



**ANNUAL BUDGET OF**  
**IKWEZI MUNICIPALITY**

**2016/17 TO 2018/19**  
**MEDIUM TERM REVENUE AND EXPENDITURE**  
**FORECASTS**

## Table of Contents

1	Part 1 – Annual Budget	
1.1	Mayor’s Report	3
1.2	Council Resolutions	3
1.3	Executive Summary	4
1.4	Operating Revenue Framework	7
1.5	Operating Expenditure Framework	10
1.6	Budget Tables	11
2	Part 2 – Supporting Documentation	
2.1	Overview of the Annual budget process	18
2.2	Overview of budget related-policies	19
2.3	Measurable Objectives and Performance Indicators	19
2.4	Councillor and employee benefits	20
2.5	Capital Expenditure	21
2.6	Municipal manager’s quality certificate	23

## **1.1. MAYOR'S REPORT**

### **STATEMENT COMMUNICATED BY THE SPEAKER**

Mayor did not prepare any statement but makes the following remarks:

- Challenges of the strike, Council takes note of.
- Council appreciates the intervention by Samwu and LLF.
- Analysis shows that there is a 3<sup>rd</sup> force.
- Letter from Treasury to report Ikwezi to the MEC.
- Collapse of administration to address some few areas.
- Not to allow a total collapse of administration we still have an important service to deliver.
- Council appreciates the support from Province.
- To work on the payment of 3<sup>rd</sup> all parties.
- Its elections.
- Council stands on three legs.

## **1.2. RESOLUTIONS FOR ADOPTION AND APPROVAL OF THE BUDGET**

### **RESOLVED**

1. Council approves as its tabled Final Budget for 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.
2. Council approves the Medium term (indicative) Budgets for the 2017/2018 and 2018/2019 financial years contained in the Budget document.
3. Council approves Amendments to the following budget-related policies:  
The Budget related Policies are reviewed and remain unchanged.
4. Council approves that in 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 01 July 2016;  
Property Rates, 6% increase for residential, business, agriculture and state owned properties.  
Rebates as per Rates Policy  
Water, 6%  
Electricity, unchanged.  
Refuse, 6%  
Sanitation, 6%  
Other small tariffs, 6%
5. MFMA Circular 82 – Cost containment measures,

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 information to both National and Provincial Treasury.

### **1.3. EXECUTIVE SUMMARY**

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The budget was prepared in accordance with the Municipal Budget and Reporting Regulations (Notice 393 of 2009) as well as various MFMA Circulars from National Treasury's MFMA Circulars No. 41, 48, 51, 54, 55, 58, 59,66, 67, 70 and 72

When the budget was prepared the following two key concepts were also taken into consideration:

- *the budget must be funded according to MFMA section 18(1) & 19(1); and*
- *the budget must be credible.*

*For the budget to be funded:*

- *it must be from realistically anticipated revenues to be collected.*
- *cash backed accumulated funds from previous years, surpluses not committed for other purposes.*
- *borrowed funds, but only for the capital budget.*

*For the budget to be credible:*

- *it must fund only the activities consistent with the revised IDP and vice versa.*
- *the activities funded are realistically achievable given the financial constraints of the municipality.*
- *it must contain revenue and expenditure projections that are consistent with current and past performance.*
- *the community should realistically expect to receive the promised service delivery levels and understand the associated financial implications.*
- *the tabled budget should be fairly close to the final budget.*

The budget was linked to the revised IDP, while performance agreements of the Accounting Officer and Senior Management will be linked as soon as these agreements have been signed.

### **THE MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)**

The budget document consists of high level VOTES and the various GFS functions and sub-functions. Votes are generally described as the highest level of administrative functions for appropriate service delivery, policy setting and performance measurement.

### **FUNDING THE BUDGET**

#### **Financial Performance**

The Ikwezi Municipality strived to comply with all financial management requirements. In doing so they strived to establish a GRAP compliant Asset Register and establish the Budget Treasury Office. The 2016/2017 Financial Statements will be compiled according to the full GRAP Standards. The 2015/2016 GRAP Financial Statements was Disclaimer by the Auditor-General.

## **Budget strategies**

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

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

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

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

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

The jobs shed in the big cities all over the country have had a direct impact on Ikwezi. In view of the national priorities, this budget has been fully aligned with the Integrated Development Plan of the municipality. This budget is also sensitive to the economic conditions of Ikwezi, coupled with massive unemployment - Ikwezi has made every effort to consider those who cannot afford to pay for the services rendered. The serious back log in infrastructure is under consideration. R8 824 000 has been set aside to continue with capital projects like Upgrade of waste water treatment works in Klipplaat, Upgrade of Phumlani Road in Jansenville. These projects are funded from our MIG allocation for 2015/16.

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

The internal controls have shown significant improvements but we got Disclaimer audit opinion issued for 2016/17 by the Auditor General but we are expected improvements in the audit outcome for 2016/17. The audit committee has not been active, and has not advised council on matters of financial and risk management on a quarterly basis. The next challenge will be to ensure that the audit committee is again instituted and become fully functional.

The collection rate of 44% is still a hindering factor as it means that more than 50% of our income is from government grants. The municipality has amended its financial recovery plan for the 2016/17 financial year and envisage an improvement in the next audit report.

In order to support the 2014/2015 Annual budget, the following increases in rates and services have been approved:

Water has increased by	6%
Refuse removal has increased by	6%
Sewerage has increased by	6%
Assessment rates has increased by	6%
Electricity domestic has increased by an average of	7.64%

The local economic development unit within the municipality has been established. The 2014/15 financial year will see the implementation of economic projects like the implementation of bulk water supply in Jansenville. The aim is to improve the standard of living of the residents generate and also to generate revenue for the municipality.

The municipality have allocated four wards after the 2011 local government elections. In order to ensure that public participation is enhanced, this budget will also provide the necessary support to ward councillors and committees.

**Table 1 Consolidated Overview of the 2015/16 MTREF**

	Budget year	Budget year+1	Budget year+2
Total revenue	46930161	45513741	48335593
Total expenditure	49504764	51340258	54523354
Surplus/(Deficit)for the year	- 2574603.36	-5826517	-6187761
Capital Expenditure	16004447	21442146	22771559

## 1.4. OPERATING REVENUE FRAMEWORK

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

### Property Rates

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2016/17 financial year based on a 6 per cent increase from 1 July 2016 is contained below:

#### Comparison of proposed rates to levy for the 2016/17 financial year

<u>ASSESSMENT RATES</u>	<u>tariff</u>	<u>Increase</u>	<u>tariff</u>	<u>Increase</u>	<u>tariff</u>	<u>Increase</u>	<u>tariff</u>
Residential - per R1 Valuation per annum	R 0.01716	6.00%	R 0.01819	6.20%	R 0.01932	5.90%	R 0.02046
Businesses - per R1 valuation per annum	R 0.02103	6.00%	R 0.02229	6.20%	R 0.02368	5.90%	R 0.02507
Government - per R1 valuation per annum	R 0.02524	6.00%	R 0.02675	6.20%	R 0.02841	6.00%	R 0.03008
Agriculture - per R1 valuation per annum	R 0.000329	6.00%	R 0.000349	6.20%	R 0.000371	5.90%	R 0.000393

### Sale of Water and Impact of Tariff Increases

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

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

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

<u>WATER</u>	<u>tariff</u>	<u>Increase</u>	<u>tariff</u>	<u>Increase</u>	<u>tariff</u>	<u>Increase</u>	<u>tariff</u>
<b>Water Deposits: for new agreements only</b>							
Residential	R 130	0.00%	R 130	0.00%	130.00	0.00%	130.00
Bulk users (Schools, hostels, other)	R 380	0.00%	R 380	0.00%	380.00	0.00%	380.00
<b>Not metered</b>							
Basic charge: Residential (equal to 10kl) - per month	R 61	6.00%	R 65	6.20%	68.93	5.90%	73.00
Basic charge: Schools, hostels and other bulk users) - per month	R 245	6.00%	R 260	6.20%	275.72	5.90%	291.99
<b>Metered</b>							
Basic charge: Residential s - per month	R 61	6.00%	R 65	6.20%	68.93	5.90%	73.00
More than 10kl: per kl	6.12	6.00%	6.49	6.20%	6.89	5.90%	7.30
Basic charge: Businesses & Other users - per month	R 150	6.00%	R 159	6.20%	168.86	5.90%	178.82
More than 10kl: per kl	6.12	6.00%	6.49	6.20%	6.89	5.90%	7.30

## Sale of Electricity and Impact of Tariff Increases

NERSA has announced the bulk electricity pricing structure. A 7.64% per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2016.

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

### Table Comparison between current electricity charges and increases

#### ELECTRICITY

#### Proposed electricity Tariffs to be approved by NERSA

	2015/16	2016/17	2016/17	2017/18	2017/18
	Tariff	Increase	Tariff	Increase	Tariff
	Inc VAT		Inc VAT		Inc VAT
<b>A: Prepaid</b>					
<b>Prepaid - Domestic: Indigent</b>					
Block 1 (0 - 50kwh)	R 0.908	7.64%	R 0.977	7.64%	R 1.052
Block 2 (51 - 350kwh)	R 1.127	7.64%	R 1.213	7.64%	R 1.306
Block 3 (351 - 600kwh)	R 1.566	7.64%	R 1.686	7.64%	R 1.814
Block 4 (>600kwh)	R 1.770	7.64%	R 1.905	7.64%	R 2.051
<b>Prepaid - Domestic: Standard</b>					
Block 1 (0 - 50kwh)	R 0.961	7.64%	R 1.034	7.64%	R 1.113
Block 2 (51 - 350kwh)	R 1.237	7.64%	R 1.331	7.64%	R 1.433
Block 3 (351 - 600kwh)	R 1.705	7.64%	R 1.835	7.64%	R 1.975
Block 4 (>600kwh)	R 1.896	7.64%	R 2.040	7.64%	R 2.196
Basic charge	R 189.56	7.64%	R 204.04	7.64%	R 219.63
<b>Commercial</b>				7.64%	
<b>Commercial Prepaid</b>	R 1.923	7.64%	R 2.070	7.64%	R 2.228
<b>B: Conventional</b>					
<b>Commercial</b>					
Energy charge per kwh	R 1.653	7.64%	R 1.779	7.64%	R 1.915
Basic charge	415.30	7.64%	R 447	7.64%	R 481

## Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2016 will be implemented.

The following table compares the current and proposed tariffs:

### Table Comparison between current sanitation charges and increases



<b>SEWERAGE</b>	<b>2015/16 tariff</b>	<b>2016/17 Increase</b>	<b>2016/17 tariff</b>	<b>2017/18 Increase</b>	<b>2017/18 tariff</b>	<b>2018/19 Increase</b>	<b>2018/19 tariff</b>
Jansenville - Basic charge - per month	R 52	6.00%	R 55	6.20%	R 58	5.90%	R 62
Klipplaat - Basic charge - per month	R 94	6.00%	R 100	6.20%	R 106	5.90%	R 113
Septic Tank	R 94	6.00%	R 100	6.20%	R 106	5.90%	R 113
Sewerage fees - Residential (Jansenville & Klipplaat) - per pan - p	R 94	6.00%	R 100	6.20%	R 106	5.90%	R 113
- Jansenville Schools (If connected) - per month	R 623	6.00%	R 660	6.20%	R 701	5.90%	R 743
- Jansenville Hostels (If connected) - per month	R 565	6.00%	R 599	6.20%	R 636	5.90%	R 674
- Angora Lodge Hotel - per month	R 711	6.00%	R 754	6.20%	R 801	5.90%	R 848
- Dept of Correctional Services - per month	R 1 155	6.00%	R 1 224	6.20%	R 1 300	5.90%	R 1 377
- Huis Welverdiend - per month	R 606	6.00%	R 643	6.20%	R 683	5.90%	R 723
- SAWAS Hospital - per month	R 800	6.00%	R 848	6.20%	R 900	5.90%	R 954

### Waste Removal and Impact of Tariff Increases

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

### Table Comparison between current waste removal fees and increases

<b>REFUSE REMOVAL</b>	<b>2015/16 tariff</b>	<b>2016/17 Increase</b>	<b>2016/17 tariff</b>	<b>2017/18 Increase</b>	<b>2017/18 tariff</b>	<b>2018/19 Increase</b>	<b>2018/19 tariff</b>
Residential - per month	R 64	6.00%	R 68	6.20%	R 72	5.90%	R 76
Businesses - per month	R 75	6.00%	R 80	6.20%	R 85	5.90%	R 90

## 1.5. OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2016/17 and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The budget tables give summary of the 2016/17 budget and MTREF

## 1.6. BUDGET TABLES

### Budget schedules approved by resolution of Council

EC103 Ikwezi - 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
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	1 582	1 825	2 050	2 045	2 170	2 170	2 170	2 314	2 457	2 602
Service charges	10 074	10 629	10 155	16 489	14 240	14 240	14 240	15 402	16 357	17 322
Investment revenue	117	61	44	48	48	48	48	52	55	58
Transfers recognised - operational	18 094	23 878	23 961	26 344	26 903	26 903	26 402	24 283	25 789	27 310
Other own revenue	1 343	1 914	3 681	3 764	3 649	3 649	4 070	3 463	3 678	3 895
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>31 209</b>	<b>38 307</b>	<b>39 892</b>	<b>48 691</b>	<b>47 010</b>	<b>47 010</b>	<b>46 930</b>	<b>45 514</b>	<b>48 336</b>	<b>51 187</b>
Employee costs	17 737	17 843	21 477	22 295	19 080	19 080	19 080	20 737	22 023	23 322
Remuneration of councillors	1 479	1 593	1 726	1 994	1 994	1 994	1 994	2 146	2 279	2 413
Depreciation & asset impairment	2 711	3 868	4 260	4 203	4 203	4 203	4 203	4 481	4 758	5 039
Finance charges	141	616	28	98	98	98	98	105	111	118
Materials and bulk purchases	5 613	5 880	5 933	6 320	6 320	6 320	6 320	6 914	7 343	7 776
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	17 800	24 334	25 133	18 454	17 810	17 810	17 810	16 958	18 010	19 072
<b>Total Expenditure</b>	<b>45 481</b>	<b>54 135</b>	<b>58 558</b>	<b>53 365</b>	<b>49 505</b>	<b>49 505</b>	<b>49 505</b>	<b>51 340</b>	<b>54 523</b>	<b>57 740</b>
<b>Surplus/(Deficit)</b>	<b>(14 273)</b>	<b>(15 827)</b>	<b>(18 666)</b>	<b>(4 674)</b>	<b>(2 495)</b>	<b>(2 495)</b>	<b>(2 575)</b>	<b>(5 827)</b>	<b>(6 188)</b>	<b>(6 553)</b>
Transfers recognised - capital	12 391	13 167	10 061	16 073	15 924	15 924	16 004	21 442	22 772	24 115
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1 882)</b>	<b>(2 660)</b>	<b>(8 605)</b>	<b>11 399</b>	<b>13 430</b>	<b>13 430</b>	<b>13 430</b>	<b>15 616</b>	<b>16 584</b>	<b>17 562</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(1 882)</b>	<b>(2 660)</b>	<b>(8 605)</b>	<b>11 399</b>	<b>13 430</b>	<b>13 430</b>	<b>13 430</b>	<b>15 616</b>	<b>16 584</b>	<b>17 562</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>9 925</b>	<b>6 653</b>	<b>11 106</b>	<b>16 073</b>	<b>16 004</b>	<b>16 004</b>	<b>16 004</b>	<b>21 442</b>	<b>22 772</b>	<b>24 115</b>
Transfers recognised - capital	9 633	6 653	11 106	16 073	16 004	16 004	16 004	21 442	22 772	24 115
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	292	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>9 925</b>	<b>6 653</b>	<b>11 106</b>	<b>16 073</b>	<b>16 004</b>	<b>16 004</b>	<b>16 004</b>	<b>21 442</b>	<b>22 772</b>	<b>24 115</b>
<b>Financial position</b>										
Total current assets	5 477	4 349	3 257	6 615	6 602	6 602	6 602	7 038	7 474	7 915
Total non current assets	138 070	138 932	145 778	148 719	148 719	148 719	148 719	158 534	168 364	178 297
Total current liabilities	25 872	26 622	44 039	36 371	36 371	36 371	36 371	20 517	21 789	23 075
Total non current liabilities	8 206	11 773	8 713	13 895	13 895	13 895	13 895	14 813	15 731	16 659
Community wealth/Equity	109 470	104 887	96 282	105 068	105 055	105 055	105 055	130 243	138 318	146 479
<b>Cash flows</b>										
Net cash from (used) operating	10 836	2 116	12 710	11 399	12 962	15 259	15 259	15 616	16 584	17 562
Net cash from (used) investing	(10 563)	(6 653)	(11 106)	(16 073)	(15 604)	(15 604)	(15 604)	(21 442)	(22 772)	(24 115)
Net cash from (used) financing	(201)	5 083	(1 273)	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(856)</b>	<b>(309)</b>	<b>22</b>	<b>(4 674)</b>	<b>(2 643)</b>	<b>(345)</b>	<b>(345)</b>	<b>(5 827)</b>	<b>(12 014)</b>	<b>(18 567)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(856)	(309)	22	(1 384)	(1 384)	(1 384)	(1 384)	(1 475)	(1 567)	(1 659)
Application of cash and investments	20 021	20 485	36 535	27 532	27 547	26 818	26 964	11 183	11 877	12 577
<b>Balance - surplus (shortfall)</b>	<b>(20 877)</b>	<b>(20 794)</b>	<b>(36 514)</b>	<b>(28 916)</b>	<b>(28 931)</b>	<b>(28 202)</b>	<b>(28 348)</b>	<b>(12 659)</b>	<b>(13 444)</b>	<b>(14 236)</b>
<b>Asset management</b>										
Asset register summary (WDV)	43 792	138 932	145 778	51 888	51 888	51 888	48 843	48 843	51 872	54 932
Depreciation & asset impairment	2 711	3 868	4 260	4 203	4 203	4 203	4 481	4 481	4 758	5 039
Renewal of Existing Assets	9 925	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	1 598	1 932	555	537	587	587	585	585	622	658
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	1 838	1 838	1 838	1 838	1 838	1 952	2 067
Revenue cost of free services provided	-	-	-	534	534	534	569	569	604	640
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

EC103 Ikwezi - 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
R thousand										
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		33 321	40 718	28 965	47 601	47 863	47 863	50 667	53 809	56 983
Executive and council		31 739	38 893	1 134	45 556	45 693	45 693	2 314	2 457	2 602
Budget and treasury office		1 582	1 825	27 831	2 045	2 170	2 170	48 354	51 352	54 381
Corporate services		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	6 055	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	6 055	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		205	126	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		205	126	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		10 074	10 629	14 933	17 163	15 072	15 072	16 289	17 299	18 319
Electricity		6 090	6 595	6 180	10 229	8 123	8 123	8 881	9 432	9 989
Water		1 256	1 238	5 153	3 383	3 383	3 383	3 606	3 830	4 055
Waste water management		1 530	1 515	1 899	1 910	1 925	1 925	2 052	2 179	2 308
Waste management		1 197	1 281	1 701	1 641	1 641	1 641	1 749	1 858	1 968
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	<b>43 600</b>	<b>51 474</b>	<b>49 953</b>	<b>64 764</b>	<b>62 935</b>	<b>62 935</b>	<b>66 956</b>	<b>71 107</b>	<b>75 302</b>
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		45 481	21 099	26 603	26 444	23 939	23 939	23 383	24 832	26 298
Executive and council		45 481	6 929	7 247	7 183	7 093	7 093	7 756	8 237	8 723
Budget and treasury office		-	9 042	11 716	12 827	10 621	10 621	9 053	9 614	10 181
Corporate services		-	5 128	7 640	6 435	6 225	6 225	6 574	6 981	7 393
<b>Community and public safety</b>		-	1 431	7 198	1 904	1 522	1 522	1 957	2 078	2 201
Community and social services		-	666	5 443	1 010	600	600	966	1 026	1 086
Sport and recreation		-	37	-	81	81	81	88	93	98
Public safety		-	728	1 754	813	841	841	904	960	1 016
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	6 623	7 917	6 212	6 143	6 143	6 734	7 151	7 573
Planning and development		-	2 955	6 151	3 858	3 533	3 533	3 943	4 187	4 434
Road transport		-	3 668	1 766	2 354	2 611	2 611	2 791	2 964	3 139
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	24 982	16 841	18 805	17 900	17 900	19 267	20 461	21 668
Electricity		-	16 616	9 058	8 525	8 254	8 254	8 985	9 542	10 105
Water		-	2 726	3 265	3 238	3 124	3 124	3 346	3 553	3 763
Waste water management		-	3 780	3 153	3 326	3 429	3 429	3 672	3 900	4 130
Waste management		-	1 860	1 365	3 715	3 093	3 093	3 264	3 466	3 670
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	<b>45 481</b>	<b>54 135</b>	<b>58 558</b>	<b>53 365</b>	<b>49 505</b>	<b>49 505</b>	<b>51 340</b>	<b>54 523</b>	<b>57 740</b>
<b>Surplus/(Deficit) for the year</b>		<b>(1 882)</b>	<b>(2 660)</b>	<b>(8 605)</b>	<b>11 399</b>	<b>13 430</b>	<b>13 430</b>	<b>15 616</b>	<b>16 584</b>	<b>17 562</b>

EC103 Ikwezi - 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
<b>Revenue by Vote</b>										
Vote 1 - EXECUTIVE AND COUNCIL	1	31 739	38 893	37 747	45 556	45 693	45 693	48 354	51 352	54 381
Vote 2 - BUDGET AND TREASURY OFFICE		1 582	1 825	2 050	2 045	2 170	2 170	2 314	2 457	2 602
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 5 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		1 197	1 281	1 367	1 641	1 641	1 641	1 749	1 858	1 968
Vote 10 - ROAD TRANSPORT		205	126	-	-	-	-	-	-	-
Vote 11 - WASTE WATER MANAGEMENT		1 530	1 515	1 562	1 910	1 925	1 925	2 052	2 179	2 308
Vote 12 - WATER		1 256	1 238	1 359	3 383	3 383	3 383	3 606	3 830	4 055
Vote 13 - ELECTRICITY		6 090	6 595	5 867	10 229	8 123	8 123	8 881	9 432	9 989
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>43 600</b>	<b>51 474</b>	<b>49 953</b>	<b>64 764</b>	<b>62 935</b>	<b>62 935</b>	<b>66 956</b>	<b>71 107</b>	<b>75 302</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - EXECUTIVE AND COUNCIL	1	45 481	54 135	58 558	7 183	7 093	7 093	7 756	8 237	8 723
Vote 2 - BUDGET AND TREASURY OFFICE		-	-	-	12 827	10 621	10 621	9 053	9 614	10 181
Vote 3 - CORPORATE SERVICES		-	-	-	6 435	6 225	6 225	6 574	6 981	7 393
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	3 858	3 533	3 533	3 943	4 187	4 434
Vote 5 - PUBLIC SAFETY		-	-	-	813	841	841	904	960	1 016
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	1 010	600	600	966	1 026	1 086
Vote 7 - SPORT AND RECREATION		-	-	-	81	81	81	88	93	98
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		-	-	-	3 715	3 093	3 093	3 264	3 466	3 670
Vote 10 - ROAD TRANSPORT		-	-	-	2 354	2 611	2 611	2 791	2 964	3 139
Vote 11 - WASTE WATER MANAGEMENT		-	-	-	3 326	3 429	3 429	3 672	3 900	4 130
Vote 12 - WATER		-	-	-	3 238	3 124	3 124	3 346	3 553	3 763
Vote 13 - ELECTRICITY		-	-	-	8 525	8 254	8 254	8 985	9 542	10 105
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>45 481</b>	<b>54 135</b>	<b>58 558</b>	<b>53 365</b>	<b>49 505</b>	<b>49 505</b>	<b>51 340</b>	<b>54 523</b>	<b>57 740</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(1 882)</b>	<b>(2 660)</b>	<b>(8 605)</b>	<b>11 399</b>	<b>13 430</b>	<b>13 430</b>	<b>15 616</b>	<b>16 584</b>	<b>17 562</b>

EC103 Ikwezi - 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
<b>Revenue By Source</b>											
Property rates	2	1 392	1 594	1 723	1 826	1 826	1 826	1 826	1 946	2 067	2 189
Property rates - penalties & collection charges		189	231	328	219	344	344	344	367	390	413
Service charges - electricity revenue	2	6 090	6 595	5 867	10 198	7 934	7 934	7 934	8 679	9 218	9 761
Service charges - water revenue	2	1 256	1 238	1 359	3 167	3 167	3 167	3 167	3 376	3 585	3 797
Service charges - sanitation revenue	2	1 530	1 515	1 562	1 691	1 705	1 705	1 705	1 818	1 931	2 044
Service charges - refuse revenue	2	1 197	1 281	1 367	1 433	1 434	1 434	1 434	1 529	1 623	1 719
Service charges - other					-						
Rental of facilities and equipment		9	20	86	73	110	110	110	117	124	132
Interest earned - external investments		117	61	44	48	48	48	48	52	55	58
Interest earned - outstanding debtors		609	723	1 316	678	855	855	855	911	968	1 025
Dividends received											
Fines											
Licences and permits		205	126	109	32	32	32	32	34	36	38
Agency services					688	688	688	688	734	779	825
Transfers recognised - operational		18 094	23 878	23 961	26 344	26 903	26 903	26 402	24 283	25 789	27 310
Other revenue	2	513	1 045	2 169	2 293	1 965	1 965	2 386	1 668	1 771	1 876
Gains on disposal of PPE		6									
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>31 209</b>	<b>38 307</b>	<b>39 892</b>	<b>48 691</b>	<b>47 010</b>	<b>47 010</b>	<b>46 930</b>	<b>45 514</b>	<b>48 336</b>	<b>51 187</b>
<b>Expenditure By Type</b>											
Employee related costs	2	17 737	17 843	21 477	22 295	19 080	19 080	19 080	20 737	22 023	23 322
Remuneration of councillors		1 479	1 593	1 726	1 994	1 994	1 994	1 994	2 146	2 279	2 413
Debt impairment	3	2 974	8 183	6 153	668	668	668	668	713	757	801
Depreciation & asset impairment	2	2 711	3 868	4 260	4 203	4 203	4 203	4 203	4 481	4 758	5 039
Finance charges		141	616	28	98	98	98	98	105	111	118
Bulk purchases	2	5 613	5 880	5 933	6 320	6 320	6 320	6 320	6 914	7 343	7 776
Other materials	8										
Contracted services		2 711	-	-	5 253	5 844	5 844	5 844	6 209	6 594	6 983
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	12 115	16 150	18 981	12 533	11 297	11 297	11 297	10 037	10 659	11 288
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>45 481</b>	<b>54 135</b>	<b>58 558</b>	<b>53 365</b>	<b>49 505</b>	<b>49 505</b>	<b>49 505</b>	<b>51 340</b>	<b>54 523</b>	<b>57 740</b>
<b>Surplus/(Deficit)</b>		<b>(14 273)</b>	<b>(15 827)</b>	<b>(18 666)</b>	<b>(4 674)</b>	<b>(2 495)</b>	<b>(2 495)</b>	<b>(2 575)</b>	<b>(5 827)</b>	<b>(6 188)</b>	<b>(6 553)</b>
Transfers recognised - capital		12 391	13 167	10 061	16 073	15 924	15 924	16 004	21 442	22 772	24 115
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(1 882)</b>	<b>(2 660)</b>	<b>(8 605)</b>	<b>11 399</b>	<b>13 430</b>	<b>13 430</b>	<b>13 430</b>	<b>15 616</b>	<b>16 584</b>	<b>17 562</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(1 882)</b>	<b>(2 660)</b>	<b>(8 605)</b>	<b>11 399</b>	<b>13 430</b>	<b>13 430</b>	<b>13 430</b>	<b>15 616</b>	<b>16 584</b>	<b>17 562</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(1 882)</b>	<b>(2 660)</b>	<b>(8 605)</b>	<b>11 399</b>	<b>13 430</b>	<b>13 430</b>	<b>13 430</b>	<b>15 616</b>	<b>16 584</b>	<b>17 562</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(1 882)</b>	<b>(2 660)</b>	<b>(8 605)</b>	<b>11 399</b>	<b>13 430</b>	<b>13 430</b>	<b>13 430</b>	<b>15 616</b>	<b>16 584</b>	<b>17 562</b>

EC103 Ikwezi - 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
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 5 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 10 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 12 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure, to be appropriated</b>	2										
Vote 1 - EXECUTIVE AND COUNCIL		23	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE		131	-	-	65	65	65	65	-	-	-
Vote 3 - CORPORATE SERVICES		143	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		83	-	-	-	-	-	-	-	-	-
Vote 5 - PUBLIC SAFETY		43	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		3 198	-	-	2 219	2 151	2 151	2 151	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	1 175	1 175	1 175	1 175	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		267	-	-	-	-	-	-	-	-	-
Vote 10 - ROAD TRANSPORT		4 084	-	-	2 000	2 000	2 000	2 000	6 003	6 375	6 751
Vote 11 - WASTE WATER MANAGEMENT		843	-	-	7 224	7 224	7 224	7 224	2 824	2 999	3 176
Vote 12 - WATER		317	-	-	3 390	3 390	3 390	3 390	12 615	13 397	14 188
Vote 13 - ELECTRICITY		793	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		9 925	-	-	16 073	16 004	16 004	16 004	21 442	22 772	24 115
<b>Total Capital Expenditure - Vote</b>		9 925	-	-	16 073	16 004	16 004	16 004	21 442	22 772	24 115
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		324	157	-	65	65	65	65	-	-	-
Executive and council		22	111	-	-	-	-	-	-	-	-
Budget and treasury office		131	46	-	65	65	65	65	-	-	-
Corporate services		171	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		3 215	4 945	204	3 394	3 325	3 325	3 325	-	-	-
Community and social services		3 172	4 945	204	2 219	2 151	2 151	2 151	-	-	-
Sport and recreation		-	-	-	1 175	1 175	1 175	1 175	-	-	-
Public safety		43	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		4 167	516	3 569	2 000	2 000	2 000	2 000	6 003	6 375	6 751
Planning and development		83	-	-	-	-	-	-	-	-	-
Road transport		4 084	516	3 569	2 000	2 000	2 000	2 000	6 003	6 375	6 751
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		2 219	1 034	7 333	10 614	10 614	10 614	10 614	15 439	16 396	17 364
Electricity		821	-	-	-	-	-	-	-	-	-
Water		317	864	2 612	3 390	3 390	3 390	3 390	12 615	13 397	14 188
Waste water management		814	170	4 722	7 224	7 224	7 224	7 224	2 824	2 999	3 176
Waste management		267	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	9 925	6 653	11 106	16 073	16 004	16 004	16 004	21 442	22 772	24 115
<b>Funded by:</b>											
National Government		9 633	6 653	10 902	16 073	16 004	16 004	16 004	21 442	22 772	24 115
Provincial Government		-	-	204	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	9 633	6 653	11 106	16 073	16 004	16 004	16 004	21 442	22 772	24 115
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		292	-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	7	9 925	6 653	11 106	16 073	16 004	16 004	16 004	21 442	22 772	24 115

EC103 Ikwezi - 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
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		41	0	11	11	11	11	11	12	13	14
Call investment deposits	1	-	11	11	-	-	-	-	-	-	-
Consumer debtors	1	5 382	3 659	2 712	4 585	4 585	4 585	4 585	4 887	5 190	5 496
Other debtors		46	667	512	2 006	2 006	2 006	2 006	2 139	2 271	2 405
Current portion of long-term receivables											
Inventory	2	8	12	12	12						
<b>Total current assets</b>		<b>5 477</b>	<b>4 349</b>	<b>3 257</b>	<b>6 615</b>	<b>6 602</b>	<b>6 602</b>	<b>6 602</b>	<b>7 038</b>	<b>7 474</b>	<b>7 915</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property		43 638	43 638	43 638	45 733	45 733	45 733	45 733	48 751	51 773	54 828
Investment in Associate											
Property, plant and equipment	3	94 278	95 211	102 127	102 900	102 900	102 900	102 900	109 691	116 492	123 365
Agricultural											
Biological											
Intangible		154	83	13	87	87	87	87	93	98	104
Other non-current assets											
<b>Total non current assets</b>		<b>138 070</b>	<b>138 932</b>	<b>145 778</b>	<b>148 719</b>	<b>148 719</b>	<b>148 719</b>	<b>148 719</b>	<b>158 534</b>	<b>168 364</b>	<b>178 297</b>
<b>TOTAL ASSETS</b>		<b>143 547</b>	<b>143 281</b>	<b>149 035</b>	<b>155 334</b>	<b>155 321</b>	<b>155 321</b>	<b>155 321</b>	<b>165 572</b>	<b>175 838</b>	<b>186 212</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	897	320	-	1 396	1 396	1 396	1 396	1 488	1 580	1 673
Borrowing	4	222	1 746	4 219	111	111	111	111	119	126	133
Consumer deposits		621			942	942	942	942	1 004	1 067	1 130
Trade and other payables	4	24 132	23 656	39 087	33 922	33 922	33 922	33 922	17 906	19 017	20 139
Provisions			899	734							
<b>Total current liabilities</b>		<b>25 872</b>	<b>26 622</b>	<b>44 039</b>	<b>36 371</b>	<b>36 371</b>	<b>36 371</b>	<b>36 371</b>	<b>20 517</b>	<b>21 789</b>	<b>23 075</b>
<b>Non current liabilities</b>											
Borrowing		365	3 924	205	5 684	5 684	5 684	5 684	6 060	6 435	6 815
Provisions		7 841	7 849	8 508	8 211	8 211	8 211	8 211	8 753	9 296	9 844
<b>Total non current liabilities</b>		<b>8 206</b>	<b>11 773</b>	<b>8 713</b>	<b>13 895</b>	<b>13 895</b>	<b>13 895</b>	<b>13 895</b>	<b>14 813</b>	<b>15 731</b>	<b>16 659</b>
<b>TOTAL LIABILITIES</b>		<b>34 078</b>	<b>38 394</b>	<b>52 753</b>	<b>50 266</b>	<b>50 266</b>	<b>50 266</b>	<b>50 266</b>	<b>35 330</b>	<b>37 520</b>	<b>39 734</b>
<b>NET ASSETS</b>	5	<b>109 470</b>	<b>104 887</b>	<b>96 282</b>	<b>105 068</b>	<b>105 055</b>	<b>105 055</b>	<b>105 055</b>	<b>130 243</b>	<b>138 318</b>	<b>146 479</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		109 470	104 887	96 282	105 068	105 055	105 055	105 055	130 243	138 318	146 479
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>109 470</b>	<b>104 887</b>	<b>96 282</b>	<b>105 068</b>	<b>105 055</b>	<b>105 055</b>	<b>105 055</b>	<b>130 243</b>	<b>138 318</b>	<b>146 479</b>



EC103 Ikwezi - 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		5 871	5 373	1 038	2 045	2 170	2 045	2 045	2 314	2 457	2 602
Service charges				6 118	16 489	14 240	16 489	16 489	15 402	16 357	17 322
Other revenue		728	1 191	2 365	3 086	2 992	3 086	3 086	2 552	2 710	2 870
Government - operating	1	30 485	37 045	23 961	26 344	26 333	26 344	26 344	24 283	25 789	27 310
Government - capital	1			10 061	16 073	16 004	16 073	16 073	21 442	22 772	24 115
Interest		725	784	1 360	727	727	727	727	963	1 022	1 083
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(26 833)	(41 660)	(32 165)	(47 443)	(43 583)	(43 583)	(43 583)	(51 236)	(54 412)	(57 622)
Finance charges		(141)	(616)	(28)	(668)	(668)	(668)	(668)	(105)	(111)	(118)
Transfers and Grants	1				(5 253)	(5 253)	(5 253)	(5 253)	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>10 836</b>	<b>2 116</b>	<b>12 710</b>	<b>11 399</b>	<b>12 962</b>	<b>15 259</b>	<b>15 259</b>	<b>15 616</b>	<b>16 584</b>	<b>17 562</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		6				400	400	400	-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(10 569)	(6 653)	(11 106)	(16 073)	(16 004)	(16 004)	(16 004)	(21 442)	(22 772)	(24 115)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(10 563)</b>	<b>(6 653)</b>	<b>(11 106)</b>	<b>(16 073)</b>	<b>(15 604)</b>	<b>(15 604)</b>	<b>(15 604)</b>	<b>(21 442)</b>	<b>(22 772)</b>	<b>(24 115)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		(201)	5 083	(1 273)					-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(201)</b>	<b>5 083</b>	<b>(1 273)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>72</b>	<b>547</b>	<b>331</b>	<b>(4 674)</b>	<b>(2 643)</b>	<b>(345)</b>	<b>(345)</b>	<b>(5 827)</b>	<b>(6 188)</b>	<b>(6 553)</b>
Cash/cash equivalents at the year begin:	2	(928)	(856)	(309)					-	(5 827)	(12 014)
Cash/cash equivalents at the year end:	2	(856)	(309)	22	(4 674)	(2 643)	(345)	(345)	(5 827)	(12 014)	(18 567)

## **PART 2 – SUPPORTING DOCUMENTATION**

### **2.1. OVERVIEW OF THE ANNUAL BUDGET PROCESS**

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

The timetable or schedule as outlined, provided the timeframes for the IDP and Budget preparation process - coupled with the required consultative requirements and production of reports as indicated. The strategic objective is to ensure that a revised IDP and a Budget that is fully compliant to the new format prescribed by National Treasury is achieved, tabled and communicated by 31 May 2014. The budget and IDP will start consultative process in March 2014. Admittedly, there will be challenges with the process in 2014 due to the upcoming National elections. The consultative meetings will be held in all the four wards and we hope the meetings will be well attended.

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

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

## **2.2. OVERVIEW OF BUDGET RELATED-POLICIES**

The Ikwezi Municipality has operational Financial Management Policies in place.

Current Management, under the leadership of the Accounting Officer, has launched the review, development and ultimate compliance with all legislation expected policies. The financial policies are being reviewed for implementation for the 2016/17 financial year.

Policies in existence, reviewed and being developed are:

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

## **2.3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS**

*Refer to Draft SDBIP*

## **2.4. COUNCILLORS' ALLOWANCES AND EMPLOYEE BENEFITS**



## 2.5. Capital expenditure

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

EC103 Ikwezi - 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
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 5 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 10 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 12 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE AND COUNCIL		23	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE		131	-	-	65	65	65	65	-	-	-
Vote 3 - CORPORATE SERVICES		143	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		83	-	-	-	-	-	-	-	-	-
Vote 5 - PUBLIC SAFETY		43	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		3 198	-	-	2 219	2 151	2 151	2 151	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	1 175	1 175	1 175	1 175	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		267	-	-	-	-	-	-	-	-	-
Vote 10 - ROAD TRANSPORT		4 084	-	-	2 000	2 000	2 000	2 000	6 003	6 375	6 751
Vote 11 - WASTE WATER MANAGEMENT		843	-	-	7 224	7 224	7 224	7 224	2 824	2 999	3 176
Vote 12 - WATER		317	-	-	3 390	3 390	3 390	3 390	12 615	13 397	14 188
Vote 13 - ELECTRICITY		793	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		9 925	-	-	16 073	16 004	16 004	16 004	21 442	22 772	24 115
<b>Total Capital Expenditure - Vote</b>		9 925	-	-	16 073	16 004	16 004	16 004	21 442	22 772	24 115
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		324	157	-	65	65	65	65	-	-	-
Executive and council		22	111	-	-	-	-	-	-	-	-
Budget and treasury office		131	46	-	65	65	65	65	-	-	-
Corporate services		171	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		3 215	4 945	204	3 394	3 325	3 325	3 325	-	-	-
Community and social services		3 172	4 945	204	2 219	2 151	2 151	2 151	-	-	-
Sport and recreation		-	-	-	1 175	1 175	1 175	1 175	-	-	-
Public safety		43	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		4 167	516	3 569	2 000	2 000	2 000	2 000	6 003	6 375	6 751
Planning and development		83	-	-	-	-	-	-	-	-	-
Road transport		4 084	516	3 569	2 000	2 000	2 000	2 000	6 003	6 375	6 751
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		2 219	1 034	7 333	10 614	10 614	10 614	10 614	15 439	16 396	17 364
Electricity		821	-	-	-	-	-	-	-	-	-
Water		317	864	2 612	3 390	3 390	3 390	3 390	12 615	13 397	14 188
Waste water management		814	170	4 722	7 224	7 224	7 224	7 224	2 824	2 999	3 176
Waste management		267	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	9 925	6 653	11 106	16 073	16 004	16 004	16 004	21 442	22 772	24 115
<b>Funded by:</b>											
National Government		9 633	6 653	10 902	16 073	16 004	16 004	16 004	21 442	22 772	24 115
Provincial Government		-	-	204	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	9 633	6 653	11 106	16 073	16 004	16 004	16 004	21 442	22 772	24 115
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		292	-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	7	9 925	6 653	11 106	16 073	16 004	16 004	16 004	21 442	22 772	24 115

## CAPITAL EXPENDITURE DETAILS

EC103 Ikwezi - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework							
										Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19					
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																			
Water		Ikwezi bulk water supply			Yes	Infrastructure - Water	Transmission & Reticulation	n/a				12 615	13 397	14 188					
Waste Water Treatment		UPGRADE WW TREATMENT WORKS KLP			Yes	Infrastructure - Sanitation	Sewerage purification	n/a				2 624	2 999	3 176					
Roads		CONSTRUCTION OF PHUMLANI ROADS			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	n/a				6 003	6 375	6 751					
Parent Capital expenditure													1				21 442	22 772	24 115
Entities: <i>List all capital projects grouped by Entity</i>																			
Entity A Water project A																			
Entity B Electricity project B																			
Entity Capital expenditure														-	-	-	-	-	
Total Capital expenditure														-	-	21 442	22 772	24 115	

## 2.6. QUALITY CERTIFICATE

I, **P M Kate** the **Acting Municipal Manager of Ikwezi Municipality (EC103)**, hereby certify that final annual budget for the financial year ending **2016/2017** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality

Print Name: \_\_\_\_\_

Acting Municipal Manager: Ikwezi Municipality (EC103)

Signature: \_\_\_\_\_

Date.....

