

ANNUAL BUDGET NXUBA MUNICIPALITY



2015/16 TO 2017/18

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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PART 1 ANNUAL BUDGET

1.1 SPEAKER/MAYOR`S REPORT

The Nxuba Municipality presents its annual budget that is aligned to the reviewed integrated development Plan (IDP) for the 2015/16 financial year. The annual budget fundamentally cannot deviate from the priorities as set out in the IDP as the IDP is the municipality's key strategic planning tool and as such the Budget takes its tune from this strategic document.

The successful implementation of the Budget, as well as the provision of sustainable and integrated communities, can be achieved only through a partnership between the Municipality and the other spheres of government to create a single window of co-ordination, as reflected in Outcome9. This should be complemented by partnerships with local communities and civil societies at large where each stakeholder takes up its responsibility and honors its civil responsibilities with its community.

The municipality will be implementing the Back to Basics approach and focusing on delivering of services to the community in an efficient and effective manner considering the current scarce financial resources. The municipality will endeavor to create a platform for local economic development that will create opportunities so that ordinary citizens, as a result of job creation through the various programmes such as the EPWP; can take responsibility for their lives and break free from the cycle of poverty; promote good financial planning and control, free of any form of corruption; ensure the spending of municipal funds in a responsible and transparent manner; and promote the establishment of a productive workforce with a high work ethic and a high standard of customer care.

A multiyear capital budget approach has been adopted in the current financial year that will continue in the 2015/16 MTREF period to ensure that a number of projects within the various wards are achieved. These projects are as follows:

- Wanderers Sport Field
- Nonzwakazi Polar Park sports fields
- Multipurpose Centre in Goodwin Park
- Installation of electrical infrastructure
- Re-surfacing of roads in Bedford
- Re-surfacing of roads in Adelaide
- Re-gravelling of roads in red and bezville township

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HONOURABLE SPEAKER/MAYOR

Councilor Louisa Leonora “Dolly” Bruintjies

1.2 COUNCIL RESOLUTIONS

On 25 May 2015 the Council of Nxuba Local Municipality met in the Council Chambers of Nxuba Local Municipality to consider the annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. The Council of Nxuba Local Municipality , acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in A2 page 8 ;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in A3 on page 9 ;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in A4 on page 10 ; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in A5 on page 11
 - 1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.1.1 Budgeted Financial Position as contained in A6 on page 12;
 - 1.1.2 Budgeted Cash Flows as contained in A7 on page 13 ;
 - 1.1.3 Cash backed reserves and accumulated surplus reconciliation as contained in A8 on page 14
 - 1.1.4 Asset management as contained in A9 on page 15
 - 1.1.5 Basic service delivery measurement as contained in A10 on page 16
- 2 The Nxuba Local Municipality , acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:
 - 2.1 the tariffs for property rates – as set out in Annexure A
 - 2.2 the tariffs for electricity and solid waste– as set out in Annexure A

1.3 EXECUTIVE SUMMARY

The preparation of 2015/16 annual budget has been challenging as drastic actions had to be implemented to achieve a surplus budget as required by National Treasury. The initial draft budget and the previous year budget had a deficit due to the non-cash items, i.e. depreciation and provision for bad debts. This recurring deficit budget situation has been turned around in the 2015/16 budget to a surplus budget.

The municipality has been experiencing financial challenges over the medium term and as a consequence it has been unable to pay its largest creditor Eskom and this led to the withholding of the municipalities equitable share allocation by National Treasury. It is upon this background that the expenditure budget of the municipality had to be restricted to accommodate for the payment plan entered into with Eskom in an attempt to address the ever increasing electricity arrear debt.

The payment plan for Eskom in the 2015/16 financial year amounts to R16.5 million and the municipal budget has a surplus of R9 million ;this amount falls short but will be reviewed in the midterm budget review. In order to achieve a surplus budget, expenditure had to be reduced; the non-cash items (depreciation and provision for bad debts) which caused the initial deficit budget position have been reduced from R17 million to R3.5 million. In the 2014/15 financial year the municipality will write off some debts and revise the provision for bad debts and depreciation in the midterm. In projecting expenditure; the budget on nice to have items has been eliminated and more priority has been given to basic service delivery expenditure items.

The following are challenges faced in the preparation of 2015/16 budget:

- Turning around the budget from a deficit position to a surplus position;
- Limited capital funding to finance capital projects; projects that could be finished in one year had to spread over two financial years instead.
- Inability to fund proposed repairs and maintenance budget

The summary of the budgeted financial performance is tabled below

EC128 Nxuba - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Revenue (excluding capital transfers and contributions)		48,386	57,332	64,853	62,623	67,125	67,125	67,125	84,850	86,742	88,516
Total Expenditure		68,767	66,608	89,718	83,236	84,547	84,547	84,547	75,448	78,781	82,381
Surplus/(Deficit)		(20,382)	(9,075)	(24,864)	(20,614)	(17,423)	(17,423)	(17,423)	9,402	7,961	6,136
Transfers recognised - capital		7,010	10,184	10,853	9,451	9,734	9,734	9,734	9,560	9,757	10,052
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(13,372)	1,108	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188

Revenue

The total budgeted revenue amounts to R94.4 million funded by own revenue and government grants. Grants constitute 48% and own income 52% of the revenue budget. In projecting revenue, service charges and rates are based on accrual basis and other revenue items are on a cash basis based on current year collection trends. Upon comparison of the 2014/15 and 2015/16 revenue budget, grants have increased from R37.6 million to R45.3 million; an increase of R7.7 million. Own revenue have increased from R 37.6 million to R49 million; increase amounts to R11.4 million.

This increase is due to revenue projected from Drivers license testing station in which the municipality predicts that in the 1st year it opens revenue will increase drastically. Revenue enhancement strategy and electrical turnaround plan are in place to improve revenue generation. The municipality has in the current financial year started with the plan to turnaround the status quo regarding electrical revenue. This is an area which could generate revenue for the municipality but due to high distribution losses, lack of resources and old infrusture, the municipality has been operating at a loss. Tariffs such as rates, refuse removal and rentals have been increased by inflation rate of 4.8% and electrical tariff by 12.2%

The table below is a summary of grants and transfers for the 2015/16 MTREF.

	2015/16
EQUITABLE SHARE	-26,561,000.00
MIG	-9,560,000.00
FMG	-1,800,000.00
MSIG	-930,000.00
DSRAC	-522,000.00
INEG	-5,000,000.00
EPWP	-1,000,000.00
	-45,373,000.00

Expenditure

The total budgeted expenditure amounts to R85 million. Operating budget amounts to R 75.4 million and capital budget amounts to R 9.6 million. Personnel cost budget amounts to R 27.8 million including remuneration of councilors. In order to achieve the surplus the municipality had to remove all vacant positions from its budget .The personnel cost budget has decreased by R1.2 million from 2014/15 to 2015/16 financial year.

Expenditure on nice to have items (catering) have been eliminated and focus has been given to items such as land transfers, sport and Local economic development. The budgeted general expenses amount to R21.2 million. The municipality is aware of items such as repair and maintenance norms and training budget which should be 1% of operating budget but due to limited financial resources; it is unable to accommodate such figures in the budget. The budgeted repairs and maintenance amounts to R1 million. Capital expenditure budget amounts to R9.6 million;R8.9 million will be towards renewal and purchasing of new assets.

ANNUAL BUDGET TABLES-BUDGET SUMMARY

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

EC128 Nxuba - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	2,823	3,094	3,215	3,303	3,936	3,936	3,936	4,190	4,438	4,686
Service charges	17,935	18,912	21,489	21,052	28,388	28,388	28,388	34,610	36,652	38,704
Investment revenue	84	2,708	2,513	150	105	105	105	75	79	83
Transfers recognised - operational	21,702	24,792	27,236	28,157	28,157	28,157	28,157	35,813	34,813	33,678
Other own revenue	5,841	8,027	10,401	9,961	6,538	6,538	6,538	10,161	10,761	11,364
Total Revenue (excluding capital transfers and contributions)	48,386	57,532	64,853	62,623	67,125	67,125	67,125	84,850	86,742	88,516
Employee costs	16,319	20,842	21,655	26,830	25,173	25,173	25,173	25,425	26,965	28,433
Remuneration of councillors	1,868	2,032	2,106	2,180	2,180	2,180	2,180	2,474	2,620	2,767
Depreciation & asset impairment	8,452	8,366	-	8,366	8,366	8,366	8,366	3,000	3,177	3,355
Finance charges	-	337	421	-	-	-	-	-	-	-
Materials and bulk purchases	17,506	19,732	23,445	21,445	20,371	20,371	20,371	22,208	23,518	24,835
Transfers and grants	-	3,018	4,227	-	-	-	-	-	-	-
Other expenditure	24,622	12,281	37,864	24,416	28,457	28,457	28,457	22,340	22,501	22,991
Total Expenditure	68,767	66,608	89,718	83,236	84,547	84,547	84,547	75,448	78,781	82,381
Surplus/(Deficit)	(20,382)	(9,075)	(24,864)	(20,614)	(17,423)	(17,423)	(17,423)	9,402	7,961	6,136
Transfers recognised - capital	7,010	10,184	10,853	9,451	9,734	9,734	9,734	9,560	9,757	10,052
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(13,372)	1,108	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(13,372)	1,108	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188
Capital expenditure & funds sources										
Capital expenditure	1,519	10,184	10,728	9,144	9,417	9,417	9,417	9,624	9,182	9,445
Transfers recognised - capital	1,519	10,184	10,728	9,144	9,417	9,417	9,417	9,224	9,182	9,445
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	400	-	-
Total sources of capital funds	1,519	10,184	10,728	9,144	9,417	9,417	9,417	9,624	9,182	9,445
Financial position										
Total current assets	15,575	19,165	16,180	31,586	31,586	31,586	31,586	31,947	33,832	35,726
Total non current assets	222,720	223,544	225,638	249,773	249,773	249,773	249,773	264,692	280,309	296,006
Total current liabilities	25,590	32,295	45,905	28,698	28,698	28,698	28,698	30,076	31,850	33,634
Total non current liabilities	-	3,936	11,860	-	-	-	-	-	-	-
Community wealth/Equity	212,705	206,478	184,052	252,661	252,661	252,661	252,661	266,563	282,291	298,099
Cash flows										
Net cash from (used) operating	(11,853)	1,108	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188
Net cash from (used) investing	-	-	(10,728)	(9,144)	(9,134)	(9,134)	(9,134)	(9,624)	(9,182)	(9,445)
Net cash from (used) financing	(1,519)	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(13,372)	1,108	(22,854)	(20,278)	(16,822)	(16,822)	(16,822)	9,338	17,874	24,616
Cash backing/surplus reconciliation										
Cash and investments available	2,668	663	1,886	3,010	3,010	3,010	3,010	1,999	2,117	2,235
Application of cash and investments	11,503	9,081	32,088	54	54	54	54	56	59	63
Balance - surplus (shortfall)	(8,835)	(8,418)	(30,202)	2,956	2,956	2,956	2,956	1,943	2,057	2,173
Asset management										
Asset register summary (WDV)	239,932	277,125	29,787	78,646	78,646	78,646	219,987	219,987	232,966	246,012
Depreciation & asset impairment	8,452	8,366	-	8,366	8,366	8,366	3,000	3,000	3,177	3,355
Renewal of Existing Assets	-	-	-	3,250	3,250	3,250	3,250	6,016	7,593	9,414
Repairs and Maintenance	551	303	1,207	1,520	1,011	1,011	1,043	1,043	1,083	1,144
Free services										
Cost of Free Basic Services provided	1,326	2,414	-	3,059	3,059	3,059	3,206	3,206	3,395	3,585
Revenue cost of free services provided	2,968	5,097	-	6,294	6,294	6,294	6,597	6,597	6,986	7,377
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

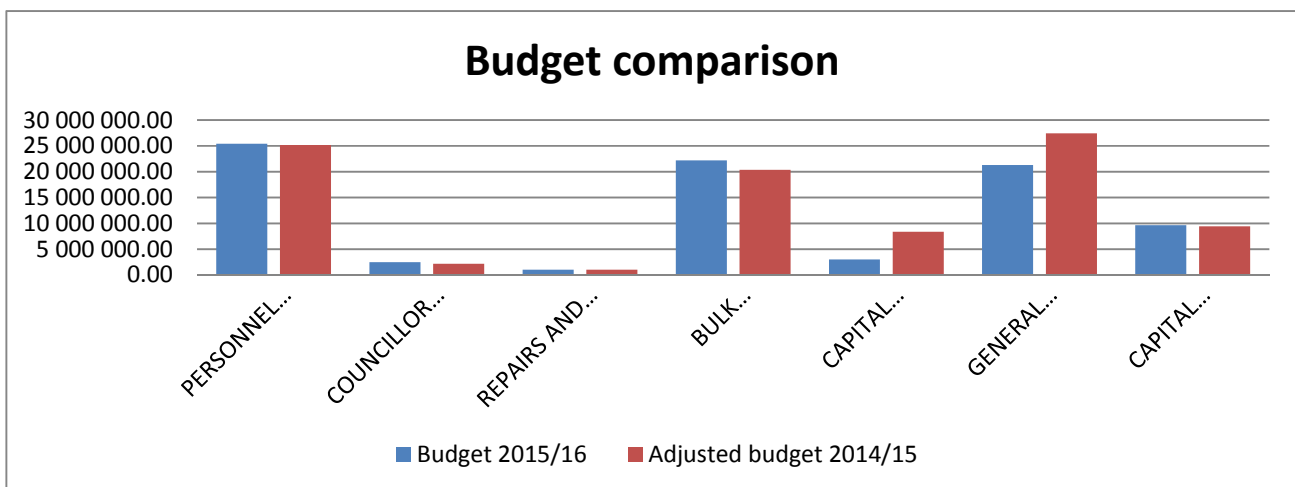
A2 CONSOLIDATED BUDGETED FINANCIAL PERFORMANCE

EC128 Nxuba - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
<i>Governance and administration</i>		21,178	21,608	31,165	25,981	24,926	24,926	25,183	25,847	25,735
Executive and council		1,792	3,472	6,469	6,883	6,883	6,883	6,948	7,349	6,415
Budget and treasury office		19,273	11,779	16,900	12,131	11,048	11,048	11,212	11,323	12,135
Corporate services		113	6,357	7,796	6,967	6,995	6,995	7,023	7,175	7,184
<i>Community and public safety</i>		2,494	7,147	5,839	9,229	7,378	7,378	10,025	10,851	10,760
Community and social services		493	3,212	2,976	3,166	3,271	3,271	2,044	2,133	1,568
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1,851	2,199	2,640	5,816	3,860	3,860	7,981	8,452	8,926
Housing		150	1,736	223	248	248	248	-	266	266
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8,691	14,690	14,457	13,455	13,784	13,784	14,438	12,769	12,969
Planning and development		1,681	3,516	2,149	2,416	2,462	2,462	2,481	2,481	2,386
Road transport		7,010	11,174	12,309	11,039	11,322	11,322	11,956	10,288	10,583
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		23,032	24,272	24,245	23,409	30,770	30,770	44,764	47,034	48,934
Electricity		16,103	18,573	19,019	17,833	24,990	24,990	37,324	39,166	40,635
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		6,929	5,698	5,226	5,576	5,780	5,780	7,440	7,867	8,299
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	55,395	67,716	75,706	72,074	76,859	76,859	94,410	96,500	98,397
Expenditure - Standard										
<i>Governance and administration</i>		28,666	15,583	33,297	31,927	32,917	32,917	22,665	23,872	25,073
Executive and council		3,537	3,618	7,802	6,407	6,263	6,263	6,722	7,119	7,387
Budget and treasury office		24,219	3,665	17,992	17,861	19,125	19,125	9,713	10,177	10,742
Corporate services		910	8,300	7,503	7,659	7,529	7,529	6,230	6,576	6,944
<i>Community and public safety</i>		3,733	8,948	6,676	7,287	7,767	7,767	6,861	7,308	7,673
Community and social services		2,369	4,638	2,509	3,471	3,106	3,106	3,125	3,351	3,494
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		995	1,513	4,167	3,568	4,640	4,640	3,736	3,957	4,178
Housing		369	2,796	-	247	21	21	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		15,282	16,754	23,131	17,897	16,967	16,967	12,293	11,959	12,629
Planning and development		1,323	5,592	9,116	2,300	1,878	1,878	2,093	2,216	2,341
Road transport		13,959	11,162	14,015	15,597	15,089	15,089	10,200	9,743	10,288
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		21,087	25,324	26,613	26,126	26,897	26,897	33,629	35,642	37,007
Electricity		19,342	22,528	25,351	23,958	22,130	22,130	28,513	30,224	31,295
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,745	2,796	1,263	2,168	4,766	4,766	5,116	5,418	5,712
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	68,768	66,608	89,718	83,236	84,547	84,547	75,448	78,781	82,382
Surplus/(Deficit) for the year		(13,373)	1,109	(14,012)	(11,162)	(7,688)	(7,688)	18,962	17,719	16,016

A3 BUDGETED FINANCIAL PERFORMANCE (revenue and expenditure by municipal vote)

EC128 Nxuba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		1,792	3,472	6,469	6,883	6,883	6,883	6,948	7,349	6,415
Vote 2 - BUDGET AND TREASURY		19,273	11,779	16,900	12,131	11,048	11,048	11,212	11,323	12,135
Vote 3 - CORPORATE SERVICES		113	6,357	9,028	8,395	8,490	8,490	8,420	8,570	8,483
Vote 4 - COMMUNITY SERVICES		9,273	11,109	10,841	14,558	12,910	12,910	17,465	18,453	18,793
Vote 5 - TECHNICAL SERVICES		24,944	34,999	32,467	30,107	37,528	37,528	50,365	50,806	52,571
Total Revenue by Vote	2	55,395	67,716	75,706	72,074	76,859	76,859	94,410	96,500	98,397
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		3,537	3,618	7,802	6,407	6,263	6,263	6,722	7,119	7,387
Vote 2 - BUDGET AND TREASURY		24,219	3,665	17,992	17,861	19,125	19,125	9,713	10,177	10,742
Vote 3 - CORPORATE SERVICES		910	8,300	10,300	8,817	8,668	8,668	7,260	7,667	8,096
Vote 4 - COMMUNITY SERVICES		5,109	8,948	7,939	9,207	12,512	12,512	11,977	12,726	13,385
Vote 5 - TECHNICAL SERVICES		34,993	42,078	45,685	40,944	37,979	37,979	39,776	41,092	42,772
Total Expenditure by Vote	2	68,768	66,608	89,718	83,236	84,547	84,547	75,448	78,781	82,382
Surplus/(Deficit) for the year	2	(13,373)	1,109	(14,012)	(11,162)	(7,688)	(7,688)	18,962	17,719	16,016

The total budgeted revenue amounts to R94.4 million and operating expenditure amounts to R75.4 million. The surplus for the year of R18, 9 million in the above table is due to capital expenditure of R9.6 and surplus of R 9.3 million. The graph below provides a comparison of the adjusted budget 2014/15 and annual budget 2015/16.



A4 BUDGETED FINANCIAL PERFORMANCE (revenue and expenditure)

EC128 Nxuba - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	2,823	3,094	3,215	3,303	3,936	3,936	3,936	4,190	4,438	4,686
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	14,010	14,950	17,155	16,457	23,588	23,588	23,588	30,050	31,823	33,605
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	3,925	3,962	4,334	4,596	4,800	4,800	4,800	4,560	4,829	5,099
Service charges - other											
Rental of facilities and equipment		113	117	153	112	141	141	141	153	162	171
Interest earned - external investments		84	2,708	2,513	150	105	105	105	75	79	83
Interest earned - outstanding debtors		2,043	-								
Dividends received											
Fines		115	29	224	39	39	39	39	50	53	56
Licences and permits		1,733	1,953	2,158	5,550	2,593	2,593	2,593	6,500	6,884	7,269
Agency services			210	250	114	334	334	334	335	355	375
Transfers recognised - operational		21,702	24,792	27,236	28,157	28,157	28,157	28,157	35,813	34,813	33,678
Other revenue	2	1,836	5,718	7,617	4,146	3,432	3,432	3,432	3,123	3,307	3,493
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		48,386	57,532	64,853	62,623	67,125	67,125	67,125	84,850	86,742	88,516
Expenditure By Type											
Employee related costs	2	16,319	20,842	21,655	26,830	25,173	25,173	25,173	25,425	26,965	28,433
Remuneration of councillors		1,868	2,032	2,106	2,180	2,180	2,180	2,180	2,474	2,620	2,767
Debt impairment	3		88	-	8,740	8,740	8,740	8,740	500	530	559
Depreciation & asset impairment	2	8,452	8,366	-	8,366	8,366	8,366	8,366	3,000	3,177	3,355
Finance charges			337	421							
Bulk purchases	2	17,506	19,732	23,445	21,445	20,371	20,371	20,371	22,208	23,518	24,835
Other materials	8										
Contracted services		-	444	5,823	-	-	-	-	-	-	-
Transfers and grants		-	3,018	4,227	-	-	-	-	-	-	-
Other expenditure	4, 5	24,622	11,749	32,041	15,677	19,717	19,717	19,717	21,840	21,972	22,431
Loss on disposal of PPE											
Total Expenditure		68,767	66,608	89,718	83,236	84,547	84,547	84,547	75,448	78,781	82,381
Surplus/(Deficit)		(20,382)	(9,075)	(24,864)	(20,614)	(17,423)	(17,423)	(17,423)	9,402	7,961	6,136
Transfers recognised - capital		7,010	10,184	10,853	9,451	9,734	9,734	9,734	9,560	9,757	10,052
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(13,372)	1,108	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188
Taxation											
Surplus/(Deficit) after taxation		(13,372)	1,108	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188
Attributable to minorities		(13,372)	1,108	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188
Surplus/(Deficit) attributable to municipality		(13,372)	1,108	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(13,372)	1,108	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188

A5 BUDGETED CAPITAL EXPENDITURE BY VOTE

EC128 Nxuba - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	89	89	89	89	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	70	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	150	140	140	140	160	30	32
Vote 4 - COMMUNITY SERVICES		-	-	-	15	15	15	15	4,992	1,559	-
Vote 5 - TECHNICAL SERVICES		1,519	10,184	10,728	8,890	8,033	8,033	8,033	4,402	7,593	9,414
Capital single-year expenditure sub-total		1,519	10,184	10,728	9,144	8,277	8,277	8,277	9,624	9,182	9,445
Total Capital Expenditure - Vote		1,519	10,184	10,728	9,144	8,277	8,277	8,277	9,624	9,182	9,445
Capital Expenditure - Standard											
<i>Governance and administration</i>		-	-	-	199	189	189	189	230	30	32
Executive and council					89	89	89	89	-	-	-
Budget and treasury office									70	-	-
Corporate services					110	100	100	100	160	30	32
<i>Community and public safety</i>		-	-	-	-	-	-	-	4,992	1,559	-
Community and social services									-	-	-
Sport and recreation									4,592	1,559	-
Public safety									400	-	-
Housing											
Health											
<i>Economic and environmental services</i>		1,519	10,184	10,728	7,790	8,073	8,073	8,073	4,402	7,593	9,414
Planning and development					40	40	40	40	-	-	-
Road transport		1,519	10,184	10,728	7,750	8,033	8,033	8,033	4,402	7,593	9,414
Environmental protection											
<i>Trading services</i>		-	-	-	1,155	1,155	1,155	1,155	-	-	-
Electricity					1,140	1,140	1,140	1,140	-	-	-
Water											
Waste water management											
Waste management					15	15	15	15	-	-	-
<i>Other</i>											
Total Capital Expenditure - Standard	3	1,519	10,184	10,728	9,144	9,417	9,417	9,417	9,624	9,182	9,445
Funded by:											
National Government		1,519	10,184	10,728	9,144	9,417	9,417	9,417	9,224	9,182	9,445
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	1,519	10,184	10,728	9,144	9,417	9,417	9,417	9,224	9,182	9,445
Public contributions & donations	5										
Borrowing	6										
Internally generated funds									400	-	-
Total Capital Funding	7	1,519	10,184	10,728	9,144	9,417	9,417	9,417	9,624	9,182	9,445

A6 BUDGETED FINANCIAL POSITION

EC128 Nxuba - Table A6 Budgeted Financial Position											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		983	663	1,886	1,103	1,103	1,103	1,103	-	-	-
Call investment deposits	1	1,685	-	-	1,907	1,907	1,907	1,907	1,999	2,117	2,235
Consumer debtors	1	8,978	13,178	8,945	14,120	14,120	14,120	14,120	14,798	15,671	16,548
Other debtors		3,613	4,718	3,031	14,120	14,120	14,120	14,120	14,798	15,671	16,549
Current portion of long-term receivables		16		1,013					-	-	-
Inventory	2	300	606	1,304	336	336	336	336	352	373	394
Total current assets		15,575	19,165	16,180	31,586	31,586	31,586	31,586	31,947	33,832	35,726
Non current assets											
Long-term receivables											
Investments											
Investment property		19,332	20,308	19,050	21,680	21,680	21,680	21,680	19,056	20,181	21,311
Investment in Associate											
Property, plant and equipment	3	203,355	203,192	206,508	228,056	228,056	228,056	228,056	245,627	260,119	274,685
Agricultural											
Biological											
Intangible		33	1	9	37	37	37	37	9	10	10
Other non-current assets			44	70							
Total non current assets		222,720	223,544	225,638	249,773	249,773	249,773	249,773	264,692	280,309	296,006
TOTAL ASSETS		238,295	242,710	241,817	281,359	281,359	281,359	281,359	296,639	314,141	331,733
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	592	-	-	-	-	-	-	-
Consumer deposits		361	375	392	404	404	404	404	424	449	474
Trade and other payables	4	23,127	26,989	44,921	28,294	28,294	28,294	28,294	29,652	31,401	33,160
Provisions		2,102	4,931								
Total current liabilities		25,590	32,295	45,905	28,698	28,698	28,698	28,698	30,076	31,850	33,634
Non current liabilities											
Borrowing		-	-	6,456	-	-	-	-	-	-	-
Provisions		-	3,936	5,404	-	-	-	-	-	-	-
Total non current liabilities		-	3,936	11,860	-	-	-	-	-	-	-
TOTAL LIABILITIES		25,590	36,231	57,765	28,698	28,698	28,698	28,698	30,076	31,850	33,634
NET ASSETS	5	212,705	206,478	184,052	252,661	252,661	252,661	252,661	266,563	282,291	298,099
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		212,705	206,478	184,052	252,661	252,661	252,661	252,661	266,563	282,291	298,099
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	212,705	206,478	184,052	252,661	252,661	252,661	252,661	266,563	282,291	298,099

A7 BUDGETED CASH FLOWS

EC128 Nxuba - Table A7 Budgeted Cash Flows											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		2,823	3,094	3,215	3,303	3,936	3,936	3,936	4,190	4,438	4,686
Service charges		17,935	18,912	21,489	21,052	28,388	28,388	28,388	34,610	36,652	38,704
Other revenue		3,799	8,027	12,914	9,961	6,538	6,538	6,538	10,161	10,761	11,364
Government - operating	1	21,702	24,792	27,236	28,157	28,157	28,157	28,157	35,813	34,813	33,678
Government - capital	1	7,010	10,184	10,853	9,451	9,734	9,734	9,734	9,560	9,757	10,052
Interest		2,127	2,700		150	105	105	105	75	79	83
Dividends									-	-	-
Payments											
Suppliers and employees		(67,249)	(63,590)	(89,297)	(83,237)	(84,547)	(84,547)	(84,547)	(75,448)	(78,781)	(82,381)
Finance charges		-		(421)					-	-	-
Transfers and Grants	1		(3,010)						-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(11,853)	1,100	(14,012)	(11,163)	(7,688)	(7,688)	(7,688)	18,962	17,718	16,188
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				(10,728)	(9,144)	(9,134)	(9,134)	(9,134)	(9,624)	(9,182)	(9,445)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(10,728)	(9,144)	(9,134)	(9,134)	(9,134)	(9,624)	(9,182)	(9,445)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(1,519)							-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,519)	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(13,372)	1,100	(24,739)	(20,307)	(16,822)	(16,822)	(16,822)	9,338	8,536	6,742
Cash/cash equivalents at the year begin:	2			1,886	29				-	9,338	17,874
Cash/cash equivalents at the year end:	2	(13,372)	1,100	(22,854)	(20,278)	(16,822)	(16,822)	(16,822)	9,338	17,874	24,616

The budget for the 2015/16 MTREF has a surplus of R9.3 million; this surplus will fund the ESKOM payment arrangement in the 2015/16 financial year. The budgeted revenue amounts to R94.4 million, operating and capital expenditure amount to R85 million. Due to the cash flow predicament the municipality is facing; it is unable to predict the cash and cash equivalents at the beginning of the year. The current trends indicate that probably it will have a negative bank balance given the creditors balances as at May 2015.

A8 CASH BACKED RESERVES

EC128 Nxuba - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	(13,372)	1,108	(22,854)	(20,278)	(16,822)	(16,822)	(16,822)	9,338	17,874	24,616
Other current investments > 90 days		16,040	(445)	24,739	23,288	19,832	19,832	19,832	(7,339)	(15,757)	(22,381)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		2,668	663	1,886	3,010	3,010	3,010	3,010	1,999	2,117	2,235
Application of cash and investments											
Unspent conditional transfers		3,100	3,314	-	-	-	-	-	-	-	-
Unspent borrowing		-	26	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	-	-	-	-	-	-	-
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		3,100	3,341	-	-	-	-	-	-	-	-
Surplus(shortfall)		(432)	(2,678)	1,886	3,010	3,010	3,010	3,010	1,999	2,117	2,235

A9 CONSOLIDATED ASSET MANAGEMENT

EC128 Nxuba - Table A9 Asset Management										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	1,519	182,101	10,728	5,894	6,167	6,167	3,608	1,589	32
Infrastructure - Road transport		-	113,729	-	1,500	1,500	1,500	-	-	-
Infrastructure - Electricity		-	-	-	1,140	1,140	1,140	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	10,728	-	283	283	-	-	-
Infrastructure		-	113,729	10,728	2,640	2,923	2,923	-	-	-
Community		-	-	-	3,000	3,000	3,000	2,973	1,559	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1,519	68,372	-	254	244	244	635	30	32
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	3,250	3,250	3,250	6,016	7,593	9,414
Infrastructure - Road transport		-	-	-	2,500	2,500	2,500	4,397	7,593	9,414
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	2,500	2,500	2,500	4,397	7,593	9,414
Community		-	-	-	750	750	750	1,619	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	113,729	10,728	4,000	4,000	4,000	4,397	7,593	9,414
Infrastructure - Road transport		-	113,729	-	4,000	4,000	4,000	4,397	7,593	9,414
Infrastructure - Electricity		-	-	-	1,140	1,140	1,140	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	10,728	-	283	283	-	-	-
Infrastructure		-	113,729	10,728	5,140	5,423	5,423	4,397	7,593	9,414
Community		-	-	-	3,750	3,750	3,750	4,592	1,559	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		1,519	68,372	-	254	244	244	635	30	32
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - As	2	1,519	182,101	10,728	9,144	9,417	9,417	9,624	9,182	9,445
ASSET REGISTER SUMMARY - PPE (R)										
Infrastructure - Road transport	5	-	113,729	-	-	-	-	130,833	138,552	146,311
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		220,567	53,606	10,728	56,929	56,929	56,929	52,497	55,595	58,708
Infrastructure		220,567	167,335	10,728	56,929	56,929	56,929	183,331	194,147	205,019
Community		-	21,091	-	-	-	-	13,635	14,439	15,248
Heritage assets		-	-	-	-	-	-	70	74	78
Investment properties		19,332	20,308	19,050	21,680	21,680	21,680	19,056	20,181	21,311
Other assets		-	68,390	-	-	-	-	3,886	4,115	4,346
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		33	1	9	37	37	37	9	10	10
TOTAL ASSET REGISTER SUMMARY	5	239,932	277,125	29,787	78,646	78,646	78,646	219,987	232,966	246,012
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		8,452	8,366	-	8,366	8,366	8,366	3,000	3,177	3,355
Repairs and Maintenance by Asset	3	551	303	1,207	1,520	1,011	1,011	1,043	1,083	1,144
Infrastructure - Road transport		90	-	-	500	100	100	368	390	412
Infrastructure - Electricity		83	-	-	750	350	350	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		173	-	-	1,250	450	450	368	390	412
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	378	303	1,207	270	561	561	675	694	732
TOTAL EXPENDITURE OTHER ITEMS		9,003	8,669	1,207	9,886	9,377	9,377	4,043	4,260	4,499
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	35.5%	34.5%	34.5%	62.5%	82.7%	99.7%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	38.8%	38.8%	38.8%	200.5%	239.0%	280.6%
R&M as a % of PPE		0.3%	0.1%	0.6%	0.7%	0.4%	0.4%	0.4%	0.4%	0.4%
Renewal and R&M as a % of PPE		0.0%	0.0%	4.0%	6.0%	5.0%	5.0%	3.0%	4.0%	4.0%

A10 BASIC SERVICE DELIVERY MEASUREMENT

EC128 Nxuba - Table A10 Basic service delivery measurement										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling										
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>		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		525	510		600	600	600	673	713	753
Electricity - prepaid (min.service level)		4,950	4,990		5,250	5,250	5,250	5,891	6,238	6,587
<i>Minimum Service Level and Above sub-total</i>		5,475	5,500	-	5,850	5,850	5,850	6,564	6,951	7,340
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	5,475	5,500	-	5,850	5,850	5,850	6,564	6,951	7,340
Refuse:										
Removed at least once a week		5,475	5,500		5,820	5,820	5,820	6,099	6,459	6,821
<i>Minimum Service Level and Above sub-total</i>		5,475	5,500		5,820	5,820	5,820	6,099	6,459	6,821
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	5,475	5,500	-	5,820	5,820	5,820	6,099	6,459	6,821
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)		1,399	2,286		2,575	2,575	2,575	2,699	2,858	3,018
Refuse (removed at least once a week)		1,399	2,286		2,575	2,575	2,575	2,699	2,858	3,018
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)		487	878		1,174	1,174	1,174	1,230,562	1,303,165	1,376,142
Refuse (removed once a week)		839	1,536		1,885	1,885	1,885	1,975,375	2,091,922	2,209,070
Total cost of FBS provided (minimum social package)		1,326	2,414	-	3,059	3,059	3,059	3,206	3,395	3,585
Highest level of free service provided										
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		10	10	10	10	10	10	10	10	10
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		1,461	2,510		2,966	2,966	2,966	3,108,787	3,292,206	3,476,569
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy		571	974		1,296	1,296	1,296	1,358,372	1,438,516	1,519,072
Refuse		937	1,613		2,032	2,032	2,032	2,129,391	2,255,025	2,381,306
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of free services provided (total social package)		2,968	5,097	-	6,294	6,294	6,294	6,597	6,986	7,377

SUPPORTING TABLES

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Speaker/Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide preparation of the budget. In addition Chapter 2 of the municipal budgeting reporting regulations states that the Speaker/Mayor of the municipality must establish a budget steering committee to provide technical assistance to the Speaker/Mayor in discharging the responsibilities set out in section 53 of the ACT.

The budget steering committee consists of Municipal Manager and senior official's .The primary aim of budget steering committee is to ensure:

- That the processes used to compile the budget complies with legislation and good budget practices,
- That there is proper alignment between the policy and service delivery priorities set out in the IDP and the budget

2.1.1 Budget process review

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

The Speaker/Mayor tabled in council the schedule on the 17 July 2014.The table below details of the plan

IDP PHASES	DELIVERABLE AND PROCESS MANAGEMENT	DATES
Preparation phase	Tabling of the IDP and Budget Process Plan to Council	17 July 2014
	Advertisement of IDP and Budget Process Plan	23 July 2014

	IDP/BUDGET Steering committee meeting	01 August 2014
	IDP/Budget/PMS Rep Forum	12 August 2014
Analysis Phase	Mayoral road show/Outreach	5 August 2014
	IDP/Budget steering committee meeting : Report back from the community	8 August 2014
	IDP/PMS/Budget Rep Forum	12 Aug 2014
	IDP/Budget Steering Committee: Consideration, review and inclusion of any relevant and new information	08 Oct 2014
	Status of the implementation progress: 1 st quarter review	6-9 Oct 2014
	IDP Cluster	15-16 Oct 2014
	IDP/Budget Steering Committee	04 Nov 2014
	IDP/PMS/Budget Representative Forum & IGR Meeting	11 Nov 2014

Strategies Phase	Workshop on the IDP Strategic Phase	18 Nov 2014
	IDP/Budget Steering Committee: Preparation of budget framework to provide parameters and request budget inputs	27 Nov 2014
	IDP Cluster	1-2 December 2014
	IDP/Budget Steering Committee: Status of the implementation progress: 2 nd quarter review and progress report on the preparation of the Strat Planning .	14 -15 Jan 2015
	Strategic Planning Session: Refining municipal Strategies, Objectives, KPA's, KPI's and targets so as to influence the budget	29-31 Jan2015
	IDP/Budget Steering Committee: Confirm contents of the IDP	05 Jan 2015
	IDP/PMS/Budget Representative Forum & IGR	18 Feb 2015
	Project Prioritization	27 Feb 2015
	Tabling of the Draft IDP and Budget	11 Mach 2015
	Submit to MEC :DLGTA	13 March 2015

	Advertise for public to comment on the Draft IDP/Budget	13 March 2015
Integration/Approval Phase	Status of the implementation progress: 3 rd quarter review	7-9 April 2015
	IDP/Budget Steering Committee: Drafting of Service Delivery and Budget Implementation Plan(SDBIP),preparations for IDP /Budget Public Hearings: consider	22 April 2015
	IDP /Budget Public Hearings	28-29 April 2015
	IDP/Budget Steering Committee: Consider inputs preparing for final adoption of IDP/Budget	30 April 2015
	IDP/PMS/Budget Representative Forum: Present IDP /Budget	19 May 2015
	Tabling of the Final Draft IDP and Budget and Draft SDBIP	21 May 2015
	Advertise the adopted documents :IDP, Budget & SDBIP	22 May 2015
	Status of the implementation progress: 4 th quarter review	7-9 July 2015

The process plan contains 4 IDP/Budget representative forum meetings and 9 steering committee dates. All the representative forum meetings were held and 33% of the steering committee meetings took place.

2.2 OVERVIEW OF THE ALIGNMENT OF ANNUAL BUDGET AND IDP

A municipal IDP provides a 5 year strategic programme of action plan aimed at setting short, medium and long term strategies and budget priorities to create a development platform. The plan aligns the resources and the capacity of the municipality to its overall development aims and guides the municipal budget.

Action plan

Each phase of the IDP and Budget process will be initiated by a Steering Committee meeting, followed by IDP Cluster then to a Representative meeting. This will allow both Nxuba Local Municipality internally, as well as Local Stakeholders to give clear direction to activities required in the phase. Representative Forum meetings will be held quarterly and these will be scheduled to facilitate community participation and relevant input to the IDP and budget development process.

Each phase of the budget process will entail submission and approval by the IDP/Budget Steering committee before submission and approval by Council. When the operational plans over the MTREF are complete, as well as the reviews and development of budget related policies, the financial plans should be compiled. These financial plans are costs of implementing the IDP. Included in the financial plan should be three-year projections of capital and operating expenditure. The medium term financial planning approach will ensure that all strategies developed as part of the IDP are integrated into the funding basket. The following tables provide a reconciliation of the IDP strategic objectives and operating revenue ,expenditure and capital expenditure.

Table SA 4 Reconciliation of IDP objectives and own revenue

EC128 Nxuba - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)						
Strategic Objective	Current Year 2014/15			2015/16 Medium Term Revenue &		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand						
To improve own revenue collection by 25% to 70% by 2017	37,668	38,967	38,967	49,037	51,930	54,838
Allocations to other priorities						
Total Revenue (excluding capital transfers and contributions)	37,668	38,967	38,967	49,037	51,930	54,838

Table SA 5 Reconciliation of IDP objectives and operating expenditure

EC128 Nxuba - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)						
Strategic Objective	Current Year 2014/15			2015/16 Medium Term Revenue &		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand						
To strengthen Organizational capacity building of the municipality by 2017	150	200	200	90	95	101
By facilitating the sustainability of jobs created through CWP, EPWP and LED projects	10	5	5	1,000	-	-
Marketing of Nxuba as a Tourist destination of choice	40	20	20	10	11	11
To support SMME and Corporative development	30	30	30	32	33	35
To ensure mainstreaming of vulnerable groups into municipal programmes	100	100	100	104	119	134
To ensure that all stakeholders participate in the affairs of the municipality	10	10	10	18	19	20
To improve waste management	-	-	-	200	22	224
To provide and maintain adequate access to electricity for all in the municipality area	-	-	-	5,000	5,324	5,000
To ensure development of credible IDP	60	30	30	25	26	28
To maintain sustainable roads and stormwater services to all our communities	500	100	100	368	390	412
To ensure that sports council are functional for the improvement of social cohesion	-	-	-	150	150	150
To have a fully, properly maintained and functional fleet service	150	451	451	300	318	335
To ensure effective coordination of integrated planning, implementation and monitoring service delivery by 2017	16	11	11	18	19	20
Allocations to other priorities						
Total Expenditure	1,066	957	957	7,315	6,526	6,470

Table SA 6 Reconciliation of IDP objectives and capital expenditure

EC128 Nxuba - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)						
Strategic Objective	Current Year 2014/15			2015/16 Medium Term Revenue &		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand						
To maintain sustainable roads and stormwater services to all our communities	4,247	4,247	4,247	4,409	7,593	9,414
To provide and maintain adequate access to electricity for all in the municipality area	750	750	750	-	-	-
To ensure that all people within the municipal area have access to human settlement	-	-	-	-	-	-
To ensure the establishment and access to well-maintained social amenities	3,981	3,981	3,981	4,592	1,559	-
To have a fully, properly maintained and functional fleet service	-	-	-	400	-	-
Allocations to other priorities						
Total Capital Expenditure	8,978	8,978	8,978	9,401	9,152	9,414

There are however other operating and capital budgeted items such as printing and stationery, rentals of equipment, IT costs ,license fees; purchasing of computers ,machinery and equipment which do not have strategic objectives.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Municipal finance management act and municipal systems act are built on the adoption by the municipality of a performance system. A municipality must ensure all performance is managed and there is a clear process to monitor and review. The Municipal Scorecard Model is a conceptual framework that is used which provides guidance as to what aspects of the municipality's performance should be measured and managed. The model has proved useful in performance management for it provides balance, simplicity, mapping of inter – relationships and alignment to the Integrated Development Planning processes of the municipalities. The municipality strives to develop smart objectives and indicators.

The SDBIP is used to measure performance of each directorate and quarterly reviews are done after departments have submitted their portfolio of evidence. The constant review of performance enables a pro-active and takes remedial steps in the event of poor performance. Performance agreements of senior managers are derived from the SDBIP. The municipality intends to cascade performance to lower levels.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The purpose of policies is to ensure there are controls and procedures in place that are not in contravention with the Acts. The policies harmonize the environment and regulate the municipality. Below are the budget related policies that have been reviewed in the 2014/15 financial year.

Budget policy

The objective of the budget policy is to set out:

The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,

The responsibilities of the executive mayor, the accounting officer, the chief financial office and other senior managers in compiling the budget.

To establish and maintain procedures to ensure adherence to Nxuba Municipality's IDP review and budget processes. To provide the Nxuba Municipality with the necessary work documentation and procedures to ensure that the Municipality is in a position to compile, implement, control and report on the annual budget of the Municipality as prescribed by the best practices, act and internal workflows.

The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. A municipality's budget policy and its underlying administrative process within the system of delegations is one of these controls. It is the responsibility of each Head of Department (S57 managers) to which funds are allocated, to plan and conduct assigned operations so as not to expend more funds than budgeted and to ensure that allocated funds are utilized economically, effectively and efficiently and for approved purpose(s).

Credit control policy

To ensure council collects all debts in respect of rates and service fees. Provide for credit control and debt collection procedures and mechanisms.

This strategy further seeks to explore other sources of revenue to enhance the financial muscle of the municipality. Such service includes the provision of learner licenses as well as driver's licenses through the traffic department. In trying to address some national priorities and infrastructure challenges, the municipality has gone on tender for service providers to source funds for the municipality.

Asset management policy

Asset Management promotes efficient and effective management, monitoring and control of assets and the objectives of having an Asset Management Policy are:

- To ensure accurate recording of asset information. To ensure the accurate recording of asset movements.
- To ensure compliance with Council's Insurance Policy, Supply Chain Management Policy and Payment Procedure. To ensure the effective and efficient control, utilisation, optimisation of usage, safeguarding and management of NLM's assets.
- To ensure that all responsible parties are aware of their roles and responsibilities regarding the assets of the municipality. To prescribe the accounting treatment of assets acquired and used in accordance with the applicable accounting standards approved by National Treasury.

Rates policy

- 1.1 Municipal Property Rates Act (2004) requires municipalities to develop and adopt rates policies consistent with the Act on the levying of rates on ratable property in the municipality.
- 1.2 The municipality needs a reliable source of revenue to provide basic services and perform its functions. Property rates are the most important source of general revenue for the municipality. Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households. These include installing and maintaining streets, roads, sidewalks, lighting, and storm drainage facilities; and building

and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration, such as computer equipment and stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

Supply chain management policy

- (1)** All officials and other role players in the supply chain management system of the municipality must implement this policy in a way that -
 - (a)** gives effect to Section 217 of the Constitution and Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b)** is fair, equitable, transparent, competitive and cost effective;
 - (c)** complies with the Regulations and any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d)** is consistent with other applicable legislation;
- (e)** Does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f)** is consistent with national economic policy concerning the promotion of investments and the conduct of business with the public sector.
- (2)** This policy applies when the municipality -
 - (a)** Procures goods or services or undertakes construction works through a procurement process;
 - (b)** Disposes of goods no longer needed;
 - (c)** Selects contractors to provide assistance with the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (d)** Selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The municipality faced more financial predicaments in the 2014/15 financial year. In the mist of cash flow issues; the municipality still has a positive outlook on revenue generation. The implementation of revenue enhancement strategy and electricity turnaround will assist in revenue generation. In preparing for the 2015/16 MTREF, MFMA circular 75 was used; municipal tariffs have been increased by inflation and electrical tariffs by 12.2%.

In projecting expenditure the municipality use a conservative approach as it needed to reduce expenditure .The Inflation forecasts used are as following:

2016 -4.8%

2017 -5.9%

2018 -5.6%

2.6 OVERVIEW OF BUDGET FUNDING

Operating revenue

The municipal budget is funded mainly by own revenue which constitutes 52% of the budget. The revenue is derived from rendering services to the community such as electricity, waste removal ,property rates ,rentals, building plan fees ,fines and licenses etc. The increase in budgeted revenue will be financed mostly from electrical revenue. A turnaround strategy which addresses the challenges the municipality is facing is currently being implemented.

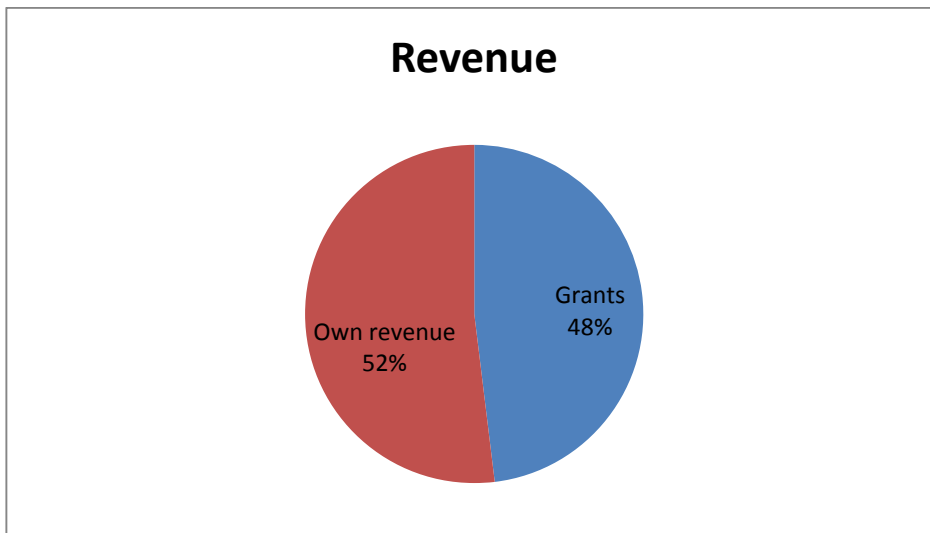
The table below displays the budgeted revenue from own sources; the largest portion is from electricity followed by other revenue. Other revenue constitutes items such a drivers testing station, rentals, interest earned and sundry revenue.

	Budget	% of budget
Rates	4,190,386.00	9%
Service charges :Refuse	4,560,000.00	9%
Service charges :Electricity	30,050,000.00	61%
Other revenue	10,236,508.00	21%
Total	49,036,894.00	100%

Annual tariff increases charges to consumers are guided by National Treasury, National Electrification Regulator of South Africa and the Municipal Property rates Act. The proposed tariffs increases for the 2015/16 financial year are as follows: (also see Annexure A for detail tariffs)

TARRIFF STRUCTURE	2014/15			2015/16			% increase
	Tarriff	Vat	Total	Tarriff	Vat	Total	
ELECTRICITY							
SCALE 1 : CONVENTIONAL HOUSE HOLDS							
Basic charge	37.77	5.29	43.06	45.00	6.30	51.30	19.14
Basic Charge: 10-25 ampere	4.90	0.69	5.59	5.50	0.77	6.27	12.20
Basic Charge: 26-40 ampere	5.53	0.77	6.30	6.20	0.87	7.07	12.20
Basic Charge: 41 or additional	6.57	0.92	7.49	7.37	1.03	8.40	12.20
Consumption: Block 1: 1 - 50 kWh	0.74	0.10	0.84	0.79	0.11	0.90	6.30
Block 2: 51 - 350 kWh	0.93	0.13	1.06	1.00	0.14	1.14	7.30
Block 3: 351 - 600 kWh	1.27	0.18	1.45	1.41	0.20	1.61	11.02
Block 4: > 600 kWh	1.49	0.21	1.70	1.66	0.23	1.89	11.41
PRE-PAID ELECTRICITY							
Consumption (Res):Block 1: 1 - 50 kWh	0.77	0.11	0.88	0.82	0.11	0.93	6.30
Block 2: 51 - 350 kWh	0.99	0.14	1.13	1.06	0.15	1.21	7.30
Block 3: 351 - 600 kWh	1.36	0.19	1.55	1.53	0.21	1.74	12.20
Block 4: > 600 kWh	1.50	0.21	1.71	1.68	0.24	1.92	12.20
REFUSE							
DOMESTIC AND OTHER REFUSE							
Charge removal once a week - Residential and churches	65.88	9.22	75.10	69.04	9.67	78.71	4.80
Business							
small , government, old age homes	274.51	38.43	312.94	287.69	40.28	327.96	4.80
medium and schools	439.21	61.49	500.70	460.29	64.44	524.74	4.80
large	823.52	115.29	938.82	863.05	120.83	983.88	4.80
RATES							
Cents per total Rand Value of erven and improvements							
Residentials	0.0068	0.0000	0.0068	0.0072	0.0000	0.0072	4.80
Residentials - Indigent (R)				30.00	0.00	30.00	
Farmers	0.0050	0.0000	0.0050	0.0052	0.0000	0.0052	4.80
Businesses	0.0068	0.0000	0.0068	0.0072	0.0000	0.0072	4.80

Income from grants constitutes 48% of the budget; in the 2015/16 financial year grants amount to R45.3 million. There is an increase in grants of R7.7 million in 2014/15 they amounted to R37.6 million. The variance is caused by the Integrated National Electrification grant amounting to R5 million which the municipality did not receive in the prior year.



The table below depicts operational grants from National and Provincial government the municipality will receive in the 2015 MTREF.

EC128 Nxuba - Supporting Table SA18 Transfers and grant receipts						
Description	Current Year 2014/15			2015/16 Medium Term Revenue &		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:						
Operating Transfers and Grants						
National Government:	27,523	27,523	27,523	35,291	34,291	33,156
Local Government Equitable Share	23,789	23,789	23,789	26,561	26,185	25,223
Finance Management	1,800	1,800	1,800	1,800	1,825	1,900
Municipal Systems Improvement	934	934	934	930	957	1,033
EPWP Incentive	1,000	1,000	1,000	1,000	-	-
Integrated National Electrification Programme				5,000	5,324	5,000
Provincial Government:	634	634	634	522	522	522
Sport and Recreation	522	522	522	522	522	522
Local Economic development	112	112	112			
Total Operating Transfers and Grants	28,157	28,157	28,157	35,813	34,813	33,678

2.7 SA19 EXPENDITURE ON TRANSFERS AND GRANT PROGRAMME

EC128 Nxuba - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		1,519	24,270	26,596	27,523	27,523	27,523	35,291	34,291	33,156
Local Government Equitable Share			20,983	22,307	23,789	23,789	23,789	26,561	26,185	25,223
Finance Management		602	1,500	1,641	1,800	1,800	1,800	1,800	1,825	1,900
Municipal Systems Improvement		9	797	890	934	934	934	930	957	1,033
EPWP Incentive			990	1,010	1,000	1,000	1,000	1,000	-	-
Integrated National Electrification Programme				749	-	-	-	5,000	5,324	5,000
Other transfers/grants [insert description]		908								
Provincial Government:		-	522	639	634	634	634	522	522	522
Sport and Recreation			522	522	522	522	522	522	522	522
Local Economic development				117	112	112	112			
Total operating expenditure of Transfers and Grants:		1,519	24,792	27,236	28,157	28,157	28,157	35,813	34,813	33,678
Capital expenditure of Transfers and Grants										
National Government:		7,010	10,184	10,853	9,451	9,734	9,734	9,560	9,757	10,052
Municipal Infrastructure Grant (MIG)		7,010	10,184	10,853	9,451	9,734	9,734	9,560	9,757	10,052
Total capital expenditure of Transfers and Grants		7,010	10,184	10,853	9,451	9,734	9,734	9,560	9,757	10,052
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		8,529	34,976	38,089	37,608	37,891	37,891	45,373	44,570	43,730

In the 2015/16 financial year the municipality will receive R 45 373 000.00 from transfers as per 2015 Division of Revenue Act. In the new financial year the municipality has been allocated (INEG) Integrated National Electrification programme which was not received in the previous financial year.

SA 20 RECONCILIATION OF TRANSFERS, GRANT RECEIPTS AND UNSPENT FUNDS

EC128 Nxuba - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			214							
Current year receipts		21,702	24,270	26,596	27,523	27,523	27,523	35,291	34,291	33,156
Conditions met - transferred to revenue		21,702	24,484	25,738	27,523	27,523	27,523	35,291	34,291	33,156
Conditions still to be met - transferred to liabilities				859						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts			522	639	634	634	634	522	522	522
Conditions met - transferred to revenue		-	522	639	634	634	634	522	522	522
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		21,702	25,006	26,377	28,157	28,157	28,157	35,813	34,813	33,678
Total operating transfers and grants - CTBM	2	-	-	859	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			3,600							
Current year receipts		7,010	11,729	10,853	9,451	9,734	9,734	9,560	9,757	10,052
Conditions met - transferred to revenue		7,010	10,183	8,461	9,451	9,734	9,734	9,560	9,757	10,052
Conditions still to be met - transferred to liabilities			5,146	2,391						
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		7,010	10,183	8,461	9,451	9,734	9,734	9,560	9,757	10,052
Total capital transfers and grants - CTBM	2	-	5,146	2,391	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		28,712	35,189	34,839	37,608	37,891	37,891	45,373	44,570	43,730
TOTAL TRANSFERS AND GRANTS - CTBM		-	5,146	3,250	-	-	-	-	-	-

2.8 SA22 SUMMARY COUNCILLOR AND STAFF BENEFITS

EC128 Nxuba - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		1,868	2,032	2,106	1,533	1,533	1,533	1,773	1,877	1,982
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance					505	505	505	505	535	565
Cellphone Allowance					112	112	112	167	177	187
Housing Allowances										
Other benefits and allowances					29	29	29	29	30	32
Sub Total - Councillors		1,868	2,032	2,106	2,180	2,180	2,180	2,474	2,620	2,767
% increase	4		8.8%	3.6%	3.5%	-	-	13.5%	5.9%	5.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		867	1,325	1,792	2,843	2,829	2,829	3,070	3,251	3,433
Pension and UIF Contributions			57	5	9	9	9	9	9	10
Medical Aid Contributions										
Overtime										
Performance Bonus					255	0	0	255	270	285
Motor Vehicle Allowance	3		153	25		76	76	76	81	85
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3	837	270	123	0	0	0	0	0	0
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		1,704	1,804	1,945	3,108	2,915	2,915	3,410	3,612	3,814
% increase	4		5.9%	7.8%	59.7%	(6.2%)	-	17.0%	5.9%	5.6%
Other Municipal Staff										
Basic Salaries and Wages		11,444	12,576	14,683	17,998	16,851	16,851	18,231	19,307	20,388
Pension and UIF Contributions		2,513	3,656	3,060	2,813	2,771	2,771	2,632	2,787	2,943
Medical Aid Contributions				409	827	824	824	753	797	842
Overtime			3	4						
Performance Bonus										
Motor Vehicle Allowance	3	489	491	280	56	32	32	32	34	36
Cellphone Allowance	3				5	5	5	5	5	5
Housing Allowances	3	33	33	21	25	25	25	16	17	18
Other benefits and allowances	3	135	2,170	1,253	1,998	1,751	1,751	347	367	388
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		14,614	18,929	19,710	23,722	22,259	22,259	22,015	23,314	24,619
% increase	4		29.5%	4.1%	20.4%	(6.2%)	-	(1.1%)	5.9%	5.6%
Total Parent Municipality		18,186	22,765	23,761	29,009	27,353	27,353	27,899	29,545	31,200
			25.2%	4.4%	22.1%	(5.7%)	-	2.0%	5.9%	5.6%

The total budget for personnel costs amounts to R27.8 million including councillor's allowances. Due to financial state of the municipality no new positions or current vacant positions will be filled. The councillor's remuneration projections are in line with the Remuneration of Public Office Bearers Act (20/1998): Determination of upper limits of salaries, allowances and benefits of different members of Municipal Councils determinations and have been increased by 6% based on the circular issued by SALGA.

SA 23 SALARIES, ALLOWANCES AND BENEFITS (political office bearers/senior managers)

EC128 Nxuba - 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	1	504,573		183,136			687,709
Chief Whip		-						-
Executive Mayor		-						-
Deputy Executive Mayor		-						-
Executive Committee		-						-
Total for all other councillors		7	1,268,160		517,972			1,786,132
Total Councillors	8	8	1,772,733	-	701,108			2,473,841
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	933,962	1,785	-	79,541		1,015,288
Chief Finance Officer		1	480,564	1,785	76,273	48,213		606,835
Corporate services manager		1	559,307	1,860		47,704		608,871
Community services manager		1	626,400	1,861		36,222		664,483
Technical services manager		1	469,691	1,861	-	43,411		514,963
								-
								-
Total Senior Managers of the Municipality	8,10	5	3,069,924	9,152	76,273	255,091		3,410,440

The total salaries of councilors and senior managers of the municipality amount to R 5.8 million, which is 22% of personnel costs. Currently the Technical Services managerial position is the only vacant position at senior management level; the municipality is struggling to appoint a person due to the low salary package and cannot afford to counter offer candidate. This has a negative influence on the performance of the Infrastructure directorate.

2.9 BUDGETED MONTHLY REVENUE AND EXPENDITURE

EC128 Nxuba - Supporting Table SA25 Budgeted monthly revenue and expenditure															Medium Term Revenue and Expenditure		
R thousand	Description	Ref	Budget Year 2015/16												Budget Year	Budget Year	Budget Year
			July	August	Sept.	October	November	December	January	February	March	April	May	June	2015/16	+1 2016/17	+2 2017/18
Revenue By Source																	
	Property rates		399	369	349	359	349	310	309	306	349	349	349	393	4,190	4,438	4,686
	Property rates - penalties & collection charges																
	Service charges - electricity revenue		2,900	1,500	1,200	2,700	2,000	2,000	1,500	1,700	2,000	2,000	2,000	8,550	30,050	31,823	33,605
	Service charges - water revenue																
	Service charges - sanitation revenue																
	Service charges - refuse revenue		490	290	470	380	250	380	270	390	350	380	380	530	4,560	4,829	5,099
	Service charges - other																
	Rental of facilities and equipment		19	18	20	13	11	13	10	13	11	13	1	14	153	162	171
	Interest earned - external investments		6	6	6	6	6	6	6	6	6	6	6	6	75	79	83
	Interest earned - outstanding debtors																
	Dividends received																
	Fines		4	4	4	4	2	5	4	4	4	5	4	4	50	53	56
	Licences and permits		448	648	420	418	408	403	408	648	418	448	348	1,489	6,500	6,884	7,269
	Agency services		16	18	40	20	28	39	28	28	28	28	28	35	335	355	375
	Transfers recognised - operational		11,937				11,938				11,938				35,813	34,813	33,678
	Other revenue		156	188	183	157	168	198	185	368	188	185	90	1,062	3,123	3,307	3,493
	Gains on disposal of PPE																
	Total Revenue (excluding capital transfers and contributions)		16,375	3,040	2,691	4,056	15,159	3,353	2,719	3,462	15,291	3,413	3,206	12,083	84,850	86,742	88,516
Expenditure By Type																	
	Employee related costs		2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,105	25,425	26,965	28,433
	Remuneration of councillors		206	206	206	206	206	206	206	206	206	206	206	208	2,474	2,620	2,767
	Debt impairment													500	500	530	559
	Depreciation & asset impairment		250	250	250	250	250	250	250	250	250	250	250	250	3,000	3,177	3,355
	Finance charges																
	Bulk purchases		3,172		3,172		3,172		3,172		3,172		3,172	3,176	22,208	23,518	24,835
	Other materials																
	Contracted services																
	Transfers and grants																
	Other expenditure		2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	(1,172)	21,840	21,972	22,431
	Loss on disposal of PPE																
	Total Expenditure		7,840	4,668	7,840	4,668	7,840	4,668	7,840	4,668	7,840	4,668	7,840	5,068	75,448	78,781	82,381
	Surplus/(Deficit)		8,535	(1,628)	(5,149)	(612)	7,319	(1,315)	(5,121)	(1,206)	7,451	(1,255)	(4,634)	7,016	9,402	7,961	6,136
	Transfers recognised - capital		3,186				3,186				3,188				9,560	9,757	10,052
	Contributions recognised - capital																
	Contributed assets																
	Surplus/(Deficit) after capital transfers & contributions		11,721	(1,628)	(5,149)	(612)	10,505	(1,315)	(5,121)	(1,206)	10,639	(1,255)	(4,634)	7,016	18,962	17,718	16,188
	Taxation																
	Attributable to minorities																
	Share of surplus/ (deficit) of associate																
	Surplus/(Deficit)	1	11,721	(1,628)	(5,149)	(612)	10,505	(1,315)	(5,121)	(1,206)	10,639	(1,255)	(4,634)	7,016	18,962	17,718	16,188

2.10 BUDGETED CAPITAL EXPENDITURE (municipal vote)

EC128 Nxuba - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																	
Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
<i>Single-year expenditure to be appropriated</i>																	
Vote 1 - EXECUTIVE AND COUNCIL														-	-	-	-
Vote 2 - BUDGET AND TREASURY			40		30									-	70	-	-
Vote 3 - CORPORATE SERVICES				60				100						-	160	30	32
Vote 4 - COMMUNITY SERVICES			1,530	400		1,530				1,532				(0)	4,992	1,559	-
Vote 5 - TECHNICAL SERVICES			1,467			1,467				1,467				0	4,402	7,593	9,414
Vote 6 - [NAME OF VOTE 6]														-	-	-	-
Vote 7 - [NAME OF VOTE 7]														-	-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-	-
Capital single-year expenditure sub-total	2	-	3,037	460	30	2,997	-	100	-	2,999	-	-	0	9,624	9,182	9,445	
Total Capital Expenditure	2	-	3,037	460	30	2,997	-	100	-	2,999	-	-	0	9,624	9,182	9,445	

2.11 BUDGETED MONTHLY CAPITAL EXPENDITURE

EC128 Nxuba - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)														Medium Term Revenue and Expenditure		
Description	Ref	Budget Year 2015/16												Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June			
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		-	40	60	30	-	-	100	-	-	-	-	-	230	30	32
Executive and council																
Budget and treasury office			40		30									70		
Corporate services				60				100	-					160	30	32
<i>Community and public safety</i>		-	1,530	400	-	1,530	-	-	-	1,532	-	-	(0)	4,992	1,559	-
Community and social services																
Sport and recreation			1,530			1,530				1,532			(0)	4,592	1,559	-
Public safety				400										400		
Housing																
Health																
<i>Economic and environmental services</i>		-	1,467	-	-	1,467	-	-	1,467	-	-	-	0	4,402	7,593	9,414
Planning and development																
Road transport			1,467			1,467			1,467				0	4,402	7,593	9,414
Environmental protection																
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity																
Water																
Waste water management																
Waste management																
Other																
Total Capital Expenditure - Standard	2	-	3,037	460	30	2,997	-	100	1,467	1,532	-	-	0	9,624	9,182	9,445
Funded by:																
National Government			3,037	60	30	2,997	-	100	1,467	1,532	-	-	400	9,624	9,182	9,445
Provincial Government																
District Municipality																
Other transfers and grants																
Transfers recognised - capital		-	3,037	60	30	2,997	-	100	1,467	1,532	-	-	400	9,624	9,182	9,445
Public contributions & donations																
Borrowing																
Internally generated funds				400	-	-	-	-	-	-	-	-	-	400		
Total Capital Funding		-	3,037	460	30	2,997	-	100	1,467	1,532	-	-	400	10,024	9,182	9,445

2.12 BUDGETED MONTHLY CASH FLOW

EC128 Nxuba - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS															
R thousand	Budget Year 2015/16												Medium Term	Revenue and	Expenditure
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	449	399	258	369	258	358	258	297	467	269	258	550	4,190	4,438	4,686
Property rates - penalties & collection charges															
Service charges - electricity revenue	1,500	2,500	1,800	3,000	2,000	1,800	1,500	2,000	1,800	2,000	1,500	8,650	30,050	31,823	33,605
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue	280	360	240	380	420	380	460	300	380	420	380	560	4,560	4,829	5,099
Service charges - other															
Rental of facilities and equipment	12	13	12	12	11	14	12	12	15	12	12	16	153	162	171
Interest earned - external investments	19			6		19		4		19		8	75	79	83
Interest earned - outstanding debtors															
Dividends received															
Fines	4	6	4	4	4	2	4	4	3	4	4	7	50	53	56
Licences and permits	647	400	447	450	447	247	480	447	467	443	447	1,578	6,500	6,884	7,269
Agency services	28	28	28	28	28	28	28	28	28	28	28	27	335	355	375
Transfer receipts - operational	11,937	2,782			11,937				9,157				35,813	34,813	33,678
Other revenue	187	100	89	187	287	187	187	187	287	187	187	1,051	3,123	3,307	3,493
Cash Receipts by Source	15,063	6,588	2,878	4,436	15,392	3,035	2,929	3,279	12,604	3,382	2,816	12,448	84,850	86,742	88,516
Other Cash Flows by Source															
Transfer receipts - capital	3,186				3,186				3,188				9,560	9,757	10,052
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	18,249	6,588	2,878	4,436	18,578	3,035	2,929	3,279	15,792	3,382	2,816	12,448	94,410	96,499	98,568
Cash Payments by Type															
Employee related costs	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,105	25,425	26,965	28,433
Remuneration of councillors	206	206	206	206	206	206	206	206	206	206	206	208	2,474	2,620	2,767
Finance charges															
Bulk purchases - Electricity	2,000	2,500	2,000	1,500	1,800	1,500	1,300	2,000	1,000	2,000	2,500	2,108	22,208	23,518	24,835
Bulk purchases - Water & Sewer															
Other materials															
Contracted services															
Transfers and grants - other municipalities															
Transfers and grants - other															
Other expenditure	2,111	1,711	1,511	1,611	1,411	1,711	3,811	2,011	2,311	2,011	2,711	2,419	25,340	25,678	26,345
Cash Payments by Type	6,437	6,537	5,837	5,437	5,537	5,537	7,437	6,337	5,637	6,337	7,537	6,841	75,448	78,781	82,381
Other Cash Flows/Payments by Type															
Capital assets		3,037		30	2,997		100		2,999			460	9,624	9,182	9,445
Repayment of borrowing															
Other Cash Flows/Payments															
Total Cash Payments by Type	6,437	9,574	5,837	5,467	8,534	5,537	7,537	6,337	8,636	6,337	7,537	7,301	85,072	87,964	91,826
NET INCREASE/(DECREASE) IN CASH HELD	11,812	(2,986)	(2,959)	(1,031)	10,044	(2,502)	(4,608)	(3,058)	7,156	(2,955)	(4,721)	5,147	9,338	8,536	6,742
Cash/cash equivalents at the month/year begin:	60	11,872	8,886	5,927	4,896	14,939	12,437	7,829	4,771	11,927	8,972	4,251	60	9,398	17,934
Cash/cash equivalents at the month/year end:	11,872	8,886	5,927	4,896	14,939	12,437	7,829	4,771	11,927	8,972	4,251	9,398	9,398	17,934	24,676

SA 34 A CONSOLIDATED CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS

EC128 Nxuba - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	113,729	10,728	2,640	2,923	2,923	-	-	-
Infrastructure - Road transport		-	113,729	-	1,500	1,500	1,500	-	-	-
Roads, Pavements & Bridges		-	113,729	-	1,500	1,500	1,500	-	-	-
Storm water										
Infrastructure - Electricity		-	-	-	1,140	1,140	1,140	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting					1,140	1,140	1,140	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	10,728	-	283	283	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3			10,728		283	283			
Community		-	-	-	3,000	3,000	3,000	2,973	1,559	-
Parks & gardens										
Sportsfields & stadia					1,500	1,500	1,500	1,526	1,000	-
Swimming pools										
Community halls										
Libraries										
Recreational facilities					1,500	1,500	1,500	1,447	559	-
Fire, safety & emergency										
Other assets		1,519	68,372	-	254	244	244	635	30	32
General vehicles								400	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment					115	115	115	110	30	32
Furniture and other office equipment					109	109	109	125		
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		1,519	68,372		30	20	20			
Total Capital Expenditure on new assets	1	1,519	182,101	10,728	5,894	6,167	6,167	3,608	1,589	32

37% of the total budgeted capital budget is towards acquisition of new assets and the remainder is towards renewal of existing assets.

SA 34 B CAPITAL EXPENDITURE ON RENEWAL OF EXISTING ASSETS

EC128 Nxuba - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	2,500	2,500	2,500	4,397	7,593	9,414
Infrastructure - Road transport		-	-	-	2,500	2,500	2,500	4,397	7,593	9,414
Roads, Pavements & Bridges					2,500	2,500	2,500	4,397	7,593	9,414
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3									
Community		-	-	-	750	750	750	1,619	-	-
Parks & gardens										
Sportsfields & stadia					750	750	750	1,619	-	-
Swimming pools										
Community halls										
Libraries										
Total Capital Expenditure on renewal of existing assets	1	-	-	-	3,250	3,250	3,250	6,016	7,593	9,414

Capital expenditure on renewal of existing assets amounts to R 6 million; this is towards renewing Wanderers sport field, re-gravelling of roads in Red and Beville and resurfacing of roads in Bedford and Adelaide.

SA 34 C CONSOLIDATED REPAIRS AND MAINTENANC BY ASSET CLASS

EC128 Nxuba - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		173	-	-	1,250	450	450	368	390	412
Infrastructure - Road transport		90	-	-	500	100	100	368	390	412
Roads, Pavements & Bridges		90			500	100	100	368	390	412
Storm water										
Infrastructure - Electricity		83	-	-	750	350	350	-	-	-
Generation										
Transmission & Reticulation		83			500	200	200			
Street Lighting					250	150	150			
Other assets		378	303	1,207	220	511	511	655	694	732
General vehicles					150	451	451	300	318	335
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment					20	10	10	25	26	28
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings					50	50	50	130	138	145
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		378	303	1,207				200	212	224
Intangibles		-	-	-	50	50	50	20	-	-
Computers - software & programming					50	50	50	20	-	-
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	551	303	1,207	1,520	1,011	1,011	1,043	1,083	1,144

The total budgeted repairs and maintenance amounts to R1 million ;this is below norms as repairs and maintenance should be 8% of property plant and equipment.In the 2014/15 financial year the budgeted repairs amounted to R1.5 million;variance amounts to R 500 000.The reduction is due to the following reasons:

- municipal assets are very old ;the municipality has budgeted for purchasing of new vehicles in order to decrease repairs to old fleet.
- Repairs for electrical infrastructure will be funded and form part of the Intergrated National Electrification Grant.

QUALITY CERTIFICATE

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

The annual budget for 2015/2016 financial year has been prepared in accordance with the Municipal Finance Management Act and municipal budgeting reporting regulations made under the ACT.

Print Name: _____

Municipal Manager of Nxuba Municipality (EC128)

Signature: _____

Date: _____

ANNEXURE A

TARIFF

STRUCTURE

ANNEXURE B

POLICIES