

SCHEDULE A

DRAFT ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF IKWEZI MUNICIPALITY

DRAFT ANNUAL BUDGET OF
IKWEZI MUNICIPALITY

2014/15 TO 2016/17
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 – Annual 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 as 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 12 months of the 2014/15 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 2014 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 Draft Annual budget at its meeting on 31 March 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 2014/2015;

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 2014/15.

3. Council resolves that the measurable performance objectives for revenue from each source reflected in the Draft Annual budget are approved for the budget year 2014/15

4. Council resolves that the measurable performance objectives for each vote approved for the Draft Annual budget year 2014/15.

5. Council notes that the Service Delivery and Budget Implementation Plan will be for subsequent approval by the Mayor after final approval of the 2014/2015 Draft Annual budget.

1.3 Executive Summary

Introduction

The Annual budget is tabled during the year before National Government Elections in May. In our case, the priorities have not changed and the 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. R8002 000 has been set aside to continue with capital projects like Upgrade of waste water treatment works in Klipplaat, Upgrade of Phumlani Road in Jansenville. These projects are funded from our MIG allocation for 2014/15.

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 2014

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 2014/2015 Draft 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 2014/15 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 2014/15 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 2014/15 MTREF

	Budget year 2014/15	Budget year+1 2015/16	Budget year+2 2016/17
Total revenue	49 009 869	61 624 117	53 786 689
Total expenditure	40 380 318	42 318 902	44 909 196
Surplus/Deficit for the year	8 629 552	19 305 216	8 877 493
Capital Expenditure	8 002 000	7 862 000	8 000 000

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 204/15 Draft Annual Budget (classified by main revenue source):

Table A4 Summary of revenue classified by main revenue source

EC103 Ikwezi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source											
Property rates	2	1 130	1 290	1 392	1 221	1 594	1 594	1 594	1 710	1 840	1 979
Property rates - penalties & collection charges			248	189		187	187	187	200	214	229
Service charges - electricity revenue	2	3 671	278	6 378	5 213	8 606	8 606	8 606	9 251	9 945	10 691
Service charges - water revenue	2	670	1 006	1 477	1 336	1 238	1 238	1 238	1 328	1 422	1 857
Service charges - sanitation revenue	2	453	1 231	1 751	1 626	1 511	1 511	1 511	1 619	1 734	1 857
Service charges - refuse revenue	2	582	1 053	1 418	1 293	1 281	1 281	1 281	1 373	1 470	1 575
Service charges - other											
Rental of facilities and equipment		29	232	10	230	4	4	4	4	5	5
Interest earned - external investments		654	140	117	251	43	43	43	46	50	53
Interest earned - outstanding debtors		612	504	609	960	606	606	606	650	696	745
Dividends received											
Fines											
Licences and permits			935								
Agency services		251			229	114	114	114	123	131	141
Transfers recognised - operational		32 953	25 968	19 888	22 181	26 781	26 781	26 781	23 765	35 186	26 329
Other revenue	2	375	4 064	972	6 156	10 116	10 116	10 116	554	594	636
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		41 381	36 948	34 202	40 696	52 081	52 081	52 081	40 623	53 286	46 098
Expenditure By Type											
Employee related costs	2	11 328	13 136	17 490	20 619	18 976	18 976	18 976	19 237	20 468	21 692
Remuneration of councillors		758	1 400	1 517	1 641	1 660	1 660	1 660	1 452	1 545	1 643
Debt impairment	3	2 574	2 719	2 974	645	645	645	645	645	672	701
Depreciation & asset impairment	2	-	871	2 526	1 218	1 218	1 218	1 218	1 189	1 253	1 321
Finance charges		80	98	78	1 543	95	95	95	94	99	104
Bulk purchases	2	-	4 962	5 374	6 191	5 931	5 931	5 931	6 409	6 922	7 476
Other materials	8										
Contracted services		-	2 101	-	588	2 528	2 528	2 528	2 700	2 846	3 000
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	11 316	8 301	9 288	9 288	9 288	8 270	8 038	9 370
Loss on disposal of PPE											
Total Expenditure		14 740	25 287	41 275	40 747	40 342	40 342	40 342	39 996	41 843	45 306
Surplus/(Deficit)		26 641	11 661	(7 073)	(50)	11 739	11 739	11 739	627	11 443	791
Transfers recognised - capital				8 489		13 759	13 759	13 759	8 003	7 862	8 000
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791
Taxation											
Surplus/(Deficit) after taxation		26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791

References

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

Table SA18 Operating Transfers and Grant Receipts

EC103 Ikwezi - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	22 151	8 186	8 186	21 945	28 636	28 232
Local Government Equitable Share					15 627	1 686	1 686	18 211	20 719	21 114
Finance Management					1 500	1 500	1 500	1 800	1 950	2 100
Municipal Systems Improvement					800	800	800	934	967	1 018
Integrated National Electrification Programme					3 200	3 200	3 200		5 000	4 000
EPWP Incentive					1 000	1 000	1 000	1 000		
Integrated National Electrification Grant (Eskom)					24					
Provincial Government:		-	-	-	266	266	266	266	266	-
Sport and Recreation					266	266	266	266	266	
Integrated National Electrification Grant (Eskom)										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	466	466	466	-	-	-
Local Government Grant					466	466	466			
Local Government Grant										
Total Operating Transfers and Grants	5	-	-	-	22 883	8 918	8 918	22 211	28 902	28 232
Capital Transfers and Grants										
National Government:		-	-	-	9 726	9 726	9 726	8 002	7 862	8 000
Municipal Infrastructure Grant (MIG)					9 726	9 726	9 726	8 002	7 862	8 000
DWAF - Implementation of Water & Demand Strategies										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
Local Government Grant										
Local Government Grant										
Total Capital Transfers and Grants	5	-	-	-	9 726	9 726	9 726	8 002	7 862	8 000
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	32 609	18 644	18 644	30 213	36 764	36 232

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
5. Total transfers and grants must reconcile to Budgeted Cash Flows
6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

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 increases 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 2014/15 financial year based on a 10 per cent increase from 1 July 2014 is contained below:

Table 4 Comparison of proposed rates to levy for the 2014/15 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
For new Agreements		
Residential	130	130
Bulk users (Schools,Hostels)	380	380
Not Metered		
Basic charge :Residential(equal to 10kl)	54.7	57.98
Basic charge :Schools, Hostels	218.81	231.94
Metered		
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%
Basic Charge(per month)	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 2014 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
Businesses - 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 Table A10 – Household bills

EC103 Ikwezi - Table A10 Consolidated basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
Water:										
Piped water inside dwelling		932			830	830	830			
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		932	-	-	830	830	830	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	932	-	-	830	830	830	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		707			810	810	810			
Flush toilet (with septic tank)		32			29	29	29			
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		739	-	-	839	839	839	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	739	-	-	839	839	839	-	-	-
Energy:										
Electricity (at least min.service level)		308			532	532	532			
Electricity - prepaid (min.service level)					66	66	66			
<i>Minimum Service Level and Above sub-total</i>		308	-	-	598	598	598	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	308	-	-	598	598	598	-	-	-
Refuse:										
Removed at least once a week		854			721	721	721			
<i>Minimum Service Level and Above sub-total</i>		854	-	-	721	721	721	-	-	-
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>		-	-	-	-	-	-	-	-	-
Total number of households	5	854	-	-	721	721	721	-	-	-
Households receiving Free Basic Service	7									
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)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		414			607	607	607			
Sanitation (free sanitation service)		362			487	487	487			
Electricity/other energy (50kwh per household per month)		431			208	208	208			
Refuse (removed once a week)		398			537	537	537			
Total cost of FBS provided (minimum social packa		1 605	-	-	1 838	1 838	1 838	-	-	-

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2014/15 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 2014/15 budget and MTREF (classified per main type of operating expenditure):

Table SA1 Summary of operating expenditure by standard classification item

EC103 Ikwezi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	11 328	8 388	17 490	15 467	14 647	14 647	14 647	15 005	15 966	16 987
Pension and UIF Contributions			1 130		1 921	1 419	1 419	1 419	1 172	1 247	1 327
Medical Aid Contributions			355		596	514	514	514	282	300	319
Overtime			546		443	628	628	628	523	557	592
Performance Bonus			169		537	364	364	364	387	412	438
Motor Vehicle Allowance			370		288	451	451	451	390	415	442
Cellphone Allowance											
Housing Allowances			22		16	9	9	9	32	34	36
Other benefits and allowances			2 155		1 346	939	939	939	407	433	374
Payments in lieu of leave											
Long service awards					5	5	5	5	1 039	1 105	1 176
Post-retirement benefit obligations	4										
<i>sub-total</i>	5	11 328	13 136	17 490	20 619	18 976	18 976	18 976	19 237	20 468	21 692
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	11 328	13 136	17 490	20 619	18 976	18 976	18 976	19 237	20 468	21 692

The Draft Annual budget allocation for employee related costs for the 2014/15 financial year totals R19.2 Million, which equals 48 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 6.79 per cent for the 2014/15 financial year. An annual increase of 6.79 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 2014/15 financial year and equates to 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 R93 720 of operating expenditure excluding annual redemption for 2014/15 Annual budget and increases to R98 781 by 2015/16.

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 2014/15 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 2015/16.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2014/15 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2014/15 financial year, this group of expenditure totals R2.7 Million, clearly demonstrating the application of cost efficiencies. For the two outer years growth has been limited to R2.8 Million and R3 Million. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2014/15 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 municipality's current infrastructure, the 2014/15 Annual 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 10 Operational repairs and maintenance

EC103 Ikwezi - Table A9 Consolidated Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and Maintenance by Asset Class	3	1 234	1 037	-	1 480	1 073	1 073	1 113	1 173	1 236
<i>Infrastructure - Road transport</i>		118	-	-	40	95	95	86	91	96
<i>Infrastructure - Electricity</i>		176	-	-	-	258	258	268	283	298
<i>Infrastructure - Water</i>		234	1 037	-	976	141	141	101	106	112
<i>Infrastructure - Sanitation</i>		76	-	-	-	278	278	477	503	530
<i>Infrastructure - Other</i>		89	-	-	-	80	80	82	87	92
Infrastructure		693	1 037	-	1 016	852	852	1 015	1 070	1 127
Community		302	-	-	-	-	-	11	12	12
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	239	-	-	465	222	222	87	92	97

During the compilation of the 2014/15 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 increased, from R1 Million to R1.1 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

EC103 Ikwezi - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure	1	693	1 037	-	1 016	852	852	1 015	1 070	1 127
Infrastructure - Road transport		118	-	-	40	95	95	86	91	96
<i>Roads, Pavements & Bridges</i>		118			40	95	95	86	91	96
<i>Storm water</i>										
Infrastructure - Electricity		176	-	-	-	258	258	268	283	298
<i>Generation</i>										
<i>Transmission & Reticulation</i>		176				258	258	268	283	298
<i>Street Lighting</i>										
Infrastructure - Water		234	1 037	-	976	141	141	101	106	112
<i>Dams & Reservoirs</i>										
<i>Water purification</i>			1 037		976	141	141	101	106	112
<i>Reticulation</i>		234								
Infrastructure - Sanitation		76	-	-	-	278	278	477	503	530
<i>Reticulation</i>		76				278	278	477	503	530
<i>Sewerage purification</i>										
Infrastructure - Other		89	-	-	-	80	80	82	87	92
<i>Waste Management</i>						80	80	82	87	92
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3	89								
Community		302	-	-	-	-	-	11	12	12

For the 2014/15 financial year R1.1 million of total repairs and maintenance will be spent mostly on infrastructure assets. Sanitation infrastructure has received a significant proportion of this allocation totalling 477 405, road infrastructure at 86 300, water 100 500 and Electricity 268 250. A community asset has been allocated R98 000 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 1500 or more indigent households during the 2014/15 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 A 5 2014/15 Medium-term capital budget per vote

EC103 Ikwezi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard	1										
<i>Governance and administration</i>		-	186	297	7 200	4 720	4 720	4 720	-	-	-
Executive and council			55	23	250	250	250	250			
Budget and treasury office			111	131		20	20	20			
Corporate services			20	143	6 950	4 450	4 450	4 450			
<i>Community and public safety</i>		-	40	3 242	-	-	-	-	-	-	-
Community and social services			40	3 198							
Sport and recreation											
Public safety				43							
Housing											
Health											
<i>Economic and environmental services</i>		-	24	4 167	1 486	1 486	1 486	1 486	3 400	393	400
Planning and development			24	83	486	486	486	486	400	393	400
Road transport				4 084	1 000	1 000	1 000	1 000	3 000		
Environmental protection											
<i>Trading services</i>		-	4	2 220	7 903	1 600	1 600	1 600	4 602	7 469	7 600
Electricity			4	793							
Water				317							
Waste water management				843	7 803	1 500	1 500	1 500	4 602	7 469	7 600
Waste management				267	100	100	100	100			
<i>Other</i>											
Total Capital Expenditure - Standard	3	-	254	9 925	16 589	7 806	7 806	7 806	8 002	7 862	8 000
Funded by:											
National Government		150		9 419	10 239	7 456	7 456	7 456	8 002	7 862	8 000
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	150	-	9 419	10 239	7 456	7 456	7 456	8 002	7 862	8 000
Public contributions & donations	5										
Borrowing	6				6 000	350	350	350			
Internally generated funds			254	506	350	350	350	350			
Total Capital Funding	7	150	254	9 925	16 589	7 806	7 806	7 806	8 002	7 862	8 000

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by standard classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
7. Total Capital Funding must balance with Total Capital Expenditure
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

For 2014/15 an amount of R8 million has been appropriated for the development of infrastructure. In the outer years this amount totals R7.6million, and R8 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 SA34a. This table shows that future operational costs associated with the capital programme totals R8 million in 2014/15. This concomitant operational expenditure is expected to decrease to R7.6 million 2015/16. It needs to be noted that as part of the 2014/15 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 2014/15 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 A1 Consolidated Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	1 130	1 538	1 582	1 221	1 780	1 780	1 780	1 910	2 054	2 209
Service charges	5 376	3 568	11 025	9 469	12 635	12 635	12 635	13 571	14 571	15 980
Investment revenue	654	140	117	251	43	43	43	46	50	53
Transfers recognised - operational	32 953	25 968	19 888	22 181	26 781	26 781	26 781	23 765	35 186	26 329
Other own revenue	1 267	5 734	1 591	7 575	10 840	10 840	10 840	1 331	1 425	1 527
Total Revenue (excluding capital transfers and contributions)	41 381	36 948	34 202	40 696	52 081	52 081	52 081	40 623	53 286	46 098
Employee costs	11 328	13 136	17 490	20 619	18 976	18 976	18 976	19 237	20 468	21 692
Remuneration of councillors	758	1 400	1 517	1 641	1 660	1 660	1 660	1 452	1 545	1 643
Depreciation & asset impairment	-	871	2 526	1 218	1 218	1 218	1 218	1 189	1 253	1 321
Finance charges	80	98	78	1 543	95	95	95	94	99	104
Materials and bulk purchases	-	4 962	5 374	6 191	5 931	5 931	5 931	6 409	6 922	7 476
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	2 574	4 820	14 290	9 534	12 461	12 461	12 461	11 615	11 557	13 071
Total Expenditure	14 740	25 287	41 275	40 747	40 342	40 342	40 342	39 996	41 843	45 306
Surplus/(Deficit)	26 641	11 661	(7 073)	(50)	11 739	11 739	11 739	627	11 443	791
Transfers recognised - capital	-	-	8 489	-	13 759	13 759	13 759	8 003	7 862	8 000
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791
Capital expenditure & funds sources										
Capital expenditure	-	254	9 925	16 589	7 806	7 806	7 806	8 002	7 862	8 000
Transfers recognised - capital	150	-	9 419	10 239	7 456	7 456	7 456	8 002	7 862	8 000
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	6 000	-	-	-	-	-	-
Internally generated funds	-	254	506	350	350	350	350	-	-	-
Total sources of capital funds	150	254	9 925	16 589	7 806	7 806	7 806	8 002	7 862	8 000
Financial position										
Total current assets	2 567	3 773	7 203	1 929	1 929	1 929	1 929	7 603	8 053	8 528
Total non current assets	107 727	91 001	109 660	68 909	68 909	68 909	68 909	115 801	122 633	129 868
Total current liabilities	4 221	25 419	23 542	15 863	15 863	15 863	15 863	24 860	26 327	27 880
Total non current liabilities	9 948	9 932	1 387	10 627	10 627	10 627	10 627	1 465	1 550	1 643
Community wealth/Equity	96 125	59 424	91 934	44 349	44 349	44 349	44 349	97 079	102 809	108 873
Cash flows										
Net cash from (used) operating	11 638	5 789	9 696	8 753	7 709	7 709	7 709	627	11 443	791
Net cash from (used) investing	(25 748)	(6 453)	(9 925)	(8 753)	(13 273)	(13 273)	(13 273)	(8 003)	(7 862)	(8 000)
Net cash from (used) financing	-	(336)	(112)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	36 478	35 478	35 137	0	(5 564)	(5 564)	(5 564)	16 389	19 970	12 761
Cash backing/surplus reconciliation										
Cash and investments available	181	(940)	(870)	333	333	333	333	(919)	(973)	(1 030)
Application of cash and investments	3 360	10 590	(9 514)	12 691	13 454	13 454	13 454	5 031	5 327	5 634
Balance - surplus (shortfall)	(3 179)	(11 529)	8 644	(12 358)	(13 121)	(13 121)	(13 121)	(5 950)	(6 300)	(6 664)
Asset management										
Asset register summary (WDV)	-	26 601	35 389	-	-	-	37 371	37 371	39 575	41 910
Depreciation & asset impairment	-	871	2 526	1 218	1 218	1 218	1 189	1 189	1 253	1 321
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	1 234	1 037	-	1 480	1 073	1 073	1 113	1 113	1 173	1 236
Free services										
Cost of Free Basic Services provided	1 605	-	-	1 838	1 838	1 838	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to Table B1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms 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 2014, 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 A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

EC103 Ikwezi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard	1									
<i>Governance and administration</i>		22 373	22 268	-	33 849	38 843	38 843	34 409	45 886	37 712
Executive and council		9 812	22 268	-	33 849	38 843	38 843	34 409	45 886	37 712
Budget and treasury office		12 132	-	-	-	-	-	-	-	-
Corporate services		429	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		507	-	-	-	-	-	-	-	-
Community and social services		507	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8 150	984	-	-	-	-	-	-	-
Planning and development		744	-	-	-	-	-	-	-	-
Road transport		7 406	984	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		10 350	13 696	-	16 424	13 237	13 237	14 216	15 262	16 386
Electricity		4 746	5 546	-	7 975	8 634	8 634	9 281	9 977	10 725
Water		2 262	3 798	-	2 729	1 431	1 431	1 534	1 643	1 760
Waste water management		1 659	3 143	-	3 594	1 707	1 707	1 829	1 959	2 098
Waste management		1 683	1 210	-	2 126	1 466	1 466	1 571	1 683	1 802
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	41 380	36 948	-	50 273	52 081	52 081	48 625	61 148	54 098
Expenditure - Standard										
<i>Governance and administration</i>		14 592	16 890	-	18 403	18 959	18 959	18 416	18 840	20 783
Executive and council		7 425	6 247	-	6 526	6 964	6 964	5 730	6 003	7 176
Budget and treasury office		4 257	8 749	-	8 124	7 985	7 985	8 916	9 430	9 992
Corporate services		2 910	1 895	-	3 753	4 010	4 010	3 770	3 406	3 615
<i>Community and public safety</i>		1 053	1 047	-	1 951	1 660	1 660	1 605	1 706	1 814
Community and social services		1 036	733	-	1 200	831	831	850	904	961
Sport and recreation		17	13	-	4	86	86	77	82	87
Public safety		-	302	-	746	743	743	677	720	765
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		7 360	3 223	-	3 969	3 573	3 573	4 375	4 649	4 941
Planning and development		6 810	1 998	-	3 083	2 887	2 887	2 836	3 016	3 206
Road transport		550	1 226	-	886	686	686	1 538	1 634	1 735
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		9 269	12 429	-	16 424	16 150	16 150	15 600	16 648	17 768
Electricity		3 884	6 779	-	7 975	7 534	7 534	8 543	9 187	9 881
Water		2 210	1 140	-	2 729	2 766	2 766	2 359	2 499	2 648
Waste water management		1 612	2 843	-	3 594	3 745	3 745	1 884	1 987	2 096
Waste management		1 563	1 666	-	2 126	2 105	2 105	2 814	2 974	3 143
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	32 274	33 589	-	40 747	40 342	40 342	39 996	41 843	45 306
Surplus/(Deficit) for the year		9 107	3 359	-	9 526	11 739	11 739	8 630	19 305	8 791

References

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

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
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 A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC103 Ikwezi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		9 817	22 268	-	33 849	38 843	38 843	34 409	45 886	37 712
Vote 2 - BUDGET AND TREASURY OFFICE		12 132	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		424	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		744	-	-	-	-	-	-	-	-
Vote 5 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		507	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		1 683	1 210	-	2 126	1 466	1 466	1 571	1 683	1 802
Vote 10 - ROAD TRANSPORT		7 406	984	-	-	-	-	-	-	-
Vote 11 - WASTE WATER MANAGEMENT		1 659	3 143	-	3 594	1 707	1 707	1 829	1 959	2 098
Vote 12 - WATER		2 262	3 798	-	2 729	1 431	1 431	1 534	1 643	1 760
Vote 13 - ELECTRICITY		4 746	5 546	-	7 975	8 634	8 634	9 281	9 977	10 725
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	41 380	36 948	-	50 273	52 081	52 081	48 625	61 148	54 098
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		7 835	6 247	-	6 526	6 964	6 964	5 730	6 003	7 176
Vote 2 - BUDGET AND TREASURY OFFICE		4 257	8 749	-	8 124	7 985	7 985	8 916	9 430	9 992
Vote 3 - CORPORATE SERVICES		2 910	1 895	-	3 753	4 010	4 010	3 770	3 406	3 615
Vote 4 - PLANNING AND DEVELOPMENT		6 810	1 998	-	3 083	2 887	2 887	2 836	3 016	3 206
Vote 5 - PUBLIC SAFETY		-	302	-	746	743	743	677	720	765
Vote 6 - COMMUNITY AND SOCIAL SERVICES		624	733	-	1 200	831	831	850	904	961
Vote 7 - SPORT AND RECREATION		17	13	-	4	86	86	77	82	87
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		1 563	1 666	-	2 126	2 105	2 105	2 814	2 974	3 143
Vote 10 - ROAD TRANSPORT		550	1 226	-	886	686	686	1 538	1 634	1 735
Vote 11 - WASTE WATER MANAGEMENT		1 612	2 843	-	3 594	3 745	3 745	1 884	1 987	2 096
Vote 12 - WATER		2 211	1 140	-	2 729	2 766	2 766	2 359	2 499	2 648
Vote 13 - ELECTRICITY		3 885	6 779	-	7 975	7 534	7 534	8 543	9 187	9 881
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	32 274	33 589	-	40 747	40 342	40 342	39 996	41 843	45 306
Surplus/(Deficit) for the year	2	9 107	3 359	-	9 526	11 739	11 739	8 630	19 305	8 791

References

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

check Surplus/(Deficit) for the year

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC103 Ikwezi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source											
Property rates	2	1 130	1 290	1 392	1 221	1 594	1 594	1 594	1 710	1 840	1 979
Property rates - penalties & collection charges			248	189		187	187	187	200	214	229
Service charges - electricity revenue	2	3 671	278	6 378	5 213	8 606	8 606	8 606	9 251	9 945	10 691
Service charges - water revenue	2	670	1 006	1 477	1 336	1 238	1 238	1 238	1 328	1 422	1 857
Service charges - sanitation revenue	2	453	1 231	1 751	1 626	1 511	1 511	1 511	1 619	1 734	1 857
Service charges - refuse revenue	2	582	1 053	1 418	1 293	1 281	1 281	1 281	1 373	1 470	1 575
Service charges - other											
Rental of facilities and equipment		29	232	10	230	4	4	4	4	5	5
Interest earned - external investments		654	140	117	251	43	43	43	46	50	53
Interest earned - outstanding debtors		612	504	609	960	606	606	606	650	696	745
Dividends received											
Fines											
Licences and permits			935								
Agency services		251			229	114	114	114	123	131	141
Transfers recognised - operational		32 953	25 968	19 888	22 181	26 781	26 781	26 781	23 765	35 186	26 329
Other revenue	2	375	4 064	972	6 156	10 116	10 116	10 116	554	594	636
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		41 381	36 948	34 202	40 696	52 081	52 081	52 081	40 623	53 286	46 098
Expenditure By Type											
Employee related costs	2	11 328	13 136	17 490	20 619	18 976	18 976	18 976	19 237	20 468	21 692
Remuneration of councillors		758	1 400	1 517	1 641	1 660	1 660	1 660	1 452	1 545	1 643
Debt impairment	3	2 574	2 719	2 974	645	645	645	645	645	672	701
Depreciation & asset impairment	2	-	871	2 526	1 218	1 218	1 218	1 218	1 189	1 253	1 321
Finance charges		80	98	78	1 543	95	95	95	94	99	104
Bulk purchases	2	-	4 962	5 374	6 191	5 931	5 931	5 931	6 409	6 922	7 476
Other materials	8										
Contracted services		-	2 101	-	588	2 528	2 528	2 528	2 700	2 846	3 000
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	11 316	8 301	9 288	9 288	9 288	8 270	8 038	9 370
Loss on disposal of PPE											
Total Expenditure		14 740	25 287	41 275	40 747	40 342	40 342	40 342	39 996	41 843	45 306
Surplus/(Deficit)		26 641	11 661	(7 073)	(50)	11 739	11 739	11 739	627	11 443	791
Transfers recognised - capital				8 489		13 759	13 759	13 759	8 003	7 862	8 000
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791
Taxation											
Surplus/(Deficit) after taxation		26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791

References

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

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

1. Total revenue is R49 Million in 2014/15 and Increase to R61 Million by 2015/16. This represents a year-on-year.
2. Revenue to be generated from property rates is R1.7 million financial year and increases to R1.8 Million by 2015/16 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 13.6 Million for the 2014/15 financial year and increasing to R14.6 million by 2015/16. 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 A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC103 Ikwezi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		40	55	23	350	350	350	350	-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE		-	111	131	-	20	20	20	-	-	-
Vote 3 - CORPORATE SERVICES		10	20	143	6 950	4 450	4 450	4 450	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		100	24	83	486	486	486	486	400	393	400
Vote 5 - PUBLIC SAFETY		-	-	43	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	40	3 198	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		-	-	267	-	-	-	-	-	-	-
Vote 10 - ROAD TRANSPORT		-	-	4 084	1 000	1 000	1 000	1 000	3 000	-	-
Vote 11 - WASTE WATER MANAGEMENT		-	-	843	7 803	1 500	1 500	1 500	4 602	7 469	7 600
Vote 12 - WATER		-	-	317	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY		-	4	793	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	150	254	9 925	16 589	7 806	7 806	7 806	8 002	7 862	8 000
Single-year expenditure to be appropriated	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		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		150	254	9 925	16 589	7 806	7 806	7 806	8 002	7 862	8 000
Capital Expenditure - Standard											
<i>Governance and administration</i>		-	186	297	7 200	4 720	4 720	4 720	-	-	-
Executive and council		-	55	23	250	250	250	250	-	-	-
Budget and treasury office		-	111	131	-	20	20	20	-	-	-
Corporate services		-	20	143	6 950	4 450	4 450	4 450	-	-	-
<i>Community and public safety</i>		-	40	3 242	-	-	-	-	-	-	-
Community and social services		-	40	3 198	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	43	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	24	4 167	1 486	1 486	1 486	1 486	3 400	393	400
Planning and development		-	24	83	486	486	486	486	400	393	400
Road transport		-	-	4 084	1 000	1 000	1 000	1 000	3 000	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	4	2 220	7 903	1 600	1 600	1 600	4 602	7 469	7 600
Electricity		-	4	793	-	-	-	-	-	-	-
Water		-	-	317	-	-	-	-	-	-	-
Waste water management		-	-	843	7 803	1 500	1 500	1 500	4 602	7 469	7 600
Waste management		-	-	267	100	100	100	100	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	-	254	9 925	16 589	7 806	7 806	7 806	8 002	7 862	8 000
Funded by:											
National Government		150	-	9 419	10 239	7 456	7 456	7 456	8 002	7 862	8 000
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	150	-	9 419	10 239	7 456	7 456	7 456	8 002	7 862	8 000
Public contributions & donations	5	-	-	-	6 000	350	350	350	-	-	-
Borrowing	6	-	254	506	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-
Total Capital Funding	7	150	254	9 925	16 589	7 806	7 806	7 806	8 002	7 862	8 000

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2014/15 R8 million has been allocated. This allocation decreases to R7.6 million in 2015/16 and then increase to R8 million in 2015/16 owing primarily to the fact that various projects reach completion in 2016/17 hence the spike in expenditure in year two.
3. Single-year capital expenditure has been R8 million for the 2014 financial year and remains relatively constant over the MTREF at levels of R7.6 million and R8 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 2014/15, capital transfers totals R8 million. No Borrowing for 2014/15 from because loan was not approved by DBSA.

Table A6 - Budgeted Financial Position

EC103 Ikwezi - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Current assets											
Cash											
Call investment deposits	1	181	311	41	333	333	333	333	43	46	49
Consumer debtors	1	2 386	1 492	3 941	1 596	1 596	1 596	1 596	4 162	4 408	4 668
Other debtors			1 970	3 218					3 398	3 599	3 811
Current portion of long-term receivables											
Inventory	2			2							
Total current assets		2 567	3 773	7 203	1 929	1 929	1 929	1 929	7 603	8 053	8 528
Non current assets											
Long-term receivables											
Investments											
Investment property			26 222	35 156					37 125	39 315	41 634
Investment in Associate											
Property, plant and equipment	3	107 727	64 401	74 271	68 909	68 909	68 909	68 909	78 430	83 058	87 958
Agricultural											
Biological											
Intangible			379	233					246	260	276
Other non-current assets											
Total non current assets		107 727	91 001	109 660	68 909	68 909	68 909	68 909	115 801	122 633	129 868
TOTAL ASSETS		110 294	94 775	116 863	70 838	70 838	70 838	70 838	123 404	130 686	138 396
LIABILITIES											
Current liabilities											
Bank overdraft	1		1 251	911					962	1 019	1 079
Borrowing	4	270	792	222	848	848	848	848	235	248	263
Consumer deposits				8 758					9 248	9 794	10 372
Trade and other payables	4	3 951	14 033	11 647	15 015	15 015	15 015	15 015	12 299	13 025	13 793
Provisions			9 343	2 004					2 116	2 241	2 373
Total current liabilities		4 221	25 419	23 542	15 863	15 863	15 863	15 863	24 860	26 327	27 880
Non current liabilities											
Borrowing		912	589	364	630	630	630	630	385	407	432
Provisions		9 036	9 343	1 022	9 997	9 997	9 997	9 997	1 080	1 143	1 211
Total non current liabilities		9 948	9 932	1 387	10 627	10 627	10 627	10 627	1 465	1 550	1 643
TOTAL LIABILITIES		14 169	35 350	24 928	26 490	26 490	26 490	26 490	26 325	27 877	29 523
NET ASSETS	5	96 125	59 424	91 934	44 349	44 349	44 349	44 349	97 079	102 809	108 873
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		96 125	59 424	91 934	44 349	44 349	44 349	44 349	97 079	102 809	108 873
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	96 125	59 424	91 934	44 349	44 349	44 349	44 349	97 079	102 809	108 873

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
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 A6 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 A7 Consolidated Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		1 925	10 782	41 962	26 587	24 693	24 693	24 693	16 162	17 355	18 971
Government - operating	1	46 665	25 968		24 238	26 781	26 781	26 781	23 765	35 186	26 329
Government - capital	1										
Interest		654	140		251	43	43	43	696	745	798
Dividends											
Payments											
Suppliers and employees		(37 540)	(31 006)	(32 266)	(41 980)	(43 714)	(43 714)	(43 714)	(39 902)	(41 745)	(45 203)
Finance charges		(66)	(95)		(343)	(95)	(95)	(95)	(94)	(99)	(104)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		11 638	5 789	9 696	8 753	7 709	7 709	7 709	627	11 443	791
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(25 748)	(6 453)	(9 925)	(8 753)	(13 273)	(13 273)	(13 273)	(8 003)	(7 862)	(8 000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(25 748)	(6 453)	(9 925)	(8 753)	(13 273)	(13 273)	(13 273)	(8 003)	(7 862)	(8 000)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing			(336)	(112)							
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(336)	(112)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(14 110)	(1 000)	(341)	0	(5 564)	(5 564)	(5 564)	(7 376)	3 581	(7 209)
Cash/cash equivalents at the year begin:	2	50 588	36 478	35 478					23 765	16 389	19 970
Cash/cash equivalents at the year end:	2	36 478	35 478	35 137	0	(5 564)	(5 564)	(5 564)	16 389	19 970	12 761

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

Explanatory notes to Table A7 - 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 203/14 amount owing lead directly to a net decrease in cash.
4. The approved 2014/15 MTREF provide for a further net decrease in cash for the 2013/14 financial year resulting in an overall projected negative cash position.
5. As part of the 2014/15 Annual budget review 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 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC103 Ikwezi - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	36 478	35 478	35 137	0	(5 564)	(5 564)	(5 564)	16 389	19 970	12 761
Other current investments > 90 days		(36 297)	(36 418)	(36 008)	333	5 897	5 897	5 897	(17 308)	(20 943)	(13 791)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		181	(940)	(870)	333	333	333	333	(919)	(973)	(1 030)
Application of cash and investments											
Unspent conditional transfers		(1 738)	3 556	-	3 805	3 805	3 805	3 805	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	5 098	7 034	(9 514)	8 886	9 649	9 649	9 649	5 031	5 327	5 634
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		3 360	10 590	(9 514)	12 691	13 454	13 454	13 454	5 031	5 327	5 634
Surplus(shortfall)		(3 179)	(11 529)	8 644	(12 358)	(13 121)	(13 121)	(13 121)	(5 950)	(6 300)	(6 664)

References

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

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. 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 A9 - Asset Management

EC103 Ikwezi - Table A9 Consolidated Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE										
Total New Assets	1	150	254	-	16 589	7 806	7 806	8 002	7 862	8 000
Infrastructure - Road transport		-	-	-	1 803	2 500	2 500	3 000	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	254	-	1 000	-	-	4 602	7 469	7 600
Infrastructure		-	254	-	2 803	2 500	2 500	7 602	7 469	7 600
Community		-	-	-	7 436	4 936	4 936	400	393	400
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	150	-	-	6 350	370	370	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	1 803	2 500	2 500	3 000	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	254	-	1 000	-	-	4 602	7 469	7 600
Infrastructure		-	254	-	2 803	2 500	2 500	7 602	7 469	7 600
Community		-	-	-	7 436	4 936	4 936	400	393	400
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		150	-	-	6 350	370	370	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	150	254	-	16 589	7 806	7 806	8 002	7 862	8 000
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	26 222	35 156	-	-	-	37 125	39 315	41 634
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	379	233	-	-	-	246	260	276
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	26 601	35 389	-	-	-	37 371	39 575	41 910
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		-	871	2 526	1 218	1 218	1 218	1 189	1 253	1 321
Repairs and Maintenance by Asset Class	3	1 234	1 037	-	1 480	1 073	1 073	1 113	1 173	1 236
Infrastructure - Road transport		118	-	-	40	95	95	86	91	96
Infrastructure - Electricity		176	-	-	-	258	258	268	283	298
Infrastructure - Water		234	1 037	-	976	141	141	101	106	112
Infrastructure - Sanitation		76	-	-	-	278	278	477	503	530
Infrastructure - Other		89	-	-	-	80	80	82	87	92
Infrastructure		693	1 037	-	1 016	852	852	1 015	1 070	1 127
Community		302	-	-	-	-	-	11	12	12
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	239	-	-	465	222	222	87	92	97
TOTAL EXPENDITURE OTHER ITEMS		1 234	1 908	2 526	2 699	2 292	2 292	2 302	2 426	2 557

Explanatory notes to Table B9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
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 A10 - Basic Service Delivery Measurement

EC103 Ikwezi - Table A10 Consolidated basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
<i>Water:</i>										
Piped water inside dwelling		932			830	830	830			
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		932	-	-	830	830	830	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	932	-	-	830	830	830	-	-	-
<i>Sanitation/sewerage:</i>										
Flush toilet (connected to sewerage)		707			810	810	810			
Flush toilet (with septic tank)		32			29	29	29			
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		739	-	-	839	839	839	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	739	-	-	839	839	839	-	-	-
<i>Energy:</i>										
Electricity (at least min.service level)		308			532	532	532			
Electricity - prepaid (min.service level)					66	66	66			
<i>Minimum Service Level and Above sub-total</i>		308	-	-	598	598	598	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	308	-	-	598	598	598	-	-	-
<i>Refuse:</i>										
Removed at least once a week		854			721	721	721			
<i>Minimum Service Level and Above sub-total</i>		854	-	-	721	721	721	-	-	-
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>		-	-	-	-	-	-	-	-	-
Total number of households	5	854	-	-	721	721	721	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kw h per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		414			607	607	607			
Sanitation (free sanitation service)		362			487	487	487			
Electricity/other energy (50kw h per household per month)		431			208	208	208			
Refuse (removed once a week)		398			537	537	537			
Total cost of FBS provided (minimum social packa		1 605	-	-	1 838	1 838	1 838	-	-	-

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
 - a. Water services – backlog will be reduced by over 600 households in 2014/15 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 2014/15.
 - 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 2014/15.
 - d. Refuse services – backlog will be reduced by 200 households in 2014/15, 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 1500 households to be registered as indigent in 2014/15, 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 2014/15, increasing to R2.8 million in 2015/16. This is covered by the municipality's equitable share allocation from national government.

Part 2 – Supporting Documentation

2.1 Overview of the Annual budget process

The Annual budget process started in September 2013 with the tabling of the Schedule of Key Deadlines in Council, being the Budget Schedule for 2014/15 as tabled. The schedule of dates was then tabled by the Mayor in a council meeting in May 2013.

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 31 March 2014. 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 SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	1 130	1 290	1 392	2 091	2 069	2 069	2 069	2 218	2 375	2 544
less Revenue Foregone					870	475	475	475	508	535	564
Net Property Rates		1 130	1 290	1 392	1 221	1 594	1 594	1 594	1 710	1 840	1 979
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	3 671	278	6 378	5 213	8 606	8 606	8 606	9 251	9 945	10 691
less Revenue Foregone											
Net Service charges - electricity revenue		3 671	278	6 378	5 213	8 606	8 606	8 606	9 251	9 945	10 691
Service charges - water revenue											
Total Service charges - water revenue	6	670	1 006	1 477	1 336	1 238	1 238	1 238	1 328	1 422	1 857
less Revenue Foregone											
Net Service charges - water revenue		670	1 006	1 477	1 336	1 238	1 238	1 238	1 328	1 422	1 857
Service charges - sanitation revenue											
Total Service charges - sanitation revenue	6	453	1 231	1 751	1 626	1 511	1 511	1 511	1 619	1 734	1 857
less Revenue Foregone											
Net Service charges - sanitation revenue		453	1 231	1 751	1 626	1 511	1 511	1 511	1 619	1 734	1 857
Service charges - refuse revenue											
Total refuse removal revenue	6	582	1 053	1 418	1 293	1 281	1 281	1 281	1 373	1 470	1 575
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		582	1 053	1 418	1 293	1 281	1 281	1 281	1 373	1 470	1 575
Other Revenue by source											
Other revenue		375	4 064	972	6 156	10 116	10 116	10 116	554	594	636
Total 'Other' Revenue	3	375	4 064	972	6 156	10 116	10 116	10 116	554	594	636
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	11 328	8 388	17 490	15 467	14 647	14 647	14 647	15 005	15 966	16 987
Pension and UIF Contributions			1 130		1 921	1 419	1 419	1 419	1 172	1 247	1 327
Medical Aid Contributions			355		596	514	514	514	282	300	319
Overtime			546		443	628	628	628	523	557	592
Performance Bonus			169		537	364	364	364	387	412	438
Motor Vehicle Allowance			370		288	451	451	451	390	415	442
Cellphone Allowance											
Housing Allowances			22		16	9	9	9	32	34	36
Other benefits and allowances			2 155		1 346	939	939	939	407	433	374
Payments in lieu of leave											
Long service awards					5	5	5	5	1 039	1 105	1 176
Post-retirement benefit obligations	4										
sub-total	5	11 328	13 136	17 490	20 619	18 976	18 976	18 976	19 237	20 468	21 692
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	11 328	13 136	17 490	20 619	18 976	18 976	18 976	19 237	20 468	21 692
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment			871	2 526	1 218	1 218	1 218	1 218	1 189	1 253	1 321
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	-	871	2 526	1 218	1 218	1 218	1 218	1 189	1 253	1 321
Bulk purchases											
Electricity Bulk Purchases			4 962	5 374	6 191	5 931	5 931	5 931	6 409	6 922	7 476
Water Bulk Purchases											
Total bulk purchases	1	-	4 962	5 374	6 191	5 931	5 931	5 931	6 409	6 922	7 476
Transfers and grants											
Cash transfers and grants											
Non-cash transfers and grants											
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted services											
List services provided by contract			2 101		588	2 528	2 528	2 528	2 700	2 846	3 000

EC103 Ikwezi - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	Vote 1 -	Vote 2 -	Vote 3 -	Vote 4 -	Vote 5 -	Vote 6 -	Vote 7 -	Vote 8 -	Vote 9 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
		EXECUTIVE AND COUNCIL	BUDGET AND TREASURY OFFICE	CORPORATE SERVICES	PLANNING AND DEVELOPME NT	PUBLIC SAFETY	COMMUNITY AND SOCIAL SERVICES	SPORT AND RECREATIO N	HOUSING	WASTE MANAGEME NT	ROAD TRANSPORT	WASTE WATER MANAGEME NT	WATER	ELECTRICIT Y	[NAME OF VOTE 14]	[NAME OF VOTE 15]	
Revenue By Source																	
Property rates		1 710															1 710
Property rates - penalties & collection charges		200															200
Service charges - electricity revenue														9 251			9 251
Service charges - water revenue												1 328					1 328
Service charges - sanitation revenue											1 619						1 619
Service charges - refuse revenue										1 373							1 373
Service charges - other																	-
Rental of facilities and equipment		4															4
Interest earned - external investments		46															46
Interest earned - outstanding debtors		650															650
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services		123															123
Other revenue		50	50	50	50	50	50	50		50		50	50	50			554
Transfers recognised - operational		31 767															31 767
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		34 530	50	50	50	50	50	50	-	1 423	-	1 670	1 378	9 301	-	-	48 625
Expenditure By Type																	
Employee related costs		1 938	4 860	2 334	2 610	606	782	76		1 872	1 239		1 324	1 607			19 237
Remuneration of councillors		1 452															1 452
Debt impairment		161								204		160	121				645
Depreciation & asset impairment		76	92	190	28		42	42		42	59	448	139	72			1 231
Finance charges		15								52		27					94
Bulk purchases														6 409			6 409
Other materials																	-
Contracted services		405	1 893	390	6		1						6				2 700
Transfers and grants																	-
Other expenditure		2 230	987	856	193	71	25	1		644	240	1 250	769	456			7 721
Loss on disposal of PPE																	-
Total Expenditure		6 276	7 821	3 770	2 836	677	850	120	-	2 814	1 538	1 884	2 359	8 543	-	-	39 489
Surplus/(Deficit)		28 274	(7 771)	(3 719)	(2 786)	(627)	(800)	(69)	-	(1 391)	(1 538)	(214)	(981)	758	-	-	9 136
Transfers recognised - capital											8 002						8 002
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		28 274	(7 771)	(3 719)	(2 786)	(627)	(800)	(69)	-	(1 391)	6 464	(214)	(981)	758	-	-	17 138

References

1. Departmental columns to be based on municipal organisation structure

check balance

-8 508 373

Table SA 7 - Measurable performance objectives

EC103 Ikwezi - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 1 - 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 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										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

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

Table SA8 - Performance indicators and benchmarks

EC103 Ikwezi - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.5%	1.7%	0.5%	3.8%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.9%	4.0%	1.3%	8.3%	0.4%	0.4%	0.4%	0.6%	0.5%	0.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.6	0.1	0.3	0.1	0.1	0.1	0.1	0.3	0.3	0.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.6	0.1	0.3	0.1	0.1	0.1	0.1	0.3	0.3	0.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		24.8%	99.5%	295.6%	145.6%	97.8%	97.8%	97.8%	96.1%	96.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		24.8%	99.5%	295.6%	145.6%	97.8%	97.8%	97.8%	96.1%	96.1%	96.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	5.8%	9.4%	20.9%	3.9%	3.1%	3.1%	3.1%	18.6%	15.0%	18.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		15.6%	29.5%	33.1%	#####	-201.5%	-201.5%	-201.5%	75.0%	65.2%	108.1%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.4%	35.6%	51.1%	50.7%	36.4%	36.4%	36.4%	47.4%	38.4%	47.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	54.6%	0.0%	42.7%		59.9%	48.6%	59.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.0%	2.8%	0.0%	3.6%	2.1%	2.1%		2.7%	2.2%	2.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.2%	2.6%	7.6%	6.8%	2.5%	2.5%	2.5%	3.2%	2.5%	3.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	17.7	98.4	57.1	428.6	428.6	428.6	36.4	22.6	22.7	24.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	36.5%	64.9%	56.7%	14.6%	11.1%	11.1%	11.1%	48.8%	48.1%	46.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	29.7	17.7	13.2	0.0	(2.0)	(2.0)	(2.0)	5.8	6.7	4.0

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

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 2014/15 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 Annual Budget

The Annual 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 2014/15 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 2014/15 Annual 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 SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population												
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
Monthly household income (no. of households)	1, 12											
No income												
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												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household demographics (000)												
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)												
Housing statistics												
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												
Economic												
Inflation/inflation outlook (CPIX)	6											
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
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

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

Debtor's 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 2014 and shall remain in force until 30 June 2015. Year three is an across the board increase of 6.79 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 SA 10 Breakdown of the operating revenue over the medium-term

EC103 Ikwezi Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	36 478	35 478	35 137	0	(5 564)	(5 564)	(5 564)	16 389	19 970	12 761
Cash + investments at the yr end less applications - R'000	18(1)b	2	(3 179)	(11 529)	8 644	(12 358)	(13 121)	(13 121)	(13 121)	(5 950)	(6 300)	(6 664)
Cash year end/monthly employee/supplier payments	18(1)b	3	29.7	17.7	13.2	0.0	(2.0)	(2.0)	(2.0)	5.8	6.7	4.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	26 641	11 661	1 416	(50)	25 498	25 498	25 498	8 630	19 305	8 791
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(27.5%)	140.9%	(21.2%)	28.9%	(6.0%)	(6.0%)	1.4%	1.4%	3.4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	24.8%	99.5%	295.6%	145.6%	97.8%	97.8%	97.8%	96.1%	96.1%	96.2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	39.4%	50.9%	23.6%	5.9%	4.5%	4.5%	4.5%	4.2%	4.0%	3.9%
Capital payments % of capital expenditure	18(1)c;19	8	17165.3%	2536.8%	100.0%	52.8%	170.0%	170.0%	170.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (ex cl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Gov t. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	45.1%	106.8%	(77.7%)	0.0%	0.0%	0.0%	373.6%	5.9%	5.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.1%	1.6%	0.0%	2.1%	1.6%	1.6%	1.6%	1.4%	1.4%	1.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Figure 1 Breakdown of operating revenue over the 2014/15 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 SA 18 - Capital transfers and grant receipts

EC103 Ikwezi - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	22 151	8 186	8 186	21 945	28 636	28 232
Local Government Equitable Share					15 627	1 686	1 686	18 211	20 719	21 114
Finance Management					1 500	1 500	1 500	1 800	1 950	2 100
Municipal Systems Improvement					800	800	800	934	967	1 018
Integrated National Electrification Programme					3 200	3 200	3 200		5 000	4 000
EPWP Incentive					1 000	1 000	1 000	1 000		
Integrated National Electrification Grant (Eskom)					24					
Provincial Government:		-	-	-	266	266	266	266	266	-
Sport and Recreation					266	266	266	266	266	
Integrated National Electrification Grant (Eskom)										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: Local Government Grant Local Government Grant		-	-	-	466	466	466	-	-	-
Total Operating Transfers and Grants	5	-	-	-	22 883	8 918	8 918	22 211	28 902	28 232
Capital Transfers and Grants										
National Government:		-	-	-	9 726	9 726	9 726	8 002	7 862	8 000
Municipal Infrastructure Grant (MIG)					9 726	9 726	9 726	8 002	7 862	8 000
DWAF - Implementation of Water & Demand Strategies										
Provincial Government: Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: Local Government Grant		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	-	9 726	9 726	9 726	8 002	7 862	8 000
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	32 609	18 644	18 644	30 213	36 764	36 232

2.4.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for 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 SA30 - Budget cash flow statement

EC103 Ikwezi - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS R thousand	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Cash Receipts By Source													1			
Property rates	142	142	142	142	142	142	142	142	142	142	142	142	1 710	1 840	1 979	
Property rates - penalties & collection charges	17	17	17	17	17	17	17	17	17	17	17	17	200	214	229	
Service charges - electricity revenue	771	771	771	771	771	771	771	771	771	771	771	771	9 251	9 945	10 691	
Service charges - water revenue	111	111	111	111	111	111	111	111	111	111	111	111	1 328	1 422	1 857	
Service charges - sanitation revenue	135	135	135	135	135	135	135	135	135	135	135	135	1 619	1 734	1 857	
Service charges - refuse revenue	114	114	114	114	114	114	114	114	114	114	114	114	1 373	1 470	1 575	
Service charges - other													-			
Rental of facilities and equipment	0	0	0	0	0	0	0	0	0	0	0	0	4	5	5	
Interest earned - external investments	4	4	4	4	4	4	4	4	4	4	4	4	46	50	53	
Interest earned - outstanding debtors	54	54	54	54	54	54	54	54	54	54	54	54	650	696	745	
Dividends received													-			
Fines													-			
Licences and permits													-			
Agency services	10	10	10	10	10	10	10	10	10	10	10	10	123	131	141	
Transfer receipts - operational	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	23 765	35 186	26 329	
Other revenue	46	46	46	46	46	46	46	46	46	46	46	46	554	594	636	
Cash Receipts by Source	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	40 623	53 286	46 098	
Other Cash Flows by Source																
Transfer receipts - capital													-			
Contributions recognised - capital & Contributed assets													-			
Proceeds on disposal of PPE													-			
Short term loans													-			
Borrowing long term/refinancing													-			
Increase (decrease) in consumer deposits													-			
Decrease (increase) in non-current debtors													-			
Decrease (increase) other non-current receivables													-			
Decrease (increase) in non-current investments													-			
Total Cash Receipts by Source	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	40 623	53 286	46 098	
Cash Payments by Type																
Employee related costs	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	19 237	20 468	21 692	
Remuneration of councillors	121	121	121	121	121	121	121	121	121	121	121	121	1 452	1 545	1 643	
Finance charges	8	8	8	8	8	8	8	8	8	8	8	8	94	99	104	
Bulk purchases - Electricity	6 409	6 409	6 409	6 409	6 409	6 409	6 409	6 409	6 409	6 409	6 409	(64 093)	6 409	6 922	7 476	
Bulk purchases - Water & Sewer													-			
Other materials													-			
Contracted services	225	225	225	225	225	225	225	225	225	225	225	225	2 700	2 846	3 000	
Transfers and grants - other municipalities													-			
Transfers and grants - other													-			
Other expenditure	9 512	9 512	9 512	9 512	9 512	9 512	9 512	9 512	9 512	9 512	9 512	(94 532)	10 104	9 963	11 391	
Cash Payments by Type	17 878	17 878	17 878	17 878	17 878	17 878	17 878	17 878	17 878	17 878	17 878	17 878	(156 667)	39 996	41 843	45 306
Other Cash Flows/Payments by Type																
Capital assets	667	667	667	667	667	667	667	667	667	667	667	667	8 003	7 862	8 000	
Repayment of borrowing													-			
Other Cash Flows/Payments													-			
Total Cash Payments by Type	18 545	18 545	18 545	18 545	18 545	18 545	18 545	18 545	18 545	18 545	18 545	(156 001)	47 998	49 705	53 306	
NET INCREASE/(DECREASE) IN CASH HELD	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	159 386	(7 375)	3 581	(7 209)	
Cash/cash equivalents at the month/year begin:	(15 160)	(15 160)	(30 320)	(45 480)	(60 640)	(75 801)	(90 961)	(106 121)	(121 281)	(136 441)	(151 601)	(166 761)	-	(7 375)	(3 794)	
Cash/cash equivalents at the month/year end:	(15 160)	(30 320)	(45 480)	(60 640)	(75 801)	(90 961)	(106 121)	(121 281)	(136 441)	(151 601)	(166 761)	(177 375)	(7 375)	(3 794)	(11 003)	

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 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.

The above table shows that cash and cash equivalents of the municipality were largely depleted between the 2014/15 and 2015/16 financial year moving from a negative cash balance of R5 million.

2.5 Expenditure on grants and reconciliations of unspent funds

SA19 - Expenditure on transfers and grant programmes

EC103 Ikwezi - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		-	-	-	22 127	8 186	8 186	21 945	28 636	28 232
Local Government Equitable Share					15 627	1 686	1 686	18 211	20 719	21 114
Finance Management					1 500	1 500	1 500	1 800	1 950	2 100
Municipal Systems Improvement					800	800	800	934	967	1 018
Integrated National Electrification Programme					3 200	3 200	3 200		5 000	4 000
EPWP Incentive					1 000	1 000	1 000	1 000		
Integrated National Electrification Grant (Eskom)										
Provincial Government:		-	-	-	266	266	266	266	266	-
Sport and Recreation					266	266	266	266	266	
Integrated National Electrification Grant (Eskom)										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	466	466	466	462	455	468
Local Government Grant					466	466	466	462	455	468
Total operating expenditure of Transfers and Grants		-	-	-	22 859	8 918	8 918	22 673	29 357	28 700
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	9 726	9 726	9 726	8 002	7 862	8 000
Municipal Infrastructure Grant (MIG)					9 726	9 726	9 726	8 002	7 862	8 000
DWAF - Implementation of Water & Demand Strategies										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
Local Government Grant										
Total capital expenditure of Transfers and Grants		-	-	-	9 726	9 726	9 726	8 002	7 862	8 000
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	-	-	32 585	18 644	18 644	30 675	37 219	36 700

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

EC103 Ikwezi - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating transfers and grants:	1,3									
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	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
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	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

2.6 Councillor and employee benefits

SA22 - Summary of councillor and staff benefits

EC103 Ikwezi - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages					1 534		1 534	1 011	1 076	1 144
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance					77		77	106	112	120
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		-	-	-	1 611	-	1 611	1 117	1 188	1 264
% increase	4	-	-	-	-	(100.0%)	-	(30.7%)	6.4%	6.4%
Senior Managers of the Municipality	2									
Basic Salaries and Wages					2 203		2 203	3 248	3 456	3 677
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus					537		537	387	415	441
Motor Vehicle Allowance	3							360	383	438
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		-	-	-	2 739	-	2 739	3 995	4 253	4 556
% increase	4	-	-	-	-	(100.0%)	-	45.8%	6.5%	7.1%
Other Municipal Staff										
Basic Salaries and Wages					13 264		13 264	15 005	15 966	16 987
Pension and UIF Contributions					1 921		1 921	1 172	1 247	1 327
Medical Aid Contributions					596		596	282	300	319
Overtime					443		443	523	557	592
Performance Bonus								387	412	438
Motor Vehicle Allowance	3				288		288	390	415	442
Cellphone Allowance	3									
Housing Allowances	3				16		16	32	34	36
Other benefits and allowances	3				1 346		1 346	407	433	374
Payments in lieu of leave										
Long service awards					5		5	1 039	1 105	1 176
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		-	-	-	17 879	-	17 879	19 237	20 468	21 692
% increase	4	-	-	-	-	(100.0%)	-	7.6%	6.4%	6.0%
Total Parent Municipality		-	-	-	22 229	-	22 229	24 348	25 909	27 512
		-	-	-	-	(100.0%)	-	9.5%	6.4%	6.2%

SA 23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

EC103 Ikwezi - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4							-
Chief Whip								-
Executive Mayor								-
Deputy Executive Mayor			271 461		105 594			377 055
Executive Committee								-
Total for all other councillors			739 459		335 132			1 074 591
Total Councillors	8	-	1 010 920	-	440 726			1 451 646
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 380 931		120 000	110 255		1 611 186
Chief Finance Officer			665 441		120 000	93 162		878 603
Director Infrastructure			535 870			90 470		626 340
Director Strategic Services			665 441		120 000	93 162		878 603
								-
								-
<i>List of each official with packages >= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	3 247 683	-	360 000	387 049		3 994 732

Table SA25 - Budgeted monthly revenue and expenditure

EC103 Ikwezi - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source																
Property rates		142	142	142	142	142	142	142	142	142	142	142	142	1 710	1 840	1 979
Property rates - penalties & collection charges		17	17	17	17	17	17	17	17	17	17	17	17	200	214	229
Service charges - electricity revenue		771	771	771	771	771	771	771	771	771	771	771	771	9 251	9 945	10 691
Service charges - water revenue		111	111	111	111	111	111	111	111	111	111	111	111	1 328	1 422	1 857
Service charges - sanitation revenue		135	135	135	135	135	135	135	135	135	135	135	135	1 619	1 734	1 857
Service charges - refuse revenue		114	114	114	114	114	114	114	114	114	114	114	1 373	1 470	1 575	
Service charges - other													-	-	-	
Rental of facilities and equipment		0	0	0	0	0	0	0	0	0	0	0	4	5	5	
Interest earned - external investments		4	4	4	4	4	4	4	4	4	4	4	46	50	53	
Interest earned - outstanding debtors		54	54	54	54	54	54	54	54	54	54	54	650	696	745	
Dividends received													-	-	-	
Fines													-	-	-	
Licences and permits													-	-	-	
Agency services		10	10	10	10	10	10	10	10	10	10	10	123	131	141	
Transfers recognised - operational		2 647	2 647	2 647	2 647	2 647	2 647	2 647	2 647	2 647	2 647	2 647	(5 355)	23 765	35 186	26 329
Other revenue		46	46	46	46	46	46	46	46	46	46	46	554	594	636	
Gains on disposal of PPE													-	-	-	
Total Revenue (excluding capital transfers and contributions)		4 052	4 052	4 052	4 052	4 052	4 052	4 052	4 052	4 052	4 052	4 052	(3 950)	40 623	53 286	46 098
Expenditure By Type																
Employee related costs		1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	19 237	20 468	21 692
Remuneration of councillors		121	121	121	121	121	121	121	121	121	121	121	121	1 452	1 545	1 643
Debt impairment		54	54	54	54	54	54	54	54	54	54	54	54	645	672	701
Depreciation & asset impairment		99	99	99	99	99	99	99	99	99	99	99	99	1 189	1 253	1 321
Finance charges		8	8	8	8	8	8	8	8	8	8	8	8	94	99	104
Bulk purchases		534	534	534	534	534	534	534	534	534	534	534	6 409	6 922	7 476	
Other materials													-	-	-	
Contracted services		225	225	225	225	225	225	225	225	225	225	225	2 700	2 846	3 000	
Transfers and grants													-	-	-	
Other expenditure		643	643	643	643	643	643	643	643	643	643	1 193	8 270	8 038	9 370	
Loss on disposal of PPE													-	-	-	
Total Expenditure		3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 836	39 996	41 843	45 306	
Surplus/(Deficit)																
Transfers recognised - capital		765	765	765	765	765	765	765	765	765	765	765	(7 786)	627	11 443	791
Contributions recognised - capital		667	667	667	667	667	667	667	667	667	667	667	667	8 003	7 862	8 000
Contributed assets													-	-	-	
Surplus/(Deficit) after capital transfers & contributions		1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	(7 119)	8 630	19 305	8 791
Taxation													-	-	-	
Attributable to minorities													-	-	-	
Share of surplus/ (deficit) of associate													-	-	-	
Surplus/(Deficit)	1	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	(7 119)	8 630	19 305	8 791

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

Table SA26- Budgeted monthly revenue and expenditure (municipal vote)

EC103 Ikwezi - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL		2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 515	34 409	45 886	37 712
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		131	131	131	131	131	131	131	131	131	131	131	131	1 571	1 683	1 802
Vote 10 - ROAD TRANSPORT													-	-	-	-
Vote 11 - WASTE WATER MANAGEMENT		152	152	152	152	152	152	152	152	152	152	152	152	1 829	1 959	2 098
Vote 12 - WATER		128	128	128	128	128	128	128	128	128	128	128	128	1 534	1 643	1 760
Vote 13 - ELECTRICITY		773	773	773	773	773	773	773	773	773	773	773	773	9 281	9 977	10 725
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		4 084	4 084	4 084	4 084	4 084	4 084	4 084	4 084	4 084	4 084	4 084	3 699	48 625	61 148	54 098
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		510	510	510	510	510	510	510	510	510	510	510	125	5 730	6 003	7 176
Vote 2 - BUDGET AND TREASURY OFFICE		665	665	665	665	665	665	665	665	665	665	665	1 599	8 916	9 430	9 992
Vote 3 - CORPORATE SERVICES		314	314	314	314	314	314	314	314	314	314	314	314	3 770	3 406	3 615
Vote 4 - PLANNING AND DEVELOPMENT		236	236	236	236	236	236	236	236	236	236	236	236	2 836	3 016	3 206
Vote 5 - PUBLIC SAFETY		56	56	56	56	56	56	56	56	56	56	56	56	677	720	765
Vote 6 - COMMUNITY AND SOCIAL SERVICES		71	71	71	71	71	71	71	71	71	71	71	71	850	904	961
Vote 7 - SPORT AND RECREATION		6	6	6	6	6	6	6	6	6	6	6	6	77	82	87
Vote 8 - HOUSING													-	-	-	-
Vote 9 - WASTE MANAGEMENT		234	234	234	234	234	234	234	234	234	234	234	234	2 814	2 974	3 143
Vote 10 - ROAD TRANSPORT		128	128	128	128	128	128	128	128	128	128	128	128	1 538	1 634	1 735
Vote 11 - WASTE WATER MANAGEMENT		157	157	157	157	157	157	157	157	157	157	157	157	1 884	1 987	2 096
Vote 12 - WATER		197	197	197	197	197	197	197	197	197	197	197	197	2 359	2 499	2 648
Vote 13 - ELECTRICITY		712	712	712	712	712	712	712	712	712	712	712	712	8 543	9 187	9 881
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 836	39 996	41 843	45 306
Surplus/(Deficit) before assoc.		797	797	797	797	797	797	797	797	797	797	797	(137)	8 630	19 305	8 791
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	797	797	797	797	797	797	797	797	797	797	797	(137)	8 630	19 305	8 791

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

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

EC103 Ikwezi - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard																
<i>Governance and administration</i>		2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 515	34 409	45 886	37 712
Executive and council		2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 899	2 515	34 409	45 886	37 712	
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>		1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	14 216	15 262	16 386	
Electricity		773	773	773	773	773	773	773	773	773	773	773	9 281	9 977	10 725	
Water		128	128	128	128	128	128	128	128	128	128	128	1 534	1 643	1 760	
Waste water management		152	152	152	152	152	152	152	152	152	152	152	1 829	1 959	2 098	
Waste management		131	131	131	131	131	131	131	131	131	131	131	1 571	1 683	1 802	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue - Standard		4 084	4 084	4 084	4 084	4 084	4 084	4 084	4 084	4 084	4 084	3 699	48 625	61 148	54 098	
Expenditure - Standard																
<i>Governance and administration</i>		1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	2 038	18 416	18 840	20 783
Executive and council		510	510	510	510	510	510	510	510	510	510	125	5 730	6 003	7 176	
Budget and treasury office		665	665	665	665	665	665	665	665	665	665	1 599	8 916	9 430	9 992	
Corporate services		314	314	314	314	314	314	314	314	314	314	314	3 770	3 406	3 615	
<i>Community and public safety</i>		134	134	134	134	134	134	134	134	134	134	134	1 605	1 706	1 814	
Community and social services		71	71	71	71	71	71	71	71	71	71	71	850	904	961	
Sport and recreation		6	6	6	6	6	6	6	6	6	6	6	77	82	87	
Public safety		56	56	56	56	56	56	56	56	56	56	56	677	720	765	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		365	365	365	365	365	365	365	365	365	365	365	4 375	4 649	4 941	
Planning and development		236	236	236	236	236	236	236	236	236	236	236	2 836	3 016	3 206	
Road transport		128	128	128	128	128	128	128	128	128	128	128	1 538	1 634	1 735	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		1 300	1 300	1 300	1 300	1 300	1 300	1 300	1 300	1 300	1 300	1 300	15 600	16 648	17 768	
Electricity		712	712	712	712	712	712	712	712	712	712	712	8 543	9 187	9 881	
Water		197	197	197	197	197	197	197	197	197	197	197	2 359	2 499	2 648	
Waste water management		157	157	157	157	157	157	157	157	157	157	157	1 884	1 987	2 096	
Waste management		234	234	234	234	234	234	234	234	234	234	234	2 814	2 974	3 143	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure - Standard		3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 287	3 836	39 996	41 843	45 306	
Surplus/(Deficit) before assoc.		797	797	797	797	797	797	797	797	797	797	(137)	8 630	19 305	8 791	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	797	797	797	797	797	797	797	797	797	797	(137)	8 630	19 305	8 791	

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

Table SA28 - Budgeted monthly capital expenditure (municipal vote)

EC103 Ikwezi - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE AND COUNCIL														-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE														-	-	-
Vote 3 - CORPORATE SERVICES														-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		33	33	33	33	33	33	33	33	33	33	33	33	400	393	400
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		250	250	250	250	250	250	250	250	250	250	250	250	3 000	-	-
Vote 11 - WASTE WATER MANAGEMENT		383	383	383	383	383	383	383	383	383	383	383	383	4 602	7 469	7 600
Vote 12 - WATER														-	-	-
Vote 13 - ELECTRICITY														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	667	667	667	667	667	667	667	667	667	667	667	667	8 002	7 862	8 000
Single-year expenditure to be appropriated																
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	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	667	667	667	667	667	667	667	667	667	667	667	667	8 002	7 862	8 000

Table SA29 - Budgeted monthly capital expenditure (standard classification)

EC103 Ikwezi - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council																
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>		283	283	283	283	283	283	283	283	283	283	283	283	3 400	393	400
Planning and development		33	33	33	33	33	33	33	33	33	33	33	33	400	393	400
Road transport		250	250	250	250	250	250	250	250	250	250	250	250	3 000	-	-
Environmental protection																
<i>Trading services</i>		383	383	383	383	383	383	383	383	383	383	383	383	4 602	7 469	7 600
Electricity																
Water																
Waste water management		383	383	383	383	383	383	383	383	383	383	383	383	4 602	7 469	7 600
Waste management																
<i>Other</i>																
Total Capital Expenditure - Standard	2	667	667	667	667	667	667	667	667	667	667	667	667	8 002	7 862	8 000
Funded by:																
National Government		667	667	667	667	667	667	667	667	667	667	667	667	8 002	7 862	8 000
Provincial Government																
District Municipality																
Other transfers and grants																
Transfers recognised - capital		667	667	667	667	667	667	667	667	667	667	667	667	8 002	7 862	8 000
Public contributions & donations																
Borrowing																
Internally generated funds																
Total Capital Funding		667	667	667	667	667	667	667	667	667	667	667	667	8 002	7 862	8 000

Table SA30 - Budgeted monthly cash flow

EC103 Ikwezi - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand															
Cash Receipts By Source													1		
Property rates	142	142	142	142	142	142	142	142	142	142	142	142	1 710	1 840	1 979
Property rates - penalties & collection charges	17	17	17	17	17	17	17	17	17	17	17	17	200	214	229
Service charges - electricity revenue	771	771	771	771	771	771	771	771	771	771	771	771	9 251	9 945	10 691
Service charges - water revenue	111	111	111	111	111	111	111	111	111	111	111	111	1 328	1 422	1 857
Service charges - sanitation revenue	135	135	135	135	135	135	135	135	135	135	135	135	1 619	1 734	1 857
Service charges - refuse revenue	114	114	114	114	114	114	114	114	114	114	114	114	1 373	1 470	1 575
Service charges - other													-		
Rental of facilities and equipment	0	0	0	0	0	0	0	0	0	0	0	0	4	5	5
Interest earned - external investments	4	4	4	4	4	4	4	4	4	4	4	4	46	50	53
Interest earned - outstanding debtors	54	54	54	54	54	54	54	54	54	54	54	54	650	696	745
Dividends received													-		
Fines													-		
Licences and permits													-		
Agency services	10	10	10	10	10	10	10	10	10	10	10	10	123	131	141
Transfer receipts - operational	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	23 765	35 186	26 329
Other revenue	46	46	46	46	46	46	46	46	46	46	46	46	554	594	636
Cash Receipts by Source	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	40 623	53 286	46 098
Other Cash Flows by Source															
Transfer receipts - capital													-		
Contributions recognised - capital & Contributed assets													-		
Proceeds on disposal of PPE													-		
Short term loans													-		
Borrowing long term/refinancing													-		
Increase (decrease) in consumer deposits													-		
Decrease (Increase) in non-current debtors													-		
Decrease (increase) other non-current receivables													-		
Decrease (increase) in non-current investments													-		
Total Cash Receipts by Source	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	3 385	40 623	53 286	46 098
Cash Payments by Type															
Employee related costs	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	19 237	20 468	21 692
Remuneration of councillors	121	121	121	121	121	121	121	121	121	121	121	121	1 452	1 545	1 643
Finance charges	8	8	8	8	8	8	8	8	8	8	8	8	94	99	104
Bulk purchases - Electricity	6 409	6 409	6 409	6 409	6 409	6 409	6 409	6 409	6 409	6 409	6 409	(64 093)	6 409	6 922	7 476
Bulk purchases - Water & Sewer													-		
Other materials													-		
Contracted services	225	225	225	225	225	225	225	225	225	225	225	225	2 700	2 846	3 000
Transfers and grants - other municipalities													-		
Transfers and grants - other													-		
Other expenditure	9 512	9 512	9 512	9 512	9 512	9 512	9 512	9 512	9 512	9 512	9 512	(94 532)	10 104	9 963	11 391
Cash Payments by Type	17 878	17 878	17 878	17 878	17 878	17 878	17 878	17 878	17 878	17 878	17 878	(156 667)	39 996	41 843	45 306
Other Cash Flows/Payments by Type															
Capital assets	667	667	667	667	667	667	667	667	667	667	667	667	8 003	7 862	8 000
Repayment of borrowing													-		
Other Cash Flows/Payments													-		
Total Cash Payments by Type	18 545	18 545	18 545	18 545	18 545	18 545	18 545	18 545	18 545	18 545	18 545	(156 001)	47 998	49 705	53 306
NET INCREASE/(DECREASE) IN CASH HELD	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	(15 160)	159 386	(7 375)	3 581	(7 209)
Cash/cash equivalents at the monthly year begin:		(15 160)	(30 320)	(45 480)	(60 640)	(75 801)	(90 961)	(106 121)	(121 281)	(136 441)	(151 601)	(166 761)	-	(7 375)	(3 794)
Cash/cash equivalents at the monthly year end:	(15 160)	(30 320)	(45 480)	(60 640)	(75 801)	(90 961)	(106 121)	(121 281)	(136 441)	(151 601)	(166 761)	(7 375)	(7 375)	(3 794)	(11 003)

REFERENCES

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 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 34a - Capital expenditure on new assets by asset class

EC103 Ikwezi - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	254	-	2 803	2 500	2 500	7 602	7 469	7 600
Infrastructure - Road transport		-	-	-	1 803	2 500	2 500	3 000	-	-
<i>Roads, Pavements & Bridges</i>						1 000	1 000	3 000		
<i>Storm water</i>					1 803	1 500	1 500			
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
<i>Generation</i>										
<i>Transmission & Reticulation</i>										
<i>Street Lighting</i>										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	254	-	1 000	-	-	4 602	7 469	7 600
<i>Waste Management</i>					1 000			4 602	7 469	7 600
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3		254							
Community		-	-	-	7 436	4 936	4 936	400	393	400
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls					6 950	4 450	4 450			
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other					486	486	486	400	393	400
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		150	-	-	6 350	370	370	-	-	-
General vehicles		100			350	350	350			
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment					6 000					
Computers - hardware/equipment		10				20	20			
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		40								
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Capital expenditure on new assets	1	150	254	-	16 589	7 806	7 806	8 002	7 862	8 000

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

EC103 Ikwezi - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>										
<i>Storm water</i>										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
<i>Generation</i>										
<i>Transmission & Reticulation</i>										
<i>Street Lighting</i>										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>	2									
<i>Gas</i>	3									
<i>Other</i>										
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Capital expenditure on renewal of existing	1	-	-	-	-	-	-	-	-	-

Table SB18c - Repairs and maintenance expenditure by asset class

EC103 Ikwezi - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class	1	693	1 037	-	1 016	852	852	1 015	1 070	1 127
Infrastructure										
Infrastructure - Road transport		118	-	-	40	95	95	86	91	96
<i>Roads, Pavements & Bridges</i>		118			40	95	95	86	91	96
<i>Storm water</i>										
Infrastructure - Electricity		176	-	-	-	258	258	268	283	298
<i>Generation</i>										
<i>Transmission & Reticulation</i>		176				258	258	268	283	298
<i>Street Lighting</i>										
Infrastructure - Water		234	1 037	-	976	141	141	101	106	112
<i>Dams & Reservoirs</i>										
<i>Water purification</i>			1 037		976	141	141	101	106	112
<i>Reticulation</i>		234								
Infrastructure - Sanitation		76	-	-	-	278	278	477	503	530
<i>Reticulation</i>		76				278	278	477	503	530
<i>Sewerage purification</i>										
Infrastructure - Other		89	-	-	-	80	80	82	87	92
<i>Waste Management</i>						80	80	82	87	92
<i>Transportation</i>										
<i>Gas</i>										
<i>Other</i>		89								
Community		302	-	-	-	-	-	11	12	12
Parks & gardens		6								
Sportsfields & stadia										
Swimming pools										
Community halls		255						11	12	12
Libraries		15								
Recreational facilities		10								
Fire, safety & emergency		13								
Security and policing										
Buses										
Clinics										
Museums & Art Galleries		3								
Cemeteries										
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		228	-	-	465	222	222	87	92	97
General vehicles						69	69	75	78	83
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment					59	59	59	6	6	6
Computers - hardware/equipment		185			45	45	45			
Furniture and other office equipment		13			1	31	31	7	8	8
Abattoirs										
Markets										
Civic Land and Buildings					117	17	17			
Other Buildings		30								
Other Land										
Surplus Assets - (Investment or Inventory)										
Other					242					
Agricultural assets		11	-	-	-	-	-	-	-	-
<i>List sub-class</i>		11								
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	1 234	1 037	-	1 480	1 073	1 073	1 113	1 173	1 236

March 2011

Table SB 19 - Detailed capital programme

EC103 Ikwezi - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital project R thousand	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Waste Water Management		Upgrade WW Treatment Works KLP			Yes	Infrastructure - Sanitation	Sewerage purification				6 000	4 602	7 469	7 600		
ROADS		Construction of Phumlani Roads			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges				1 000	3 000				
Parent Capital expenditure	1											7 602	7 469	7 600		

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 Draft SDBIP document has been finalised and approved on March 2014 and MTREF will be approved in May 2014 directly aligned and informed by the 2014/15MTREF.
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 SA1 - Supporting detail to budgeted financial performance

EC103 Ikwezi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	1 130	1 290	1 392	2 091	2 069	2 069	2 069	2 218	2 375	2 544
<i>less Revenue Foregone</i>					870	475	475	475	508	535	564
Net Property Rates		1 130	1 290	1 392	1 221	1 594	1 594	1 594	1 710	1 840	1 979
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	3 671	278	6 378	5 213	8 606	8 606	8 606	9 251	9 945	10 691
<i>less Revenue Foregone</i>											
Net Service charges - electricity revenue		3 671	278	6 378	5 213	8 606	8 606	8 606	9 251	9 945	10 691
Service charges - water revenue											
Total Service charges - water revenue	6	670	1 006	1 477	1 336	1 238	1 238	1 238	1 328	1 422	1 857
<i>less Revenue Foregone</i>											
Net Service charges - water revenue		670	1 006	1 477	1 336	1 238	1 238	1 238	1 328	1 422	1 857
Service charges - sanitation revenue											
Total Service charges - sanitation revenue	6	453	1 231	1 751	1 626	1 511	1 511	1 511	1 619	1 734	1 857
<i>less Revenue Foregone</i>											
Net Service charges - sanitation revenue		453	1 231	1 751	1 626	1 511	1 511	1 511	1 619	1 734	1 857
Service charges - refuse revenue											
Total refuse removal revenue	6	582	1 053	1 418	1 293	1 281	1 281	1 281	1 373	1 470	1 575
Total landfill revenue											
<i>less Revenue Foregone</i>											
Net Service charges - refuse revenue		582	1 053	1 418	1 293	1 281	1 281	1 281	1 373	1 470	1 575
Other Revenue by source											
<i>Other revenue</i>	6	375	4 064	972	6 156	10 116	10 116	10 116	554	594	636
Total 'Other' Revenue	3	375	4 064	972	6 156	10 116	10 116	10 116	554	594	636
March 2013											
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	11 328	8 388	17 490	15 467	14 647	14 647	14 647	15 005	15 966	16 987
Pension and UIF Contributions			1 130		1 921	1 419	1 419	1 419	1 172	1 247	1 327
Total								79			

Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

EC103 Ikwezi - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	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]	Total
R thousand																	
Revenue By Source																	
Property rates	1	1 710															1 710
Property rates - penalties & collection charges		200															200
Service charges - electricity revenue														9 251			9 251
Service charges - water revenue													1 328				1 328
Service charges - sanitation revenue												1 619					1 619
Service charges - refuse revenue										1 373							1 373
Service charges - other																	-
Rental of facilities and equipment		4															4
Interest earned - external investments		46															46
Interest earned - outstanding debtors		650															650
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services		123															123
Other revenue		50	50	50	50	50	50	50		50		50	50				554
Transfers recognised - operational		31 767															31 767
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		34 550	50	50	50	50	50	50	-	1 423	-	1 670	1 378	9 301	-	-	48 625
Expenditure By Type																	
Employee related costs		1 938	4 850	2 334	2 610	606	782	76		1 872	1 239		1 324	1 607			19 237
Remuneration of councillors		1 452															1 452
Debt impairment		161								204		160	121				645
Depreciation & asset impairment		76	92	190	28		42	42		42	59	448	139	72			1 231
Finance charges		15								52		27					94
Bulk purchases														6 409			6 409
Other materials																	-
Contracted services		405	1 893	390	6		1						6				2 700
Transfers and grants																	-
Other expenditure		2 230	987	856	193	71	25	1		644	240	1 250	769	456			7 721
Loss on disposal of PPE																	-
Total Expenditure		6 276	7 821	3 770	2 836	677	850	120	-	2 814	1 538	1 884	2 359	8 543	-	-	39 489
Surplus/(Deficit)		28 274	(7 771)	(3 719)	(2 786)	(627)	(800)	(69)	-	(1 391)	(1 538)	(214)	(981)	758	-	-	9 136
Transfers recognised - capital											8 002						8 002
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		28 274	(7 771)	(3 719)	(2 786)	(627)	(800)	(69)	-	(1 391)	6 464	(214)	(981)	758	-	-	17 138

References

1. Departmental columns to be based on municipal organisation structure check balance

-8 508 373

Table SA3 – Supporting detail to Statement of Financial Position

EC103 Ikwezi - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits < 90 days		181	311	41	333	333	333	333	43	46	49
Other current investments > 90 days											
Total Call investment deposits	2	181	311	41	333	333	333	333	43	46	49
<u>Consumer debtors</u>											
Consumer debtors		9 325	11 061	3 941	11 835	11 835	11 835	11 835	4 162	4 408	4 668
Less: Provision for debt impairment		(6 939)	(9 569)		(10 239)	(10 239)	(10 239)	(10 239)			
Total Consumer debtors	2	2 386	1 492	3 941	1 596	1 596	1 596	1 596	4 162	4 408	4 668
<u>Debt impairment provision</u>											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		106 066	65 306	74 271	69 877	69 877	69 877	69 877	78 430	83 058	87 958
Leases recognised as PPE	3	1 661	1 309		1 401	1 401	1 401	1 401			
Less: Accumulated depreciation			2 214		2 369	2 369	2 369	2 369			
Total Property, plant and equipment (PPE)	2	107 727	64 401	74 271	68 909	68 909	68 909	68 909	78 430	83 058	87 958
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)			203	222	217	217	217	217			
Current portion of long-term liabilities		270	589		630	630	630	630	235	248	263
Total Current liabilities - Borrowing		270	792	222	848	848	848	848	235	248	263
<u>Trade and other payables</u>											
Trade and other creditors		5 689	10 477	11 647	11 210	11 210	11 210	11 210	12 299	13 025	13 793
Unspent conditional transfers		(1 738)	3 556		3 805	3 805	3 805	3 805			
VAT											
Total Trade and other payables	2	3 951	14 033	11 647	15 015	15 015	15 015	15 015	12 299	13 025	13 793
<u>Non current liabilities - Borrowing</u>											
Borrowing	4										
Finance leases (including PPP asset element)		912	589	364	630	630	630	630	385	407	432
Total Non current liabilities - Borrowing		912	589	364	630	630	630	630	385	407	432
<u>Provisions - non-current</u>											
Retirement benefits											
March 2013											
List other major provision items											
Refuse landfill site rehabilitation		9 036	8 385		8 972	8 972	8 972	8 972			
Other			958	1 022	1 025	1 025	1 025	1 025	1 080	1 143	1 211
Total Provisions - non-current		9 036	9 343	1 022	9 997	9 997	9 997	9 997	1 080	1 143	1 211

Table SA9 – Social, economic and demographic statistics and assumptions

EC103 Ikwezi - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population												
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
Monthly household income (no. of households)	1, 12											
No income												
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												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
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)												
Housing statistics												
Formal	3											
Informal												
Total number of households												
Dwellings provided by municipality	4											
Dwellings provided by province/s	5											
Dwellings provided by private sector												
Total new housing dwellings												
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

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 11 April 2014