



Part 1 –Annual Budget

1.1 Mayor’s Report

Nkonkobe Municipality’s Mayor in his 2013 Budget speech said, “I am happy, Madam Speaker, to report that great strides are being made by the municipality to improve on the delivery of housing to our people. Since the dawn of democracy, our government has learned, amongst others, that there are certain contractors whose priority is profit at the expense of quality houses for our people. We have seen many housing projects in Nkonkobe, and around the country, halted due to poor workmanship; and the results of this are huge backlogs in the delivery of a critical basic need - housing!

He also alluded to the fact that the municipality is facing a myriad of challenges that require intervention for all involved, these include:

- Thin revenue base that leads to grants dependence which is impacting negatively to speedy service delivery.
- Long outstanding debtors with huge balances remain a daunting challenge.
- The Valuation Roll that negatively impact on our billing.
- Insufficient grants allocated to the municipality to address backlogs in service delivery.

The municipality continuously encourages all indigents who qualify to come to the municipal offices and register so as to benefit from this service. We also encourage those who are taking advantage of the Free Basic Service and are not supposed to be benefiting from this service to de-register. Government can be viewed as lacking in service delivery whereas there are people who continue to rob it and take advantage of services they are not entitled to.

Public participation remains a daunting challenge in our municipality. The functionality and effectiveness of ward committees is a prototype of democracy. This was raised sharply in the Annual and Oversight reports. What we need are Ward Committees who are dedicated and committed to serving people and their communities. It is important Madam Speaker for Ward Committees to understand their role within their communities, and that they are not employees of the municipality; but are volunteering their services, hence they are given a stipend. Wards are the basic units for participatory and a democratic local government and must be treated as such.

It is of outmost importance, Madam Speaker, to note that a lot of ground work has be done in ensuring that we exploit the opportunities that come with having such a diverse and rich heritage. It goes without saying that Heritage in this area is our gold. We must therefore ensure that we mine from it.

Madam Speaker, through the LED Strategy we've been able to identify four key sectors of our economy; and agriculture is prioritised as one of the key sectors; and as we all know, Citrus is the major contributor to our local economy through exports.

But we cannot rely on the above sector forever; and in this regard, a lot has been done by the municipality to invest in economic infrastructure so as to attract investment into the area. The construction of a Chicken Abattoir in Middeldrift is one such example that will see many poultry projects within our area supplying it, and in return creating employment opportunities, maximising profits, thus alleviating poverty.

The Minister of Rural Development and Land Reform recently pronounced that by 2015 all farms should be productive; and that municipalities should assist farmers submit business plans to the national department in order to access funding for their farms. Should this be done effectively, we will then be able to dismantle poverty in our area and a number of jobs will be created.

Some of the projects that have been identified by the national department to receive funding for 2013/2014 include the following:

- Torties Farm - R2 804 973.00
- Greenwood farm - R5 936 978
- Jordan - R4 920 554.00
- Gonzana - R2 704 675.00
- Mpukane - R 1 400 000.00

Recently Madam Speaker we have also seen a lot of activity by the Department of Rural Development and Agrarian Reform in the area of Nkonkobe. In the last quarter the department embarked on a number of programs that seek to alleviate poverty in the area. Food security is one of the critical priorities of our government; and in view of this, the department ploughed 196 hectares of arable land, where communities were subsidised by R7000.00 per hectare. The areas that benefited include Ngobe village (66 hectares), Amagwali Project (37 hectares) and Amabhele AseTyhume (100 hectares). Imileqwa Project in Qhibirha and Ndondle Piggery and Poultry Project at Hala location also received tremendous support from the department to further sustain their work.

In a "Comprehensive Agricultural Support program/Infrastructural Development" at Lower Gqumashe, 18km of cultivated land has been fenced by the department, and 33 workers per month were employed by the department and paid a task rate of R7000 per KM. The fencing of a 19km grazing land at Ngobe has also been completed. The department has also compensated the June 2011 flood disaster victims where the farmers' infrastructure was damaged.

Madam Speaker on the issue of socio-economic rights, the Constitution of the Republic is very clear; as it guarantees our people the rights to water, sanitation, electricity, roads, medical care, quality education and economic opportunities. Madam Speaker, we are pleased with the achievements scored thus far in the provision of these basic services in our Municipality, although much more still needs to be done, especially in a rural municipality such as ours.

In his 2013 Freedom Day speech President Zuma challenged South Africans to take pride in the country's achievements since the advent of democracy in 1994, as he alluded to the following: that in 1994,

- only 62% of households had access to clean drinking water - today 93% do.
- only 50% of households had access to decent sanitation - today 77% do.
- only 36% of South Africans had access to electricity – today 84% do.

Let me mention Madam Speaker that the work we have done, as government, in terms of the delivery of basic services in our Local Municipality forms part of the above statistics. We have, however, been met with a myriad of challenges in the delivery of these services at Nkonkobe. There is, however, light at the end of the tunnel Madam Speaker as there are a number of planned electrification projects in the pipeline.

The Debe Nek Extension electrification project which is scheduled for connection by the end of the next financial year - 2013/2014 will see 305 household electrified. The Mpofu Extension will see 958 households connected.

As part of our commitment to improve the lives of our people, in this current financial year (2012/2013) the municipality allocated R10-million to Free Basic Services (FBS).

Currently the municipality is providing free basic electricity to 19 855 beneficiaries, 1195 households for alternative energy and for refuse removal the total number of households is 6 402. This Madam Speaker comes a total of 27 452 indigent beneficiaries in this current financial year, as compared to the 22 079 from the last financial year. The above figure shows an improvement compared to the previous financial year's expenditure.

The municipality continuously encourages all indigents who qualify to come to the municipal offices and register so as to benefit from this service. We also encourage those who are taking advantage of the Free Basic Service and are not supposed to be benefiting from this service to de-register. Government can be viewed as lacking in service delivery whereas there are people who continue to rob it and take advantage of services they are not entitled to.

Madam Speaker it is important to note the following planned projects by the ADM:

- Victoria East, West (Roxeni) Water Supply (Phase 3) R5 500 000
- Ekuphumleni & 9 Villages Water Supply (Phase 4) R1 000 000
- Bhofolo & Newtown BEP (Phase 5) R 2 000 000
- Nkonkobe: Area Wide Sanitation Programme (Region 1) R9 000 000

Madam Speaker, it also gives me great pleasure to tell members of the community present here that 2013/14 is going to be a busy year in terms of housing delivery in Nkonkobe:

- 232 units are to be rectified in Seymour. The project is currently at tender adjudication stage.
- 299 units are to be rectified in Fort Beaufort and 1 unit is to be built. The project is also at the adjudication stage.
- In Alice (Khayelitsha), 260 units are to be constructed.
- Another 283 houses are to be rectified in Alice.
- In the areas of Ntselamanzi / Hillcrest, 653 houses are to be rectified, and 163 units will be built.
- In Middledrift, 299 units will be rectified and 1 will be built.

Corruption and Fraud is another demon that we must defeat. In the previous year we suspended and dismissed some municipal officials due to fraud and corruption. This year was marked by a gross larceny and embezzlement of municipal funds by corrupt elements. We will leave no stone unturned in fighting corruption and we will have no mercy on those who have no mercy on poor communities.

The commitment displayed by both councillors and officials is commendable. Together we navigated through a turbulent atmosphere; and we have managed to turn this institution around. Due to our ability to work in unison, I can safely say that we will soon realise our vision.

Honourable Mayor Cllr A.W. Ntsangani

Council Resolutions

On 30 May 2013 the Council of Nkonkobe Municipality met in the Council Chambers of the municipality in Alice to adopt the Annual Budget for the financial year 2013/14. The Council approved and adopted the following resolutions:

The Council of Nkonkobe Municipality acting in terms of Chapter 4 of the Municipal Finance Management Act,(Act 56 of 2003) approves and adopts the annual budget as it tabled subject to Section 23 (1) – (4)

- 1.1 The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1 Budgeted Financial Performance(revenue and expenditure by standard classification) attached as A2 of Annexure A;
 - 1.1.2 Budgeted Financial Performance(revenue and expenditure by municipal vote) attached as A3 of Annexure A;
 - 1.1.3 Budgeted Financial Performance(revenue by source and expenditure by type) attached as A4 of Annexure A ;
 - 1.1.4 Multi -year and single-year capital appropriations by municipal vote and standard classification and associated funding by source contained in A5 CAPEX.
- 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 A6;
 - 1.2.2 Budgeted Cash Flows as contained in Table A7;
 - 1.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in table A8;
 - 1.2.4 Asset management as contained in Table A9
 - 1.2.5 Basic service delivery measurement as contained in Table A10
2. The Council of Nkonkobe Municipality acting in terms of Section 75A of the Local Government: Municipal Systems Act(Act 32 of 2000) approves with effect from 1 July 2013:
 - 2.1 Tariffs for property rates- set out in Annexure B
 - 2.2 Tariffs for electricity(Fort Beaufort)- set out in Annexure B
 - 2.3 Tariffs for solid waste services- set out in Annexure B
3. The Council of Nkonkobe Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves tariffs for other services as set out in Annexure B.
4. To give proper effect to the municipality’s annual budget, the Council of Nkonkobe Municipality approves;
 - 4.1 The cash backing is implemented through the utilization of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions and unspent conditional grants are cashed 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;

1.2 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 remains viable and that the municipality services are provided sustainable, economically and equitable to all communities.

The municipalities business and service delivery priorities were reviewed as part of this year's planning and budget process. Wherein mission and vision, was changed to address the challenges currently facing the municipality. Appropriate funds were transferred from low to high priority programmes so as to maintain a sound financial stewardship.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers including the amount owed by Department of Public Works, Amatole District municipality and businesses and households.

National Treasury's MFMA Circular 51, 54 and 55,59,66 were used to guide the compilation of the 2013/14 MTREF.

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

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the available funds given the unlimited nature of needs and limited funding available to the municipality;
- The increased cost of bulk water and electricity (due to tariff increase from Amatole District Municipality and Eskom), which is placing upward pressure on service tariffs to residents;
- Wage increases for municipal staff that continue to exceed consumer inflation as well as the need to fill vacancies;

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The 2012/13 Adjustment Budget priorities and targets, as well as the base line allocations contained in the Adjustment Budget were adopted as the upper limits for the baselines for the 2013/14 annual budget;
- Tariff and property rate increases should be linked to CPI and be in line with Municipal property Rates Act
- Increase is based on percentage of collection in the current year (Section 18 of the MFMA);
- Budget must be Cash Funded meaning only realistically anticipated revenues should be committed;
- Guided by MFMA Act 56 of 2003, section 16 to 24 and MFMA circulars: 12;42;48;51;54;55;58;59;66

- Also guided by Property rates Act, Municipal structures and systems Act (no 117 of 1998 and no 32 of 2000 respectively);
- Annual Division of Revenue Act;
- Municipal Budget and Reporting Regulations(Government Gazette 32141);
- Municipal Fiscal Powers and Functions Act(No 12 of 2007);
- Local Government Capital Asset Management Guideline;
- The budget was prepared on the Incremental/ line item budgeting method for all existing priorities and Zero- based budgeting method on all new priorities.

EC127 Nkonkobe - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	f	Oct-09	Nov-10	Dec-11	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year 2014/15	Budget Year 2015/16
thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		98 979	89 057	66 386	86 788	91 440	91 440	92 552	114 940	121 956
Executive and council		2 033	2 279	6 250	9 250	9 310	9 310	11 000	11 715	12 430
Budget and treasury office		96 514	86 121	48 022	64 777	69 752	69 752	68 094	88 892	94 320
Corporate services		433	657	12 114	12 761	12 377	12 377	13 458	14 332	15 207
<i>Community and public safety</i>		3 155	4 389	9 338	3 666	2 666	2 666	1 300	1 385	1 469
Community and social services		-	-	9 338	3 666	2 666	2 666	1 300	1 385	1 469
Public safety		100	146	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		3 055	4 243	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		506	1 500	38 076	32 477	34 408	34 408	39 189	41 736	44 282
Planning and development		-	-	2 750	3 750	3 750	3 750	5 500	5 858	6 215
Road transport		506	1 500	35 326	28 727	30 658	30 658	33 689	35 878	38 067
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		21 885	22 135	74 200	73 976	80 497	80 497	79 587	84 760	89 930
Electricity		11 536	10 724	58 700	57 176	61 697	61 697	60 894	64 852	68 808
Waste management		10 349	11 410	15 500	16 800	18 800	18 800	18 693	19 908	21 122
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	124 526	117 080	188 000	196 907	209 010	209 010	212 627	242 819	257 637
Expenditure - Standard	-									
<i>Governance and administration</i>		45 644	54 326	66 610	74 096	128 987	128 987	110 471	151 667	160 925

Executive and council		13 625	16 679	19 839	26 656	22 847	22 847	26 161	27 861	29 561
Budget and treasury office		16 607	19 178	22 622	23 672	80 713	80 713	56 823	94 532	100 305
Corporate services		15 412	18 468	24 149	23 768	25 427	25 427	27 487	29 274	31 059
Community and public safety		8 360	10 287	9 437	10 371	7 720	7 720	11 231	11 961	12 691
Community and social services		2 938	3 543	5 106	5 934	3 080	3 080	6 284	6 693	7 101
Public safety		2 843	3 522	4 331	4 437	4 641	4 641	4 947	5 268	5 590
Health		2 579	3 222	–	–	–	–	–	–	–
Economic and environmental services		6 886	10 702	23 486	20 817	25 150	25 150	25 666	27 335	29 002
Planning and development		2 280	3 335	8 048	7 648	8 879	8 879	10 268	10 936	11 603
Road transport		4 606	7 368	15 438	13 169	16 271	16 271	15 398	16 399	17 400
Trading services		22 426	41 765	44 938	46 473	45 694	45 694	48 691	51 856	55 019
Electricity		6 419	24 580	30 538	33 421	33 201	33 201	34 497	36 739	38 980
Waste management		16 007	17 185	14 400	13 052	12 493	12 493	14 194	15 116	16 039
Other	4	0	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	83 316	117 080	144 471	151 758	207 551	207 551	196 060	242 819	257 637
Surplus/(Deficit) for the year		41 210	0	43 529	45 149	1 459	1 459	16 567	1	0

References

Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)

All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be reported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

EC127 Nkonkobe - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
<i>Municipal governance and administration</i>		98 979	89 057	66 386	86 788	91 440	91 440	92 552	114 940	121 956
Executive and council		2 033	2 279	6 250	9 250	9 310	9 310	11 000	11 715	12 430
<i>Mayor and Council</i>		2 033	2 279	3 500	5 500	5 560	5 560	5 500	5 858	6 215
<i>Municipal Manager</i>		0	-	2 750	3 750	3 750	3 750	5 500	5 858	6 215
Budget and treasury office		96 514	86 121	48 022	64 777	69 752	69 752	68 094	88 892	94 320
Corporate services		433	657	12 114	12 761	12 377	12 377	13 458	14 332	15 207
<i>Human Resources</i>		433	657	12 114	12 761	12 377	12 377	13 458	14 332	15 207
<i>Community and public safety</i>		3 155	4 389	9 338	3 666	2 666	2 666	1 300	1 385	1 469
Community and social services		-	-	9 338	3 666	2 666	2 666	1 300	1 385	1 469
<i>Libraries and Archives</i>				9 038	3 366	2 366	2 366	1 000	1 065	1 130
<i>Other Community</i>				300	300	300	300	300	320	339
Public safety		100	146	-	-	-	-	-	-	-
<i>Civil Defence</i>		100	146							
Health		3 055	4 243	-	-	-	-	-	-	-
<i>Clinics</i>		3 055	4 243							
<i>Economic and environmental services</i>		506	1 500	38 076	32 477	34 408	34 408	39 189	41 736	44 282
Planning and development		-	-	2 750	3 750	3 750	3 750	5 500	5 858	6 215
<i>Economic Development/Planning</i>				2 750	3 750	3 750	3 750	5 500	5 858	6 215
Road transport		506	1 500	35 326	28 727	30 658	30 658	33 689	35 878	38 067
<i>Roads</i>		6		33 226	26 527	27 958	27 958	31 489	33 535	35 581
<i>Vehicle Licensing and Testing</i>		500	1 500	2 100	2 200	2 700	2 700	2 200	2 343	2 486

<i>Trading services</i>		21 885	22 135	74 200	73 976	80 497	80 497	79 587	84 760	89 930
Electricity		11 536	10 724	58 700	57 176	61 697	61 697	60 894	64 852	68 808
<i>Electricity Distribution</i>		11 536	10 724	58 700	57 176	61 697	61 697	60 894	64 852	68 808
Waste management		10 349	11 410	15 500	16 800	18 800	18 800	18 693	19 908	21 122
<i>Solid Waste</i>		10 349	11 410	15 500	16 800	18 800	18 800	18 693	19 908	21 122
Total Revenue - Standard	2	124 526	117 080	188 000	196 907	209 010	209 010	212 627	242 819	257 637
Expenditure - Standard										
<i>Municipal governance and administration</i>		45 644	54 326	66 610	74 096	128 987	128 987	110 471	151 667	160 925
Executive and council		13 625	16 679	19 839	26 656	22 847	22 847	26 161	27 861	29 561
<i>Mayor and Council</i>		12 304	14 570	15 660	16 321	16 596	16 596	18 167	19 348	20 529
<i>Municipal Manager</i>		1 322	2 110	4 179	10 336	6 251	6 251	7 993	8 513	9 032
Budget and treasury office		16 607	19 178	22 622	23 672	80 713	80 713	56 823	94 532	100 305
Corporate services		15 412	18 468	24 149	23 768	25 427	25 427	27 487	29 274	31 059
<i>Human Resources</i>		12 145	14 414	19 507	19 177	20 578	20 578	22 160	23 600	25 039
<i>Community and public safety</i>		8 360	10 287	9 437	10 371	7 720	7 720	11 231	11 961	12 691
Community and social services		2 938	3 543	5 106	5 934	3 080	3 080	6 284	6 693	7 101
<i>Libraries and Archives</i>		1 038	1 150	1 159	1 189	1 159	1 159	1 414	1 506	1 598
<i>Other Community</i>		1 900	2 394	3 947	4 744	1 921	1 921	4 870	5 187	5 503
Public safety		2 843	3 522	4 331	4 437	4 641	4 641	4 947	5 268	5 590
<i>Civil Defence</i>		2 843	3 522	4 331	4 437	4 641	4 641	4 947	5 268	5 590
Health		2 579	3 222	-	-	-	-	-	-	-
<i>Clinics</i>		2 579	3 222	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 886	10 702	23 486	20 817	25 150	25 150	25 666	27 335	29 002
Planning and development		2 280	3 335	8 048	7 648	8 879	8 879	10 268	10 936	11 603
<i>Economic Development/Planning</i>		2 280	3 335	8 048	7 648	8 879	8 879	10 268	10 936	11 603
Road transport		4 606	7 368	15 438	13 169	16 271	16 271	15 398	16 399	17 400
<i>Roads</i>		3 876	6 531	13 528	11 392	12 984	12 984	13 753	14 647	15 540
<i>Vehicle Licensing and Testing</i>		730	837	1 911	1 778	3 287	3 287	1 646	1 753	1 860
<i>Trading services</i>		22 426	41 765	44 938	46 473	45 694	45 694	48 691	51 856	55 019
Electricity		6 419	24 580	30 538	33 421	33 201	33 201	34 497	36 739	38 980

<i>Electricity Distribution</i>	-	6 419	24 580	30 538	33 421	33 201	33 201	34 497	36 739	38 980
Waste management	-	16 007	17 185	14 400	13 052	12 493	12 493	14 194	15 116	16 039
<i>Solid Waste</i>		16 007	17 185	14 400	13 052	12 493	12 493	14 194	15 116	16 039
Total Expenditure - Standard	3	83 316	117 080	144 471	151 758	207 551	207 551	196 060	242 819	257 637
Surplus/(Deficit) for the year		41 210	0	43 529	45 149	1 459	1 459	16 567	1	(0)

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
4. All amounts must be classified under a Standard (modified GFS) classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

EC127 Nkonkobe - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - Municipal Council		2 033	2 500	3 500	5 500	5 560	5 560	5 500	5 858	6 215
Vote 2 - Accounting Officer		6 921	6 400	14 538	10 866	9 866	9 866	12 000	12 780	11 582
Vote 3 - Budget and Treasury Office		96 514	98 081	48 022	63 461	69 752	69 752	68 094	88 892	96 297
Vote 4 - Technical Services		28 757	29 924	106 426	101 819	108 455	108 455	111 075	118 295	125 511
Vote 5 - Corporate Services		3 240	3 848	14 514	15 261	15 077	15 077	15 958	16 995	18 032
Total Revenue by Vote	2	137 464	140 753	187 000	196 907	208 710	208 710	212 627	242 819	257 637
Expenditure by Vote to be appropriated	1									
Vote 1 - Municipal Council		14 879	14 427	15 660	16 321	16 596	16 596	18 167	19 348	20 529
Vote 2 - Accounting Officer		4 462	5 151	5 338	21 114	18 210	18 210	22 542	24 007	25 472
Vote 3 - Budget and Treasury Office		16 607	19 178	22 622	22 585	80 713	80 713	56 823	94 532	100 305
Vote 4 - Technical Services		26 302	48 296	58 466	50 430	58 677	58 677	62 444	66 502	70 559
Vote 5 - Corporate Services		20 885	25 221	34 338	41 308	33 355	33 355	36 083	38 429	40 773
Total Expenditure by Vote	2	83 135	112 273	136 423	151 758	207 551	207 551	196 060	242 819	257 637
Surplus/(Deficit) for the year	2	54 330	28 480	50 577	45 149	1 159	1 159	16 567	1	(0)

References

1. Insert 'Vote': e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

EC127 Nkonkobe - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	10 099	15 633	13 000	22 391	25 391	25 391	25 391	24 470	31 745	35 560
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	10 641	9 231	35 150	30 626	35 147	35 147	35 147	30 894	45 768	45 563
Service charges - refuse revenue	2	4 727	5 791	6 000	6 300	8 300	8 300	8 300	7 693	5 663	5 825
Service charges - other		400									
Rental of facilities and equipment		117		364	482				519	546	573
Interest earned - external investments		50			1 655				2 000	1 598	1 695
Interest earned - outstanding debtors					10 200				9 200	10 863	11 526
Fines		100			300				300	320	339
Licences and permits		500			2 200				2 200	2 343	2 486
Agency services		3 055							1 000	1 520	2 673
Transfers recognised - operational					93 198				96 878	103 489	109 801
Other revenue	2	-	8 827	9 270	13 056	4 986	4 994	5 001	8 327	6 739	7 150
Total Revenue (excluding capital transfers and contributions)		29 689	39 483	63 784	180 408	73 824	73 831	73 839	183 480	210 591	223 191
Expenditure By Type											
Employee related costs	2	36 514	43 865	53 951	57 303	56 053	56 053	56 053	65 526	67 129	71 224
Remuneration of councillors									14 057	14 971	15 884
Debt impairment	3										
Depreciation & asset impairment	2	-	-	-	-	-	-	-	22 473	23 933	25 393
Finance charges											
Bulk purchases	2	-	-	-	-	-	-	-	23 147	27 062	28 712

Other materials	8								7 254	7 892	8 483
Contracted services		-	-	-	210	210	210	210	231	246	261
Transfers and grants		290	937	600	630	630	630	-	690	738	783
Other expenditure	4, 5	-	-	-	49 366	51 483	51 483	51 483	62 682	100 848	106 896
Loss on disposal of PPE											
Total Expenditure		36 804	44 802	54 551	107 508	108 376	108 376	107 746	196 060	242 819	257 637
Surplus/(Deficit)		(7 114)	(5 319)	9 233	72 900	(34 552)	(34 544)	(33 907)	(12 580)	(32 227)	(34 446)
Transfers recognised - capital									29 147	32 228	34 446
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(7 114)	(5 319)	9 233	72 900	(34 552)	(34 544)	(33 907)	16 567	1	(0)
Taxation											
Surplus/(Deficit) after taxation		(7 114)	(5 319)	9 233	72 900	(34 552)	(34 544)	(33 907)	16 567	1	(0)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(7 114)	(5 319)	9 233	72 900	(34 552)	(34 544)	(33 907)	16 567	1	(0)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(7 114)	(5 319)	9 233	72 900	(34 552)	(34 544)	(33 907)	16 567	1	(0)

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method
8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.

EC127 Nkonkobe - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding							
Vote Description	Ref	Oct-09	Nov-10	Dec-11	Current Year 2012/13		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
Capital expenditure - Vote							
Multi-year expenditure to be appropriated	2						
Vote 2 - Accounting Officer		-	1 748	-	8 990	2 990	2 990
Vote 3 - Budget and Treasury Office		-	270	-	-	-	-
Vote 4 - Technical Services		-	20 313	20 608	16 009	13 559	13 559
Vote 5 - Corporate Services		-	3 082	-	-	8 450	8 450
Capital multi-year expenditure sub-total	7	-	25 413	20 608	24 999	24 999	24 999
Single-year expenditure to be appropriated	2						
Vote 2 - Accounting Officer		-	1 748	2 230	5 650	4 720	4 720
Vote 3 - Budget and Treasury Office		-	270	200	500	420	420
Vote 4 - Technical Services		-	20 313	4 551	3 500	4 919	4 919
Vote 5 - Corporate Services		-	3 082	15 940	10 500	18 511	18 511
Capital single-year expenditure sub-total		-	25 413	22 921	20 150	28 570	28 570
Total Capital Expenditure - Vote		-	50 827	43 529	45 149	53 569	53 569
Capital Expenditure - Standard							
Governance and administration		679	1 524	16 100	13 350	29 521	29 521
Executive and council			174	70	2 350	2 150	2 150
Budget and treasury office		679	270	200	500	420	420
Corporate services			1 080	15 830	10 500	26 951	26 951
Community and public safety		-	3 042	910	800	-	-
Community and social services			3 042	910	800		
Economic and environmental services		-	18 847	21 948	27 499	19 219	19 219
Planning and development			74	1 320	2 500	5 570	5 570

Road transport			18 773	20 628	24 999	13 649	13 649
Environmental protection						-	-
Trading services		-	1 540	4 531	3 500	4 829	4 829
Electricity			2	2 631	1 500	165	165
Waste management			1 538	1 900	2 000	4 664	4 664
Other							
Total Capital Expenditure - Standard	3	679	24 952	43 489	45 149	53 569	53 569
Funded by:							
National Government		19 075	18 037	20 608	24 999	24 999	24 999
Transfers recognised - capital	4	19 075	18 037	20 608	24 999	24 999	24 999
Internally generated funds			5 612		20 150	28 570	28 570
Total Capital Funding	7	19 075	23 649	20 608	45 149	53 569	53 569

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by standard classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)

EC127 Nkonkobe - Table A6 Consolidated Budgeted Financial Position											
Description	Re f	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		(3 929)	2 481	–							
Call investment deposits	1	13 099	77	–	2 753	2 753	2 753	2 753	30 000	31 950	33 899
Consumer debtors	1	8 029	19 796	7 439	6 796	6 796	6 796	6 796	5 017	5 000	4 000
Other debtors		22 258	6 635	5 727					5 727	5 727	5 727
Current portion of long-term receivables		550	1 178								
Inventory	2	4 455	565	590	565				590	590	590
Total current assets		44 462	30 733	13 757	10 114	9 549	9 549	9 549	41 335	43 268	44 217
Non current assets											
Investment property				16 386					16 386	16 386	16 386
Property, plant and equipment	3	21 327	46 067	287 661	124 314	124 314	124 314	124 314	368 522	418 865	472 278
Intangible				186					186	186	186
Total non current assets		21 327	46 067	304 233	124 314	124 314	124 314	124 314	385 095	435 438	488 851
TOTAL ASSETS		65 789	76 799	317 990	134 429	133 863	133 863	133 863	426 430	478 706	533 068
LIABILITIES											
Current liabilities											
Bank overdraft	1			310							
Borrowing	4	5 251	3 520	170	–	–	–	–	–	–	–
Consumer deposits		942	1 037	1 109	1 037	–	–	–			
Trade and other payables	4	16 134	16 878	22 398	12 770	12 770	12 770	12 770	12 770	12 770	12 770
Total current liabilities		22 328	21 436	23 988	13 807	12 770	12 770	12 770	12 770	12 770	12 770

Non current liabilities											
Borrowing		1	-	201	-	-	-	-	-	-	-
Provisions		14 876	16 300	33 488	16 300	16 300	16 300	16 300	33 488	33 488	33 488
Total non current liabilities		14 878	16 300	33 689	16 300	16 300	16 300	16 300	33 488	33 488	33 488
TOTAL LIABILITIES		37 205	37 735	57 676	30 106	29 069	29 069	29 069	46 257	46 257	46 257
NET ASSETS	5	28 583	39 064	260 314	104 322	104 794	104 794	104 794	380 172	432 448	486 810
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)				256 162	104 322	104 794	104 794	104 794	376 020	428 296	482 658
Reserves	4	-	-	4 152	-	-	-	-	4 152	4 152	4 152
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	260 314	104 322	104 794	104 794	104 794	380 172	432 448	486 810

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

EC127 Nkonkobe - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	Oct-09	Nov-10	Dec-11	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		31 285	32 120	66 690	66 855	69 855	69 855	69 855	74 402	93 123	97 496
Government - operating	1	64 402	80 873	87 032	93 198	93 198	93 198	93 198	97 878	105 008	112 475
Government - capital	1	15 575	18 037	21 693	26 315	26 315	26 315	26 315	29 147	32 228	34 446
Interest		50	1 082	6 500	11 855	11 855	11 855	11 855	11 200	12 461	13 221
Payments											
Suppliers and employees		-101 526	-104 356	-138 657	-152 234	-152 234	-152 234	-152 234	-195 139	-241 373	-256 212
Finance charges		-215	-204	-250	-210	-210	-210	-210	-231	-246	-261
Transfers and Grants	1		-7 691	-600	-630	-630	-630	-630	-690	-735	-780
NET CASH FROM/(USED) OPERATING ACTIVITIES		9 571	19 859	42 408	45 149	48 149	48 149	48 149	16 567	466	384
CASH FLOWS FROM INVESTING ACTIVITIES											
Payments											
Capital assets			-24 740	-42 408	-45 149	-53 569	-53 569	-53 569	-51 040	-55 484	-59 107
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-24 740	-42 408	-45 149	-53 569	-53 569	-53 569	-51 040	-55 484	-59 107
NET INCREASE/ (DECREASE) IN CASH HELD		9 571	-4 881	0	-	-5 420	-5 420	-5 420	-34 473	-55 019	-58 723
Cash/cash equivalents at the year begin:	2		9 571	4 690				-		-34 473	-89 491
Cash/cash equivalents at the year end:	2	9 571	4 690	4 690	-	-5 420	-5 420	-5 420	-34 473	-89 491	-148 215

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

EC127 Nkonkobe - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	9 571	4 690	4 690	-	(5 420)	(5 420)	(5 420)	(34 473)	(89 491)	(148 215)
Other current investments > 90 days		(400)	(2 131)	(5 000)	2 753	8 173	8 173	8 173	64 473	121 441	182 114
Cash and investments available:		9 171	2 559	(310)	2 753	2 753	2 753	2 753	30 000	31 950	33 899
Application of cash and investments											
Unspent conditional transfers		4 208	1 284	171	-	-	-	-	-	-	-
Other working capital requirements	3	(20 043)	(5 907)	8 461	7 459	6 339	6 340	6 340	3 321	3 302	4 279
Total Application of cash and investments:		(15 835)	(4 624)	8 632	7 459	6 339	6 340	6 340	3 321	3 302	4 279
Surplus(shortfall)		25 005	7 182	(8 942)	(4 706)	(3 586)	(3 587)	(3 587)	26 679	28 648	29 620

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

EC127 Nkonkobe - Table A9 Consolidated Asset Management										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	21 327	46 067	43 529	45 149	53 569	53 569	51 040	55 484	59 107
<i>Infrastructure - Road transport</i>		12 776	31 157	7 871	16 009	13 559	13 559	10 633	11 324	12 015
<i>Infrastructure - Electricity</i>		-	-	2 621	-	-	-	4 150	4 420	4 689
<i>Infrastructure - Other</i>		-	-	-	1 500	165	165	-	-	-
Infrastructure		12 776	31 157	10 492	17 509	13 724	13 724	14 783	15 744	16 704
Community		-	-	20 248	14 990	23 775	23 775	21 007	23 499	25 171
Other assets	6	8 550	14 910	12 789	10 650	14 070	14 070	14 250	15 176	16 102
Intangibles		-	-	-	2 000	2 000	2 000	1 000	1 065	1 130
Total Capital Expenditure	4									
<i>Infrastructure - Road transport</i>		12 776	31 157	7 871	16 009	13 559	13 559	10 633	11 324	12 015
<i>Infrastructure - Electricity</i>		-	-	2 621	-	-	-	4 150	4 420	4 689
<i>Infrastructure - Other</i>		-	-	-	1 500	165	165	-	-	-
Infrastructure		12 776	31 157	10 492	17 509	13 724	13 724	14 783	15 744	16 704
Community		-	-	20 248	14 990	23 775	23 775	21 007	23 499	25 171
Other assets		8 550	14 910	12 789	10 650	14 070	14 070	14 250	15 176	16 102
Intangibles		-	-	-	2 000	2 000	2 000	1 000	1 065	1 130
TOTAL CAPITAL EXPENDITURE - Asset class	2	21 327	46 067	43 529	45 149	53 569	53 569	51 040	55 484	59 107
ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Infrastructure - Road transport</i>					2 190			2 190		
<i>Infrastructure - Other</i>					5 321			5 321	5 667	6 012
Infrastructure		-	-	-	7 510	-	-	7 510	5 667	6 012

Community					10 013			10 013		
Heritage assets										
Investment properties		-	-	16 386	-	-	-	16 386	16 386	16 386
Other assets					1 088			1 088	1 158	1 229
Intangibles		-	-	186	-	-	-	186	186	186
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	16 573	18 611	-	-	35 184	23 397	23 814
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		-	-	-	-	-	-	22 473	23 933	25 393
Repairs and Maintenance by Asset Class	3	6 046	7 416	6 338	8 000	10 000	10 000	7 254	7 892	8 483
<i>Infrastructure - Road transport</i>		6 046	7 416	850	1 000	3 000	3 000	1 000	1 065	1 130
<i>Infrastructure - Electricity</i>		-	-	1 488	1 800	1 800	1 800	1 900	2 024	2 147
<i>Infrastructure - Other</i>		-	-	1 000	400	600	600	400	426	452
Infrastructure		6 046	7 416	3 338	3 200	5 400	5 400	3 300	3 515	3 729
Community	6	-	-	2 300	1 300	1 100	1 100	1 454	1 715	1 929
Other assets	, 7	-	-	700	3 500	3 500	3 500	2 500	2 663	2 825
TOTAL EXPENDITURE OTHER ITEMS		6 046	7 416	6 338	8 000	10 000	10 000	29 727	31 825	33 876
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		28.3%	16.1%	2.2%	6.4%	8.0%	8.0%	2.0%	1.9%	1.8%
<i>Renewal and R&M as a % of PPE</i>		0.0%	0.0%	38.0%	43.0%	0.0%	0.0%	21.0%	34.0%	36.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category
7. Including repairs and maintenance to agricultural, biological and intangible assets