



UTHUKELA DISTRICT MUNICIPALITY

ANNUAL BUDGET

2013/14

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Part 1 – Annual Budget

1.1 Mayor's Report

Hon. Speaker

EXCO members

Councillors

AMM, SENIOR MANAGERS

Officials

Members of the public,

Media

A very good morning to you all. Let me read from the Holy Book. The book of RELEVATION CHAPTER 21 verses 1-5. The title of this chapter is NEW HEAVEN AND THE EARTH Then I saw a new heaven and a new earth. The first heaven and the first earth disappeared, and the sea vanished. And I saw the Holy City, the new Jerusalem coming down out of Heaven from God, prepared and ready like a new bride, dressed to meet her husband. I heard a loud voice speaking from the throne: Now God's home is with human beings! He will live with them, and they shall be His people. God Himself will be their God. He will wipe away all tears from their eyes. There will be no more death no more grief or crying or pain. The old thing has disappeared. Then the One Who sits on the throne said, "And now I make all things new!" He also said to me, "Write this because these words are true and can be trusted."

Hon. Speaker I quote these words because they're relevant in our situation. The undeniable history of this district municipality shows that a lot happened which include the mismanagement of finances, misuse of MIG grant for operational purposes, incompetence of many of our workers, the politicization of the service delivery and the poor and non-delivery of services to the communities just to mention a few. All these had engulfed this district for years and have eventually led to a total collapse of this district municipality.

Having been in this municipality for the past two years and having been able to determine the nature of problems the district has and also having committed ourselves that we wanted a clean run municipality, we have been inspired by these verses from the Revelations and hence we say A NEW DISTRICT AND A CLEAN START. I'm sure hon. Speaker and Cllrs by the time our term of office come to an end a lot would have been achieved by our district and it will amongst the BEST RUN districts in the whole country.

Hon. Speaker, Cllrs and officials we started the budget processes early in the year and as required by the legislation we travelled the length and breadth of our district consulting with our communities. All our IDP/Budget road shows were well attended; people came in their numbers to question, comment, and criticize constructively and to give opinions. We welcomed all the comments and I must also say A LOT WERE POSITIVE. MOST PEOPLE ARE BECOMING HAPPY ABOUT THE INCREASE LEVELS OF SERVICE DELIVERY AND OUR COMMITMENT IN CHANGING THE LIVES OF THE PEOPLE IN OUR DISTRICT. BUT.....HON. Speaker and Cllr's WE MUSTN'T FOOL OURSELVES TO THINK THAT WE'VE DONE A LOT!! THERE'S STILL A LONG WAY TO GO.

Up until we have 100% water and sanitation universal access in our district, up until our youth are educated and skilled enough to start their own businesses, up until we've eradicated poverty, up until there's 100% access of education and health for the communities in our district, up until there are at least 90% job opportunities for the people in our district, up until there's no child, woman in particular old ones that are raped every 30 minutes, up until there's no crime committed and many other social ills in our district. We can then lay back and relax because we would have dealt with almost all the things that hinder progress and growth in our district.

The National Development Plan adopted by the cabinet early this year mention these as other challenges this country face and it also gives the timeline of 2030 as the time to have eradicated all of these and as a district municipality we must play our role by eradicating these challenges for a better South Africa.

Hon. Speaker Cllr's in the current financial year, we took very bold decisions that have helped to put us where we are today.

One of the decisions we took was to cut all the unnecessary spending which had left this municipality overspending the resources that were not even available. This has helped us changing the situation into a positive one and this was confirmed by MEC for Finance (Ina Cronje) on the 18th April 2013 when she visited the municipality that indeed the financial situation of the municipality was on a positive turn. SHE DID WARN US THOUGH THAT WE MUST CONTINUE TO TIGHTEN OUR BELTS UP UNTIL WE ARE OUT OF THE WOODS WHICH MIGHT BE A YEAR OR TWO FROM NOW. IF I QOUTE HER VERBATIM SHE SAID, "YOU'RE DEFINITELY OUT OF THE ICU BUT YOU'RE STILL IN HOSPITAL AS WARD PATIENT CONTINUE TAKING MEDICATION UP UNTIL YOU'RE DISCHARGED." and THAT IS EXACTLY WHAT WE WILL DO HON. SPEAKER AND CLLRS.

Another decision we took was to ring fence MIG funding and focus mainly on our core function as a district municipality which is the provision of water and sanitation. This decision helped us in two fold 1. We were able not to be tempted to use MIG to operational use as it had happened in the previous years and to date ALL OUR GRANTS ARE CASHED BACKED.

2. We were able to track our spending on MIG which had been very weak on over the past years and to date our spending is 80% with the forecast of 100% by the end of the financial year. This has seen us implementing about 66 projects throughout our district.

The weekly sitting of the IFC has also helped to ensure that when we spend on only critical items which form part of our core mandate I.e. the provision of water and sanitation which also include the repairs and maintenance of our infrastructure. This discipline has helped in curbing unnecessary spending and also spending without knowing whether there is money in the bank or not.

If we continue in this manner our municipality will surely come out of the finance distress and will be one of the sustainable district municipality in our province.

Hon. Speaker, EXCO members, councillors I now present to you the 2013/2014 budget:

1.2 Council Resolutions

On 28 March 2013 the Council of Uthukela District Municipality met in the Municipality Boardroom of Uthukela District Municipality to consider the draft annual budget of the municipality for the financial year 2013/14. The Council approved the draft Annual Budget . The council of will meet again on the 31 May 2013 to approve the 2013/2014 Annual Budget with the following resolutions:

1. The Council of Uthukela District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves :
 - 1.1. The draft annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table
 - 1.2.2. Budgeted Cash Flows as contained in Table
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table
 - 1.2.4. Asset management as contained in Table
 - 1.2.5. Basic service delivery measurement as contained in Table
2. The Council of Uthukela District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves with effect from 1 July 2013:
 - 2.1. the tariffs for the supply of water
 - 2.2. the tariffs for sanitation services
 - 2.3. The tariffs for other municipal services
3. The Council of Uthukela District Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013 the tariffs for other services.

1.3 Executive Summary

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

The District has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 66 and 67 and 55 were used to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water infrastructure;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies and the new organogram that needed to be also be effected in the budget.
- Cash flow problems

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2013/14 MTREF

2013/14 Medium Term Revenue & Expenditure Framework				
R thousand	Adjusted Budget R'000	Budget Year 2013/14 R'000	Budget Year +1 2014/15 R'000	Budget Year +2 2015/16 R'000
Total Revenue	643 099	637 654	677 687	753 549
Total Expenditure	435 533	379 042	407 753	432 896
Surplus/(Deficit)	207 546	258 611	269 933	320 653
Capital Expenditure	207 365	196 037	203 268	245 055

Total operating expenditure for the 2013/14 financial year has been appropriated at R379 042 000 and translates into a budgeted surplus of R195 962 000 million. When compared to the 2012/13 Adjustments Budget, operational expenditure has decreased by 14.90 per cent in the 2013/14 budget and increase by 7.04 and 5.81 per cent for each of the respective outer years of the MTREF.

The capital budget of R196 037 000 for 2013/14 is 12.87 per cent less when compared to the 2012/13 Adjustment Budget. The reduction is due to the affordability constraints of the Municipality. The capital programme increases to R203 268 000 in the 2014/15 financial year and then increases out in 2014/16 to R245 054 550. A substantial portion of the capital budget will be funded from grants funds. The balance will be funded from internally generated funds and external loans.

1.4 Operating Revenue Framework

For Uthukela District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue, This will be done by a strict credit control to customers on arrear debts. This will also be maximised as the Municipality is undergoing data cleansing to ensure that all people that are supposed to be billed are billed and that there are no double billing on consumers e.g. consumer has two accounts for the same property for the same meter. 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.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management,
- Increase ability to recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies

1.5 Operating Expenditure Framework

The District expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

- Operational gains and efficiencies will be directed to funding the capital budget and other core service

The following table is a summary of the 2013/14 MTREF (classified by main revenue & expenditure source):

Table 2 Summary of revenue and expenditure classified by main revenue and expenditure source

DC23 Uthukela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	194	447	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	83 453	96 427	81 195	115 658	114 642	114 642	114 642	123 813	130 499	137 546
Service charges - sanitation revenue	2	16 505	11 887	12 356	13 958	13 958	13 958	13 958	15 075	15 889	16 747
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments			513	2 070	928	3 777	3 777	3 777	9 109	9 838	10 625
Interest earned - outstanding debtors		17 342	20 748	16 978	16 473	16 473	16 473	16 473	17 791	19 214	20 751
Dividends received											
Fines											
Licences and permits											
Agency services											
Transfers recognised - operational		162 027	199 141	226 476	275 308	286 265	286 265	286 265	277 744	299 586	323 552
Other revenue	2	2 424	31 065	3 020	424	438	438	438	275	290	306
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		281 944	360 227	342 094	422 749	435 553	435 553	435 553	443 807	475 316	509 526
Expenditure By Type											
Employee related costs	2	89 992	97 327	98 785	118 117	116 497	116 497	116 497	158 358	168 493	179 276
Remuneration of councillors		3 919	3 719	5 502	5 254	5 254	5 254	5 254	5 612	5 915	6 234
Debt impairment	3	80 759	0	16 391		73 232	73 232	73 232	20 180	21 270	22 419
Depreciation & asset impairment	2	24 566	26 361	26 998	36 040	36 040	36 040	36 040	35 936	36 976	38 973
Finance charges		4 515	6 573	2 856	3 841	3 841	3 841	3 841	3 339	3 519	3 709
Bulk purchases	2	2 485	2 919	4 043	40 013	40 013	40 013	40 013	45 563	48 023	50 617
Other materials	8	18 800	23 025	14 268					18 898	19 918	20 994
Contracted services		-	-	-	37 614	44 674	44 674	44 674	40 103	49 822	53 946
Transfers and grants		-	-	-	-	-	-	-	6 000	6 330	6 678
Other expenditure	4, 5	166 034	172 099	196 720	93 859	116 002	116 002	116 002	45 053	47 486	50 051
Loss on disposal of PPE		218	184	65							
Total Expenditure		391 287	332 208	365 628	334 738	435 553	435 553	435 553	379 042	407 753	432 896
Surplus/(Deficit)											
Transfers recognised - capital		(109 343)	28 019	(23 534)	88 011	-	-	-	64 764	67 562	76 630
Contributions recognised - capital									193 847	202 371	244 023
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		7 028	143 174	91 476	295 514	207 546	207 546	207 546	258 611	269 933	320 653
Taxation											
Surplus/(Deficit) after taxation		7 028	143 174	91 476	295 514	207 546	207 546	207 546	258 611	269 933	320 653
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		7 028	143 174	91 476	295 514	207 546	207 546	207 546	258 611	269 933	320 653
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		7 028	143 174	91 476	295 514	207 546	207 546	207 546	258 611	269 933	320 653

The Municipality major income is from water and sewage service charges which was increased by 8% ,There is no guideline that was received from Department of water affairs on the tariffs and the Municipality increase its tariffs to 8% .bearing in mind the infrastructure maintenance and any other operating expenses to ensure that the municipality is a going concern. The Municipality also receives its income from grants which is R 277 394 mil for operating expenses and R 193 847 mil for capital expenses.

The Debt impairment and Depreciation were drastically reduced this is due the asset register that is being reviewed and hence since there was a major of assets that were appearing on our old asset register that should not be there and there will be also a massive write off of some of

the obsolete assets that were still appearing on our 2011/2012 financial year ,we believe since the exercise is being done in the 2012/2013 financial year our depreciation will reduced in 2013/2014 financial year.

The Debt impairment major write-off will be done in the in the 2012/2013 financial year as the data cleansing exercise is currently being conducted , this then give us an assumptions that in 2014/2015 our data will be accurate and less write off will be done in the 2013/2014 financial year.

Our Salaries for employees will increase by 26.43% which will be the 6,95% for all current employees and 19.48% for the new post being created on the our new organogram,

The councillors increase is anticipated at 6% .

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up R3 339 000 million.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Department of Water Affairs. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. DWA expenditure was based on last year budget hence the Municipality is not paying the water accounts to DWA at the moment due to the resolution that was taken by council .

Other materials comprises of amongst others is the District's repairs and maintenance expenditure.

Contracted services this includes all expenditure items that the Municipality is contracted to.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

Reviewed Budget related policies were submitted to council and were approved.

2013/2014 Integrated Development Plan

Following is the summary of the reviewed IDP priorities;

Key priority issues

1. Water and sanitation provision, safety, addressing backlogs, operation & maintenance
2. Ensuring enhanced service delivery with effective institutional arrangements (enhancing administrative, institutional and political capacity)
3. Effective Management of Resources and Infrastructure
4. Ensuring sound municipal health
5. Coordination of Local Economic Development and Tourism
6. Participation in Health Structures (HIV, Aids, TB, STIs, etc)

Budget Assumptions

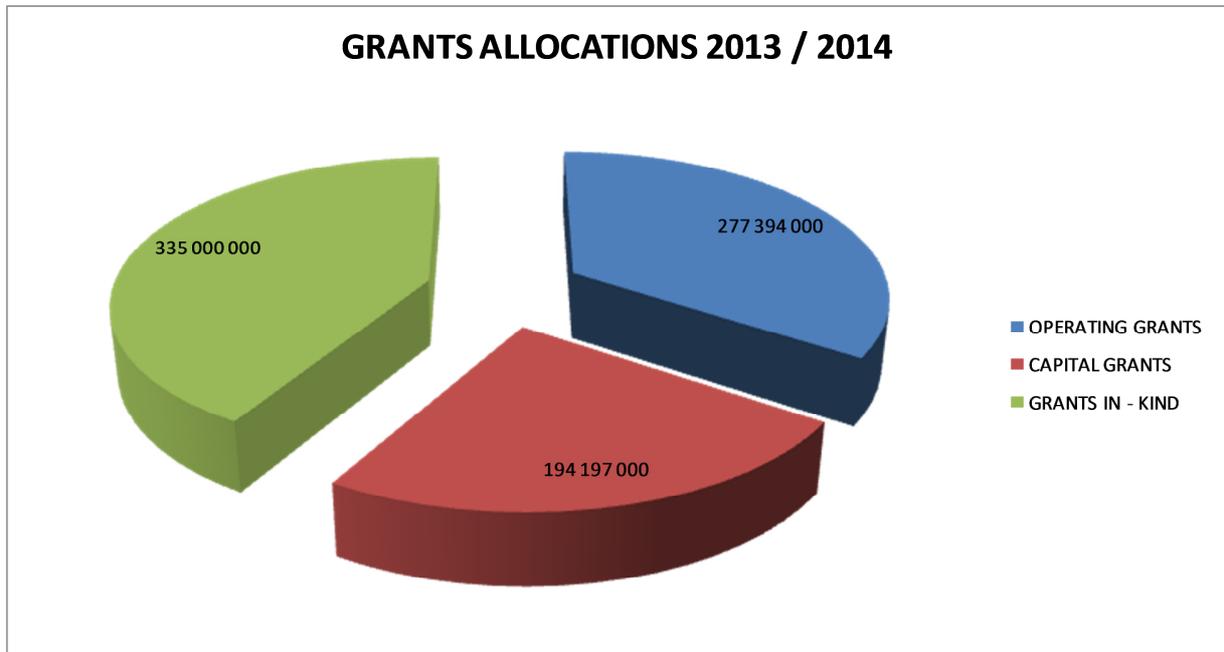
Presented budget assumes the following;

- i. That the inflation forecast (CPI) will be 5.6% as been estimated in circular 67.
- ii. Employee costs will be CPI plus 1.25% for financial year 2013/2014
- iii. Electricity expenditure increase is 7%
- iv. Effect of data cleansing process has not been quantified
- v. New realistic assets register may possible see reduced depreciation costs.
- vi. Municipality has the capacity to spend allocated grant funding.
- vii. Some schemes will be operational to enable in house provision of the service.

Table 3 Operating and Capital Transfers and Grant Receipts

UTHUKELA DISTRICT MUNICIPALITY				
GRANTS BUDGET INCOME FOR 2013/2014 - 2015/2016				
GRANTS	FUNDING	2013/2014	2014/2015	2015/2016
OPERATING GRANTS				
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	NT	1 100 000	1 250 000	1 250 000
MUNICIPAL SYSTEMS IMPROVEMENTS GRANTS	NT	445 000	934 000	967 000
EXPANDED PUBLIC WORKS PROGRAMME INTERGRATED GRANT	NT	1 000 000	0	0
EQUITABLE SHARE ALLOCATION	NT	231 456 000	245 284 000	258 481 000
RSC LEVIES REPLACEMENT (EQUITABLE SHARE)	NT	37 743 000	41 140 000	44 198 000
WATER SERVICES OPERATION SUBSIDY	NT	6 000 000	8 000 000	5 000 000
		277 744 000	296 608 000	309 896 000
CAPITAL GRANTS				
MUNICIPALITY WATER INFRASTRUCTURE	NT	14 525 000	20 000 000	50 000 000
MUNICIPAL INFRASTRUCTURE GRANT	NT	174 260 000	177 439 000	188 920 000
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	NT	150 000	0	0
MUNICIPAL SYSTEMS IMPROVEMENTS GRANTS	NT	445 000	0	0
RURAL ROAD ASSETS MANAGEMENT	NT	1 999 000	2 315 000	2 355 000
		191 379 000	199 754 000	241 275 000
CAPITAL GRANTS - PROVINCIAL				
INFRASTRUCTURE SPORT FACILITIES	PT	2 468 000	2 617 000	2 748 000
		2 468 000	2 617 000	2 748 000
GRANTS IN - KIND				
REGIONAL BULK INFRACTURE GRANT	NT	35 000 000	30 000 000	30 000 000
WATER SERVICES OPERATING SUBSIDY	NT	300 000 000	300 000 000	300 000 000
		335 000 000	330 000 000	330 000 000
TOTAL ALLOCATION TO THE MUNICIPALITY INCL OF GRANTS IN KIND		806 591 000	828 979 000	883 919 000
TOTAL ALLOCATION TO THE MUNICIPALITY EXCL GRANTS IN - KIND		471 591 000	498 979 000	553 919 000

Graph 1:



1.5.1 Sale of Water and Impact of Tariff Increases

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

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

A summary of the proposed tariffs are as follows:

Water Tariffs - 2012/2013

Integrated Step Tariff (Domestic Use)	
Water tariff for water usage up to 6kl	Free/ Indigent
Water tariff for water usage 1 to 30kl	R7.35kl
Water tariff for water usage 31kl to 100kl	R8.51kl
Water tariff for water usage 101kl to 999kl	R9.80kl
Integrated Step Tariff (Industrial Use)	
Water tariff for water usage up to 1000kl	R7.35kl
Water tariff for water usage 1001kl and above	R3.85kl

Table 3 Proposed Water Tariffs - 2013/2014

Integrated Step Tariff (Domestic Use)	
Water tariff for water usage up to 6kl	Free/ Indigent
Water tariff for water usage 1 to 30kl	R7.94kl
Water tariff for water usage 31kl to 100kl	R9.19kl
Water tariff for water usage 101kl to 999kl	R10.58kl
Integrated Step Tariff (Industrial Use)	
Water tariff for water usage up to 1000kl	R7.94kl
Water tariff for water usage 1001kl and above	R4.16kl

- Other municipal services increase by 6% as per circular 67
 - Tender documents
 - Maps GIS
 - Clearance certificates
 -

Charges to database registration was not budgeted since we no longer charging for the issuing this forms.

The tariff structure of the 2013/14 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate.

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

Table 4 Repairs and maintenance per asset class

DC23 Uthukela - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		3 487	1 193	-	15 900	200	200	16 497	17 388	18 327
Infrastructure - Road transport		987	1 193	-	3 000	200	200	200	200	200
Roads, Pavements & Bridges		987	1 193	-	3 000	200	200	200	200	200
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	12 900	-	-	11 297	11 908	12 551
Dams & Reservoirs		-	-	-	6 000	-	-	7 247	7 631	8 035
Water purification		-	-	-	900	-	-	50	53	56
Reticulation		-	-	-	6 000	-	-	4 000	4 224	4 461
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		2 500	-	-	-	-	-	5 000	5 280	5 576
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		2 500	-	-	-	-	-	5 000	5 280	5 576
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		455	2 960	14 268	3 815	3 420	3 420	2 401	2 530	2 667
General vehicles		-	2 849	-	3 525	3 205	3 205	2 155	2 272	2 394
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		69	-	-	15	15	15	15	16	17
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		386	111	-	275	200	200	230	242	256
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	14 268	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	3 942	4 153	14 268	19 715	3 620	3 620	18 898	19 918	20 994
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
R&M as a % of PPE		0.6%	0.6%	2.0%	2.0%	0.4%	0.4%	1.8%	1.8%	1.8%
R&M as % Operating Expenditure		1.0%	1.3%	3.9%	5.9%	0.8%	0.8%	5.0%	4.9%	4.8%

For the 2013/14 financial year the Municipality has budgeted R18 898 000 on repairs and maintenance of Municipal assets, which constitutes is 5% of the operating expenditure. Due to financial contains the municipality could not be able to meet 10% of operating Expenditure. It was foresee that it is vital for the municipality to fill critical post due to shortage of staff to enable this task to be done in house and as per maintenance plan.

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

1.6 Capital expenditure

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

Table 16 : 2013 /2014 Medium – term capital budget per vote

DC23 Uthukela - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - Office of the Mayor		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Managers Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Infrastructure Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning Economic Development and Tourism		-	-	-	-	-	-	-	-	-	-
Vote 7 - Municipal Health and WSA		-	-	-	-	-	-	-	-	-	-
Vote 8 - Water and Sanitation Services		-	-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 10 - TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 12 - WATER SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure - to be appropriated	2										
Vote 1 - Office of the Mayor		-	42	-	-	-	-	-	-	-	-
Vote 2 - Municipal Managers Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate and Social Services		-	163	-	30	20	20	-	-	-	-
Vote 4 - Budget and Treasury Office		-	979	-	35	575	575	-	-	-	-
Vote 5 - Technical Infrastructure Development		61 042	64 368	4 156	207 503	207 503	207 503	-	-	-	-
Vote 6 - Planning Economic Development and Tourism		-	1 659	-	2 540	13 000	13 000	-	-	-	-
Vote 7 - Municipal Health and WSA		-	-	-	100	100	100	-	-	-	-
Vote 8 - Water and Sanitation Services		321	1 131	3 699	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER		-	-	-	-	-	-	800	-	-	-
Vote 10 - TREASURY		-	-	-	-	-	-	160	-	-	-
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	160	-	-	-
Vote 12 - WATER SERVICES		-	-	-	-	-	-	191 784	199 754	241 275	
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	-	-	-	-	-	3 133	3 514	3 780	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		61 363	68 342	7 855	210 208	221 198	221 198	-	196 037	203 268	245 055
Total Capital Expenditure - Vote		61 363	68 342	7 855	210 208	221 198	221 198	-	196 037	203 268	245 055
Capital Expenditure - Standard											
Governance and administration		-	1 184	-	65	595	595	595	1 120	-	-
Executive and council		-	42	-	-	-	-	-	800	-	-
Budget and treasury office		-	979	-	35	575	575	575	160	-	-
Corporate services		-	163	-	30	20	20	20	160	-	-
Community and public safety		-	-	-	100	100	100	100	2 678	2 617	2 748
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	2 468	2 617	2 748
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	100	100	100	100	210	-	-
Economic and environmental services		61 042	66 028	-	210 043	-	-	-	2 454	3 212	3 387
Planning and development		61 042	66 028	-	210 043	-	-	-	455	897	1 032
Road transport		-	-	-	-	-	-	-	1 999	2 315	2 355
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		321	1 131	3 699	-	206 670	206 670	206 670	189 785	197 439	238 920
Electricity		-	-	-	-	-	-	-	-	-	-
Water		321	1 108	3 699	-	206 670	206 670	206 670	189 785	197 439	238 920
Waste water management		-	23	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	61 363	68 343	3 699	210 208	207 365	207 365	207 365	196 037	203 268	245 055
Funded by:											
National Government		61 042	64 368	3 699	207 503	207 503	207 503	207 503	191 379	199 754	241 275
Provincial Government		-	-	-	-	11 000	11 000	11 000	2 468	2 617	2 748
District Municipality		321	3 975	-	2 075	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	61 363	68 343	3 699	209 578	218 503	218 503	218 503	193 847	202 371	244 023
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	750	-	-
Internally generated funds		-	-	-	-	2 695	2 695	2 695	1 440	897	1 032
Total Capital Funding	7	61 363	68 343	3 699	209 578	221 198	221 198	221 198	196 037	203 268	245 055

For 2013/14 financial year the Municipality has budgeted an amount of R196 037 000 mil which will be finance from government grants (R 193 847 000mil) and municipality internally generated funds (R1 440 000 mil) and Borrowings at R 750 000.

1.7 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council.

Table 3 MBRR Table A1 - Budget Summary

DC23 Uthukela - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	194	447	-	-	-	-	-	-	-	-
Service charges	99 958	108 314	93 551	129 616	128 600	128 600	128 600	138 888	146 388	154 293
Investment revenue	-	513	2 070	928	3 777	3 777	3 777	9 109	9 838	10 625
Transfers recognised - operational	162 027	199 141	226 476	275 308	286 265	286 265	286 265	277 744	299 586	323 552
Other own revenue	19 766	51 813	19 998	16 897	16 911	16 911	16 911	18 066	19 504	21 057
Total Revenue (excluding capital transfers and contributions)	281 944	360 227	342 094	422 749	435 553	435 553	435 553	443 807	475 316	509 526
Employee costs	89 992	97 327	98 785	118 117	116 497	116 497	116 497	158 358	168 493	179 276
Remuneration of councillors	3 919	3 719	5 502	5 254	5 254	5 254	5 254	5 612	5 915	6 234
Depreciation & asset impairment	24 566	26 361	26 998	36 040	36 040	36 040	36 040	35 936	36 976	38 973
Finance charges	4 515	6 573	2 856	3 841	3 841	3 841	3 841	3 339	3 519	3 709
Materials and bulk purchases	21 285	25 944	18 312	40 013	40 013	40 013	40 013	64 461	67 942	71 611
Transfers and grants	-	-	-	-	-	-	-	6 000	6 330	6 678
Other expenditure	247 011	172 284	213 176	131 473	233 908	233 908	233 908	105 336	118 578	126 415
Total Expenditure	391 287	332 208	365 628	334 738	435 553	435 553	435 553	379 042	407 753	432 896
Surplus/(Deficit)	(109 343)	28 019	(23 534)	88 011	-	-	-	64 764	67 562	76 630
Transfers recognised - capital	-	-	-	-	-	-	-	193 847	202 371	244 023
Contributions recognised - capital & contributed a	116 371	115 156	115 010	207 503	207 546	207 546	207 546	-	-	-
Surplus/(Deficit) after capital transfers & contributions	7 028	143 174	91 476	295 514	207 546	207 546	207 546	258 611	269 933	320 653
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	7 028	143 174	91 476	295 514	207 546	207 546	207 546	258 611	269 933	320 653
Capital expenditure & funds sources										
Capital expenditure	61 363	68 343	3 699	210 208	207 365	207 365	207 365	196 037	203 268	245 055
Transfers recognised - capital	61 363	68 343	3 699	209 578	218 503	218 503	218 503	193 847	202 371	244 023
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	750	-	-
Internally generated funds	-	-	-	-	2 695	2 695	2 695	1 440	897	1 032
Total sources of capital funds	61 363	68 343	3 699	209 578	221 198	221 198	221 198	196 037	203 268	245 055
Financial position										
Total current assets	44 007	152 923	285 668	252 056	437 371	437 371	312 138	364 338	352 991	303 537
Total non current assets	665 036	701 299	712 342	1 001 569	1 001 569	1 001 569	903 445	1 063 469	1 120 892	1 181 416
Total current liabilities	187 715	199 034	254 079	536 291	662 642	662 642	232 712	184 701	190 793	198 658
Total non current liabilities	16 010	13 460	15 916	18 447	18 447	18 447	17 474	19 098	20 098	21 152
Community wealth/Equity	505 317	641 728	728 163	913 530	757 851	757 851	965 397	1 224 008	1 262 992	1 265 144
Cash flows										
Net cash from (used) operating	59 275	73 248	134 179	195 428	241 912	241 912	241 912	236 302	191 947	195 628
Net cash from (used) investing	(61 362)	(74 813)	(38 107)	(210 208)	(221 198)	(221 198)	(221 198)	(196 037)	(203 268)	(245 055)
Net cash from (used) financing	(4 077)	(3 436)	294	-	-	-	-	(4 285)	(5 307)	(5 593)
Cash/cash equivalents at the year end	(2 960)	(7 962)	88 404	73 624	109 118	109 118	109 118	145 098	128 471	73 451
Cash backing/surplus reconciliation										
Cash and investments available	(2 962)	(7 962)	88 404	(167 861)	17 454	17 454	109 118	145 173	128 546	73 526
Application of cash and investments	143 736	132 424	148 313	114 279	255 628	255 628	8 406	2 432	73 750	79 349
Balance - surplus (shortfall)	(146 698)	(140 386)	(59 909)	(282 140)	(238 174)	(238 174)	100 712	142 741	54 795	(5 823)
Asset management										
Asset register summary (WDV)	658 543	701 299	712 342	1 084 108	1 540 631	1 540 631	1 735 046	1 735 046	1 828 734	1 927 482
Depreciation & asset impairment	24 566	26 361	26 998	36 040	36 040	36 040	35 936	35 936	36 976	38 973
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	3 942	4 153	14 268	19 715	3 620	3 620	18 898	18 898	19 918	20 994
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	6 000	6 000	6 000	6 000	6 000	6 330	6 678
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. 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 operating surplus/deficit (after Total Expenditure) 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 is financed from a combination of the current operating surplus.

Table 4 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC23 Uthukela - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard	1									
Governance and administration		178 928	131 038	230 769	153 183	155 614	155 614	281 618	296 825	312 854
Executive and council		178 928	131 038	230 769	153 183	155 614	155 614	40 211	42 382	44 671
Budget and treasury office		-	-	-	-	-	-	241 407	254 443	268 183
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	890	938	989
Community and social services		-	-	-	-	-	-	890	938	989
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6 571	4 611	11 801	222 208	233 208	233 208	-	-	-
Planning and development		6 571	4 611	11 801	222 208	233 208	233 208	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		212 816	339 735	214 434	254 861	254 276	254 277	355 146	379 924	439 706
Electricity		-	-	-	-	-	-	-	-	-
Water		127 690	203 841	128 720	152 917	152 566	152 566	332 936	356 515	415 033
Waste water management		85 127	135 894	85 714	101 944	101 710	101 710	22 210	23 409	24 673
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	398 316	475 384	457 004	630 252	643 098	643 099	637 654	677 687	753 549
Expenditure - Standard										
Governance and administration		46 561	46 064	51 914	47 387	47 964	47 964	79 058	83 328	87 827
Executive and council		14 322	13 082	16 875	14 241	14 202	14 202	31 437	33 135	34 923
Budget and treasury office		15 135	15 037	16 177	13 797	13 799	13 799	25 646	27 031	28 491
Corporate services		17 103	17 946	18 862	19 349	19 963	19 963	21 975	23 162	24 413
Community and public safety		9 754	6 397	6 071	8 404	8 187	8 187	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		9 754	6 397	6 071	8 404	8 187	8 187	-	-	-
Economic and environmental services		27 390	24 868	23 485	242 923	275 498	275 498	38 236	40 300	42 477
Planning and development		27 390	24 868	23 485	242 923	275 498	275 498	38 236	40 300	42 477
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		307 365	254 880	284 158	316 759	311 449	311 449	261 748	284 125	302 592
Electricity		-	-	-	-	-	-	-	-	-
Water		184 419	152 999	170 495	190 055	186 870	186 870	235 561	256 524	273 500
Waste water management		122 946	101 880	113 663	126 704	124 580	124 580	26 187	27 601	29 092
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	391 069	332 209	365 628	615 473	643 098	643 098	379 042	407 753	432 896
Surplus/(Deficit) for the year		7 246	143 175	91 376	14 779	0	0	258 611	269 933	320 653

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.

Table 5 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC23 Uthukela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - Office of the Mayor		178 928	131 038	230 769	153 183	155 614	155 614	-	-	-
Vote 2 - Municipal Managers Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate and Social Services		-	-	-	-	-	-	-	-	-
Vote 4 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 5 - Technical Infrastructure Development		98 112	101 318	71 609	207 503	210 346	210 346	-	-	-
Vote 6 - Planning Economic Development and Tourism		6 571	4 611	11 801	14 705	25 662	25 662	-	-	-
Vote 7 - Municipal Health and WSA		-	-	-	-	-	-	-	-	-
Vote 8 - Water and Sanitation Services		114 704	238 417	142 925	254 861	254 276	254 276	-	-	-
Vote 9 - MUNICIPAL MANAGER		-	-	-	-	-	-	40 211	42 382	44 671
Vote 10 - TREASURY		-	-	-	-	-	-	241 407	254 443	268 183
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 12 - WATER SERVICES		-	-	-	-	-	-	355 146	379 923	439 707
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	-	-	-	-	-	890	938	989
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	398 316	475 384	457 104	630 252	645 898	645 898	637 654	677 687	753 549
Expenditure by Vote to be appropriated	1									
Vote 1 - Office of the Mayor		11 676	10 337	12 254	9 529	9 535	9 535	-	-	-
Vote 2 - Municipal Managers Office		2 646	2 745	4 621	4 712	4 923	4 923	-	-	-
Vote 3 - Corporate and Social Services		17 103	17 946	18 862	19 349	20 719	20 719	-	-	-
Vote 4 - Budget and Treasury Office		15 135	15 037	16 177	13 797	14 949	14 949	-	-	-
Vote 5 - Technical Infrastructure Development		7 881	7 776	13 485	213 765	14 775	14 775	-	-	-
Vote 6 - Planning Economic Development and Tourism		27 390	24 868	23 485	29 158	58 776	58 776	-	-	-
Vote 7 - Municipal Health and WSA		9 754	6 397	6 071	8 404	8 187	8 187	-	-	-
Vote 8 - Water and Sanitation Services		299 484	247 104	270 673	316 759	306 943	306 943	-	-	-
Vote 9 - MUNICIPAL MANAGER		-	-	-	-	-	-	31 437	33 134	34 924
Vote 10 - TREASURY		-	-	-	-	-	-	25 646	27 031	28 491
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	21 975	23 162	24 413
Vote 12 - WATER SERVICES		-	-	-	-	-	-	261 749	284 126	302 593
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	-	-	-	-	-	38 236	40 300	42 477
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	391 069	332 209	365 628	615 473	438 807	438 807	379 042	407 753	432 896
Surplus/(Deficit) for the year	2	7 246	143 175	91 476	14 779	207 091	207 091	258 611	269 933	320 653

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the District.

Table 6 MBRR Table A6 - Budgeted Financial Position

DC23 Uthukela - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		914	213	8				8	8	9	9
Call investment deposits	1	-	-	88 396	63 300	248 615	248 615	109 110	145 165	128 537	73 517
Consumer debtors	1	35 388	139 994	180 647	180 787	180 787	180 787	195 099	210 706	215 526	220 607
Other debtors		3 773	9 195	12 913	4 014	4 014	4 014	4 014	4 335	4 569	4 816
Current portion of long-term receivables											
Inventory	2	3 932	3 521	3 704	3 955	3 955	3 955	3 908	4 123	4 349	4 589
Total current assets		44 007	152 923	285 668	252 056	437 371	437 371	312 138	364 338	352 991	303 537
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	664 983	701 248	712 293	1 001 518	1 001 518	1 001 518	903 396	1 063 422	1 120 847	1 181 373
Agricultural											
Biological											
Intangible		53	51	49	51	51	51	49	47	45	44
Other non-current assets											
Total non current assets		665 036	701 299	712 342	1 001 569	1 001 569	1 001 569	903 445	1 063 469	1 120 892	1 181 416
TOTAL ASSETS		709 042	854 222	998 010	1 253 625	1 438 940	1 438 940	1 215 583	1 427 807	1 473 883	1 484 953
LIABILITIES											
Current liabilities											
Bank overdraft	1	3 876	8 175	-	231 161	231 161	231 161				
Borrowing	4	3 557	2 619	3 865	2 722	2 722	2 722	2 722	5 341	2 442	520
Consumer deposits		6 828	7 671	8 408	8 132	8 132	8 132	8 870	8 879	8 587	8 587
Trade and other payables	4	170 059	176 848	241 657	294 276	420 627	420 627	185 036	132 449	139 602	147 140
Provisions		3 395	3 721	148				36 083	38 032	40 162	42 411
Total current liabilities		187 715	199 034	254 079	536 291	662 642	662 642	232 712	184 701	190 793	198 658
Non current liabilities											
Borrowing		16 010	13 460	12 458	14 267	14 267	14 267	13 691	15 107	15 891	16 718
Provisions		-	-	3 459	4 180	4 180	4 180	3 783	3 991	4 207	4 434
Total non current liabilities		16 010	13 460	15 916	18 447	18 447	18 447	17 474	19 098	20 098	21 152
TOTAL LIABILITIES		203 725	212 494	269 995	554 738	681 089	681 089	250 186	203 799	210 891	219 809
NET ASSETS	5	505 317	641 728	728 015	698 887	757 851	757 851	965 397	1 224 008	1 262 992	1 265 144
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		505 317	641 728	728 163	913 530	757 851	757 851	965 397	1 224 008	1 262 992	1 265 144
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	505 317	641 728	728 163	913 530	757 851	757 851	965 397	1 224 008	1 262 992	1 265 144

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.

Table 24 MBRR Table A7 - Budgeted Cash flow

DC23 Uthukela - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		42 166	31 348	38 281	130 968	118 263	118 263	118 263	83 498	37 227	39 237
Government - operating	1	286 974	198 946	226 470	275 308	278 108	278 108	278 108	277 744	292 373	308 161
Government - capital	1		110 327	213 561	207 503	218 503	218 503	193 847	204 684	215 737	
Interest			21 260	19 048	16 473	31 025	31 025	31 025	16 140	17 011	17 930
Dividends		17 018	31 065	3 020							
Payments											
Suppliers and employees		(282 393)	(313 125)	(363 345)	(430 983)	(400 146)	(400 146)	(400 146)	(325 587)	(349 499)	(375 050)
Finance charges		(4 489)	(6 573)	(2 856)	(3 841)	(3 841)	(3 841)	(3 841)	(3 339)	(3 520)	(3 710)
Transfers and Grants	1							(6 000)	(6 330)	(6 678)	
NET CASH FROM/(USED) OPERATING ACTIVITIES		59 275	73 248	134 179	195 428	241 912	241 912	241 912	236 302	191 947	195 628
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			293								
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(61 362)	(75 106)	(38 107)	(210 208)	(221 198)	(221 198)	(221 198)	(196 037)	(203 268)	(245 055)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(61 362)	(74 813)	(38 107)	(210 208)	(221 198)	(221 198)	(221 198)	(196 037)	(203 268)	(245 055)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing								750	-	-	
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(4 077)	(3 436)	294				(5 035)	(5 307)	(5 593)	
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4 077)	(3 436)	294	-	-	-	-	(4 285)	(5 307)	(5 593)
NET INCREASE/ (DECREASE) IN CASH HELD		(6 164)	(5 002)	96 366	(14 780)	20 714	20 714	20 714	35 980	(16 628)	(55 020)
Cash/cash equivalents at the year begin:	2	3 204	(2 960)	(7 962)	88 404	88 404	88 404	88 404	109 118	145 098	128 471
Cash/cash equivalents at the year end:	2	(2 960)	(7 962)	88 404	73 624	109 118	109 118	109 118	145 098	128 471	73 451

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.

Table 7 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

DC23 Uthukela - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	(2 960)	(7 962)	88 404	73 624	109 118	109 118	109 118	145 098	128 471	73 451
Other current investments > 90 days		(2)	(0)	-	(241 485)	(91 664)	(91 664)	(0)	75	75	75
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(2 962)	(7 962)	88 404	(167 861)	17 454	17 454	109 118	145 173	128 546	73 526
Application of cash and investments											
Unspent conditional transfers		30 204	25 680	126 351	-	126 351	126 351	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	113 532	106 744	21 962	114 279	129 277	129 277	8 406	2 432	73 750	79 349
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		143 736	132 424	148 313	114 279	255 628	255 628	8 406	2 432	73 750	79 349
Surplus(shortfall)		(146 698)	(140 386)	(59 909)	(282 140)	(238 174)	(238 174)	100 712	142 741	54 795	(5 823)

Table 8 MBRR Table A9 - Asset Management

DC23 Uthukela - Table A9 Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	57 502	61 363	68 344	171 697	173 391	172 448	195 837	203 268	245 055
Infrastructure - Road transport		-	-	-	-	-	-	1 999	2 315	2 355
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		55 544	61 042	64 369	101 312	108 444	101 310	15 525	20 000	50 000
Infrastructure - Sanitation		-	-	-	67 540	60 296	67 539	174 260	177 439	188 920
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		55 544	61 042	64 369	168 852	168 740	168 849	191 784	199 754	241 275
Community		-	-	-	-	-	-	2 468	2 617	2 748
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1 958	321	3 975	2 845	4 651	3 599	1 585	897	1 032
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	200	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	200	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	1 999	2 315	2 355
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		55 544	61 042	64 369	101 312	108 444	101 310	15 525	20 000	50 000
Infrastructure - Sanitation		-	-	-	67 540	60 296	67 539	174 260	177 439	188 920
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		55 544	61 042	64 369	168 852	168 740	168 849	191 784	199 754	241 275
Community		-	-	-	-	-	-	2 468	2 617	2 748
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1 958	321	3 975	2 845	4 651	3 599	1 785	897	1 032
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	57 502	61 363	68 344	171 697	173 391	172 448	196 037	203 268	245 055
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		443 816	489 503	506 205	715 314	981 335	712 875	903 659	952 457	1 003 890
Infrastructure - Sanitation		206 830	200 681	193 815	351 222	528 569	193 815	193 815	204 281	215 312
Infrastructure - Other		-	1 279	1 264	1 279	11 739	1 264	3 732	3 934	4 146
Infrastructure		650 646	691 463	701 285	1 067 815	1 521 643	907 955	1 101 207	1 160 672	1 223 348
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		7 844	9 785	11 008	16 242	18 937	11 703	14 413	15 191	16 012
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		53	51	49	51	51	51	47	45	44
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	658 543	701 299	712 342	1 084 108	1 540 631	919 709	1 115 667	1 175 908	1 239 403
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		24 566	26 361	26 998	36 040	36 040	36 040	35 936	36 976	38 973
Repairs and Maintenance by Asset Class	3	3 942	4 153	14 268	19 715	3 620	3 620	18 898	19 918	20 994
Infrastructure - Road transport		987	1 193	-	3 000	200	200	200	200	200
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	12 900	-	-	11 297	11 908	12 551
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		2 500	-	-	-	-	-	5 000	5 280	5 576
Infrastructure		3 487	1 193	-	15 900	200	200	16 497	17 388	18 327
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	455	2 960	14 268	3 815	3 420	3 420	2 401	2 530	2 667
TOTAL EXPENDITURE OTHER ITEMS		28 508	30 514	41 266	55 755	39 660	39 660	54 833	56 894	59 967
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%
R&M as a % of PPE		0.6%	0.6%	2.0%	2.0%	0.4%	0.4%	1.8%	1.8%	1.8%
Renewal and R&M as a % of PPE		1.0%	1.0%	2.0%	2.0%	0.0%	0.0%	2.0%	2.0%	2.0%

Table 9 MBRR Table A10 - Basic Service Delivery Measurement

DC23 Uthukela - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling		48 782	73 880	73 880	73 880	73 880	73 880	73 880	73 880	73 880
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2	41 900	43 621	43 621	43 621	43 621	43 621	43 621	43 621	43 621
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		90 682	117 501	117 501	117 501	117 501	117 501	117 501	117 501	117 501
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply		35 350	44 300	29 785	29 785	29 785	29 785	29 785	29 785	29 785
<i>Below Minimum Service Level sub-total</i>		35 350	44 300	29 785	29 785	29 785	29 785	29 785	29 785	29 785
Total number of households	5	126 032	161 801	147 286	147 286	147 286	147 286	147 286	147 286	147 286
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)		38 259	57 225	57 225	57 225	57 225	57 225	57 225	57 225	57 225
Chemical toilet										
Pit toilet (ventilated)		70 509	70 509	70 509	70 509	70 509	70 509	70 509	70 509	70 509
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		108 768	127 734	127 734	127 734	127 734	127 734	127 734	127 734	127 734
Bucket toilet		1 340	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551
Other toilet provisions (< min.service level)										
No toilet provisions		24 874	24 874	12 398	12 398	12 398	12 398	12 398	12 398	12 398
<i>Below Minimum Service Level sub-total</i>		26 214	26 425	13 949	13 949	13 949	13 949	13 949	13 949	13 949
Total number of households	5	134 982	154 159	141 683	141 683	141 683	141 683	141 683	141 683	141 683
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water					6 000	6 000	6 000	6 000	6 330	6 678
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	6 000	6 000	6 000	6 000	6 330	6 678

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

Part 2 – Supporting Documentation

1.8 Overview of the annual budget process

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

The primary aims of the Budget / Finance Committee is to ensure:

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

1.8.1 Budget Process Overview

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

1.9 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 District, 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 City strategically complies with the key national and provincial priorities.

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

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

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

The 2013/14 MTREF has therefore been directly informed by the IDP revision process

1.10 Legislation compliance status

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

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

Internship programme

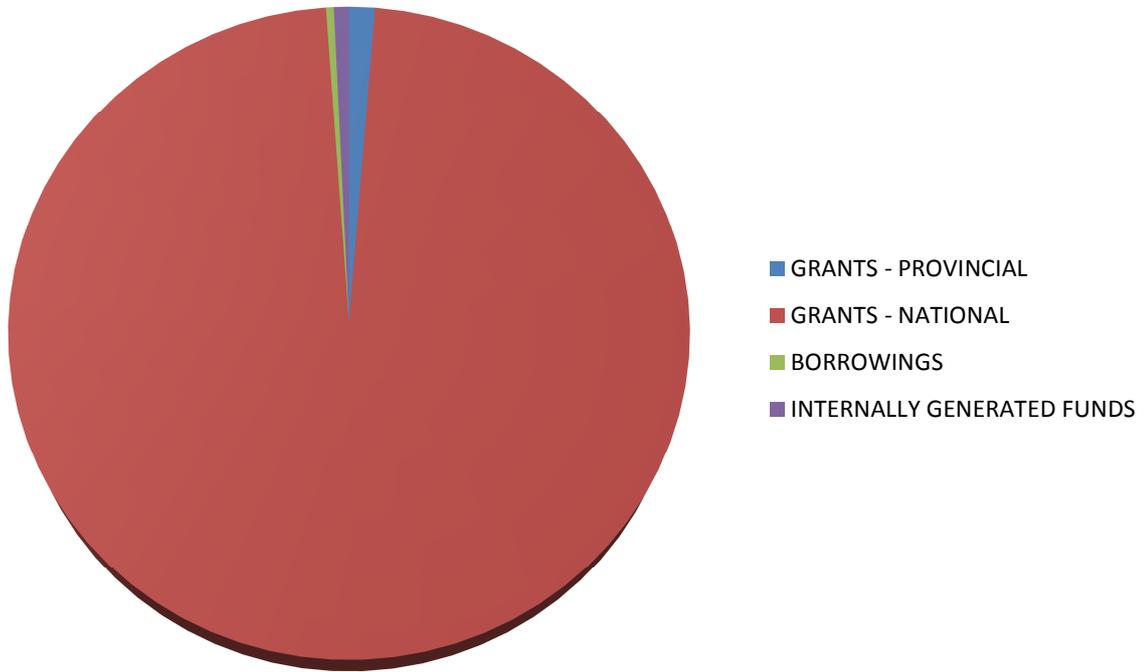
The District is participating in the Municipal Financial Management Internship programme and had employed five interns whom had undergoing training in various divisions of the Financial Services Department. All five interns have been appointed permanently from March 2013. The District Municipality is in progress to appoint new five interns

2. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
3. Audit Committee
An Audit Committee has been established and is fully functional.
4. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMP competency training has been conducted by municipal officials and other finance municipal official are still undergoing the training.

1.11 Other supporting documents

DRAFT CAPITAL BUDGET 2013/2014 - 2015/2016						
DEPARTMENT	DESCRIPTION	FUNDING	2013/2014	2014/2015	2015/2016	
TECHNICAL						
	Implementation of water and sanitation projects as per WSDP	MIG /NT	174 260 000	177 439 000	188 920 000	
	Infrastructural Development	UTDM	0	0	0	
	RURAL ROAD ASSET MANAGEMENT	RRAM /NT	1 999 000	2 315 000	2 355 000	
			176 259 000	179 754 000	191 275 000	
WATER						
	SECURITY FENCING	UTDM	0	0	0	
	DROUGHT RELIEF	UTDM	1 000 000	0	0	
	MUNICIPALITY WATER INFRASTRUCTURE	MWI /NT	14 525 000	20 000 000	50 000 000	
	REFURBISHMENT OF EXISTING SCHEMES	UTDM	0	0	0	
			15 525 000	20 000 000	50 000 000	
HEALTH						
	EQUIPMENT	UTDM	10 000	0	0	
	LAB EQUIPMENT	UTDM	200 000	0	0	
			210 000	0	0	
STRATEGIC PIANNING AND ECONOMIC DEVELOPMENT						
	IT EQUIPMENT AND SOFTWARE	UTDM	0	690 000	793 500	
	GIS EQUIPMENT AND SOFTWARE	UTDM	0	207 000	238 050	
	MSIG GRANT	MSIG/NT	445 000	0	0	
	OFFICE FURNITURE & EQUIPMENT	UTDM	10 000	0	0	
	INFRASTRUCTURE SPORT FACILITIES	PT	2 468 000	2 617 000	2 748 000	
			2 923 000	3 514 000	3 779 550	
CORPORATE SERVICES						
	FIRE FIGHTING EQUIPMENT	UTDM	150 000	0	0	
	OFFICE FURNITURE & EQUIPMENT	UTDM	10 000	0	0	
			160 000	0	0	
FINANCE						
	LAPTOPS - INTERNS	FMG	75 000			
	FURNITURE	FMG	75 000	0	0	
	OFFICE FURNITURE & EQUIPMENT	UTDM	10 000	0	0	
			160 000	0	0	
COUNCIL						
	DEPUTY MAYOR CAR	LOAN	500 000	0	0	
	OFFICE EQUIPMENT	UTDM	50 000			
	BAKKIE	LOAN	250 000			
			800 000	0	0	
	TOTAL CAPITAL EXPENDITURE 2013/2014		196 037 000	203 268 000	245 054 550	
	FUNDING					
	GRANTS - PROVINCIAL		2 468 000	2 617 000	2 748 000	
	GRANTS - NATIONAL		191 379 000	199 754 000	241 275 000	
	BORROWINGS		750 000			
	INTERNALLY GENERATED FUNDS		1 440 000	897 000	1 031 550	
	TOTAL CAPITAL EXPENDITURE FUNDING 2013/2014		196 037 000	203 268 000	245 054 550	

CAPITAL EXPENDITURE - 2013 / 2014



DC23 Uthukela - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		177 690	210 848	2 040	271 727	265 727	265 727	277 734	296 608	309 896
Local Government Equitable Share		159 193	198 196		253 410	253 410	253 410	269 199	286 424	302 679
Finance Management		750	1 000	1 250	1 250	1 250	1 250	1 090	1 250	1 250
Municipal Systems Improvement		792	504	790	1 000	1 000	1 000	445	934	967
EPWP Incentive		1 706	792		2 874	2 874	2 874	1 000	-	-
Water Services Operating Subsidy		728	-		7 193	7 193	7 193	6 000	8 000	5 000
DWA		14 521	10 355		6 000					
Provincial Government:		1 314	226	-	-	-	-	-	-	-
Sport and Recreation		1 314	226							
DWA										
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	179 004	211 073	2 040	271 727	265 727	265 727	277 734	296 608	309 896
Capital Transfers and Grants										
National Government:		100 474	111 188	101 879	209 634	209 634	209 634	191 389	199 754	241 275
Municipal Infrastructure Grant (MIG)		98 112	101 318	69 483	182 858	182 858	182 858	174 260	177 439	188 920
RURAL ROAD ASSETS MANAGEMENT					1 776	1 776	1 776	1 999	2 315	2 355
Finance management Grant								160	-	-
msig								445	-	-
Municipality Water Infrastructure								14 525	20 000	50 000
Regional Bulk Infrastructure Driefontein Complex		2 362	9 870		25 000	25 000	25 000			
RURAL ROAD ASSETS MANAGEMENT				32 396						
Provincial Government:		-	-	-	-	-	-	2 468	2 617	2 748
Infrastructure Sport Facilities								2 468	2 617	2 748
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	100 474	111 188	101 879	209 634	209 634	209 634	193 857	202 371	244 023
TOTAL RECEIPTS OF TRANSFERS & GRANTS		279 478	322 261	103 919	481 361	475 361	475 361	471 591	498 979	553 919

DC23 Uthukela - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		3 919	3 719	5 502	4 979	4 979	4 979	2 848	3 002	3 164
Pension and UIF Contributions								814		
Medical Aid Contributions								407		
Motor Vehicle Allowance								1 214	1 280	1 349
Cellphone Allowance						275	275	328	346	365
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		3 919	3 719	5 502	4 979	5 254	5 254	5 611	4 627	4 877
% increase	4		(5.1%)	48.0%	(9.5%)	5.5%	-	6.8%	(17.5%)	5.4%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 450	3 382	3 105	6 659	6 659	6 659	7 268	7 660	8 074
Pension and UIF Contributions		134	27							
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3	1 031	933	828	585	585	585	232	245	258
Cellphone Allowance	3									
Housing Allowances	3	40	42	36	35	35	35	30	32	33
Other benefits and allowances	3	336	108	680				65	69	72
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		4 991	4 492	4 649	7 279	7 279	7 279	7 595	8 005	8 437
% increase	4		(10.0%)	3.5%	56.6%	-	-	4.3%	5.4%	5.4%
Other Municipal Staff										
Basic Salaries and Wages		75 812	84 192	85 587	87 127	87 128	87 128	102 691	108 236	114 081
Pension and UIF Contributions		1 122	904	7 314	8 198	8 198	8 198	17 982	20 537	21 646
Medical Aid Contributions		2 291	2 518	2 786	3 183	3 183	3 183	4 432	4 671	6 608
Overtime					3 000	3 000	3 000	5 249	5 532	5 831
Performance Bonus								303	319	337
Motor Vehicle Allowance	3	552	2 205		5 977	5 977	5 977	4 053	4 272	4 503
Cellphone Allowance	3							62	65	69
Housing Allowances	3				1 421	1 421	1 421	1 167	1 230	1 296
Other benefits and allowances	3	698	647	2 996	1 931	311	311	850	896	944
Payments in lieu of leave		1 617	2 367					764	805	849
Long service awards								13 210	13 923	14 675
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		82 092	92 833	98 683	110 837	109 218	109 218	150 763	160 488	170 839
% increase	4		13.1%	6.3%	12.3%	(1.5%)	-	38.0%	6.5%	6.4%
Total Parent Municipality		91 002	101 044	108 834	123 095	121 751	121 751	163 969	173 121	184 153
			11.0%	7.7%	13.1%	(1.1%)	-	34.7%	5.6%	6.4%
TOTAL SALARY, ALLOWANCES & BENEFITS		91 002	101 044	108 834	123 095	121 751	121 751	163 969	173 121	184 153
% increase	4		11.0%	7.7%	13.1%	(1.1%)	-	34.7%	5.6%	6.4%
TOTAL MANAGERS AND STAFF	5,7	87 083	97 325	103 332	118 116	116 497	116 497	158 358	168 493	179 276

1.12 Municipal manager's quality certificate

I **Martin Mduduzi Sithole** , Acting Municipal Manager of Uthukela District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Acting Municipal Manager of Uthukela District Municipality (DC23)

Signature _____

Date _____