Smartie Tow n Strate Napier	B	Infrastructure - Road transport	Roads, Pavements & Bridges	486	-	-	Alg	N
Parent Capital expenditure					21 691	31 024	26 770		

2.12 Legislation compliance status

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

1. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.
2. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
3. 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.
4. Budget and Treasury Office
Although the Budget and Treasury Office is not functional as prescribed in accordance with the MFMA some progress has been to address the deficiency. The Budget and Treasury Office structure has been approved during the 2014/15 budget year as part of the micro-structure and the position Manager has been advertised for filling and the remaining vacancies will be filled during the 2015/16 budget year
5. Audit Committee
An Audit Committee has been established and is fully functional
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
No MFMA training is currently underway. Skills Competency training is currently in progress at the municipality with only a few individuals in the final stages of the programme.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.13 Other supporting documents

All other supporting schedules not specifically addressed in this document are included below.

Table 40 MBRR SA1 - Supporting detail to 'Budgeted Financial Performance'

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
REVENUE ITEMS:									
<u>Property rates</u>									
Total Property Rates	32 554	34 889	39 475	42 460	42 944	42 942	50 116	55 128	60 640
less Revenue Foregone	126	126	150	155	161	161	160	168	176
Net Property Rates	32 427	34 763	39 325	42 304	42 783	42 781	49 956	54 960	60 464
<u>Service charges - electricity revenue</u>									
Total Service charges - electricity revenue	60 022	65 092	69 614	74 134	77 330	74 357	86 845	97 700	109 913
less Revenue Foregone									
Net Service charges - electricity revenue	60 022	65 092	69 614	74 134	77 330	74 357	86 845	97 700	109 913
<u>Service charges - water revenue</u>									
Total Service charges - water revenue	14 765	16 175	16 950	20 238	20 238	20 355	21 638	24 160	26 973
less Revenue Foregone							1 230	1 246	1 266
Net Service charges - water revenue	14 765	16 175	16 950	20 238	20 238	20 355	20 408	22 914	25 708
<u>Service charges - sanitation revenue</u>									
Total Service charges - sanitation revenue	5 434	6 336	7 534	8 446	8 446	8 962	9 523	10 618	11 840
less Revenue Foregone							2 836	2 874	2 920
Net Service charges - sanitation revenue	5 434	6 336	7 534	8 446	8 446	8 962	6 687	7 745	8 920
<u>Service charges - refuse revenue</u>									
Total refuse removal revenue	8 664	9 534	10 495	12 912	12 912	12 905	15 031	16 760	18 687
Total landfill revenue	-	-	-	-	-	-	-	-	-
less Revenue Foregone	-	-	-	-	-	-	3 455	3 502	3 557
Net Service charges - refuse revenue	8 664	9 534	10 495	12 912	12 912	12 905	11 576	13 258	15 130
<u>Other Revenue by source</u>									
Other revenue	2 484	2 213	2 763	2 366	2 380	2 694	3 155	3 411	3 674
Public Contributions and Donations	-	67	1 290	-	-	-	-	-	-
LGSETA	299	321	774	-	-	1 862	700	730	762
Third Party Payments	-	-	25	-	-	-	-	-	-
Actuarial Gains	84	-	-	-	-	-	-	-	-
Total 'Other' Revenue	2 867	2 600	4 853	2 366	2 380	4 555	3 855	4 141	4 435

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	45 673	47 148	49 550	52 373	52 612	51 808	61 477	65 778	70 421
Pension and UIF Contributions	6 050	6 335	7 180	8 154	8 118	8 386	10 812	11 551	12 341
Medical Aid Contributions	2 033	2 113	2 432	2 591	2 591	2 709	2 771	2 965	3 172
Overtime	2 044	2 380	2 978	2 628	2 634	3 109	2 434	2 611	2 808
Performance Bonus	-	-	-	-	-	-	629	673	720
Motor Vehicle Allowance	3 445	3 861	4 280	4 653	4 566	4 454	4 588	4 291	4 319
Cellphone Allowance	-	-	-	-	-	-	237	237	237
Housing Allowances	375	384	386	437	437	425	542	557	583
Other benefits and allowances	1 982	2 215	2 308	2 587	2 582	2 609	2 861	2 862	3 049
Payments in lieu of leave	587	1 391	79	500	400	400	500	500	500
Long service awards	603	659	669	727	780	780	489	550	590
Post-retirement benefit obligations	2 907	3 205	3 818	4 222	4 652	4 652	3 270	3 350	3 600
sub-total	65 699	69 692	73 679	78 871	79 372	79 333	90 608	95 924	102 341
<u>Less: Employees costs capitalised to PPE</u>	-	-	-	-	-	-	-	-	-
Total Employee related costs	65 699	69 692	73 679	78 871	79 372	79 333	90 608	95 924	102 341
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	6 094	7 175	8 245	6 805	7 237	7 237	8 289	8 660	9 046
Lease amortisation	-	-	-	-	-	-	-	-	-
Capital asset impairment	1	262	2 484	140	1 800	1 800	-	-	-
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	6 096	7 437	10 729	6 945	9 037	9 037	8 289	8 660	9 046
Bulk purchases									
Electricity Bulk Purchases	44 057	48 523	53 635	58 497	62 411	62 411	71 502	76 865	82 630
Water Bulk Purchases	607	521	626	900	900	1 200	1 300	1 365	1 433
Total bulk purchases	44 664	49 044	54 261	59 397	63 311	63 611	72 802	78 230	84 063
Transfers and grants									
Cash transfers and grants	-	-	-	-	-	-	1 539	1 570	1 601
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-
Total transfers and grants	-	-	-	-	-	-	1 539	1 570	1 601
Contracted services									
Payment Facilities	565	739	1 041	885	885	981	-	-	-
Cleaning Services	-	-	-	-	-	-	135	143	162
Cleaning & Grass Cutting Services	-	-	-	-	-	-	110	116	124
Audit Committee	-	-	-	-	-	-	110	116	123
Other	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	3 210	2 470	2 327
Property Valuation	-	-	-	-	-	-	504	2 280	607
Debt Collection Services	-	-	-	-	-	-	200	210	215
Legal fees	-	-	-	-	-	-	1 304	1 364	1 424
Refuse Removal	-	-	-	-	-	-	1 100	1 155	1 213
Roads and Stormwater	-	-	-	-	-	-	150	140	147
Security Services	-	-	-	-	-	-	779	821	864
Traffic Fine Management	-	-	-	-	-	-	800	800	800
Recycling Services	422	388	295	545	400	382	-	-	-
Total contracted services	988	1 127	1 336	1 430	1 285	1 363	8 401	9 615	8 005

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Other Expenditure By Type									
Collection costs	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-
Consultant fees	-	-	-	-	-	-	-	-	-
Audit fees	1 407	1 680	2 597	2 860	2 610	2 406	2 780	2 819	2 893
General expenses	1 213	1 398	2 057	1 500	1 619	1 275	1 013	1 058	1 110
Repairs and Maintenance	7 862	8 697	10 057	10 063	10 523	9 963	10 911	11 385	11 957
Administration Fees	-	-	-	-	-	-	12	12	13
Actuarial Losses	19	2 022	2 774	-	-	-	-	-	-
Advertising	237	291	176	200	200	267	545	526	551
Advertising & Tourism	660	706	706	750	750	750	-	-	-
Audit Committee Allowances	58	69	61	100	90	75	-	-	-
Bank Charges	481	637	561	600	700	745	829	856	876
Books and Publications	-	-	-	-	-	-	57	57	59
Bursaries	-	-	-	-	-	-	190	195	195
Chemicals	811	1 061	1 124	1 270	1 270	1 146	1 220	1 277	1 326
Cleaning material	159	230	166	210	215	169	223	234	245
Cleaning projects	282	52	111	250	250	200	-	-	-
Cleaning services & washing	54	59	65	65	65	95	-	-	-
Commission Paid	-	-	-	-	-	-	1 003	1 053	1 106
Computer Services & License fees	1 085	1 256	1 642	2 431	2 562	2 298	-	30	-
Conferences & Seminars	-	-	-	-	-	-	134	151	143
Connections	-	-	-	-	-	-	308	324	341
Contributions - Pensioners Medical Aid and Pension	71	235	165	168	293	180	180	189	195
Donations	86	105	99	110	110	110	-	-	-
Entertainment costs	122	171	154	148	211	146	259	272	282
Feeding Schemes	-	-	-	-	-	-	-	-	-
Free Basic Electricity	230	171	215	336	250	241	-	-	-
Fuel Cost	2 351	2 595	3 129	2 912	2 894	2 731	2 632	2 747	2 866
Holiday Programmes & Entertainment	213	320	376	400	400	400	-	-	-
Housing Development Fund	458	597	400	-	-	-	-	-	-
Housing Subsidy	19	34 208	16 585	-	-	-	-	-	-
Human Development	368	218	301	170	170	165	-	-	-
Insurance	401	420	358	482	582	550	680	742	804
Indigent Subsidies	5 330	5 625	6 080	6 298	7 685	7 830	252	266	271
Job Creation	301	294	1 000	-	-	-	-	-	-
Legal fees	1 372	1 351	1 768	1 332	1 965	1 842	-	-	-
License fees	31	29	10	93	33	4	45	47	48
License fees - Vehicles	93	101	115	158	158	130	146	154	162
Local Economic Development	190	118	50	120	80	15	-	-	-
Marketing & Development	-	-	-	-	-	-	-	-	-
Oil & Lubricants	49	53	41	74	69	45	68	73	77
Postage	411	468	522	453	593	510	662	699	736
Printing & Stationery	713	849	920	805	976	908	723	718	782
Professional & Consultancy fees	3 318	2 093	4 845	2 542	2 642	1 950	-	-	-
Protective Clothing	219	203	314	320	392	316	404	424	445

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Public Communication	234	444	279	400	300	280	-	-	-
Recruiting Costs	95	146	228	194	170	135	70	74	77
Refuse Bags	445	396	375	480	480	400	401	426	442
Rental Paid	949	624	1 703	1 164	1 661	1 459	958	1 022	1 081
Security Services	453	520	676	675	678	622	255	268	282
Service Charges	170	597	540	511	644	635	591	638	686
Service connections - new	161	279	192	306	306	227	-	-	-
Social assistance	14	26	28	50	30	2	-	-	-
Socio-Economic Development	257	204	160	250	250	168	-	-	-
Sport Development	-	-	-	-	-	-	-	-	-
Structure - & Zoning planning	142	127	107	550	550	240	430	280	52
Subscriptions - Organisations	461	573	676	798	794	779	889	932	977
Subsistence & Travel Allowances	434	443	555	619	731	610	878	907	928
Telephone costs	1 549	1 349	1 404	1 375	1 255	1 299	1 138	1 190	1 851
Training & Development - Staff	487	355	2 169	893	771	730	1 540	1 538	1 614
Training Levy	490	548	607	666	666	639	553	592	633
Transfer costs	56	-	-	15	15	13	-	-	-
Union Representative	26	16	19	26	20	18	20	20	20
Valuation Costs	321	440	525	550	500	266	-	-	-
Ward Committees	299	508	554	505	355	440	370	370	370
Workmens Compensation Contributions	367	337	421	-	-	439	134	143	153
Operating Grant Expenditure	31 600	2	-	2	1 356	1 608	-	-	-
Operating Grant Expenditure - MSIG	-	-	-	146	146	443	-	-	-
Operating Grant Expenditure - FMG	-	-	-	1 175	1 175	1 175	1 230	1 475	1 550
Operating Grant Expenditure - FMSG	-	-	-	-	-	-	-	-	-
Operating Grant Expenditure - INEG	-	-	-	2 000	-	68	-	-	-
Operating Grant Expenditure - EPWP	-	-	-	1 024	1 024	1 024	1 000	-	-
Operating Grant Expenditure - Housing	-	-	-	18 590	22 466	23 251	2 300	20 450	37 120
Operating Grant Expenditure - Thusong centre	-	-	-	69	69	79	12	185	-
Operating Grant Expenditure - CDW	-	-	-	70	140	50	54	57	60
Operating Grant Expenditure - Roads	-	3 264	106	72	72	67	73	-	-
Operating Grant Expenditure - Mig PMU	-	-	-	-	527	281	542	551	571
Operating Grant Expenditure - Ward Committees	-	-	-	-	-	-	150	207	1 033
Special Projects	-	-	-	-	-	-	4 758	5 234	5 545
Special Projects - Job Creation	-	-	-	2 357	2 409	2 453	-	-	-
Special Projects - Cleaning	-	-	-	588	501	421	-	-	-
Special Projects - Heuningberg	-	-	-	50	50	22	-	-	-
Special Projects - Boubeheer	-	-	-	200	200	-	-	-	-
Special Projects - Toilets	-	-	-	400	400	400	-	-	-
Total 'Other' Expenditure	69 685	79 580	70 866	73 989	81 067	78 202	43 623	62 866	82 529

Table 41 MBRR SA2 - Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury Office	Vote 3 - Corporate Services	Vote 4 - Community and Social Services	Vote 8 - Electricity	Vote 14 - Infrastructure	Total
R thousand							
Revenue By Source							
Property rates	–	49 956	–	–	–	–	49 956
Service charges - electricity revenue	–	–	–	–	86 845	–	86 845
Service charges - water revenue	(1 230)	–	–	–	–	21 638	20 408
Service charges - sanitation revenue	(2 836)	–	–	–	–	9 523	6 687
Service charges - refuse revenue	(3 455)	–	–	–	–	15 031	11 576
Rental of facilities and equipment	–	–	1 200	5 480	–	–	6 680
Interest earned - external investments	–	1 970	–	–	–	–	1 970
Interest earned - outstanding debtors	–	800	–	–	–	–	800
Fines	–	–	10	1 826	–	–	1 836
Licences and permits	–	–	–	330	–	–	330
Agency services	–	–	–	1 309	–	–	1 309
Other revenue	–	467	1 530	643	667	550	3 855
Transfers recognised - operational	20 829	1 230	–	6 891	–	1 340	30 290
Total Revenue (excluding capital transfers and contributions)	13 309	54 423	2 740	16 477	87 511	48 082	222 541
Expenditure By Type							
Employee related costs	5 895	16 972	14 006	23 382	5 922	24 433	90 608
Remuneration of councillors	3 760	–	–	–	–	–	3 760
Debt impairment	–	650	–	1 190	450	2 400	4 690
Depreciation & asset impairment	–	2 846	–	65	1 400	3 978	8 289
Finance charges	–	–	1 480	–	–	1 403	2 883
Bulk purchases	–	–	–	–	71 502	1 300	72 802
Contracted services	1 896	2 218	908	1 114	–	2 265	8 401
Transfers and grants	1 539	–	–	–	–	–	1 539
Other expenditure	3 592	8 534	6 690	9 658	2 279	12 871	43 623
Total Expenditure	16 682	31 219	23 083	35 409	81 553	48 650	236 597
Surplus/(Deficit)	(3 373)	23 203	(20 343)	(18 933)	5 958	(568)	(14 056)
Transfers recognised - capital	–	1 000	–	220	2 000	10 245	13 464
Surplus/(Deficit) after capital transfers & contributions	(3 373)	24 203	(20 343)	(18 713)	7 958	9 676	(592)

Table 42 MBRR SA3 - Supporting detail to 'Budgeted Financial Position'

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
<u>Call investment deposits</u>									
Call deposits < 90 days	-	-	10 000	-	-	-	-	-	-
Other current investments > 90 days	-	-	-	-	-	-	-	-	-
Total Call investment deposits	-	-	10 000	-	-	-	-	-	-
<u>Consumer debtors</u>									
Consumer debtors	19 912	22 959	27 854	30 071	34 015	31 186	37 955	45 523	53 984
Less: Provision for debt impairment	(6 198)	(8 230)	(10 211)	(9 950)	(12 521)	(13 545)	(17 045)	(20 670)	(24 522)
Total Consumer debtors	13 714	14 729	17 643	20 121	21 494	17 641	20 909	24 853	29 462
<u>Debt impairment provision</u>									
Balance at the beginning of the year	5 437	6 198	8 230	8 855	10 211	10 211	13 545	17 045	20 670
Contributions to the provision	1 008	2 327	2 630	1 095	2 310	3 334	3 500	3 625	3 852
Bad debts written off	(247)	(295)	(649)	-	-	-	-	-	-
Balance at end of year	6 198	8 230	10 211	9 950	12 521	13 545	17 045	20 670	24 522
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	283 497	310 040	338 170	342 326	356 764	356 764	378 456	409 280	436 050
Leases recognised as PPE	2 251	1 765	866	1 737	866	866	866	866	866
Less: Accumulated depreciation	51 085	56 959	62 563	72 003	69 343	69 343	77 090	85 208	93 711
Total Property, plant and equipment (PPE)	234 663	254 846	276 473	272 060	288 287	288 287	302 231	324 938	343 204

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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
LIABILITIES									
<u>Current liabilities - Borrowing</u>									
Short term loans (other than bank overdraft)	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities	390	424	304	272	255	255	570	1 519	2 002
Total Current liabilities - Borrowing	390	424	304	272	255	255	570	1 519	2 002
<u>Trade and other payables</u>									
Trade and other creditors	6 892	6 170	7 214	7 812	7 812	7 812	6 817	8 230	9 535
Unspent conditional transfers	1 517	2 351	5 529	419	153	153	153	153	153
VAT	395	-	-	-	-	-	-	-	-
Total Trade and other payables	8 804	8 521	12 743	8 231	7 965	7 965	6 970	8 384	9 688
<u>Non current liabilities - Borrowing</u>									
Borrowing	699	560	399	214	185	185	2 344	11 531	14 241
Finance leases (including PPP asset element)	346	96	104	-	63	63	41	-	-
Total Non current liabilities - Borrowing	1 044	656	504	214	248	248	2 385	11 531	14 241
<u>Provisions - non-current</u>									
Retirement benefits	25 435	30 374	36 562	35 510	40 800	40 800	44 064	47 589	51 396
<i>List other major provision items</i>									
Refuse landfill site rehabilitation	10 752	21 237	21 325	23 349	22 443	24 143	25 318	26 555	27 798
Total Provisions - non-current	36 187	51 611	57 888	58 859	63 243	64 943	69 382	74 145	79 194
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	219 069	250 572	265 969	260 327	275 612	275 612	287 651	291 860	301 114
GRAP adjustments	15 429			-			-		
Restated balance	234 498	250 572	265 969	260 327	275 612	275 612	287 651	291 860	301 114
Surplus/(Deficit)	7 074	11 897	6 893	3 436	(1 265)	1 089	(592)	9 254	21 620
Appropriations to Reserves	(5 064)	(6 442)	(14 565)	(500)	-	-	-	-	-
Transfers from Reserves	14 064	9 942	17 315	8 537	10 950	10 950	4 800	-	-
Accumulated Surplus/(Deficit)	250 572	265 969	275 612	271 800	285 296	287 651	291 860	301 114	322 734
<u>Reserves</u>									
Capital replacement	20 500	16 500	15 750	12 000	4 800	4 800	-	-	-
Other reserves	1 500	2 000	-	1 000	-	-	-	-	-
Total Reserves	22 000	18 500	15 750	13 000	4 800	4 800	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	272 572	284 469	291 362	284 800	290 096	292 451	291 860	301 114	322 734

Table 43 MBRR SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2011 Census	2015/16 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome
Demographics					
Population	Information provided by StatsSA	33	33		
Females aged 5 - 14	Number of population (not %) as per sensus and based on % of population in gender group	2	2		
Males aged 5 - 14	Number of population (not %) as per sensus and based on % of population in gender group	3	3		
Females aged 15 - 34	Number of population (not %) as per sensus and based on % of population in gender group	5	5		
Males aged 15 - 34	Number of population (not %) as per sensus and based on % of population in gender group	5	5		
Unemployment	Broad definition of the 2011 census (economically active youth)	19,5%	19,5%		
Monthly household income (no. of households)					
No income					
R1 - R1 600			3 109		
R1 601 - R3 200			353		
R3 201 - R6 400					
R6 401 - R12 800					
R12 801 - R25 600	Statistics SA does not keep records in these groupings. We have taken the statistics provided by Stats SA and worked out an average household based on their groupings - R104,024 average household income	R8,670 average income per household	6 700		
R25 601 - R51 200					
R52 201 - R102 400					
R102 401 - R204 800					
R204 801 - R409 600					
R409 601 - R819 200					
> R819 200					
Poverty profiles (no. of households)					
< R2 060 per household per month	The municipality does not keep records of this nature and StatsSA also does not have statistics for this amount. We have used the municipal amount of <R3 200 as poor	3 462	3 462		
Insert description	Used amount of <R3 200 as poor as defined and used by the municipality				
Household/demographics (000)					
Number of people in municipal area		33 301	33 301		
Number of poor people in municipal area	Data not available. Calculation based on number of indigent households (statistics kept by municipality) multiplied by average household size as per StatsSA	13 156	13 156		
Number of households in municipal area	Statistics SA 2011 census - excluding farm dwellings of 1164	10 162	10 162		
Number of poor households in municipal area	Statistics as per the 2012/13 financial year	3 462	3 462		
Definition of poor household (R per month)	Income of <R3 200				

Description of economic indicator	Basis of calculation	2011 Census	2015/16 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome
Housing statistics					
Formal	Stats SA 2011 census	8 658	8 658		
Informal	Difference between total household less formal household as per StatsSA	1 504	1 504		
Total number of households		10 162	10 162	-	-
Dwellings provided by municipality	Statistics of dwellings provided kept by the municipality	-	-		
Dwellings provided by province/s	Statistics of dwellings provided kept by the municipality	668	668		
Dwellings provided by private sector	Statistics of dwellings provided kept by the municipality	9 494	9 494		
Total new housing dwellings		10 162	10 162	-	-
Economic					
Inflation/inflation outlook (CPIX)			4.8%	5.9%	5.6%
Interest rate - borrowing			9.3%	9.3%	9.3%
Interest rate - investment			5.3%	5.3%	5.3%
Remuneration increases			5.1%	6.2%	5.9%
Consumption growth (electricity)					
Consumption growth (water)					
Collection rates					
Property tax/service charges			96.3%	96.3%	96.3%
Rental of facilities & equipment			96.3%	96.3%	96.3%
Interest - external investments			100.0%	100.0%	100.0%
Interest - debtors			96.3%	96.3%	96.3%
Revenue from agency services			100.0%	100.0%	100.0%

Table 44 MBRR SA11 - Property rates summary

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
Valuation:	1									
Date of valuation:		2/7/2008	2/7/2008	2012/07/02	2012/07/02					
Financial year valuation used		2011/2012	2012/2013	2013/2014	2013/2014			2013/2014		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		N	N	N	N	N	N	N	N	N
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)		No	No	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)		1/7/2009	1/7/2009	2013/07/01	2013/07/01			2013/07/01		
No. of properties	5	11 125	11 989	12 023	12 023	12 023	12 023	12 572	12 572	12 572
No. of sectional title values	5	147	195	195	195	195	195	195	195	195
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		1	1	1	1	2	2	12	12	12
No. of valuation roll amendments		1 460		1 437	1 437	1 325	1 325			
No. of objections by rate payers		30			251	2	2			
No. of appeals by rate payers		10			40	-	-			
No. of successful objections	8	20			101	-	-			
No. of successful objections > 10%	8	1			3	-	-			
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property v value (Rm)		0	0	0	235	235	235	0	0	0
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)		-	-	-	52	52	52	52	52	52
Valuation reductions-other (Rm)		-	-	-	88	88	88	102	102	102
Total valuation reductions:		-	-	-	140	140	140	154	154	154
Total value used for rating (Rm)	5	8 583	8 788	10 443	10 420	10 420	10 420		10 539	10 539
Total land value (Rm)	5	4 327	4 341							
Total value of improvements (Rm)	5	4 255	4 446							
Total market value (Rm)	5	8 583	8 788	10 443	10 420	10 420	10 420		10 539	10 539
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		No	No	No	No			No	No	No
Special rating area used? (Y/N)		No	No	No	No			No		
Phasing-in properties s21 (number)		No	No	No	No			No	No	No
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6	32 554	34 889	39 475	42 304	42 944	42 944	50 116	52 622	55 253
Rate revenue expected to collect (R'000)	6	31 037	33 797	38 015	41 458	41 355	41 355	48 262	50 675	53 209
Expected cash collection rate (%)		98.0%	98.0%	96.3%	98.0%	96.3%	96.3%	96.3%	96.3%	96.3%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		126	126	150	155	161	161	160	168	176
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		126	126	150	155	161	161	160	168	176

Table 45 MBRR SA12a - Property rates by category (current year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public benefit organs.
Current Year 2014/15							
Valuation:							
No. of properties	9 986	-	462	1 073	230	452	60
No. of sectional title property values	195						
No. of unreasonably difficult properties s7(2)	-						
No. of supplementary valuations	2						
Supplementary valuation (Rm)							
No. of valuation roll amendments	1 325						
No. of objections by rate-payers	2						
No. of appeals by rate-payers	-						
No. of appeals by rate-payers finalised	-						
No. of successful objections	-						
No. of successful objections > 10%	-						
Estimated no. of properties not valued	10						
Years since last valuation (select)	1						
Frequency of valuation (select)	4						
Method of valuation used (select)	Market						
Base of valuation (select)	Land & impr.						
Phasing-in properties s21 (number)	0						
Combination of rating types used? (Y/N)	Yes						
Flat rate used? (Y/N)	No						
Is balance rated by uniform rate/v variable rate?	Variable						
Valuation reductions:							
Valuation reductions-public infrastructure (Rm)	-						
Valuation reductions-nature reserves/park (Rm)	-						
Valuation reductions-mineral rights (Rm)	-						
Valuation reductions-R15,000 threshold (Rm)	-						
Valuation reductions-public worship (Rm)	52						
Valuation reductions-other (Rm)	-						
Total valuation reductions:							
Total value used for rating (Rm)	10 420						
Total land value (Rm)	-						
Total value of improvements (Rm)	-						
Total market value (Rm)	10 420						
Rating:							
Average rate	0.005218						
Rate revenue budget (R '000)	42 944						
Rate revenue expected to collect (R'000)	41 355						
Expected cash collection rate (%)	96.3%						
Special rating areas (R'000)	-						
Rebates, exemptions - indigent (R'000)	-						
Rebates, exemptions - pensioners (R'000)	161						
Rebates, exemptions - bona fide farm. (R'000)	-						
Rebates, exemptions - other (R'000)	-						
Phase-in reductions/discounts (R'000)	-						
Total rebates, exemptns, reductns, discs (R'000)							

Table 46 MBRR SA12b - Property rates by category (current year)

Description	Resi.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public benefit organs.
Budget Year 2015/16						
Valuation:						
No. of properties	9 986	462	1 073	230	452	60
No. of sectional title property values	195					
No. of unreasonably difficult properties s7(2)	–					
No. of supplementary valuations	12					
Supplementary valuation (Rm)						
No. of valuation roll amendments	1 325					
No. of objections by rate-payers	2					
No. of appeals by rate-payers	–					
No. of appeals by rate-payers finalised	–					
No. of successful objections	–					
No. of successful objections > 10%	–					
Estimated no. of properties not valued	10					
Years since last valuation (select)	1					
Frequency of valuation (select)	4					
Method of valuation used (select)	Market					
Base of valuation (select)	Land & impr.					
Phasing-in properties s21 (number)	0					
Combination of rating types used? (Y/N)	Yes					
Flat rate used? (Y/N)	No					
Is balance rated by uniform rate/variable rate?	Variable					
Valuation reductions:						
Valuation reductions-public infrastructure (Rm)						
Valuation reductions-nature reserves/park (Rm)						
Valuation reductions-mineral rights (Rm)						
Valuation reductions-R15,000 threshold (Rm)						
Valuation reductions-public worship (Rm)	52					
Valuation reductions-other (Rm)						
Total valuation reductions:						
Total value used for rating (Rm)	10 539					
Total land value (Rm)						
Total value of improvements (Rm)						
Total market value (Rm)	10 539					
Rating:						
Average rate						
Rate revenue budget (R '000)	52 622					
Rate revenue expected to collect (R'000)	50 675					
Expected cash collection rate (%)	96.3%					
Special rating areas (R'000)						
Rebates, exemptions - indigent (R'000)						
Rebates, exemptions - pensioners (R'000)	160					
Rebates, exemptions - bona fide farm. (R'000)						
Rebates, exemptions - other (R'000)						
Phase-in reductions/discounts (R'000)						
Total rebates,exemptns,reductns,discs (R'000)						

Table 47 MBRR SA13a - Service Tariffs by category

Description	Provide description of tariff structure	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Property rates (rate in the Rand)								
Residential properties	Residential & Agriculture	-	-	0.004809	0.005218	0.006001	0.006691	0.007461
Residential properties - vacant land	Residential	-	-	0.004809	0.005218	0.006001	0.006691	0.007461
Formal/informal settlements	Residential & Other	-	-	-	-	-	-	-
Agriculture Properties - Bona Fide Use	Farming - Bona Fide	-	-	0.001202	0.001305	0.001501	0.001674	0.001866
Agriculture Properties - Other	Agriculture	-	-	0.004809	0.005218	0.006001	0.006691	0.007461
Industrial properties	Other	-	-	0.004809	0.005218	0.006262	0.006982	0.007785
Business and commercial properties	Industrial	-	-	0.004809	0.005218	0.006262	0.006982	0.007785
State-owned properties	Business & Agriculture	-	-	0.004809	0.005218	0.006262	0.006982	0.007785
Municipal properties	Business	-	-	0.004809	0.005218	0.006262	0.006982	0.007785
Public Benefit Organisations	Public Benefit Organisations	-	-	0.004809	0.005218	0.005739	0.006399	0.007135
Other Properties		-	-	0	0	0	0	0
Exemptions, reductions and rebates (Rands)								
Residential properties								
R15 000 threshold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
Other rebates or exemptions								
Water tariffs								
Domestic								
Domestic		-	-	-	-	-	-	-
Basic charge/fix ed fee (Rands/month)		-	-	81.87	89.64	95.20	106.15	118.35
Service point - vacant land (Rands/month)		-	-	81.87	89.64	95.20	106.15	118.35
Water usage - flat rate tariff (c/kl)		-	-	-	-	-	-	-
Water usage - life line tariff	(describe structure)	-	-	-	-	-	-	-
Water usage - Block 1 (c/kl)	Huishoudelik (< 6kl.)	-	-	-	-	-	-	-
Water usage - Block 2 (c/kl)	Huish.: 7 - 20	-	-	4.69	5.13	5.61	6.26	6.98
Water usage - Block 3 (c/kl)	21 - 40	-	-	4.85	5.31	5.79	6.45	7.20
Water usage - Block 4 (c/kl)	41 - 60	-	-	5.86	6.42	7.00	7.80	8.70
Water usage - Block 5 (c/kl)	61 - 80	-	-	6.76	7.40	8.14	9.08	10.12
Water usage - Block 6 (c/kl)	81 - 100	-	-	9.10	9.96	10.96	12.22	13.62
Water usage - Block 7 (c/kl)	bo 100	-	-	14	16	17	19	22
Other		0	-	-	-	-	-	-
Waste water tariffs								
Domestic								
Basic charge/fix ed fee (Rands/month)		-	-	81.87	89.64	95.20	106.15	118.35
Service point - vacant land (Rands/month)		-	-	81.87	89.64	95.20	106.15	118.35
Waste water - flat rate tariff (c/kl)		-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/kl)	Besigh.: 0 - 50	-	-	4.70	5.14	5.65	6.30	7.03
Volumetric charge - Block 2 (c/kl)	51 - 100	-	-	4.77	5.27	5.80	6.46	7.21
Volumetric charge - Block 3 (c/kl)	101 - 150	-	-	4.98	5.50	6.11	6.81	7.59
Volumetric charge - Block 4 (c/kl)	151 - 200	-	-	5.29	5.84	6.48	7.23	8.06
Volumetric charge - Block 5 (c/kl)	201 - 300	-	-	5.79	6.40	7.17	7.99	8.91
Volumetric charge - Block 6 (c/kl)	301 - 400	-	-	6.68	7.38	8.27	9.22	10.28
Volumetric charge - Block 7 (c/kl)	401 - 500	-	-	8.46	9.35	10.75	11.99	13.37
Volumetric charge - Block 8 (c/kl)	bo 500	-	-	10.98	12.13	13.95	15.55	17.34
Volumetric charge - Block 9 (c/kl)	bo 3001	-	-	5	5	16	18	20
Other								

Description	Provide description of tariff structure	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Electricity tariffs								
Domestic		-	-	4.74	5.03	5.40	6.03	6.72
Basic charge/fix ed fee (Rands/month)	Enkelfase/Am p.	-	-	14.23	15.08	16.21	18.08	20.16
Basic charge/fix ed fee (Rands/month)	Drie-fase/Amp.	-	-	94.86	100.55	108.09	120.52	134.38
Service point - v acant land (Rands/month)	-	-	-	-	-	-	-	-
FBE	(how is this targeted?)	-	-	-	-	-	-	-
Life-line tariff - meter	(describe structure)	-	-	-	-	-	-	-
Life-line tariff - prepaid	(describe structure)	-	-	-	-	-	-	-
Flat rate tariff - meter (c/kwh)	0	-	-	-	-	-	-	-
Flat rate tariff - prepaid(c/kwh)	Tarief C:	-	-	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)	kWh (< 50 kWh)	-	-	0.6996	0.7416	0.7935	0.8927	1.0043
Meter - IBT Block 2 (c/kwh)	Bo 50 kWh tot 350 Kw h	-	-	0.8634	0.9367	1.0070	1.1329	1.2745
Meter - IBT Block 3 (c/kwh)	Bo 350 kw h tot 600 kw h	-	-	1.1751	1.2750	1.4306	1.6094	1.8106
Meter - IBT Block 4 (c/kwh)	Bo 650 Kw h	-	-	1.3608	1.4765	1.6832	1.8936	2.1303
Prepaid - IBT Block 1 (c/kwh)	0.0-50.0 KWh	-	-	0.7821	0.8290	0.8812	0.9914	1.1153
Prepaid - IBT Block 2 (c/kwh)	50.0-350.0 KWh	-	-	0.9233	1.0018	1.0769	1.2115	1.3630
Prepaid - IBT Block 3 (c/kwh)	350.0-600.0 KWh	-	-	1.2111	1.3141	1.4744	1.6587	1.8660
Prepaid - IBT Block 4 (c/kwh)	above 600.0 KWh	-	-	1.37	1.48	1.71	1.92	2.16
Prepaid - IBT Block 4 (c/kwh)								
Other	-	-	-	-	-	-	-	-
Electricity tariffs								
Business								
Basic charge/fix ed fee (Rands/month)	Tarief A : kVA-aanvraag (Beskib.)	-	-	3.75	4.03	5.00	5.57	6.21
Basic charge/fix ed fee (Rands/month)	A1: per kVA (11000V)	-	-	79.60	85.60	85.60	95.44	106.42
Basic charge/fix ed fee (Rands/month)	A2: per kVA (380/220V)	-	-	93.71	93.71	107.29	119.63	133.39
Basic charge/fix ed fee (Rands/month)	Tarief B & D:	-	-	6.46	6.84	7.84	8.74	9.74
Basic charge/fix ed fee (Rands/month)	Enkelfase/Am p.	-	-	18.37	19.47	22.30	24.86	27.72
Basic charge/fix ed fee (Rands/month)	Drie-fase/Amp.	-	-	94.86	100.55	108.09	120.52	134.38
Service point - v acant land (Rands/month)	-	-	-	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)	Tarief A - kWh-v erbruik	-	-	0.4380	0.4884	0.5861	0.6593	0.7418
Meter - IBT Block 2 (c/kwh)	Tarief B & D - kWh-v erbruik	-	-	0.86	0.94	1.12	1.26	1.42
Other								

Description	Provide description of tariff structure	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other								
Waste Management tariffs								
Domestic								
Refuse		-	-	83.61	93.64	104.00	115.96	129.29
Removal -								
Basic charge/fix ed fee	Once a Week				44.73	78.00	86.97	96.97
Service point - v acant land (Rands/month)								
Business								
Refuse		-	-	89.40	100.13	111.20	123.99	138.25
Removal -								
Basic charge/fix ed fee	Once a Week				44.73	78.00	86.97	96.97
Service point - v acant land (Rands/month)								
Other					515.84	580.40	647.15	721.57
Bulky Refuse								
Refuse Dumping Fee								
					1 123.64	1 264.30	1 409.69	1 571.81
Sewerage tariffs								
Domestic								
Basic charge/fix ed fee	Monthly	-	-	77.54	85.14	95.00	105.92	118.11
Service point - v acant land (Rands/month)					43.42	71.25	79.44	88.58
Business								
Basic charge/fix ed fee	Monthly	-	-	77.54	85.14	100.00	111.50	124.32
Service point - v acant land (Rands/month)					43.42	71.25	86.97	96.97
Other								
Churches & Schools	Monthly				85.136285	94.999212	105.924121	118.105395
Sportclubs	Monthly				42.570000	50.000000	55.750000	62.161250

Table 48 MBRR SA13b - Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
							Exemptions, reductions and rebates (Rands)		
First R15,000 on Property Valuation	0	No Charge to all residents	-	-	-	0.005218	0.006001	0.006691	0.007461
Property Rates Rebate to Pensioners:	0		-	-	-	-	-	-	-
Pensioner Younger than 75 years	0		-	-	-	-	-	-	-
Income: R 0 to R16,920 p.a	0	40% Rebate	-	-	-	0.005218	0.006001	0.006691	0.007461
Income: R16,921 to R 25,380 p.a	0	30% Rebate	-	-	-	0.005218	0.006001	0.006691	0.007461
Income: R25,381 to R 33,840 p.a	0	20% Rebate	-	-	-	0.005218	0.006001	0.006691	0.007461
Pensioner Older than 75 years	0		-	-	-	-	-	-	-
Income: R 0 to R17,160 p.a	0	40% Rebate	-	-	-	0.005218	0.006001	0.006691	0.007461
Income: R17,161 to R 25,740 p.a	0	30% Rebate	-	-	-	0.005218	0.006001	0.006691	0.007461
Income: R25,741 to R 34,320 p.a	0	20% Rebate	-	-	-	0.005218	0.006001	0.006691	0.007461
Water tariffs									
Form 0 to 6 Kl	0	No Charge to all residents	-	-	-	5.15	5.61	6.26	6.98
Waste water tariffs									
Residential Refuse Removal Basic Charge	0	40% & 80% subject council's approved indigent / commiseration policy	-	-	-	93.64	104.00	115.96	129.29
Residential Sewer Basic Charge	0	40% & 80% subject council's approved indigent / commiseration policy	-	-	-	85.14	95.00	105.93	118.11
Electricity tariffs									
From 0 to 50 kWh	####	No charge subject to registration as an Indigent	-	-	-	0.74158	0.79350	0.89269	1.00427

Table 49 MBRR SA15 - Investment particulars by type

Investment type	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	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand								
Parent municipality								
Securities - National Government	-	-	-	-	-	-	-	-
Listed Corporate Bonds	-	-	-	-	-	-	-	-
Deposits - Bank	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-
Municipal entity	-	135	45	140	45	45	45	45
Consolidated total:	-	135	45	140	45	45	45	45

The municipality does not have any cash investments at year-end. The only non-current investments relates to shares held in a municipal entity. This entity is currently dormant and in process of being de-registered. Council approved to deregister the entity during May 2013 and it is at this stage not clear when the confirmation from CIPRO will be received.

Table 50 MBRR SA16 - Investment particulars by maturity

As indicated above, the municipality does not have any cash investments at any year-end, as all cash is transferred to the current account just before each respective year-end.

Table 51 MBRR SA17 – Borrowing

Borrowing - Categorised by type R thousand	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
Parent municipality									
Long-Term Loans (annuity/reducing balance)	699	560	399	214	185	185	2 344	11 531	14 241
Financial Leases	346	96	104	-	63	63	41	-	-
Total Borrowing	1 044	656	504	214	248	248	2 385	11 531	14 241

2.14 Manager’s quality certificate

WC033 CAPE AGULHAS MUNICIPALITY – QUALITY CERTIFICATE

I, Municipal Manager of Cape Agulhas 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: _____

Municipality: Cape Agulhas Municipality

Signature: _____

Date: _____

Part 3 – Annexures

3.1 Annexure A – Tariff Listing

Refer to Annexure A attached.

- Appendix A - Service Tariffs
- Appendix B - Sundry Tariffs
- Appendix C - Renting of Halls and Amenities Tariffs

3.2 Annexure B – Time Table tabled by Mayor

Refer to Annexure B attached.

3.3 Annexure C – Draft SDBIP

Refer to Annexure C attached.