

# SCHEDULE B

## AN ADJUSTMENT BUDGET AND SUPPORTING DOCUMENTATION OF IKWEZI MUNICIPALITY

ADJUSTMENT BUDGET OF

# **IKWEZI MUNICIPALITY**

2013/14 TO 2015/16  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS

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## Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

## Part 1 – Adjustment Budget

### 1.1 Mayor's Report

In my capacity as the Mayor of Ikwezi and the chairperson of the standing committee on Finance and Corporate Services, I wish to greet you all, hoping that we had a peaceful holiday season with families and loved ones.

Local government has a crucial role to play in community development as illustrated in its obligation to promote social and economic development within the municipal environment. 2012 was regarded as a year of jobs as illustrated by the President during his State of the Nation address. This adjusted budget is tabled in line with the two developmental objectives is contained in the Constitution:

- The provision of basic services to the communities and
- The promotion of social and economic development

One of the pillars on which Ikwezi Integrated Development Plan stands is rural development. The 2010/11 financial year saw Ikwezi municipality being declared a Rural Node by the National Department of Rural Development and Land Reform. An area in Klipplaat - Dan Sandi has been identified as a pilot area. The activities around this very noble government intent have not taken off as we would have collectively liked. We remain hopeful that the next six months of the 2013/14 financial year will see a significant improvement in the pace of delivery.

Ikwezi municipality prides itself for transparency and good governance. Public participation and accountability to our constituencies is what sets us apart from other municipalities. We were able to engage with our constituencies during public meetings held throughout Ikwezi. We also acknowledge the challenge brought about by the 2011 Local Government Elections regarding the budget process. The process had to be significantly shortened to mitigate the risk of not approving our budget before 01 July 2014.

#### Service delivery and infrastructure development

Improving service delivery and infrastructure development is the top priority of Ikwezi Municipality. Service delivery and infrastructure development is fundamental to the eradication of poverty, creation of jobs and the improvement of the quality of life of our residents. In addition, the Municipality is committed and on track to meet all service delivery targets with regard to the quality of water, sanitation, upgrade of electricity infrastructure and provision of low cost housing in line with the 2014 government timelines and this budget has rand figures to address that.

The Municipality continues to provide free basic services to all its qualifying residents. Currently, R2 million has been set aside to subsidise our indigent community for the 2013/14 financial year. We are also aware of the fact that our indigent register does not reveal a true reflection of the status quo in Ikwezi. We, as a collective, have pledged to reach out to the community and urge those who qualify as indigents to register as such. We will continue to pursue the numbers reach far and wide in servicing the poorest of the poor.

This budget has also been adjusted to fund the following:

1. The part payment of the outstanding invoice from the Auditor General
2. Provision of security services to the municipality and
3. Additional support to ward committees

As a financially depressed municipality, we are also confronted with a challenge of servicing a new area taken over from Cacadu District Municipality - Wolfefontein. The area consists of mainly farming communities and the major challenge will be to levy rates and taxes in line with the policies of Ikwezi Municipality.

#### Financial Sustainability and Viability

The Municipality continues to experience challenges in terms of improving its revenue collection rates, currently at 24%. However, the Municipality is aware of its obligation to collect maximum revenue in order to sustain itself and we have set ourselves at target of 50% for 2013/14 we are hoping that we will achieve the target.

A financial recovery plan to turn the situation around is in place and all that must happen is for management to implement. Every effort has to support such an initiative has been made by council in that residents have been engaged at political level and those that can afford to pay for the services have been encourage to do so. High rates of employment, coupled with the prevailing global economic crisis have also hampered progress in this regard.

We value the objective to extend such consultation to ensure that residents fully participate in the formulation and adoption of our IDP and Budget. We take this opportunity to encourage our residents to attend and participate in future IDP and Budget processes so as to realize the ideal of a people's IDP and people's Budget.

We further realise the importance of working closely with our communities. The Community Based Planning will commence in February 2014. Once again, it gives me pleasure to present this budget to you and I remain hopeful that the next Council will embrace its objectives and implement accordingly.

I thank you

Clr Sizwe Mngwevu

Mayor : Ikwezi Municipality

## 1.2 Council Resolutions

When Council moves to consider and adopt the final budget at its meeting on 30 January 2014, it will be necessary to adopt the following resolutions:

1. Council resolves that the adjusted budget of the Ikwezi Local Municipality for the financial year 2013/2014;

Operating revenue by source reflected in Budget Statement 2

Operating expenditure by vote reflected in Budget Statement 2

Capital expenditure by vote and associated funding reflected in Budget Statement 2

Budget tables A1 to A10

2. Council resolves that property rates and any other municipal taxes as imposed for the budget year 2013/14.

3. Council resolves that the measurable performance objectives for revenue from each source reflected in the Adjustment budget are approved for the budget year 2013/14

4. Council resolves that the measurable performance objectives for each vote approved for the Adjustment budget year 2013/14

5. Council notes that the Service Delivery and Budget Implementation Plan will be for subsequent approval by the Mayor after final approval of the 2013/2014 annual budget.

## 1.3 Executive Summary

### Introduction

This adjusted budget is tabled during a year before National Government Elections. In our case, the priorities have not changed and the new council has agreed to focus on what was approved in the annual budget.

We are a municipality that sees value in transparency and public participation.

### Budget strategies

Ikwezi, like most typically rural local authorities, has the undesirable task of matching massive demands and expectations with very limited financial resources. This is of particular importance when one considers the capital budget.

The philosophy has to be one that looks to prioritise service delivery in line with municipal functions. These services are offered at basic levels to the entire community. The remaining resources are assigned to address strategic objectives as identified in the Integrated Development Plan. While assistance to the poor is a government policy widely embraced in the Council, it has to take place through a targeted approach and minimize cross-subsidization of those who can afford to pay for services. The recovery of what is due to the municipality for services rendered to the communities has become more critical than ever before.

The whole council has taken ownership of this fact, with the political leadership assisting in getting all those that deserve to benefit from indigent programs on board. The administration focuses at revenue collection methods including implementation of credit control policies.

### **Past and current performance and challenges**

A few other factors have informed this year's budget. The municipality had to take into account the recent economic meltdown that dominated economic conditions throughout the world. The after effects of such an environment are still felt in a rural economy like ours.

The jobs shed in the big cities all over the country have had a direct impact on Ikwezi. In view of the national priorities, this budget has been fully aligned with the Integrated Development Plan of the municipality. This budget is also sensitive to the economic conditions of Ikwezi, coupled with massive unemployment - Ikwezi has made every effort to consider those who cannot afford to pay for the services rendered. The serious back log in infrastructure is under consideration. R9.275m has been set aside to continue with capital projects like Upgrade of Jansenville Town Hall, Upgrade of waste water treatment works in Klipplaat, Upgrade of Phumlani Road in Jansenville. These projects are funded from our MIG allocation for 2013/14 and the municipality has had to co-fund due to the nature of our infrastructure back log. The expenditure to date is around 79%.

The past financial year has seen major improvements in terms of spending on conditional grant funding. The municipality has worked very hard to partially overcome challenges brought about by lack of staff and the municipality is facing the challenge of financial problems. We are making it a priority to spend on service delivery. The establishment of a Supply Chain Management Unit has also ensured that the municipality is assured on matters of compliance. The municipality is hoping to spend 100% in the financial year.

The internal controls have shown significant improvements but we got Disclaimer audit opinion issued for 2012/13 by the Auditor General but we are expected improvements in the audit outcome for 2013/14. The audit committee continues to advise council on matters of financial and risk management on a quarterly basis. The next challenge will be to ensure that the municipality fully complies with GRAP by 20143

The collection rate of 24% is still a hindering factor as it means that more than 50% of our income is from government grants. The municipality has amended its financial recovery plan for the 2013/14 financial year and with the improvement in the audit report, it is hoped that we will be able to secure funding to implement its recommendations.

In order to support the 2013/2014 annual budget, the following increases in rates and services have been approved:

- Water has increased by 6%
- Refuse removal has increased by 6%
- Sewerage has increased by 6%
- Assessment rates has increased by 6%
- Electricity has increased by 7.39%

We have properly assessed the economic conditions of our municipal area and have resolved to devise creative ways to transform the municipality from becoming economical depressed. The



LED unit has been tasked to look into projects that will provide economic prosperity to the organisation. We believe in competing where we have a competitive advantage.

The Technical services vote deals with the supply and maintenance of water, electricity, sanitation and refuse removal services. This constitutes the heart of service delivery in the municipality. The appointment of a Director Infrastructure will enhanced these functions and speed up the infrastructure project spending. For the 2013/14 budget, the aim is to provide the infrastructure with proper tools of trade. The budget will also fund a fleet of service delivery vehicles to facilitate service delivery. The current fleet is aging and is slowing the process down.

The local economic development unit within the municipality has been established. The 2013/14 financial year will see the implementation of economic projects like the establishment of a solar farm in Jansenville. The aim is to generate energy from the sun, in line with the objective of enhancing renewable energy and also to generate revenue for the municipality.

This budget must also service the new area inherited from Cacadu District Municipality as a result of demarcation. The municipality have allocated four wards after the 2011 local government elections. In order to ensure that public participation is enhanced, this budget will also provide the necessary support to ward councillors and committees.

**Table 1 Consolidated Overview of the 2013/14 MTREF**

	Adjustment budget 2013/14	Budget year 2013/14	Budget year+1 2014/15	Budget year +2 2015/16
Total revenue	53 154 911	51 142 728	41 245 714	54 805 082
Total expenditure	40 445 933	41 616 843	40 842 975	43 275 506
Surplus/Deficit for the year	12 708 978	9 525 886	402 739	11 529 577
Capital Expenditure	12 758 750	R 16 588 750	8 002 000	7 934 000

## 1.4 Operating Revenue Framework

For Ikwezi Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue enhancement and appointment of Revenue Accountant, 5 interns, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2013/14 Adjustment Budget (classified by main revenue source):

**Table B4 Summary of revenue classified by main revenue source**

EC103 Ikwezi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1	3	4	5	6	7	8	9	10	+1 2014/15	+2 2015/16	
		A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
Property rates	2	1 221	-	-	-	-	-	373	373	1 594	1 692	1 797
Property rates - penalties & collection charges		337						(151)	(151)	187	198	210
Service charges - electricity revenue	2	5 213	-	-	-	-	-	3 392	3 392	8 606	9 208	9 853
Service charges - water revenue	2	1 336	-	-	-	-	-	(98)	(98)	1 238	1 313	1 392
Service charges - sanitation revenue	2	1 626	-	-	-	-	-	(116)	(116)	1 511	1 601	1 697
Service charges - refuse revenue	2	1 293	-	-	-	-	-	(12)	(12)	1 281	1 357	1 439
Service charges - other												
Rental of facilities and equipment		230						(226)	(226)	4	4	5
Interest earned - external investments		251						(208)	(208)	43	46	49
Interest earned - outstanding debtors		960						(354)	(354)	606	642	681
Dividends received												
Fines												
Licences and permits												
Agency services		229						(114)	(114)	114	121	129
Transfers recognised - operating		22 181						(7 509)	(7 509)	14 672	24 135	36 576
Other revenue	2	6 156	-	-	-	-	-	3 960	3 960	10 116	928	980
Gains on disposal of PPE												
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>41 034</b>						<b>(1 063)</b>	<b>(1 063)</b>	<b>39 971</b>	<b>41 246</b>	<b>54 805</b>
<b>Expenditure By Type</b>												
Employee related costs		20 619	-	-	-	-	-	(1 643)	(1 643)	18 976	19 902	20 968
Remuneration of councillors		1 641						19	19	1 660	1 768	1 883
Debt impairment		645						-	-	645	666	688
Depreciation & asset impairment		1 218	-	-	-	-	-	0	0	1 218	1 284	1 353
Finance charges		1 543						(1 448)	(1 448)	95	100	106
Bulk purchases		6 191	-	-	-	-	-	(260)	(260)	5 931	6 251	6 589
Other materials												
Contracted services		588	-	-	-	-	-	1 940	1 940	2 528	2 665	2 808
Transfers and grants												
Other expenditure		8 301	-	-	-	-	-	616	616	8 917	8 097	8 765
Loss on disposal of PPE												
<b>Total Expenditure</b>		<b>40 747</b>						<b>(776)</b>	<b>(776)</b>	<b>39 971</b>	<b>40 733</b>	<b>43 160</b>
<b>Surplus/(Deficit)</b>		<b>287</b>						<b>(287)</b>	<b>(287)</b>	<b>0</b>	<b>513</b>	<b>11 645</b>
Transfers recognised - capital		9 239						3 470	3 470	12 709	8 002	7 934
Contributions												
Contributed assets												
<b>Surplus/(Deficit) before taxation</b>		<b>9 526</b>						<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>
Taxation												
<b>Surplus/(Deficit) after taxation</b>		<b>9 526</b>						<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>
Attributable to minorities												
<b>Surplus/(Deficit) attributable to municipality</b>		<b>9 526</b>						<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>
Share of surplus/ (deficit) of associate												
<b>Surplus/ (Deficit) for the year</b>		<b>9 526</b>						<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>

**References**

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SB1
3. Only complete if a previous adjusted budget has been approved in the same financial year. Reflect most recent adjusted budget.
4. Additional cash-backed accumulated funds/unused funds (MFMA section 18(1)(b) and section 28(2)(e)) identified after the Original Budget approved and after annual financial statements audited (note: only where underspending could not reasonably have been foreseen)
5. Increases of funds approved under MFMA section 31
6. Adjustments approved in accordance with MFMA section 29
7. Adjustments to transfers from National or Provincial Government
8. Adjusts. = Other Adjustments proposed to be approved: including revenue under-collection (MFMA section 28(2)(a)); additional revenue appropriation on existing programmes (section 28(2)(b)); projected savings (section 28(2)(d)); error correction (section 28(2)(f))
9. G = B + C + D + E + F

**Table SB7 Operating Transfers and Grant Receipts**

EC103 Ikwezi - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 31/01/2014

Description	Ref	Budget Year 2013/14							Budget Year	Budget Year
		Original	Prior	Multi-year	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	capital	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands		7	8	9	10	11	12	+1 2014/15	+2 2015/16	
		A	A1	B	C	D	E	F		
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		20 961	-	-	-	-	-	20 961	18 591	26 207
Local Government Equitable Share		16 860						16 860	15 857	18 290
Finance Management	3	1 650						1 650	1 800	1 950
Municipal Systems Improvement		890						890	934	967
EPWP Incentive		1 000						1 000		
Integrated National Electrification Programme		561						561		
Integrated National Electrification Programme(Eskom)										5 000
Provincial Government:		266	-	-	-	4 600	4 600	4 866	266	266
IDC Regional Industrial Development Strategy Grant						500	500	500		
DWAF - Implementation of Water & Demand Strategies	4					2 000	2 000	2 000		
DWAF - Capacity building						600	600	600		
Support Grant - Office of SG						1 500	1 500	1 500		
Library Subsidy	5	266						266	266	266
District Municipality:										
[insert description]										
Other grant providers:		466	-	-	-	-	-	466	-	-
Local Government Grant		466						466	457	530
<b>Total Operating Transfers and Grants</b>	6	21 693	-	-	-	4 600	4 600	26 293	18 857	26 473
<b>Capital Transfers and Grants</b>										
National Government:		9 726	-	-	-	-	-	9 726	8 002	7 934
Municipal Infrastructure Grant (MIG)		9 726						9 726	8 002	7 934
Other capital transfers [insert description]										
Provincial Government:										
[insert description]										
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
<b>Total Capital Transfers and Grants</b>	6	9 726	-	-	-	-	-	9 726	8 002	7 934
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		31 419	-	-	-	4 600	4 600	36 019	26 859	34 407

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom is far beyond the mentioned inflation target. Given that these tariff increase is determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the City's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the City has undertaken the tariff setting process relating to service charges as follows.

#### **1.4.1 Property Rates**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

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

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on a 10 per cent increase from 1 July 2013 is contained below:

**Table 4 Comparison of proposed rates to levy for the 2013/14 financial year**

Category	Current Tariff (1 July 2013)	Proposed tariff (from 1 July 2014)
	C	C
Residential properties	0.0211	0.0224
State owned properties	0.0304	0.03225
Business & Commercial	0.0254	0.02689
Agricultural	0.0011	0.00112

#### 1.4.2 Sale of Water and Impact of Tariff Increases

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

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

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table 5 Proposed Water Tariffs**

CATEGORY	CURRENT TARIFFS 2013/14	PROPOSED TARIFFS 2014/15
	Rand	Rand per kℓ
<b>For new Agreements</b>		
Residential	130	130
Bulk users (Schools, Hostels)	380	380
<b>Not Metered</b>		
Basic charge :Residential(equal to 10kl)	54.7	57.98
Basic charge :Schools, Hostels	218.81	231.94
<b>Metered</b>		
Basic charge :Residential & Buses	54.7	57.98
More than 10kl	5.47	5.80

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

### 1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 28.9 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2011.

Considering the Eskom increases, the consumer tariff had to be increased by 19 per cent to offset the additional bulk purchase cost from 1 July 2011. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 100 kWh per 30-day period free of charge. In addition those residential customers that are not registered as indigent, but that consume less than 100 kWh per 30-day period will receive 50 kWh free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the water charges for domestic customers:

**Table 2 Comparison between current electricity charges and increases (Domestic)**

Monthly consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
0 – 50	0.706	0.749	0.04	6%
51 - 350	0.877	0.930	0.05	6%
351 - 600	1.220	1.293	0.07	6%
600	1.378	1.461	0.08	6%
<b>Basic Charge(per month)</b>	92.67			

The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The municipality has entered into discussions with NERSA regarding the suitability of the NERSA proposed stepped tariffs compared to those already being implemented by the municipality already. Until the discussions are concluded, the municipality will maintain the current stepped structure of its electricity tariffs.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality

The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund

these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers.

#### 1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2013 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than CPI increase of 15 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (98 per cent of 6 kℓ water) will be applicable to registered indigents;

The following table compares the current and proposed tariffs:

**Table 3 Comparison between current sanitation charges and increases**

CATEGORY	CURRENT TARIFF 2013/14	PROPOSED TARIFF 2014/15
	TARIFF PER	TARIFF PER
	R	R
Jansenville –Basic charge per month	46.28	49.05
Klipplaat –Basic charge per month	84.38	89.45
Septic Tank	84..38	89.45
Sewage Fees-Residential	84.38	89.45
Schools	556.67	590.07
Hostels	504.95	535.24
Hotels	635.61	673.74
Departments	1031.67	1093.57
Hospitals	714.55	757.42

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

#### 1.4.5 Waste Removal and Impact of Tariff Increases



Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

**The following table compares current and proposed amounts payable from 1 July 2013:**

**Table 8 Comparison between current waste removal fees and increases**

	CURRENT TARIFFS 2013/14	PROPOSED TARIFFS 2014/15
Tariff per container per month or part of a month: Areas serviced by means of: (Tariff is multiplied by the number of service rounds per week and the number of containers.)	WASTE REMOVAL(per month)	WASTE REMOVAL(per month)
Residential - per month	R57.16	R 60.59
Bussinesses - per month	R67.37	R 71.41

#### 1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 15 and 23 per cent, with the increase for indigent households closer to 32 per cent.

**Table 4 MBRR Table SB1 – Household bills**

EC103 Ikwezi - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	6	7	8	9	10	11	12	13	+1 2014/15	+2 2015/16
R thousands												
<b>REVENUE ITEMS</b>												
<b>Property rates</b>												
Total Property Rates		2 091						(23)	(23)	2 069	2 193	2 324
less Revenue Foregone		870						(396)	(396)	475	500	527
Net Property Rates		1 221						373	373	1 594	1 692	1 797
<b>Service charges - electricity revenue</b>												
Total Service charges - electricity revenue		5 213						3 392	3 392	8 606	9 208	9 853
less Revenue Foregone												
Net Service charges - electricity revenue		5 213						3 392	3 392	8 606	9 208	9 853
<b>Service charges - water revenue</b>												
Total Service charges - water revenue		1 336						(98)	(98)	1 238	1 313	1 392
less Revenue Foregone												
Net Service charges - water revenue		1 336						(98)	(98)	1 238	1 313	1 392
<b>Service charges - sanitation revenue</b>												
Total Service charges - sanitation revenue		1 626						(116)	(116)	1 511	1 601	1 697
less Revenue Foregone												
Net Service charges - sanitation revenue		1 626						(116)	(116)	1 511	1 601	1 697
<b>Service charges - refuse revenue</b>												
Total refuse removal revenue		1 293						(12)	(12)	1 281	1 357	1 439
Total landfill revenue												
less Revenue Foregone												
Net Service charges - refuse revenue		1 293						(12)	(12)	1 281	1 357	1 439
<b>Other Revenue By Source</b>												
Fuel levy												
Other revenue	3	6 156						3 960	3 960	10 116	928	980
Total 'Other' Revenue	1	6 156						3 960	3 960	10 116	928	980
<b>EXPENDITURE ITEMS</b>												
<b>Employee related costs</b>												
Basic Salaries and Wages		15 467						(820)	(820)	14 647	15 258	16 250
Pension and UIF Contributions		1 921						(502)	(502)	1 419	1 508	1 516
Medical Aid Contributions		596						(82)	(82)	514	544	579
Overtime		443						185	185	628	669	713
Performance Bonus		537						(173)	(173)	364	388	413
Motor Vehicle Allowance		288						163	163	451	480	316
Cellphone Allowance												
Housing Allowances		16						(7)	(7)	9	10	10
Other benefits and allowances		1 346						(407)	(407)	939	1 040	1 166
Payments in lieu of leave												
Long service awards		5								5	6	6
Post-retirement benefit obligations	4											
<b>sub-total</b>		20 619						(1 643)	(1 643)	18 976	19 902	20 968
Less: Employees costs capitalised to PPE												
Total Employee related costs	1	20 619						(1 643)	(1 643)	18 976	19 902	20 968
<b>Contributions recognised - capital</b>												
List contributions by contract												
Total Contributions recognised - capital												
<b>Depreciation &amp; asset impairment</b>												
Depreciation of Property, Plant & Equipment		1 218						0	0	1 218	1 284	1 353
Lease amortisation												
Capital asset impairment												
Depreciation resulting from revaluation of PPE												
Total Depreciation & asset impairment	1	1 218						0	0	1 218	1 284	1 353
<b>Bulk purchases</b>												
Electricity		6 191						(260)	(260)	5 931	6 251	6 589
Water												
Total bulk purchases	1	6 191						(260)	(260)	5 931	6 251	6 589
<b>Contracted services</b>												
List services provided by contract		588						1 940	1 940	2 528	2 665	2 808
<b>sub-total</b>	1	588						1 940	1 940	2 528	2 665	2 808
<b>Allocations to organs of state:</b>												
Electricity												
Water												
Sanitation												
Other												
Total contracted services		588						1 940	1 940	2 528	2 665	2 808
<b>Other Expenditure By Type</b>												
Repairs and maintenance												
Collection costs												
Contributions to 'other' provisions												
Consultant fees		575								575		
Audit fees		880								880		1 000
General expenses	3,5	6 846						616	616	7 462	8 097	7 765
Total Other Expenditure	1	8 301						616	616	8 917	8 097	8 765

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/14 Adjustment budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

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

**Table 10 Summary of operating expenditure by standard classification item**

EC103 Ikwezi - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Employee related costs</b>												
Basic Salaries and Wages		15 467						(820)	(820)	14 647	15 258	16 250
Pension and UIF Contributions		1 921						(502)	(502)	1 419	1 508	1 516
Medical Aid Contributions		596						(82)	(82)	514	544	579
Overtime		443						185	185	628	669	713
Performance Bonus		537						(173)	(173)	364	388	413
Motor Vehicle Allowance		288						163	163	451	480	316
Cellphone Allowance												
Housing Allowances		16						(7)	(7)	9	10	10
Other benefits and allowances		1 346						(407)	(407)	939	1 040	1 166
Payments in lieu of leave												
Long service awards		5								5	6	6
Post-retirement benefit obligations												
<i>sub-total</i>	4	20 619						(1 643)	(1 643)	18 976	19 902	20 968
Less: Employees costs capitalised to PPE												
Total Employee related costs	1	20 619						(1 643)	(1 643)	18 976	19 902	20 968

The Adjustment budget allocation for employee related costs for the 2013/14 financial year totals R18.9 Million, which equals 46.9 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.08 per cent for the 2013/14 financial year. An annual increase of 6.08 per cent has been included in the two outer years of the MTREF. As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards. As part of the planning assumptions and interventions all vacancies were originally removed from the budget and a report was compiled by the Corporate Services Department relating to the prioritization of critical vacancies within the Municipality. In

addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 24 per cent of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R1.2 million for the 2013/14 financial and equates to 2.3 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges is R95 067 of operating expenditure excluding annual redemption for 2013/14 Adjustment budget and increases to R100 201 by 2014/15.

Bulk purchases are directly informed by the purchase of electricity from Eskom and buying of chemicals to clean water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other material comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2013/14 the appropriation against this group of expenditure has grown and continues to grow for the two outer years of which budget allocation is in excess by 2014/15.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2013/14 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2013/14 financial year, this group of expenditure totals R2.5 Million, clearly demonstrating the application of cost efficiencies. For the two outer years growth has been limited to R2.6 Million and R2.8 Million. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2013/14 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

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

savings and efficiencies can be achieved, indicating that significant cost savings have been already realised.

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2013/14 Adjustment budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 11 Operational repairs and maintenance**

EC103 Ikwezi - Table B9 Asset Management - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjus. 12	Total Adjus. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Repairs and Maintenance by asset class</b>	3	1 480	-	-	-	-	-	(407)	(407)	1 073	1 132	1 193
<i>Infrastructure - Road transport</i>		40	-	-	-	-	-	55	55	95	100	106
<i>Infrastructure - Electricity</i>		-	-	-	-	-	-	258	258	258	296	312
<i>Infrastructure - Water</i>		976	-	-	-	-	-	(835)	(835)	140	148	156
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	278	278	278	399	420
<i>Infrastructure - Other</i>		-	-	-	-	-	-	80	80	80	84	89
<b>Infrastructure</b>		1 016	-	-	-	-	-	(164)	(164)	852	1 028	1 083
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	465	-	-	-	-	-	(243)	(243)	222	104	110

During the compilation of the 2013/14 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially decreased, from R1.4 Million to R1 Million.

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

**Table 12 Repairs and maintenance per asset class**

**2013/14 - Table 12 Repairs and Maintenance - R14 000 000**

Asset Class	Budget 2013/14										Budget 2013/14	
	Orig. Est.	Orig. Est.	Adj. Est.	Adj. Est.	Orig. Est.	Orig. Est.	Orig. Est.	Orig. Est.	Orig. Est.	Orig. Est.	Adj. Est.	Adj. Est.
<b>Infrastructure</b>	1 400 000	-	-	-	-	-	-	-	-	-	1 400 000	1 400 000
Electricity Infrastructure	280 999	-	-	-	-	-	-	-	-	-	280 999	280 999
Road Infrastructure	95 085	-	-	-	-	-	-	-	-	-	95 085	95 085
Water Infrastructure	140 500	-	-	-	-	-	-	-	-	-	140 500	140 500
Sanitation Infrastructure	378 216	-	-	-	-	-	-	-	-	-	378 216	378 216
Community Assets	178 839	-	-	-	-	-	-	-	-	-	178 839	178 839
<b>Total</b>	<b>1 400 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 400 000</b>	<b>1 400 000</b>

For the 2013/14 financial year R1.4 million of total repairs and maintenance will be spent mostly on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 280 999, road infrastructure at 95 085, water 140 500 and sanitation R378 216. A community asset has been allocated R178 839 of total repairs and maintenance.

**1.5.2 Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality’s Indigent Policy. The target is to register 1044 or more indigent households during the 2013/14 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services

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

## 1.6 Capital expenditure

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

**Table 53 2013/14 Medium-term capital budget per vote**

EC103 Ikwezi - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2014/15	+2 2015/16
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Capital Expenditure - Standard</b>												
<i>Governance and administration</i>		7 200	-	-	-	-	-	(1 265)	(1 265)	5 935	250	250
Executive and council		250						(250)	(250)	-	250	250
Budget and treasury office								221	221	221		
Corporate services		6 950						(1 236)	(1 236)	5 714		
<i>Community and public safety</i>		-	-	-	-	-	-	1 000	1 000	1 000	-	-
Community and social services								1 000	1 000	1 000		
Sport and recreation												
Public safety												
Housing												
Health												
<i>Economic and environmental services</i>		1 486	-	-	-	-	-	4 121	4 121	5 608	4 000	5 000
Planning and development		486						2 500	2 500	2 986		
Road transport		1 000						1 621	1 621	2 621	4 000	5 000
Environmental protection												
<i>Trading services</i>		7 903	-	-	-	-	-	(6 486)	(6 486)	1 417	4 102	3 034
Electricity												
Water								1 000	1 000	1 000		
Waste water management		7 803						(7 386)	(7 386)	417	4 002	2 934
Waste management		100						(100)	(100)	-	100	100
<i>Other</i>												
<b>Total Capital Expenditure - Standard</b>	3	16 589	-	-	-	-	-	(2 630)	(2 630)	13 959	8 352	8 284

For 2013/14 an amount of R9.7 million has been appropriated for the development of infrastructure. In the outer years this amount totals R8 million, and R7.9 million, respectively for each of the financial years.

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Cemetery and crematorium development;
- Fire fighting and security equipment;
- Electricity for all (backlog eradication)
- Refurbishment and renewal electrical network
- New waste water treatment works
- Upgrading and renewal of sewers
- Bulk supply and backlog eradication of water
- Refurbishment and renewal of water network
- Backlog eradication of storm water drainage
- Rehabilitation of roads and storm water
- Extension of main entry roads



### **1.6.1 Future operational cost of new infrastructure**

The future operational costs and revenues associated with the capital programme have been included in SB19. This table shows that future operational costs associated with the capital programme totals R12 million in 2013/14. This concomitant operational expenditure is expected to decrease to R8 million 2014/15. It needs to be noted that as part of the 2013/14 MTREF, this expenditure has been factored into the two outer years of the operational budget.

## **1.7 Annual Budget Tables - Parent Municipality**

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and adjustment budget as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 14 MBRR Table A1 - Budget Summary

EC103 Ikwezi - Table B1 Adjustments Budget Summary - 31/01/2014

Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	1 558	-	-	-	-	-	222	222	1 780	1 890	2 007
Service charges	9 469	-	-	-	-	-	3 166	3 166	12 635	13 479	14 380
Investment revenue	251	-	-	-	-	-	(208)	(208)	43	46	49
Transfers recognised - operational	22 181	-	-	-	-	-	(7 509)	(7 509)	14 672	24 135	36 576
Other own revenue	7 575	-	-	-	-	-	3 266	3 266	10 840	1 696	1 794
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>41 034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 063)</b>	<b>(1 063)</b>	<b>39 971</b>	<b>41 246</b>	<b>54 805</b>
Employee costs	20 619	-	-	-	-	-	(1 643)	(1 643)	18 976	19 902	20 968
Remuneration of councillors	1 641	-	-	-	-	-	19	19	1 660	1 768	1 883
Depreciation & asset impairment	1 218	-	-	-	-	-	0	0	1 218	1 284	1 353
Finance charges	1 543	-	-	-	-	-	(1 448)	(1 448)	95	100	106
Materials and bulk purchases	6 191	-	-	-	-	-	(260)	(260)	5 931	6 251	6 589
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	9 534	-	-	-	-	-	2 556	2 556	12 091	11 428	12 262
<b>Total Expenditure</b>	<b>40 747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(776)</b>	<b>(776)</b>	<b>39 971</b>	<b>40 733</b>	<b>43 160</b>
<b>Surplus/(Deficit)</b>	<b>287</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(287)</b>	<b>(287)</b>	<b>0</b>	<b>513</b>	<b>11 645</b>
Transfers recognised - capital	9 239	-	-	-	-	-	3 470	3 470	12 709	8 002	7 934
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>9 526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>9 526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>
<b>Capital expenditure &amp; funds sources</b>											
Capital expenditure	16 589	-	-	-	-	-	(2 629)	(2 629)	13 959	8 352	8 284
Transfers recognised - capital	10 239	-	-	-	-	-	3 720	3 720	13 959	8 002	7 934
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	6 000	-	-	-	-	-	(6 000)	(6 000)	-	-	-
Internally generated funds	350	-	-	-	-	-	(350)	(350)	-	350	350
<b>Total sources of capital funds</b>	<b>16 589</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 630)</b>	<b>(2 630)</b>	<b>13 959</b>	<b>8 352</b>	<b>8 284</b>
<b>Financial position</b>											
Total current assets	1 929	-	-	-	-	-	-	-	1 929	2 045	2 168
Total non current assets	68 909	-	-	-	-	-	-	-	68 909	73 043	77 426
Total current liabilities	15 863	-	-	-	-	-	-	-	15 863	16 814	17 823
Total non current liabilities	10 627	-	-	-	-	-	-	-	10 627	11 265	11 940
Community wealth/Equity	44 349	-	-	-	-	-	-	-	44 349	47 010	31 822
<b>Cash flows</b>											
Net cash from (used) operating	8 753	-	-	-	-	-	(1 044)	(1 044)	7 709	8 002	7 934
Net cash from (used) investing	(8 753)	-	-	-	-	-	(4 520)	(4 520)	(13 273)	(8 002)	(7 934)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	0	-	-	-	-	-	(5 564)	(5 564)	(5 564)	0	(0)
<b>Cash backing/surplus reconciliation</b>											
Cash and investments av available	333	-	-	-	-	-	-	-	333	353	374
Application of cash and investments	#####	-	-	-	-	-	73 738 010	73 738 010	#####	#####	#####
Balance - surplus (shortfall)	#####	-	-	-	-	-	(73 738 010)	(73 738 010)	#####	#####	#####
<b>Asset Management</b>											
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1 218	-	-	-	-	-	0	0	1 218	1 284	1 353
Renewal of Existing Assets	16 589	-	-	-	-	-	(8 783)	(8 783)	7 806	8 352	8 284
Repairs and Maintenance	1 480	-	-	-	-	-	(407)	(407)	1 073	1 132	1 193
<b>Free services</b>											
Cost of Free Basic Services provided	1 838	-	-	-	-	-	-	-	1 838	1 967	2 105
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

### Explanatory notes to Table B1 - Budget Summary

1. Table B1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2013/14, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2014/15 the water backlog will have been very nearly eliminated.

**Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

EC103 Ikwezi - Table B2 Adjustments Budget Financial Performance (standard classification) - 31/01/2014

Standard Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2014/15	+2 2015/16
<b>Revenue - Standard</b>												
<i>Governance and administration</i>		33 849	-	-	-	-	-	6 069	6 069	39 917	27 128	39 748
Executive and council		33 849	-	-	-	-	-	6 069	6 069	39 917	27 128	39 748
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-
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>		16 424	-	-	-	-	-	(3 187)	(3 187)	13 237	14 117	15 057
Electricity		7 975	-	-	-	-	-	659	659	8 634	9 238	9 884
Water		2 729	-	-	-	-	-	(1 298)	(1 298)	1 431	1 517	1 608
Waste water management		3 594	-	-	-	-	-	(1 887)	(1 887)	1 707	1 809	1 917
Waste management		2 126	-	-	-	-	-	(661)	(661)	1 466	1 554	1 647
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	50 273	-	-	-	-	-	2 882	2 882	53 155	41 246	54 805
<b>Expenditure - Standard</b>												
<i>Governance and administration</i>		18 403	-	-	-	-	-	556	556	18 959	18 635	19 766
Executive and council		6 526	-	-	-	-	-	438	438	6 964	6 537	6 932
Budget and treasury office		8 124	-	-	-	-	-	(139)	(139)	7 985	8 465	8 973
Corporate services		3 753	-	-	-	-	-	257	257	4 010	3 633	3 860
<i>Community and public safety</i>		1 951	-	-	-	-	-	(291)	(291)	1 660	1 677	1 784
Community and social services		1 200	-	-	-	-	-	(369)	(369)	831	884	940
Sport and recreation		4	-	-	-	-	-	82	82	86	2	2
Public safety		746	-	-	-	-	-	(4)	(4)	743	790	841
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3 969	-	-	-	-	-	(292)	(292)	3 677	3 349	3 560
Planning and development		3 083	-	-	-	-	-	(92)	(92)	2 991	2 621	2 789
Road transport		886	-	-	-	-	-	(200)	(200)	686	728	772
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		16 424	-	-	-	-	-	(274)	(274)	16 150	17 073	18 050
Electricity		7 975	-	-	-	-	-	(441)	(441)	7 534	7 953	8 395
Water		2 729	-	-	-	-	-	37	37	2 766	2 928	3 100
Waste water management		3 594	-	-	-	-	-	151	151	3 745	3 971	4 211
Waste management		2 126	-	-	-	-	-	(21)	(21)	2 105	2 221	2 344
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	40 747	-	-	-	-	-	(301)	(301)	40 446	40 733	43 160
<b>Surplus/ (Deficit) for the year</b>		9 526	-	-	-	-	-	3 183	3 183	12 709	512	11 645

**Explanatory notes to Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital).
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

**Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

EC103 Ikwezi - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 31/01/2014

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
<b>Revenue by Vote</b>	1											
Vote 1 - EXECUTIVE AND COUNCIL		33 849	-	-	-	-	-	6 069	6 069	39 917	27 128	39 748
Vote 2 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		2 126	-	-	-	-	-	(661)	(661)	1 466	1 554	1 647
Vote 10 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE WATER MANAGEMENT		3 594	-	-	-	-	-	(1 887)	(1 887)	1 707	1 809	1 917
Vote 12 - WATER		2 729	-	-	-	-	-	(1 298)	(1 298)	1 431	1 517	1 608
Vote 13 - ELECTRICITY		7 975	-	-	-	-	-	659	659	8 634	9 238	9 884
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	50 273	-	-	-	-	-	2 882	2 882	53 155	41 246	54 805
<b>Expenditure by Vote</b>	1											
Vote 1 - EXECUTIVE AND COUNCIL		6 526	-	-	-	-	-	438	438	6 964	6 537	6 932
Vote 2 - BUDGET AND TREASURY OFFICE		8 124	-	-	-	-	-	(138)	(138)	7 985	8 465	8 973
Vote 3 - CORPORATE SERVICES		3 753	-	-	-	-	-	257	257	4 010	3 633	3 860
Vote 4 - PLANNING AND DEVELOPMENT		3 083	-	-	-	-	-	(93)	(93)	2 991	2 621	2 789
Vote 5 - PUBLIC SAFETY		746	-	-	-	-	-	(4)	(4)	743	790	841
Vote 6 - COMMUNITY AND SOCIAL SERVICES		1 200	-	-	-	-	-	(368)	(368)	831	884	940
Vote 7 - SPORT AND RECREATION		4	-	-	-	-	-	81	81	86	2	2
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		2 126	-	-	-	-	-	(21)	(21)	2 105	2 221	2 344
Vote 10 - ROAD TRANSPORT		886	-	-	-	-	-	(200)	(200)	686	728	772
Vote 11 - WASTE WATER MANAGEMENT		3 594	-	-	-	-	-	151	151	3 745	3 971	4 211
Vote 12 - WATER		2 729	-	-	-	-	-	37	37	2 766	2 928	3 100
Vote 13 - ELECTRICITY		7 975	-	-	-	-	-	(441)	(441)	7 534	7 953	8 395
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	40 747	-	-	-	-	-	(301)	(301)	40 446	40 733	43 160
<b>Surplus/ (Deficit) for the year</b>	2	9 526	-	-	-	-	-	3 183	3 183	12 709	512	11 645

**Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

1. Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

**Table B4 - Budgeted Financial Performance (revenue and expenditure)**

EC103 Ikwezi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2014/15	+2 2015/16
<b>Revenue By Source</b>												
Property rates	2	1 221	-	-	-	-	-	373	373	1 594	1 692	1 797
Property rates - penalties & collection charges		337						(151)	(151)	187	198	210
Service charges - electricity revenue	2	5 213	-	-	-	-	-	3 392	3 392	8 606	9 208	9 853
Service charges - water revenue	2	1 336	-	-	-	-	-	(98)	(98)	1 238	1 313	1 392
Service charges - sanitation revenue	2	1 626	-	-	-	-	-	(116)	(116)	1 511	1 601	1 697
Service charges - refuse revenue	2	1 293	-	-	-	-	-	(12)	(12)	1 281	1 357	1 439
Service charges - other												
Rental of facilities and equipment		230						(226)	(226)	4	4	5
Interest earned - external investments		251						(208)	(208)	43	46	49
Interest earned - outstanding debtors		960						(354)	(354)	606	642	681
Dividends received												
Fines												
Licences and permits												
Agency services		229						(114)	(114)	114	121	129
Transfers recognised - operating		22 181						(7 509)	(7 509)	14 672	24 135	36 576
Other revenue	2	6 156	-	-	-	-	-	3 960	3 960	10 116	928	980
Gains on disposal of PPE												
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>41 034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 063)</b>	<b>(1 063)</b>	<b>39 971</b>	<b>41 246</b>	<b>54 805</b>
<b>Expenditure By Type</b>												
Employee related costs		20 619	-	-	-	-	-	(1 643)	(1 643)	18 976	19 902	20 968
Remuneration of councillors		1 641						19	19	1 660	1 768	1 883
Debt impairment		645								645	666	688
Depreciation & asset impairment		1 218	-	-	-	-	-	0	0	1 218	1 284	1 353
Finance charges		1 543						(1 448)	(1 448)	95	100	106
Bulk purchases		6 191	-	-	-	-	-	(260)	(260)	5 931	6 251	6 589
Other materials												
Contracted services		588	-	-	-	-	-	1 940	1 940	2 528	2 665	2 808
Transfers and grants												
Other expenditure		8 301	-	-	-	-	-	616	616	8 917	8 097	8 765
Loss on disposal of PPE												
<b>Total Expenditure</b>		<b>40 747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(776)</b>	<b>(776)</b>	<b>39 971</b>	<b>40 733</b>	<b>43 160</b>
<b>Surplus/(Deficit)</b>		<b>287</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(287)</b>	<b>(287)</b>	<b>0</b>	<b>513</b>	<b>11 645</b>
Transfers recognised - capital		9 239						3 470	3 470	12 709	8 002	7 934
Contributions												
Contributed assets												
<b>Surplus/(Deficit) before taxation</b>		<b>9 526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>
Taxation												
<b>Surplus/(Deficit) after taxation</b>		<b>9 526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>
Attributable to minorities												
<b>Surplus/(Deficit) attributable to municipality</b>		<b>9 526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>
Share of surplus/ (deficit) of associate												
<b>Surplus/ (Deficit) for the year</b>		<b>9 526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 183</b>	<b>3 183</b>	<b>12 709</b>	<b>8 515</b>	<b>19 579</b>

**Explanatory notes to Table B4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R53 Million in 2013/14 and decrease to R41 Million by 2014/15. This represents a year-on-year.
2. Revenue to be generated from property rates is R2.1 million financial year and increases to R2.2 Million by 2014/15 and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R 12.6 Million for the 2013/14 financial year and increasing to R13.4 million by 2014/15. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. 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 over the MTREF. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.



**Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

EC103 Ikwezi - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
<b>Capital expenditure - Vote</b>												
<i>Multi-year expenditure to be adjusted</i>	2											
Vote 1 - EXECUTIVE AND COUNCIL		350	-	-	-	-	-	(350)	(350)	-	250	250
Vote 2 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	221	221	221	-	-
Vote 3 - CORPORATE SERVICES		6 950	-	-	-	-	-	(1 236)	(1 236)	5 714	-	-
Vote 4 - PLANNING AND DEVELOPMENT		486	-	-	-	-	-	2 500	2 500	2 987	-	-
Vote 5 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	100	100
Vote 10 - ROAD TRANSPORT		1 000	-	-	-	-	-	2 621	2 621	3 621	4 000	5 000
Vote 11 - WASTE WATER MANAGEMENT		7 803	-	-	-	-	-	(7 385)	(7 385)	417	4 002	2 934
Vote 12 - WATER		-	-	-	-	-	-	1 000	1 000	1 000	-	-
Vote 13 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	16 589	-	-	-	-	-	(2 629)	(2 629)	13 959	8 352	8 284
<i>Single-year expenditure to be adjusted</i>	2											
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - WATER		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		16 589	-	-	-	-	-	(2 629)	(2 629)	13 959	8 352	8 284
<b>Capital Expenditure - Standard</b>												
<i>Governance and administration</i>		7 200	-	-	-	-	-	(1 265)	(1 265)	5 935	250	250
Executive and council		250	-	-	-	-	-	(250)	(250)	-	250	250
Budget and treasury office		-	-	-	-	-	-	221	221	221	-	-
Corporate services		6 950	-	-	-	-	-	(1 236)	(1 236)	5 714	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	1 000	1 000	1 000	-	-
Community and social services		-	-	-	-	-	-	1 000	1 000	1 000	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 486	-	-	-	-	-	4 121	4 121	5 608	4 000	5 000
Planning and development		486	-	-	-	-	-	2 500	2 500	2 986	-	-
Road transport		1 000	-	-	-	-	-	1 621	1 621	2 621	4 000	5 000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		7 903	-	-	-	-	-	(6 486)	(6 486)	1 417	4 102	3 034
Electricity		-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	1 000	1 000	1 000	-	-
Waste water management		7 803	-	-	-	-	-	(7 386)	(7 386)	417	4 002	2 934
Waste management		100	-	-	-	-	-	(100)	(100)	-	100	100
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	16 589	-	-	-	-	-	(2 630)	(2 630)	13 959	8 352	8 284
<b>Funded by:</b>												
National Government		10 239	-	-	-	-	-	3 720	3 720	13 959	8 002	7 934
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital transfers recognised</b>	4	10 239	-	-	-	-	-	3 720	3 720	13 959	8 002	7 934
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		6 000	-	-	-	-	-	(6 000)	(6 000)	-	-	-
Internally generated funds		350	-	-	-	-	-	(350)	(350)	-	350	350
<b>Total Capital Funding</b>		16 589	-	-	-	-	-	(2 630)	(2 630)	13 959	8 352	8 284

**Explanatory notes to Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2013/14 R12.7 million has been allocated. This allocation decreases to R8 million in 2014/15 and then flattens out to R7.9 million in 2015/16 owing primarily to the fact that various projects reach completion in 2013/14 hence the spike in expenditure in year two.
3. Single-year capital expenditure has been appropriated at R12.7 million for the 2013/14 financial year and remains relatively constant over the MTREF at levels of R8 million and R7.9 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of Municipal vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and government grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2013/14, capital transfers totals R9.7 million. Borrowing has been adjusted from R6 million to R0 because loan was not approved and with internally generated funding totaling R350 000.

**Table B6 - Budgeted Financial Position**

EC103 Ikwezi - Table B6 Adjustments Budget Financial Position - 31/01/2014

Description	Ref	Budget Year 2013/14								Budget Year	Budget Year	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2014/15	+2 2015/16
R thousands		A	A1	B	C	D	E	F	G	H		
<b>ASSETS</b>												
<b>Current assets</b>												
Cash									-	-		
Call investment deposits	1	333	-	-	-	-	-	-	-	333	353	374
Consumer debtors	1	1 596	-	-	-	-	-	-	-	1 596	1 692	1 793
Other debtors									-	-		
Current portion of long-term receivables									-	-		
Inventory									-	-		
<b>Total current assets</b>		1 929	-	-	-	-	-	-	-	1 929	2 045	2 168
<b>Non current assets</b>												
Long-term receivables									-	-		
Investments									-	-		
Investment property									-	-		
Investment in Associate									-	-		
Property, plant and equipment	1	68 909	-	-	-	-	-	-	-	68 909	73 043	77 426
Agricultural									-	-		
Biological									-	-		
Intangible									-	-		
Other non-current assets									-	-		
<b>Total non current assets</b>		68 909	-	-	-	-	-	-	-	68 909	73 043	77 426
<b>TOTAL ASSETS</b>		70 838	-	-	-	-	-	-	-	70 838	75 089	79 594
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft									-	-		
Borrowing		848	-	-	-	-	-	-	-	848	898	952
Consumer deposits									-	-		
Trade and other payables		15 015	-	-	-	-	-	-	-	15 015	15 916	16 871
Provisions									-	-		
<b>Total current liabilities</b>		15 863	-	-	-	-	-	-	-	15 863	16 814	17 823
<b>Non current liabilities</b>												
Borrowing	1	630	-	-	-	-	-	-	-	630	668	708
Provisions	1	9 997	-	-	-	-	-	-	-	9 997	10 596	11 232
<b>Total non current liabilities</b>		10 627	-	-	-	-	-	-	-	10 627	11 265	11 940
<b>TOTAL LIABILITIES</b>		26 490	-	-	-	-	-	-	-	26 490	28 079	29 764
<b>NET ASSETS</b>	2	44 349	-	-	-	-	-	-	-	44 349	47 010	49 830
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		44 349	-	-	-	-	-	-	-	44 349	47 010	31 822
Reserves		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		44 349	-	-	-	-	-	-	-	44 349	47 010	31 822

### **Explanatory notes to Table B6 - Budgeted Financial Position**

1. Table B6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table B6 is supported by an extensive table of notes) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table B7 - Budgeted Cash Flow Statement**

EC103 Ikwezi - Table B7 Adjustments Budget Cash Flows - 31/01/2014

Description	Ref	Budget Year 2013/14								Budget Year	Budget Year	
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	+1 2014/15 Adjusted Budget	+2 2015/16 Adjusted Budget
R thousands												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
Receipts												
Ratepayers and other		26 587					(1 894)	(1 894)	24 693		28 261	30 041
Government - operating	1	24 238					2 543	2 543	26 781		24 603	25 402
Government - capital	1							-	-			
Interest		251					(208)	(208)	43		266	282
Dividends								-	-			
Payments												
Suppliers and employees		(41 980)					(1 733)	(1 733)	(43 714)		(44 765)	(47 409)
Finance charges		(343)					248	248	(95)		(362)	(381)
Transfers and Grants	1							-	-			
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>8 753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 044)</b>	<b>(1 044)</b>	<b>7 709</b>		<b>8 002</b>	<b>7 934</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
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		(8 753)					(4 520)	(4 520)	(13 273)		(8 002)	(7 934)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(8 753)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 520)</b>	<b>(4 520)</b>	<b>(13 273)</b>		<b>(8 002)</b>	<b>(7 934)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Receipts												
Short term loans								-	-			
Borrowing long term/refinancing								-	-			
Increase (decrease) in consumer deposits								-	-			
Payments												
Repayment of borrowing								-	-			
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 564)</b>	<b>(5 564)</b>	<b>(5 564)</b>		<b>0</b>	<b>(0)</b>
Cash/cash equivalents at the year begin:	2							-	-			
Cash/cash equivalents at the year end:	2	0	-	-	-	-	(5 564)		(5 564)		0	(0)

**Explanatory notes to Table B7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the municipality fell significantly over the 2012/13 to 2013/14 period owing directly to a net decrease in cash.
4. The approved 2013/14 MTREF provide for a further net decrease in cash of R5.5 million for the 2013/14 financial year resulting in an overall projected negative cash position.
5. As part of the 2013/14 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were taken such as the reduction of expenditure allocations and rationalization of spending priorities and also financial recovery plan.
6. The 2013/14 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

## Explanatory notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC103 Ikwezi - Table B8 Cash backed reserves/accumulated surplus reconciliation - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	0	-	-	-	-	-	(5 564)	(5 564)	(5 564)	0	(0)
Other current investments > 90 days		333	-	-	-	-	-	5 564	5 564	5 897	353	375
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333</b>	<b>353</b>	<b>374</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		3 805	-	-	-	-	-	-	-	3 805	4 033	4 275
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	#####	-					73 738 010	73 738 010	#####	#####	#####
Other provisions												
Long term investments committed												
Reserves to be backed by cash/investments												
<b>Total Application of cash and investments:</b>		<b>#####</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73 738 010</b>	<b>73 738 010</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>
<b>Surplus(shortfall)</b>		<b>#####</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(73 738 010)</b>	<b>(73 738 010)</b>	<b>#####</b>	<b>#####</b>	<b>#####</b>

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2010/11 MTREF was not funded owing to the significant deficit.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.



**Table B9 - Asset Management**

EC103 Ikwezi - Table B9 Asset Management - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H	+1 2014/15	+2 2015/16
<b>CAPITAL EXPENDITURE</b>												
<b>Total New Assets to be adjusted</b>	1	16 589	-	-	-	-	-	(8 783)	(8 783)	7 806	8 352	8 284
Infrastructure - Road transport		1 803	-	-	-	-	-	698	698	2 500	4 000	5 000
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	4 002	2 934
Infrastructure - Other		1 000	-	-	-	-	-	(1 000)	(1 000)	-	-	-
Infrastructure		2 803	-	-	-	-	-	(303)	(303)	2 500	8 002	7 934
Community		7 436	-	-	-	-	-	(2 500)	(2 500)	4 936	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	6 350	-	-	-	-	-	(5 980)	(5 980)	370	350	350
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets to be adjusted</b>	2	16 589	-	-	-	-	-	(8 783)	(8 783)	7 806	8 352	8 284
Infrastructure - Road transport		1 000	-	-	-	-	-	-	-	1 000	4 000	5 000
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		7 803	-	-	-	-	-	(6 303)	(6 303)	1 500	4 002	2 934
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		8 803	-	-	-	-	-	(6 303)	(6 303)	2 500	8 002	7 934
Community		6 950	-	-	-	-	-	(2 500)	(2 500)	4 450	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		486	-	-	-	-	-	-	-	486	-	-
Other assets	6	350	-	-	-	-	-	20	20	370	350	350
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to be adjusted</b>	4	2 803	-	-	-	-	-	698	698	3 500	8 000	10 000
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		7 803	-	-	-	-	-	(6 303)	(6 303)	1 500	8 004	5 868
Infrastructure - Other		1 000	-	-	-	-	-	(1 000)	(1 000)	-	-	-
Infrastructure		11 605	-	-	-	-	-	(6 606)	(6 606)	5 000	16 004	15 868
Community		14 386	-	-	-	-	-	(5 000)	(5 000)	9 386	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		486	-	-	-	-	-	-	-	486	-	-
Other assets	6	6 700	-	-	-	-	-	(5 960)	(5 960)	740	700	700
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	2	33 178	-	-	-	-	-	(17 566)	(17 566)	15 612	16 704	16 568
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5											
Infrastructure - Road transport												
Infrastructure - Electricity												
Infrastructure - Water												
Infrastructure - Sanitation												
Infrastructure - Other												
Infrastructure												
Community												
Heritage assets												
Investment properties												
Other assets												
Intangibles												
Agricultural Assets												
Biological assets												
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5											
<b>EXPENDITURE OTHER ITEMS</b>												
Depreciation & asset impairment		1 218	-	-	-	-	-	0	0	1 218	1 284	1 353
Repairs and Maintenance by asset class	3	1 480	-	-	-	-	-	(407)	(407)	1 073	1 132	1 193
Infrastructure - Road transport		40	-	-	-	-	-	55	55	95	100	106
Infrastructure - Electricity		-	-	-	-	-	-	258	258	258	296	312
Infrastructure - Water		976	-	-	-	-	-	(835)	(835)	140	148	156
Infrastructure - Sanitation		-	-	-	-	-	-	278	278	278	399	420
Infrastructure - Other		-	-	-	-	-	-	80	80	80	84	89
Infrastructure		1 016	-	-	-	-	-	(164)	(164)	852	1 028	1 083
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	465	-	-	-	-	-	(243)	(243)	222	104	110
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>		2 699	-	-	-	-	-	(407)	(407)	2 292	2 416	2 546
<b>% of capital exp on renewal of assets</b>		50.0%	0.0%							50.0%	50.0%	50.0%
<b>Renewal of existing assets as % of deprecn</b>		1361.7%	0.0%							640.7%	650.4%	612.1%
<b>R&amp;M as a % of PPE</b>		0.0%	0.0%							0.0%	0.0%	0.0%
<b>Renewal and R&amp;M as a % of PPE</b>		0.0%	0.0%							0.0%	0.0%	0.0%

**Explanatory notes to Table B9 - Asset Management**

1. Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality meets both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

**Table B10 - Basic Service Delivery Measurement**

EC103 Ikwezi - Table B10 Basic service delivery measurement - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	A	A1	B	C	D	E	F	G	H			
<b>Household service targets</b>	1											
<b>Water:</b>												
Piped water inside dwelling		830							1	888	951	
Piped water inside yard (but not in dwelling)												
Using public tap (at least min.service level)	2											
Other water supply (at least min.service level)												
<i>Minimum Service Level and Above sub-total</i>	1								1	1	1	
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply												
<i>Below Minimum Service Level sub-total</i>												
<b>Total number of households</b>	5	1							1	1	1	
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)		810							810	867	927	
Flush toilet (with septic tank)		29							29	31	33	
Chemical toilet												
Pit toilet (ventilated)												
Other toilet provisions (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>		839							839	898	960	
Bucket toilet												
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>												
<b>Total number of households</b>	5	839							839	898	960	
<b>Energy:</b>												
Electricity (at least min. service level)		532							532	569	609	
Electricity - prepaid (> min.service level)		66							66	71	76	
<i>Minimum Service Level and Above sub-total</i>		598							598	640	685	
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
<b>Total number of households</b>	5	598							598	640	685	
<b>Refuse:</b>												
Removed at least once a week (min.service)		721							721	772	826	
<i>Minimum Service Level and Above sub-total</i>		721							721	772	826	
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>												
<b>Total number of households</b>	5	721							721	772	826	
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitres per household per month)												
Sanitation (free minimum level service)												
Electricity/other energy (50kwh per household per month)												
Refuse (removed at least once a week)												
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per household per month)		607							607	649	695	
Sanitation (free sanitation service)		487							487	521	557	
Electricity/other energy (50kwh per household per month)		208							208	222	238	
Refuse (removed once a week)		537							537	575	615	
<b>Total cost of FBS provided (minimum social pack)</b>		1 838							1 838	1 967	2 105	
<b>Highest level of free service provided</b>												
Property rates (R'000 value threshold)												
Water (kilolitres per household per month)												
Sanitation (kilolitres per household per month)												
Sanitation (Rand per household per month)												
Electricity (kw per household per month)												
Refuse (average litres per week)												
<b>Revenue cost of free services provided (R'000)</b>	17											
Property rates (R15 000 threshold rebate)												
Property rates (other exemptions, reductions and rebates)												
Water												
Sanitation												
Electricity/other energy												
Refuse												
Municipal Housing - rental rebates												
Housing - top structure subsidies	6											
Other												
<b>Total revenue cost of free services provided (total s</b>												

**Explanatory notes to Table B10 - Basic Service Delivery Measurement**

1. Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
  - a. Water services – backlog will be reduced by over 600 households in 2013/14 to just 300 households. These households are largely found in 'reception areas' and will need to be moved to formal areas so that they can receive services.
  - b. Sanitation services – backlog will be reduced by over 500 households over the MTREF. The number of households with no toilet provision will be reduced by 200 households in 2013/14.
  - c. Electricity services – backlog will be reduced by 300 households. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades. Once the most pressing network issues have been addressed, the electrification programme will be prioritised; with 6000 households budgeted to be electrified in 2013/14.
  - d. Refuse services – backlog will be reduced by 200 households in 2013/14, and a further 100 households in the outer two years of the MTREF. However it should be noted that this function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.
3. The budget provides for 1044 households to be registered as indigent in 2013/14, and therefore entitled to receiving Free Basic Services. The number is set to increase to 7000 households given the rapid rate of in-migration to the municipality, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R2 million in 2013/14, increasing to R2.5 million in 2014/15. This is covered by the municipality's equitable share allocation from national government.

## Part 2 – Supporting Documentation

### 2.1 Overview of the Adjustment budget process

The Adjustment budget process started in December 2013 with the tabling of the Schedule of Key Deadlines in Council, being the Budget Schedule for 2013/14 as tabled. The schedule of dates was then tabled by the Mayor in a council meeting in January 2014.

The timetable or schedule as outlined, provided the timeframes for the IDP and Budget preparation process - coupled with the required consultative requirements and production of reports as indicated. The strategic objective is to ensure that a revised IDP and a Budget that is fully compliant to the new format prescribed by National Treasury is achieved, tabled and communicated by end March 2013. The budget and IDP will start consultative process in March 2014. Admittedly, there will be challenges with the process in 2014 due to the upcoming National elections. The consultative meetings will be held in all the four wards and we hope the meetings will be well attended.

The SDBIP (Service Delivery and Budget Implementation Plan) is the mechanism and ultimate management tool / guide that aim to ensure that the IDP and Budget are fully aligned.

Ultimate objectives from this process is to ensure that the Budget is maintained within the affordability levels outlined, taking into account the identified IDP deliverables posed, and the various Directorates responsibilities to spend the Budget within the frameworks and available funds to the best of their abilities and to the affordability of the Budget. It is from this document that the performance agreements between the municipality and management will be drafted.

EC103 Ikwezi - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2014/15	+2 2015/16
		A	A1	B	C	D	E	F	G	H		
<b>R thousands</b>												
<b>REVENUE ITEMS</b>												
<b>Property rates</b>												
Total Property Rates		2 091						(23)	(23)	2 069	2 193	2 324
less Revenue Foregone		870						(396)	(396)	475	500	527
Net Property Rates		1 221						373	373	1 594	1 692	1 797
<b>Service charges - electricity revenue</b>												
Total Service charges - electricity revenue		5 213						3 392	3 392	8 606	9 208	9 853
less Revenue Foregone												
Net Service charges - electricity revenue		5 213						3 392	3 392	8 606	9 208	9 853
<b>Service charges - water revenue</b>												
Total Service charges - water revenue		1 336						(98)	(98)	1 238	1 313	1 392
less Revenue Foregone												
Net Service charges - water revenue		1 336						(98)	(98)	1 238	1 313	1 392
<b>Service charges - sanitation revenue</b>												
Total Service charges - sanitation revenue		1 626						(116)	(116)	1 511	1 601	1 697
less Revenue Foregone												
Net Service charges - sanitation revenue		1 626						(116)	(116)	1 511	1 601	1 697
<b>Service charges - refuse revenue</b>												
Total refuse removal revenue		1 293						(12)	(12)	1 281	1 357	1 439
Total landfill revenue												
less Revenue Foregone												
Net Service charges - refuse revenue		1 293						(12)	(12)	1 281	1 357	1 439
<b>Other Revenue By Source</b>												
Fuel levy												
Other revenue	3	6 156						3 960	3 960	10 116	928	980
Total 'Other' Revenue	1	6 156						3 960	3 960	10 116	928	980
<b>EXPENDITURE ITEMS</b>												
<b>Employee related costs</b>												
Basic Salaries and Wages		15 467						(820)	(820)	14 647	15 258	16 250
Pension and UIF Contributions		1 921						(502)	(502)	1 419	1 508	1 516
Medical Aid Contributions		596						(82)	(82)	514	544	579
Overtime		443						185	185	628	669	713
Performance Bonus		537						(173)	(173)	364	388	413
Motor Vehicle Allowance		288						163	163	451	480	316
Cellphone Allowance												
Housing Allowances		16						(7)	(7)	9	10	10
Other benefits and allowances		1 346						(407)	(407)	939	1 040	1 166
Payments in lieu of leave												
Long service awards		5								5	6	6
Post-retirement benefit obligations	4											
<i>sub-total</i>		20 619						(1 643)	(1 643)	18 976	19 902	20 968
Less: Employees costs capitalised to PPE												
Total Employee related costs	1	20 619						(1 643)	(1 643)	18 976	19 902	20 968
<b>Contributions recognised - capital</b>												
<i>List contributions by contract</i>												
Total Contributions recognised - capital												
<b>Depreciation &amp; asset impairment</b>												
Depreciation of Property, Plant & Equipment		1 218						0	0	1 218	1 284	1 353
Lease amortisation												
Capital asset impairment												
Depreciation resulting from revaluation of PPE												
Total Depreciation & asset impairment	1	1 218						0	0	1 218	1 284	1 353
<b>Bulk purchases</b>												
Electricity		6 191						(260)	(260)	5 931	6 251	6 589
Water												
Total bulk purchases	1	6 191						(260)	(260)	5 931	6 251	6 589
<b>Contracted services</b>												
<i>List services provided by contract</i>		588						1 940	1 940	2 528	2 665	2 808
<i>sub-total</i>	1	588						1 940	1 940	2 528	2 665	2 808
<b>Allocations to organs of state:</b>												
Electricity												
Water												
Sanitation												
Other												
Total contracted services		588						1 940	1 940	2 528	2 665	2 808
<b>Other Expenditure By Type</b>												
Repairs and maintenance												
Collection costs												
Contributions to 'other' provisions												
Consultant fees		575								575		
Audit fees		880								880		1 000
General expenses	3,5	6 846						616	616	7 462	8 097	7 765
Total Other Expenditure	1	8 301						616	616	8 917	8 097	8 765



EC103 Ikwezi - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands	A	4 A1	5 B	6 C	7 D	8 E	9 F	10 G	11 H			
<b>ASSETS</b>												
<b>Call investment deposits</b>												
Call deposits < 90 days		333							333		353	374
Other current investments > 90 days												
<b>Total Call investment deposits</b>	1	333	-	-	-	-	-	-	333		353	374
<b>Consumer debtors</b>												
Consumer debtors		11 835							11 835		12 545	13 298
Less: provision for debt impairment		10 239							10 239		10 853	11 505
<b>Total Consumer debtors</b>	1	1 596	-	-	-	-	-	-	1 596		1 692	1 793
<b>Debt impairment provision</b>												
Balance at the beginning of the year											10 239	10 853
Contributions to the provision		10 239							10 239		614	651
Bad debts written off												
<b>Balance at end of year</b>		10 239	-	-	-	-	-	-	10 239		10 853	11 505
<b>Property, plant &amp; equipment</b>												
PPE at cost/valuation (excl. finance leases)		69 877							69 877		74 070	78 514
Leases recognised as PPE		1 401							1 401		1 485	1 574
Less: Accumulated depreciation		2 369							2 369		2 512	2 662
<b>Total Property, plant &amp; equipment</b>	1	68 909	-	-	-	-	-	-	73 648		73 043	77 426
<b>LIABILITIES</b>												
<b>Current liabilities - Borrowing</b>												
Short term loans (other than bank overdraft)		217							217		230	244
Current portion of long-term liabilities		630							630		668	708
<b>Total Current liabilities - Borrowing</b>		848	-	-	-	-	-	-	848		898	952
<b>Trade and other payables</b>												
Creditors		11 210							11 210		11 883	12 596
Unspent conditional grants and receipts		3 805							3 805		4 033	4 275
VAT												
<b>Total Trade and other payables</b>	1	15 015	-	-	-	-	-	-	15 015		15 916	16 871
<b>Non current liabilities - Borrowing</b>												
Borrowing												
Finance leases (including PPP asset element)		630							630		668	708
<b>Total Non current liabilities - Borrowing</b>		630	-	-	-	-	-	-	630		668	708
<b>Provisions - non current</b>												
Retirement benefits												
List other major items												
Refuse landfill site rehabilitation		8 972							8 972		9 510	10 081
Other		1 025							1 025		1 086	1 151
<b>Total Provisions - non current</b>		9 997	-	-	-	-	-	-	9 997		10 596	11 232
<b>CHANGES IN NET ASSETS</b>												
<b>Accumulated surplus/(Deficit)</b>												
Accumulated surplus/(Deficit) - opening balance		29 164							29 164		34 364	25 464
Appropriations to Reserves		9 526							9 526		6 647	
Transfers from Reserves												
Depreciation offsets												
Other adjustments		5 658							5 658		5 998	6 358
<b>Accumulated Surplus/(Deficit)</b>	1	44 349	-	-	-	-	-	-	44 349		47 010	31 822
<b>Reserves</b>												
Housing Development Fund												
Capital replacement												
Self-insurance												
Other reserves (list)												
Revaluation												
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-		-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	44 349	-	-	-	-	-	-	44 349		47 010	31 822

**Table SB 3 - Measurable performance objectives**

EC103 Ikwezi - Supporting Table SB3 Adjustments to the SDBIP - performance objectives - 31/01/2014

Description	Unit of measurement	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget A	Prior Adjusted A1	Accum. Funds B	Multi-year capital C	Unfore. Unavoid. D	Nat. or Prov. Govt E	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget
<b>Vote 1 - vote name</b>												
Function 1 - (name)												
Sub-function 1 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 2 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 3 - (name)												
<i>Insert measure/s description</i>										-	-	-
Function 2 - (name)												
Sub-function 1 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 2 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 3 - (name)												
<i>Insert measure/s description</i>										-	-	-
<b>Vote 2 - vote name</b>												
Function 1 - (name)												
Sub-function 1 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 2 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 3 - (name)												
<i>Insert measure/s description</i>										-	-	-
Function 2 - (name)												
Sub-function 1 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 2 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 3 - (name)												
<i>Insert measure/s description</i>										-	-	-
<b>Vote 3 - vote name</b>												
Function 1 - (name)												
Sub-function 1 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 2 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 3 - (name)												
<i>Insert measure/s description</i>										-	-	-
Function 2 - (name)												
Sub-function 1 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 2 - (name)												
<i>Insert measure/s description</i>										-	-	-
Sub-function 3 - (name)												
<i>Insert measure/s description</i>										-	-	-
And so on for the rest of the Votes										-	-	-

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 Adjustment budget.

**Table SB4 - Performance indicators and benchmarks**

EC103 Ikwezi - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks - 31/01/2014

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Budget Year 2013/14			Budget Year +1 2014/15	Budget Year +2 2015/16
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>Borrowing Management</b>									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure				3.8%	0.0%	0.2%	0.2%	0.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants				94.5%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>									
Gearing	Long Term Borrowing/ Funds & Reserves				0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>									
Current Ratio	Current assets/current liabilities				12.2%	0.0%	12.2%	12.2%	12.2%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				434.4%	0.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities				0.0	0.0	0.0	0.0	0.0
<b>Revenue Management</b>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue				3.9%	0.0%	4.0%	4.1%	3.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
Creditors to Cash					#####	0.0%	-269.9%	3736174.3%	-5338945.8%
<b>Other Indicators</b>									
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000)								
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000)								
Employee costs	Employee costs/(Total Revenue - capital revenue)				50.2%	0.0%	47.5%	48.3%	38.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				3.6%	0.0%	2.7%	2.7%	2.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				6.7%	0.0%	3.3%	3.4%	2.7%
<b>IDP regulation financial viability indicators</b>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)				18814.7%	0.0%	25248.6%	16201.9%	17260.9%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				3.9%	0.0%	4.0%	4.1%	3.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0.0	0.0	-0.2	0.0	0.0

## **2.2 Overview of budget related-policies**

The Ikwezi Municipality has operational Financial Management Policies in place. Current Management, under the leadership of the Accounting Officer, has launched the review, development and ultimate compliance with all legislation expected policies. The financial policies are being reviewed for implementation for the 2013/14 financial year.

Policies in existence, reviewed and being developed are:

- Risk management Policy
- Credit Control and Cash Collection Policy
- Fixed Assets Policy
- Indigents Policy
- Property Rates Policy
- Supply Chain Management Policy
- Tariff Policy
- Cellphone policy
- Travel and Subsistence policy
- Virements policy

The important role of all these financial policies in the implementation of the financial recovery plan cannot be overemphasized. The municipality continues to develop and implement more policies as a need arise.

### **2.2.1 Review of credit control and collection procedures/policies**

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

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

### **2.2.2 Budget Adjustment**

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

### **2.2.3 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in 30 August 2012. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

### **2.2.4 Virements Policy**

Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the City's system of delegations. The Budget and Virement Policy was approved by Council in 30 August 2012 in terms of Operating and Capital Budget Fund Transfers..

### **2.2.5 Tariff Policies**

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

### **2.2.6 Financial Modelling and Scenario Planning**

The Financial Modelling and Scenario Planning has directly informed the compilation of the 2013/14 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2013/14 Adjustments Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (Financial recovery Plan)
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

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

- Property Rates Policy;
- Basic Social Services Package (Indigent Policy).
- Fixed Assets Policy

## 2.3 Overview of budget assumptions

EC103 Ikwezi - Supporting Table SB5 Adjustments Budget - social, economic and demographic statistics and assumptions - 31/01/2014

Description of economic indicator	Ref.	1996 Census	2001 Census	2007 Survey	2010/11	2011/12	2012/13	Current year	Original Budget	Adjusted Budget
<b>Demographics</b>										
Population										
Females aged 5 - 14										
Males aged 5 - 14										
Females aged 15 - 34										
Males aged 15 - 34										
Unemployment										
<b>Monthly Household income (no. of households)</b>										
None	1, 12									
R1 - R1 600										
R1 601 - R3 200										
R3 201 - R6 400										
R6 401 - R12 800										
R12 801 - R25 600										
R25 601 - R51 200										
R52 201 - R102 400										
R102 401 - R204 800										
R204 801 - R409 600										
R409 601 - R819 200										
> R819 200										
<b>Poverty profiles (no. of households)</b>										
< R2 060 per household per month	13									
Insert description	2									
<b>Household/demographics (000)</b>										
Number of people in municipal area										
Number of poor people in municipal area										
Number of households in municipal area										
Number of poor households in municipal area										
Definition of poor household (R per month)										
<b>Housing statistics</b>										
Formal	3									
Informal										
Total number of households		-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4									
Dwellings provided by province/s										
Dwellings provided by private sector	5									
Total new housing dwellings		-	-	-	-	-	-	-	-	-
<b>Economic</b>										
Inflation/inflation outlook (CPIX)	6									
Interest rate - borrowing										
Interest rate - investment										
Remuneration increases										
Consumption growth (electricity)										
Consumption growth (water)										
<b>Collection rates</b>										
Property tax/service charges	7				%	%	%	%	%	%
Rental of facilities & equipment					%	%	%	%	%	%
Interest - external investments					%	%	%	%	%	%
Interest - debtors					%	%	%	%	%	%
Revenue from agency services					%	%	%	%	%	%

### 2.3.1 Collection rate for revenue services

March 2014

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

### **2.3.2 Growth or decline in tax base of the municipality**

Debtors revenue is assumed to decrease at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### **2.3.3 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2013 and shall remain in force until 30 June 2014. Year three is an across the board increase of 6.08 per cent.

### **2.3.4 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

## 2.4 Overview of budget funding

### 2.4.1 Medium-term outlook: operating revenue

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

**Table SB 6 Breakdown of the operating revenue over the medium-term**

EC103 Ikwezi - Supporting Table SB6 Adjustments Budget - funding measurement - 31/01/2014

Description	Ref	MFMA section	2010/11	2011/12	2012/13	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	1	18(1)b				0	-	(5 564)	0	(0)
Cash + investments at the yr end less applications - R'000	2	18(1)b				#####	-	#####	#####	#####
Cash year end/monthly employee/supplier payments	3	18(1)b				0	-	(0)	0	(0)
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				9 526	-	12 709	8 515	19 579
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)				0.0%	0.0%	0.0%	0.6%	0.6%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	64846431.7%	0.0%	60226829.3%	68928804.9%	73270492.7%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				5.7%	0.0%	4.5%	4.3%	4.2%
Capital payments % of capital expenditure	8	18(1)c;19				52.8%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				94.5%	0.0%	0.0%	0.0%	0.0%
Grants % of Gov't legislated/gazetted allocations	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							6.0%	6.0%
Long term receivables % change - incr(decr)	12	18(1)a							0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	14	20(1)(vi)				50.0%	0.0%	50.0%	50.0%	50.0%

**Figure 1 Breakdown of operating revenue over the 2013/14 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.



The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

**Table SB 7 - Capital transfers and grant receipts**

EC103 Ikwezi - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 31/01/2014

Description	Ref	Budget Year 2013/14							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2014/15	+2 2015/16
R thousands		A	7	8	9	10	11	12		
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		20 961	-	-	-	-	-	20 961	18 591	26 207
Local Government Equitable Share		16 860						16 860	15 857	18 290
Finance Management	3	1 650						1 650	1 800	1 950
Municipal Systems Improvement		890						890	934	967
EPWP Incentive		1 000						1 000		
Integrated National Electrification Programme		561						561		
Integrated National Electrification Programme(Eskom)										5 000
Provincial Government:		266	-	-	-	4 600	4 600	4 866	266	266
IDC Regional Industrial Development Strategy Grant						500	500	500		
DWAF - Implementation of Water & Demand Strategies						2 000	2 000	2 000		
DWAF - Capacity building						600	600	600		
Support Grant - Office of SG						1 500	1 500	1 500		
Library Subsidy	5	266						266	266	266
District Municipality:										
[insert description]										
Other grant providers:		466	-	-	-	-	-	466	-	-
Local Government Grant		466						466	457	530
<b>Total Operating Transfers and Grants</b>	6	21 693	-	-	-	4 600	4 600	26 293	18 857	26 473
<b>Capital Transfers and Grants</b>										
National Government:		9 726	-	-	-	-	-	9 726	8 002	7 934
Municipal Infrastructure Grant (MIG)		9 726						9 726	8 002	7 934
Other capital transfers [insert description]										
Provincial Government:										
[insert description]										
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
<b>Total Capital Transfers and Grants</b>	6	9 726	-	-	-	-	-	9 726	8 002	7 934
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		31 419	-	-	-	4 600	4 600	36 019	26 859	34 407

## 2.4.2 Cash Flow Management

March 2014

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table B7 - Budget cash flow statement**

EC103 Ikwezi - Table B7 Adjustments Budget Cash Flows - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2014/15	+2 2015/16	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Ratepayers and other		26 587					(1 894)	(1 894)	24 693		28 261	30 041
Government - operating	1	24 238					2 543	2 543	26 781		24 603	25 402
Government - capital	1											
Interest		251					(208)	(208)	43		266	282
Dividends												
<b>Payments</b>												
Suppliers and employees		(41 980)					(1 733)	(1 733)	(43 714)		(44 765)	(47 409)
Finance charges		(343)					248	248	(95)		(362)	(381)
Transfers and Grants	1											
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>8 753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 044)</b>	<b>(1 044)</b>	<b>7 709</b>		<b>8 002</b>	<b>7 934</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE												
Decrease (increase) in non-current debtors												
Decrease (increase) other non-current receivables												
Decrease (increase) in non-current investments												
<b>Payments</b>												
Capital assets		(8 753)					(4 520)	(4 520)	(13 273)		(8 002)	(7 934)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(8 753)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 520)</b>	<b>(4 520)</b>	<b>(13 273)</b>		<b>(8 002)</b>	<b>(7 934)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans												
Borrowing long term/refinancing												
Increase (decrease) in consumer deposits												
<b>Payments</b>												
Repayment of borrowing												
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 564)</b>	<b>(5 564)</b>	<b>(5 564)</b>		<b>0</b>	<b>(0)</b>
Cash/cash equivalents at the year begin:	2											
Cash/cash equivalents at the year end:	2	0					(5 564)	(5 564)	(5 564)		0	(0)

The above table shows that cash and cash equivalents of the municipality were largely depleted between the 2013/14 and 2014/15 financial year moving from a negative cash balance of R5 million.

## 2.5 Expenditure on grants and reconciliations of unspent funds

### SB 8 - Expenditure on transfers and grant programmes

EC103 Ikwezi - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 31/01/2014

Description	Ref	Budget Year 2013/14						Budget Year	Budget Year	
		Original	Prior	Multi-year	Nat. or Prov.	Other	Total	Adjusted	Adjusted	
		Budget	Adjusted	capital	Govt	Adjusts.	Adjusts.	Budget	Budget	
R thousands		A	A1	B	C	D	E	F		
<b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		20 961	-	-	-	-	-	20 961	18 591	26 207
Local Government Equitable Share		16 860						16 860	15 857	18 290
Finance Management		1 650						1 650	1 800	1 950
Municipal Systems Improvement		890						890	934	967
EPWP Incentive		1 000						1 000		
Integrated National Electrification Programme		561						561		
<b>Integrated National Eletrification Programme(Eskom)</b>										5 000
<b>Provincial Government:</b>		266	-	-	-	4 600	4 600	4 866	266	266
IDC Regional Industrial Development Strategy Grant						500	500	500		
DWAF - Implementation of Water & Demand Strategies						2 000	2 000	2 000		
DWAF - Capacity building						600	600	600		
Support Grant - Office of SG						1 500	1 500	1 500		
Library Subsidy		266						266	266	266
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		466	-	-	-	-	-	466	-	-
Local Government Grant		466						466	457	530
<b>Total operating expenditure of Transfers and Grants:</b>		21 693	-	-	-	4 600	4 600	26 293	18 857	26 473
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		9 726	-	-	-	-	-	9 726	8 002	7 934
Municipal Infrastructure Grant (MIG)		9 726						9 726	8 002	7 934
Other capital transfers <i>[insert description]</i>										
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total capital expenditure of Transfers and Grants</b>		9 726	-	-	-	-	-	9 726	8 002	7 934
<b>Total capital expenditure of Transfers and Grants</b>		31 419	-	-	-	4 600	4 600	36 019	26 859	34 407

**SB 9 - Reconciliation between of transfers, grant receipts and unspent funds**

EC103 Ikwezi - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds - 31/01/2014

Description	Ref	Budget Year 2013/14							Budget Year	Budget Year
		Original	Prior	Multi-year	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	capital	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F			
<b>Operating transfers and grants:</b>										
National Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Provincial Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
District Municipality:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Other grant providers:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Total operating transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>										
National Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Provincial Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
District Municipality:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Other grant providers:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

**2.6 Councillor and employee benefits****SB 1- Summary of councillor and staff benefits**

**2013/14 - Summary Type 531 Financials by Budgetary Reference - 2013/14**

Over 2013	Budgetary Reference									Budgetary Reference	
	Budget	Actual	Adj. Budget	Actual	Adj. Budget	Actual	Adj. Budget	Actual	Adj. Budget	Budget	Actual
Resources	1	1	1	1	1	1	1	1	1	1	1

Account Code	2013/14 Budget	2013/14 Actual	2013/14 Variance	2013/14 Budget	2013/14 Actual	2013/14 Variance	2013/14 Budget	2013/14 Actual	2013/14 Variance
Salaries and wages	15 407		(8 20)				15 258	16 250	
Medical and Consulting	1 021		(5 02)				1 508	1 510	
Medical Consulting	500		(82)				544	570	
Consulting	443		1 85				609	713	
Performance Bonus	537		(1 73)				388	413	
Performance Bonus	288		1 83				480	310	
Performance Bonus	10		(7)				10	10	
Performance Bonus	1 345		(4 07)				1 040	1 108	
Performance Bonus	5						6	6	
Performance Bonus									
<b>Subtotal</b>	<b>18 913</b>		<b>(8 20)</b>				<b>18 913</b>	<b>20 558</b>	

**SB 11 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

EC103 Ikwezi - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 31/01/2014

Summary of remuneration	Ref	Budget Year 2013/14										% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Councillors (Political Office Bearers plus Other)</b>												
Basic Salaries and Wages		1 534						(393)	(393)	1 141	-25.6%	
Pension and UIF Contributions												
Medical Aid Contributions												
Motor Vehicle Allowance		77						303	303	380	391.6%	
Cellphone Allowance								139	139	139		
Housing Allowances												
Other benefits and allowances												
<b>Sub Total - Councillors</b>		<b>1 611</b>	<b>-</b>					<b>49</b>	<b>49</b>	<b>1 660</b>	<b>3.0%</b>	
% increase			(0)							0		
<b>Senior Managers of the Municipality</b>												
Basic Salaries and Wages		2 203						483	483	2 686	21.9%	
Pension and UIF Contributions												
Medical Aid Contributions												
Overtime												
Performance Bonus		537						(173)	(173)	364		
Motor Vehicle Allowance								360	360	360	#DIV/0!	
Cellphone Allowance								14	14	14	#DIV/0!	
Housing Allowances												
Other benefits and allowances												
Payments in lieu of leave												
Long service awards												
Post-retirement benefit obligations	5											
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 739</b>	<b>-</b>	<b>-</b>				<b>685</b>	<b>685</b>	<b>3 424</b>	<b>25.0%</b>	
% increase			(0)							0		
<b>Other Municipal Staff</b>												
Basic Salaries and Wages		13 264						(1 256)	(1 256)	12 008	-9.5%	
Pension and UIF Contributions		1 921						(502)	(502)	1 419	-26.1%	
Medical Aid Contributions		596						(82)	(82)	514	-13.8%	
Overtime		443						185	185	628	41.9%	
Performance Bonus												
Motor Vehicle Allowance		288						(258)	(258)	30	-89.6%	
Cellphone Allowance												
Housing Allowances		16						(7)	(7)	9		
Other benefits and allowances		1 346						(407)	(407)	939		
Payments in lieu of leave												
Long service awards		5								5	0.0%	
Post-retirement benefit obligations	5											
<b>Sub Total - Other Municipal Staff</b>		<b>17 879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 326)</b>	<b>(2 326)</b>	<b>15 552</b>	<b>-13.0%</b>	
% increase												
<b>Total Parent Municipality</b>		<b>22 229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 593)</b>	<b>(1 593)</b>	<b>20 636</b>	<b>-7.2%</b>	

**Table SB 14 - Budgeted monthly revenue and expenditure**

EC103 Ikwezi - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure - 31/01/2014

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
<b>Revenue By Source</b>																
Property rates		174	174	174	174	174	174	174	174	174	174	174	(323)	1 594	1 692	1 797
Property rates - penalties & collection charges		28	28	28	28	28	28	28	28	28	28	28	(123)	187	198	210
Service charges - electricity revenue		663	663	663	663	663	663	663	663	663	663	663	1 313	8 606	9 208	9 853
Service charges - water revenue		231	231	231	231	231	231	231	231	231	231	231	(1 298)	1 238	1 313	1 392
Service charges - sanitation revenue		288	288	288	288	288	288	288	288	288	288	288	(1 659)	1 511	1 601	1 697
Service charges - refuse		127	127	127	127	127	127	127	127	127	127	127	(114)	1 281	1 357	1 439
Service charges - other													-	-	-	-
Rental of facilities and equipment		19	19	19	19	19	19	19	19	19	19	19	(207)	4	4	5
Interest earned - external investments		21	21	21	21	21	21	21	21	21	21	21	(187)	43	46	49
Interest earned - outstanding debtors		80	80	80	80	80	80	80	80	80	80	80	(274)	606	642	681
Dividends received													-	-	-	-
Fines													-	-	-	-
Licences and permits													-	-	-	-
Agency services		178	178	178	178	178	178	178	178	178	178	178	(1 843)	114	121	129
Transfers recognised - operational		1 290	1 290	1 290	1 290	1 290	1 290	1 290	1 290	1 290	1 290	1 290	476	14 672	24 135	36 576
Other revenue		428	428	428	428	428	428	428	428	428	428	428	5 412	10 116	928	980
Gains on disposal of PPE													-	-	-	-
<b>Total Revenue</b>		<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>1 174</b>	<b>39 971</b>	<b>41 246</b>	<b>54 805</b>
<b>Expenditure By Type</b>																
Employee related costs		1 718	1 718	1 718	1 718	1 718	1 718	1 718	1 718	1 718	1 718	1 718	75	18 976	19 902	20 968
Remuneration of councillors		137	137	137	137	137	137	137	137	137	137	137	155	1 660	1 768	1 883
Debt impairment		54	54	54	54	54	54	54	54	54	54	54	54	645	666	688
Depreciation & asset impairment		102	102	102	102	102	102	102	102	102	102	102	102	1 218	1 284	1 353
Finance charges		29	29	29	29	29	29	29	29	29	29	29	(220)	95	100	106
Bulk purchases		516	516	516	516	516	516	516	516	516	516	516	256	5 931	6 251	6 589
Other materials													-	-	-	-
Contracted services		53	53	53	53	53	53	53	53	53	53	53	1 943	2 528	2 665	2 808
Grants and subsidies													-	-	-	-
Other expenditure		919	919	919	919	919	919	919	919	919	919	919	(1 192)	8 917	8 097	8 765
Loss on disposal of PPE													-	-	-	-
<b>Total Expenditure</b>		<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>1 174</b>	<b>39 971</b>	<b>40 733</b>	<b>43 160</b>
<b>Surplus/(Deficit)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>513</b>	<b>11 645</b>



**Table SB 12- Budgeted monthly revenue and expenditure (municipal vote)**

EC103 Ikwezi - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) - 31/01/2014

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
<b>Revenue by Vote</b>																
Vote 1 - EXECUTIVE AND COUNCIL		2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	10 317	39 917	27 128	39 748
Vote 2 - BUDGET AND TREASURY OFFICE													-	-	-	-
Vote 3 - CORPORATE SERVICES													-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT													-	-	-	-
Vote 5 - PUBLIC SAFETY													-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES													-	-	-	-
Vote 7 - SPORT AND RECREATION													-	-	-	-
Vote 8 - HOUSING													-	-	-	-
Vote 9 - WASTE MANAGEMENT		177	177	177	177	177	177	177	177	177	177	177	(486)	1 466	1 554	1 647
Vote 10 - ROAD TRANSPORT		178	178	178	178	178	178	178	178	178	178	178	(1 958)	-	-	-
Vote 11 - WASTE WATER MANAGEMENT		301	301	301	301	301	301	301	301	301	301	301	(1 606)	1 707	1 809	1 917
Vote 12 - WATER		244	244	244	244	244	244	244	244	244	244	244	(1 257)	1 431	1 517	1 608
Vote 13 - ELECTRICITY		664	664	664	664	664	664	664	664	664	664	664	1 325	8 634	9 238	9 884
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Total Revenue by Vote</b>		<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>6 335</b>	<b>53 155</b>	<b>41 246</b>	<b>54 805</b>
<b>Expenditure by Vote</b>																
Vote 1 - EXECUTIVE AND COUNCIL		516	516	516	516	516	516	516	516	516	516	516	1 284	6 964	6 537	6 932
Vote 2 - BUDGET AND TREASURY OFFICE		677	677	677	677	677	677	677	677	677	677	677	539	7 985	8 465	8 973
Vote 3 - CORPORATE SERVICES		313	313	313	313	313	313	313	313	313	313	313	570	4 010	3 633	3 860
Vote 4 - PLANNING AND DEVELOPMENT		257	257	257	257	257	257	257	257	257	257	257	164	2 991	2 621	2 789
Vote 5 - PUBLIC SAFETY		62	62	62	62	62	62	62	62	62	62	62	59	743	790	841
Vote 6 - COMMUNITY AND SOCIAL SERVICES		100	100	100	100	100	100	100	100	100	100	100	(268)	831	884	940
Vote 7 - SPORT AND RECREATION			4										81	86	2	2
Vote 8 - HOUSING													-	-	-	-
Vote 9 - WASTE MANAGEMENT		177	177	177	177	177	177	177	177	177	177	177	156	2 105	2 221	2 344
Vote 10 - ROAD TRANSPORT		233	233	233	233	233	233	233	233	233	233	233	(1 874)	686	728	772
Vote 11 - WASTE WATER MANAGEMENT		299	299	299	299	299	299	299	299	299	299	299	450	3 745	3 971	4 211
Vote 12 - WATER		227	227	227	227	227	227	227	227	227	227	227	264	2 766	2 928	3 100
Vote 13 - ELECTRICITY		665	665	665	665	665	665	665	665	665	665	665	224	7 534	7 953	8 395
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Total Expenditure by Vote</b>		<b>3 527</b>	<b>3 531</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>1 649</b>	<b>40 446</b>	<b>40 733</b>	<b>43 160</b>
<b>Surplus/ (Deficit)</b>		<b>730</b>	<b>725</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>4 686</b>	<b>12 709</b>	<b>512</b>	<b>11 645</b>

**Table SB13 - Budgeted monthly revenue and expenditure (standard classification)**

EC103 Ikwezi - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (standard classification) - 31/01/2014

Description - Standard classification	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	10 317	39 917	27 128	39 748
Executive and council		2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	10 317	39 917	27 128	39 748
Budget and treasury office													-	-	-	-
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>		178	178	178	178	178	178	178	178	178	178	178	(1 958)	-	-	-
Planning and development													-	-	-	-
Road transport		178	178	178	178	178	178	178	178	178	178	178	(1 958)	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	(2 025)	13 237	14 117	15 057
Electricity		664	664	664	664	664	664	664	664	664	664	664	1 325	8 634	9 238	9 884
Water		244	244	244	244	244	244	244	244	244	244	244	(1 257)	1 431	1 517	1 608
Waste water management		301	301	301	301	301	301	301	301	301	301	301	(1 606)	1 707	1 809	1 917
Waste management		177	177	177	177	177	177	177	177	177	177	177	(486)	1 466	1 554	1 647
<i>Other</i>													-	-	-	-
<b>Total Revenue - Standard</b>		<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>6 335</b>	<b>53 155</b>	<b>41 246</b>	<b>54 805</b>
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	2 392	18 959	18 635	19 766
Executive and council		516	516	516	516	516	516	516	516	516	516	516	1 284	6 964	6 537	6 932
Budget and treasury office		677	677	677	677	677	677	677	677	677	677	677	538	7 985	8 465	8 973
Corporate services		313	313	313	313	313	313	313	313	313	313	313	570	4 010	3 633	3 860
<i>Community and public safety</i>		162	167	162	162	162	162	162	162	162	162	162	(129)	1 660	1 677	1 784
Community and social services		100	100	100	100	100	100	100	100	100	100	100	(269)	831	884	940
Sport and recreation			4										82	86	2	2
Public safety		62	62	62	62	62	62	62	62	62	62	62	59	743	790	841
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		490	490	490	490	490	490	490	490	490	490	490	(1 709)	3 677	3 349	3 560
Planning and development		257	257	257	257	257	257	257	257	257	257	257	165	2 991	2 621	2 789
Road transport		233	233	233	233	233	233	233	233	233	233	233	(1 874)	686	728	772
Environmental protection													-	-	-	-
<i>Trading services</i>		1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 095	16 150	17 073	18 050
Electricity		665	665	665	665	665	665	665	665	665	665	665	224	7 534	7 953	8 395
Water		227	227	227	227	227	227	227	227	227	227	227	264	2 766	2 928	3 100
Waste water management		299	299	299	299	299	299	299	299	299	299	299	450	3 745	3 971	4 211
Waste management		177	177	177	177	177	177	177	177	177	177	177	156	2 105	2 221	2 344
<i>Other</i>													-	-	-	-
<b>Total Expenditure - Standard</b>		<b>3 527</b>	<b>3 531</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>1 649</b>	<b>40 446</b>	<b>40 733</b>	<b>43 160</b>
<b>Surplus/ (Deficit) 1.</b>		<b>730</b>	<b>725</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>4 686</b>	<b>12 709</b>	<b>512</b>	<b>11 645</b>

**Table SB 16 - Budgeted monthly capital expenditure (municipal vote)**

EC103 Ikwezi - Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote) - 31/01/2014

Description - Municipal Vote	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
<b>Multi-year expenditure appropriation</b>	1															
Vote 1 - EXECUTIVE AND COUNCIL		29	29	29	29	29	29	29	29	29	29	29	(319)	-	250	250
Vote 2 - BUDGET AND TREASURY OFFICE													221	221	-	-
Vote 3 - CORPORATE SERVICES		579	579	579	579	579	579	579	579	579	579	579	(657)	5 714	-	-
Vote 4 - PLANNING AND DEVELOPMENT													2 987	2 987	-	-
Vote 5 - PUBLIC SAFETY													-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES													-	-	-	-
Vote 7 - SPORT AND RECREATION													-	-	-	-
Vote 8 - HOUSING													-	-	-	-
Vote 9 - WASTE MANAGEMENT													-	-	100	100
Vote 10 - ROAD TRANSPORT		83	83	83	83	83	83	83	83	83	83	83	2 705	3 621	4 000	5 000
Vote 11 - WASTE WATER MANAGEMENT		650	650	650	650	650	650	650	650	650	650	650	(6 736)	417	4 002	2 934
Vote 12 - WATER													1 000	1 000	-	-
Vote 13 - ELECTRICITY													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital Multi-year expenditure sub-total	3	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	(800)	13 959	8 352	8 284
<b>Single-year expenditure appropriation</b>																
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE													-	-	-	-
Vote 3 - CORPORATE SERVICES													-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT													-	-	-	-
Vote 5 - PUBLIC SAFETY													-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES													-	-	-	-
Vote 7 - SPORT AND RECREATION													-	-	-	-
Vote 8 - HOUSING													-	-	-	-
Vote 9 - WASTE MANAGEMENT													-	-	-	-
Vote 10 - ROAD TRANSPORT													-	-	-	-
Vote 11 - WASTE WATER MANAGEMENT													-	-	-	-
Vote 12 - WATER													-	-	-	-
Vote 13 - ELECTRICITY													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	2	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	(800)	13 959	8 352	8 284

**Table SB 17 - Budgeted monthly capital expenditure (standard classification)**

EC103 Ikwezi - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (standard classification) - 31/01/2014

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands																	
<b>Capital Expenditure - Standard</b>																	
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	5 935	5 935	250	250
Executive and council														-	-	250	250
Budget and treasury office														221	221	-	-
Corporate services														5 714	5 714	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	-	-
Community and social services														1 000	1 000	-	-
Sport and recreation														-	-	-	-
Public safety														-	-	-	-
Housing														-	-	-	-
Health														-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	5 608	5 608	4 000	5 000
Planning and development														2 986	2 986	-	-
Road transport														2 621	2 621	4 000	5 000
Environmental protection														-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	1 417	1 417	4 102	3 034
Electricity														-	-	-	-
Water														1 000	1 000	-	-
Waste water management														417	417	4 002	2 934
Waste management														-	-	100	100
<i>Other</i>														-	-	-	-
<b>Total Capital Expenditure - Standard</b>		-	-	-	-	-	-	-	-	-	-	-	-	13 959	13 959	8 352	8 284

**Table SB 15 - Budgeted monthly cash flow**

EC103 Ikwezi - Supporting Table SB15 Adjustments Budget - monthly cash flow - 31/01/2014

Monthly cash flows	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands																	
<b>Cash Receipts By Source</b>	1							266	266	266	266	266	266	266	1 594	1 692	1 797
Property rates								31	31	31	31	31	31	31	187	198	210
Property rates - penalties & collection charges								1 434	1 434	1 434	1 434	1 434	1 434	1 434	8 606	9 208	9 853
Service charges - electricity revenue								206	206	206	206	206	206	206	1 238	1 313	1 392
Service charges - water revenue								252	252	252	252	252	252	252	1 511	1 601	1 697
Service charges - sanitation revenue								213	213	213	213	213	213	213	1 281	1 357	1 439
Service charges - refuse																	
Service charges - other																	
Rental of facilities and equipment								1	1	1	1	1	1	1	4	4	5
Interest earned - external investments								7	7	7	7	7	7	7	43	46	49
Interest earned - outstanding debtors								101	101	101	101	101	101	101	606	642	681
Dividends received																	
Fines																	
Licences and permits																	
Agency services								19	19	19	19	19	19	19	114	121	129
Transfer receipts - operational								4 464	4 464	4 464	4 464	4 464	4 464	4 464	26 781	24 135	36 576
Other revenue								1 686	1 686	1 686	1 686	1 686	1 686	1 686	10 116	928	980
<b>Cash Receipts by Source</b>		-	-	-	-	-	-	8 680	8 680	8 680	8 680	8 680	8 680	8 680	52 081	41 246	54 805
<b>Other Cash Flows by Source</b>																	
Transfers receipts - capital																	
Contributions & Contributed assets																	
Proceeds on disposal of PPE																	
Short term loans																	
Borrowing long term/refinancing																	
Increase in consumer deposits																	
Decrease (increase) in non-current debtors																	
Decrease (increase) other non-current receivables																	
Decrease (increase) in non-current investments																	
<b>Total Cash Receipts by Source</b>		-	-	-	-	-	-	8 680	8 680	8 680	8 680	8 680	8 680	8 680	52 081	41 246	54 805
<b>Cash Payments by Type</b>																	
Employee related costs								(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(18 976)	(19 902)	(20 968)
Remuneration of councillors								(277)	(277)	(277)	(277)	(277)	(277)	(277)	(1 660)	(1 768)	(1 883)
Collection costs								(108)	(108)	(108)	(108)	(108)	(108)	(108)	(645)	(666)	(688)
Interest paid								(16)	(16)	(16)	(16)	(16)	(16)	(16)	(95)	(100)	(106)
Bulk purchases - Electricity								(989)	(989)	(989)	(989)	(989)	(989)	(989)	(5 931)	(6 251)	(6 589)
Bulk purchases - Water & Sewer																	
Other materials																	
Contracted services								(421)	(421)	(421)	(421)	(421)	(421)	(421)	(2 528)	(2 665)	(2 808)
Grants and subsidies paid - other municipalities																	
Grants and subsidies paid - other																	
General expenses								(1 751)	(1 751)	(1 751)	(1 751)	(1 751)	(1 751)	(1 751)	(10 506)	(9 381)	(10 118)
<b>Cash Payments by Type</b>		-	-	-	-	-	-	(6 724)	(6 724)	(6 724)	(6 724)	(6 724)	(6 724)	(6 724)	(40 342)	(40 733)	(43 160)
<b>Other Cash Flows/Payments by Type</b>																	
Capital assets								(2 293)	(2 293)	(2 293)	(2 293)	(2 293)	(2 293)	(2 293)	(13 759)	(8 002)	(7 934)
Repayment of borrowing																	
<b>Other Cash Flows/Payments</b>																	
<b>Total Cash Payments by Type</b>		-	-	-	-	-	-	(9 017)	(9 017)	(9 017)	(9 017)	(9 017)	(9 017)	(9 017)	(54 100)	(48 735)	(51 094)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		-	-	-	-	-	-	17 697	17 697	17 697	17 697	17 697	17 697	17 697	106 181	89 982	105 900
Cash/cash equivalents at the month/year beginning:								-	17 697	35 394	53 091	70 787	88 484	-	106 181	196 163	
Cash/cash equivalents at the month/year end:								17 697	35 394	53 091	70 787	88 484	106 181	106 181	196 163	302 062	

**References**

1. Note that this section of Table SB15 is deliberately not linked to Table B4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure.



Table SB 18a - Capital expenditure on new assets by asset class

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2014/15	+2 2015/16
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		2 803	-	-	-	-	-	(303)	(303)	2 500	8 002	7 934
Infrastructure - Road transport		1 803	-	-	-	-	-	698	698	2 500	4 000	5 000
<i>Roads, Pavements &amp; Bridges</i>								1 000	1 000	1 000	4 000	5 000
<i>Storm water</i>		1 803	-	-	-	-	-	(303)	(303)	1 500	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
<i>Generation</i>												
<i>Transmission &amp; Reticulation</i>												
<i>Street Lighting</i>												
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>												
<i>Water purification</i>												
<i>Reticulation</i>												
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	4 002	2 934
<i>Reticulation</i>											4 002	2 934
<i>Sewerage purification</i>												
Infrastructure - Other		1 000	-	-	-	-	-	(1 000)	(1 000)	-	-	-
<i>Refuse</i>		1 000	-	-	-	-	-	(1 000)	(1 000)	-	-	-
<i>Transportation</i>	2											
<i>Gas</i>												
<i>Other</i>	3											
<b>Community</b>		7 436	-	-	-	-	-	(2 500)	(2 500)	4 936	-	-
Parks & gardens												
Sports Fields & stadia												
Swimming pools												
Community halls		6 950	-	-	-	-	-	(2 500)	(2 500)	4 450	-	-
Libraries												
Recreational facilities												
Fire, safety & emergency												
Security and policing												
Buses												
Clinics												
Museums & Art Galleries												
Cemeteries												
Social rental housing												
Other		486	-	-	-	-	-	-	-	486	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-	-	-
Buildings												
Other												
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-	-	-
Housing development												
Other												
<b>Other assets</b>		6 350	-	-	-	-	-	(5 980)	(5 980)	370	350	350
General vehicles		350	-	-	-	-	-	-	-	350	350	350
Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment		6 000	-	-	-	-	-	(6 000)	(6 000)	-	-	-
Computers - hardware/equipment								20	20	20	-	-
Furniture and other office equipment												
Abattoirs												
Markets												
Civic Land and Buildings												
Other Buildings												
Other Land												
Surplus Assets - (Investment or Inventory)												
Other												
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>												
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>												
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming												
Other (list sub-class)												
<b>Total Capital Expenditure on new assets to be adjust</b>	1	16 589	-	-	-	-	-	(8 783)	(8 783)	7 806	8 352	8 284

Table SB18b - Capital expenditure on the renewal of existing assets by asset class

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2014/15 Adjusted Budget	+2 2015/16 Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		8 803	-	-	-	-	-	(6 303)	(6 303)	2 500	8 002	7 934
Infrastructure - Road transport		1 000	-	-	-	-	-	-	-	1 000	4 000	5 000
Roads, Pavements & Bridges		1 000	-	-	-	-	-	-	-	1 000	4 000	5 000
Storm water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		7 803	-	-	-	-	-	(6 303)	(6 303)	1 500	4 002	2 934
Reticulation		-	-	-	-	-	-	-	-	-	-	-
Sewerage purification		7 803	-	-	-	-	-	(6 303)	(6 303)	1 500	4 002	2 934
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-	-	-
<b>Community</b>		6 950	-	-	-	-	-	(2 500)	(2 500)	4 450	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-	-	-
Sports Fields & stadia		-	-	-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-	-	-
Community halls		6 950	-	-	-	-	-	(2 500)	(2 500)	4 450	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		486	-	-	-	-	-	-	-	486	-	-
Housing development		-	-	-	-	-	-	-	-	-	-	-
Other		486	-	-	-	-	-	-	-	486	-	-
<b>Other assets</b>		350	-	-	-	-	-	20	20	370	350	350
General vehicles		350	-	-	-	-	-	-	-	350	350	350
Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	20	20	20	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets to be adjusted</b>	1	16 589	-	-	-	-	-	(8 783)	(8 783)	7 806	8 352	8 284

**Table SB18c - Repairs and maintenance expenditure by asset class**

EC103 Ikwezi - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H	+1 2014/15 Budget	+2 2015/16 Budget
R thousands												
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		1 016	-	-	-	-	-	(164)	(164)	852	1 028	1 083
Infrastructure - Road transport		40	-	-	-	-	-	55	55	95	100	106
<i>Roads, Pavements &amp; Bridges</i>		40	-	-	-	-	-	55	55	95	100	106
<i>Storm water</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	258	258	258	296	312
<i>Generation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		-	-	-	-	-	-	258	258	258	296	312
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		976	-	-	-	-	-	(835)	(835)	140	148	156
<i>Dams &amp; Reservoirs</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water purification</i>		976	-	-	-	-	-	(835)	(835)	140	148	156
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	278	278	278	399	420
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	278	278	278	399	420
Infrastructure - Other		-	-	-	-	-	-	80	80	80	84	89
<i>Refuse</i>		-	-	-	-	-	-	80	80	80	84	89
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	3	-	-	-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-	-	-
Sports Fields & stadia		-	-	-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>		465	-	-	-	-	-	(243)	(243)	222	104	110
General vehicles		-	-	-	-	-	-	69	69	69	72	76
Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment		59	-	-	-	-	-	-	-	59	10	11
Computers - hardware/equipment		45	-	-	-	-	-	-	-	45	7	8
Furniture and other office equipment		1	-	-	-	-	-	30	30	31	7	8
Abattoirs		-	-	-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings		117	-	-	-	-	-	(100)	(100)	17	7	7
Other Buildings		-	-	-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-	-	-
Other		242	-	-	-	-	-	(242)	(242)	-	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure to be adjusted</b>	1	1 480	-	-	-	-	-	(407)	(407)	1 073	1 132	1 193

**Table SB 19 - Detailed capital programme**

EC103 Ikwezi - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget - 31/01/2014

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal Code	Individually Approved Yes/No	Asset Class	Asset Sub-Class	GPS co-ordinates	Medium Term Revenue and Expenditure Framework							
								Budget Year 2013/14		Budget Year +1 2014/15		Budget Year +2 2015/16			
								Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget		
R thousand			3	6	4	4	5								
Parent municipality:															
Waste Water Mnagement	Upgrade WW treatment works KLP Storm Water Wongalethu & Dan Sandi			Yes Yes	Infrastructure - Sanitation Infrastructure - Other	Sewerage purification Storm water		6 000 1 803							
Corporate Services	Upgrade of Town Hall Jansenville Municipal Fleet			Yes Yes	Community Other Assets	Community halls General vehicles		950 6 350							
Planning and Development	Local Economic Development			Yes				486							
Road Transport	Roads and pavements			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		1 000							
Entities:															
List all capital programs/projects grouped by Municipal Entity															
Entity Name	Project name														

## Legislation compliance status

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

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme  
The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns three has been appointed permanently from January 2013 and New 5 interns have started from March 2014. The remaining two have to completed their Three year contract on 30 June 2013. Since the introduction of the Internship programme the Municipality has successfully employed and trained 7 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions such as Treasury. The Budget and Treasury Office has been established in accordance with the MFMA.
3. Audit Committee  
An Audit Committee has been established and is fully functional.
4. Service Delivery and Implementation Plan  
The Final SDBIP document has been finalised and approved on the August 20143 after approval of the 2013/14 MTREF in May 2013 directly aligned and informed by the 2013/14 MTREF.
5. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies  
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

## **2.7 Other supporting documents**

**Table SB1 - Supporting detail to budgeted financial performance**

EC103 Ikwezi - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 31/01/2014

Description	Ref	Budget Year 2013/14								Budget Year	Budget Year	
		Original Budget	Prior Adjusted 6	Accum. Funds 7	Multi-year capital 8	Unfore. Unavoid. 9	Nat. or Prov. Govt 10	Other Adjusts. 11	Total Adjusts. 12	Adjusted Budget 13	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>REVENUE ITEMS</b>												
<b>Property rates</b>												
Total Property Rates		2 091						(23)	(23)	2 069	2 193	2 324
less Revenue Foregone		870						(396)	(396)	475	500	527
Net Property Rates		1 221	-	-	-	-	-	373	373	1 594	1 692	1 797
<b>Service charges - electricity revenue</b>												
Total Service charges - electricity revenue		5 213						3 392	3 392	8 606	9 208	9 853
less Revenue Foregone												
Net Service charges - electricity revenue		5 213	-	-	-	-	-	3 392	3 392	8 606	9 208	9 853
<b>Service charges - water revenue</b>												
Total Service charges - water revenue		1 336						(98)	(98)	1 238	1 313	1 392
less Revenue Foregone												
Net Service charges - water revenue		1 336	-	-	-	-	-	(98)	(98)	1 238	1 313	1 392
<b>Service charges - sanitation revenue</b>												
Total Service charges - sanitation revenue		1 626						(116)	(116)	1 511	1 601	1 697
less Revenue Foregone												
Net Service charges - sanitation revenue		1 626	-	-	-	-	-	(116)	(116)	1 511	1 601	1 697
<b>Service charges - refuse revenue</b>												
Total refuse removal revenue		1 293						(12)	(12)	1 281	1 357	1 439
Total landfill revenue												
less Revenue Foregone												
Net Service charges - refuse revenue		1 293	-	-	-	-	-	(12)	(12)	1 281	1 357	1 439
<b>Other Revenue By Source</b>												
Fuel levy												
Other revenue	3	6 156						3 960	3 960	10 116	928	980
Total 'Other' Revenue	1	6 156	-	-	-	-	-	3 960	3 960	10 116	928	980
<b>EXPENDITURE ITEMS</b>												
<b>Employee related costs</b>												
Basic Salaries and Wages		15 467						(820)	(820)	14 647	15 258	16 250
Pension and UIF Contributions		1 921						(502)	(502)	1 419	1 508	1 516
Medical Aid Contributions		596						(82)	(82)	514	544	579
Overtime		443						185	185	628	669	713
Performance Bonus		537						(173)	(173)	364	388	413
Motor Vehicle Allowance		288						163	163	451	480	316
Cellphone Allowance												
Housing Allowances		16						(7)	(7)	9	10	10
Other benefits and allowances		1 346						(407)	(407)	939	1 040	1 166
Payments in lieu of leave												
Long service awards		5								5	6	6
Post-retirement benefit obligations	4											
<i>sub-total</i>		20 619	-	-	-	-	-	(1 643)	(1 643)	18 976	19 902	20 968
Less: Employees costs capitalised to PPE												
Total Employee related costs	1	20 619	-	-	-	-	-	(1 643)	(1 643)	18 976	19 902	20 968



**Table SB13 – Matrix financial performance budget (revenue source/expenditure type and department)**

EC103 Ikwezi - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (standard classification) - 31/01/2014

Description - Standard classification	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>																
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	10 317	39 917	27 128	39 748
Executive and council		2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	2 691	10 317	39 917	27 128	39 748
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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>		178	178	178	178	178	178	178	178	178	178	178	(1 958)	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		178	178	178	178	178	178	178	178	178	178	178	(1 958)	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	(2 025)	13 237	14 117	15 057
Electricity		664	664	664	664	664	664	664	664	664	664	664	1 325	8 634	9 238	9 884
Water		244	244	244	244	244	244	244	244	244	244	244	(1 257)	1 431	1 517	1 608
Waste water management		301	301	301	301	301	301	301	301	301	301	301	(1 606)	1 707	1 809	1 917
Waste management		177	177	177	177	177	177	177	177	177	177	177	(486)	1 466	1 554	1 647
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>		<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>4 256</b>	<b>6 335</b>	<b>53 155</b>	<b>41 246</b>	<b>54 805</b>
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	2 392	18 959	18 635	19 766
Executive and council		516	516	516	516	516	516	516	516	516	516	516	1 284	6 964	6 537	6 932
Budget and treasury office		677	677	677	677	677	677	677	677	677	677	677	538	7 985	8 465	8 973
Corporate services		313	313	313	313	313	313	313	313	313	313	313	570	4 010	3 633	3 860
<i>Community and public safety</i>		162	167	162	162	162	162	162	162	162	162	162	(129)	1 660	1 677	1 784
Community and social services		100	100	100	100	100	100	100	100	100	100	100	(269)	831	884	940
Sport and recreation		-	4	-	-	-	-	-	-	-	-	-	82	86	2	2
Public safety		62	62	62	62	62	62	62	62	62	62	62	59	743	790	841
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		490	490	490	490	490	490	490	490	490	490	490	(1 709)	3 677	3 349	3 560
Planning and development		257	257	257	257	257	257	257	257	257	257	257	165	2 991	2 621	2 789
Road transport		233	233	233	233	233	233	233	233	233	233	233	(1 874)	686	728	772
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 095	16 150	17 073	18 050
Electricity		665	665	665	665	665	665	665	665	665	665	665	224	7 534	7 953	8 395
Water		227	227	227	227	227	227	227	227	227	227	227	264	2 766	2 928	3 100
Waste water management		299	299	299	299	299	299	299	299	299	299	299	450	3 745	3 971	4 211
Waste management		177	177	177	177	177	177	177	177	177	177	177	156	2 105	2 221	2 344
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>		<b>3 527</b>	<b>3 531</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>3 527</b>	<b>1 649</b>	<b>40 446</b>	<b>40 733</b>	<b>43 160</b>
<b>Surplus/ (Deficit) 1.</b>		<b>730</b>	<b>725</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>4 686</b>	<b>12 709</b>	<b>512</b>	<b>11 645</b>

References

1. Surplus (Deficit) must reconcile with budget table A3 and monthly budget statement table C3



**Table SB2 – Supporting detail to Statement of Financial Position**

EC103 Ikwezi - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 31/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
<b>ASSETS</b>												
<b>Call investment deposits</b>												
Call deposits < 90 days		333								333	353	374
Other current investments > 90 days												
<b>Total Call investment deposits</b>	1	333								333	353	374
<b>Consumer debtors</b>												
Consumer debtors		11 835								11 835	12 545	13 298
Less: provision for debt impairment		10 239								10 239	10 853	11 505
<b>Total Consumer debtors</b>	1	1 596								1 596	1 692	1 793
<b>Debt impairment provision</b>												
Balance at the beginning of the year											10 239	10 853
Contributions to the provision		10 239								10 239	614	651
Bad debts written off												
<b>Balance at end of year</b>		10 239								10 239	10 853	11 505
<b>Property, plant &amp; equipment</b>												
PPE at cost/valuation (excl. finance leases)		69 877								69 877	74 070	78 514
Leases recognised as PPE		1 401								1 401	1 485	1 574
Less: Accumulated depreciation		2 369								2 369	2 512	2 662
<b>Total Property, plant &amp; equipment</b>	1	68 909								73 648	73 043	77 426
<b>LIABILITIES</b>												
<b>Current liabilities - Borrowing</b>												
Short term loans (other than bank overdraft)		217								217	230	244
Current portion of long-term liabilities		630								630	668	708
<b>Total Current liabilities - Borrowing</b>		848								848	898	952
<b>Trade and other payables</b>												
Creditors		11 210								11 210	11 883	12 596
Unspent conditional grants and receipts		3 805								3 805	4 033	4 275
VAT												
<b>Total Trade and other payables</b>	1	15 015								15 015	15 916	16 871
<b>Non current liabilities - Borrowing</b>												
Borrowing												
Finance leases (including PPP asset element)		630								630	668	708
<b>Total Non current liabilities - Borrowing</b>		630								630	668	708
<b>Provisions - non current</b>												
Retirement benefits												
List other major items												
Refuse landfill site rehabilitation		8 972								8 972	9 510	10 081
Other		1 025								1 025	1 086	1 151
<b>Total Provisions - non current</b>		9 997								9 997	10 596	11 232
<b>CHANGES IN NET ASSETS</b>												
<b>Accumulated surplus/(Deficit)</b>												
Accumulated surplus/(Deficit) - opening balance		29 164								29 164	34 364	25 464
Appropriations to Reserves		9 526								9 526	6 647	
Transfers from Reserves												
Depreciation offsets												
Other adjustments		5 658								5 658	5 998	6 358
<b>Accumulated Surplus/(Deficit)</b>	1	44 349								44 349	47 010	31 822
<b>Reserves</b>												
Housing Development Fund												
Capital replacement												
Self-insurance												
Other reserves (list)												
Revaluation												
<b>Total Reserves</b>	2											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	44 349								44 349	47 010	31 822

**Table SB 3 – Social, economic and demographic statistics and assumptions**

EC103 Ikwezi - Supporting Table SB3 Adjustments to the SDBIP - performance objectives - 31/01/2014

Description	Unit of measurement	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget A	Prior Adjusted A1	Accum. Funds B	Multi-year capital C	Unfore. Unavoid. D	Nat. or Prov. Govt E	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget
<b>Vote 1 - vote name</b>												
Function 1 - (name)												
Sub-function 1 - (name)												
<i>Insert measure's description</i>												
Sub-function 2 - (name)												
<i>Insert measure's description</i>												
Sub-function 3 - (name)												
<i>Insert measure's description</i>												
Function 2 - (name)												
Sub-function 1 - (name)												
<i>Insert measure's description</i>												
Sub-function 2 - (name)												
<i>Insert measure's description</i>												
Sub-function 3 - (name)												
<i>Insert measure's description</i>												
Vote 2 - vote name												
Function 1 - (name)												
Sub-function 1 - (name)												
<i>Insert measure's description</i>												
Sub-function 2 - (name)												
<i>Insert measure's description</i>												
Sub-function 3 - (name)												
<i>Insert measure's description</i>												
Function 2 - (name)												
Sub-function 1 - (name)												
<i>Insert measure's description</i>												
Sub-function 2 - (name)												
<i>Insert measure's description</i>												
Sub-function 3 - (name)												
<i>Insert measure's description</i>												
Vote 3 - vote name												
Function 1 - (name)												
Sub-function 1 - (name)												
<i>Insert measure's description</i>												
Sub-function 2 - (name)												
<i>Insert measure's description</i>												
Sub-function 3 - (name)												
<i>Insert measure's description</i>												
Function 2 - (name)												
Sub-function 1 - (name)												
<i>Insert measure's description</i>												
Sub-function 2 - (name)												
<i>Insert measure's description</i>												
Sub-function 3 - (name)												
<i>Insert measure's description</i>												
And so on for the rest of the Votes												





## 2.8 Municipal manager's quality certificate

I Misiwe Mpahlwa, Acting municipal manager of Ikwezi municipality EC103, hereby certify that the Adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name    \_Misiwe\_\_\_Mpahlwa\_\_\_\_\_

Acting Municipal manager of Ikwezi Municipality

Signature                   \_\_\_\_\_

Date            04 March 2014\_\_\_\_\_