

**SCHEDULE A**

**ANNUAL BUDGET**

**AND SUPPORTING**

**DOCUMENTATION**

**OF KWA SANI**

**MUNICIPALITY**

# **ANNUAL BUDGET OF KWA SANI MUNICIPALITY**

**2014/15 TO 2016/17  
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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1st DRAFT 2012/2013

## Abbreviations and Acronyms

AMR	Automated Meter Reading	LED	Local Economic Development
ASGISA	Accelerated and Shared Growth Initiative	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act
CBD	Central Business District		Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	Municipality 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		
ℓ	litre		

## Part 1 – Annual Budget

### 1.1 Mayor's Report



KwaSani Local Municipality is pleased to officially present its 2014/15 Draft Budget where we report on how the municipality anticipates to ensure that Service delivery priorities, as identified in the Independent Development Plan (IDP) are funded and implemented, in terms of section 21 (2) (a)-(c) of the MFMA which states that “when preparing the annual budget, the Mayor of a municipality must”:

- a) Take into account the municipality's Integrated Development Plan (IDP)
- b) Take all reasonable steps to ensure that the municipality revised the IDP in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years
- c) Take into account the national budget, the relevant provincial budget, the nation government's fiscal and macro-economic policy, the annual Division of Revenue Act (DoRA) and any agreements in the Budget Forum

Thus taking into account the provision of the MFMA as stated above, I present to all the draft MTERF for 2014/15 to 2016/17

The intention is to bring forth the highlights contained in the draft budget in its current form so as to facilitate a process of consultation leading to the compilation of the final budget for 2014/15 financial year. It is indeed our stated intention as KwaSani Municipality that the final budget for 2014/15 be adopted by the end of June 2014. It is going to be a product of extensive consultation such that the limited resources available are allocated towards satisfying the community's priorities and that the budget preparation itself is complying with relevant legislation

Our main Objective as the municipality is to ensure that the communities of the KwaSani Municipality get access to basic services and thus we are confident that this budget has been compiled to ensure that this happens.

With the challenges faced by the municipality in the 2012/13 financial year, particularly in capital spending area, the future strategy of the municipality is to ensure that implementation of capital projects is done efficiently, timeously and implemented within the required and agreed time frames.

KwaSani Municipality therefore pledges its commitment to effective and efficient Service Delivery as outlined in the 2014/15 IDP and Draft Budget.

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**Honourable Mayor  
Councillor M. Banda**

## 1.2 Council Resolutions

On the 28 March 2014 the council of KwaSani Municipality met at the Municipal Boardroom, Himeville to consider the 2014/15 – 2016/17 Budget. The budget & supporting document (Schedule A), was adopted by the council of KwaSani Local Municipality.

1. The Council of Kwa Sani Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) noted:
  - 1.1. The Draft budget of the municipality for the financial year 2014/15 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 9 on page 14;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 10 on page 15;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 11 on page 16; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 12 on page 17
  - 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 5 on page 8;
    - 1.2.2. Budgeted Cash Flows as contained in Table 14 on page 20;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 15 on page 21;
    - 1.2.4. Asset management as contained in Table 16 on page 22; and
    - 1.2.5. Basic service delivery measurement as contained in Table 17 on page 23.
2. The Council of Kwa Sani Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) notes the proposal for the increment of tariffs by 6% with effect from 1 July 2014 which the Draft Budget has been prepared based on it.
3. To give proper effect to the municipality's Draft budget, it must further be noted that:
  - 3.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.



### 1.3 Executive Summary

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. This has resulted in savings to the municipality.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 70, 71 and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/14 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and buildings infrastructure;
- The need to re-prioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 draft budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2014/15 MTREF**

Description	Adjustments Budget 2013/2014	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Total Operating Revenue	42 251	39 499	40 890	43 236
Total Operating Expenditure	42 248	39 419	40 654	43 211
Surplus/(Deficit) Budgeted Operating Statement	<b>3</b>	<b>80</b>	<b>236</b>	<b>25</b>
Total Capital Funding	<b>9 083</b>	<b>7 478</b>	<b>7 556</b>	<b>7 679</b>

**Operating revenue** The decrease of 7% on total revenue for 2014/2015 is a result of approved rollover grants for COGTA which has been taken into account in the 2014/2015 Draft budget. The total operating revenue is expected to increase by 4% in 2015/2016 and by 6% in 2016/2017.

**Operating expenditure** for the 2014/15 financial years has been appropriated at R40 million and translates into a budgeted surplus of R80 thousands.

**Capital Expenditure** For the 2014/15 financial year , 76% of capital expenditure is funded by the MIG and 24% is funded by Own Revenue .At the moment the Own revenue collection is currently low thus not sufficient enough to finance Capital Expenditure. For the 2014/15 financial years the municipality will continue with data cleansing exercise for debtors book with an aim to boost revenue collection and alternatively have own revenue to fast track service delivery.

### **Operating Revenue Framework**

For Kwa Sani Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The 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 KSM and continued economic development;
- Efficient revenue management, which aims to ensure a 95% annual collection rate for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

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

**KZN432 Kwa Sani - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	8 939	10 001	11 739	12 384	12 384	12 384	12 384	13 112	13 886	14 650
Property rates - penalties & collection charges		1 036	784	732	767	417	732	732	1 070	1 133	1 195
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1 800	1 925	2 286	2 083	2 083	2 083	2 083	2 164	2 292	2 418
Service charges - other											
Rental of facilities and equipment		220	242	298	333	333	294	294	275	291	307
Interest earned - external investments		480	820	931	829	829	829	829	1 521	1 611	1 699
Interest earned - outstanding debtors					235	118					
Dividends received											
Fines		92	125	73	100	100	106	106	107	113	119
Licences and permits		86	99	65	297	350	297	297	742	786	829
Agency services											
Transfers recognised - operational		19 459	15 040	17 058	16 827	16 840	21 827	21 827	18 253	18 752	19 880
Other revenue	2	778	525	244	1 687	8 798	1 687	1 687	2 255	2 027	2 138
Gains on disposal of PPE		45	78	(8 528)							
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>32 935</b>	<b>29 638</b>	<b>24 899</b>	<b>35 542</b>	<b>42 251</b>	<b>40 239</b>	<b>40 239</b>	<b>39 500</b>	<b>40 891</b>	<b>43 236</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Property Rates and service charges have increased by 6% due to the anticipated inflation rate as outlined in circular 72. All other Revenue has been increased by 6% anticipated inflation rate.

There is an expected increase in revenue to be generated from licenses and permits for the municipality. This relates to reopening of the Licensing Centre to generate addition revenue. Revenue estimates was obtained from the Department of Transport to determine the extent of revenue that will be generated. The municipality has opted to take the conservative approach to prevent over estimating revenue raised. These new operations are expected to commence in the month of May 2014

**Operating and capital grants and transfers** totals R 25,7 million in the 2014/15 financial year and steadily increases to R 26,3million by 2015/16 and to R 27,5 million in 2016/2017 .

**Table 3 Transfers and Grant Receipts**

2014/2015 BUDGET	Original- 13/14	Adjusted Budget	2014/2015	2015/2016	2016/2017
GOVERNMENT EQUITABLE SHARE	-12 846 000	-12 846 000	-13 627 000	-15 136 000	-15 086 000
MUN FIN MANAGEMENT GRANT	-1 636 792	-1 636 792	-1 800 000	-1 950 000	-2 100 000
MSIG GRANT	-890 000	-890 000	-934 000	-967 000	-1 018 000
Arts and Culture Grants	-454 000	-454 000	-661 000	-699 000	-955 000
Sports Grant Income	0	0	-150 000	0	0
FREE SERVICES GRANT	0	-450 000	0	0	0
ELECTRIFICATION GRANT	0	0	0	0	-721 000
EPWP-Incentive grant	-1 000 000	-1 000 000	-1 081 000	0	0
MIG GRANT	-9 083 000	-9 083 000	-7 478 000	-7 556 000	-7 679 000
SDF	0	-345 956	0	0	0
Maguzwana Housing Grant	0	-5 499 163	0	0	0
<b>Sub Total</b>	<b>-25 909 792</b>	<b>-32 204 911</b>	<b>-25 731 000</b>	<b>-26 308 000</b>	<b>-27 559 000</b>

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

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 boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

### **1.3.1 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.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2014/15 financial year are based on 6 % increase from 1 July 2014 .

Currently solid waste removal is not operating in the desired manner. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. Also, measures will have to be implemented to ensure that this service is offered equitably to all residents in the KSM region. The tariff for each category of refuse will increase by 6% in the 2014/15 financial year.

### **1.3.2 Operating Expenditure Framework**

The Municipality's expenditure framework for the 2014/15 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;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan and
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

**Table 4 Summary of operating expenditure by standard classification item****KZN432 Kwa Sani - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure By Type</b>											
Employee related costs	2	10 414	12 169	12 596	17 369	17 477	17 369	17 369	18 143	19 304	20 540
Remuneration of councillors		722	995	1 461	1 561	1 561	1 561	1 562	1 538	1 621	1 709
Debt impairment	3	139	439	2 105		200	200	200	-	-	-
Depreciation & asset impairment	2	1 473	1 842	1 891	1 957	1 957	1 957	1 957	2 078	2 201	2 322
Finance charges		141	185	214	240	183	184	183	177	187	197
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		3 505	4 173	5 153	6 730	8 116	7 081	7 081	6 994	7 407	7 534
Transfers and grants		-	-	-	1 602	-	-	-	-	-	-
Other expenditure	4, 5	16 327	10 195	9 915	6 078	12 754	11 417	11 417	10 489	9 934	10 910
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>32 721</b>	<b>30 000</b>	<b>33 336</b>	<b>35 538</b>	<b>42 248</b>	<b>39 769</b>	<b>39 769</b>	<b>39 419</b>	<b>40 654</b>	<b>43 211</b>

The Employee related cost will increase by 6.79 % as per Circular 72. There are no new positions that are included in the Draft budget but there were requested for new post which would be discussed in April and May before the approval of budget. These include but not limited to

- GIS Officer
- Planning Intern
- Building Inspector
- Animal pound Supervisor / Officer
- Animal pound Assistant

All other line items have been increased by 6,2% projected inflation rate. For the purposes of this budget preparation all unspent conditional grants have not been included in the budget and will be included only in the adjustment budget 2014/15 subject to Rollover approval by the donor departments.

**1.3.4 REPAIRS AND MAINTENANCE**

The tables below shows audited figures for 2010/2011 to 2012/2013 repairs and maintenance by asset class. The PPE for 2012/2013 is R 43 873 000, 50% of this total is for leased land which is maintained by the lessees in terms of the leased contract that the municipality have with them and 10% are vacant lands which does not needs major maintenance except for grass cutting. Therefore the municipality have to maintain 40% of R 43 873 000 (PPE) which is R 17 549 200. The repairs and maintenance for 2014/2015 is R 1 481 089 which is 8% of PPE. Based on previous years' experience R 1 481 089 would be enough to maintain municipality's assets.

## Table 5 Budgeted Financial Position

### KZN432 Kwa Sani - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13
		Audited Outcome	Audited Outcome	Audited Outcome
<b>R thousand</b>				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash		696	2 396	24 003
Call investment deposits	1	12 372	20 386	–
Consumer debtors	1	4 713	5 371	5 443
Other debtors		591	866	2 017
Current portion of long-term receivables				
Inventory	2		6	6
<b>Total current assets</b>		<b>18 372</b>	<b>29 027</b>	<b>31 469</b>
<b>Non current assets</b>				
Long-term receivables				
Investments				
Investment property		20 587	20 587	10 661
Investment in Associate				
Property, plant and equipment	3	43 393	45 138	43 873
Agricultural				
Biological				
Intangible		65		
Other non-current assets				
<b>Total non current assets</b>		<b>64 046</b>	<b>65 725</b>	<b>54 534</b>
<b>TOTAL ASSETS</b>		<b>82 418</b>	<b>94 752</b>	<b>86 004</b>

## KZN432 Kwa Sani - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		51	-	-	816	816	816	1 062	1 125	1 187
Infrastructure - Road transport		-	-	-	765	765	765	1 019	1 079	1 139
Roads, Pavements & Bridges					765	765	765	1 019	1 079	1 139
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		3	-	-	-	-	-	-	-	-
Dams & Reservoirs		3								
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		48	-	-	51	51	51	43	45	48
Waste Management		33			27	27	27	43	45	48
Transportation	2	15			24	24	24			
Gas										
Other	3									
<b>Community</b>		6	417	-	16	16	16	36	38	40
Parks & gardens										
Sportsfields & stadia		6	52		16	16	16			
Swimming pools			365					25	26	28
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8							11	11	12
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		256	1 398	-	539	420	420	383	407	429
General vehicles					60	148	148	164	174	184
Specialised vehicles	10	64	-	-	83	83	83	119	126	133
Plant & equipment		5	52		11	11	11	20	21	22
Computers - hardware/equipment		-	200		20	20	20	17	18	19
Furniture and other office equipment		22	122		47	47	47			
Abattoirs		13								
Markets		-								
Civic Land and Buildings		63						42	47	49
Other Buildings		42	573		126	111	111			
Other Land		-	382							
Surplus Assets - (Investment or Inventory)		47	69		192			20	21	22
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	1	313	1 815	-	1 371	1 251	1 251	1 481	1 569	1 655
<b>Specialised vehicles</b>		64	-	-	83	83	83	119	126	133
Refuse		64			83	83	83	119	126	133
Fire										
Conservancy										
Ambulances										
<b>R&amp;M as a % of PPE</b>		0.7%	4.0%	0.0%	2.1%	1.8%	1.8%	1.9%	1.9%	1.9%
<b>R&amp;M as % Operating Expenditure</b>		1.0%	6.0%	0.0%	3.9%	3.0%	3.1%	3.8%	3.9%	3.8%

### 1.3.5 Capital expenditure

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

**Table 7 – Capital Expenditure by vote, standard classification and funding**

KZN432 Kwa Sani - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>	2										
<b>Multi-year expenditure to be appropriated</b>											
Vote 1 - Governance & Administration		-	-	-	-	-	-	-	-	-	-
Vote 2 - Community & Public Safety		-	-	-	1 601	2 064	2 064	2 064	-	-	-
Vote 3 - Trading Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Economic and Environmental Services		-	-	-	7 482	7 482	7 482	7 482	-	-	-
Vote 5 - Other		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	9 083	9 546	9 546	9 546	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Governance & Administration		1 174	900	34	63	449	449	449	593	-	-
Vote 2 - Community & Public Safety		2 005	3 457	2 604	305	121	121	121	3 869	-	-
Vote 3 - Trading Services		-	-	-	225	225	225	225	285	-	-
Vote 4 - Economic and Environmental Services		1 690	5 984	6 156	25	-	-	-	5 131	7 556	7 679
Vote 5 - Other		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	225	225	225	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		4 869	10 341	8 794	618	1 019	1 019	1 019	9 877	7 556	7 679
<b>Total Capital Expenditure - Vote</b>		4 869	10 341	8 794	9 701	10 565	10 565	10 565	9 877	7 556	7 679
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		1 174	900	34	63	674	674	674	593	-	-
Executive and council		-	-	6	50	198	198	198	178	-	-
Budget and treasury office		1 174	900	28	13	251	251	251	300	-	-
Corporate services		-	-	-	-	225	225	225	115	-	-
<b>Community and public safety</b>		2 005	3 456	2 604	1 906	2 185	2 185	2 185	3 869	-	-
Community and social services		1 223	3 456	2 604	1 906	2 185	2 185	2 185	3 569	-	-
Sport and recreation		769	-	-	-	-	-	-	-	-	-
Public safety		13	-	-	-	-	-	-	300	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		1 690	5 984	6 156	7 507	7 482	7 482	7 482	5 131	7 556	7 679
Planning and development		-	-	-	25	-	-	-	-	-	-
Road transport		1 690	5 984	6 156	7 482	7 482	7 482	7 482	5 131	7 556	7 679
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	225	225	225	225	285	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	225	225	225	225	285	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	4 869	10 341	8 794	9 701	10 565	10 565	10 565	9 877	7 556	7 679
<b>Funded by:</b>											
National Government		2 913	7 793	7 895	9 096	9 083	9 083	9 083	7 478	7 556	7 679
Provincial Government		769	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	3 682	7 793	7 895	9 096	9 083	9 083	9 083	7 478	7 556	7 679
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	28	844	-	-	-	-	-	-	-
<b>Internally generated funds</b>		1 187	2 521	55	605	1 482	1 482	1 482	2 399	-	-
<b>Total Capital Funding</b>	7	4 869	10 341	8 794	9 701	10 565	10 565	10 565	9 877	7 556	7 679

For 2014/15 an amount of R7,4 million has been appropriated for the development of infrastructure in the total capital budget. In the outer years this amount totals R7,5 million and R7,6 million respectively for each of the financial years.



#### **1.4 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 2013/14 budget and MTREF as noted by the Council.

## 1.4.1 Table 8 MBRR Table A1 - Budget Summary

### KZN432 Kwa Sani - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	9 974	10 785	12 472	13 151	12 801	13 116	13 116	14 182	15 019	15 845
Service charges	1 800	1 925	2 286	2 083	2 083	2 083	2 083	2 164	2 292	2 418
Investment revenue	480	820	931	829	829	829	829	1 521	1 611	1 699
Transfers recognised - operational	19 459	15 040	17 058	16 827	16 840	21 827	21 827	18 253	18 752	19 880
Other own revenue	1 222	1 067	(7 848)	2 652	9 699	2 385	2 384	3 379	3 218	3 394
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>32 935</b>	<b>29 638</b>	<b>24 899</b>	<b>35 542</b>	<b>42 251</b>	<b>40 239</b>	<b>40 239</b>	<b>39 500</b>	<b>40 891</b>	<b>43 236</b>
Employee costs	10 414	12 169	12 596	17 369	17 477	17 369	17 369	18 143	19 304	20 540
Remuneration of councillors	722	995	1 461	1 561	1 561	1 561	1 562	1 538	1 621	1 709
Depreciation & asset impairment	1 473	1 842	1 891	1 957	1 957	1 957	1 957	2 078	2 201	2 322
Finance charges	141	185	214	240	183	184	183	177	187	197
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	1 602	-	-	-	-	-	-
Other expenditure	19 971	14 808	17 173	12 808	21 070	18 699	18 698	17 483	17 341	18 443
<b>Total Expenditure</b>	<b>32 721</b>	<b>30 000</b>	<b>33 336</b>	<b>35 538</b>	<b>42 248</b>	<b>39 769</b>	<b>39 769</b>	<b>39 419</b>	<b>40 654</b>	<b>43 211</b>
<b>Surplus/(Deficit)</b>	<b>213</b>	<b>(362)</b>	<b>(8 437)</b>	<b>4</b>	<b>3</b>	<b>470</b>	<b>470</b>	<b>80</b>	<b>236</b>	<b>25</b>
Transfers recognised - capital	2 767	7 793	9 405	9 096	9 083	9 096	9 096	7 478	7 556	7 679
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2 980</b>	<b>7 431</b>	<b>968</b>	<b>9 100</b>	<b>9 086</b>	<b>9 566</b>	<b>9 566</b>	<b>7 558</b>	<b>7 792</b>	<b>7 704</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>2 980</b>	<b>7 431</b>	<b>968</b>	<b>9 100</b>	<b>9 086</b>	<b>9 566</b>	<b>9 566</b>	<b>7 558</b>	<b>7 792</b>	<b>7 704</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>4 869</b>	<b>10 341</b>	<b>8 794</b>	<b>9 701</b>	<b>10 565</b>	<b>10 565</b>	<b>10 565</b>	<b>9 877</b>	<b>7 556</b>	<b>7 679</b>
Transfers recognised - capital	3 682	7 793	7 895	9 096	9 083	9 083	9 083	7 478	7 556	7 679
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	28	844	-	-	-	-	-	-	-
Internally generated funds	1 187	2 521	55	605	1 482	1 482	1 482	2 399	-	-
<b>Total sources of capital funds</b>	<b>4 869</b>	<b>10 341</b>	<b>8 794</b>	<b>9 701</b>	<b>10 565</b>	<b>10 565</b>	<b>10 565</b>	<b>9 877</b>	<b>7 556</b>	<b>7 679</b>
<b>Financial position</b>										
Total current assets	18 372	29 027	31 469	27 698	44 194	39 194	39 194	37 994	36 344	35 519
Total non current assets	64 046	65 725	54 534	85 638	79 476	79 476	79 476	86 854	91 910	97 089
Total current liabilities	14 773	24 554	22 274	3 314	21 229	21 229	21 229	17 829	15 429	14 429
Total non current liabilities	3 457	3 634	2 772	4 537	3 932	3 932	3 932	3 432	3 032	2 707
Community wealth/Equity	64 188	66 564	60 958	105 485	98 509	93 509	93 509	103 587	109 793	115 472
<b>Cash flows</b>										
Net cash from (used) operating	3 937	9 634	6 696	13 163	12 558	19 754	19 754	8 378	8 678	8 639
Net cash from (used) investing	(3 955)	12 319	(3 450)	(9 701)	(10 565)	17 948	13 865	(13 876)	(9 645)	(9 215)
Net cash from (used) financing	(322)	74	(2 038)	(485)	(385)	(1 025)	(1 025)	(502)	(533)	(123)
<b>Cash/cash equivalents at the year end</b>	<b>767</b>	<b>22 795</b>	<b>24 003</b>	<b>6 247</b>	<b>6 247</b>	<b>37 233</b>	<b>37 233</b>	<b>31 233</b>	<b>29 733</b>	<b>29 033</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	13 137	22 783	24 003	24 233	37 233	32 233	32 233	31 233	29 733	29 033
Application of cash and investments	9 220	15 586	14 344	(34)	13 502	11 306	10 375	12 915	11 121	10 305
<b>Balance - surplus (shortfall)</b>	<b>3 917</b>	<b>7 197</b>	<b>9 659</b>	<b>24 267</b>	<b>23 732</b>	<b>20 928</b>	<b>21 859</b>	<b>18 318</b>	<b>18 612</b>	<b>18 728</b>
<b>Asset management</b>										
Asset register summary (WDV)	64 046	65 725	54 534	85 638	79 476	79 476	86 854	86 854	91 910	99 589
Depreciation & asset impairment	1 473	1 842	1 891	1 957	1 957	1 957	2 078	2 078	2 201	2 322
Renewal of Existing Assets	1 706	5 984	6 156	2 848	3 248	3 248	3 248	6 456	3 778	3 840
Repairs and Maintenance	313	1 815	-	1 371	1 251	1 251	1 481	1 481	1 569	1 655

### 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 emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow

Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

- a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers 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 and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor.

## 1.4.2 Table 9 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN432 Kwa Sani - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>	1									
<i><b>Governance and administration</b></i>		33 186	34 803	30 321	40 219	45 709	45 709	42 600	44 333	45 636
Executive and council		6 653	480	540	2 355	2 355	2 355	2 638	1 629	1 704
Budget and treasury office		26 533	34 322	29 781	37 864	42 567	42 567	39 962	42 703	43 932
Corporate services		-	-	-	-	787	787	-	-	-
<i><b>Community and public safety</b></i>		185	559	1 382	1 766	2 098	2 098	929	824	1 808
Community and social services		92	434	1 310	1 666	1 998	1 998	822	711	1 689
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		92	125	73	100	100	100	107	113	119
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		457	515	182	421	1 287	1 287	1 176	884	932
Planning and development		371	417	118	124	937	937	435	99	105
Road transport		87	99	65	297	350	350	741	785	828
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		1 873	1 554	2 394	2 232	2 202	2 202	2 234	2 365	2 496
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 873	1 554	2 394	2 232	2 202	2 202	2 234	2 365	2 496
<i><b>Other</b></i>	4	-	-	25	-	24	24	39	41	43
<b>Total Revenue - Standard</b>	2	35 702	37 430	34 305	44 638	51 321	51 321	46 978	48 447	50 915
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		20 920	15 905	17 024	18 578	41 908	25 128	20 516	20 966	21 702
Executive and council		11 230	4 867	7 002	5 758	22 854	6 074	6 622	6 705	7 020
Budget and treasury office		9 690	11 039	10 022	12 820	16 779	16 779	10 712	10 900	11 161
Corporate services		-	-	-	-	2 275	2 275	3 182	3 361	3 521
<i><b>Community and public safety</b></i>		7 014	6 602	9 842	10 185	10 313	10 313	11 868	12 089	13 536
Community and social services		4 830	4 089	6 190	7 514	7 470	7 470	9 411	9 625	10 928
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 184	2 514	3 652	2 671	2 842	2 842	2 457	2 464	2 609
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		2 248	3 638	3 983	3 914	3 874	3 874	2 773	3 169	3 367
Planning and development		1 518	2 459	1 938	2 184	2 132	2 132	2 022	2 356	2 503
Road transport		729	1 179	2 045	1 729	1 743	1 743	752	814	865
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		2 003	3 216	1 596	1 832	1 834	1 834	3 107	3 205	3 309
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 003	3 216	1 596	1 832	1 834	1 834	3 107	3 205	3 309
<i><b>Other</b></i>	4	537	638	891	1 029	1 085	1 085	1 155	1 225	1 297
<b>Total Expenditure - Standard</b>	3	32 721	30 000	33 336	35 538	59 014	42 235	39 419	40 654	43 211
<b>Surplus/(Deficit) for the year</b>		2 980	7 431	968	9 100	(7 693)	9 086	7 558	7 793	7 704

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

- 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.
- The Total Revenue on this table includes capital revenues (Transfers recognised – capital).
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Governance and Trading functions, but not the Economic, Community and Public Services and Other function. As already noted above, the

municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Governance Vote.

### 1.4.3 Table 10 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN432 Kwa Sani - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>	1									
Vote 1 - Governance & Administration		33 186	34 803	30 321	40 219	45 709	45 709	42 600	44 333	45 636
Vote 2 - Community & Public Safety		185	559	1 382	1 766	2 098	2 098	929	824	1 808
Vote 3 - Trading Services		1 873	1 554	2 394	2 232	2 202	2 202	2 234	2 365	2 496
Vote 4 - Economic and Environmental Services		457	515	182	421	1 287	1 287	1 176	884	932
Vote 5 - Other		-	-	25	-	24	24	39	41	43
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - Name of Vote		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>35 702</b>	<b>37 430</b>	<b>34 305</b>	<b>44 638</b>	<b>51 321</b>	<b>51 321</b>	<b>46 978</b>	<b>48 447</b>	<b>50 915</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Governance & Administration		20 920	15 905	17 024	18 578	25 128	25 128	20 516	20 966	21 702
Vote 2 - Community & Public Safety		7 014	6 602	9 842	10 185	10 313	10 313	11 868	12 089	13 536
Vote 3 - Trading Services		2 003	3 216	1 596	1 832	1 834	1 834	3 107	3 205	3 309
Vote 4 - Economic and Environmental Services		2 248	3 638	3 983	3 914	3 874	3 874	2 773	3 169	3 367
Vote 5 - Other		537	638	891	1 029	1 085	1 085	1 155	1 225	1 297
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - Name of Vote		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>32 721</b>	<b>30 000</b>	<b>33 336</b>	<b>35 538</b>	<b>42 235</b>	<b>42 235</b>	<b>39 419</b>	<b>40 654</b>	<b>43 211</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>2 980</b>	<b>7 431</b>	<b>968</b>	<b>9 100</b>	<b>9 086</b>	<b>9 086</b>	<b>7 558</b>	<b>7 793</b>	<b>7 704</b>

### 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

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

**Table 11 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

**KZN432 Kwa Sani - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	8 939	10 001	11 739	12 384	12 384	12 384	12 384	13 112	13 886	14 650
Property rates - penalties & collection charges		1 036	784	732	767	417	732	732	1 070	1 133	1 195
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1 800	1 925	2 286	2 083	2 083	2 083	2 083	2 164	2 292	2 418
Service charges - other											
Rental of facilities and equipment		220	242	298	333	333	294	294	275	291	307
Interest earned - external investments		480	820	931	829	829	829	829	1 521	1 611	1 699
Interest earned - outstanding debtors					235	118					
Dividends received											
Fines		92	125	73	100	100	106	106	107	113	119
Licences and permits		86	99	65	297	350	297	297	742	786	829
Agency services											
Transfers recognised - operational		19 459	15 040	17 058	16 827	16 840	21 827	21 827	18 253	18 752	19 880
Other revenue	2	778	525	244	1 687	8 798	1 687	1 687	2 255	2 027	2 138
Gains on disposal of PPE		45	78	(8 528)							
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>32 935</b>	<b>29 638</b>	<b>24 899</b>	<b>35 542</b>	<b>42 251</b>	<b>40 239</b>	<b>40 239</b>	<b>39 500</b>	<b>40 891</b>	<b>43 236</b>
<b>Expenditure By Type</b>											
Employee related costs	2	10 414	12 169	12 596	17 369	17 477	17 369	17 369	18 143	19 304	20 540
Remuneration of councillors		722	995	1 461	1 561	1 561	1 561	1 562	1 538	1 621	1 709
Debt impairment	3	139	439	2 105		200	200	200	-	-	-
Depreciation & asset impairment	2	1 473	1 842	1 891	1 957	1 957	1 957	1 957	2 078	2 201	2 322
Finance charges		141	185	214	240	183	184	183	177	187	197
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		3 505	4 173	5 153	6 730	8 116	7 081	7 081	6 994	7 407	7 534
Transfers and grants		-	-	-	1 602	-	-	-	-	-	-
Other expenditure	4, 5	16 327	10 195	9 915	6 078	12 754	11 417	11 417	10 489	9 934	10 910
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>32 721</b>	<b>30 000</b>	<b>33 336</b>	<b>35 538</b>	<b>42 248</b>	<b>39 769</b>	<b>39 769</b>	<b>39 419</b>	<b>40 654</b>	<b>43 211</b>
<b>Surplus/(Deficit)</b>		<b>213</b>	<b>(362)</b>	<b>(8 437)</b>	<b>4</b>	<b>3</b>	<b>470</b>	<b>470</b>	<b>80</b>	<b>236</b>	<b>25</b>
Transfers recognised - capital		2 767	7 793	9 405	9 096	9 083	9 096	9 096	7 478	7 556	7 679
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>2 980</b>	<b>7 431</b>	<b>968</b>	<b>9 100</b>	<b>9 086</b>	<b>9 566</b>	<b>9 566</b>	<b>7 558</b>	<b>7 792</b>	<b>7 704</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>2 980</b>	<b>7 431</b>	<b>968</b>	<b>9 100</b>	<b>9 086</b>	<b>9 566</b>	<b>9 566</b>	<b>7 558</b>	<b>7 792</b>	<b>7 704</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>2 980</b>	<b>7 431</b>	<b>968</b>	<b>9 100</b>	<b>9 086</b>	<b>9 566</b>	<b>9 566</b>	<b>7 558</b>	<b>7 792</b>	<b>7 704</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>2 980</b>	<b>7 431</b>	<b>968</b>	<b>9 100</b>	<b>9 086</b>	<b>9 566</b>	<b>9 566</b>	<b>7 558</b>	<b>7 792</b>	<b>7 704</b>

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

1. Total revenue in 2014/15 is R39 million and increases to R43 million by 2016/17 due to increase in grants receipt
2. Revenue to be generated from property rates is R13 million in the 2014/15 financial year and increases to R 13,8 million in 2015/2016 and to R 14,6 million 2016/17 which represents 6% increase in 2014/15 ; 5.9% in 2015/16 & 5.5% in 2016/2017. Rates remains a significant funding source for the municipality.
3. Services charges relating to refuse removal constitute R2 million of the revenue basket of KSM.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.

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

Table 12 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN432 Kwa Sani - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Governance & Administration		-	-	-	-	-	-	-	-	-	-
Vote 2 - Community & Public Safety		-	-	-	1 601	2 064	2 064	2 064	-	-	-
Vote 3 - Trading Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Economic and Environmental Services		-	-	-	7 482	7 482	7 482	7 482	-	-	-
Vote 5 - Other		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	9 083	9 546	9 546	9 546	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Governance & Administration		1 174	900	34	63	449	449	449	593	-	-
Vote 2 - Community & Public Safety		2 005	3 457	2 604	305	121	121	121	3 869	-	-
Vote 3 - Trading Services		-	-	-	225	225	225	225	285	-	-
Vote 4 - Economic and Environmental Services		1 690	5 984	6 156	25	-	-	-	5 131	7 556	7 679
Vote 5 - Other		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	225	225	225	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		4 869	10 341	8 794	618	1 019	1 019	1 019	9 877	7 556	7 679
<b>Total Capital Expenditure - Vote</b>		4 869	10 341	8 794	9 701	10 565	10 565	10 565	9 877	7 556	7 679
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		1 174	900	34	63	674	674	674	593	-	-
Executive and council		-	-	6	50	198	198	198	178	-	-
Budget and treasury office		1 174	900	28	13	251	251	251	300	-	-
Corporate services		-	-	-	-	225	225	225	115	-	-
<b>Community and public safety</b>		2 005	3 456	2 604	1 906	2 185	2 185	2 185	3 869	-	-
Community and social services		1 223	3 456	2 604	1 906	2 185	2 185	2 185	3 569	-	-
Sport and recreation		769	-	-	-	-	-	-	-	-	-
Public safety		13	-	-	-	-	-	-	300	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		1 690	5 984	6 156	7 507	7 482	7 482	7 482	5 131	7 556	7 679
Planning and development		-	-	-	25	-	-	-	-	-	-
Road transport		1 690	5 984	6 156	7 482	7 482	7 482	7 482	5 131	7 556	7 679
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	225	225	225	225	285	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	225	225	225	225	285	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	4 869	10 341	8 794	9 701	10 565	10 565	10 565	9 877	7 556	7 679
<b>Funded by:</b>											
National Government		2 913	7 793	7 895	9 096	9 083	9 083	9 083	7 478	7 556	7 679
Provincial Government		769	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	3 682	7 793	7 895	9 096	9 083	9 083	9 083	7 478	7 556	7 679
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	28	844	-	-	-	-	-	-	-
<b>Internally generated funds</b>		1 187	2 521	55	605	1 482	1 482	1 482	2 399	-	-
<b>Total Capital Funding</b>	7	4 869	10 341	8 794	9 701	10 565	10 565	10 565	9 877	7 556	7 679

## **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. Single-year capital expenditure has been appropriated at R 9,8 million for the 2014/15 financial year, to R 7,5 million and R 7,6 million respectively for the two outer years.
4. 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 KSM. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against multi-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses.



## 1.4.6 MBRR Table A6 - Budgeted Financial Position

Table 13 MBRR Table A6 - Budgeted Financial Position

## KZN432 Kwa Sani - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		696	2 396	24 003	6 247	6 247	6 247	6 247	8 247	8 747	9 047
Call investment deposits	1	12 372	20 386	-	17 986	30 986	25 986	25 986	22 986	20 986	19 986
Consumer debtors	1	4 713	5 371	5 443	2 912	4 683	4 683	4 683	4 583	4 483	4 383
Other debtors		591	866	2 017	553	2 278	2 278	2 278	2 178	2 128	2 103
Current portion of long-term receivables											
Inventory	2		6	6							
<b>Total current assets</b>		<b>18 372</b>	<b>29 027</b>	<b>31 469</b>	<b>27 698</b>	<b>44 194</b>	<b>39 194</b>	<b>39 194</b>	<b>37 994</b>	<b>36 344</b>	<b>35 519</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property		20 587	20 587	10 661	20 587	10 661	10 661	10 661	10 661	10 661	10 661
Investment in Associate											
Property, plant and equipment	3	43 393	45 138	43 873	65 028	68 742	68 742	68 742	76 119	81 175	86 354
Agricultural											
Biological											
Intangible		65			23	73	73	73	73	73	73
Other non-current assets											
<b>Total non current assets</b>		<b>64 046</b>	<b>65 725</b>	<b>54 534</b>	<b>85 638</b>	<b>79 476</b>	<b>79 476</b>	<b>79 476</b>	<b>86 854</b>	<b>91 910</b>	<b>97 089</b>
<b>TOTAL ASSETS</b>		<b>82 418</b>	<b>94 752</b>	<b>86 004</b>	<b>113 337</b>	<b>123 671</b>	<b>118 671</b>	<b>118 671</b>	<b>124 848</b>	<b>128 254</b>	<b>132 608</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	(69)	-								
Borrowing	4	166	827	921	406	1 125	1 125	1 125	725	325	325
Consumer deposits			6	6		6	6	6	6	6	6
Trade and other payables	4	14 676	20 988	18 139	2 908	20 098	20 098	20 098	17 098	15 098	14 098
Provisions			2 733	3 208							
<b>Total current liabilities</b>		<b>14 773</b>	<b>24 554</b>	<b>22 274</b>	<b>3 314</b>	<b>21 229</b>	<b>21 229</b>	<b>21 229</b>	<b>17 829</b>	<b>15 429</b>	<b>14 429</b>
<b>Non current liabilities</b>											
Borrowing		1 916	3 233	2 266	2 442	1 435	1 435	1 435	935	535	210
Provisions		1 540	401	506	2 095	2 497	2 497	2 497	2 497	2 497	2 497
<b>Total non current liabilities</b>		<b>3 457</b>	<b>3 634</b>	<b>2 772</b>	<b>4 537</b>	<b>3 932</b>	<b>3 932</b>	<b>3 932</b>	<b>3 432</b>	<b>3 032</b>	<b>2 707</b>
<b>TOTAL LIABILITIES</b>		<b>18 230</b>	<b>28 188</b>	<b>25 046</b>	<b>7 852</b>	<b>25 161</b>	<b>25 161</b>	<b>25 161</b>	<b>21 261</b>	<b>18 461</b>	<b>17 136</b>
<b>NET ASSETS</b>	5	<b>64 188</b>	<b>66 564</b>	<b>60 958</b>	<b>105 485</b>	<b>98 509</b>	<b>93 509</b>	<b>93 509</b>	<b>103 587</b>	<b>109 793</b>	<b>115 472</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		64 188	66 478	58 601	104 731	96 153	91 153	91 153	101 230	107 436	113 115
Reserves	4	-	86	2 357	754	2 357	2 357	2 357	2 357	2 357	2 357
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>64 188</b>	<b>66 564</b>	<b>60 958</b>	<b>105 485</b>	<b>98 509</b>	<b>93 509</b>	<b>93 509</b>	<b>103 587</b>	<b>109 793</b>	<b>115 472</b>

## Explanatory notes to Table A6 - Budgeted Financial Position

- 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).
- 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 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

- 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.
- 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.

#### 1.4.7 MBRR Table A7 - Budgeted Cash Flow Statement

**Table 14 MBRR Table A7 - Budgeted Cash Flow Statement**

**KZN432 Kwa Sani - Table A7 Budgeted Cash Flows**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		15 361	13 700	9 747	19 992	26 583	26 583	26 583	18 644	19 400	20 467
Government - operating	1	11 690	14 946	17 058	16 827	16 840	16 827	16 827	18 253	18 752	19 880
Government - capital	1	10 535	7 887	9 405	9 096	9 083	9 096	9 096	7 478	7 556	7 679
Interest		480	820	931	829	829	829	829	1 521	1 611	1 699
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(33 873)	(27 533)	(30 231)	(33 340)	(40 593)	(33 340)	(33 340)	(37 341)	(38 453)	(40 889)
Finance charges		(256)	(185)	(214)	(240)	(183)	(240)	(240)	(177)	(187)	(197)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>3 937</b>	<b>9 634</b>	<b>6 696</b>	<b>13 163</b>	<b>12 558</b>	<b>19 754</b>	<b>19 754</b>	<b>8 378</b>	<b>8 678</b>	<b>8 639</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	(3 450)	-	-	-	-	101	107	113
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		931	22 660	-	-	-	27 649	23 566	(4 100)	(2 196)	(1 649)
<b>Payments</b>											
Capital assets		(4 886)	(10 341)	-	(9 701)	(10 565)	(9 701)	(9 701)	(9 877)	(7 556)	(7 679)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(3 955)</b>	<b>12 319</b>	<b>(3 450)</b>	<b>(9 701)</b>	<b>(10 565)</b>	<b>17 948</b>	<b>13 865</b>	<b>(13 876)</b>	<b>(9 645)</b>	<b>(9 215)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	515	(1 014)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(322)	(441)	(1 025)	(485)	(385)	(1 025)	(1 025)	(502)	(533)	(123)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(322)</b>	<b>74</b>	<b>(2 038)</b>	<b>(485)</b>	<b>(385)</b>	<b>(1 025)</b>	<b>(1 025)</b>	<b>(502)</b>	<b>(533)</b>	<b>(123)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(340)</b>	<b>22 028</b>	<b>1 208</b>	<b>2 977</b>	<b>1 608</b>	<b>36 676</b>	<b>32 593</b>	<b>(6 000)</b>	<b>(1 500)</b>	<b>(700)</b>
Cash/cash equivalents at the year begin:	2	1 107	767	22 795	3 271	4 640	557	4 640	37 233	31 233	29 733
Cash/cash equivalents at the year end:	2	767	22 795	24 003	6 247	6 247	37 233	37 233	31 233	29 733	29 033

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

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- The municipality does not have long-term investments, all investments are on 24 hour call deposit accounts. Most of these investments are grants that the municipality received to spend in the budget year therefor cannot be invested for longer periods.

4. Cash levels of R31.2 million in 2014/15, R 29, 7 million in 2015/2016 and R29 million in 2016/2017.
5. The municipality is planning to recover cash in terms of a debt collection strategy from consumers to ensure sufficient cash is available to meet daily requirements.
6. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

#### 1.4.8 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

**Table 15 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

KZN432 Kwa Sani - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	767	22 795	24 003	6 247	6 247	37 233	37 233	31 233	29 733	29 033
Other current investments > 90 days		12 370	(12)	(0)	17 986	30 986	(5 000)	(5 000)	1	1	0
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>13 137</b>	<b>22 783</b>	<b>24 003</b>	<b>24 233</b>	<b>37 233</b>	<b>32 233</b>	<b>32 233</b>	<b>31 233</b>	<b>29 733</b>	<b>29 033</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	17 189	17 189	17 189	14 189	12 189	11 189
Unspent borrowing		835	835	915	931	931	931	947	963	979	
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	8 385	14 751	13 429	(965)	(4 619)	(7 615)	(7 615)	(3 482)	(3 340)	(3 222)
Other provisions		-	-	-	-	-	-	-	437	465	494
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	800	800	824	844	864
<b>Total Application of cash and investments:</b>		<b>9 220</b>	<b>15 586</b>	<b>14 344</b>	<b>(34)</b>	<b>13 502</b>	<b>11 306</b>	<b>10 375</b>	<b>12 915</b>	<b>11 121</b>	<b>10 305</b>
<b>Surplus(shortfall)</b>		<b>3 917</b>	<b>7 197</b>	<b>9 659</b>	<b>24 267</b>	<b>23 732</b>	<b>20 928</b>	<b>21 859</b>	<b>18 318</b>	<b>18 612</b>	<b>18 728</b>

#### 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. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2014/15 to 2016/17 the surplus is R18 million and it increases to R 18, 6 million & R 18,7 million in the following years.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2014/15 MTREF is funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

## 1.4.9 Table 16 MBRR Table A9 - Asset Management

KZN432 Kwa Sani - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	3 163	4 357	2 638	6 854	7 317	7 317	3 421	3 778	3 840
Infrastructure - Road transport		-	-	-	5 253	5 253	5 253	-	3 778	3 840
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	5 253	5 253	5 253	-	3 778	3 840
Community		1 976	2 349	2 604	1 112	1 112	1 112	3 147	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1 187	2 008	34	489	953	953	35	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	240	-	-
<b>Total Renewal of Existing Assets</b>	2	1 706	5 984	6 156	2 848	3 248	3 248	6 456	3 778	3 840
Infrastructure - Road transport		1 490	5 984	6 156	821	1 150	1 150	4 331	3 778	3 840
Infrastructure - Electricity		-	-	-	1 408	1 508	1 508	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		1 490	5 984	6 156	2 229	2 658	2 658	4 331	3 778	3 840
Community		-	-	-	-	-	-	410	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	215	-	-	618	590	590	1 715	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	1 490	5 984	6 156	6 074	6 403	6 403	4 331	7 556	7 679
Infrastructure - Road transport		-	-	-	1 408	1 508	1 508	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		1 490	5 984	6 156	7 482	7 911	7 911	4 331	7 556	7 679
Community		1 976	2 349	2 604	1 112	1 112	1 112	3 557	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1 402	2 008	34	1 108	1 543	1 543	1 749	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	240	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	4 869	10 341	8 794	9 701	10 565	10 565	9 877	7 556	7 679
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>										
Infrastructure - Road transport	5	1 789	10 587	18 014	16 603	19 503	19 503	24 634	32 190	39 869
Infrastructure - Electricity		7 488	135	-	-	-	-	-	-	-
Infrastructure - Water		-	657	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		30 242	22 309	14 643	20 587	32 543	32 543	30 921	28 421	28 421
Infrastructure		39 519	33 689	32 657	37 189	52 046	52 046	55 554	60 610	68 289
Community		2 103	9 600	9 507	19 475	12 802	12 802	16 671	16 671	16 671
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		20 587	20 587	10 661	20 587	10 661	10 661	10 661	10 661	10 661
Other assets		1 771	1 849	1 709	8 364	3 894	3 894	3 894	3 894	3 894
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		65	-	-	23	73	73	73	73	73
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	64 046	65 725	54 534	85 638	79 476	79 476	86 854	91 910	99 589
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		1 473	1 842	1 891	1 957	1 957	1 957	2 078	2 201	2 322
<b>Repairs and Maintenance by Asset Class</b>	3	313	1 815	-	1 371	1 251	1 251	1 481	1 569	1 655
Infrastructure - Road transport		-	-	-	765	765	765	1 019	1 079	1 139
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		3	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		48	-	-	51	51	51	43	45	48
Infrastructure		51	-	-	816	816	816	1 062	1 125	1 187
Community		6	417	-	16	16	16	36	38	40
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	256	1 398	-	539	420	420	383	407	429
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		1 786	3 657	1 891	3 328	3 208	3 208	3 560	3 771	3 977
<b>Renewal of Existing Assets as % of total capex</b>		35.0%	57.9%	70.0%	29.4%	30.7%	30.7%	65.4%	50.0%	50.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		115.8%	324.8%	325.5%	145.5%	166.0%	166.0%	310.6%	171.6%	165.3%
<b>R&amp;M as a % of PPE</b>		0.7%	4.0%	0.0%	2.1%	1.8%	1.8%	1.9%	1.9%	1.9%
<b>Renewal and R&amp;M as a % of PPE</b>		3.0%	12.0%	11.0%	5.0%	6.0%	6.0%	9.0%	6.0%	6.0%

### Explanatory notes to Table A9 - Asset Management

- 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.
- 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 meet the recommendations.

## 1.4.10 MBRR Table A10 - Basic Service Delivery Measurement

Table 17 MBRR Table A10 - Basic Service Delivery Measurement

## KZN432 Kwa Sani - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		1 200	1 200	-	1 178	2 345	2 345	2 355	2 365	2 365
<i>Minimum Service Level and Above sub-total</i>		1 200	1 200	-	1 178	2 345	2 345	2 355	2 365	2 365
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	1 000	1 000	1 000	1 000	1 000	1 000
Using own refuse dump		1 620	1 018	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	40	40	40	40	50	50
<i>Below Minimum Service Level sub-total</i>		1 620	1 018	-	1 040	1 040	1 040	1 040	1 050	1 050
<b>Total number of households</b>	5	2 820	2 218	-	2 218	3 385	3 385	3 395	3 415	3 415
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	122	389	389	389	389	389
Refuse (removed at least once a week)		-	-	-	122	338	338	338	338	338
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		87	96	102	160	114	114	139	146	153
Refuse (removed once a week)		51	126	204	204	331	331	299	315	332
<b>Total cost of FBS provided (minimum social package)</b>		138	222	305	363	445	445	438	461	485
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		15 000	15 000	15 000	50 000	50 000	50 000	50 000	50 000	50 000
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		50	50	50	50	50	50	50	50	50
Electricity (kwh per household per month)		55	55	55	55	55	55	55	55	55
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		16 335	16 335	16 335	17 160	17 160	17 160	17 160	17 160	17 160
Property rates (other exemptions, reductions and rebates)		-	-	-	12 005	8 250	8 250	7 463	7 844	8 228
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		-	-	-	160	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>		16 335	16 335	16 335	29 324	25 410	25 410	24 623	25 004	25 388

### **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.
2. The Municipality reports on backlogs for :
  - a. Refuse services
3. The budget provides for 121 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services. The number is set to increase to 190 households given by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R 0.438 million in 2014/15, increasing to R0.485 million in 2016/17. This is covered by the municipality's equitable share allocation.

## **Part 2 – Supporting Documentation**

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

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the CFO.

The primary aims of the Budget Steering Committee are 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 Municipality'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.

Community consultation started in October 2013 which informed the Draft Budget. The Draft budget was discussed with HODs, presented to MANCO, Budget Steering Committee and to the Budget and Treasury Committee before being tabled to the Council.

#### **2.1.1 BELOW IS THE APPROVED IDP AND BUDET PROCESS PLAN**

LEGISLATION	ACTION	PURPOSE	RESPONSIBILITY	PROPOSED TARGET DATE
MSA 26 (b)	Evaluation of changes of circumstances and baseline	To determine status quo/situational analysis; Budget office to determine revenue projections and proposed rate and service charges; Drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives;	HODs  CFO	30 September 2013
Chapter 4 of the Municipal Systems Act	Ward visits	To ensure that community concerns and priorities are attended to and also ensure meaningful community participation	Council	October to November 2013
Chapter 4 of the Municipal Systems Act	IDP Forum and continuous meetings with sector departments and the District	To ensure that concerns of all relevant stakeholders are taken into account. To solicit input from service providers and the DM and Sector Departments (Schools, libraries, clinics, water, electricity, roads).	CFO	In line with IDP Forum Meeting dates
	Assessment of Sector plans	To assess if there is a need for preparation or review and identify gaps for alignment with IDP	IDP and HODs	In line with IDP Forum Meeting dates
MFMA Sec 21(1)(b)(ii)	Assessment of policies including tariff policy	To assess availability and relevance and submit proposed new tariff policy for next financial year	IDP and MM and Finance and Council	Oct / Nov 2013
	Submission of revenue projections and proposed rates and services charges (tariff policy) to Council for consideration	To ascertain availability of funds for the implementation of the IDP	MM, CFO and Council	2 Dec 2013
	Submission of projections by departments	For compilation of draft budget	CFO and HODs	6 Dec 2013
	Mid –year Budget and performance assessment	Assessment of municipality for first half of the 13/14 financial year to detect warning signals and devise remedial measures; Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years to be made available by 21 January)	MM, HODs and CFO	24 JAN 2014
	Compilation of Draft Budget	Finalization of Draft budget for the next three financial years taking into account the previous year’s performance as per audited financial statements ; Submit to Mayor proposed budgets and plans for next three-year budgets	HODs, MM and CFO	14 Feb 2014
MSA Section 26	Table draft budget to	Council review before advertisement and	MM, CFO,	28 March



30 and MFMA Sec 16(2)	council for noting	publication	Council and Mayor	2014
Municipal Planning and Performance Regulations 2001 section 15	Advertise draft IDP and Budget for public comments for 21 days and submission of draft documents to Provincial and National Treasury and DLGTA	To legislative compliance and assessment	MM,CFO and IDP	21 March- to 23 April 2014
Reg. Section 15	Host IDP and Budget Imbizo/hearings	To ensure meaningful public participation. Mayor and Council responds to the community at a public gathering	MM, Mayor, Speaker and Council	In line with IDP Forum Meeting dates
	IDP Forum,	Ensure Stakeholder input and comments before adoption;	IDP Manager Mayor & CFO	In line with IDP Forum Meeting dates
	Public comments consideration	Attend to public comments on IDP and Budget; Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes.	MM, HODs	21 - 24 April 2014
MSA Sec. 32	Tabling of Final Budget to Council for adoption and submission to Treasury and COGTA	To adopt the Final Budget before the start of the 2014/2015 financial year	MM and Mayor	23 May 2014
MSA Section 25	Publication of notice adopting the final Budget for 14 days	To ensure communities and stakeholders are well versed with contents of their IDP & Budget	MM, HOD's and CFO	2 June 2014
MSA Sec 36	Implementation of 2014/2015 IDP and Budget as per approved SDBIP	To ensure coordinated, efficient and effective Service Delivery	All	01 July 2014

### 2.1.2 Budget and IDP overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget. The Mayor tabled in Council the required the IDP and budget time schedule.

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

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;

- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2014/15 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2013/14 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

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

As part of the compilation of the 2014/15 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014/15 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/53 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2013/14 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table - IDP Strategic Objectives**

<b>2014/15</b>
<b>1.</b> To build Transparent administrative body capable of achieving transparency and integrity whilst addressing the needs of KwaSani Community
<b>2.</b> To facilitate community development and involvement; ensure higher levels of democracy and public participation
<b>3.</b> To create enabling investment environment and provide all

residents in the municipality with access to inclusive economy
<b>4.</b> To maintain improve and extend infrastructure and quality service delivery throughout the municipal area
<b>5.</b> To enhance revenue generation and establish sound financial leading to a financially viable municipality
<b>6.</b> Reflect council development strategies spatially. Enhance regional identity and unique character of place

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

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

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide electricity;
  - Provide water;
  - Provide sanitation;
  - Provide waste removal;
  - Provide housing;
  - Provide roads and storm water;
  - Provide public transport;
  - Provide municipal planning services; and
  - Maintaining the infrastructure of the Municipality.
  
2. Economic growth and development that leads to sustainable job creation by:
  - Ensuring there is a clear structural plan for the Municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
  
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
  - Effective implementation of the Indigent Policy;
  - Working with the provincial department of health to provide primary health care services;
  - Extending waste removal services and ensuring effective city cleansing;
  - Ensuring all waste water treatment works are operating optimally;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.

### 3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
  - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
  - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

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

The 2013/14 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 18 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

**KZN432 Kwa Sani - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Municipal Transformation and Institutional Development.	To build a transparent administrative body capable of achieving transparency and integrity whilst addressing employment equity and affirmative action.						-	787	787	-	-	-
Good Governance	To facilitate community development and involvement, ensure higher levels of democracy and public participation, To uphold Bato Pele principles.			6 653	480	-	2 355	2 355	2 355	2 638	1 629	1 704
Local Economic Development	To create enabling investment environment, and provide all residents in the municipality with access to inclusive economic growth opportunities including the poor, the youth, women and disabled.					182	421	1 287	1 287	1 176	884	932
Service Delivery and Infrastructure	To maintain, improve and extend infrastructure and quality of service delivery throughout the municipal area.			2 145	2 211	1 382	3 998	2 098	2 098	3 163	3 190	4 304
Financial Viability and Management	To enhance revenue generation and establish sound financial leading to a financially viable municipality.			26 534	34 323	32 715	36 688	43 618	43 618	39 962	42 703	43 932
Spatial Development Framework	Reflect council development strategies spatially, Enhance regional identity and inique character of place, Ensure conformance with the neighbouring local, district and provincial spatial development frameworks.			371	417	25	1 176	1 176	1 176	39	41	43
<b>Allocations to other priorities</b>			2									
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	<b>35 702</b>	<b>37 431</b>	<b>34 305</b>	<b>44 638</b>	<b>51 321</b>	<b>51 321</b>	<b>46 978</b>	<b>48 447</b>	<b>50 915</b>

### Table 19 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN432 Kwa Sani - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
Municipal Transformation and Institutional Development.	To build a transparent administrative body capable of achieving transparency and					-	-	2 275	2 275	3 182	3 361	3 521	
Good Governance	To facilitate community development and involvement; ensure higher levels of			9 234	2 527	7 002	5 758	6 074	6 074	6 622	6 705	7 020	
Local Economic Development	To create enabling investment environment, and provide all residents in the municipality			1 996	2 340	3 983	3 914	3 874	3 874	2 773	3 169	3 367	
Service Delivery and Infrastructure	To maintain, improve and extend infrastructure and quality of service delivery			10 283	11 635	11 438	12 017	12 147	12 147	14 975	15 294	16 846	
Financial Viability and Management	To enhance revenue generation and establish sound financial leading to a			9 690	11 039	10 022	12 820	16 779	16 779	10 712	10 900	11 161	
Spacial Development Framework	Reflect council development strategies spatically, Enhance regional identity and inique			1 518	2 459	891	1 029	1 085	1 085	1 155	1 225	1 297	
Allocations to other priorities													
<b>Total Expenditure</b>				1	32 721	30 000	33 336	35 538	42 235	42 235	39 419	40 654	43 211

### 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for 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 targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

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

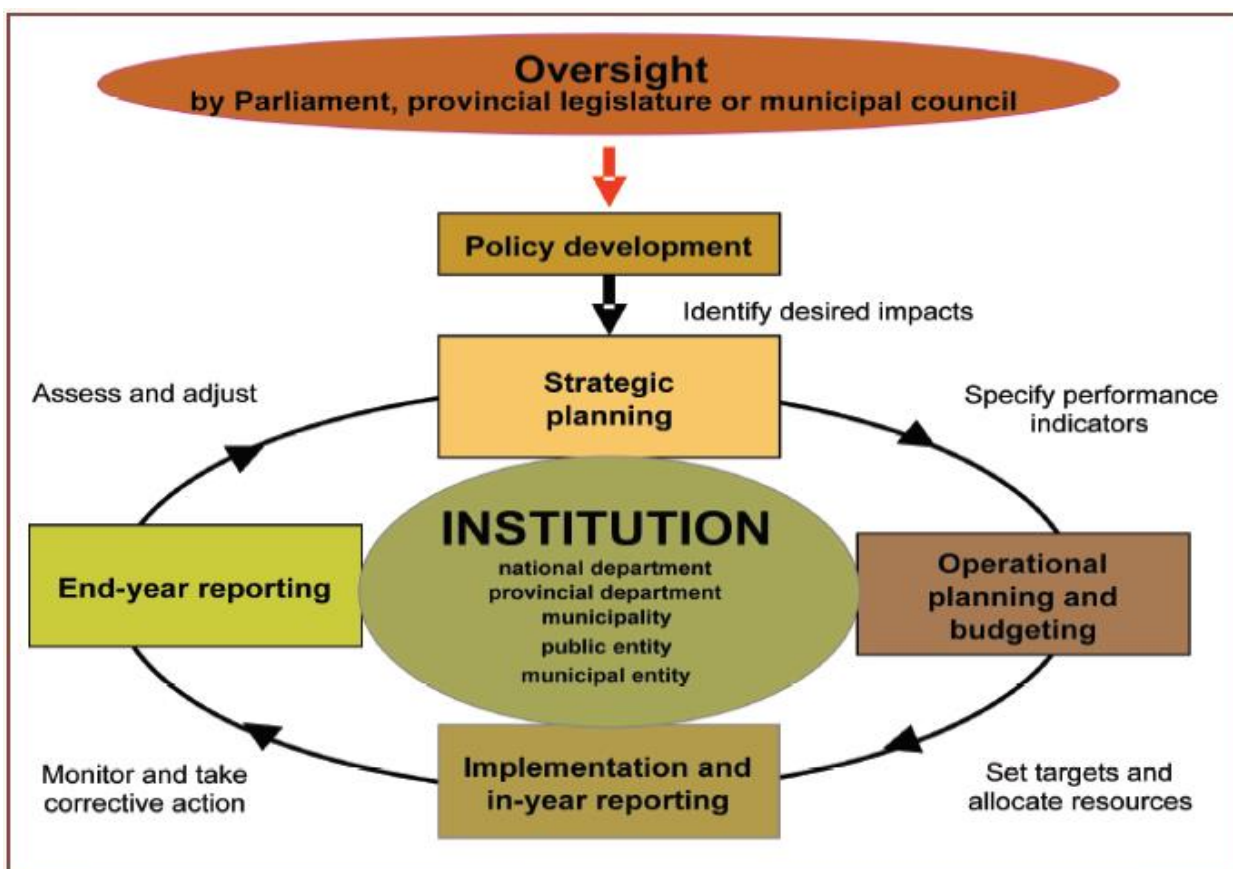


Figure 1 shows Planning, budgeting and reporting cycle

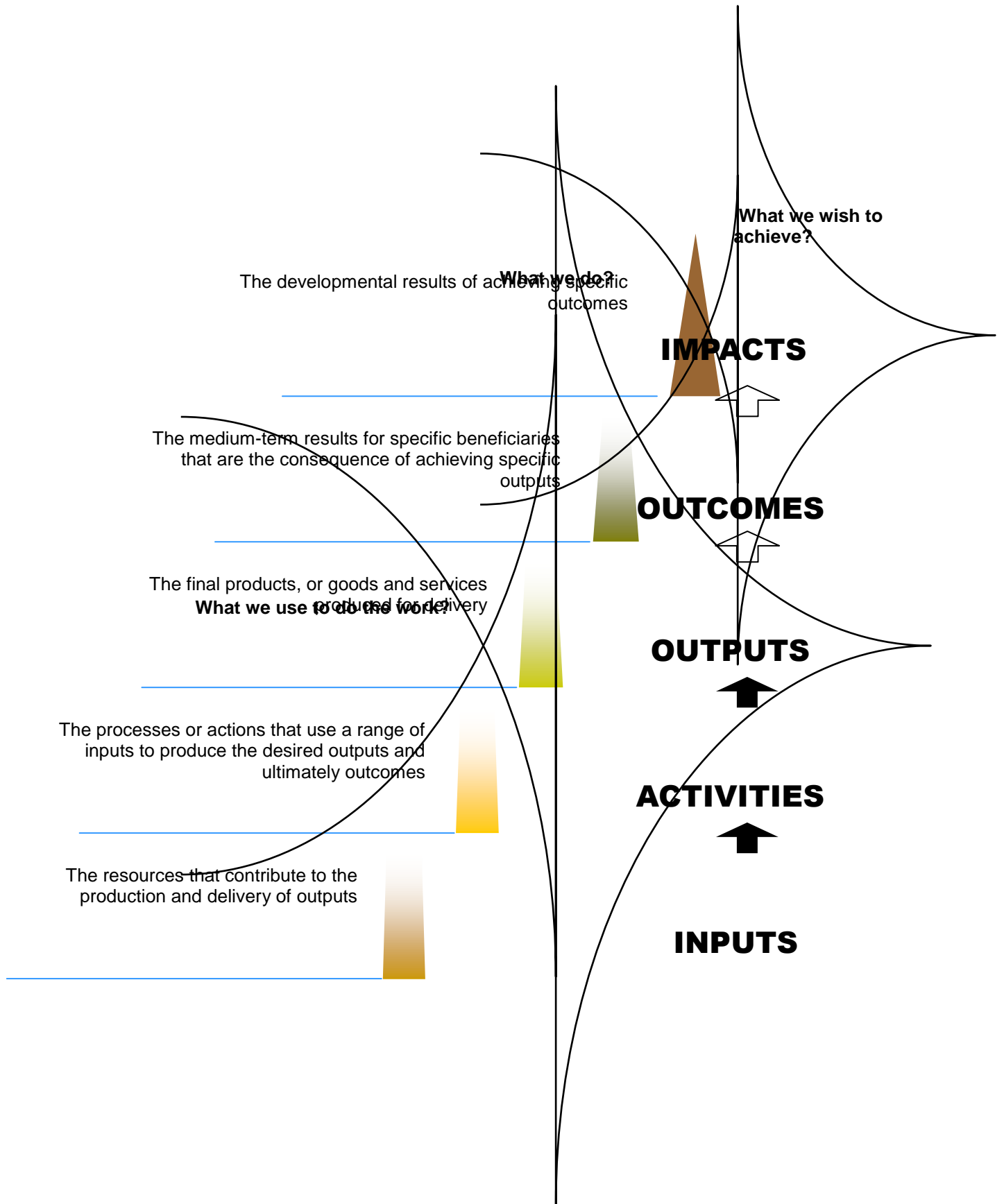
The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which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

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);



- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

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



**Figure 2 Definition of performance information concepts**

The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

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

**KZN432 Kwa Sani - Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b><u>Borrowing Management</u></b>											
Credit Rating		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	2.1%	3.7%	2.0%	1.3%	3.0%	3.0%	1.7%	1.8%	0.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.4%	4.3%	15.8%	3.9%	2.2%	6.6%	6.6%	3.2%	3.3%	1.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	20.2%	-112.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	3777.5%	96.2%	323.9%	60.9%	60.9%	60.9%	39.7%	22.7%	8.9%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.2	1.2	1.4	8.4	2.1	1.8	1.8	2.1	2.4	2.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.2	1.2	1.2	7.7	1.9	1.7	1.7	1.9	2.1	2.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.9	1.1	7.3	1.8	1.5	1.5	1.8	1.9	2.0
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		118.6%	100.0%	63.1%	111.8%	108.1%	151.2%	151.2%	94.5%	94.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		118.6%	100.0%	63.1%	111.8%	108.1%	151.2%	151.2%	94.5%	94.5%	94.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	16.1%	21.0%	30.0%	9.7%	16.5%	17.3%	17.3%	17.1%	16.2%	15.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	99.0%	99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		1912.9%	92.1%	75.6%	46.6%	46.6%	7.8%	7.8%	9.3%	9.8%	10.0%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.6%	41.1%	50.6%	48.9%	41.4%	43.2%	43.2%	45.9%	47.2%	47.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.8%	44.4%	56.5%	53.3%	45.1%	47.3%		49.8%	51.2%	51.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.9%	6.1%	0.0%	3.9%	3.0%	3.1%		3.7%	3.8%	3.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.9%	6.8%	8.5%	6.2%	5.1%	5.3%	5.3%	5.7%	5.8%	5.8%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	10.7	7.5	6.0	15.4	15.4	15.4	9.1	9.9	12.1	12.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	44.2%	48.2%	49.5%	22.3%	45.7%	44.9%	44.9%	40.7%	37.6%	34.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.4	12.7	11.8	2.5	2.3	14.9	14.9	12.3	11.2	10.2

## Performance indicators and benchmarks

### *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. As with all other municipalities, KSM's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is made up of a finance lease and a DBSA loan. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 0%.

## 2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. There are no anticipated changes on most of the policies for the 2014/15 MTREF except for the following policies and the draft budget has been prepared on these bases

### 2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in May 2013 is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed,

The 2014/15 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 95 % on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels.

#### **2.4.2 Asset Management, Infrastructure Investment and Funding Policy**

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

#### **2.4.3 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in May 2013. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

#### **2.4.4 Budget and Virement Policy**

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget and Virement Policy was approved by Council in May 2013.

#### **2.4.5 Banking and Investment Policy**

The Municipality's Cash Management and Investment Policy was approved by Council in May 2013. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

#### **2.4.6 Tariff Policies**

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

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

- Rates Policy;
- Funding Compliance Policy;
- Borrowing Policy;
- Budget Policy; and
- Indigent Policy.
- RATES BY-LAWS
- SUBSISTENCE AND TRAVEL POLICY
- TARIFFS POLICY
- POLICY ON INFRASTRUCTURE INVESTMENTS AND CAPITAL PROJECTS
- POLICY ON LONG TERM FINANCIAL PLANNING
- DEBT MANAGEMENT POLICY
- TRANSPORT POLICY

## **2.5 Overview of budget assumptions**

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

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in the cost of remuneration. Employee related costs comprise 50% of total operating expenditure in the 2014/15 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

### **2.5.2 Interest rates for borrowing and investment of funds**

Loan with DBSA and a finance lease with West bank are the 2 sources of borrowing that the municipality has to pay back.

### **2.5.3 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 (95%) of annual billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### 2.5.4 Salary increases

The municipality has opted to budget for a 6.79% increase as per circular 72

### 2.5.5 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.

### 2.5.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that the municipality would spend 100 per cent operating expenditure and on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget.

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

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

**Table 21 Breakdown of the operating revenue over the medium-term**

KZN432 Kwa Sani - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Financial Performance</b>	<b>9 974</b>	10 785	12 472	13 151	12 801	13 116	13 116	14 182	15 019	15 845
Property rates	1 800	1 925	2 286	2 083	2 083	2 083	2 083	2 164	2 292	2 418
Service charges	480	820	931	829	829	829	829	1 521	1 611	1 699
Investment revenue	19 459	15 040	17 058	16 827	16 840	21 827	21 827	18 253	18 752	19 880
Transfers recognised - operational	1 222	1 067	(7 848)	2 652	9 699	2 385	2 384	3 379	3 218	3 394
Other own revenue										
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>32 935</b>	29 638	24 899	35 542	42 251	40 239	40 239	39 500	40 891	43 236

### **Proposed tariff increases over the medium-term**

All tariffs are budgeted to increase by 6%. Anticipated Revenue to be generated from property rates is R21 million in the 2014/15 financial year before rebates. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality completed the data verification and validation relating to the Second General valuation roll which was implemented on the 01 July 2013.

KwaSani Local Municipality is grant dependent, 46% of the total revenue is attributed to grants revenue. Rates and service charge revenues comprise on 39% of the total revenue mix. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Operational grants and subsidies amount to R18.446 million, R18.752 million and R19.880 million for each of the respective financial years of the MTREF. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The percentage of the total operational grants and transfers in relation to the total operating revenue would remain constant @ 46% over 2014/2014 MTREF.

Investment revenue contributes marginally to the revenue base of the Municipality's with a budget allocation of R1.521 million, R1.611 million and R1.699 million for each of the respective financial years of the MTREF. 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.



The tables below provide detail investment information and investment particulars by maturity.

**Table 22 MBRR SA15 – Investment particulars by type**

**KZN432 Kwa Sani - Supporting Table SA15 Investment particulars by type**

Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		12 372	20 386	-	17 986	30 986	25 986	25 986	22 986	20 986
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 Bonds		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	<b>12 372</b>	<b>20 386</b>	<b>-</b>	<b>17 986</b>	<b>30 986</b>	<b>25 986</b>	<b>25 986</b>	<b>22 986</b>	<b>20 986</b>
<b>Entities</b>										
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		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>12 372</b>	<b>20 386</b>	<b>-</b>	<b>17 986</b>	<b>30 986</b>	<b>25 986</b>	<b>25 986</b>	<b>22 986</b>	<b>20 986</b>

**Table 23 MBRR SA16 – Investment particulars by maturity**

**KZN432 Kwa Sani - Supporting Table SA15 Investment particulars by type**

Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		12 372	20 386	-	17 986	30 986	25 986	25 986	22 986	20 986
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 Bonds		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	<b>12 372</b>	<b>20 386</b>	<b>-</b>	<b>17 986</b>	<b>30 986</b>	<b>25 986</b>	<b>25 986</b>	<b>22 986</b>	<b>20 986</b>
<b>Entities</b>										
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		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>12 372</b>	<b>20 386</b>	<b>-</b>	<b>17 986</b>	<b>30 986</b>	<b>25 986</b>	<b>25 986</b>	<b>22 986</b>	<b>20 986</b>

It should be noted that the above investments are on 24 hours call account.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R 25.986 million, R 22.986 million and R20.986 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

### **2.6.2 Medium-term outlook: capital revenue**

The following table is a breakdown of the funding composition of the 2011/12 medium-term capital programme:

Table 24 MBRR Table SA 17 – Borrowings (Detailed)

## KZN432 Kwa Sani - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		2 082	4 060	3 187	2 848	2 560	2 560	2 560	1 660	860
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	<b>2 082</b>	<b>4 060</b>	<b>3 187</b>	<b>2 848</b>	<b>2 560</b>	<b>2 560</b>	<b>2 560</b>	<b>1 660</b>	<b>860</b>
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	1	<b>2 082</b>	<b>4 060</b>	<b>3 187</b>	<b>2 848</b>	<b>2 560</b>	<b>2 560</b>	<b>2 560</b>	<b>1 660</b>	<b>860</b>
<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		835	835	915	931	931	931	947	963	979
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	<b>835</b>	<b>835</b>	<b>915</b>	<b>931</b>	<b>931</b>	<b>931</b>	<b>947</b>	<b>963</b>	<b>979</b>
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Unspent Borrowing</b>	1	<b>835</b>	<b>835</b>	<b>915</b>	<b>931</b>	<b>931</b>	<b>931</b>	<b>947</b>	<b>963</b>	<b>979</b>

DBSA loan and finance lease for vehicles contribute to the capital and interest finance costs in the income and expenditure statement.

**Table 25 MBRR Table SA 18 - Capital transfers and grant receipts**

KZN432 Kwa Sani - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		10 915	12 807	14 891	16 372	16 386	16 386	17 442	18 053	18 925
Local Government Equitable Share		8 754	10 517	12 054	12 846	12 846	12 846	13 627	15 136	15 086
Finance Management			1 500	1 500	1 636	1 650	1 650	1 800	1 950	2 100
Municipal Systems Improvement		1 726	790	800	890	890	890	934	967	1 018
EPWP Incentive		434	-	537	1 000	1 000	1 000	1 081	-	-
Integrated National Electrification Programme										721
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		67	4 521	5 120	454	454	454	811	699	955
Sport and Recreation			300					150		
Corridor Dev, Arts and Culture and other		67	4 221	5 120	454	454	454	661	699	955
<b>District Municipality:</b>		397	-	47	-	-	-	-	-	-
Capacity Building		123								
Shared Planner & Internal Audit		274		47						
<b>Other grant providers:</b>		586	-	-	-	-	-	-	-	-
DBSA		586								
<b>Total Operating Transfers and Grants</b>	5	11 965	17 328	20 058	16 826	16 840	16 840	18 253	18 752	19 880
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		2 768	7 887	9 405	9 097	9 083	9 083	7 478	7 556	7 679
Municipal Infrastructure Grant (MIG)		2 768	7 887	9 405	9 083	9 083	9 083	7 478	7 556	7 679
FMG					14					
<b>Provincial Government:</b>		-	3 500	-	-	-	-	-	-	-
COGTA GRANTS			3 500							
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Capacity Building										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
DBSA										
<b>Total Capital Transfers and Grants</b>	5	2 768	11 387	9 405	9 097	9 083	9 083	7 478	7 556	7 679
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		14 733	28 715	29 464	25 923	25 923	25 923	25 731	26 308	27 559

### 2.6.3 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 26 MBRR Table A7 - Budget cash flow statement**

**KZN432 Kwa Sani - Table A7 Budgeted Cash Flows**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		15 361	13 700	9 747	19 992	26 583	26 583	26 583	18 644	19 400	20 467
Government - operating	1	11 690	14 946	17 058	16 827	16 840	16 827	16 827	18 253	18 752	19 880
Government - capital	1	10 535	7 887	9 405	9 096	9 083	9 096	9 096	7 478	7 556	7 679
Interest		480	820	931	829	829	829	829	1 521	1 611	1 699
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(33 873)	(27 533)	(30 231)	(33 340)	(40 593)	(33 340)	(33 340)	(37 341)	(38 453)	(40 889)
Finance charges		(256)	(185)	(214)	(240)	(183)	(240)	(240)	(177)	(187)	(197)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>3 937</b>	<b>9 634</b>	<b>6 696</b>	<b>13 163</b>	<b>12 558</b>	<b>19 754</b>	<b>19 754</b>	<b>8 378</b>	<b>8 678</b>	<b>8 639</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	(3 450)	-	-	-	-	101	107	113
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		931	22 660	-	-	-	27 649	23 566	(4 100)	(2 196)	(1 649)
<b>Payments</b>											
Capital assets		(4 886)	(10 341)	-	(9 701)	(10 565)	(9 701)	(9 701)	(9 877)	(7 556)	(7 679)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(3 955)</b>	<b>12 319</b>	<b>(3 450)</b>	<b>(9 701)</b>	<b>(10 565)</b>	<b>17 948</b>	<b>13 865</b>	<b>(13 876)</b>	<b>(9 645)</b>	<b>(9 215)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	515	(1 014)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(322)	(441)	(1 025)	(485)	(385)	(1 025)	(1 025)	(502)	(533)	(123)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(322)</b>	<b>74</b>	<b>(2 038)</b>	<b>(485)</b>	<b>(385)</b>	<b>(1 025)</b>	<b>(1 025)</b>	<b>(502)</b>	<b>(533)</b>	<b>(123)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2	1 107	767	22 795	3 271	4 640	557	4 640	37 233	31 233	29 733
Cash/cash equivalents at the year end:	2	767	22 795	24 003	6 247	6 247	37 233	37 233	31 233	29 733	29 033

## 2.7 Expenditure on allocations and Grant Programmes

The municipality budgeted to spend 100% of allocations and grants receipts.

**Table 27 MBRR Table SA19 – Expenditure on allocations and grant programmes**

KZN432 Kwa Sani - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		10 915	12 807	14 891	16 372	16 386	16 386	17 442	18 053	18 204
Local Government Equitable Share		8 754	10 517	12 054	12 846	12 846	12 846	13 627	15 136	15 086
Finance Management		-	1 500	1 500	1 636	1 650	1 650	1 800	1 950	2 100
Municipal Systems Improvement		1 726	790	800	890	890	890	934	967	1 018
EPWP Incentive		434	-	537	1 000	1 000	1 000	1 081	-	-
Integrated National Electrification Programme		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		67	1 521	5 120	454	454	454	811	699	955
Sport and Recreation		-	300	-	-	-	-	150	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Corridor Dev, Arts and Culture and other		67	1 221	5 120	454	454	454	661	699	955
<b>District Municipality:</b>		397	-	47	-	-	-	-	-	-
Capacity Building		123	-	-	-	-	-	-	-	-
Shared Planner & Internal Audit		274	-	47	-	-	-	-	-	-
<b>Other grant providers:</b>		586	-	-	-	-	-	-	-	-
DBSA		586	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants</b>		11 965	14 328	20 058	16 826	16 840	16 840	18 253	18 752	19 159
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		2 768	7 887	9 405	9 097	9 083	9 083	7 478	7 556	7 679
Municipal Infrastructure Grant (MIG)		2 768	7 887	9 405	9 083	9 083	9 083	7 478	7 556	7 679
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
FMG		-	-	-	14	-	-	-	-	-
<b>Provincial Government:</b>		-	16 794	-	-	-	-	-	-	-
COGTA GRANTS		-	16 794	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
DBSA		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		2 768	24 681	9 405	9 097	9 083	9 083	7 478	7 556	7 679
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		14 733	39 009	29 464	25 923	25 923	25 923	25 731	26 308	26 838

## 2.8 Allocations and grant programmes made by the municipality

**Table 28 – MBRR SA21- Transfers and grants made by the municipality**

The municipality does not have any allocations or grants that it would transfer to other municipalities or organisations as per the table below.

**KZN432 Kwa Sani - Supporting Table SA21 Transfers and grants made by the municipality**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Insert description</i>	4	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b>											
<i>Insert description</i>	5	-	-	-	1 602	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	-	-	1 602	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	-	-	-	1 602	-	-	-	-	-	-
<b>Non-Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
<i>Insert description</i>	4	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
<i>Insert description</i>	5	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	6	-	-	-	1 602	-	-	-	-	-	-



## 2.9 Councilors and board member allowances and employee benefits

The municipality does not have entities. The employee related cost is 50% for 2014/2015 MTREF.

**Table 29 MBRR SA22 – Summary Councilors and staff benefits**

KZN432 Kwa Sani - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		243	233	1 074	1 101	1 101	1 101	1 261	1 329	1 401
Pension and UIF Contributions								-	-	-
Medical Aid Contributions								-	-	-
Motor Vehicle Allowance				303	367	367	367	186	196	206
Cellphone Allowance				85	93	93	93	92	97	102
Housing Allowances								-	-	-
Other benefits and allowances		479	762					-	-	-
<b>Sub Total - Councillors</b>		<b>722</b>	<b>995</b>	<b>1 461</b>	<b>1 561</b>	<b>1 561</b>	<b>1 561</b>	<b>1 538</b>	<b>1 621</b>	<b>1 709</b>
% increase	4		37.9%	46.8%	6.8%	-	-	(1.5%)	5.4%	5.4%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		1 379	1 771	834	2 808	2 382	2 382	2 544	2 707	2 880
Pension and UIF Contributions		2	29	2	11	11	11	11	12	13
Medical Aid Contributions			-		29	29	29	31	33	35
Overtime						250	250	-	-	-
Performance Bonus			68					-	-	-
Motor Vehicle Allowance	3	-		1				-	-	-
Cellphone Allowance	3							-	-	-
Housing Allowances	3							-	-	-
Other benefits and allowances	3	7	204	117	250			-	-	-
Payments in lieu of leave								-	-	-
Long service awards								-	-	-
Post-retirement benefit obligations	6							-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>1 388</b>	<b>2 073</b>	<b>953</b>	<b>3 098</b>	<b>2 672</b>	<b>2 672</b>	<b>2 586</b>	<b>2 752</b>	<b>2 928</b>
% increase	4		49.3%	(54.0%)	224.9%	(13.7%)	-	(3.2%)	6.4%	6.4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		6 268	7 166	8 029	9 959	10 493	10 493	9 479	10 086	10 732
Pension and UIF Contributions		1 317	1 157	1 432	1 459	1 459	1 459	1 560	1 660	1 767
Medical Aid Contributions					367	367	367	973	1 035	1 102
Overtime		544	717	1 037	807	807	807	893	950	1 011
Performance Bonus					745	745	745	1 187	1 263	1 344
Motor Vehicle Allowance	3			941				637	678	721
Cellphone Allowance	3							100	106	113
Housing Allowances	3				24	24	24	67	72	76
Other benefits and allowances	3	897	1 055	203	509	509	509	223	238	253
Payments in lieu of leave					401	401	401	437	465	494
Long service awards								-	-	-
Post-retirement benefit obligations	6							-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>9 026</b>	<b>10 096</b>	<b>11 643</b>	<b>14 271</b>	<b>14 805</b>	<b>14 805</b>	<b>15 557</b>	<b>16 553</b>	<b>17 612</b>
% increase	4		11.8%	15.3%	22.6%	3.7%	-	5.1%	6.4%	6.4%
<b>Total Parent Municipality</b>		<b>11 136</b>	<b>13 164</b>	<b>14 058</b>	<b>18 930</b>	<b>19 038</b>	<b>19 038</b>	<b>19 681</b>	<b>20 926</b>	<b>22 249</b>
			18.2%	6.8%	34.7%	0.6%	-	3.4%	6.3%	6.3%



**Table 31 MBRR SA24 – Summary of personnel numbers****KZN432 Kwa Sani - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		7		7	7		7	7		7
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	3	1	2	4	1	3	4	1	3
Other Managers	7	1	1	-	-	-	-	-	-	-
Professionals		17	11	6	17	11	6	23	16	6
Finance		12	7	5	12	7	5	16	10	5
Spatial/town planning		3	2	1	3	2	1	3	2	1
Information Technology										
Roads		2	2	-	2	2	-	4	4	-
Electricity										
Water										
Sanitation										
Refuse										
Other		-						-		-
Technicians		36	35	1	35	34	1	26	26	1
Finance										
Spatial/town planning		-	-	-						
Information Technology										
Roads					-	-				
Electricity										
Water										
Sanitation										
Refuse		6	6		6	6		6	6	
Other		30	29	1	29	28	1	20	20	1
Clerks (Clerical and administrative)		29	21	8	32	24	8	32	24	8
Service and sales workers					-	-	-	-	-	-
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>93</b>	<b>69</b>	<b>24</b>	<b>95</b>	<b>70</b>	<b>25</b>	<b>92</b>	<b>67</b>	<b>25</b>
<b>% increase</b>					2.2%	1.4%	4.2%	(3.2%)	(4.3%)	-
<b>Total municipal employees headcount</b>	6, 10	<b>93</b>	<b>69</b>	<b>24</b>	<b>96</b>	<b>71</b>	<b>25</b>	<b>103</b>	<b>77</b>	<b>26</b>
Finance personnel headcount	8, 10	<b>13</b>	<b>7</b>	<b>6</b>	<b>13</b>	<b>7</b>	<b>6</b>	<b>17</b>	<b>11</b>	<b>6</b>
Human Resources personnel headcount	8, 10	<b>2</b>	<b>2</b>	<b>-</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>1</b>

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

Table 32 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN432 Kwa Sani - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Revenue By Source</b>																	
Property rates			#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	-	13 112	13 886	14 650
Property rates - penalties & collection charges		89 155.83	89 155.83	89 155.83	89 155.83	89 155.83	89 155.83	89 155.83	89 155.83	89 155.83	89 155.83	89 155.83	89 155.83	89	1 070	1 133	1 195
Service charges - electricity revenue														-	-	-	-
Service charges - water revenue														-	-	-	-
Service charges - sanitation revenue														-	-	-	-
Service charges - refuse revenue			216 418.80	216	216	216	216	216	216	216	216	216	216	-	2 164	2 292	2 418
Service charges - other														-	-	-	-
Rental of facilities and equipment		22 915.92	23	23	23	23	23	23	23	23	23	23	23	23	275	291	307
Interest earned - external investments		126 738.83	127	127	127	127	127	127	127	127	127	127	127	1 521	1 611	1 699	
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		8 906.17	9	9	9	9	9	9	9	9	9	9	9	9	107	113	119
Licences and permits		61 850.17	62	62	62	62	62	62	62	62	62	62	62	62	742	786	829
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		#####	1 521	1 521	1 521	1 521	1 521	1 521	1 521	1 521	1 521	1 521	1 521	18 253	18 752	19 880	
Other revenue		187 951.50	188	188	188	188	188	188	188	188	188	188	188	2 255	2 027	2 138	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont</b>		<b>2 019</b>	<b>3 546</b>	<b>3 546</b>	<b>3 546</b>	<b>3 546</b>	<b>3 546</b>	<b>3 546</b>	<b>3 546</b>	<b>3 546</b>	<b>3 546</b>	<b>3 546</b>	<b>2 019</b>	<b>39 500</b>	<b>40 891</b>	<b>43 236</b>	
<b>Expenditure By Type</b>																	
Employee related costs		#####	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	18 143	19 304	20 540	
Remuneration of councillors		128 171.79	128	128	128	128	128	128	128	128	128	128	128	1 538	1 621	1 709	
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation & asset impairment		173 206.74	173	173	173	173	173	173	173	173	173	173	173	2 078	2 201	2 322	
Finance charges		14 724.83	15	15	15	15	15	15	15	15	15	15	15	177	187	197	
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services		582 800.64	583	583	583	583	583	583	583	583	583	583	583	6 994	7 407	7 534	
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure		874 102.92	874	874	874	874	874	874	874	874	874	874	874	10 489	9 934	10 910	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>		<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>39 419</b>	<b>40 654</b>	<b>43 211</b>	
<b>Surplus/(Deficit)</b>		<b>(1 266)</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>(1 266)</b>	<b>80</b>	<b>236</b>	<b>25</b>	
Transfers recognised - capital		623 166.67	623	623	623	623	623	623	623	623	623	623	623	7 478	7 556	7 679	
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(643)</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>(643)</b>	<b>7 558</b>	<b>7 792</b>	<b>7 704</b>	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(643)</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>(643)</b>	<b>7 558</b>	<b>7 792</b>	<b>7 704</b>	

**Table 4 MBRR SA26 - Budgeted monthly capital expenditure (municipal vote)**

KZN432 Kwa Sani - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>																
Vote 1 - Governance & Administration		3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	42 600	44 333	45 636
Vote 2 - Community & Public Safety		77	77	77	77	77	77	77	77	77	77	77	77	929	824	1 808
Vote 3 - Trading Services		186	186	186	186	186	186	186	186	186	186	186	186	2 234	2 365	2 496
Vote 4 - Economic and Environmental Services		98	98	98	98	98	98	98	98	98	98	98	98	1 176	884	932
Vote 5 - Other		3	3	3	3	3	3	3	3	3	3	3	3	39	41	43
Vote 6 - [NAME OF VOTE 6]														-	-	-
Vote 7 - Name of Vote														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
0														-	-	-
<b>Total Revenue by Vote</b>		<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>3 915</b>	<b>46 978</b>	<b>48 447</b>	<b>50 915</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Governance & Administration		1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	20 516	20 966	21 702
Vote 2 - Community & Public Safety		989	989	989	989	989	989	989	989	989	989	989	989	11 868	12 089	13 536
Vote 3 - Trading Services		259	259	259	259	259	259	259	259	259	259	259	259	3 107	3 205	3 309
Vote 4 - Economic and Environmental Services		231	231	231	231	231	231	231	231	231	231	231	231	2 773	3 169	3 367
Vote 5 - Other		96	96	96	96	96	96	96	96	96	96	96	96	1 155	1 225	1 297
Vote 6 - [NAME OF VOTE 6]														-	-	-
Vote 7 - Name of Vote														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
0														-	-	-
<b>Total Expenditure by Vote</b>		<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>3 285</b>	<b>39 419</b>	<b>40 654</b>	<b>43 211</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>7 558</b>	<b>7 793</b>	<b>7 704</b>
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>7 558</b>	<b>7 793</b>	<b>7 704</b>

KZN432 Kwa Sani - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	3 550	42 600	44 333	45 636
Executive and council		220	220	220	220	220	220	220	220	220	220	220	220	2 638	1 629	1 704
Budget and treasury office		3 330	3 330	3 330	3 330	3 330	3 330	3 330	3 330	3 330	3 330	3 330	3 330	39 962	42 703	43 932
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		77	77	77	77	77	77	77	77	77	77	77	77	929	824	1 808
Community and social services		69	69	69	69	69	69	69	69	69	69	69	69	822	711	1 689
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		9	9	9	9	9	9	9	9	9	9	9	9	107	113	119
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		98	98	98	98	98	98	98	98	98	98	98	98	1 176	864	932
Planning and development		36	36	36	36	36	36	36	36	36	36	36	36	435	99	105
Road transport		62	62	62	62	62	62	62	62	62	62	62	62	741	785	828
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		186	186	186	186	186	186	186	186	186	186	186	186	2 234	2 365	2 496
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		186	186	186	186	186	186	186	186	186	186	186	186	2 234	2 365	2 496
Other		-	-	-	-	-	-	-	-	-	-	-	39	39	41	43
<b>Total Revenue - Standard</b>		3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 950	46 978	48 447	50 915
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	20 516	20 966	21 702
Executive and council		552	552	552	552	552	552	552	552	552	552	552	552	6 622	6 705	7 020
Budget and treasury office		893	893	893	893	893	893	893	893	893	893	893	893	10 712	10 900	11 161
Corporate services		265	265	265	265	265	265	265	265	265	265	265	265	3 182	3 361	3 521
<i>Community and public safety</i>		989	989	989	989	989	989	989	989	989	989	989	989	11 868	12 089	13 536
Community and social services		784	784	784	784	784	784	784	784	784	784	784	784	9 411	9 625	10 928
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		205	205	205	205	205	205	205	205	205	205	205	205	2 457	2 464	2 609
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		231	231	231	231	231	231	231	231	231	231	231	231	2 773	3 169	3 367
Planning and development		168	168	168	168	168	168	168	168	168	168	168	168	2 022	2 356	2 503
Road transport		63	63	63	63	63	63	63	63	63	63	63	63	752	814	865
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		259	259	259	259	259	259	259	259	259	259	259	259	3 107	3 205	3 309
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		259	259	259	259	259	259	259	259	259	259	259	259	3 107	3 205	3 309
Other		96	96	96	96	96	96	96	96	96	96	96	96	1 155	1 225	1 297
<b>Total Expenditure - Standard</b>		3 285	3 285	3 285	3 285	3 285	3 285	3 285	3 285	3 285	3 285	3 285	3 285	39 419	40 654	43 211
<b>Surplus/(Deficit) before assoc.</b>		627	627	627	627	627	627	627	627	627	627	627	665	7 558	7 793	7 704
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	627	627	627	627	627	627	627	627	627	627	627	665	7 558	7 793	7 704

KZN432 Kwa Sani - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Multi-year expenditure to be appropriated</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - Governance & Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community & Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Trading Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Economic and Environmental Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																	
Vote 1 - Governance & Administration		49 383.92	49	49	49	49	49	49	49	49	49	49	49	49	593	-	-
Vote 2 - Community & Public Safety		322 426.00	322	322	322	322	322	322	322	322	322	322	322	322	3 869	-	-
Vote 3 - Trading Services		23 708.33	24	24	24	24	24	24	24	24	24	24	24	24	285	-	-
Vote 4 - Economic and Environmental Services		427 574.00	428	428	428	428	428	428	428	428	428	428	428	428	5 131	7 556	7 679
Vote 5 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	823	823	823	823	823	823	823	823	823	823	823	823	823	9 877	7 556	7 679
<b>Total Capital Expenditure</b>	2	823	823	823	823	823	823	823	823	823	823	823	823	823	9 877	7 556	7 679

KZN432 Kwa Sani - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Capital Expenditure - Standard</b>	1																
<b>Governance and administration</b>		49	49	49	49	49	49	49	49	49	49	49	49	49	593	-	-
Executive and council		15	15	15	15	15	15	15	15	15	15	15	15	15	178	-	-
Budget and treasury office		25	25	25	25	25	25	25	25	25	25	25	25	25	300	-	-
Corporate services		10	10	10	10	10	10	10	10	10	10	10	10	10	115	-	-
<b>Community and public safety</b>		322	322	322	322	322	322	322	322	322	322	322	322	322	3 869	-	-
Community and social services		297	297	297	297	297	297	297	297	297	297	297	297	297	3 569	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		25	25	25	25	25	25	25	25	25	25	25	25	25	300	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		428	428	428	428	428	428	428	428	428	428	428	428	428	5 131	7 556	7 679
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		428	428	428	428	428	428	428	428	428	428	428	428	428	5 131	7 556	7 679
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		24	24	24	24	24	24	24	24	24	24	24	24	24	285	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		24	24	24	24	24	24	24	24	24	24	24	24	24	285	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	823	823	823	823	823	823	823	823	823	823	823	823	823	9 877	7 556	7 679
<b>Funded by:</b>																	
National Government		623	623	623	623	623	623	623	623	623	623	623	623	623	7 478	7 556	7 679
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		623	623	623	623	623	623	623	623	623	623	623	623	623	7 478	7 556	7 679
<b>Public contributions &amp; donations</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		200	200	200	200	200	200	200	200	200	200	200	200	200	2 399	-	-
<b>Total Capital Funding</b>		823	823	823	823	823	823	823	823	823	823	823	823	823	9 877	7 556	7 679

**2.11 Annual Budgets and service delivery and budget implementation plans internal – departments**

Attached is the Draft SDBIP which was tabled with the budget with the details of the annual budgets and service delivery and budget implementation plans for internal departments.

**2.12 Annual budgets and service delivery agreements – municipal entities and other external mechanisms.**

The municipality does not have entities and the only service that is provided through other mechanism is for Fire Services and disaster management the municipal have a contract with Rural Metro which expires on the 30 June 2014.

**Table 37 MBRR SA32 List of external mechanisms**

**KZN432 Kwa Sani - Supporting Table SA32 List of external mechanisms**

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
RURAL METRO	Yrs	2	FIRE SERVICES	30 June 2014	431



## 2.13 Contracts having future budgetary implications

There are currently 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 Budget & Treasury Office.

**Table 38 MBRR Table SA33 Contracts having future budgetary implications**

KZN432 Kwa Sani - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding	Current Year	2014/15 Medium Term Revenue & Expenditure Framework			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Years	2013/14	Budget Year	Budget Year	Budget Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Contract Value
R thousand	1,3	Total	Original Budget	2014/15	+1 2015/16	+2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Parent Municipality:</b>														
<b>Revenue Obligation By Contract</b>	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Entities:</b>														
<b>Revenue Obligation By Contract</b>	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Entity Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-

## 2.14 Capital expenditure details

The following 3 tables present details of the KSM's capital expenditure programme, firstly on new assets, renewal of assets and finally on the repair and maintenance of assets.

**Table 39 MBRR SA34c Capital expenditure on new assets by asset class**

**KZN432 Kwa Sani - Supporting Table SA34a Capital expenditure on new assets by asset class**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>					5 253	5 253	5 253		3 778	3 840
Infrastructure - Road transport					5 253	5 253	5 253		3 778	3 840
Roads, Pavements & Bridges					5 253	5 253	5 253		3 778	3 840
Storm water										
Infrastructure - Electricity										
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water										
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation										
Reticulation										
Sewerage purification										
Infrastructure - Other										
Waste Management										
Transportation										
Gas										
Other										
<b>Community</b>		1 976	2 349	2 604	1 112	1 112	1 112	3 147		
Parks & gardens										
Sportsfields & stadia		769			1 112	1 112	1 112			
Swimming pools										
Community halls		1 207	2 349	2 604						
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing								3 147		
Other										
<b>Heritage assets</b>										
Buildings										
Other										
<b>Investment properties</b>										
Housing development										
Other										
<b>Other assets</b>		1 187	2 008	34	489	953	953	35		
General vehicles		618								
Specialised vehicles		468								
Plant & equipment								35		
Computers - hardware/equipment		65				94	94			
Furniture and other office equipment		30		34		157	157			
Abattoirs										
Markets					489	490	490			
Civic Land and Buildings										
Other Buildings			1 107							
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		6	901			213	213			
<b>Agricultural assets</b>										
List sub-class										
<b>Biological assets</b>										
List sub-class										
<b>Intangibles</b>								240		
Computers - software & programming								240		
Other (list sub-class)										
<b>Total Capital Expenditure on new assets</b>	1	3 163	4 357	2 638	6 854	7 317	7 317	3 421	3 778	3 840
<b>Specialised vehicles</b>		468								
Refuse		468								
Fire										
Conservancy										
Ambulances										

Table 40 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN432 Kwa Sani - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 490	5 984	6 156	2 229	2 658	2 658	4 331	3 778	3 840
Infrastructure - Road transport		1 490	5 984	6 156	821	1 150	1 150	4 331	3 778	3 840
Roads, Pavements & Bridges		1 490	5 984	6 156	821	1 150	1 150	4 331	3 778	3 840
Storm water										
Infrastructure - Electricity		-	-	-	1 408	1 508	1 508	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting					1 408	1 508	1 508			
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas	3									
Other										
<b>Community</b>		-	-	-	-	-	-	410	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools								410		
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing	7									
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		215	-	-	618	590	590	1 715	-	-
General vehicles					450	450	450	562		
Specialised vehicles	10				-	-	-	-		
Plant & equipment					71	71	71			
Computers - hardware/equipment					28			175		
Furniture and other office equipment					69	69	69	178		
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings								800		
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		215								
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on renewal of existing</b>	<b>1</b>	<b>1 706</b>	<b>5 984</b>	<b>6 156</b>	<b>2 848</b>	<b>3 248</b>	<b>3 248</b>	<b>6 456</b>	<b>3 778</b>	<b>3 840</b>
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<b>Renewal of Existing Assets as % of total capex</b>		35.0%	57.9%	70.0%	29.4%	30.7%	30.7%	65.4%	50.0%	50.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		115.8%	324.8%	325.5%	145.5%	166.0%	166.0%	310.6%	171.6%	165.3%

**Table 41 MBRR SA34c - Repairs and maintenance expenditure by asset class**

KZN432 Kwa Sani - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		51	-	-	816	816	816	1 062	1 125	1 187
Infrastructure - Road transport		-	-	-	765	765	765	1 019	1 079	1 139
Roads, Pavements & Bridges					765	765	765	1 019	1 079	1 139
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		3	-	-	-	-	-	-	-	-
Dams & Reservoirs		3								
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		48	-	-	51	51	51	43	45	48
Waste Management		33			27	27	27	43	45	48
Transportation	2	15			24	24	24			
Gas										
Other	3									
<b>Community</b>		6	417	-	16	16	16	36	38	40
Parks & gardens										
Sportsfields & stadia		6	52		16	16	16			
Swimming pools										
Community halls			365					25	26	28
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other								11	11	12
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		256	1 398	-	539	420	420	383	407	429
General vehicles					60	148	148	164	174	184
Specialised vehicles	10	64	-	-	83	83	83	119	126	133
Plant & equipment		5	52		11	11	11	20	21	22
Computers - hardware/equipment		-	200		20	20	20	17	18	19
Furniture and other office equipment		22	122		47	47	47			
Abattoirs		13								
Markets		-								
Civic Land and Buildings		63						42	47	49
Other Buildings		42	573		126	111	111			
Other Land		-	382							
Surplus Assets - (Investment or Inventory)		-								
Other		47	69		192			20	21	22
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>313</b>	<b>1 815</b>	<b>-</b>	<b>1 371</b>	<b>1 251</b>	<b>1 251</b>	<b>1 481</b>	<b>1 569</b>	<b>1 655</b>
<b>Specialised vehicles</b>		<b>64</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>119</b>	<b>126</b>	<b>133</b>
Refuse		64			83	83	83	119	126	133
Fire										
Conservancy										
Ambulances										
<b>R&amp;M as a % of PPE</b>		0.7%	4.0%	0.0%	2.1%	1.8%	1.8%	1.9%	1.9%	1.9%
<b>R&amp;M as % Operating Expenditure</b>		1.0%	6.0%	0.0%	3.9%	3.0%	3.1%	3.8%	3.9%	3.8%

**Table 42 MBRR SA35 - Future financial implications of the capital budget**

There are no future implications of capital budget as we do not multi-year appropriations for capital budgets. The only future implications are for R & M which have been considered in the budget for R&M.

**KZN432 Kwa Sani - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year	Budget Year	Budget Year	Forecast	Forecast	Forecast	Present
		2014/15	+1 2015/16	+2 2016/17	2017/18	2018/19	2019/20	value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Governance & Administration		593	-	-	-	-	-	-
Vote 2 - Community & Public Safety		3 869	-	-	-	-	-	-
Vote 3 - Trading Services		285	-	-	-	-	-	-
Vote 4 - Economic and Environmental Services		5 131	7 556	7 679	-	-	-	-
Vote 5 - Other		-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>9 877</b>	<b>7 556</b>	<b>7 679</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Governance & Administration					-	-	-	-
Vote 2 - Community & Public Safety					-	-	-	-
Vote 3 - Trading Services					-	-	-	-
Vote 4 - Economic and Environmental Services					-	-	-	-
Vote 5 - Other					-	-	-	-
Vote 6 - [NAME OF VOTE 6]					-	-	-	-
Vote 7 - [NAME OF VOTE 7]					-	-	-	-
Vote 8 - [NAME OF VOTE 8]					-	-	-	-
Vote 9 - [NAME OF VOTE 9]					-	-	-	-
Vote 10 - [NAME OF VOTE 10]					-	-	-	-
Vote 11 - [NAME OF VOTE 11]					-	-	-	-
Vote 12 - [NAME OF VOTE 12]					-	-	-	-
Vote 13 - [NAME OF VOTE 13]					-	-	-	-
Vote 14 - [NAME OF VOTE 14]					-	-	-	-
Vote 15 - [NAME OF VOTE 15]					-	-	-	-
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates					-	-	-	-
Property rates - penalties & collection charges					-	-	-	-
Service charges - electricity revenue					-	-	-	-
Service charges - water revenue					-	-	-	-
Service charges - sanitation revenue					-	-	-	-
Service charges - refuse revenue					-	-	-	-
Service charges - other					-	-	-	-
Rental of facilities and equipment					-	-	-	-
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		<b>9 877</b>	<b>7 556</b>	<b>7 679</b>	-	-	-	-

**Table 43 MBRR SA36 - Detailed capital budget per municipal vote**

KZN432 Kwa Sani - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes			2014/15 Medium Term Revenue & Expenditure Framework			Project information		
									Total Project Estimate	Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
R thousand	4			2	6	3	3	5									
<b>Parent municipality:</b>																	
<i>List all capital projects grouped by Municipal Vote</i>																	
Vote 2 - Community & Public Safety		SONDELANI CRECHE	KZN/8474/11/12		No	Community	Civic Land and Buildings		1 574	-	-	1 574	-	-		1	NEW
Vote 1 - Governance & Administration		FURNITURE & FITTINGS			No	Other	Other		178	-	-	178	-	-	1,2,3 & 4		RENEWAL
Vote 1 - Governance & Administration		LICENSING OFFICE			No	Other	Buildings		800	-	-	800	-	-	1,2,3 & 4		RENEWAL
Vote 1 - Governance & Administration		COMPUTER EQUIPMENT			No	Other	Other		175	-	-	175	-	-	1,2,3 & 4		RENEWAL
Vote 4 - Economic and Environmental Services		UND & HIV ROAD UPGRADE	KZN/8540/11/12		No	Infrastructure - Road transport	Roads, Pavements & Bridges		20 952	6 156	7 462	-	7 556	7 679	1,2,3 & 4		RENEWAL
Vote 2 - Community & Public Safety		ENHLANHLENI CRECHE	KZN/8596/11/12		No	Community	Civic Land and Buildings		1 574	-	-	1 574	-	-		2	NEW
Vote 2 - Community & Public Safety		UPGRADE AND ELECTRIFICATION OF HALLS			No	Community	Civic Land and Buildings		410	-	-	410	-	-	1,2,3 & 4		RENEWAL
Vote 1 - Governance & Administration		MOTOR VEHICLES			No	Other	General vehicles		562	-	450	562	-	-	1,2,3 & 4		RENEWAL
Vote 1 - Governance & Administration		INTANGIBLES - COMPUTER SOFTWARE			No	Other	Other		240	-	-	240	-	-	1,2,3 & 4		NEW
Vote 2 - Community & Public Safety		OTHER EQUIPMENTS			No	Other	Other		35	-	-	35	-	-	1,2,3 & 4		NEW
Vote 4 - Economic and Environmental Services		RIDGE PEDESTRIAN BRIDGE			No	Infrastructure - Road transport	Roads, Pavements & Bridges		1 826	-	-	1 826	-	-		1	RENEWAL
Vote 4 - Economic and Environmental Services		ZINKIWANA/IMHLANGENI PEDESTRIAN BRIDGE			No	Infrastructure - Road transport	Roads, Pavements & Bridges		2 505	-	-	2 505	-	-		1	RENEWAL
<b>Parent Capital expenditure</b>	<b>1</b>											<b>9 877</b>	<b>7 556</b>	<b>7 679</b>			
<b>Entities:</b>																	
<i>List all capital projects grouped by Entity</i>																	
Entity A		0	-	-	0	0		0	-	-	-	-	-	-			0
Water project A									-	-	-	-	-	-			0
Entity B									-	-	-	-	-	-			0
Electricity project B									-	-	-	-	-	-			0
									-	-	-	-	-	-			0
									-	-	-	-	-	-			0
<b>Entity Capital expenditure</b>									-	-	-	-	-	-			0
<b>Total Capital expenditure</b>									<b>6 156</b>	<b>7 932</b>	<b>9 877</b>	<b>7 556</b>	<b>7 679</b>				

### **2.15 Legislations compliance status**

The 2014/2015 MTREF has been prepared in terms of MFMA, treasury circulars, gazettes, regulations and other relevant Acts.

### **2.16 Other Supporting documents**

Attached is the Rates and refuse budget which supports the figures on the budget and A Schedule (2014/15 MTREF)

### **2.17 Annual budgets of municipal entities attached to the municipal budget.**

The municipality does not have municipal entities.

## 2.18 Municipal manager's quality certificate



Kwa Sani Municipality  
P.O. Box 43  
Himeville  
3256

32 Arbuckle Street  
Himeville  
3256

Tel.: 033 7021 060

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Email addresses

**Mayor**

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**Municipal Manager**

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**Finance Department**

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[debtors@kwasani.co.za](mailto:debtors@kwasani.co.za)

**Community Services**

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**Planning & Development**

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**Youth & Special Program**

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**Local Economic Dev.**

[led@kwasani.co.za](mailto:led@kwasani.co.za)

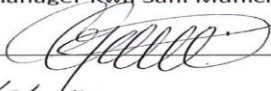
## KWA SANI MUNICIPALITY

### Municipal manager's quality certificate

I NC JAMES, municipal manager of Kwa Sani Municipality, hereby certify that the 2014/2015 Draft 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 Budget and Supporting Documents are consistent with the Integrated Development Plan of the municipality.

Print Name NOKUBONGA JAMES

Municipal manager Kwa Sani Municipality (KZN 432)

Signature 

Date : 28/03/14



**EXTRACT OF MINUTES OF KWA SANI GENERAL COUNCIL  
MEETING HELD ON THE 28<sup>th</sup> MARCH 2014 AT 10H00 IN  
Kwasani Municipal Boardroom, in Himeville**

Present:	Cllrs	M. Banda S. Mqwambi P. Majazi N. Mncwabe E. Radebe P. Crawley D. Adam	ANC Mayor ANC Councillor ANC Councillor ANC Councillor ANC Councillor DA Councillor DA Councillor
Mesdames		S. McAlister  N. Zondi  L. Mhlophe S. McAlister  T. Ngobese-Zulu	Community Services Manager Corporate Services Manager IDP/PMS Officer Community Services Manager Committee Clerk
Merris		T. Mketsu B. Ntshiza  R. Bowyer  D. McGillycuddy  D. Forbes Z. Bucu	CFO Special Programmes Officer Audit Committee Member Rate Payers Member Resident Association NAFBI
Leave of Absence		N. James	Municipal Manager

Items	Minutes	Action & Time frame
11.	NOTING OF 2014/15 DRAFT IDP, SDBIP, BUDGET AND BUDGET RELATED POLICIES	

	<p>The resolution was taken in the General Council Meeting that was held on the 28<sup>th</sup> March 2014 in KwaSani Municipal Boardroom.</p> <p>To note the 2014/2015 Draft IDP, SDBIP, Budget and Budget Related Policies.</p>	
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I confirm the above to be a true extract of the minutes.

  
N.C. JAMES  
MUNICIPAL MANAGER

09/04/2014  
DATE