



CAMDEBOO MUNICIPALITY



**TABLED BUDGET
2016/17 TO 2018/19**

TABLE OF CONTENT

PART 1 – ANNUAL BUDGET

1.1 Mayor’s Report	3
1.2 Budget Resolutions to be adopted	6
1.3 Executive Summary	7
1.4 Budget Tables	17

PART 2 – SUPPORTING DOCUMENTATION

2.1 Overview of Annual Budget Process	24
2.2 Overview of Alignment of Budget with Integrated Development Plan	27
2.3 Measurable Performance Objectives	28
2.4 Overview of Budget Related Policies	28
2.5 Overview of Budget Assumptions	28
2.6 Overview of Budget Funding	29
2.7 Expenditure on Allocations and Grant Programmes	29
2.8 Allocations and Grants made by the Municipality	29
2.9 Councillors and Board Members’ allowances and employee benefit	30
2.10 Contracts having future budgetary implications	30
2.11 Capital Expenditure	31
2.12 Municipal Manager’s Quality Certification	32

MAYOR'S REPORT



31 May 2016

Honourable Councillors,

The Municipal Manager and Officials,

Our esteemed guests,

Members of the Camdeboo Community,

Ladies and gentlemen.

It is with mixed feelings that I submit to this house our last final budget for our term of office. Although this is not a reflection on our period in council, it provides an opportunity to briefly focus on how we dealt with our budgetary oversight responsibilities. We provided political guidance over the fiscal and financial affairs of the municipality, and in spite of the difficult economic times we experience as a country, we ensured that the municipality performed its constitutional and statutory functions. Furthermore, we successfully implemented the last five budgets and oversaw the exercise of responsibilities assigned to the accounting officer and the chief financial officer in terms of the law.

Economic outlook

Despite signs of overall global recovery, the South African economy remains subdued. The fact that the National Treasury outlook of 1.3% growth declined to a meagre 0.7%, indicates that the risk of a recession is still high.

The weaker outlook is as a result of lower commodity prices, higher borrowing costs, drought and diminished business and consumer confidence. Constrained electricity supply continues to limit growth and deter fixed investment. Exchange rate depreciation is contributing to a higher inflation outlook during 2016.

Job creation remains one of the most pressing concerns in the economy. The unemployment rate stood at 25.5% in the third quarter of 2015. Together with high inflation, the unemployment growth will impact heavily on the ability of municipalities generate and collect revenue on services. Therefore it is critical for municipalities to review how they conduct their business.

One cannot consider the budget without taking into account the impact and risk posed by the amalgamation process. The budget consultation process will have to be extended to also include the amalgamating municipalities in order to finalize matters around employee cost, transfers from national government, financial management and systems. The decisions around centralised business processes will potentially result in hidden costs that must be provided for in the budgets of all three existing entities. The change management committees also need to ensure that enough time is provided to conclude the consolidation of approved budgets.

It remains in the interest of all affected communities that the amalgamation process be effectively managed and concluded. In the light thereof, this house will do its utmost to ensure that the incoming council is afforded the best chance to succeed in a challenging environment.

Budget 2016/17

The developmental priorities for the municipality as per the Integrated Development Plan, remains: Infrastructure Development, Local Economic Development, Institutional Development, Community Development, Service Delivery Excellence, Sound Financial Management and Spatial Planning and Land-use Management.

This Capital Budget proposes to spend R44.3m on Technical and Electrical services, which includes water reticulation and sanitation, streets and storm water, street lighting and electrical reticulation, all of which forms the basis of our service delivery mandate.

Of the total budget of R300.2m, 76% is spent on the following 3 departments: Corporate Services, Infrastructure & Technical, as well as Electrical Services. This spread of our expenditure, clearly demonstrates our commitment to service delivery.

Direct support to poor households has increased by 13% in the budget, up from R9.9m to R11.4m.

Care had to be taken to keep tariff charges affordable, while taking cognisance of increased cost to deliver services. The decision to keep the increases more or less in line with CPI is not necessarily the best decision in the light of costs for certain services that are above the rate charged.

Allocations to departments:

This budget allocated the following funds to departments and directorates:

Executive and Council:	R34.8m
Administration Services:	R15.8m
Community Services:	R33.0m
Protection Services:	R6.5m
Financial Services:	R36.6m
Engineering Services:	R87.0m
Electrical Services:	R86.2m

Conclusion

In conclusion, I wish to express my sincere gratitude to every councillor here present for their unselfish attempts to work for the betterment of the lives of our residents. Our ability to often put aside party political agendas in the interest of the public good, as well as our good working relations with our officials, have earned us a good reputation outside the borders of this municipality and even the country. I am proud of what we achieved over the political term and promise that a more complete review will soon be presented.

I express the hope that we should leave office satisfied that we have served our community with distinction. Today I wish to urge everyone to continue to labour tirelessly and hand over the baton with great enthusiasm.

I hereby table the 2016/17 budget and schedules contained in the resolution for approval by Council.

God bless you

H. Makoba

Honourable Mayor Hanna Makoba

RESOLUTIONS FOR ADOPTION AND APPROVAL OF THE BUDGET

That Council hereby approves as its Tabled Budget for the 2016/2017 financial year:

- (a) As its tabled Final Budget for the 2016/2017 financial year, the consolidated three-year Operating Budget, Capital Budget and Cash Flow Budget; measurable performance objectives for revenue for each source and for each vote as contained in the tabled budget document appendices.
- (b) The medium term (indicative) Budgets for the 2017/2018 and 2018/2019 financial years contained in the Budget document;
- (c) Amendments to the following budget-related policies:
- Virement Policy
 - Supply chain management policy
 - Subsistence and travelling policy
- (The rest of the Budget Related Policies are reviewed and remain unchanged.)
- (d) That in terms of section 75(a)(1) of the Municipal Systems Act (Act 32 of 2000), read with section 17(3) of the Municipal Finance Management Act (Act 56 of 2003), the tariffs for property rates, water, electricity and other services be increased by the following percentages with effect from 1 July 2016;

Property rates	6%
	Residential: 0.685c in the R
	Business: 1.037c in the R
	Agriculture: 0.172c in the R
	Agricultural Small holdings: 0.342c in the R
	State owned: 1.037c in the R
	<i>Rebates as per the Rates Policy</i>

Water 6% (availability connection fee)

Domestic	
Consumption / Kl 0-15	6%
Consumption / Kl 16-25	8%
Consumption / Kl 26+	10%
Business	
Consumption / Kl 1-1000	8%
Consumption / Kl 1000+	10%
Department	
Consumption / Kl	10%

Electricity	7.64%
Refuse	6%
Sanitation	6%
Other small tariffs	6%

(e) MFMA Circular 82 – Cost containment measures

(f) That the Accounting Officer comply with all legal requirements relating to the finalization of the budget, the advertising of the Council resolution with regard to the submission of the prescribed information to both National and Provincial Treasury.

BUDGET FOR 2016/2017 TO 2018/2019

This section contains an executive summary of the Camdeboo Municipality’s budget followed by a more detailed explanation of its Operational and Capital components over the next three years.

3. EXECUTIVE SUMMARY

The pace of economic growth has slowed. Our major exports have seen substantial decline in demand and price. The effect on our economy has been lower export earnings, lower revenue, declining investment, job losses and business failures. For the world as a whole, growth has declined from 3.4% in 2014 to an estimated 3.1% in 2015. Although moderate growth is expected in the outer years, bold leadership will be required to deal with the structural reforms necessary to kick-start the economy.

Finance Minister, Pravin Gordhan said in his budget speech: *“This year’s Budget is focused on fiscal consolidation. We cannot spend money we do not have. We cannot borrow beyond our ability to repay. Until we can ignite growth and generate more revenue, we have to be tough on ourselves.”*

The time has arrived for Camdeboo Municipality to conform to the daunting economic realities we find ourselves in. This budget marks the complete absence of capital spending from own revenue. While we are yet to explore borrowing, we have reached the point where capital spending from own resources is no longer sustainable because of depleted reserves, tariffs that are not reflective of cost and modest debt collection. The growth in the number of indigent households to almost 50% of residential accountholders means that the equitable share allocation caters exclusively for the poor and cannot subsidize low tariffs for other users.

The amalgamation process continues to make projections difficult. The splitting of the allocations in the Division of Revenue Bill, remains arbitrary. The fact that the elections, and hence the amalgamation, takes place after year-end and relatively early into the new financial year, means that a lot of uncertainty will prevail during the first few months of the budget year. Although National Treasury has attempted to provide guidance, the new entity may still end up with unrealistic forecasts. Proper planning is required to mitigate against this risk.

Tariffs in the amalgamating municipalities also differ widely and a uniform tariff structure will have to be phased in. Policy stances will have to provide for this difference and for the phased approach. In this regard the Finance Work-streams feeding into the Technical Change Management Committee have looked at consolidating the current policies of the different municipalities.

The unintended early adoption of the mSCOA Regulations by the other two amalgamating municipalities, poses a further risk and additional cost that cannot be foreseen in this budget.

The Budget comprises both Operating and Capital Budgets, which is a requirement of the Constitution and the Municipal Finance Management Act (Act 56 of 2003). The Capital Budget contains new and replacement assets such as roads, buildings, landfill sites, etc. The Operating Budget, which is the larger of the two, includes the provision for services like water, electricity, refuse collection, sanitation and others. These services include employment cost and bulk purchases as a major portion of the expenditure.

Operating Budget

Expenditure

The total operating budget increased from R268.9m in 2015/2016 to R300.2m in 2016/17. The overall growth of 11.62% can be attributed to the following expenditure items:

Expenditure item	2015/16 Budget R'000	2016/17 Budget R'000	Year on Year %
Employee cost	80 109 173	86 526 484	8.01%
Remuneration of councillors (2016/17 budget includes ward committee stipends)	6 053 902	7 022 254	16.00%
Depreciation and impairment	45 944 135	56 223 225	22.37%
Material and Bulk purchases	56 125 091	60 615 098	8.00%
Other expenditure	80 724 484	89 818 908	11.27%
Total	268 956 785	300 205 970	11.62%

Table 1: Major Expense Items

Reasons for significant variances:

Employee Cost: The growth in employee cost relates to the annual salary increase.

Depreciation and impairment: This provides for wear and tear in use of council's assets.

Other Expenditure: This includes free basic services expenditure, Audit Fees, Operational expenditure on grant funding, internal service charges etc.

The following diagram shows the year on year expenditure growth and proportions of the major budgeted expenditure items:

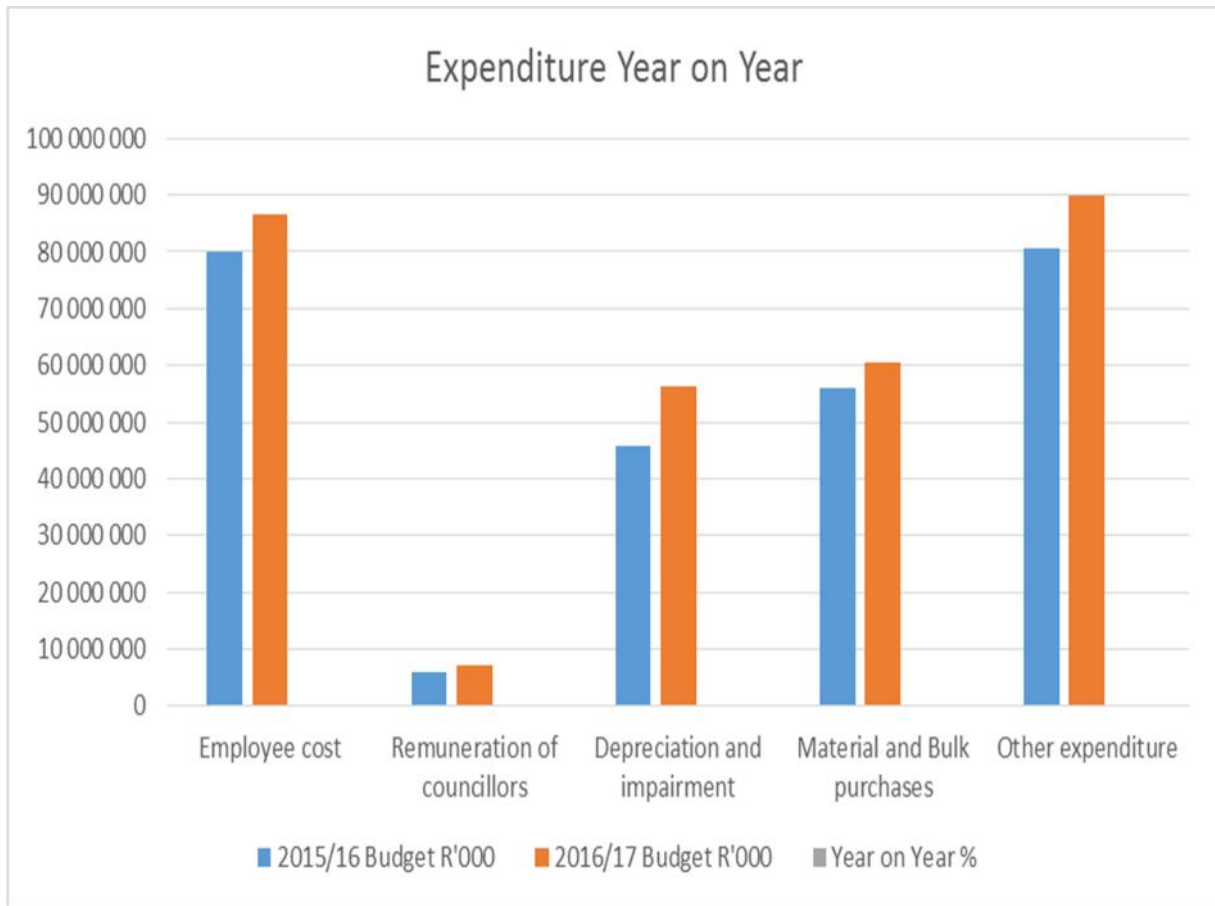


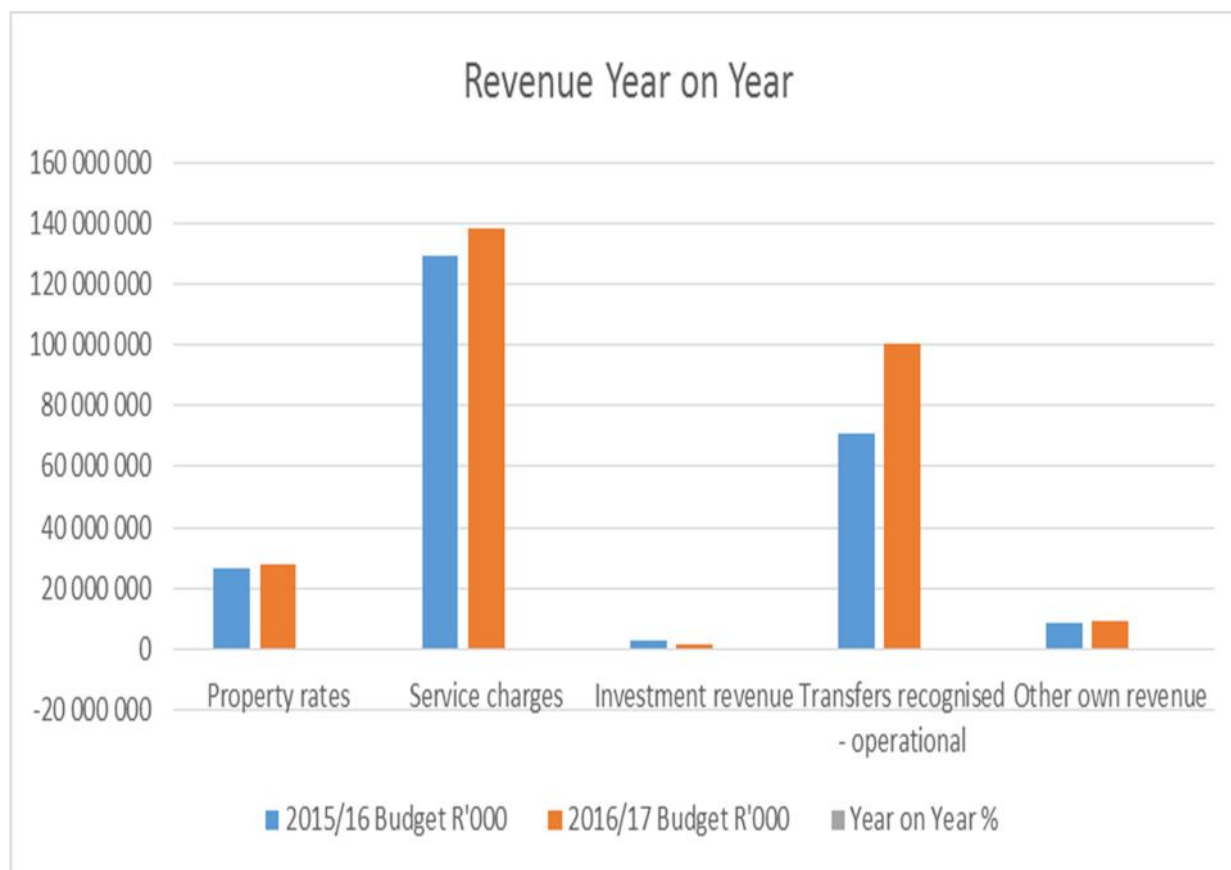
Diagram 1: Expenditure by type

Revenue

Total Operating Revenue increased from R237.5m in 2015/2016 to R277.2m in 2016/17, which represents a growth of 16.70%. Table 2 below gives a breakdown of the major sources of revenue for the budget period 1 July 2016 to 30 June 2017.

Revenue Item	2015/16 Budget R'000	2016/17 Budget R'000	Year on Year %
Property rates	26 299 357	27 877 318	6.00%
Service charges	129 208 861	138 389 400	7.11%
Investment revenue	2 976 110	1 245 829	-58.14%
Transfers recognised - operational	70 612 110	100 722 592	42.64%
Other own revenue	8 456 184	8 999 175	6.42%
Total	237 552 622	277 234 314	16.70%

Table 2: Revenue Sources



Service tariffs/Rates

In respect of tariffs, this budget represents another attempt at pursuing cost reflective tariffs from a very low base. The log jam in establishing water tariffs that reflect the actual cost, seems to be a dreadful reality that will remain with us for some time. However, the resistance to increase water tariffs at a rate above CPI keeps us from building upon this advance.

Rates

Property rates are increased at the level of CPI.

Electricity

The electricity tariff increases with the NERSA guideline, which is 7.64%. The municipality will adhere to the guideline set by NERSA for this budget period.

Water

The water tariff increases by 6%. The increase of the water tariff is impacted upon by the electricity cost, since electricity represents a major input in pumping water through the reticulation channels. The recent drought was also a factor that had to be considered.

The following diagram gives a graphic breakdown of revenue by source.

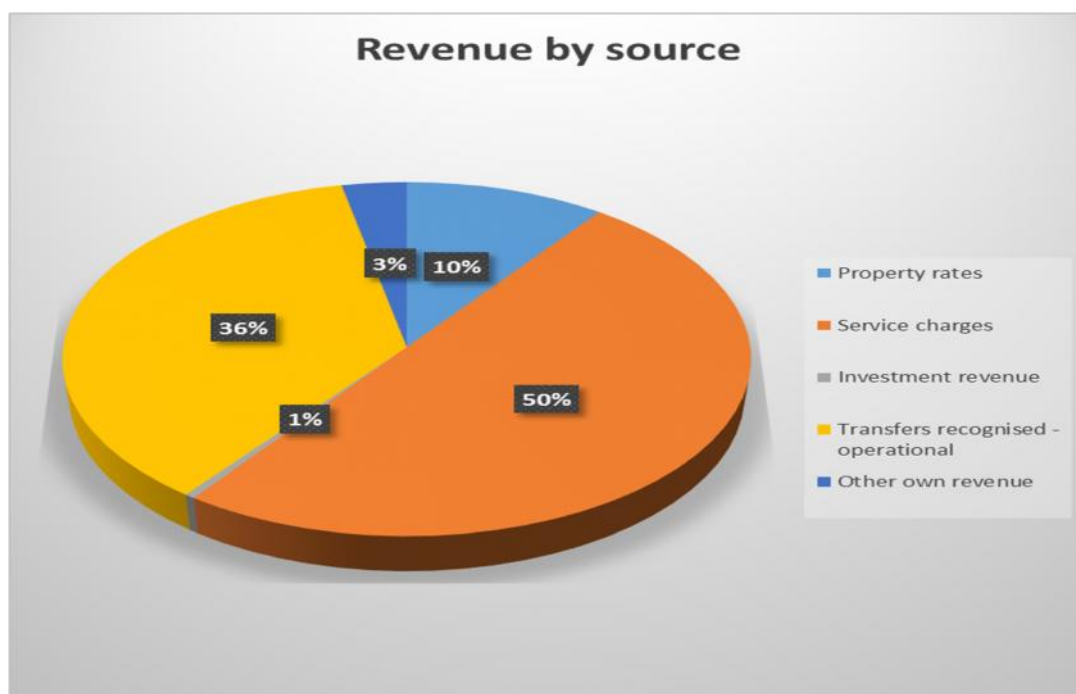


Diagram 2: Revenue by source

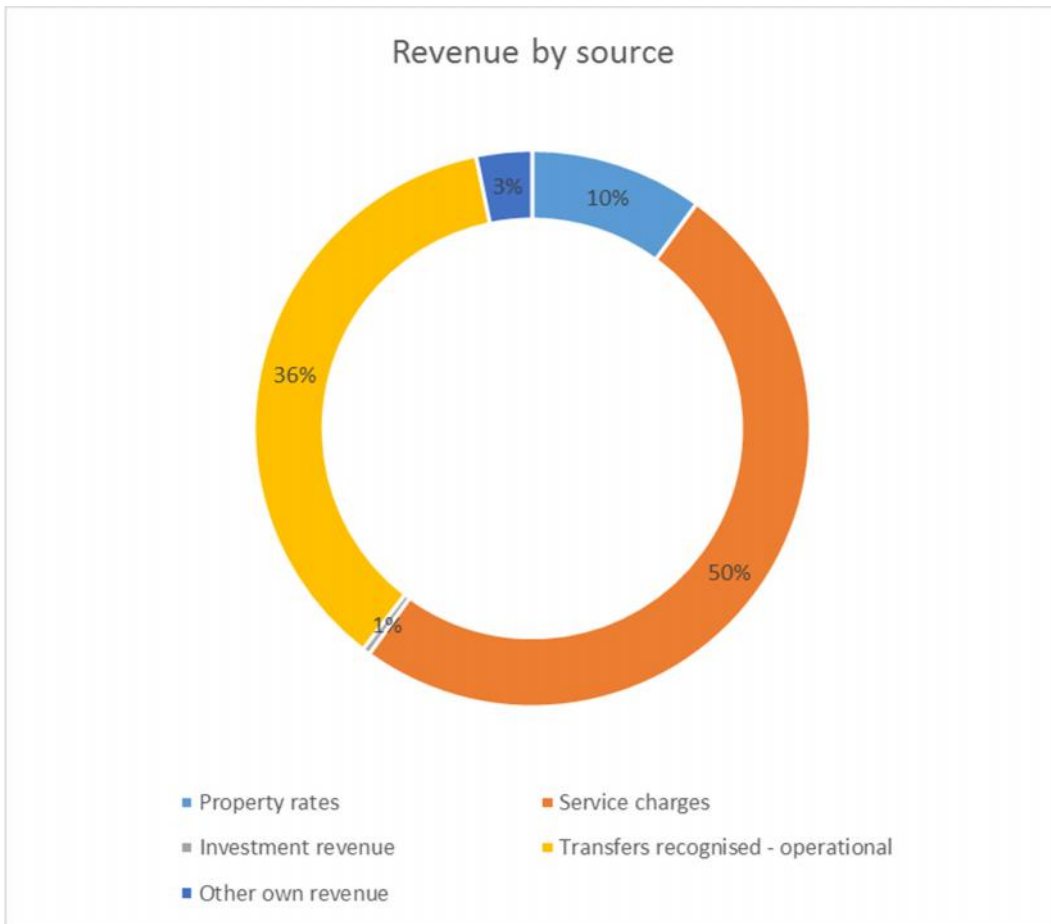


Diagram 3: Service charges by type

Capital Budget

The capital budget increased from R35.8m in 2015/16 to R44.3 in 2016/17. This is mainly due to an increase in grant funding as all projects are funded by grants. The municipality has over the last few years counter-funded MIG projects, but can no longer afford this practice. External funding has however increased to soften the blow on the capital spent. The following is a breakdown of the funding sources:

Grant	Capital Expenditure
MIG	13 015 950
RBIG	23 440 000
FMG	580 500
INEP	5 000 000
EPWP	1 027 501
Library	580 000
Lotto - Received prior years	658 000
Total	44 301 951

Table 3: Capital funding sources

The municipality also attempted to find a balance in capital spending on the different IDP priorities and the wards, as illustrated in the following table:

Key Development areas

Local Economic Development	-
Infrastructure Development	42 483 450
Institutional Development	710 500
Community Development	1 108 000
	44 301 951

3.1 MAIN FEATURES OF THE BUDGET

The assumptions and principles used in the development of the budget are based on the guidelines received from the National Treasury circulars 78, 79 and 82, as well as other external bodies such as the National Electricity Regulator of South Africa (NERSA) and the South African Local Government Bargaining Council (SALGBC). The strategic focus of the Integrated Development Plan informed the Budget, taking into account the issue of affordability. These guidelines were considered appropriate to inform the development of the Budget.

Besides the uncertainties mentioned due to the amalgamation process, the growth in staff spending is a cause for concern. Although the positions are necessary, the management of

cash flow to meet salary payments has become a sharp focus in the municipality. Add to this an ever increasing ESKOM bill and the potential for default becomes very real.

It has become increasingly difficult to find the happy medium between cost recovery and affordability. One gets the feeling that affordability has emerged with the controlling share every time, but to the detriment of the institution and its sustainability.

Looking after the poor has been a feature of budgets in the modern South Africa. This budget is no different. However, the debate of what the size of a typical SA household should be, keeps haunting us as we try to curb costs related to indigent support.

The budget related policies as outlined have been adhered to in the development of the budget, whilst continuous monitoring of budget performance is made possible through the Service Delivery and Budget Implementation Plan.

3.2 HIGH LEVEL PERFORMANCE OBJECTIVES FOR 2016/17

The more significant performance objectives, which informed the preparation of the Budget are set out in the Service Delivery and Budget Implementation Plan, of which a draft will be submitted to the mayor.

3.3 BUDGET STRATEGY AND ASSUMPTIONS

- a) Considering National Treasury's guideline for year-on-year increases in expenditure, which is the headline inflation rate of 6% for 2016, the annual increase for the 2016/17 tabled budget is limited to following:
 - The overall increase in operating expenditure be limited to 6%
 - The overall increase in human resource cost be restricted to the SALGBC determined agreement of average CPI percentage for the twelve month period ending January 2016, as published by Statistics South Africa, plus 1%.
- b) Rates and tariff increases consider the inflation rate of 6%, as well as affordability levels. Where there is significant under-recovery of costs on economic services, such cost-reflective tariffs be phased in.
- c) The Directorates Reports prepare the Operating and Capital Budgets aligned to the IDP and that this is supported by the SDBIP of the organisation.

Budget assumptions or parameters are determined in advance of the budget process to allow the budget to support the long term financial and strategic targets.

The municipal fiscal environment is directly impacted on by a variety of macro-economic control measures. National Treasury provides guidelines on the year-on-year budget growth, while NERSA regulates the electricity tariff increases. This year the NERSA guideline for electricity tariff increases stands at 7.64% to be introduced for implementation on 1 July 2016.

Various government departments also affect municipal service delivery through the level of grants and subsidies to the municipality. Examples are the LED grant from Local Government, the electrification grant from the Department of Energy, as well as RBIG grant from the Department of Water Affairs.

The principles and priorities included in the IDP directly informed the compilation of the Budget.

4. BUDGET TABLES

Budget schedules to be approved by resolution of Council

EC101 Camdeboo - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	16 867	17 103	20 103	24 793	26 299	24 397	-	27 877	29 606	31 352
Service charges	90 870	95 196	103 042	129 194	129 209	129 209	-	138 389	146 970	155 641
Investment revenue	2 101	2 578	2 299	2 976	2 976	2 976	-	1 246	1 323	1 401
Transfers recognised - operational	41 319	42 407	46 008	80 039	70 612	70 612	-	56 421	59 919	63 454
Other own revenue	7 705	14 701	11 196	7 503	8 456	8 456	-	8 999	9 557	10 121
Total Revenue (excluding capital transfers and contributions)	158 863	171 984	182 649	244 506	237 553	235 650	-	232 932	247 374	261 969
Employee costs	54 581	55 362	77 839	79 005	80 109	80 109	-	86 526	91 891	97 313
Remuneration of councillors	2 952	3 505	4 086	6 054	6 054	6 054	-	7 022	7 458	7 898
Depreciation & asset impairment	38 775	39 486	40 972	43 125	45 944	45 944	-	50 539	53 672	56 839
Finance charges	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	41 041	43 697	47 654	56 125	56 125	56 125	-	60 615	64 373	68 171
Transfers and grants	18	18	23	-	34	34	-	38	40	43
Other expenditure	51 435	62 295	79 807	70 472	80 691	80 691	-	95 466	101 384	107 366
Total Expenditure	188 802	204 363	250 380	254 782	268 957	268 957	-	300 206	318 819	337 629
Surplus/(Deficit)	(29 939)	(32 379)	(67 731)	(10 276)	(31 404)	(33 307)	-	(67 274)	(71 445)	(75 660)
Transfers recognised - capital	10 633	15 946	27 392	(34)	-	-	-	44 302	47 049	49 825
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(19 306)	(16 434)	(40 338)	(10 310)	(31 404)	(33 307)	-	(22 972)	(24 396)	(25 835)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(19 306)	(16 434)	(40 338)	(10 310)	(31 404)	(33 307)	-	(22 972)	(24 396)	(25 835)
Capital expenditure & funds sources										
Capital expenditure	18 174	37 260	28 240	46 041	35 891	35 891	-	44 302	47 049	49 825
Transfers recognised - capital	9 108	19 383	14 080	35 129	25 729	25 729	-	44 302	47 049	49 825
Public contributions & donations	-	5 535	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	9 066	12 342	14 150	10 912	10 162	10 162	-	-	-	-
Total sources of capital funds	18 174	37 260	28 240	46 041	35 891	35 891	-	44 302	47 049	49 825
Financial position										
Total current assets	66 930	63 303	55 039	71 168	71 168	71 168	-	53 585	56 907	60 264
Total non current assets	669 695	661 658	650 070	693 298	693 298	693 298	-	739 056	784 877	831 185
Total current liabilities	32 285	30 314	38 031	26 878	26 878	26 878	-	28 652	30 428	32 224
Total non current liabilities	23 131	26 835	39 628	26 111	26 111	26 111	-	27 834	29 560	31 304
Community wealth/Equity	681 210	667 811	627 451	711 477	711 477	711 477	-	736 154	781 796	827 922
Cash flows										
Net cash from (used) operating	34 737	24 580	20 574	(10 677)	(31 771)	(31 771)	-	(23 360)	(24 809)	(26 273)
Net cash from (used) investing	(18 151)	(37 230)	(27 265)	(45 674)	(35 524)	(35 524)	-	(43 913)	(46 636)	(49 387)
Net cash from (used) financing	161	254	252	1 905	1 905	1 905	-	2 010	2 134	2 260
Cash/cash equivalents at the year end	40 214	27 818	21 380	(54 666)	(65 380)	(65 380)	-	(65 484)	(134 794)	(208 193)
Cash backing/surplus reconciliation										
Cash and investments available	40 214	27 818	21 380	25 588	25 588	25 588	-	4 996	5 306	5 619
Application of cash and investments	179	(6 505)	6 212	(22 332)	(22 341)	(22 837)	-	(23 821)	(25 239)	(26 791)
Balance - surplus (shortfall)	40 035	34 323	15 168	47 920	47 929	48 425	-	28 818	30 605	32 411
Asset management										
Asset register summary (VMDV)	669 695	661 658	650 070	41 916	41 916	41 916	865 918	865 918	919 605	973 861
Depreciation & asset impairment	38 775	39 486	40 972	43 125	45 944	45 944	50 539	50 539	53 672	56 839
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	12 672	12 437	12 437	14 678	14 968	14 968	16 465	16 465	17 486	18 518
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	9 495	8 920	8 920	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

EC101 Camleboo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard										
Governance and administration		65 172	67 274	73 938	78 324	79 830	79 830	87 673	93 109	98 602
Executive and council		2 570	2 470	2 557	2 020	2 020	2 020	1 071	1 137	1 204
Budget and treasury office		61 972	64 224	70 852	75 636	77 142	77 142	85 894	91 219	96 601
Corporate services		630	580	529	668	668	668	708	752	796
Community and public safety		5 314	5 895	5 153	6 399	7 762	7 762	8 045	8 544	9 048
Community and social services		1 817	1 692	1 702	1 832	1 832	1 832	1 769	1 878	1 989
Sport and recreation		68	67	69	75	75	75	79	84	89
Public safety		2 392	3 075	2 563	3 322	4 021	4 021	4 238	4 501	4 767
Housing		6	4	4	5	669	669	722	767	812
Health		1 031	1 057	815	1 166	1 166	1 166	1 236	1 313	1 391
Economic and environmental services		1 335	324	470	263	332	332	341	362	384
Planning and development		188	-	-	-	-	-	-	-	-
Road transport		1 147	324	470	263	332	332	341	362	384
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		97 252	113 835	129 922	159 016	149 125	149 125	180 641	191 841	203 159
Electricity		68 480	69 731	82 000	90 345	90 345	90 345	101 063	107 329	113 661
Water		20 101	16 893	15 566	38 718	28 827	28 827	48 696	51 715	54 766
Waste water management		5 782	23 775	26 663	24 142	24 132	24 132	24 711	26 243	27 792
Waste management		2 889	3 436	5 692	5 811	5 821	5 821	6 171	6 553	6 940
Other	4	423	601	558	504	504	504	534	568	601
Total Revenue - Standard	2	169 496	187 929	210 042	244 506	237 553	237 553	277 234	294 423	311 794
Expenditure - Standard										
Governance and administration		34 465	48 916	58 275	65 465	68 978	68 978	82 533	87 650	92 822
Executive and council		7 251	9 883	17 143	20 717	21 965	21 965	32 441	34 452	36 485
Budget and treasury office		17 905	29 735	30 586	33 076	34 645	34 645	36 656	38 928	41 225
Corporate services		9 308	9 297	10 545	11 672	12 367	12 367	13 437	14 270	15 112
Community and public safety		16 382	17 719	20 600	24 623	26 200	26 200	28 390	30 150	31 929
Community and social services		2 641	1 832	2 272	3 151	2 995	2 995	3 243	3 444	3 647
Sport and recreation		8 854	9 414	11 641	10 967	14 236	14 236	15 429	16 385	17 352
Public safety		4 003	4 169	4 838	8 224	6 027	6 027	6 529	6 934	7 343
Housing		(526)	944	(7)	105	664	664	717	762	807
Health		1 410	1 360	1 854	2 176	2 278	2 278	2 472	2 625	2 780
Economic and environmental services		22 984	14 903	15 332	20 350	19 480	19 480	21 155	22 466	23 792
Planning and development		1 030	688	1 002	1 139	1 458	1 458	1 581	1 679	1 778
Road transport		21 954	14 215	14 330	19 211	18 022	18 022	19 573	20 787	22 013
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		113 870	121 893	154 867	143 049	152 821	152 821	166 511	176 834	187 267
Electricity		61 278	63 857	71 954	78 188	79 509	79 509	86 199	91 543	96 944
Water		30 501	22 607	31 660	27 192	29 660	29 660	32 524	34 540	36 578
Waste water management		15 582	29 634	39 675	31 478	31 878	31 878	34 941	37 107	39 296
Waste management		6 509	5 795	11 578	6 190	11 774	11 774	12 847	13 644	14 449
Other	4	1 101	932	1 306	1 329	1 479	1 479	1 618	1 718	1 819
Total Expenditure - Standard	3	188 802	204 363	250 380	254 816	268 957	268 957	300 206	318 819	337 629
Surplus/(Deficit) for the year		(19 306)	(16 434)	(40 338)	(10 310)	(31 404)	(31 404)	(22 972)	(24 396)	(25 835)

EC101 Carlebo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		2 758	2 470	2 557	2 020	2 020	2 020	1 071	1 137	1 204
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		2 331	2 166	2 118	2 318	2 318	2 318	2 284	2 426	2 569
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		4 534	5 272	7 253	7 743	8 417	8 417	8 935	9 489	10 049
Vote 4 - CORPORATE SERVICES - PROTECTION		2 392	3 075	2 563	3 322	4 021	4 021	4 238	4 501	4 767
Vote 5 - FINANCIAL SERVICES		61 972	64 224	70 852	75 636	77 142	77 142	85 894	91 219	96 601
Vote 6 - TECHNICAL SERVICES - ENGINEERING		27 030	40 992	42 699	63 122	53 290	53 290	73 748	78 321	82 942
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		68 480	69 731	82 000	90 345	90 345	90 345	101 063	107 329	113 661
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	169 496	187 929	210 042	244 506	237 553	237 553	277 234	294 423	311 794
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE & COUNCIL		8 560	10 862	18 659	22 517	24 181	24 181	34 842	37 002	39 186
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		11 670	10 838	12 303	14 162	14 604	14 604	15 859	16 843	17 836
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		17 348	18 445	26 374	20 767	30 430	30 430	33 083	35 134	37 207
Vote 4 - CORPORATE SERVICES - PROTECTION		4 003	4 169	4 838	8 224	6 027	6 027	6 529	6 934	7 343
Vote 5 - FINANCIAL SERVICES		17 905	29 735	30 586	33 076	34 645	34 645	36 656	38 928	41 225
Vote 6 - TECHNICAL SERVICES - ENGINEERING		68 038	66 457	85 665	77 881	79 561	79 561	87 038	92 435	97 888
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		61 278	63 857	71 954	78 188	79 509	79 509	86 199	91 543	96 944
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	188 802	204 363	250 380	254 816	268 957	268 957	300 206	318 819	337 629
Surplus/(Deficit) for the year	2	(19 306)	(16 434)	(40 338)	(10 310)	(31 404)	(31 404)	(22 972)	(24 396)	(25 835)

EC101 Carlebooo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	16 867	17 103	20 103	22 891	24 397	24 397	-	25 861	27 464	29 084
Property rates - penalties & collection charges		-	-	-	1 903	1 903			2 017	2 142	2 268
Service charges - electricity revenue	2	66 234	69 221	76 006	88 493	88 493	88 493	-	95 254	101 160	107 128
Service charges - water revenue	2	15 155	14 919	15 175	23 618	23 618	23 618	-	25 035	26 588	28 156
Service charges - sanitation revenue	2	5 768	6 537	7 131	10 375	10 375	10 375	-	10 997	11 679	12 368
Service charges - refuse revenue	2	2 889	3 436	3 691	5 811	5 821	5 821	-	6 171	6 553	6 940
Service charges - other		824	1 083	1 040	896	901	901		932	990	1 048
Rental of facilities and equipment		623	619	581	794	794	794		841	893	946
Interest earned - external investments		2 101	2 578	2 299	2 976	2 976	2 976		1 246	1 323	1 401
Interest earned - outstanding debtors		3 552	3 928	4 659	2 454	2 454	2 454		2 601	2 763	2 926
Dividends received		-	-	-	-	-	-		-	-	-
Fines		94	438	315	235	235	235		249	264	280
Licences and permits		1 824	2 068	1 869	2 628	3 195	3 195		3 387	3 597	3 809
Agency services		-	-	-	54	181	181		191	203	215
Transfers recognised - operational		41 319	42 407	46 008	80 039	70 612	70 612		56 421	59 919	63 454
Other revenue	2	1 612	7 647	3 253	972	1 231	1 231	-	1 341	1 424	1 508
Gains on disposal of PPE				519	367	367	367		389	413	437
Total Revenue (excluding capital transfers and contributions)		158 863	171 984	182 649	244 506	237 553	235 650	-	232 932	247 374	261 969
Expenditure By Type											
Employee related costs	2	54 581	55 362	77 839	79 005	80 109	80 109	-	86 526	91 891	97 313
Remuneration of councillors		2 952	3 505	4 086	6 054	6 054	6 054		7 022	7 458	7 898
Debt impairment	3	2 752	8 433	19 526	3 468	5 168	5 168		5 685	6 037	6 393
Depreciation & asset impairment	2	38 775	39 486	40 972	43 125	45 944	45 944	-	50 539	53 672	56 839
Finance charges											
Bulk purchases	2	41 041	43 697	47 654	56 125	56 125	56 125	-	60 615	64 373	68 171
Other materials	8										
Contracted services		1 516	1 712	2 992	2 180	3 562	3 562	-	3 918	4 161	4 406
Transfers and grants		18	18	23	-	34	34	-	38	40	43
Other expenditure	4, 5	47 125	52 003	57 289	64 825	71 961	71 961	-	85 863	91 186	96 566
Loss on disposal of PPE		42	146								
Total Expenditure		188 802	204 363	250 380	254 782	268 957	268 957	-	300 206	318 819	337 629
Surplus/(Deficit)											
Transfers recognised - capital		10 633	15 946	27 392	(34)				44 302	47 049	49 825
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(19 306)	(16 434)	(40 338)	(10 310)	(31 404)	(33 307)	-	(22 972)	(24 396)	(25 835)
Taxation											
Surplus/(Deficit) after taxation		(19 306)	(16 434)	(40 338)	(10 310)	(31 404)	(33 307)	-	(22 972)	(24 396)	(25 835)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(19 306)	(16 434)	(40 338)	(10 310)	(31 404)	(33 307)	-	(22 972)	(24 396)	(25 835)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(19 306)	(16 434)	(40 338)	(10 310)	(31 404)	(33 307)	-	(22 972)	(24 396)	(25 835)

EC101 Carondeboo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES - PROTECTION		-	-	-	-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES - ENGINEERING		-	-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		1 574	24 809	355	1 645	615	615	-	-	-	-
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		66	7 920	1 947	640	970	970	-	550	584	619
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		5 260	727	4 549	2 720	6 170	6 170	-	658	699	740
Vote 4 - CORPORATE SERVICES - PROTECTION		-	31	231	4 056	556	556	-	-	-	-
Vote 5 - FINANCIAL SERVICES		4 956	1 220	2 032	795	795	795	-	611	648	687
Vote 6 - TECHNICAL SERVICES - ENGINEERING		6 306	2 063	4 689	33 134	23 664	23 664	-	37 483	39 807	42 156
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		12	490	14 437	3 052	3 122	3 122	-	5 000	5 310	5 623
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		18 174	37 260	28 240	46 041	35 891	35 891	-	44 302	47 049	49 825
Total Capital Expenditure - Vote		18 174	37 260	28 240	46 041	35 891	35 891	-	44 302	47 049	49 825
Capital Expenditure - Standard											
Governance and administration		5 553	7 094	4 066	3 080	2 380	2 380	-	1 161	1 232	1 305
Executive and council		23	5 771	86	1 645	615	615	-	-	-	-
Budget and treasury office		4 956	1 220	2 032	795	795	795	-	611	648	687
Corporate services		574	104	1 947	640	970	970	-	550	584	619
Community and public safety		5 260	7 876	2 130	5 276	5 226	5 226	-	658	699	740
Community and social services		-	7 816	1 569	400	3 850	3 850	-	-	-	-
Sport and recreation		5 260	26	309	820	820	820	-	658	699	740
Public safety		-	31	231	4 056	556	556	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	3	22	-	-	-	-	-	-	-
Economic and environmental services		4 835	20 585	1 628	4 402	4 332	4 332	-	3 794	4 029	4 267
Planning and development		1 043	19 038	268	-	-	-	-	-	-	-
Road transport		3 792	1 547	1 360	4 402	4 332	4 332	-	3 794	4 029	4 267
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		2 526	1 705	20 416	33 284	23 954	23 954	-	38 690	41 088	43 512
Electricity		12	490	14 437	3 052	3 122	3 122	-	5 000	5 310	5 623
Water		2 226	516	791	15 970	6 570	6 570	-	23 440	24 893	26 362
Waste water management		288	-	2 538	12 762	12 762	12 762	-	10 250	10 885	11 527
Waste management		-	699	2 649	1 500	1 500	1 500	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	18 174	37 260	28 240	46 041	35 891	35 891	-	44 302	47 049	49 825
Funded by:											
National Government		9 108	19 383	14 090	35 129	25 729	25 729	-	44 302	47 049	49 825
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	9 108	19 383	14 090	35 129	25 729	25 729	-	44 302	47 049	49 825
Public contributions & donations	5	-	5 535	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		9 066	12 342	14 150	10 912	10 162	10 162	-	-	-	-
Total Capital Funding	7	18 174	37 260	28 240	46 041	35 891	35 891	-	44 302	47 049	49 825

EC101 Carlebo - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS											
Current assets											
Cash		6 287	2	2	4 687	4 687	4 687		4 996	5 306	5 619
Call investment deposits	1	33 927	29 658	21 597	20 901	20 901	20 901	-	-	-	-
Consumer debtors	1	18 814	24 766	18 724	24 794	24 794	24 794	-	26 430	28 069	29 725
Other debtors		4 749	3 013	7 770	17 972	17 972	17 972		19 158	20 346	21 546
Current portion of long-term receivables		-	2 061	2 067	-	-	-		-	-	-
Inventory	2	3 153	3 802	4 879	2 814	2 814	2 814		3 000	3 186	3 374
Total current assets		66 930	63 303	55 039	71 168	71 168	71 168	-	53 585	56 907	60 264
Non current assets											
Long-term receivables											-
Investments											
Investment property		212	200	188	211	211	211		225	239	253
Investment in Associate											
Property, plant and equipment	3	667 074	659 056	647 495	690 551	690 551	690 551	-	736 127	781 767	827 892
Agricultural		2 370		2 370			-		-	-	-
Biological			2 370				-		-	-	-
Intangible		39	32	17	36	36	36		38	41	43
Other non-current assets					2 500	2 500	2 500		2 665	2 830	2 997
Total non current assets		669 695	661 658	650 070	693 298	693 298	693 298	-	739 056	784 877	831 185
TOTAL ASSETS		736 625	724 961	705 110	764 466	764 466	764 466	-	792 640	841 784	891 449
LIABILITIES											
Current liabilities											
Bank overdraft	1		1 842	220			-			-	-
Borrowing	4	-	1 338	1 400	-	-	-	-	-	-	-
Consumer deposits		1 627	1 881	2 134	1 905	1 905	1 905		2 031	2 157	2 284
Trade and other payables	4	24 056	21 921	32 069	19 783	19 783	19 783	-	21 089	22 396	23 718
Provisions		6 601	3 331	2 209	5 190	5 190	5 190		5 533	5 876	6 222
Total current liabilities		32 285	30 314	38 031	26 878	26 878	26 878	-	28 652	30 428	32 224
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		23 131	26 835	39 628	26 111	26 111	26 111	-	27 834	29 560	31 304
Total non current liabilities		23 131	26 835	39 628	26 111	26 111	26 111	-	27 834	29 560	31 304
TOTAL LIABILITIES		55 416	57 149	77 659	52 989	52 989	52 989	-	56 486	59 988	63 528
NET ASSETS	5	681 210	667 811	627 451	711 477	711 477	711 477	-	736 154	781 796	827 922
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		681 210	667 811	627 451	700 188	700 188	700 188		724 120	769 015	814 387
Reserves	4	-	-	-	11 289	11 289	11 289	-	12 034	12 780	13 534
TOTAL COMMUNITY WEALTH/EQUITY	5	681 210	667 811	627 451	711 477	711 477	711 477	-	736 154	781 796	827 922

EC101 Carlebo - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		16 867	17 103	20 103	24 793	26 299	26 299		27 877	29 606	31 352
Service charges		90 870	95 196	103 042	129 194	129 209	129 209		138 389	146 970	155 641
Other revenue		9 242	17 658	7 461	4 682	5 635	5 635		6 009	6 382	6 758
Government - operating	1	51 953	58 352	73 400	80 039	69 948	69 948		56 421	59 919	63 454
Government - capital	1	-	-	-	-	-	-		44 302	47 049	49 825
Interest		5 653	6 506	6 958	5 430	5 430	5 430		3 847	4 086	4 327
Dividends									-	-	-
Payments											
Suppliers and employees		(139 847)	(170 217)	(190 367)	(254 782)	(268 259)	(268 259)		(300 168)	(318 778)	(337 586)
Finance charges									-	-	-
Transfers and Grants	1	-	(18)	(23)	(34)	(34)	(34)		(38)	(40)	(43)
NET CASH FROM/(USED) OPERATING ACTIVITIES		34 737	24 580	20 574	(10 677)	(31 771)	(31 771)	-	(23 360)	(24 809)	(26 273)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		23	30	975	367	367	367		389	413	437
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(18 174)	(37 260)	(28 240)	(46 041)	(35 891)	(35 891)		(44 302)	(47 049)	(49 825)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(18 151)	(37 230)	(27 265)	(45 674)	(35 524)	(35 524)	-	(43 913)	(46 636)	(49 387)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		161	254	252	1 905	1 905	1 905		2 010	2 134	2 260
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		161	254	252	1 905	1 905	1 905	-	2 010	2 134	2 260
NET INCREASE/ (DECREASE) IN CASH HELD		16 747	(12 396)	(6 439)	(54 446)	(65 390)	(65 390)	-	(65 264)	(69 310)	(73 399)
Cash/cash equivalents at the year begin:	2	23 467	40 214	27 818	(220)				(220)	(65 484)	(134 794)
Cash/cash equivalents at the year end:	2	40 214	27 818	21 380	(54 666)	(65 390)	(65 390)	-	(65 484)	(134 794)	(208 193)

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE BUDGET PROCESS

In terms of Section 53 of the Municipal Finance Management Act (Act 56 of 2003) the mayor of the municipality is required to provide political guidance over the budget process and the priorities that guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget Regulations states that the mayor must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

The budget planning process leaves much to be desired. Inputs from the Budget Steering Committee were limited to the workshops held with staff and the council. The IDP process provides a good basis for the budget, but the project plans are still incomplete when the budget process starts and final adjustments to projects impact the finalization of the budget.

Three budget workshops were held with councillors and officials. Lively debate ensued about different matters, but more particularly about the following: depreciation, affordability and cost reflective tariffs, cost cutting measures and the electricity increase.

The budget process started in August 2015 and proceeded along the following timeline:



Camdeboo Municipality Schedule of Key Deadlines - Budget & IDP 2016-2017 Budget Year

<u>Date</u>	<u>Action</u>	<u>Reference</u>	<u>Responsibility</u>
August 2015	Plan & Prepare		
11	Review previous year's budget process		Mayor & BSC
13	Table in Council Budget & IDP Time Schedule	MFMA 21(1)(b) & 53 (1)(b) MSA s34	Mayor & BSC Special Council
13	Establish/confirm Committees and consultation forums	MFMA guidance	Mayor & BSC Special Council
Sept 2015	Consult & review		
1	Publicise schedule on website	MFMA guidance	Accounting Officer
2	Implementation of Budget & IDP key deadlines	MFMA guidance	Accounting Officer
30	Review provincial & national Government sector and strategic plans	MFMA Guidance	Mayor & BSC BSC Meeting
From 1 st	Consult with community on changing needs and expectations	MSA ch4 as amended	Mayor & BSC
October 2015	Review and update		
1 - 16	Review and update budget related policies	MFMA Guidance	Accounting Officer
19 - 23	Evaluate revenue projections for next budget year, proposed rates and service charges	MFMA Guidance	Accounting Officer Mayor & BSC
30	Review of potential price increases of bulk resources (electricity)	MFMA s42	Accounting Officer
Nov 2015	Conclude & confirm		
2 – 13 (12 th)	Engage with national & provincial Sector departments on alignment with municipal plans	MFMA Guidance	Accounting Officer
2 – 27 27	Conclude initial community consultation on priorities	MSA ch4	Mayor & BSC BSC Meeting
30	Identify government allocations to municipality	MFMA Guidance	Accounting Officer
16 - 30	Commence preparation of Departmental plans & SDBIP aligned to IDP and community inputs	MFMA Guidance	Accounting Officer
Dec 2015	Draft & discuss		
1	Conclude first budget draft and Policies for council discussion	MFMA Guidance	Accounting Officer Workshop
11	Consider Community and stakeholder consultation on inputs, financial models, impact on tariffs and charges	MSA ch4 as amended	Accounting Officer
11	Management discussion and debate on estimated plans and resources	MFMA Guidance	Accounting Officer
14	Consider Council discussion and debate on estimated plans and resources	MFMA s53	Mayor & BSC
January 2016	Finalise		
15	Finalise inputs from bulk providers (Eskom)	MFMA Guidance	Accounting Officer

29	Finalise first draft of departmental plans and SDBIP for review against strategic priorities	MFMA Guidance	Accounting Officer
29	Finalise detailed Capital & Operational Budgets & align to IDP and draft SDBIP	MFMA Guidance	Accounting Officer
Date	Action	Reference	Responsibility
22 29	Report to Council on status of Budget – reinforce upcoming process on budget approval & oversight	MFMA Guidance	Mayor & BSC BSC Special Council meeting
29	Note the President’s “State of the Nation” address for budget priorities	MFMA Guidance	Mayor & BSC
February 2016	Transfers and tabling		
29	Note National and provincial allocations to municipality for incorporation in the budget	MFMA Guidance	Accounting Officer
9	Council workshop on Capital and Operational Budget	MFMA Guidance	Chief Financial Officer Workshop
March 2016	Consult & Confirm		
18	Receive Bulk resource providers’ price increases	MFMA s42	Accounting Officer
18	Incorporate transfers to and from municipalities	MFMA s37(2)	Accounting Officer
18	Print and distribute all documents prior to meeting of budget tabling	MFMA Guidance	Accounting Officer
23	Table in Council the annual budget and all supporting documentation	MFMA s16(2); s17 & s87(3)	Mayor & BSC Special Council
April 2016	Consider		
1	Submit tabled budget to Treasury and affected organs of state	MFMA s22	Accounting Officer
1	Publicise the tabled budget and supporting documentation	MFMA s22	Accounting Officer
28	Note National & Provincial allocations to municipality for incorporation in budget	MFMA Guidance	Accounting Officer
4 - 28	Public hearings	MFMA s23; s24 MSA ch 4 as amended	Mayor & BSC
4 - 28	Meetings with Wards	MFMA s23	Ward Councillors
28	Confirm provincial & national budget allocations	MFMA Guidance	Accounting Officer
28	Review provincial and national legislation for new reporting requirements and deadlines	New	Accounting Officer
29	Consider views of community and Stakeholders and, if needed, revise budget and table amendments for council consideration	MFMA s23(1)&(2)	Accounting Officer Mayor & BSC BSC Meeting
May 2016	Consider & Approve		
9 - 13	Assist mayor in preparing final budget documentation for approval by council	MFMA s68	Accounting Officer
13	Review any comments from National or Provincial government or organ of state	MFMA s68	Accounting Officer
16 - 20	Print and distribute budget documentation, draft IDP and SDBIP	MFMS Guidance	Accounting Officer
26	Consider approval of the annual Budget	MFMA s24(1)	Council

26	Approve annual budget by council resolution (including taxes, tariffs, measureable performance objectives, changes to IDP and budget related policies, SDBIP and LTC's where appropriate)	MFMA s16(1), s24(2) & s53(1)(c)(ii)	Council Special Council Meeting
31	Publicise approved budget and submit to Treasury	MFMA s75	Accounting Officer

2.2 OVERVIEW OF ALIGNMENT OF BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The Integrated Development Plan has been reviewed and the budget is based on the priorities identified by the communities. The following priorities are based on these consultative processes:

1. Infrastructure Development
2. Local Economic Development
3. Institutional Development
4. Community Development

The following table sets out the extent to which the budget is linked to the Integrated Development Plan:

Key Development areas

Local Economic Development	-
Infrastructure Development	42 483 450
Institutional Development	710 500
Community Development	1 108 000
	<u>44 301 951</u>

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Refer to Draft SDBIP

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The following list of budget-related policies will be finalised in terms of the consolidated policies:

- *Tariff Policy*
- *Credit Control and Customer Care Policy*
- *Indigence Policy*
- *Supply Chain Management Policy*
- *Rates Policy*
- *Banking and Investment Policy*
- *Travelling and Subsistence Policy*
- *Unauthorised, irregular, fruitless and wasteful expenditure policy*
- *Unforeseen and Unavoidable Expenditure Policy*
- *Funding and Reserves Policy*
- *Virement Policy*
- *Asset Management Policy*
- *Fleet Management Policy*
- *Inventory Management Policy*
- *Subsistence and travelling Policy*

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The following key assumptions underpinned the preparation of the Budget:

Revenue	2016/17	2017/18	2018/19
Water tariffs	6%	10%	10%
Sanitation tariffs	6%	7%	7%
Refuse tariff increases	6%	8%	8%
Electricity tariffs	7.64%	14%	14%
Revenue collection rates	85%	90%	95%
Expenditure			
Total expenditure increase allowed	6%	6%	6%
Salary increase	8%	8%	8%
Increase in repairs and maintenance	5%	5%	5%
Increase in bulk purchases electricity	8%	15%	15%

Table 5: Key Assumptions

2.6 OVERVIEW OF BUDGET FUNDING

The Operating budget is funded from revenue sources identified in page 11 *Table 2* above and further detail is contained in the budget tables. The increase to the operating expenses is funded through the rates and tariff increases, as well as operating grants received from the National Fiscus.

The Capital budget is funded from the sources shown in page 14 *Table 3* above. Furthermore, the municipality does not foresee the need to borrow in order to fund capital expenditure, primarily because of the associated risk.

The municipality has no investments.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Particulars of the MIG and FMG spending plans will be presented at the council meeting.

2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The municipality makes the following grants to organisations and bodies outside the sphere of government as referred to in section 67(1) of the Act:

- SPCA Graaff-Reinet R 18 000
- Local Tourism Forum (Publicity) R120 000

2.9 COUNCILLORS' ALLOWANCES AND EMPLOYEE BENEFITS

The following tables set out the allowances and benefits approved in the upper limits for councillors:

The municipality has the fourteen (14) councillors, consisting of one fulltime mayor, four chairpersons of sec. 79 committees, of which the allowances are set out in table 6 below.

Upper Limits				
Position	Number	Salary	Allowances	Total Remuneration Package
Mayor\Speaker	1	733 544.00	24 468.00	758 012.00
S 79 Committee Chairpersons	4	1 172 869.00	97 872.00	1 270 741.00
Part time councillors	9	2 056 328.00	220 212.00	2 276 540.00
				4 305 293.00

Table 6: Summary of Councillor Allowances

Number of employees:

	Number
Senior managers (in terms of Sect 57)	3
Other managers	11
Technical and Professional staff	-
Other Staff members	388
Total	402

Table 7: Number of employees

2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

There are no contracts with future budgetary implications

2.11 CAPITAL EXPENDITURE DETAILS

Summary of total capital projects received to date:								
PROJECT					FUNCTION	FUNDING	REGIONAL	Confirmed Funding
PROJECT NAME	IDP REF	PROJECT DESCRIPTION	NEW/UPGRADE OR ADDITIONS/REHABILITATION OR REFURBISHMENT	Multi Year project (Yes/No)	CORE OR NON CORE?	SOURCE OF FUNDING	WARD No.	2016/17
Community Services:								
Sportsground: Soccerfield	IDP407	grass planting	upgrade	no	non core	lotto	1	658 000.00
SPU:								
LED:								
Admin:								
Airconditioners	330	Installation of airconditioners: Aber	New	No	Core	Revenue: Mur	One	100 000.00
Vehicle	New	New 2 x 4 Bakkie for Libraries	New	No	Core	Revenue: Mur	Institutional	450 000.00
Electrical:								
MV Infrastructure	157	Upgrade, Replace and new MV Infrastructure, underground cables, overhauled lines and switchgear	new	Yes	core	INEP / DoE	1 to 7	5 000 000.00
Protection Services:								
Budget and Treasury:								
OFFICE FURNITURE	IDP-331	Tables, Chairs, Cabinets, Shelving				FMG		50 000.00
CLEANING APPLIANCES	IDP-334	Polishers & Vacuum Cleaners				FMG		10 000.00
TOOLS & EQUIPMENT	IDP-342	Miscellaneous, various Departments				FMG		70 000.00
ELECTRONIC SYSTEMS	IDP-354	Prepaid Electricity Vending Machines				FMG		52 500.00
ICT								
IT Infrastructure	IDP-353	Fibre Backbone to Engineers/Sobuku	NEW	Yes	CORE	FMG	Institutional	130 000.00
IT Hardware	IDP-352	Tools (drill, step ladder, glue gun, cr	NEW	Yes	NON CORE	FMG	Institutional	10 000.00
IT Hardware	IDP-352	Corporate Servc Scanners, Digital Re	ADDITIONAL	Yes	CORE	Library Grant	Institutional	30 000.00
IT Software	IDP-351	10 Exchange User CALS	ADDITIONAL	Yes	CORE	FMG	Institutional	10 000.00
IT Software	IDP-351	10 Windows Server User CALS	ADDITIONAL	Yes	CORE	FMG	Institutional	5 000.00
IT Software	IDP-351	10 Windows 10Pro Licences	ADDITIONAL	Yes	CORE	FMG	Institutional	30 000.00
IT Software	IDP-351	10 Micosoft Office H&B Licences	ADDITIONAL	Yes	CORE	FMG	Institutional	35 000.00
IT Software	IDP-351	10 Panda Endpoint Additional Licenc	ADDITIONAL	Yes	CORE	FMG	Institutional	3 000.00
IT Hardware	IDP-352	10 PC/Laptop Purchases	ADDITIONAL	Yes	CORE	FMG	Institutional	175 000.00
Infrastructure and Technical								
EMERGENCY WATER SUPPLY Upgrading (Graaf-Reinet)	118	upgrading of Emergency water supply	rehabilitation	Yes	core	Transfers & Su	2-6	23 440 000.00
Budget maintenance: Graaff-Reinet: Upgrade of WW	128	Upgrade of WWTW, Phase 2C	rehabilitation	Yes	core	Transfers & Su	2-6	2 011 319.00
SEWERAGE SYSTEMS Aberdeen: upgrading (Themba	127	Upgrading of Thembalesiwe Sewera	rehabilitation	No	core	Transfers & Su	1-7	7 271 656.20
Graaff-Reinet: Upgrading of soccerfield phase 2	408	Upgrading of soccerfield in Kroonval	upgrading	Yes	core	Transfers & Su	4	616 545.00
STREET CONSTRUCTION Building & Tarring (new surf	141	Building & Tarring (new surfacing) of	new	Yes	core	Transfers & Su	1 & 5	1 027 501.00
Aberdeen: Upgrading of bulk water supply phase 2	115	Upgrading of bulk water supply	upgrading	Yes	core	Transfers & Su	1-7	350 000.00
Camdeboo: Rehabilitation of roads	143	Resealing of bus roads	rehabilitation	Yes	core	Transfers & Su	1-7	2 766 430.00
								44 301 951.20

2.12 MUNICIPAL MANAGER’S QUALITY CERTIFICATE

I, _____, Municipal Manager of Camdeboo Municipality, hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: _____

Municipal Manager: Camdeboo (EC101)

Signature: _____

Date: _____