

NTABANKULU LOCAL MUNICIPALITY



NTABANKULU FINAL BUDGET

MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK 2013 TO 2016 TO COUNCIL

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1. MAYORAL SPEECH

The term of this council has started in May 2011. We have since, committed ourselves in creating a municipality that is responsive to the aspirations of our people.

This has been the driving tool behind the Vision and Mission that we have set ourselves in order to carry out the work of our institution successfully. We have crafted a set of organizational values to constantly remind ourselves of the mandate we set to fulfill.

The municipality has set itself a commitment to strengthen the political and administrative arms and relations inter alia, to ensure stability and enable the institution to carry out its obligation in a manner that is coherent and in harmony with the constitutional requirements of a developmental local state.

Subsequently we have structured our administration in a manner that shall prompt a responsive approach to the objectives of the political leadership as enshrined in the IDP as a strategic guiding tool.

In carrying out our legislative obligation in formulating the IDP, as a Municipality we have emphasized our efforts on consultation and participation of the community, thereby capturing the needs and inspirations of the community. This has been done on a conviction that our IDP should be a people driven strategic document to carry out successfully our mission of *“Ensuring the optimal use of resources effectively through active community participation”*

The municipality decided to develop human capital to ensure sustainable communities. We committed to achieve through a system of Local Government that provides sustainable services by optimally exploiting all those areas that have a potential to harness our economic growth initiatives. Furthermore; we are confident that we shall continue to engage effective strategies to attract direct investment and increase our revenue.

We are confident that we have put in place effective organizational systems that will enable us to continue a clean and transparent institution. We are also confident that our internal controls further enhance our compliance requirements and to ensure our IDP’s credibility.

Strategic Focus Areas and Municipal Priority Issues

The following strategic focus areas remain for the 2013/14 financial year:-

- ❑ Institutional Development and Organizational Development
- ❑ Basic service delivery and Infrastructure Development
- ❑ Local Economic Development and Social cohesion
- ❑ Financial Viability and Management and
- ❑ Good Governance and Public Participation

Council has reconfirmed these strategic priorities and they dovetail with the top priority issues for the next three financial years being the restoration of the financial viability of the Municipality.

This MTREF budget for 2013-2016 is in the approved format outlined in National Treasury Circular No 28 and has the following features:-

- ❑ A balanced operating budget containing expenditure details and realistically anticipated revenue;
- ❑ A balanced budget for capital expenditure that is within realistic funding already secured, together with the projected future financial implications of such capital expenditure;
- ❑ Actual results for the previous year; and
- ❑ Projected budget outcomes for the current financial year, the next year's budget and the outer two years.

Within the available resources the Final budget reflects the Council's IDP and details the methods of funding.

An in-depth review of revenue has taken place and the level of spending is limited by the availability of revenue. In addition the ability of consumers to pay the revised tariffs has been taken into consideration.

The total budget is sitting at R138, 9 million; which is made out of operating budget of R86, 8 million which funds the continued provision of services provided by the municipality, and capital budget of R58.8 million.

Funding is obtained from various sources and the proportions which are received from services such as property rates, refuse removal, rentals on municipal properties, interests on investments, interest on outstanding debtors and other minor services as well as from grants and subsidies received from the National and Provincial Government. It should be noted that 4% is from the municipal revenue sources and 96% is grants funded. The following table depicts the municipal revenue in detail:-

REVENUE	Budget Year +1 2013/2014	Budget Year +2 2014/2015	Budget Year +3 2015/2016
Non Grant Income	R6 086 071	R6 275 329	R 6 614 197
Grant from District	R200 000	R210 800	R222 183
Grant Revenue as per DORA			
Equitable Share	R69 894 000	R80 014 000	R99 570 000
Municipal Infrastructure Grant	R24 271 000	R25 592 000	R27163 000
MSIG	R890 000	R934 000	R967 000
FMG	R1650 000	R1 800 000	R1 950 000
Electrification	R35 000 000	R30 000 000	R25 000 000
EPWP	R1 000 000	0	0
Total Revenue	R138 991 071	R144 826 129	R161 486 380

Budgeted Expenditure: 2013-2016

EXPENDITURE	Budget 2013/2014	Year	Budget 2014/2015	Year	Budget 2015/2016	Year
Personnel	R43 274 111		R45 794 626		R48 429 695	
General Expenditure	R30 081 510		R31 891 449		R33 615 587	
Provisions	R8 077 456		R9 459 639		R9 970 459	
Repairs & Maintainace	R5 400 000		R6 501 100		R6 852 159	
Capital Expenditure	R58 807 450		R55 326 627		R51 942 788	
Total Expenditure	R145 640 527		R148 973 440		R150 810 689	

Major expenditure items are staff cost at 50%, repairs and maintenance at 6% and general expenses 35% of the total operating budget. The municipality is trying to comply with Treasury's Circulars which emphasized that municipalities must provide at least 8% to 10% for repairs and maintenance but due to financial constrains, municipality was unable to provide as such.

An additional provision of R8 077 456 which is 9% of the operational budget, has been set aside to cover possible bad debts from rates and charges not collected, leaves, depreciation and rehabilitation site.

Due to limited funds a number of issues such as maintenance backlogs, inadequate provisions, staffing requirements, etc are not fully covered. However planning and development of strategies to address these issues are part of the continuing financial management programme.

The annual capital budget is balanced and totals up to R58, 8 million funded through revenue from National Government grants 92% and internally funded 8%.

The following items are long term issues that require additional information before their full effect is known.

- Maintenance backlogs in respect of Council's assets – a long term strategy is required.
- Finalisation of property valuations and the impact on property rates levied.

The community consultation process has been done during the month of May 2013 in conjunction with the district municipality. The process included councilors and officials visiting each of the 18 wards and outlining the planned activities contained in the final IDP/Budget.

I am confident that if we continue to work together as Government, Businesses, Communities, NGO's, CBO's Political formations and Civil organization, we can do more than just what we have set ourselves to do.

.....
Honorable Mayor
Z. Lwana

2. Integrated Development Plan

It is recommended that the Council approves the publication of the 2013/2017 Integrated Development Plan.

3. BUDGET RELATED RESOLUTIONS

Budget for 2013/14

3.1. It is hereby recommended that the Council resolves that the multi-year annual budget of capital and operating expenditure for 2013/2014 and the indicated two outer years of 2014/2015 and 2015/2016 be approved as set out by the following amended tables:

1. Table A1 Budget summary
2. Table A2 : Budgeted financial performance (revenue and expenditure by standard classification)
3. Table A3 : Budgeted financial performance (revenue and expenditure by municipal vote)
4. Table A4 : Budget financial performance (revenue and expenditure)
5. Table A5 : Budgeted capital expenditure by vote and funding
6. Table A6 : Budgeted financial position
7. Table A7 : Budgeted cash flows
8. Table A8 : Cash backed reserves / accumulate surplus reconciliation
9. Table A9 : Asset management
10. Table SA 36 : Budgeted capital expenditure by programme name

Multi Year Capital Budget

3.2 It is recommended that the Council resolves that multi-year capital appropriations by vote and associated funding reflected in Table A5 be approved.

Property Rates and other Municipal Tax

I in terms of section 24 of the Local Government Municipal Property Rates Act, Act 6 of 2004, rates differentiating amongs different categories of properties determined by the actual use, the zoning and/or permitted use of properties, for property tax be levied on market value of all rateable properties within the municipal area for the financial year 1 July 2013 to 30 June 2014, provided that rebates, as indicated, on application be allowed:

3.3 Tariffs and Charges

It is hereby recommended that the Council resolves that the following tariffs and charges be applied for the 2013/2014.

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2012-2013	Proposed Increase/Decrease	New Tariffs 2013-2014
Property Rates	Domestic	R0.008	None	R0.008
	Business	R0.0125	None	R0.0125
	Government	R0.03	None	R0.03
Senior citizens with property valued less than R200.000.00		R1600.00 per annum	None	R1600.00 per annum
Refuse Removal	Domestic	R60.00	None	R60.00
	Government	R90.00	None	R90.00
	Business	R90.00	None	R90.00
Burial and Cemeteries	Single Grave once off	R100.00	None	R100.00
	Double grave once off	R190.00	None	R190.00
	Renewal fee for Double grave & Single grave	R50.00	None	R50.00
Library Membership Fee		R50 per annum	None	R50 per annum
Rental Office	Large Businesses	R78.65 per square meter	None	R78.65 per square meter
	Small Businesses	R30.25 per square meter	None	R30.25 per square meter
Rental :Municipal Hall	Independently (Private use)	R55.00 per hour	None	R55.00 per hour
	Business & Government	R100.00 per hour	None	R100.00 per hour
Building Plan fees	Commercial, industrial Government	R5.00 per square meter	None	R5.00 per square meter
	Low cost funded by DPT of human settlement	R5.00 per square meter	None	R5.00 per square meter
	Residential by individual owners	R4.00 per square meter	None	R4.00 per square meter
	Administration for alteration in the existing building (extending, fitting of glasses.etc)	R250.00	None	R250.00
	PENALTY- Administration for as	R300.00	None	R300.00

SCHEDULE OF MUNICIPAL TARIFFS

Service Type	Category of user/users	Tariffs 2012-2013	Proposed Increase/Decrease	New Tariffs 2013-2014
	built plans			
Trading Tariffs	Hawkers <ul style="list-style-type: none"> • Fruit & Vegetables • Clothing 	R50.00 per annum Renewal R20.00 per annum	None	R50.00 per annum Renewal R20.00 per annum
		R70.00 per annum Renewal R50.00 per annum		R70.00 per annum Renewal R50.00 per annum
	Business Licences , General dealers & Taverns	R500.00 per annum Renewal R250.00 per annum	None	R500.00 per annum Renewal R250.00 per annum
	Shebbens, Public Phones, Bookshops & Tuck shops	R450.00 per annum Renewal R200.00 per annum	None	R450.00 per annum Renewal R200.00 per annum
Advertising	1.5 m x 3.0m	R120.00 per structure per month	None	R120.00 per structure per month
	3.0m x 6.0m	R209.00 per structure per month	None	R209.00 per structure per month
Pound Fees	Livestock small and Large	R45.00 per head for entering (add)R25.00 for 12hrs per head	R10.00	R55.00 per head for entering (add)R25.00 for 12hrs per head
Clearance certificate		R10.00	None	R10.00

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2012-2013	Proposed Increase/Decrease	New Tariffs 2013-2014
Waste Removal		R150.00	None	R150.00
Garden Waste Removal Fees		R120.00	None	R120.00
Spot fines for illegal dumping	Households	R200.00	None	R200.00
	General Practitioners (Surgeries & Clinics)	R500.00	None	R500.00
	Business entities	R300.00	None	R300.00
Services rendered by Traffic	Copy of accidents report from OAR/AR	R50.00 search fee & R8.00 per page	None	R50.00 search fee & R8.00 per page
	Furnishing of information to 3 rd party of person involved in an accident or witness	R70.00 for accident report with all information	None	R70.00 for accident report with all information
	Sketch plan & photographs of a motor vehicle involved in an accident	R255.00 per sketch plan R405.00 per scale plan	None	R255.00 per sketch plan R405.00 per scale plan
Tender Fees		R300	None	R300

3.4 Measurable Performance Objectives

It is hereby recommended that the Council resolves that the measurable performance objectives for revenue from each source and for each vote reflect the annual budget be approved.

3.5 Budget Related Polices

It is hereby recommended that the Council resolves that the following Budget polices be approved.

1. Indigent Policy for 2013/2014
2. Investment Policy for 2013/2014
3. Property Rates Policy for 2013/2014

4. Property Rates By-law for 2013/2014
5. Write Off Policy for 2013/2014
6. Tariff by Law(Policy)
7. Asset Management Policy for 2013/2014

4 THE BUDGET

This section contains an Executive Summary of the annual budget, highlighting the processes and assumptions which lead to the compilation of the final budget.

4.1 Executive Summary

Overview

The budget process is governed by the Municipal Finance Management Act 56 of 2003 and the Municipal Systems Act 32 of 2000. The objective process is to ensure good governance and accountability and enables the municipality to involve residents and other stakeholders in the budgeting process.

The Local Government Municipal Finance Management, Act 56 of 2003.

24 (1) The council of a municipality must at least 30 days before the start of the budget year consider approval of the annual budget.

(2) An annual budget

- (a) Must be approved before the start of the budget year
- (b) Is approved by the adoption by the Council of a resolution referred to in section 17(3)
- (c) Must be approved together with the adoption of resolutions as may be necessary.

4.1.2 Key assumptions

4.1.2.a National Treasury provided guidance in MFMA Circular No. 58 issued in terms of Municipal Finance Management Act No. 56 of 2003 regarding inflation:-

Fiscal year	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
	ACTUAL	ESTIMATE		FORECAST	
Headline CPI Inflation in %	3.3	5.0	5.4	5.6	5.4

4.1.2. b The inflation rate to be used for calculating wage increases

The period of the salary and Wage Collective Agreement 2009/10 to 2011/2012 has come to an end. In the absence of other information from the South African Local Government

Bargaining Council, municipality have utilised the previous year National Treasury benchmarking to calculate the salary adjustment which is 6.85%

Note that Municipal Managers and those employees appointed as managers directly accountable to the Municipal Managers in terms of Section 57(6) of the Municipal Systems Act 32 of 2000 is included in the above mentioned calculation in which 6.08% has been utilised.

4.1.3 National Treasury guide lines in terms of allocations

MFMA Circular No. 66 and 67 states:

Mayor's discretionary funds and similar discretionary budget allocations

It has been observed that many municipal budgets contain sub-votes or allocations to "Mayoral Discretionary Funds", "Special Projects", "Special Events" or similar discretionary type funds.

- ❑ National Treasury regards these types of allocations as a bad practice because:
- ❑ It is not clear how they are aligned to the constitutional requirement that municipalities structure their budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community (see section 153(a) of the Constitution);
- ❑ They do not provide for the appropriation of funds for the purposes of a department or functional area of the municipality (see the definition of 'vote' in section 1 of the MFMA);
- ❑ They undermine the budget consultation processes since the intended use of the funds is not transparently reflected in the tabled budget; and
- ❑ There is a risk that they may be abused for personal gain or to improperly benefit another person or organisation.

Therefore National Treasury discourages allocations of this nature. Good budget practice requires that a municipal budget should transparently indicate the purposes and areas where municipal funds (i.e. public funds) are to be allocated.

Further key issues to be noted in MFMA Circular No. 67 are set out in **ANNEXURE A**

4.2 BUDGET SCHEDULES

4.2.1 Table A1: Budget summary

EC444 Ntabankulu - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	2,367	1,038	1,566	1,479	-	1,479	1,479	2,300	2,424	2,555
Service charges	2,614	161	179	98	-	98	98	120	126	133
Investment revenue	900	648	674	-	-	-	-	1,200	1,265	1,333
Transfers recognised - operational	63,948	48,283	57,193	66,509	550	67,059	67,059	73,634	82,959	102,709
Other own revenue	1,578	3,310	2,095	1,718	1,586	3,304	3,304	2,466	2,460	2,583
Total Revenue (excluding capital transfers and contributions)	71,407	53,440	61,708	69,804	2,136	71,940	71,940	79,720	89,234	109,323
Employee costs	22,905	19,714	24,100	29,755	-	29,755	29,755	33,726	35,885	37,869
Remuneration of councillors	5,237	6,697	9,802	8,644	-	8,644	8,644	9,548	9,910	10,561
Depreciation & asset impairment	5,237	4,532	6,149	500	-	500	500	6,149	6,482	6,832
Finance charges	60	210	544	52	-	52	52	50	53	56
Materials and bulk purchases	950	1,826	2,648	2,672	(542)	2,130	2,130	5,400	6,501	6,852
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	17,220	24,384	22,049	28,070	2,788	30,858	30,858	31,496	34,816	36,699
Total Expenditure	51,610	57,363	65,292	69,693	2,246	71,939	71,939	86,369	93,646	98,868
Surplus/(Deficit)	19,797	(3,923)	(3,585)	111	(110)	1	1	(6,649)	(4,412)	10,455
Transfers recognised - capital	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Contributions recognised - capital & contributed a	-	-	-	28,964	(110)	28,854	28,854	58,807	55,327	51,943
Surplus/(Deficit) after capital transfers & contributions	21,302	16,474	25,746	57,927	(220)	57,707	57,707	111,429	106,506	114,561
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	21,302	16,474	25,746	57,927	(220)	57,707	57,707	111,429	106,506	114,561
Capital expenditure & funds sources										
Capital expenditure	84,564	19,085	15,731	28,964	(110)	26,854	26,854	58,807	55,327	51,943
Transfers recognised - capital	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Financial position										
Total current assets	21,802	28,397	41,827	47,854	(2)	47,852	47,852	24,400	24,400	24,400
Total non current assets	101,139	113,459	133,692	134,121	57	134,179	134,179	198,520	198,520	198,520
Total current liabilities	20,812	13,676	17,409	18,897	-	18,897	18,897	10,128	11,205	11,394
Total non current liabilities	109	4,087	4,327	4,327	-	4,327	4,327	4,327	4,327	4,327
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	19,890	10,538	36,454	28,964	(110)	28,854	28,854	52,622	64,111	76,564
Net cash from (used) investing	(14,515)	(18,094)	(26,717)	(28,964)	110	(28,854)	(28,854)	58,807	55,327	51,943
Net cash from (used) financing	(227)	4	(168)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	5,148	(2,403)	7,167	0	(0)	0	0	111,429	230,867	359,373
Cash backing/surplus reconciliation										
Cash and investments available	18,102	304	19,950	19,950	-	19,950	19,950	2,463	2,463	2,463
Application of cash and investments	17,162	1,594	15,028	4,895	2	4,898	4,898	468	428	428
Balance - surplus (shortfall)	940	(1,290)	4,923	15,055	(2)	15,052	15,052	1,995	2,035	2,035
Asset management										
Asset register summary (WDV)	1,921	9,439	9,264	9,264	57	9,321	9,206	9,206	9,206	9,206
Depreciation & asset impairment	5,237	4,532	6,149	500	-	500	6,149	6,149	6,482	6,832
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	2,264	2,672	(450)	2,222	5,400	5,400	6,501	6,852
Free services										
Cost of Free Basic Services provided	-	-	-	198	-	198	209	209	220	232
Revenue cost of free services provided	-	-	-	337	-	337	356	356	375	396
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	2	2	2	-	2	9	9	10	10
Refuse:	-	-	-	-	-	-	-	-	-	-

4.2.2 Table A2 : Budgeted financial performance (revenue and expenditure by standard classification)

EC444 Ntabankulu - 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		
		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>		72,912	73,837	91,039	98,657	2,136	100,793	138,991	144,826	161,486
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		72,912	73,837	91,039	98,657	2,136	100,793	138,991	144,826	161,486
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	72,912	73,837	91,039	98,657	2,136	100,793	138,991	144,826	161,486
Expenditure - Standard										
<i>Governance and administration</i>		27,351	32,042	40,335	47,088	1,538	48,626	53,683	57,907	61,323
Executive and council		10,055	8,810	13,612	12,578	1,044	13,622	12,773	13,331	14,187
Budget and treasury office		9,465	13,450	13,711	17,282	(6)	17,276	25,729	28,113	29,684
Corporate services		7,832	9,781	13,012	17,228	500	17,728	15,181	16,463	17,452
<i>Community and public safety</i>		5,516	7,041	10,576	10,425	(85)	10,340	14,191	15,326	16,265
Community and social services		5,516	7,041	10,576	9,225	215	9,440	13,141	14,219	15,098
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	1,200	(300)	900	1,050	1,107	1,166
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10,476	13,716	14,767	40,388	783	41,171	76,917	74,845	72,279
Planning and development		10,476	13,716	14,767	40,164	583	40,747	76,517	74,345	71,752
Road transport		-	-	-	224	200	424	400	500	527
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	756	(100)	656	850	896	944
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	756	(100)	656	850	896	944
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	43,344	52,799	65,677	98,657	2,136	100,793	145,641	148,973	150,811
Surplus/(Deficit) for the year		29,568	21,038	25,362	0	(0)	(0)	(6,649)	(4,147)	10,676

Table A3 : Budgeted financial performance (revenue and expenditure by municipal vote)

EC444 Ntabankulu - 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		
		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										
Revenue by Vote	1									
Vote 1 - [COUNCIL]		-	-	-	-	-	-	-	-	-
Vote 2 - [OFFICE OF THE MUNICIPAL MANAGER]		-	-	-	-	-	-	-	-	-
Vote 3 - [BUDGET AND TREASURY]		72,912	73,837	91,039	98,657	2,136	100,793	138,991	144,826	161,486
Vote 4 - [STRATEGIC]		-	-	-	-	-	-	-	-	-
Vote 5 - [HUMAN RESOURCES]		-	-	-	-	-	-	-	-	-
Vote 6 - [INFRASTRUCTURE]		-	-	-	-	-	-	-	-	-
Vote 7 - [PUBLIC SAFETY]		-	-	-	-	-	-	-	-	-
Vote 8 - [TRAFFIC DEPARTMENT]		-	-	-	-	-	-	-	-	-
Vote 9 - [REFUSE DEPARTMENT]		-	-	-	-	-	-	-	-	-
Vote 10 - [COMMUNITY SERVICES]		-	-	-	-	-	-	-	-	-
Vote 11 - [CORPORATE AND ADMINISTRATION]		-	-	-	-	-	-	-	-	-
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	72,912	73,837	91,039	98,657	2,136	100,793	138,991	144,826	161,486
Expenditure by Vote to be appropriated	1									
Vote 1 - [COUNCIL]		7,190	7,126	8,605	8,719	76	8,794	9,648	10,015	10,672
Vote 2 - [OFFICE OF THE MUNICIPAL MANAGER]		2,864	1,684	5,006	3,859	968	4,827	3,125	3,316	3,516
Vote 3 - [BUDGET AND TREASURY]		9,465	13,450	13,711	17,282	(6)	17,276	25,729	28,113	29,684
Vote 4 - [STRATEGIC]		6,390	7,810	7,656	6,214	575	6,789	6,694	7,101	7,221
Vote 5 - [HUMAN RESOURCES]		-	-	-	771	-	771	600	1,000	1,054
Vote 6 - [INFRASTRUCTURE]		4,086	5,907	7,111	33,951	8	33,959	69,823	67,244	64,530
Vote 7 - [PUBLIC SAFETY]		-	-	-	1,200	(300)	900	1,050	1,107	1,166
Vote 8 - [TRAFFIC DEPARTMENT]		-	-	-	224	200	424	400	500	527
Vote 9 - [REFUSE DEPARTMENT]		-	-	-	756	(100)	656	850	896	944
Vote 10 - [COMMUNITY SERVICES]		5,516	7,041	10,576	9,225	215	9,440	13,141	14,219	15,098
Vote 11 - [CORPORATE AND ADMINISTRATION]		7,832	9,781	13,012	16,457	500	16,957	14,581	15,463	16,398
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 Expenditure by Vote	2	43,344	52,799	65,677	98,657	2,136	100,793	145,641	148,973	150,811
Surplus/(Deficit) for the year	2	29,568	21,038	25,362	0	(0)	(0)	(6,649)	(4,147)	10,676

4.2.4 Table A4 : Budget financial performance (revenue and expenditure)

EC444 Ntabankulu - 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		
		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	2,367	1,038	1,566	1,479	-	1,479	1,479	2,300	2,424	2,555
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2,614	161	179	98	-	98	98	120	126	133
Service charges - other											
Rental of facilities and equipment		1,027	874	914	934	-	934	934	986	900	949
Interest earned - external investments		900	648	674					1,200	1,265	1,333
Interest earned - outstanding debtors		-	0	252					350	369	389
Dividends received											
Fines		29	117	480	667	-	667	667	900	949	1,000
Licences and permits											
Agency services											
Transfers recognised - operational		63,948	48,283	57,193	66,509	550	67,059	67,059	73,634	82,959	102,709
Other revenue	2	522	2,319	449	117	1,586	1,703	1,703	230	242	255
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		71,407	53,440	61,708	69,004	2,136	71,940	71,940	79,720	89,234	109,323
Expenditure By Type											
Employee related costs	2	22,905	19,714	24,100	29,755	-	29,755	29,755	33,726	35,885	37,869
Remuneration of councillors		5,237	6,697	9,802	8,644	-	8,644	8,644	9,548	9,910	10,561
Debt impairment	3										
Depreciation & asset impairment	2	5,237	4,532	6,149	500	-	500	500	6,149	6,482	6,832
Finance charges		60	210	544	52	-	52	52	50	53	56
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	950	1,826	2,648	2,672	(542)	2,130	2,130	5,400	6,501	6,852
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	17,220	24,384	22,049	28,070	2,788	30,858	30,858	31,496	34,816	36,699
Loss on disposal of PPE											
Total Expenditure		51,610	57,363	65,292	69,693	2,246	71,939	71,939	86,369	93,646	98,868
Surplus/(Deficit)		19,797	(3,923)	(3,585)	111	(110)	1	1	(6,649)	(4,412)	10,455
Transfers recognised - capital		1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Contributions recognised - capital	6	-	-	-	28,964	(110)	28,854	28,854	58,807	55,327	51,943
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		21,302	16,474	25,746	57,927	(220)	57,707	57,707	111,429	106,506	114,561
Taxation											
Surplus/(Deficit) after taxation		21,302	16,474	25,746	57,927	(220)	57,707	57,707	111,429	106,506	114,561
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		21,302	16,474	25,746	57,927	(220)	57,707	57,707	111,429	106,506	114,561
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		21,302	16,474	25,746	57,927	(220)	57,707	57,707	111,429	106,506	114,561

4.2.5 Table A5 : Budgeted capital expenditure by vote and funding

EC444 Ntabankulu - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - [COUNCIL]		255	-	-	-	-	-	-	-	-	-
Vote 2 - [OFFICE OF THE MUNICIPAL MANAGER]		487	-	-	-	-	-	-	-	-	-
Vote 3 - [BUDGET AND TREASURY]		5,675	207	-	-	-	-	-	-	-	-
Vote 4 - [STRATEGIC]		313	-	-	-	-	-	-	-	-	-
Vote 5 - [HUMAN RESOURCES]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [INFRASTRUCTURE]		71,337	17,682	14,032	27,914	(60)	27,854	27,854	-	-	-
Vote 7 - [PUBLIC SAFETY]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [TRAFFIC DEPARTMENT]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [REFUSE DEPARTMENT]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [COMMUNITY SERVICES]		2,854	573	-	-	-	-	-	-	-	-
Vote 11 - [CORPORATE AND ADMINISTRATION]		3,643	624	1,698	1,050	(50)	(1,000)	(1,000)	-	-	-
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	84,564	19,085	15,731	28,964	(110)	26,854	26,854	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - [COUNCIL]		255	-	-	-	-	-	-	-	-	-
Vote 2 - [OFFICE OF THE MUNICIPAL MANAGER]		487	-	-	-	-	-	-	-	-	-
Vote 3 - [BUDGET AND TREASURY]		5,675	207	-	-	-	-	450	474	500	
Vote 4 - [STRATEGIC]		313	-	-	-	-	-	-	-	-	
Vote 5 - [HUMAN RESOURCES]		-	-	-	-	-	-	-	-	-	
Vote 6 - [INFRASTRUCTURE]		71,337	17,682	14,032	27,914	(60)	27,854	27,854	58,357	54,852	51,443
Vote 7 - [PUBLIC SAFETY]		-	-	-	-	-	-	-	-	-	
Vote 8 - [TRAFFIC DEPARTMENT]		-	-	-	-	-	-	-	-	-	
Vote 9 - [REFUSE DEPARTMENT]		-	-	-	-	-	-	-	-	-	
Vote 10 - [COMMUNITY SERVICES]		2,854	573	-	-	-	-	-	-	-	
Vote 11 - [CORPORATE AND ADMINISTRATION]		3,643	624	1,698	1,050	(50)	(1,000)	(1,000)	-	-	
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		84,564	19,085	15,731	28,964	(110)	26,854	26,854	58,807	55,327	51,943
Total Capital Expenditure - Vote		169,128	38,170	31,462	57,927	(220)	53,707	53,707	58,807	55,327	51,943
Capital Expenditure - Standard											
Governance and administration		10,060	830	1,698	1,050	(50)	(1,000)	(1,000)	450	474	500
Executive and council		742	-	-	-	-	-	-	-	-	-
Budget and treasury office		5,675	207	-	-	-	-	450	474	500	
Corporate services		3,643	624	1,698	1,050	(50)	(1,000)	(1,000)	-	-	
Community and public safety		2,854	573	-	-	-	-	-	-	-	
Community and social services		2,854	573	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
Economic and environmental services		71,649	17,682	14,032	27,914	(60)	27,854	27,854	58,357	54,852	51,443
Planning and development		71,649	17,682	14,032	27,914	(60)	27,854	27,854	58,357	54,852	51,443
Road transport		-	-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	-	
Trading services		-	-	-	-	-	-	-	-	-	
Electricity		-	-	-	-	-	-	-	-	-	
Water		-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	
Waste management		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Standard	3	84,564	19,085	15,731	28,964	(110)	26,854	26,854	58,807	55,327	51,943
Funded by:											
National Government		1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds	7	-	-	-	-	-	-	-	-	-	-
Total Capital Funding	7	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163

4.2.6 Table A6: Budgeted financial position

EC444 Ntabankulu - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		10,876	378	10,143	10,143	-	10,143	10,143	2,084	2,084	2,084
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	-	11,256	5,144	7,533	-	7,533	7,533	1,905	1,905	1,905
Other debtors		50	253	281	3,904	(2)	3,901	3,901	3,901	3,901	3,901
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	16,131	16,115	16,131	-	16,131	16,131	16,131	16,131	16,131
Total current assets		10,926	28,019	31,683	37,711	(2)	37,709	37,709	24,022	24,022	24,022
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		1,715	9,026	9,026	9,026	-	9,026	9,026	9,026	9,026	9,026
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	99,218	104,021	124,428	124,857	-	124,857	124,857	189,314	189,314	189,314
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		206	413	238	238	57	295	295	180	180	180
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		101,139	113,459	133,692	134,121	57	134,179	134,179	198,520	198,520	198,520
TOTAL ASSETS		112,065	141,478	165,375	171,832	55	171,887	171,887	222,542	222,542	222,542
LIABILITIES											
Current liabilities											
Bank overdraft	1	3,650	453	336	336	-	336	336	-	-	-
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	17,162	13,223	17,073	16,332	-	16,332	16,332	7,700	7,700	7,700
Provisions		-	-	-	2,228	-	2,228	2,228	2,428	3,505	3,694
Total current liabilities		20,812	13,676	17,409	18,897	-	18,897	18,897	10,128	11,205	11,394
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		109	4,087	4,327	4,327	-	4,327	4,327	4,327	4,327	4,327
Total non current liabilities		109	4,087	4,327	4,327	-	4,327	4,327	4,327	4,327	4,327
TOTAL LIABILITIES		20,921	17,763	21,736	23,224	-	23,224	23,224	14,455	15,532	15,722
NET ASSETS	5	91,144	123,715	143,640	148,609	55	148,663	148,663	208,087	207,010	206,821
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		-	-	-	-	-	-	-	-	-	-
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	-	-	-

4.2.7 Table A7: Budgeted cash flows

EC444 Ntabankulu - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other			4,557	1,447	3,295	1,586	4,881	4,881	6,086	6,275	6,614
Government - operating	1	63,680	37,586	64,020	66,509	550	67,059	67,059	73,634	82,959	102,709
Government - capital	1	1,505	20,398	29,331	28,853	-	28,853	28,853	59,271	55,592	52,163
Interest		900	648	925							
Dividends											
Payments											
Suppliers and employees		(46,135)	(52,440)	(58,726)	(69,643)	(2,246)	(71,889)	(71,889)	(86,319)	(80,662)	(84,867)
Finance charges		(60)	(210)	(544)	(50)	-	(50)	(50)	(50)	(53)	(56)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		19,890	10,538	36,454	28,964	(110)	28,854	28,854	52,522	64,111	76,564
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(14,515)	(18,094)	(26,717)	(28,964)	110	(28,854)	(28,854)	58,807	55,327	51,943
NET CASH FROM/(USED) INVESTING ACTIVITIES		(14,515)	(18,094)	(26,717)	(28,964)	110	(28,854)	(28,854)	58,807	55,327	51,943
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(227)	4	(168)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(227)	4	(168)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		5,148	(7,551)	9,570	0	(0)	0	0	111,429	119,438	128,506
Cash/cash equivalents at the year begin:	2	5,148	5,148	(2,403)						111,429	230,867
Cash/cash equivalents at the year end:	2	5,148	(2,403)	7,167	0	(0)	0	0	111,429	230,867	359,373

4.2.8 Table A8 : Cash backed reserves / accumulate surplus reconciliation

EC444 Ntabankulu - 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		
		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	5,148	(2,403)	7,167	0	(0)	0	0	111,429	230,867	359,373
Other current investments > 90 days		2,078	2,328	2,640	9,807	0	9,807	9,807	(109,345)	(228,783)	(357,289)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		7,226	(75)	9,807	9,807	-	9,807	9,807	2,084	2,084	2,084
Application of cash and investments											
Unspent conditional transfers		10,715	79	896	7,723	-	7,723	7,723	6,500	6,500	6,500
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	6,448	1,515	14,132	(2,827)	2	(2,824)	(2,824)	(6,032)	(6,072)	(6,072)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		17,162	1,594	15,028	4,895	2	4,896	4,896	468	428	428
Surplus(shortfall)		(9,936)	(1,669)	(5,220)	4,912	(2)	4,909	4,909	1,616	1,656	1,656

4.2.9 Table A9: Asset management

EC444 Ntabankulu - 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	-	-	-	21,373	1,145	22,518	23,807	25,327	26,943
Infrastructure - Road transport		-	-	-	17,932	-	17,932	16,990	18,077	19,234
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	717	-	717	1,214	1,291	1,374
Infrastructure		-	-	-	18,649	-	18,649	18,203	19,368	20,608
Community		-	-	-	1,674	1,195	2,869	4,854	5,165	5,495
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1,050	(50)	1,000	750	794	840
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	17,932	-	17,932	16,990	18,077	19,234
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	717	-	717	1,214	1,291	1,374
Infrastructure		-	-	-	18,649	-	18,649	18,203	19,368	20,608
Community		-	-	-	1,674	1,195	2,869	4,854	5,165	5,495
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1,050	(50)	1,000	750	794	840
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	-	21,373	1,145	22,518	23,807	25,327	26,943
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		1,715	9,026	9,026	9,026	-	9,026	9,026	9,026	9,026
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		206	413	238	238	57	295	180	180	180
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,921	9,439	9,264	9,264	57	9,321	9,206	9,206	9,206
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	5,237	4,532	6,149	500	-	500	6,149	6,482	6,832
Repairs and Maintenance by Asset Class		-	-	2,264	2,672	(450)	2,222	5,400	6,501	6,852
Infrastructure - Road transport		-	-	957	992	-	992	2,950	3,435	3,620
Infrastructure - Electricity		-	-	-	-	-	-	300	800	843
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	957	992	-	992	3,250	4,235	4,464
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	889	1,200	(400)	800	1,500	1,581	1,666
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	418	480	(50)	430	650	685	722
TOTAL EXPENDITURE OTHER ITEMS		5,237	4,532	8,414	3,172	(450)	2,722	11,549	12,983	13,684

4.2.9 Table SA36: Capital Budget

EC444 Ntabankulu - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital project	Ker	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year #1 2014/15	Budget Year #2 2015/16	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
Office Furniture & Equipment		Provision of Office furniture & equipment					Furniture and other office equipment		1,602	200	250	264	278	Municipality	New	
Office Furniture & Equipment		Provision of Office furniture & equipment					Computers - hardware/equipment		607	250	200	211	222	Municipality	New	
Access Roads & Storm Water Drainage		Construction of 18 new access roads and Storm Water drains			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		43,535	16,736	15,776	16,768	17,860	5,8,10,11,12,13,14	New	
Bridges/Vehicle Bridges & Pedestrian Bridges		Construction of motor bridges and pedestrian bridges				Infrastructure - Other	Roads, Pavements & Bridges		1,188	1,314	1,291	1,374		12	New	
Community Facilities		To provide public amenities: 7 sports facilities,3 Community halls and 2 pre-Schools by June 2017				Community	Community halls		1,913	460	516	500		9	New	
Community Facilities		To provide public amenities: 7 sports facilities,3 Community halls and 2 pre-Schools by June 2017				Community	Sportfields & stadia			3,041	3,074	4,122	1,5,6,7,13	9	New	
Public transport rank and shelters		To provide 51 Bus Shelters & 5 Taxi Ranks by 2017					Buses			478	-	-				
Construction & Maintenance of Schools		To facilitate construction of schools in Ntabankulu by 2017					Recreational facilities			1,186	728	775	824		New	
Public transport rank and shelters		To provide 51 Bus Shelters & 5 Taxi Ranks by 2017					Buses			-	300	319	340		9	New
Solid Waste		To improve solid waste management by reviewing and implementing an integrated waste management plan by June 2017					Waste Management		1,909	-	1,214	1,291	1,374		9	New
Electrification		To facilitate increase of households with energy access to 100% by 2017 (33,000 backlog)				Other			14,167	5,000	35,000	30,000	25,000	5,10,11	New	
Parent Capital expenditure	1										50,087	55,327	51,943			
Entities																
List all capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure																
Total Capital expenditure																
									62,008	26,968	50,087	55,327	51,943			

Note 1: The IDP/Budget also refers to all other IDP and Budget Related Policies to be reviewed and/or approved

Note 2: SDBIP and Performance Contracts to be included in Budget Approval Process.

Public Consultation and Planning

In pursuing the legislative mandate and its mission, Ntabankulu Local Municipality has vigorously engaged community members outlining the process plan to be followed in developing 2012/2017 Integrated Development Plan and 2013/2016 MTREF Budget.

The municipality embarked on programs that involved stakeholders in pre-planning, planning and implementation of the IDP, Budget, SDBIP and PMS Process Plan. On 05th August 2012 the IDP, Budget, SDBIP, PMS process plan was presented in the IDP Engagement Session, where organs of state, members from religious fraternity, business sector and Ntabankulu Councilors were represented. This was done to solicit inputs and commitment from all stakeholders in the implementation of the Process plan.

Ntabankulu Local Municipality Council adopted the IDP, Budget, SDBIP and PMS process plan on **31st August 2012**, after which it was submitted to the Department of Local Government and Traditional Affairs, Provincial Treasury and Alfred Nzo District Municipality. The process plan was further published on the Daily Dispatch and Kokstad Fever to solicit inputs from all stakeholders.

6 Alignment of Budget with Integrated Development Plan

The IDP, however, contains information on developmental needs submitted by the community that may not be covered in the Budget. There should not be an expectation that everything contained in the IDP is funded. There are numerous needs submitted that are not the responsibility of the NLM, but that of either the National or Provincial governments. However, these inputs will be analysed and discussed stakeholders such as government departments, ward committees, CDW NGO's and private sector to refine what can be implemented. The funding process is based on the priorities identified in the IDP, as shown in the relevant tables in this document.

7 Budget Related Policies Overview and Amendments

Section 18 of the Municipal Finance Management Act (MFMA) states that the Budget can only be funded by realistically anticipated revenue to be collected, and cash-backed accumulated funds from previous years, which was not committed for other purposes. Furthermore, National Treasury Circular 42 stipulates that the Budget be managed in a full accrual manner reflecting a transparent budget and accounting system approach. The MFMA further requires the municipality to adopt and implement a tariff policy. Council has approved for public participation policies for main services provided by the municipality, which are attached as annexures to this document. Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source as per the requirements of the MFMA (Chapter 4, 17 (1) (a) and (3) (b)).

The policies to be attached are as follows:

- Indigent Policy for 2012/2013
- Investment Policy for 2012/2013
- Property Rates Policy for 2012/2013
- Write Off Policy for 2012/2013
- Tariff by Law (Policy)
- Asset Management Policy for 2012/2013
- Credit Control and Debt Collection Policy 2012/2013
- Supply Chain Management Policy 2012/2013

8. Collection rates

In accordance with relevant legislation and national directives, revenue recovery rates are based on realistic and sustainable trends. Ntabankulu's collection rate is set at an average of 21% and is based on a combination of actual rates achieved to date and estimated outcomes of the current financial period.

9 Annual budgets and service delivery and budget implementation plans - Internal departments

In terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing its delivery of municipal services and its annual budget, and which must indicate the following –

- (a) Monthly projections of –
 - (i) Revenue to be collected, by source, and
 - (ii) Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed.

The Honourable Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the Budget. In addition, the Honourable Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

The SDBIP gives effect to the Integrated Development Plan and the Budget of the municipality. It is an expression of the objectives of the Council in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2013 to 30 June 2014 (the financial year). It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of financial and non-financial performance of the municipality, and allows the Municipal Manager to monitor the performance of the Section 57 Managers, the Mayor/Council to monitor the

performance of the Municipal Manager, and the community to monitor the performance of the Council.

Municipal Manager's Quality Certification

I **Mr. S Tantsi**, Municipal Manager of the Ntabankulu Local Municipality hereby certify that the final budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act 56 of 2003 and the regulations made under the Act, and that the Final budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Mr. S Tantsi
Municipal Manager
Ntabankulu Local Municipality

Date: _____

Annexure

Summary of key issues

National priorities – Creating Decent Employment Opportunities

1. In drafting 2013/2014 budgets and MTREFs municipalities are urged to continue to explore opportunities to main stream labour intensive approaches in delivering services, and more particularly to participate in the Extended Public Works Programme.
2. The municipality ought to focus on maximising its contribution to job creation by
 - ✓ Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
 - ✓ Ensuring that service providers use labour intensive approaches
 - ✓ Supporting labour intensive LED projects
 - ✓ Participating fully in the Extended Public Works Programme
 - ✓ And implementing interns programme to provide young people with on-the-job-training

Revising rates, tariffs and other charges

Municipalities should continue to explore appropriate ways of structuring the tariffs for utility services to encourage more efficient use of these services and to generate the resources required to fund the maintenance, renewal and expansion of the infrastructure required to provide the services

Funding choices and management issues

1. Municipal revenues and cash flows are expected to remain under pressure in 2013/2014 and so municipalities should adopt a conservative approach when projecting their expected revenues and cash receipts
2. Municipalities must pay special attention to controlling unnecessary spending on nice-to have items and non-essential activities, such as foreign travel, councillor and staff perks, advertising and public relations activities.
3. Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services.
4. Allocations to “Mayoral Discretionary Funds”, “Special Projects”, “Special Events” or similar discretionary type funds are discouraged.

5. Municipalities are urged to allocate all Ward Allocations in tabled and approved budgets.

Conditional transfers to municipalities

- To bring legal certainty to the process of managing unspent conditional grant funds, section 20 of the 2012 Division of Revenue Bill regulates the process.
- Municipalities may not rollover unspent conditional grant spending in terms of section 28(2)(e) of the MFMA. Written permission to spend these rolled over funds will be given by National Treasury.

The Municipal Budget and Reporting Regulations

All municipalities must prepare budgets, adjustments budgets and in-year reports for the 2013/2014 financial year in accordance with the Municipal Budget and Reporting Regulations. In this regard, municipalities must comply with both:

- The formats set out in Schedules A, B and C; and
- The relevant attachments to each of the Schedules (the Excel Formats).

All municipalities must do a funding compliance assessment of their 2013/2014 budgets in accordance with the guidance given in MFMA Circular 42 and the MFMA Funding Compliance Guideline before tabling their budget, and where necessary rework their budget to comply so that they table a properly funded budget.

Budget process and submissions for the 2013-2016 MTREF

The deadline for the submission of approved budgets is ten working days after the council approves the annual budget.

Staff Implications

None

Financial implications

1. Operating income budget has been increased from **R 100 792 706 to R138 991 071 by R38 198 365 inclusive of grants.**
2. Operating Expenditure budget has been increased from **R 71 939 156 to R86 833 077 by R14 893 921.**
3. Capital Budget has been increased from **R28 853 550 to R58 807 450 by R29 953 900**

Annexure

1. Budget related policies
2. Municipal Organizational Structure