

ANNUAL BUDGET OF NXUBA MUNICIPALITY



2013/14 TO 2015/2016 MEDUIM TERM REVENUE EXPENDITURE FORECASTS

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MAYOR` S REPORT

Vision

Nxuba Municipality, a catalyst for a sustainable development for all.

Mission

Nxuba Municipality strives to render services in an integrated manner.

Introduction

Nxuba Municipality is a local municipality in the Amathole District situated in the Eastern Cape, South Africa and is made up of the towns Adelaide, Bedford and Post Retief. Its administrative seat in the town of Adelaide. The urban population is mainly located in the two small towns of Adelaide and Bedford. As a low capacity Municipality, in terms of the framework for the implementation of Municipal Finance Management Act No. 56 of 2003, the preparation of the Draft Budget has become mandatory in respect of the 2013/14 Financial Year. Furthermore the Council is guided by the Batho Pele Principles.

Local Government reform in South Africa poses a challenge to all municipalities and indeed the Nxuba Municipality and as such we have set our targets to comply with the accounting reforms as envisage in the MFMA and other pieces of legislature. The economic viability of the region remains a priority for our municipality. Every effort has been made to stimulate investment in the Nxuba Municipality with the available resources.

The council as an institution is faced with numerous challenges. The greatest challenge is the inability of customers to pay for rates and services on a regular basis. Due to this challenge the municipality has become increasingly reliance on the equitable share received from national government is improve the quality of service delivery to population of the Nxuba region. The high unemployment rate in the region has become the major contributing factor towards the inability of customers to service their accounts.

Despite the numerous challenges facing the council, the council is confident for the future of the Nxuba Municipality and remain committed to building a financially sound and prosperous municipality

In conclusion I wish to express my appreciation to the Councillors, the Municipal Manger, Chief Finance Officer and various members of the Budget and Treasure Office for their support and hard work during the past financial year.

.....

HONOURABLE MAYOR

Councillor Louisa Leonora "Dolly" Bruintjies

1.1 Council Resolutions

On 22 May 2013 the Council of Nxuba Local Municipality met in the Council Chambers of Nxuba Local Municipality Hall to consider the annual budget of the municipality for the financial year 2013/14. The Council approved and adopted the following resolutions:

1. The Council Nxuba Local Municipality Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in A2 page 10;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in A3 on page 11 ;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in A4 on page 12-13; 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 A5 on page 14-15
 - 1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus,
 - 1.3 asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.3.1 Budgeted Financial Position as contained in A6 on page 16 -17;
 - 1.3.2 Budgeted Cash Flows as contained in A7 on page 18;
 - 1.3.3 Cash backed reserves and accumulated surplus reconciliation as contained in A8 on page 19
 - 1.3.4 Asset management as contained in A9 on page 20
 - 1.3.5 Basic service delivery measurement as contained in A10 on page
- 2 The Nxuba Local Municipality Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013:
 - 3
 - 3.1 the tariffs for property rates – as set out in Annexure A,
 - 3.2 the tariffs for electricity – as set out in Annexure A
 - 3.3 the tariffs for solid waste services – as set out in Annexure A
- 4 The Council of Nxuba Local Municipality Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013 the tariffs for other services, as set out in Annexure A.

- 5 To give proper effect to the municipality's annual budget, the Council of Nxuba Local Municipality approves:
 - 5.1 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.
 - 5.2 That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.
- 6 Council resolves to adopt the revised Integrated Development Plan, page

EXECUTIVE SUMMARY

The 2013/14 to 2015/16 Budget preparation commenced in August 2012 after Council approved the IDP/Budget Process Plan. The Budget comprises both Operating and Capital Budgets, which is a requirement of the Constitution and the Municipal Finance Management Act (MFMA). The capital budget consists mainly of the MIG Infrastructure Grant funded projects, as well as new or replacement other assets. The Operating Budget, which is by far the largest component of the Budget, includes the provision of services, such as electricity, refuse and removal, parks.

One of the objectives of the budget timetable is to ensure integration between the development of the Integrated Development Plan (IDP) and the Budget. The IDP is the strategic plan of the Municipality and it is critical that the Budget enables the achievement of the IDP objectives. Nxuba Municipality does not have much funds to fund the desired infrastructure and as such the projects were prioritized in terms of implementation date and funding required, taking affordability into account.

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

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

- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Financial constraints;
- Eskom electricity increase;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2013/14 MTREF process.

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

- The 2012/13 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 2013/14 annual 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, and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs; as stated in circular 51.

The Operating Budget totals R88 643 278.32 which funds the continued provision of Services provided by the Municipality. The major expenditure items are employee costs R24 893 405.62, general expenses R22 649 551.71, provision for bad debts R8 739 825.00 and depreciation R8 452 386.00

Funding is obtained from various sources, the major source being grants and subsidies received from National & Provincial Governments R3 242 000 highlighting Nxuba`s grant dependency, with service charges only contributing 25 545 000 of revenue.

ANNUAL BUDGET TABLES-Budget Summary

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities

EC128 Nxuba - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	2 579	2 600	2 823	3 104	3 104	2 010	2 010	2 421	2 552	690
Service charges	16 135	16 480	17 935	24 495	27 544	17 001	17 001	25 545	26	29
Investment revenue	57	-	84	-	-	-	-	-	-	-
Transfers recognised - operational	19 081	20 800	21 702	25 527	25 527	25 527	25 527	28 106	37	30
Other own revenue	5 900	7 648	5 841	3 216	10 886	4 476	4 476	4 533	5 380	5
Total Revenue (excluding capital transfers and contributions)	43 751	47 529	48 386	56 343	67 060	49 013	49 013	60 605	72	67
									028	738
Employee costs	16 375	16 523	16 319	19 993	19 218	19 218	19 218	22 420	23	24
Remuneration of councillors	1 064	1 303	1 868	1 968	2 332	2 332	2 332	2 473	631	904
Depreciation & asset impairment	-	-	8 452	89	10 124	8 452	8 452	8 452	2 607	2
Finance charges	-	482	-	-	-	-	-	-	8 452	8
Materials and bulk purchases	10 140	12 787	17 506	17 816	21 816	21 816	21 816	19 242	-	-
Transfers and grants	-	-	-	-	-	-	-	-	20	21
Other expenditure	19 187	14 535	24 623	16 477	23 695	23 695	23 695	24 801	281	023
									32	23
Total Expenditure	46 767	45 630	68 768	56 343	77 184	75 513	75 513	77 389	062	80
									87	354
Surplus/(Deficit)	(3 015)	1 899	(20 382)	(1)	(10 124)	(26 500)	(26 500)	(16 784)	(15)	(12)
Transfers recognised - capital	4 909	3 663	7 010	11 143	11 221	11 221	11 221	11 136	004	616
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	9	9
Surplus/(Deficit) after capital transfers & contributions	1 894	5 562	(13 373)	11 142	1 097	(15 279)	(15 279)	(5 648)	(5)	(2)
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	550	892
Surplus/(Deficit) for the year	1 894	5 562	(13 373)	11 142	1 097	(15 279)	(15 279)	(5 648)	(5)	(2)
									550	892
Capital expenditure & funds sources										
Capital expenditure	4 233	1 359	1 519	11 143	11 222	11 222	11 222	11 254	9 776	200
Transfers recognised - capital	4 233	1 359	1 519	11 143	11 221	11 221	11 221	11 254	9 776	200
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	4 233	1 359	1 519	11 143	11 221	11 221	11 221	11 254	9 776	200
										9

Financial position										
Total current assets	21 576	29 106	15 574	15 574	15 574	15 574	15 574	16 447	335	17
Total non current assets	35 609	41 569	222 720	222 720	222 720	222 720	222 720	235 192	892	247
Total current liabilities	13 738	17 653	28 690	25 590	25 590	25 590	25 590	27 023	482	28
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	43 448	53 021	212 704	212 704	212 704	212 704	212 704	224 616	745	236
										18
										271
										261
										279
										30
										020
										-
										249
										529
Cash flows										
Net cash from (used) operating	6 107	6 921	(11 854)	11 143	1 097	1 097	1 097	(5 648)	582	(5)
Net cash from (used) investing	(4 233)	(1 359)	(1 519)	(11 143)	(11 221)	(11 221)	(11 221)	(11 254)	776	(9)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	2 573	8 134	(5 239)	3 241	(10 124)	(10 124)	(10 124)	(14 902)	260	(30)
										(42)
										385
Cash backing/surplus reconciliation										
Cash and investments available	3 457	6 330	2 684	2 684	2 684	2 684	2 684	2 834	2 987	149
Application of cash and investments	9 710	(6 019)	15 699	12 638	12 615	2 921	2 921	13 346	067	14
Balance - surplus (shortfall)	(6 253)	12 349	(13 015)	(9 954)	(9 931)	(237)	(237)	(10 512)	080	(11)
										3
										14
										826
										(11)
										678
Asset management										
Asset register summary (WDV)	379	379	19 365	199 473	199 473	199 473	210 644	210 644	019	222
Depreciation & asset impairment	-	-	8 452	89	10 124	8 452	8 452	8 452	8 452	8 452
Renewal of Existing Assets	-	-	-	-	-	-	-	2 500	1 500	700
Repairs and Maintenance	309	282	551	1 308	1 171	1 171	2 152	2 152	1 251	613
										234
										008
										8
										3
										700
										613

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). 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.

A2 FINANCIAL PERFORMANCE STANDARD CLASSIFICATION

EC128 Nxuba - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard	1									
<i>Governance and administration</i>		26 280	29 353	28 602	17 774	26 513	26 513	18 916	20 012	21 221
Executive and council		-	-	-	5 213	5 213	5 213	6 485	7 031	6 924
Budget and treasury office		26 165	29 353	28 489	6 155	14 895	14 895	5 256	5 598	5 939
Corporate services		115	-	113	6 406	6 406	6 406	7 175	7 383	8 358
<i>Community and public safety</i>		1 337	1 564	1 849	4 082	3 732	3 732	6 462	7 726	8 102
Community and social services		1 337	1 564	1 849	1 704	1 704	1 704	2 351	2 795	2 946
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	2 125	1 775	1 775	3 845	4 651	4 861
Housing		-	-	-	253	253	253	266	280	295
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		4 909	3 794	7 010	14 653	14 653	14 653	14 640	12 325	12 723
Planning and development		-	-	-	1 924	1 924	1 924	1 972	2 319	2 417
Road transport		4 909	3 794	7 010	12 729	12 729	12 729	12 668	10 006	10 306
<i>Trading services</i>		16 135	16 480	17 935	30 977	33 382	33 382	31 723	41 429	35 406
Electricity		12 744	12 696	14 010	24 408	26 814	26 814	29 588	39 374	32 968
Waste management		3 390	3 784	3 925	6 569	6 569	6 569	2 135	2 055	2 438
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	48 661	51 191	55 395	67 486	78 281	78 281	71 741	81 493	77 453
Expenditure - Standard	-									
<i>Governance and administration</i>		12 162	10 863	23 500	18 851	27 162	27 162	29 488	30 888	31 735
Executive and council		2 768	3 119	3 431	5 369	5 719	5 719	6 195	6 628	6 811
Budget and treasury office		4 284	2 297	15 379	7 032	15 415	15 415	16 867	17 452	17 858
Corporate services		5 110	5 447	4 690	6 450	6 027	6 027	6 425	6 808	7 066
<i>Community and public safety</i>		7 123	7 263	6 803	4 586	4 997	4 997	5 675	5 977	6 467
Community and social services		3 407	3 631	3 126	2 272	2 141	2 141	2 652	2 795	2 946
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 013	1 816	2 114	2 060	2 607	2 607	2 758	2 902	3 226
Housing		1 703	1 816	1 563	253	250	250	266	280	295
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13 953	11 086	17 832	10 212	18 953	18 953	17 553	16 937	16 771
Planning and development		6 814	7 263	6 253	2 713	2 211	2 211	2 182	2 270	2 371
Road transport		7 140	3 823	11 579	7 499	16 742	16 742	15 370	14 667	14 400
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		13 547	16 418	20 633	22 695	26 072	26 072	24 693	33 262	25 413
Electricity		11 844	14 603	19 069	20 355	24 180	24 180	22 560	31 011	23 053
Waste management		1 703	1 816	1 563	2 340	1 892	1 892	2 133	2 251	2 360
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	46 786	45 630	68 768	56 343	77 184	77 184	77 409	87 064	80 387
Surplus/(Deficit) for the year		1 874	5 560	(13 373)	11 143	1 097	1 097	(5 668)	(5 572)	(2 934)

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. 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.

A3 FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

EC128 Nxuba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	R e f	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	5 213	5 213	5 213	6 485	7 031	6 924
Vote 2 - BUDGET AND TREASURY		26 165	29 353	28 489	6 155	14 895	14 895	5 256	5 598	5 939
Vote 3 - CORPORATE SERVICES		115	131	113	7 383	7 383	7 383	8 495	8 817	9 839
Vote 4 - COMMUNITY SERVICES		4 727	5 349	5 773	10 397	10 047	10 047	8 331	9 501	10 245
Vote 5 - TECHNICAL SERVICES		17 653	16 358	21 019	38 338	40 743	40 743	43 173	50 546	44 505
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]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	48 661	51 191	55 395	67 486	78 281	78 281	71 741	81 493	77 453
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		2 768	3 119	3 431	5 369	5 719	5 719	6 195	6 628	6 811
Vote 2 - BUDGET AND TREASURY		4 284	2 297	15 379	7 032	15 415	15 415	16 867	17 452	17 858
Vote 3 - CORPORATE SERVICES		8 517	9 078	7 816	7 921	7 360	7 360	7 741	8 218	8 547
Vote 4 - COMMUNITY SERVICES		7 123	7 263	6 803	6 672	6 640	6 640	7 543	7 947	8 532
Vote 5 - TECHNICAL SERVICES		24 094	23 873	35 338	29 349	42 049	42 049	39 062	46 819	38 638
Total Expenditure by Vote	2	46 786	45 630	68 768	56 343	77 184	77 184	77 409	87 064	80 387
Surplus/(Deficit) for the year	2	1 874	5 561	(13 373)	11 143	1 097	1 097	(5 668)	(5 572)	(2 934)

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.

A4 FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)

EC128 Nxuba - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	2 579	2 600	2 823	3 104	3 104	2 010	2 010	2 421	2 552	2 683
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	12 744	12 696	14 010	21 144	24 192	15 601	15 601	23 869	25 158	27 000
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	3 390	3 785	3 925	3 351	3 351	1 399	1 399	1 676	1 766	1 856
Service charges - other											
Rental of facilities and equipment		115	131	113	121	121	121	121	88	94	100
Interest earned - external investments		57		84							
Interest earned - outstanding debtors		3 551	2 391	2 043							
Dividends received											
Fines		6	14	115	80	80	80	80	50	53	60
Licences and permits		1 331	1 551	1 733	1 560	1 560	1 560	1 560	3 630	4 425	4 900
Agency services					115	115	115	115	115	121	130
Transfers recognised - operational		19 081	20 800	21 702	25 527	25 527	25 527	25 527	28 106	37 172	30 000
Other revenue	2	897	3 561	1 836	1 341	9 010	2 600	2 600	650	687	720
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		43 751	47 529	48 386	56 343	67 060	49 013	49 013	60 605	72 028	67 000
Expenditure By Type											
Employee related costs	2	16 375	16 523	16 319	19 993	19 218	19 218	19 218	22 420	23 631	24 000
Remuneration of councillors		1 064	1 303	1 868	1 968	2 332	2 332	2 332	2 473	2 607	2 700
Debt impairment	3	6 233		13 816		8 740	8 740	8 740	8 740	9 212	9 000
Depreciation & asset impairment	2	-	-	8 452	89	10 124	8 452	8 452	8 452	8 452	8 000
Finance charges			482								
Bulk purchases	2	10 140	12 787	17 506	17 816	21 816	21 816	21 816	19 242	20 281	21 000
Other materials	8										
Contracted services		81	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	12 873	14 535	10 806	16 477	14 955	14 955	14 955	16 061	22 850	13 000
Loss on disposal of PPE											
Total Expenditure		46 767	45 630	68 768	56 343	77 184	75 513	75 513	77 389	87 032	80 000
Surplus/(Deficit)		(3 015)	1 899	(20 382)	(1)	(10 124)	(26 500)	(26 500)	(16 784)	(15 004)	(12 000)
Transfers recognised - capital		4 909	3 663	7 010	11 143	11 221	11 221	11 221	11 136	9 454	9 000
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		1 894	5 562	(13 373)	11 142	1 097	(15 279)	(15 279)	(5 648)	(5 550)	(2 000)
Surplus/(Deficit) after capital transfers & contributions											
Taxation											
Surplus/(Deficit) after taxation		1 894	5 562	(13 373)	11 142	1 097	(15 279)	(15 279)	(5 648)	(5 550)	(2 000)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		1 894	5 562	(13 373)	11 142	1 097	(15 279)	(15 279)	(5 648)	(5 550)	(2 000)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		1 894	5 562	(13 373)	11 142	1 097	(15 279)	(15 279)	(5 648)	(5 550)	(2 000)

Total revenue is R67 million in 2012/13 and escalates to R71 million by 2013/14. The increase is due to equitable share that has increased by R2 million from the previous financial year and other grants.

Revenue to be generated from property rates is R3.1 million in the 2012/13 financial year and decreased to R2.4 million by 2013/14 which represents Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue generated by the municipality.

For the 2012/13 financial year services charges amount to R24.4 million, R25 million 2013/14 increase is due to income expected to be collected from electricity. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly.

Table A5 CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE

EC128 Nxuba - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	R e f	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	4 500	3 400	2 000
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]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	4 500	3 400	2 000
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	32	32	32	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	47	47	47	485	844	-
Vote 4 - COMMUNITY SERVICES		-	-	-	-	-	-	-	150	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	11 143	11 143	11 143	11 143	10 619	8 932	9 200
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]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	11 143	11 221	11 221	11 221	11 254	9 776	9 200

Total Capital Expenditure - Vote		-	-	-	11 143	11 221	11 221	11 221	15 754	13 176	11 200
Capital Expenditure - Standard											
<i>Governance and administration</i>		-	-	-	-	79	79	79	485	844	-
Executive and council office						32	32	32			
Corporate services						47	47	47	485	844	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	150	-	-
Community and social services									150	-	-
Sport and recreation											
Public safety											
Housing											
Health											
<i>Economic and environmental services</i>		4	1	1	11 143	11 143	11 143	11 143	10 619	8 932	9 200
Planning and development		233	359	519	11 143	11 143	11 143	11 143	10 619	8 932	9 200
Road transport		4	1	1	11 143	11 143	11 143	11 143	10 619	8 932	9 200
Environmental protection		233	359	519	11 143	11 143	11 143	11 143	10 619	8 932	9 200
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-
Electricity											
Water											
Waste water management											
Waste management											
<i>Other</i>											
Total Capital Expenditure - Standard	3	4	1	1	11 143	11 222	11 222	11 222	11 254	9 776	9 200
233		359	519	11 143	11 222	11 222	11 222	11 254	9 776	9 200	
Funded by:											
National Government		4	1	1	11 143	11 143	11 143	11 143	11 254	9 776	9 200
Provincial Government		233	359	519	11 143	11 143	11 143	11 143	11 254	9 776	9 200
District Municipality											
Other transfers and grants						79	79	79			
Transfers recognised - capital	4	4	1	1	11 143	11 221	11 221	11 221	11 254	9 776	9 200
Public contributions & donations	5	233	359	519	11 143	11 221	11 221	11 221	11 254	9 776	9 200
Borrowing	6										
Internally generated funds	6										
Total Capital Funding	7	4	1	1	11 143	11 221	11 221	11 221	11 254	9 776	9 200
233		359	519	11 143	11 221	11 221	11 221	11 254	9 776	9 200	

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.

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. For 2012/13, capital transfers totals R11 729 000 and decreased to R11 136 000 by 2013/14.

TABLE A6 BUDGETD FINANCIAL POSITION

EC128 Nxuba - Table A6 Budgeted Financial Position

Description	R e f	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		699	3 000	983	983	983	983	983	1 038	1 094	1 153
Call investment deposits	1	3 320	3 330	1 701	701 ¹	1 701	1 701	1 701	1 796	1 893	1 995
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		2 769	22 775	12 591	591 ¹²	12 591	12 591	12 591	13 296	14 014	14 771
Current portion of long-term receivables									-	-	-
Inventory	2	14 787		300	300	300	300	300	316	334	352
Total current assets		21 576	29 106	15 574	574¹⁵	15 574	15 574	15 574	16 447	17 335	18 271
Non current assets											
Long-term receivables											
Investments		47									
Investment property		360	360	19 332	332 ¹⁹	19 332	19 332	19 332	20 414	21 517	22 679
Investment in Associate											
Property, plant and equipment	3	35 183	41 190	203 355	355 ²⁰³	203 355	203 355	203 355	214 742	226 339	238 561
Intangible assets		19	19	33	33	33	33	33	35	37	39
Other non-current assets											
Total non current assets		35 609	41 569	222 720	720²²²	222 720	222 720	222 720	235 192	247 892	261 279
TOTAL ASSETS		57 186	70 674	238 294	294²³⁸	238 294	238 294	238 294	251 639	265 227	279 549
LIABILITIES											
Current liabilities											
Bank overdraft	- 1	610									
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		347	897	361	361	361	361	361	381	401	423
Trade and other payables	4	12 780	16 756	28 329	229 ²⁵	25 229	25 229	25 229	26 642	28 081	29 597
Provisions											
Total current liabilities		13 738	17 653	28 690	590²⁵	25 590	25 590	25 590	27 023	28 482	30 020
Non current liabilities											
Total non current liabilities		-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		13 738	17 653	28 690	590²⁵	25 590	25 590	25 590	27 023	28 482	30 020
NET ASSETS	5	43 448	53 021	209 604	704²¹²	212 704	212 704	212 704	224 616	236 745	249 529
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		43 448	53 021	212 704	704 ²¹²	212 704	212 704	212 704	224 616	236 745	249 529
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	43 448	53 021	212 704	704²¹²	212 704	212 704	212 704	224 616	236 745	249 529

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 A7 BUDGETED CASH FLOW STATEMENT

EC128 Nxuba - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		24 670	26 728	26 683	30 816	41 611	41 611	41 611	32 499	34 856	37 605
Government - operating	1	19 081	20 800	21 702	24 941	24 941	24 941	24 941	28 106	37 172	30 133
Government - capital	1	4 909	3 663	7 010	11 729	11 729	11 729	11 729	11 136	9 454	9 724
Interest											
Dividends											
Payments											
Suppliers and employees		(42 554)	(44 271)	(67 249)	(56 343)	(77 184)	(77 184)	(77 184)	(77 389)	(87 064)	(80 387)
Finance charges											
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		6 107	6 921	(11 854)	11 143	1 097	1 097	1 097	(5 648)	(5 582)	(2 925)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(4 233)	(1 359)	(1 519)	(11 143)	(11 221)	(11 221)	(11 221)	(11 254)	(9 776)	(9 200)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 233)	(1 359)	(1 519)	(11 143)	(11 221)	(11 221)	(11 221)	(11 254)	(9 776)	(9 200)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		1 874	5 561	(13 373)	0	(10 124)	(10 124)	(10 124)	(16 902)	(15 358)	(12 125)
Cash/cash equivalents at the year begin:	2	699	2 573	8 134	241			-	2 000	(14 902)	(30 260)
Cash/cash equivalents at the year end:	2	573	8 134	(5 239)	241	(10 124)	(10 124)	(10 124)	(14 902)	(30 260)	(42 385)

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.

TABLE A8 CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION

EC128 Nxuba - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	2 573	8 134	(5 239)	#VALUE!	(10 124)	(10 124)	(10 124)	(16 902)	(32 260)	(44 385)
Other current investments > 90 days		836	(1 804)	7 923	#VALUE!	12 808	12 808	12 808	19 736	35 247	47 534
Non current assets - Investments	1	47	-	-	-	-	-	-	-	-	-
Cash and investments available:		3 457	6 330	2 684	#VALUE!	2 684	2 684	2 684	2 834	2 987	3 149
Application of cash and investments											
Unspent conditional transfers		2 961	11 107	3 100	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	6 749	(17 126)	12 599	12 638	12 615	2 921	2 921	13 346	14 067	14 826
Other provisions											
Long term investments committed Reserves to be backed by cash/investments	4	-	-	-	-	-	-	-	-	-	-
	5										
Total Application of cash and investments:		9 710	(6 019)	15 699	12 638	12 615	2 921	2 921	13 346	14 067	14 826
Surplus(shortfall)		(6 253)	12 349	(13 015)	#VALUE!	(9 931)	(237)	(237)	(10 512)	(11 080)	(11 678)

A9 ASSET MANAGEMENT

EC128 Nxuba - Table A9 Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE										
Total New Assets	1	4 233	1 359	1 519	11 143	11 221	11 221	724 8	244 8	500 4
Infrastructure - Road transport		-	-	-	6 951	6 891	6 891	500 5	400 5	000 4
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	2 000	2 000	2 000	-	-	-
Infrastructure		-	-	-	8 951	8 891	8 891	5 500 1	5 400 2	000 4
Community		-	-	-	2 192	2 251	2 251	079	000	500
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	4 233	1 359	1 519	-	79	79	145 2	844	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	500 2	500 1	700 3
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	000 2	000 1	000 2
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	2 000	1 000	000 2
Community	-	-	-	-	-	-	-	500	-	700 1
Heritage assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	500	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	6 951	6 891	6 891	500 5	400 5	000 4
Infrastructure - Electricity		-	-	-	-	-	-	000 2	000 1	000 2
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	2 000	2 000	2 000	-	-	-
Infrastructure		-	-	-	8 951	8 891	8 891	7 500	6 400	6

Community		-	-	-	2 192	2 251	2 251	579	1 000	200	2
Heritage assets		-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-
Other assets		4 233	1 359	1 519	-	79	79	145	344	1	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	4 233	1 359	1 519	11 143	11 221	11 221	224	744	200	8
ASSET REGISTER SUMMARY - PPE (WDV)	5										
<i>Infrastructure - Road transport</i>											
<i>Infrastructure - Electricity</i>					23 398	23 398	23 398	709	043	449	27
<i>Infrastructure - Water</i>					-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>					-	-	-	-	-	-	-
<i>Infrastructure - Other</i>					135 269	135 269	135 269	844	558	688	158
Infrastructure		-	-	-	158 668	158 668	158 668	553	607	137	186
Community					20 725	20 725	20 725	886	21	313	24
Heritage assets					44	44	44	46	49	51	
Investment properties		360	360	19 332	19 332	19 332	19 332	414	517	679	22
Other assets					672	672	672	710	748	788	
Agricultural Assets		-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-
Intangibles		19	19	33	33	33	33	35	37	39	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	379	379	19 365	199 473	199 473	199 473	644	210	222	234
EXPENDITURE OTHER ITEMS	3										
<u>Depreciation & asset impairment</u>		-	-	8 452	89	10 124	8 452	452	8	452	8
<u>Repairs and Maintenance by Asset Class</u>		309	282	551	1 308	1 171	1 171	152	251	613	
<i>Infrastructure - Road transport</i>					300	300	300	800	843	300	
<i>Infrastructure - Electricity</i>					350	350	350	200	300	200	
<i>Infrastructure - Water</i>					-	-	-	-	-	-	
<i>Infrastructure - Sanitation</i>					-	-	-	-	-	-	
<i>Infrastructure - Other</i>					-	-	-	-	-	-	
Infrastructure		-	-	-	650	650	650	2 000	1 143	500	
Community		-	-	-	-	-	-	-	-	-	
Heritage assets		-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Other assets	6, 7	309	282	551	658	521	521	152	108	113	
TOTAL EXPENDITURE OTHER ITEMS		309	282	9 003	1 397	11 295	9 623	604	10	703	9
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	22.3%	15.4%	45.1%	
<i>Renewal of Existing Assets as % of deprech"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.6%	17.7%	43.8%	
<i>R&M as a % of PPE</i>		0.9%	0.7%	0.3%	0.6%	0.6%	0.6%	1.0%	0.6%	0.3%	
<i>Renewal and R&M as a % of PPE</i>		82.0%	74.0%	3.0%	1.0%	1.0%	1.0%	2.0%	1.0%	2.0%	

SUPPORTING TABLES

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 budgeting 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 Municipal manager and senior officials

2.1.1 BUDGET PROCESS OVERVIEW

In terms of section 21 of the MFMA the Mayor is required to table in council 10 months before the start of a budget year a schedule that sets out processes to revise the IDP and prepare the budget.

The Mayor tabled in council the schedule on the 22 August 2012. The table below details of the plan

ACTION PLAN: 2013/2014

IDP PHASES	DELIVERABLE AND PROCESS MANAGEMENT	DATES
Preparation phase	Tabling of the IDP and Budget Process Plan to Council	22 August 2012
	Advertisement of IDP and Budget Process Plan	29 August 2012
Analysis Phase	IDP/Budget steering committee meeting	10 Sept 2012
	IDP/PMS/Budget Rep Forum	21 Sept 2012
	IDP/Budget Steering Committee: Consideration, review and inclusion of any relevant and new information	08 Oct 2012
	IDP/Budget Steering Committee	18 Oct 2012
	IDP/PMS/Budget Representative Forum	26 Oct 2012
Strategies phase	IDP/Budget Steering Committee: Preparation of budget framework to provide parameters and request budget	10 Jan 2013

	inputs	
	IDP/BUDGET STEERING COMMITTEE: confirm contents of the IDP	21 Feb 2013
	IDP/PMS/BUDGET REPRESENTATIVE FORUM	28 Feb 2013
	Advertise for public to comment on the draft IDP/Budget	19 March 2013
	IDP/Budget steering committee: drafting of service delivery and budget implementation plan(SDBIP),preparations for IDP /BUDGET public hearings	10 April 2013
	IDP /Budget public hearings	16-19 April 2013

2.2 Budget related policies

The following budget related policies have been amended in the 2012/13 financial year:

Budget policy

Supply chain management policy

Tariff policy

Rates policy

Credit control policy

Cash management policy

The final policies are attached in the budget document for adoption by council.

SA5 RECONCILIATION OF IDP TO BUDGET (OPERATING EXPENDITURE)

EC128 Nxuba - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Go al Code	R ef	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audite d Outcome	Audite d Outcome	Audite d Outcome	Origina l Budget	Adjust ed Budget	Full Year Foreca st	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
To promote local economic development and job creation										20	21	22
Marketing of Nxuba as a Tourist destination of choice by 2015										50	53	56
To support SMME and Corporative development by 2017										40	65	69
To facilitate the stock farming and citrus fruit production by 2017										-	-	-
To ensure that Nxuba Municipality provides traffic services that is compliant with the legislation by 2017										-	-	-
To ensure that Nxuba communities have clean and friendly environment and conservation of sesnitive and protected areas by 2017										-	-	-
To improve own revenue collection by 25% to 70% by 2017										-	-	-
To ensure proper development and reviewal a credible by 2017												
To strengthen organisational capacity building of the municipality by 2017												
To ensure proper management of leave and attendance										-	-	-
Develop a secure records management system										-	-	-
To ensure mainstreaming of vulnearble groups into municipal programmes										100	160	100
To ensure that all stakeholders participate in the affairs of the municipality by 2017										15	16	17

To ensure effective coordination of integrated planning, implementation and monitoring of service delivery by 2017 To ensure that system support all programmes of the municipality To strengthen Organizational capacity building of the municipality by 2017												
									200	200	200	
Allocations to other priorities												
Total Expenditure		1	-	-	-	-	-	-	425	515	463	

SA 6 RECONCILIATION OF IDP TO BUDGET(CAPITAL EXPENDITURE)

EC128 Nxuba - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Go al Co de	R ef	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audite d Outco me	Audite d Outco me	Audite d Outco me	Origina l Budget	Adjust ed Budget	Full Year Foreca st	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
To maintain sustainable roads and stormwater services to all our communities by 2017		A								5 500	2 400	
To provide and maintain adequate access to electricity for all in the municipality area by 2017		B								2 000	1 000	2 000
To ensure that all people within the municipal area have access to human settlement by 2017		C								-	-	
		D										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	-	-	-	-	-	-	7 500	3 400	2 000

SA 18 TRANSFER GRANTS

EC128 Nxuba - Supporting Table SA18 Transfers and grant receipts

Description	R e f	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:	1									
-	2									
<u>Operating Transfers and Grants</u>										
National Government:		19 081	20 800	21 702	24 331	24 331	24 331	27 467	36 538	29 611
Local Government Equitable Share		13 192	12 936	15 044	20 983	20 983	20 983	22 307	23 804	26 694
Finance Management Municipal Systems Improvement					1 500	1 500	1 500	1 650	1 800	1 950
Integrated National Electrification Programme					800	800	800	890	934	967
EPWP Incentive					48	48	48	1 620	10 000	-
Other transfers/grants [insert description]		5 889	7 864	6 659	1 000	1 000	1 000	1 000	-	-
Provincial Government:		-	-	-	610	610	610	639	634	522
Sport and Recreation					522	522	522	522	522	522
Local economic development					88	88	88	117	112	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	19 081	20 800	21 702	24 941	24 941	24 941	28 106	37 172	30 133
<u>Capital Transfers and Grants</u>										
National Government:		4 909	3 663	7 010	11 729	11 729	11 729	11 136	9 454	9 724
Municipal Infrastructure Grant (MIG)		4 909	3 663	7 010	11 729	11 729	11 729	11 136	9 454	9 724
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	4 909	3 663	7 010	11 729	11 729	11 729	11 136	9 454	9 724
TOTAL RECEIPTS OF TRANSFERS & GRANTS		23 990	24 463	28 712	36 670	36 670	36 670	39 242	46 626	39 857

SA 22 SUMMARY OF COUNCILLORS AND STAFF BENEFITS

EC128 Nxuba - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
<u>Councillors (Political Office Bearers plus Other)</u>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		1 064	1 303	1 868	1 423	1 744	1 744	1 688	1 779	1 875
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance					438	481	481	659	694	732
Cellphone Allowance					107	107	107	126	133	140
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		1 064	1 303	1 868	1 968	2 332	2 332	2 473	2 607	2 747
% increase	4		22.4%	43.3%	5.3%	18.5%	-	6.1%	5.4%	5.4%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		691		867	986	1 611	1 611	2 164	2 280	2 404
Pension and UIF Contributions					6	2	2	5	6	6
Medical Aid Contributions						51	51	51	54	56
Motor Vehicle Allowance	3				345	152	152	153	161	169
Other benefits and allowances	3	644		837	637	233	233	342	360	379
Sub Total - Senior Managers of Municipality		1 335	-	1 705	1 974	2 049	2 049	2 714	2 860	3 015
% increase	4		(100.0%)	-	15.8%	3.8%	-	32.5%	5.4%	5.4%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		11 760		11 444	13 213	12 744	12 744	15 277	16 102	16 972
Pension and UIF Contributions		2 164		2 513	2 239	2 149	2 149	2 090	2 203	2 322
Medical Aid Contributions					644	682	682	657	692	730
Overtime		45				5	5	-	-	-
Performance Bonus										
Motor Vehicle Allowance	3			489	54	86	86	54	57	60
Cellphone Allowance	3				5	4	4	4	5	5
Housing Allowances	3	36		33	42	41	41	32	33	35
Other benefits and allowances	3	1 035		135	1 821	1 457	1 457	1 592	1 678	1 768
Payments in lieu of leave										
Sub Total - Other Municipal Staff		15 040	-	14 615	18 018	17 169	17 169	19 707	20 771	21 892
% increase	4		(100.0%)	-	23.3%	(4.7%)	-	14.8%	5.4%	5.4%
Total Parent Municipality		17 440	1 303	18 187	21 960	21 549	21 549	24 893	26 238	27 654
TOTAL SALARY, ALLOWANCES & BENEFITS		17 440	1 303	18 187	21 960	21 549	21 549	24 893	26 238	27 654
% increase	4		(92.5%)	1 295.5%	20.7%	(1.9%)	-	15.5%	5.4%	5.4%
TOTAL MANAGERS AND STAFF	5,7	16 375	-	16 319	19 993	19 218	19 218	22 420	23 631	24 907

SA 24 SUMMARY OF PERSONNEL NUMBERS

EC128 Nxuba - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref 1, 2	2011/12			Current Year 2012/13			Budget Year 2013/14		
		Positio ns	Perman ent employ ees	Contra ct employ ees	Positio ns	Perman ent employ ees	Contra ct employ ees	Positio ns	Perman ent employ ees	Contra ct employ ees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		8		8	8		8	8		8
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	5		3	5		4	5		5
Other Managers	7	19	11	1	19	17		21	11	
Professionals		13	12	1	13	12	1	12	12	2
<i>Finance</i>		4	4		4	4		4	4	
<i>Spatial/town planning</i>		3	3		3	3		3	3	
<i>Information Technology</i>		1	1		1	1			1	
<i>Roads</i>		3	2	1	3	2	1	3	2	2
<i>Electricity</i>		2	2		2	2		2	2	
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Technicians		7	4	1	6	3	-	6	4	-
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>		1	1	1		1			1	
<i>Roads</i>										
<i>Electricity</i>		6	3		6	2		6	3	
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Clerks (Clerical and administrative)		13	10		13	11		4	18	
Service and sales workers		22	14		30	29	4	34		1
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		11	6		11	8		11	2	
Elementary Occupations		68	56	5	68	65		67		
TOTAL PERSONNEL NUMBERS	9	166	113	19	173	145	17	101	114	16

SA 34A CAPITAL EXPENDITURE ON NEW ASSETS

EC128 Nxuba - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	R e f	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
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	-	-	8 951	8 891	8 891	5 500	5 400	4 000
Infrastructure - Road transport <i>Roads, Pavements & Bridges</i>		-	-	-	6 951	6 891	6 891	5 500	5 400	4 000
<i>Storm water</i>										
Infrastructure - Electricity <i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>										
<i>Street Lighting</i>										
Infrastructure - Water <i>Dams & Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation <i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>										
Infrastructure - Other <i>Waste Management</i>		-	-	-	2 000	2 000	2 000	-	-	-
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3				2 000	2 000	2 000			
Community		-	-	-	2 192	2 251	2 251	1 079	2 000	500
Parks & gardens										
Sportsfields & stadia								1 079	1 000	500
Swimming pools										
Community halls					1 800	1 800	1 800		1 000	
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other					392	451	451			
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										

Other assets		4 233	1 359	1 519	-	79	79	2 145	844	-
General vehicles	1							280	600	-
Specialised vehicles	0	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment						79	79	35	65	-
Furniture and other office equipment								330	179	
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings								1 500		
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		4 233	1 359	1 519						
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Capital Expenditure on new assets	1	4 233	1 359	1 519	11 143	11 221	11 221	8 724	8 244	4 500

SA 34C REPAIRS AND MAINTENANCE EXPENDITURE

EC128 Nxuba - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
-										
Infrastructure		-	-	-	650	650	650	2 000	1 143	500
Infrastructure - Road transport		-	-	-	300	300	300	800	843	300
<i>Roads, Pavements & Bridges</i>					300	300	300	800	843	300
<i>Storm water</i>										
Infrastructure - Electricity		-	-	-	350	350	350	1 200	300	200
<i>Generation</i>										
<i>Transmission & Reticulation</i>					350	350	350	800	300	200
<i>Street Lighting</i>					-	-	-	400	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>										
Other										
Other assets		309	282	551	658	521	521	152	108	113
General vehicles					220	175	175	100	105	111
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment					52	25	25	2	2	2
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings					120	100	100	50	-	-
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		309	282	551	266	221	221			
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	309	282	551	1 308	1 171	1 171	2 152	1 251	613

QUALITY CERTIFICATE

I, _____, Municipal Manager of Nxuba Municipality hereby certify that –

The draft budget for 2013/2014 financial year has been prepared in accordance with the Municipal Finance Management Act and municipal budgeting reporting regulations

Print Name: _____

Municipal Manager of Nxuba Municipality (EC128)

Signature: _____

Date: _____

Annexure A

tariff

structure

Annexure B

Budget related policies