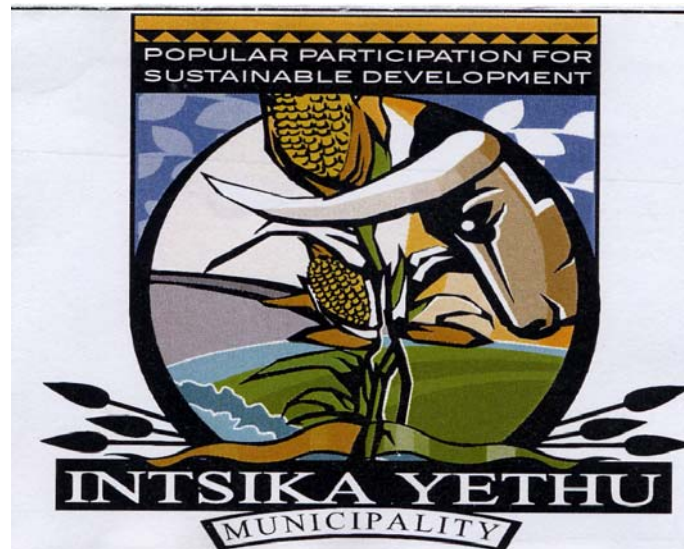


INTSIKA YETHU MUNICIPALITY

EC 135













FINAL BUDGET











FOR THE

FINANCIAL YEAR 2016/17














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FINAL BUDGET











Final Budget, Tariff Structure and IDP:-

Final Budget 2016/17:- The final budget was presented by the CFO in the Council with the Schedule A spreadsheet on the 24th of May 2016

RESOLUTION:-

-  The final budget for Revenue is and Expenditure is
-  Adoption of final Budget 2016/17: it was presented by the Mayor. The summary of the budget was presented by the Mayor with the total of R 254,374,293 both operational and capital expenditure budget and for Revenue with the total of R 222,494,688
-  The pieces of legislations that were considered in preparation of the draft budget are as follows: MFM Act 56 of 2003, Division of Revenue Bill 1 of 2016/17, MSA 32 of 2000 and Local Government: Municipal Property Rates Acts 6 of 2004 and Circular 78,79 and m SCOA Circular 80
-  Final Tariff Structure for 2016/17: was adopted with the final budget

The following tables were presented in the Council

-  EC135 Intsika Yethu - Table A1 Budget Summary
-  EC135 Intsika Yethu - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)
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EXECUTIVE SUMMARY

The development of the budget is informed by the key service delivery priorities as reflected in the IDP and the need to maintain the municipality's financial sustainability.

Intsika Yethu Municipality was guided by the National Treasury's MFMA Circular 78, 79 & m SCOA Circulars which highlighted that the allocations published in the 2016 Division of Revenue Bill are based on the new municipal boundaries because the new demarcation will be in effect for the majority of the 2016/17 municipal financial year, which begins on 1st JULY 2016.





Circular 79 recommended that the municipalities should take the macro-economic forecasts into consideration when preparing their 2016/17 budgets and MTREF.

The table below reflects the Macro economic performance and projections from 2014/15-2018/19

FISCAL YEAR	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Forecast		
CPI Inflation	5.6 %	5.4 %	6.6 %	6.2 %	5.9 %
Real GDP Growth	1.6%	0.9 %	1.2 %	1.2 %	2.5 %

The IDP as the strategic document and the budget must enable the achievements of the IDP objectives. In order for the budget to be realistic and credible it should be aligned with the municipal IDP.

During the preparation of budget, the municipality has taken cognizance of the following challenges:

-  Low revenue base
-  Infrastructure backlogs
-  Cost containment strategy/measures
-  The upcoming m SCOA project

The capital budget consists of new projects in the Infrastructure directorate that will be funded from Municipal Infrastructure Grant (MIG)

The operating budget which is thus far the sensible component of the budget includes LED programs, Community services, corporate services, Finance and Technical services expenditure budget. The municipality has conducted road shows for draft budget in all wards in order for stakeholders to submit their inputs.

The table below reflects the gazetted conditional and unconditional grants in the Revenue Bill;

Grants and Subsidies-Operational

GRANT	GAZETTED	ALLOCATION
Equitable Share	Yes	R145,314,000
Municipal Infrastructure Grant	Yes	R 39,895,000
Finance Management Grant	Yes	R1,810,000
Integrated National Electrification Grant	Yes	R16,500,000
Expanded Public Works Program	Yes	R 1,3,11,000
Government Elections	Yes	R1,000,000
Library subsidies	Yes	R300,000

Circular 79 further highlighted the changes to local government allocations as summarized below;

- Equitable Share was reduced by R660,000 as compared to previous year's allocation- The change is as a result of government's reprioritization of expenditure
- Municipal Systems Improvement Grant (MSIG) has been reconfigured as an indirect grant to help the poorly performing municipalities with revenue collection, performance management and record keeping.
- Municipal Infrastructure Grant (MIG) –There is a shift of funds from M.I.G. to the Urban Settlement Grant to account for the absorption of two municipalities.

National Treasury in collaboration with Department of Cooperative Governance, SALGA and FFC has reviewed the system of local government infrastructure grant system, significant changes are being made to the way these grants are structured,

The changes on infrastructure grants include:

Allowing municipalities to use the conditional grant funds to repair and refurbish existing infrastructure but the spending on refurbishment should be focused on infrastructure serving the poor and does not remove the responsibility of municipalities to fund routine maintenance from the equitable share and own revenues.

- The municipality received a revised gazette on additional revenue for the financial year 2016/17 to the tune of R1,3m for Government elections and library subsidy hence the increase on the grants

Based on the financial reforms stated above, Intsika Yethu Municipality resolved that the repairs are to be funded on infrastructure grant.

Conditional grants are transferred to the municipality in three (3) trenches-July, Nov and March

INTSIKA YETHU OWN GENERATED FUNDS

Property Rates Receipts

The municipality is anticipating to collect **R3m** on property rates

Services charges

Refuse Removal

The municipality has budgeted R691, 921 as an anticipated amount to be received for refuse removal

Traffic Fines

The municipality has budgeted to collect R 320,800 for traffic fines

Interest earned on outstanding debtors and external Investments

Through the preparation of the Projected Cash Flow, the municipality is able to project Surplus cash available for investment to earn interest as well as in the grants that will be received.

Interest earned is budgeted at an estimated amount of R309, 000, for Agency services is R450, 000

Rental of equipment and facilities

The municipality has a plant, number of properties and land that is leased to business and other organizations, these businesses pay rent on monthly basis and there is also a municipal building around Cofimvaba (ERF 99) that has also been leased to the Managers and they are paying monthly rental that enhances the municipal revenue base as well

Below is list of the rented offices/land:

Name of the lessee

- ANC Constituency Office in Cofimvaba
- Doctor Mandile's practice
- SADTU
- Department of Public Works
- Alliance Property Group
- Messr Bros Roberts Construction
- KES
- GCIS
- Erf 99
- Vokuhle
- Minenkosi Ntshanga
- Jabula Store
- Queens Furniture
- Home Affairs
- Social Development

Operating Revenue Framework

For Intsika Yethu 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 exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

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

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

EC135 Intsika Yethu - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1			
Property rates		301	301	301	301	301	301	301	301	301	301	301	301	3 609	3 833	4 059
Property rates - penalties & collection charges																
Service charges - refuse revenue		58	58	58	58	58	58	58	58	58	58	58	58	692	735	778
Service charges - other																
Rental of facilities and equipment		62	62	62	62	62	62	62	62	62	62	62	62	747	793	840
Interest earned - external investments		26	26	26	26	26	26	26	26	26	26	26	26	309	328	348
Interest earned - outstanding debtors																
Dividends received																
Fines		27	27	27	27	27	27	27	27	27	27	27	27	321	341	361
Licences and permits		80	80	80	80	80	80	80	80	80	80	80	80	964	1 024	1 084
Agency services		38	38	38	38	38	38	38	38	38	38	38	38	450	478	506
Transfer receipts - operational		56 185				54 375				54 375			1 300	166 235	176 542	186 958
Other revenue		3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	(34 423)	9 273	9 848	10 429
Cash Receipts by Source		60 748	4 563	4 563	4 563	58 938	4 563	4 563	4 563	58 938	4 563	4 563	(32 532)	182 600	193 921	205 362
Other Cash Flows by Source																
Transfer receipts - capital		13 298				13 298				13 298				39 895	42 368	44 868
Contributions recognised - capital & Contributed assets																
Proceeds on disposal of PPE																
Decrease (increase) in non-current investments																
Total Cash Receipts by Source		74 047	4 563	4 563	4 563	72 237	4 563	4 563	4 563	72 237	4 563	4 563	(32 532)	222 495	236 289	250 230
Cash Payments by Type																
Employee related costs		8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	103 388	109 798	116 276
Remuneration of councillors		1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	14 464	15 361	16 267
Finance charges		151	151	151	151	151	151	151	151	151	151	151	151	1 809	1 921	2 035
Bulk purchases - Electricity		30 070												30 070	31 935	33 819
Bulk purchases - Water & Sewer		3	3	3	3	3	3	3	3	3	3	3	3	38	40	43
Other materials																
Contracted services																
Transfers and grants - other municipalities		88	88	88	88	88	88	88	88	88	88	88	88	1 055	1 120	1 186
Transfers and grants - other		340	340	340	340	340	340	340	340	340	340	340	340	4 080	4 333	4 589
Other expenditure		8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	8 056	(28 844)	59 770	63 475	67 220
Cash Payments by Type		48 529	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	(18 441)	214 674	227 984	241 435
Other Cash Flows/Payments by Type																
Capital assets													39 700	39 700	42 161	44 649
Repayment of borrowing																
Other Cash Flows/Payments																
Total Cash Payments by Type		48 529	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	18 459	21 259	254 374	270 145	286 084
NET INCREASE/(DECREASE) IN CASH HELD		25 518	(13 895)	(13 895)	(13 895)	53 778	(13 895)	(13 895)	(13 895)	53 778	(13 895)	(13 895)	(53 791)	(31 879)	(33 856)	(35 853)
Cash/cash equivalents at the monthly year begin:		25 518	11 622	(2 273)	(16 168)	37 610	23 715	9 819	(4 076)	49 702	35 807	21 911			(31 879)	(65 735)
Cash/cash equivalents at the monthly year end:		25 518	11 622	(2 273)	(16 168)	37 610	23 715	9 819	(4 076)	49 702	35 807	21 911	(31 879)	(31 879)	(65 735)	(101 588)

Operating Transfers and Grant Receipts

EC135 Intsika Yethu - Supporting Table SA18 Transfers and grant receipts

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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		108 514	122 682	-	169 850	-	169 850	164 935	181 070	193 437
Local Government Equitable Share		88 676	99 780	-	145 974		145 974	145 314	153 925	161 037
EPWP Incentive		1 000	1 000		1 271		1 271	1 311		
Finance Management		1 500	1 550		1 675		1 675	1 810	2 145	2 400
Municipal Systems Improvement		800	890		930		930			
Integrated National Electrification Programme		16 538	19 462		20 000		20 000	16 500	25 000	30 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		5 187	13 698	-	-	-	-	-	-	-
Water services grant CHDM GRANT LED PROJECTS		5 187	13 698							
Other grant providers:		640	877	-	-	-	-	1 300	-	-
LG SETA Department of Sport Department of Coperative Governance		640	877					300 1 000		
Total Operating Transfers and Grants	5	114 341	137 257	-	169 850	-	169 850	166 235	181 070	193 437
Capital Transfers and Grants										
National Government:		30 460	36 043	-	40 632	-	40 632	39 895	44 003	46 420
Municipal Infrastructure Grant (MIG) Other capital transfers/grants [insert desc]		30 460	36 043		40 632		40 632	39 895	44 003	46 420
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
LG SETA										
Total Capital Transfers and Grants	5	30 460	36 043	-	40 632	-	40 632	39 895	44 003	46 420
TOTAL RECEIPTS OF TRANSFERS & GRANTS		144 801	173 300	-	210 482	-	210 482	206 130	225 073	239 857

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

Property Rates

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

The following stipulations in the Property Rates Policy are highlighted:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- The property must be categorized as residential.

The category of rate-able properties for purposes of levying rates and the proposed rates for the 2016/17 financial year from 1 July 2016 is contained below:

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

	2015/16	2016/17	2017/18
On total value of property			
Government	0,012	0,012	0,012
Business	0,008	0,008	0,008
Residential	0,004	0,004	0,004

Refuse Removal and Impact of Tariff Increases

A 6,6 per cent increase in the waste removal tariff is proposed from 1 July 2016

Operating Expenditure Framework

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

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue except if there are budget non cash items)
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

EC135 Intsika Yethu - 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	8 987	3 186	3 327	3 919	3 919	3 919	-	3 609	3 833	4 059
Service charges	488	-	-	-	-	-	-	6 181	6 564	6 951
Investment revenue	840	1 799	-	-	-	-	-	309	328	348
Transfers recognised - operational	97 803	117 795	167 510	-	-	-	-	166 235	176 542	186 958
Other own revenue	180 359	127 097	135 415	224 497	224 388	224 497	-	46 160	49 022	51 914
Total Revenue (excluding capital transfers and contributions)	288 478	249 876	306 252	228 417	228 307	228 417	-	222 494	236 289	250 230
Employee costs	75 975	69 421	78 300	63 839	63 839	63 839	-	103 388	109 798	116 276
Remuneration of councillors	11 539	12 729	13 028	14 167	-	14 167	-	14 464	15 361	16 267
Depreciation & asset impairment	146 040	32 870	30 070	37 030	-	37 030	-	30 070	31 935	33 819
Finance charges	497	541	538	1 058	-	1 058	-	38	40	43
Materials and bulk purchases	926	2 302	1 197	-	-	-	-	-	-	-
Transfers and grants	5 424	-	301	4 680	-	4 680	-	4 080	4 333	4 589
Other expenditure	56 466	50 816	66 035	205 095	203 296	206 044	-	102 334	108 678	115 090
Total Expenditure	296 867	168 680	189 468	325 869	267 135	326 818	-	254 374	270 145	286 084
Surplus/(Deficit)	(8 390)	81 196	116 783	(97 452)	(38 829)	(98 402)	-	(31 880)	(33 856)	(35 854)
Transfers recognised - capital	46 997	55 506	301	-	-	-	-	-	-	-
Contributions recognised - capital & contributed	78 113	-	164 335	71 589	71 589	71 589	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 880)	(33 856)	(35 854)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 880)	(33 856)	(35 854)
Capital expenditure & funds sources										
Capital expenditure	83 893	57 966	53 309	71 589	(1 000)	64 482	-	-	-	-
Transfers recognised - capital	22 933	-	37 771	60 362	60 362	60 362	-	37 900	40 250	42 625
Public contributions & donations	55 181	-	126 564	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	11 227	11 227	11 227	-	-	-	-
Total sources of capital funds	78 113	-	164 335	71 589	71 589	71 589	-	37 900	40 250	42 625
Financial position										
Total current assets	615 388	694 400	598 704	-	-	-	286 604	86 147	91 488	96 886
Total non current assets	618 255	579 214	523 341	1 900	67 117	67 117	3 290	555 156	589 576	624 360
Total current liabilities	38 247	35 373	41 872	-	67 117	67 117	7 087	8 268	8 780	9 298
Total non current liabilities	8 298	7 972	7 646	-	-	-	5 349	7 646	8 120	8 599
Community wealth/Equity	525 985	538 676	-	-	-	-	-	408 683	434 021	459 629
Cash flows										
Net cash from (used) operating	52 867	56 587	-	(0)	648	648	-	7 821	8 306	8 796
Net cash from (used) investing	(51 916)	(48 325)	-	(38 829)	-	(38 829)	-	(39 700)	(42 161)	(44 649)
Net cash from (used) financing	(390)	(257)	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	8 009	16 014	-	(38 829)	648	(38 181)	-	(31 879)	(65 735)	(101 588)
Cash backing/surplus reconciliation										
Cash and investments available	607 915	631 484	536 264	-	-	-	138 729	33 762	35 855	37 971
Application of cash and investments	30 475	13 182	41 872	-	67 117	67 117	7 087	(23 396)	(24 846)	(26 312)
Balance - surplus (shortfall)	577 441	618 302	494 392	-	(67 117)	(67 117)	131 642	57 158	60 702	64 283
Asset management										
Asset register summary (WDV)	422 458	438 488	-	69 367	-	-	-	-	-	-
Depreciation & asset impairment	146 040	32 870	30 070	37 030	-	37 030	30 070	30 070	31 935	33 819
Renewal of Existing Assets	-	-	-	2 223	-	-	-	25 591	27 178	28 781
Repairs and Maintenance	926	2 302	-	8 774	-	8 774	250	250	266	281
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	14	14	15	16
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	15	15	16	17
Refuse:	-	-	-	-	-	-	44	44	47	49

Summary of operating revenue and expenditure by standard classification item

EC135 Intsika Yethu - 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										
<i>Governance and administration</i>		99 321	113 041	175 561	164 248	(532)	163 715	159 794	169 702	179 714
Executive and council		-	-	-	33	-	33	1 000	1 062	1 125
Budget and treasury office		98 681	112 164	175 561	164 215	(730)	163 485	158 794	168 640	178 589
Corporate services		640	877	-	-	198	198	-	-	-
<i>Community and public safety</i>		2 524	2 769	3 177	2 767	250	3 017	2 767	2 939	3 112
Community and social services		2 524	2 769	3 177	2 767	250	3 017	2 767	2 939	3 112
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		53 355	70 365	2 305	61 293	930	62 223	59 934	63 650	67 405
Planning and development		5 187	13 698	-	20	200	220	-	-	-
Road transport		48 168	56 667	2 305	61 273	730	62 003	59 934	63 650	67 405
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	155 201	186 175	181 043	228 307	648	228 955	222 495	236 290	250 231
Expenditure - Standard										
<i>Governance and administration</i>		149 832	171 182	181 866	126 366	3 405	129 772	134 901	143 265	151 717
Executive and council		11 539	12 729	13 028	39 988	41	40 029	37 329	39 643	41 982
Budget and treasury office		76 669	85 009	90 539	67 540	573	68 113	72 209	76 686	81 210
Corporate services		61 624	73 444	78 300	18 839	2 791	21 630	25 363	26 936	28 525
<i>Community and public safety</i>		-	-	-	25 185	6 631	31 816	31 078	33 005	34 952
Community and social services		-	-	-	25 185	6 631	31 816	31 078	33 005	34 952
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		926	2 302	1 197	115 584	(10 036)	105 547	88 395	93 876	99 414
Planning and development		-	-	-	12 330	(215)	12 115	6 226	6 612	7 002
Road transport		926	2 302	1 197	103 253	(9 821)	93 432	82 169	87 264	92 412
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	150 758	173 484	183 063	267 135	(0)	267 135	254 374	270 145	286 084
Surplus/(Deficit) for the year		4 443	12 691	(2 020)	(38 829)	648	(38 180)	(31 879)	(33 855)	(35 853)

The budgeted allocation for employee related costs for the 2016/17 financial year totals R117m (including Councilor's remuneration).

Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2016/17 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

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

Operational Repairs and Maintenance

Repairs and Maintenance by Expenditure Item	8											
Employee related costs										-	-	-
Other materials		599	-	-						-	-	-
Contracted Services												
Other Expenditure		-	-	-	-	-	-	-	250	266	281	
Total Repairs and Maintenance Expenditure	9	599	-	-	-	-	-	-	250	266	281	

During the compilation of the 2016/17MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance.

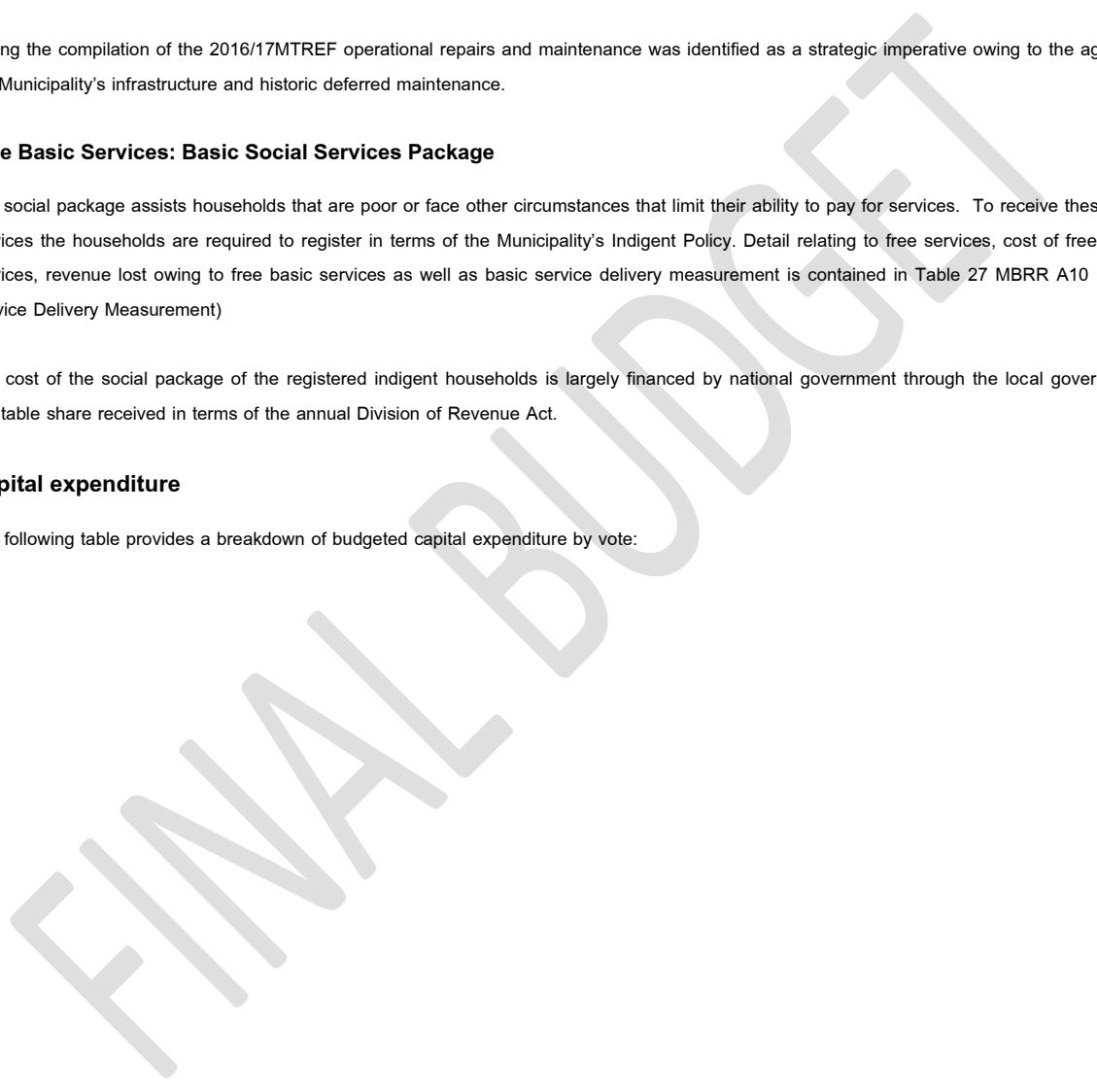
Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement)

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

Capital expenditure

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



EC135 Intsika Yethu - 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 - Exco and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services Office		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Planning and Development Office		83 893	57 966	-	60 362	-	60 362	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-
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	83 893	57 966	-	60 362	-	60 362	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Exco and Council		-	-	-	1 026	-	1 026	-	-	-	-
Vote 2 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services Office		1 108	1 477	-	1 408	-	1 408	-	-	-	-
Vote 4 - Infrastructure Planning and Development Office		76 826	55 953	-	5 120	-	5 120	-	37 900	40 250	42 625
Vote 5 - Community Services		5 640	486	-	1 741	(700)	1 041	-	-	-	-
Vote 6 - Budget and Treasury Office		318	51	-	20	-	20	-	-	-	-
Vote 7 - Local Economic Development		-	-	-	1 913	(543)	1 370	-	-	-	-
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		83 893	57 966	-	11 227	(1 243)	9 984	-	37 900	40 250	42 625
Total Capital Expenditure - Vote		167 786	115 932	-	71 589	(1 243)	70 346	-	37 900	40 250	42 625
Capital Expenditure - Standard											
Governance and administration		1 426	1 527	925	2 454	-	-	-	-	-	-
Executive and council		-	-	-	1 026	-	-	-	-	-	-
Budget and treasury office		318	51	680	20	-	-	-	-	-	-
Corporate services		1 108	1 477	245	1 408	-	-	-	-	-	-
Community and public safety		5 640	486	-	1 741	-	-	-	-	-	-
Community and social services		5 640	486	-	1 741	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		76 826	55 953	52 385	67 395	(1 000)	64 482	-	-	-	-
Planning and development		-	-	-	1 913	-	-	-	-	-	-
Road transport		76 826	55 953	52 385	65 482	(1 000)	64 482	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	83 893	57 966	53 309	71 589	(1 000)	64 482	-	-	-	-
Funded by:											
National Government		22 933	-	37 771	60 362	60 362	60 362	-	37 900	40 250	42 625
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	22 933	-	37 771	60 362	60 362	60 362	-	37 900	40 250	42 625
Public contributions & donations	5	55 181	-	126 564	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	11 227	11 227	11 227	-	-	-	-
Total Capital Funding	7	78 113	-	164 335	71 589	71 589	71 589	-	37 900	40 250	42 625

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

FINAL BUDGET

Explanatory notes to MBRR Table A1 - Budget Summary


Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).


EC135 Intsika Yethu - 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	8 987	3 186	3 327	3 919	3 919	3 919	-	3 609	3 833	4 059
Service charges	488	-	-	-	-	-	-	6 181	6 564	6 951
Investment revenue	840	1 799	-	-	-	-	-	309	328	348
Transfers recognised - operational	97 803	117 795	167 510	-	-	-	-	166 235	176 542	186 958
Other own revenue	180 359	127 097	135 415	224 497	224 388	224 497	-	46 160	49 022	51 914
Total Revenue (excluding capital transfers and contributions)	288 478	249 876	306 252	228 417	228 307	228 417	-	222 494	236 289	250 230
Employee costs	75 975	69 421	78 300	63 839	63 839	63 839	-	103 388	109 798	116 276
Remuneration of councillors	11 539	12 729	13 028	14 167	-	14 167	-	14 464	15 361	16 267
Depreciation & asset impairment	146 040	32 870	30 070	37 030	-	37 030	-	30 070	31 935	33 819
Finance charges	497	541	538	1 058	-	1 058	-	38	40	43
Materials and bulk purchases	926	2 302	1 197	-	-	-	-	-	-	-
Transfers and grants	5 424	-	301	4 680	-	4 680	-	4 080	4 333	4 589
Other expenditure	56 466	50 816	66 035	205 095	203 296	206 044	-	102 334	108 678	115 090
Total Expenditure	296 867	168 680	189 468	325 869	267 135	326 818	-	254 374	270 145	286 084
Surplus/(Deficit)	(8 390)	81 196	116 783	(97 452)	(38 829)	(98 402)	-	(31 880)	(33 856)	(35 854)
Transfers recognised - capital	46 997	55 506	301	-	-	-	-	-	-	-
Contributions recognised - capital & contributed a	78 113	-	164 335	71 589	71 589	71 589	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 880)	(33 856)	(35 854)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 880)	(33 856)	(35 854)
Capital expenditure & funds sources										
Capital expenditure	83 893	57 966	53 309	71 589	(1 000)	64 482	-	-	-	-
Transfers recognised - capital	22 933	-	37 771	60 362	60 362	60 362	-	37 900	40 250	42 625
Public contributions & donations	55 181	-	126 564	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	11 227	11 227	11 227	-	-	-	-
Total sources of capital funds	78 113	-	164 335	71 589	71 589	71 589	-	37 900	40 250	42 625
Financial position										
Total current assets	615 388	694 400	598 704	-	-	-	286 604	86 147	91 488	96 886
Total non current assets	618 255	579 214	523 341	1 900	67 117	67 117	3 290	555 156	589 576	624 360
Total current liabilities	38 247	35 373	41 872	-	67 117	67 117	7 087	8 268	8 780	9 298
Total non current liabilities	8 298	7 972	7 646	-	-	-	5 349	7 646	8 120	8 599
Community wealth/Equity	525 985	538 676	-	-	-	-	-	408 683	434 021	459 629
Cash flows										
Net cash from (used) operating	52 867	56 587	-	(0)	648	648	-	7 821	8 306	8 796
Net cash from (used) investing	(51 916)	(48 325)	-	(38 829)	-	(38 829)	-	(39 700)	(42 161)	(44 649)
Net cash from (used) financing	(390)	(257)	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	8 009	16 014	-	(38 829)	648	(38 181)	-	(31 879)	(65 735)	(101 588)
Cash backing/surplus reconciliation										
Cash and investments available	607 915	631 484	536 264	-	-	-	138 729	33 762	35 855	37 971
Application of cash and investments	30 475	13 182	41 872	-	67 117	67 117	7 087	(23 396)	(24 846)	(26 312)
Balance - surplus (shortfall)	577 441	618 302	494 392	-	(67 117)	(67 117)	131 642	57 158	60 702	64 283
Asset management										
Asset register summary (WDV)	422 458	438 488	-	69 367	-	-	-	-	-	-
Depreciation & asset impairment	146 040	32 870	30 070	37 030	-	37 030	30 070	30 070	31 935	33 819
Renewal of Existing Assets	-	-	-	2 223	-	-	-	25 591	27 178	28 781
Repairs and Maintenance	926	2 302	-	8 774	-	8 774	250	250	266	281
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	14	14	15	16
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	15	15	16	17
Refuse:	-	-	-	-	-	-	44	44	47	49

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

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

-  Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.

-  Note that as a general principle the revenues for the Trading Services should exceed their expenditures. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

FINAL BUDGET

EC135 Intsika Yethu - 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										
<i>Municipal governance and administration</i>	1	99 321	113 041	175 561	164 248	(532)	163 715	159 794	169 702	179 714
Executive and council		-	-	-	33	-	33	1 000	1 062	1 125
<i>Mayor and Council</i>								1 000	1 062	1 125
<i>Municipal Manager</i>					33		33	-	-	-
Budget and treasury office		98 681	112 164	175 561	164 215	(730)	163 485	158 794	168 640	178 589
Corporate services		640	877	-	-	198	198	-	-	-
<i>Human Resources</i>								-	-	-
<i>Information Technology</i>								-	-	-
<i>Property Services</i>								-	-	-
<i>Other Admin</i>		640	877	-	-	198	198	-	-	-
<i>Community and public safety</i>		2 524	2 769	3 177	2 767	250	3 017	2 767	2 939	3 112
Community and social services		2 524	2 769	3 177	2 767	250	3 017	2 767	2 939	3 112
<i>Libraries and Archives</i>								300	319	337
<i>Museums & Art Galleries etc</i>								-	-	-
<i>Community halls and Facilities</i>								-	-	-
<i>Cemeteries & Crematoriums</i>		2 524	2 769	780	-	-	-	5	5	6
<i>Child Care</i>								-	-	-
<i>Aged Care</i>								-	-	-
<i>Other Community</i>						250	250	-	-	-
<i>Agency fees</i>					397		397	450	478	506
<i>Cemetry</i>					5		5	-	-	-
<i>Learners Licence</i>				2 173	1 526		1 526	964	1 024	1 084
<i>Pound Fees</i>					113		113	-	-	-
<i>Telecentre</i>								-	-	-
<i>Town Hall Hire</i>					33		33	35	38	40
<i>Traffic Fines</i>				224	288		288	321	341	361
<i>Refuse removal</i>					405		405	692	735	778
<i>Other Social</i>								-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		53 355	70 365	2 305	61 293	930	62 223	59 934	63 650	67 405
Planning and development		5 187	13 698	-	20	200	220	-	-	-
<i>Economic Development/Planning</i>		5 187	13 698	-	20	200	220	-	-	-
Road transport		48 168	56 667	2 305	61 273	730	62 003	59 934	63 650	67 405
<i>Roads</i>		48 168	56 667	2 305	-	-	-	-	-	-
<i>INEP</i>					20 000		20 000	16 500	17 523	18 557
<i>MIG</i>					40 362		40 362	39 895	42 368	44 868
<i>Land Sale</i>					55		55	1 500	1 593	1 687
<i>Rental of facilities</i>					541		541	-	-	-
<i>Plant Hire</i>					314		314	30	32	34
<i>Other</i>						730	730	2 009	2 134	2 260
Environmental protection		-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	155 201	186 175	181 043	228 307	648	228 955	222 495	236 290	250 231
Expenditure - Standard										
<i>Municipal governance and administration</i>		149 832	171 182	181 866	126 366	3 405	129 772	134 901	143 265	151 717
Executive and council		11 539	12 729	13 028	39 988	41	40 029	37 329	39 643	41 982
<i>Mayor and Council</i>		11 539	12 729	13 028	23 781	(1 870)	21 911	19 181	20 370	21 572
<i>Municipal Manager</i>					16 207	1 911	18 118	18 148	19 273	20 410
Budget and treasury office		76 669	85 009	90 539	67 540	573	68 113	72 209	76 686	81 210
Corporate services		61 624	73 444	78 300	18 839	2 791	21 630	25 363	26 936	28 525
<i>Human Resources</i>					18 839	2 791	21 630	25 363	26 936	28 525
<i>Information Technology</i>										
<i>Property Services</i>										
<i>Other Admin</i>		61 624	73 444	78 300						
<i>Community and public safety</i>		-	-	-	25 185	6 631	31 816	31 078	33 005	34 952
Community and social services		-	-	-	25 185	6 631	31 816	31 078	33 005	34 952
<i>Other Community</i>					25 185	6 631	31 816	31 078	33 005	34 952
<i>Other Social</i>										
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		926	2 302	1 197	115 584	(10 036)	105 547	88 395	93 876	99 414
Planning and development		-	-	-	12 330	(215)	12 115	6 226	6 612	7 002
<i>Economic Development/Planning</i>					12 330	(215)	12 115	6 226	6 612	7 002
<i>Town Planning/Building</i>										
<i>Licensing & Regulation</i>										
Road transport		926	2 302	1 197	103 253	(9 821)	93 432	82 169	87 264	92 412
<i>Roads</i>		926	2 302	1 197	103 253	(9 821)	93 432	82 169	87 264	92 412
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	150 758	173 484	183 063	267 135	(0)	267 135	254 374	270 145	286 084
Surplus/(Deficit) for the year		4 443	12 691	(2 020)	(38 829)	648	(38 180)	(31 879)	(33 855)	(35 853)

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

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality.

EC135 Intsika Yethu - 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 - Exco and Council		-	-	-	-	-	-	1 000	1 062	1 125
Vote 2 - Municipal Manager Office		-	-	-	33	-	33	-	-	-
Vote 3 - Corporate Services Office		640	877	-	-	198	198	-	-	-
Vote 4 - Infrastructure Planning and Development Office		48 168	56 667	2 305	61 273	730	62 003	59 934	63 650	67 405
Vote 5 - Community Services		2 524	2 769	3 177	2 767	250	3 017	2 767	2 939	3 112
Vote 6 - Budget and Treasury Office		98 681	112 164	175 561	164 215	(730)	163 485	158 794	168 640	178 589
Vote 7 - Local Economic Development		5 187	13 698	-	20	200	220	-	-	-
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	155 201	186 175	181 043	228 307	648	228 955	222 495	236 290	250 231
Expenditure by Vote to be appropriated	1									
Vote 1 - Exco and Council		11 539	12 729	13 028	23 781	(1 870)	21 911	19 181	20 370	21 572
Vote 2 - Municipal Manager Office		-	-	-	16 207	1 911	18 118	18 148	19 273	20 410
Vote 3 - Corporate Services Office		61 624	73 444	78 300	18 839	2 791	21 630	25 363	26 936	28 525
Vote 4 - Infrastructure Planning and Development Office		926	2 302	1 197	103 253	(9 821)	93 432	82 169	87 264	92 412
Vote 5 - Community Services		-	-	-	25 185	6 631	31 816	31 078	33 005	34 952
Vote 6 - Budget and Treasury Office		76 669	85 009	90 539	67 540	573	68 113	72 209	76 686	81 210
Vote 7 - Local Economic Development		-	-	-	12 330	(215)	12 115	6 226	6 612	7 002
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	150 758	173 484	183 063	267 135	(0)	267 135	254 374	270 145	286 084
Surplus/(Deficit) for the year	2	4 443	12 691	(2 020)	(38 829)	648	(38 180)	(31 879)	(33 855)	(35 853)

MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC135 Intsika Yethu - 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	8 987	3 186	3 327	3 919	3 919	3 919	-	3 609	3 833	4 059
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	488	-	-	-	-	-	-	692	735	778
Service charges - other									5 489	5 829	6 173
Rental of facilities and equipment		1 171	1 162						747	793	840
Interest earned - external investments		840	1 799						309	328	348
Interest earned - outstanding debtors											
Dividends received											
Fines		398	408	224					321	341	361
Licences and permits		1 638	1 843						964	1 024	1 084
Agency services									450	478	506
Transfers recognised - operational		97 803	117 795	167 510					166 235	176 542	186 958
Other revenue	2	176 767	123 684	135 191	224 497	224 388	224 497	-	43 678	46 386	49 123
Gains on disposal of PPE		385									
Total Revenue (excluding capital transfers and contributions)		288 478	249 876	306 252	228 417	228 307	228 417	-	222 494	236 289	250 230
Expenditure By Type											
Employee related costs	2	75 975	69 421	78 300	63 839	63 839	63 839	-	103 388	109 798	116 276
Remuneration of councillors		11 539	12 729	13 028	14 167		14 167		14 464	15 361	16 267
Debt impairment	3	3 676	1 502	4 670	1 799		1 799		1 809	1 921	2 035
Depreciation & asset impairment	2	146 040	32 870	30 070	37 030	-	37 030	-	30 070	31 935	33 819
Finance charges		497	541	538	1 058		1 058		38	40	43
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	926	2 302	1 197							
Contracted services		-	-	-	-	-	-	-	1 055	1 120	1 186
Transfers and grants		5 424	-	301	4 680	-	4 680	-	4 080	4 333	4 589
Other expenditure	4, 5	52 790	48 831	61 364	203 296	203 296	204 245	-	99 470	105 637	111 869
Loss on disposal of PPE			483								
Total Expenditure		296 867	168 680	189 468	325 869	267 135	326 818	-	254 374	270 145	286 084
Surplus/(Deficit)		(8 390)	81 196	116 783	(97 452)	(38 829)	(98 402)	-	(31 880)	(33 856)	(35 854)
Transfers recognised - capital		46 997	55 506	301							
Contributions recognised - capital	6	78 113	-	164 335	71 589	71 589	71 589	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 880)	(33 856)	(35 854)
Taxation											
Surplus/(Deficit) after taxation		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 880)	(33 856)	(35 854)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 880)	(33 856)	(35 854)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		116 721	136 701	281 419	(25 863)	32 761	(26 812)	-	(31 880)	(33 856)	(35 854)

MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC135 Intsika Yethu - 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
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - Exco and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services Office		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Planning and Development Office		83 893	57 966	-	60 362	-	60 362	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-
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	83 893	57 966	-	60 362	-	60 362	-	-	-	-
Single-year expenditure - to be appropriated	2										
Vote 1 - Exco and Council		-	-	-	1 026	-	1 026	-	-	-	-
Vote 2 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services Office		1 108	1 477	-	1 408	-	1 408	-	-	-	-
Vote 4 - Infrastructure Planning and Development Office		76 826	55 953	-	5 120	-	5 120	37 900	40 250	42 625	
Vote 5 - Community Services		5 640	486	-	1 741	(700)	1 041	-	-	-	
Vote 6 - Budget and Treasury Office		318	51	-	20	-	20	-	-	-	
Vote 7 - Local Economic Development		-	-	-	1 913	(543)	1 370	-	-	-	
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		83 893	57 966	-	11 227	(1 243)	9 984	-	37 900	40 250	42 625
Total Capital Expenditure - Vote		167 786	115 932	-	71 589	(1 243)	70 346	-	37 900	40 250	42 625
Capital Expenditure - Standard											
<i>Governance and administration</i>		1 426	1 527	925	2 454	-	-	-	-	-	-
Executive and council		-	-	-	1 026	-	-	-	-	-	-
Budget and treasury office		318	51	680	20	-	-	-	-	-	-
Corporate services		1 108	1 477	245	1 408	-	-	-	-	-	-
<i>Community and public safety</i>		5 640	486	-	1 741	-	-	-	-	-	-
Community and social services		5 640	486	-	1 741	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		76 826	55 953	52 385	67 395	(1 000)	64 482	-	-	-	-
Planning and development		-	-	-	1 913	-	-	-	-	-	-
Road transport		76 826	55 953	52 385	65 482	(1 000)	64 482	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	83 893	57 966	53 309	71 589	(1 000)	64 482	-	-	-	-
Funded by:											
National Government		22 933	-	37 771	60 362	60 362	60 362	-	37 900	40 250	42 625
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	22 933	-	37 771	60 362	60 362	60 362	-	37 900	40 250	42 625
Public contributions & donations	5	55 181	-	126 564	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	11 227	11 227	11 227	-	-	-	-
Total Capital Funding	7	78 113	-	164 335	71 589	71 589	71 589	-	37 900	40 250	42 625

MBRR Table A7 - Budgeted Cash Flow Statement

EC135 Intsika Yethu - 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					3 919		3 919		3 609	3 833	4 059
Service charges					10 345		10 345		692	735	778
Other revenue		33 265	29 115		63 867		63 867		10 254	10 890	11 533
Government - operating	1	152 877	163 837		149 850	648	150 498		166 235	176 542	186 958
Government - capital	1				-		-		39 895	42 368	44 868
Interest		840	1 799		325		325		309	328	348
Dividends					-		-		-	-	-
Payments											
Suppliers and employees		(133 618)	(137 622)		(222 569)		(222 569)		(206 230)	(219 016)	(231 938)
Finance charges		(497)	(541)		(1 058)		(1 058)		(1 809)	(1 921)	(2 035)
Transfers and Grants	1				(4 680)		(4 680)		(5 135)	(5 453)	(5 775)
NET CASH FROM/(USED) OPERATING ACTIVITIES		52 867	56 587	-	(0)	648	648	-	7 821	8 306	8 796
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		444							-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(52 361)	(48 325)		(38 829)		(38 829)		(39 700)	(42 161)	(44 649)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(51 916)	(48 325)	-	(38 829)	-	(38 829)	-	(39 700)	(42 161)	(44 649)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		(390)	(257)						-	-	-
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(390)	(257)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		561	8 005	-	(38 829)	648	(38 181)	-	(31 879)	(33 856)	(35 853)
Cash/cash equivalents at the year begin:	2	7 448	8 009						-	(31 879)	(65 735)
Cash/cash equivalents at the year end:	2	8 009	16 014		(38 829)	648	(38 181)		(31 879)	(65 735)	(101 588)

References

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC135 Intsika Yethu - Table A8 Cash backed reserves/accumulated surplus reconciliation

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 and investments available											
Cash/cash equivalents at the year end	1	8 009	16 014	-	(38 829)	648	(38 181)	-	(31 879)	(65 735)	(101 588)
Other current investments > 90 days		527 111	543 600	536 264	38 829	(648)	38 181	138 729	31 879	65 735	101 588
Non current assets - Investments	1	72 795	71 870	-	-	-	-	-	-	-	-
Cash and investments available:		607 915	631 484	536 264	-	-	-	138 729	-	-	-
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	30 475	13 182	41 872	-	67 117	67 117	7 087	-	-	-
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/Investments	5										
Total Application of cash and investments:		30 475	13 182	41 872	-	67 117	67 117	7 087	-	-	-
Surplus(shortfall)		577 441	618 302	494 392	-	(67 117)	(67 117)	131 642	-	-	-

EC135 Intsika Yethu - Table A9 Asset Management

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										
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	69 367	-	20 000	12 309	13 072	13 844
Infrastructure - Road transport		-	-	-	14 571	-	-	-	-	-
Infrastructure - Electricity		-	-	-	32 846	-	20 000	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	14 645	-	-	7 029	7 464	7 905
Infrastructure		-	-	-	62 062	-	20 000	7 029	7 464	7 905
Community		-	-	-	1 635	-	-	3 546	3 765	3 988
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	3 770	-	-	1 735	1 843	1 951
Agricultural Assets		-	-	-	1 900	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	2 223	-	-	25 591	27 178	28 781
Infrastructure - Road transport		-	-	-	-	-	-	25 591	27 178	28 781
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	718	-	-	-	-	-
Infrastructure		-	-	-	718	-	-	25 591	27 178	28 781
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	109	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	1 396	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	14 571	-	-	25 591	27 178	28 781
Infrastructure - Road transport		-	-	-	32 846	-	20 000	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	15 363	-	-	7 029	7 464	7 905
Infrastructure		-	-	-	62 780	-	20 000	32 620	34 642	36 686
Community		-	-	-	1 635	-	-	3 546	3 765	3 988
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	3 879	-	-	1 735	1 843	1 951
Agricultural Assets		-	-	-	1 900	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	1 396	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	-	71 589	-	20 000	37 900	40 250	42 625
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	241 775	224 398	-	14 571	-	-	-	-	-
Infrastructure - Electricity		1 811	1 711	-	32 846	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		19 426	17 436	-	14 645	-	-	7 029	7 464	7 905
Infrastructure		263 012	243 546	-	62 062	-	-	32 620	34 642	36 686
Community		26 052	25 909	-	1 635	-	-	3 546	3 765	3 988
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		132 915	168 674	-	3 770	-	-	1 735	1 843	1 951
Agricultural Assets		-	-	-	1 900	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		479	359	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	422 458	438 488	-	69 367	-	-	-	-	-
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	146 040	32 870	30 070	37 030	-	37 030	30 070	31 935	33 819
Repairs and Maintenance by Asset Class		926	2 302	-	8 774	-	8 774	250	266	281
Infrastructure - Road transport		926	2 302	-	3 277	-	3 277	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		926	2 302	-	3 277	-	3 277	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	3 042	-	3 042	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	2 456	-	2 456	250	266	281
TOTAL EXPENDITURE OTHER ITEMS		146 966	35 172	30 070	45 804	-	45 804	30 320	32 200	34 100
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	3.1%	0.0%	0.0%	67.5%	67.5%	67.5%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	85.1%	85.1%	85.1%
<i>R&M as a % of PPE</i>		0.2%	0.5%	0.0%	0.0%	0.0%	13.1%	0.0%	0.0%	0.0%
<i>Renewal and R&M as a % of PPE</i>		0.0%	1.0%	0.0%	16.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The budget process

The Medium Term Revenue and Expenditure Framework (MTREF) specify a 3-year systematic expenditure and revenue plans for Intsika Yethu Municipality. The MTREF process is designed to match the overall resource envelope, estimated through 'top-down' macroeconomic and fiscal policy processes, with the bottom-up estimation of the current and medium-term cost of existing departmental plans and expenditure programmes

This process further allows the Council to :

Strengthen and evaluate the alignment between medium and long-term plans and funding proposals

Revise its policy priorities, macroeconomic framework and resource envelope

Evaluate departmental plans and allocate available resources in line with policy priorities

Obtain the required authority from Council to spend [service delivery]

Align parameter setting with budget outcomes and resource allocations.

The purpose of the 2016/17 budget process will be the completion of a medium-term revenue and expenditure framework that share out resources in line with Council's policy priorities for the next 3 years. The chapter further explains how all this will be achieved.

Matching policy priorities and resources

Deciding and agreeing on the best allocation of scarce resources to fund Council's many social, economic and political goals is the main purpose of the budget process.

Drafting these three-year plans will guide the policy prioritisation and budgeting process for the 2016/17 MTREF.

Formulating an MTREF that has a three-year outlook will be put together by various role-players who interact at various stages of the budget process that is illustrated in diagram 1:

Formulating an MTREF differs from annual budgeting. In annual budgeting, the amount allocated to spending programmes is adjusted incrementally, with hardly any alignment to policy priorities. An MTREF provides the "linking framework" that allows expenditures to be "driven by policy priorities and disciplined by budget realities". – refer to the IDP.

Medium term policy review

The budget process starts early in the year with a review of the IDP and budget processes of the previous year, the budget parameters are set with the Municipal Manager and Heads of Departments.

Additional resources for funding new priorities arise from a review of the overall budget framework, including fiscal policy considerations, overall spending growth, inflation assumptions, and debt interest projections [if applicable at this stage].

The allocation of resources to the different clusters will be largely determined by Council's funding formula, which is reviewed during the process of developing the MTREF/Budget and will take into account the various clusters responsibilities for service delivery.

The resource envelope that funds the new priorities consists of the two outer forecast years. This is the starting point for the new budget and planning process and is used as a basis to determine the MTREF allocation

The timeline for critical budget decisions in the policy review stage of the process is outlined in table 1.

Process plan timeline

July – August	Previous IDP and budget process plan review and also table in the council timetable for preparation of coming year's annual budget
September	Parameter setting
October	Consideration of the revision of the Council's establishment plan – meeting the HR capacity needs and the cost application of such capacity [functions to be considered]
November to January	Aligning the budget to Council priorities, assess current year's budget performance, table assessment report in Council, assess current year's budget performance and submit report to mayor and municipality
February	Consolidation of budget and macro summary
March	Tabling the Draft Budget to Council and make public the draft budget and invite submissions from the community, provincial treasury and others
Before 31 May	Respond to submission and revise draft budget for coming year
31 May	Consider approval of budget for coming year and attendant resolutions
June	Final Budget will be approved and submitted to the National Treasury and other spheres of government

MTREF budget proposals

Budget Principles

Budgeting within the Medium Term Revenue and Expenditure Framework is based on a set of core principles that relate to:

- Fiscal policy and the budget framework
- Policy priorities and public expenditure
- Political oversight of the budget process
- Budgeting for service delivery

Fiscal policy and the budget framework

Medium-term spending plans of the various clusters will be prepared within the context of Council's macroeconomic and fiscal framework.

As part of a three-year rolling budget process, the budget framework is revised each year.

Additional resources for new expenditure will form part of the macroeconomic forecast. Growth in the MIG allocation is important if Council is to meet the objectives established in the IDP.

The MTREF set out in the 2016/17 budget will define the budget baseline for the 2016 MTREF. The various role-players will have to examine the fiscal implications of new spending pressures and match them to available resources.

Policy priorities and public expenditure

Strengthening the link between Council priorities and expenditure is at the core of medium-term budgeting. Expenditure allocation translates policy priorities into the delivery of services to communities, and is therefore a key tool for accomplishing Council's goals.

Political oversight of the Budget Process

The key to strengthening the link between priorities and spending plans lies in enhancing political oversight of the budget process.

Political oversight of the budget process is essential to ensure that:

The political executive is responsible for policy and prioritization

Policy priorities are linked to cluster spending plans and the delivery of quality services

The Budget process commences with parameter, policy assessment and formulation.

Budgeting is primarily about the choices and trade-offs that Council has to make in deciding how to meet the agreed set of policy objectives through better service delivery. Political oversight of the budget process allows Council to manage the tension between competing policy priorities and fiscal realities.

Budgeting for service delivery

Strengthening the link between Council's priorities and spending plans is not an end in itself. The goal is to improve delivery of services and ultimately the quality of life of people throughout the municipality.

Better budgeting at mentioned in the introduction leads to enhanced service delivery. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthen the link between the services that departments provide and the benefits and costs of these services. It is important to emphasise the role of performance management which serve to monitor performance against measurable performance objectives that are informed by service delivery targets as captured in the various sector plans and subscribed to by the four clusters.

Measurable objectives are defined as specific, quantifiable results or outcomes that can be achieved within a foreseeable time period. They serve as a roadmap for achieving the institutions goals and define the actual impact on the municipality rather than focussing on the level of effort that is expended. They are tools to assess the effectiveness of an institutions performance and the value added to the municipality.

BUDGET PROCESS PLAN

ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR	INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR
JULY	JULY
<p>Review the IDP and Budget processes undertaken for the previous year budget preparation, and adapt the processes to address deficiencies, develop improvements and ensure integration of processes for the "NEXT 3 YEARS" budgets.</p> <p>Document the updated process and circulate to Councillors and Management for adoption.</p> <p>Establish the schedules for the next cycle – 3 year templates.</p> <p>Ensure technical systems, procedures and standardized documentation are in place.</p>	

<p>Review external mechanisms for possible changes to agreements impacting on next budget. An example being water service provider agreements – causing budget impacts.</p> <p>Advise Auditor General of bank accounts including type, number opening and closing balances.</p>	
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<p align="center">ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR</p>	<p align="center">INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR</p>
<p>AUGUST</p>	
<p>Based on financial statements of the previous year and performance review, determine the financial position of the municipality and assess its financial capacity and potential impacts on future strategies and budget</p> <p>Present the budget process plan to the HOD meeting</p> <p>The present budget process plan to Council and adopted by Council on the 27 August.</p>	

<p align="center">ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR</p>	<p align="center">INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR</p>
<p>SEPTEMBER</p>	<p>SEPTEMBER</p>
<p>Advertise the budget process and schedules – no later than 1 September.</p> <p>The Council to establish the future directions and priority areas for the municipality to guide the budget allocations.</p> <p>Set parameters for the next 3 years based on market trends and other information available:</p> <ul style="list-style-type: none"> ➤ Tariff increases ➤ Salary increases ➤ General expenses ➤ Repairs and Maintenance ➤ Key Changes to be reflected considering all strategies and studies <p>(including institutional study)</p>	

<ul style="list-style-type: none"> ➤ Develop priority areas ➤ Reflect on all factors that could potentially impact on future budgets <p>Confirm existing and set new policy priorities for next three years.</p> <p>Determine the funding / revenue envelope potentially available for next three years.</p> <p>Each Cluster Champion to submit to the finance department all funding available to the cluster for the next three years, from both National and Provincial (DoRA). This could for example include:</p> <ul style="list-style-type: none"> ➤ Infrastructure Grants (MIG/Dwaf/Cmip/Cbpwp) ➤ Recurrent Grants (FMG/MSIG/MSP) ➤ Equitable Share ➤ Other (Disaster Management/LED/HIV-aids) <p>NB – funding identified is to be as per local government financial year and not National financial year.</p> <p>Determine the most likely financial outlook and identify need for changes to fiscal strategies.</p> <p>Refine funding policies including tariff structures, if necessary.</p>	
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ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR	INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR
OCTOBER	OCTOBER
<p>National Regulators (e.g. NER, F&FC) review and update pricing strategies for next three years.</p> <p>National Government determines co-ordinated pricing regime for next three years.</p>	
<p>Municipalities receive other inputs from National and Provincial Government and other bodies on factors influencing the budget – reference to legislation and completed studies</p> <p>Prepare drafts for IDP and the capital and operational plans with cost and revenue estimates. HOD's to assess the Human Resource component of the operating budget for the next year and for the two following years and make submissions to the finance department. Submissions would include full motivations for each post and assessments must take into consideration all known studies, establishment plan [organogram] and any other future developments over the next three years that would require a provision for costing.</p>	

<p>The submissions on HR would then be considered by the Municipal Manager in consultation with each HOD, to be facilitated by the finance department.</p> <p>The submissions on the HR component of the budget to be provided to the HR department. The HR department would then be responsible for determining the costs associated with the submissions. This information is then be captured by the team.</p> <p>HR to also calculate required budget amount for the Leave Gratuity Fund</p> <p>Analyse current budget in anticipation of an adjustments budget for the current year.</p>	
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<p style="text-align: center;">ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR</p>	<p style="text-align: center;">INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR</p>
<p>NOVEMBER</p>	<p>NOVEMBER</p>
<p>Departments are to scientifically determine operating income/costs linked to the budget for the next three years under the budget categories:</p> <ul style="list-style-type: none"> General expenses; Repairs and maintenance; Capital outlay; Financing charges; Depreciation (in conjunction with Administration). <p>The finance department will be instrumental in determining budget figures for:</p> <ul style="list-style-type: none"> Insurance; Interest and Redemption; Entertainment Allowances; Provision for Bad Debts; Interest earned; 	

Commission on Levy Collection.

These costs are to be submitted to the finance department for inclusion in a line item budget designed for **three years**, the templates will be provided by the finance department.

Departments to consider projections on past performance and adjusted for known factors, known commitments (e.g. backlogs) and asset maintenance requirements.

Adjust plans to align with resources available and policy priorities.

Finalize preliminary options for IDP and budget for next three years.

Departments to submit text summaries for each cost/functional centre on what is contained in the operating budget, what are the major changes, what are the major functions of the department and, what the key objectives/measurable outputs are.

The finance department will circulate internal and external project funding balances as at 31 October to all clusters. Clusters are to assess expenditure patterns, with the Cluster Champs reporting on progress made, levels of expenditure achieved, what is expected and highlight problem areas to feed into the strategic session discussions which will take place in approximately January of the next year.

Clusters are also to reflect on any other funding, which is to be received during the remaining 7 months of the year

The financial model is to be cleared in order to allow for future year inputs.

Administration Office with Finance to confirm dates for Council meetings for the next calendar year in order to ensure legislative compliance

Submit adjustments budget for current year to Council.

ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR	INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR
DECEMBER	DECEMBER
<p>The submissions are to be consolidated by the finance department with all working papers that would have been submitted in support of the proposed operating budget.</p> <p>The finance department will keep a central file on all budget assumptions.</p> <p>Submit adjustments budget to National Treasury.</p>	

ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR	INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR
JANUARY	JANUARY
<p>Continue finalization of detailed plans and budgets.</p>	
<p>National and Provincial accounting officers finalise any adjustments to projected allocations for next three years. Cluster champions to be aware of this in case of changes to funding windows</p>	
<p>Conduct and assess mid-year review of current budget for impacts on budgets for next three years. Also incorporate any changes from National and Provincial governments on three-year allocations.</p> <p>Review tariffs and charges and develop options for changes to be included in draft budget.</p> <p>Incorporate changes in preliminary budget and IDP proposals to take account of assessment from mid-year review and consultations on tariffs</p> <p>Assessment of project balances to be done from the November review.</p>	

<p>The finance department to determine the allocations for projects to be financed from internal funding for the next three years. The allocation to be split between Intsika Yethu Municipality as well as cluster.</p> <p>A summary of all funding available is to be made available to Council and Intsika Yethu Municipality's Clusters.</p> <p>Document all material changes in allocations from the previous financial year budget.</p>	
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ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR	INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR
FEBRUARY	FEBRUARY
Finalise detailed draft budget in uniform formats.	

ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR	INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR
MARCH	MARCH
Council receives budget and IDP updates.	

<p>The budget presented to the Council includes a high level summary and is supported by the budget-forecasting model and reflects over a period of three years.</p> <p>Submit tabled budget to National Treasury.</p> <p>Forward copy of budget to National and Provincial Governments for review, both electronically and in printed format.</p> <p>Integrate and align the budget and IDP documentation.</p> <p>Finalise budget for next three years in prescribed formats.</p> <p>Council adopts budget.</p> <p><i>Mayor tables the budget in Council by 1 April. [Legislative compliance]</i></p>	
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<p style="text-align: center;">ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR</p>	<p style="text-align: center;">INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR</p>
<p>APRIL</p>	<p>APRIL</p>
<p>Council debates budget and updated IDP.</p> <p>Advertise budget, inviting comments and undertake community consultation on budget.</p> <p>Receive and analyse additional inputs from community and National and Provincial Governments.</p> <p>Incorporate feedback from community and national and provincial governments, and if required revise the budget previously tabled to Council.</p> <p>Assess impacts on budget from third quarter results of the current financial year and if necessary revise the budget tabled in Council.</p>	

ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR	INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR
MAY	MAY
<p>Mayor tables revised budget and IDP incorporating community input in Council – no later than 31 May.</p> <p>Municipal Council approves budget and IDP by 1st June.</p> <p>[Budget for current year and notes budget projections for the two years thereafter]</p> <p>Complete the Annexures required by National Treasury and submit in flat file format to the National Data Base for Local Government Budgets.</p> <p>Appoint company to design and print the budget for public distribution.</p> <p>Advise National & Provincial Treasury & Auditor General of banking details</p>	

ACTIVITIES RELATING TO NEW BUDGET FOR THE NEXT YEAR	INTEGRATED DEVELOPMENT PLAN FOR NEXT YEAR
JUNE	JUNE

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

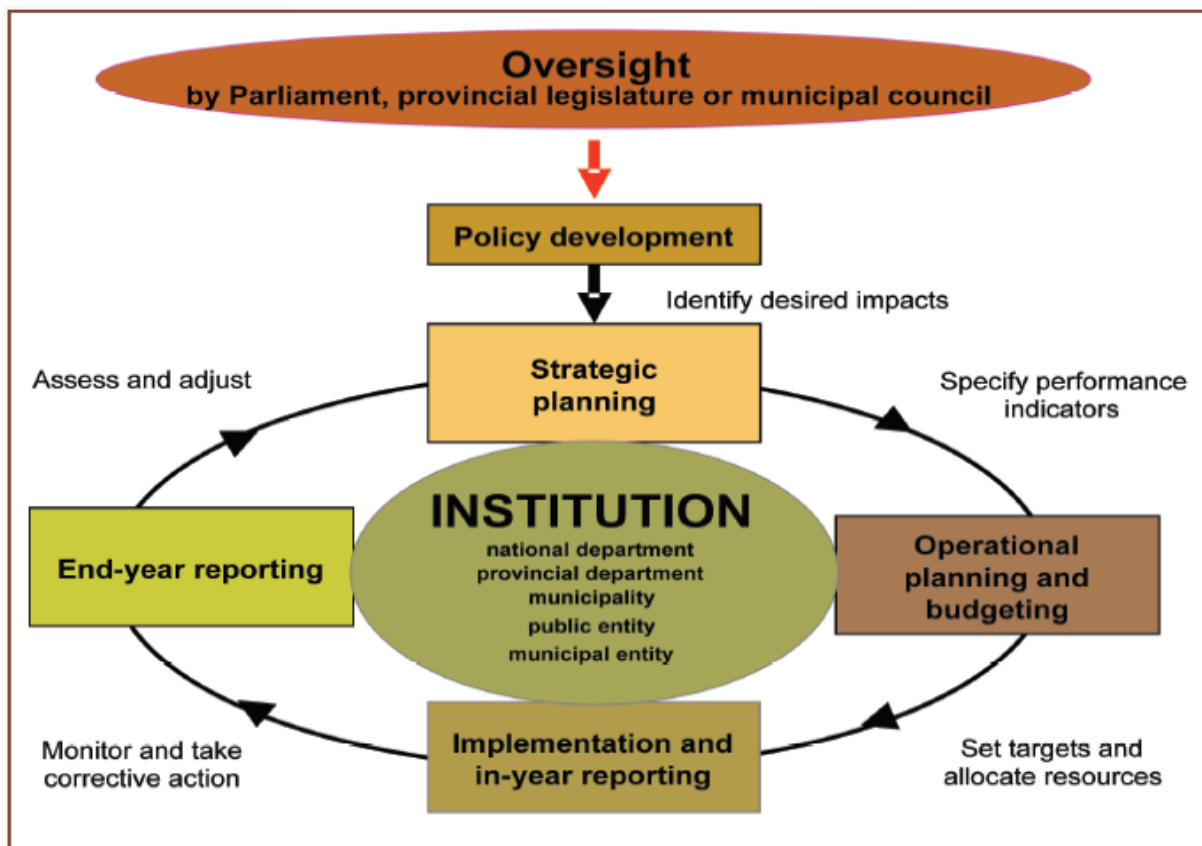


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

Definition of performance information concepts

Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

EC135 Intsika Yethu - Supporting Table SA18 Transfers and grant receipts

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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		108 514	122 682	-	169 850	-	169 850	164 935	181 070	193 437
Local Government Equitable Share		88 676	99 780	-	145 974		145 974	145 314	153 925	161 037
EPWP Incentive		1 000	1 000		1 271		1 271	1 311		
Finance Management		1 500	1 550		1 675		1 675	1 810	2 145	2 400
Municipal Systems Improvement		800	890		930		930			
Integrated National Electrification Programme		16 538	19 462		20 000		20 000	16 500	25 000	30 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		5 187	13 698	-	-	-	-	-	-	-
Water services grant										
CHDM GRANT		5 187	13 698							
LED PROJECTS										
Other grant providers:		640	877	-	-	-	-	1 300	-	-
LG SETA		640	877							
Department of Sport								300		
Department of Cooperative Governance								1 000		
Total Operating Transfers and Grants	5	114 341	137 257	-	169 850	-	169 850	166 235	181 070	193 437
Capital Transfers and Grants										
National Government:		30 460	36 043	-	40 632	-	40 632	39 895	44 003	46 420
Municipal Infrastructure Grant (MIG)		30 460	36 043		40 632		40 632	39 895	44 003	46 420
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
LG SETA										
Total Capital Transfers and Grants	5	30 460	36 043	-	40 632	-	40 632	39 895	44 003	46 420
TOTAL RECEIPTS OF TRANSFERS & GRANTS		144 801	173 300	-	210 482	-	210 482	206 130	225 073	239 857

Cash Flow Management

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

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

MBRR Table A7 - Budget cash flow statement

EC135 Intsika Yethu - 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					3 919		3 919		3 609	3 833	4 059
Service charges					10 345		10 345		692	735	778
Other revenue		33 265	29 115		63 867		63 867		10 254	10 890	11 533
Government - operating	1	152 877	163 837		149 850	648	150 498		164 935	175 161	185 495
Government - capital	1				-		-		39 895	42 368	44 868
Interest		840	1 799		325		325		309	328	348
Dividends					-		-		-	-	-
Payments											
Suppliers and employees		(133 618)	(137 622)		(222 569)		(222 569)		(204 930)	(217 635)	(230 476)
Finance charges		(497)	(541)		(1 058)		(1 058)		(1 809)	(1 921)	(2 035)
Transfers and Grants	1				(4 680)		(4 680)		(5 135)	(5 453)	(5 775)
NET CASH FROM/(USED) OPERATING ACTIVITIES		52 867	56 587	-	(0)	648	648	-	7 821	8 306	8 796
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		444							-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(52 361)	(48 325)		(38 829)		(38 829)		(39 700)	(42 161)	(44 649)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(51 916)	(48 325)	-	(38 829)	-	(38 829)	-	(39 700)	(42 161)	(44 649)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		(390)	(257)						-	-	-
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(390)	(257)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		561	8 005	-	(38 829)	648	(38 181)	-	(31 879)	(33 856)	(35 853)
Cash/cash equivalents at the year begin:	2	7 448	8 009						-	(31 879)	(65 735)
Cash/cash equivalents at the year end:	2	8 009	16 014		(38 829)	648	(38 181)		(31 879)	(65 735)	(101 588)

MBRR SA10 – Funding compliance measurement MBRR SA19 - Expenditure on transfers and grant programmes

FINAL BUDGET

EC135 Intsika Yethu - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		Ref	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework					
R thousand			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
		1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)		1									
Basic Salaries and Wages			11 539	12 729		10 332		10 332	11 226	11 922	12 626
Pension and UIF Contributions											
Medical Aid Contributions											
Motor Vehicle Allowance						2 243		2 243	2 348	2 494	2 641
Cellphone Allowance						973		973	876	931	986
Housing Allowances											
Other benefits and allowances						619		619	12	13	13
Sub Total - Councillors			11 539	12 729	-	14 167	-	14 167	14 463	15 359	16 266
% increase		4		10.3%	(100.0%)	-	(100.0%)	-	2.1%	6.2%	5.9%
Senior Managers of the Municipality		2							8 514	9 042	9 575
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus									418	444	470
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Senior Managers of Municipality			-	-	-	-	-	-	8 932	9 486	10 046
% increase		4							-	6.2%	5.9%
Other Municipal Staff						47 705	14 455	103 780	70 023	74 365	78 752
Basic Salaries and Wages											
Pension and UIF Contributions						8 692			8 386	8 905	9 431
Medical Aid Contributions						3 197			4 202	4 462	4 725
Overtime											
Performance Bonus						4 014			418	444	470
Motor Vehicle Allowance		3				6 937			5 534	5 877	6 223
Cellphone Allowance		3				799			566	601	637
Housing Allowances		3				2 086			50	54	57
Other benefits and allowances		3				1 727			5 277	5 604	5 935
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Other Municipal Staff			-	-	-	75 158	14 455	103 780	94 456	100 312	106 230
% increase		4				-	(80.8%)	618.0%	(9.0%)	6.2%	5.9%
Total Parent Municipality			11 539	12 729	-	89 325	14 455	117 947	117 851	125 157	132 542
% increase				10.3%	(100.0%)	-	(83.8%)	716.0%	(0.1%)	6.2%	5.9%
Board Members of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Board Fees											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Board Members of Entities			-	-	-	-	-	-	-	-	-
% increase		4									
Senior Managers of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Senior Managers of Entities			-	-	-	-	-	-	-	-	-
% increase		4									
Other Staff of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Other Staff of Entities			-	-	-	-	-	-	-	-	-
% increase		4									
Total Municipal Entities			-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS			11 539	12 729	-	89 325	14 455	117 947	117 851	125 157	132 542
% increase		4		10.3%	(100.0%)	-	(83.8%)	716.0%	(0.1%)	6.2%	5.9%
TOTAL MANAGERS AND STAFF		5,7	-	-	-	75 158	14 455	103 780	103 388	109 798	116 276

FINAL BUDGET

MBRR SA24 – Summary of personnel numbers

EC135 Intsika Yethu - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)					50		50	-	-	-
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3				6		6	6	6	6
Other Managers	7				27	26	1	23	22	1
Professionals		-	-	-	173	179	54	2	2	-
<i>Finance</i>					35	23	12	2	2	
<i>Spatial/town planning</i>					5	2	3			
<i>Information Technology</i>					5	1	4			
<i>Roads</i>										
<i>Electricity</i>					2	1	1			
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>					126	92	34			
Technicians		-	-	-	50	33	17	452	369	83
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>					50	33	17			
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>								452	369	83
Clerks (Clerical and administrative)					30	30		70	70	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators					23	22	1			
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	-	-	-	359	230	129	553	469	90
% increase					-	-	-	54.0%	103.9%	(30.2%)
Total municipal employees headcount	6, 10				-	-	-			
Finance personnel headcount	8, 10				44	32	12	32	23	9
Human Resources personnel headcount	8, 10				53	44	9	77	53	24

FINAL BUDGET



EC135 Intsika Yethu - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Revenue By Source																	
Property rates		301	301	301	301	301	301	301	301	301	301	301	301	3 609	3 833	4 059	
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue		58	58	58	58	58	58	58	58	58	58	58	58	692	735	778	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	5 489	5 489	5 829	6 173	
Rental of facilities and equipment		62	62	62	62	62	62	62	62	62	62	62	62	747	793	840	
Interest earned - external investments		26	26	26	26	26	26	26	26	26	26	26	26	309	328	348	
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines		27	27	27	27	27	27	27	27	27	27	27	27	321	341	361	
Licences and permits		80	80	80	80	80	80	80	80	80	80	80	80	964	1 024	1 084	
Agency services		38	38	38	38	38	38	38	38	38	38	38	38	450	478	506	
Transfers recognised - operational		56 293	108	108	108	54 483	108	108	108	54 483	108	108	112	166 235	176 542	186 958	
Other revenue		3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	3 972	(17)	43 678	46 386	49 123	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		60 856	4 671	4 671	4 671	59 046	4 671	4 671	4 671	59 046	4 671	4 671	6 174	222 494	236 289	250 230	
Expenditure By Type																	
Employee related costs		8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	8 616	103 388	109 798	116 276	
Remuneration of councillors		1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	1 205	14 464	15 361	16 267	
Debt impairment		151	151	151	151	151	151	151	151	151	151	151	151	1 809	1 921	2 035	
Depreciation & asset impairment		30 070	-	-	-	-	-	-	-	-	-	-	-	30 070	31 935	33 819	
Finance charges		3	3	3	3	3	3	3	3	3	3	3	3	38	40	43	
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services		88	88	88	88	88	88	88	88	88	88	88	88	1 055	1 120	1 186	
Transfers and grants		340	340	340	340	340	340	340	340	340	340	340	340	4 080	4 333	4 589	
Other expenditure		8 164	8 164	8 164	8 164	8 164	8 164	8 164	8 164	8 164	8 164	8 164	9 668	99 470	105 637	111 869	
Loss on disposal of PPE		-	0	0	0	0	0	0	0	0	0	0	(0)	-	-	-	
Total Expenditure		48 637	18 567	18 567	18 567	18 567	18 567	18 567	18 567	18 567	18 567	18 567	20 071	254 374	270 145	286 084	
Surplus/(Deficit)		12 219	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 896)	(31 880)	(33 856)	(35 854)	
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		12 219	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 896)	(31 880)	(33 856)	(35 854)	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	12 219	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 895)	40 480	(13 895)	(13 895)	(13 896)	(31 880)	(33 856)	(35 854)	

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

EC135 Intsika Yethu - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote																
Vote 1 - Exco and Council													1 000	1 000	1 062	1 125
Vote 2 - Municipal Manager Office													-	-	-	-
Vote 3 - Corporate Services Office													-	-	-	-
Vote 4 - Infrastructure Planning and Development Office		19 478				19 478			19 478				1 500	59 934	63 650	67 405
Vote 5 - Community Services		206	206	206	206	206	206	206	206	206	206		506	2 767	2 939	3 112
Vote 6 - Budget and Treasury Office		56 552				51 121			51 121				0	158 794	168 640	178 589
Vote 7 - Local Economic Development													-	-	-	-
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		76 236	206	206	206	70 805	206	206	206	70 805	206	206	3 006	222 495	236 290	250 231
Expenditure by Vote to be appropriated																
Vote 1 - Exco and Council		1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494		2 744	19 181	20 370	21 572
Vote 2 - Municipal Manager Office		1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512		1 512	18 148	19 273	20 410
Vote 3 - Corporate Services Office		2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055		2 755	25 363	26 936	28 525
Vote 4 - Infrastructure Planning and Development Office		6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847		6 847	82 169	87 264	92 412
Vote 5 - Community Services		2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565		2 865	31 078	33 005	34 952
Vote 6 - Budget and Treasury Office		5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972		6 522	72 209	76 686	81 210
Vote 7 - Local Economic Development		519	519	519	519	519	519	519	519	519	519		519	6 226	6 612	7 002
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		20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	23 765	254 374	270 145	286 084
Surplus/(Deficit) before assoc.		55 271	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	(31 879)	(33 855)	(35 853)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	55 271	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	(31 879)	(33 855)	(35 853)

EC135 Intsika Yethu - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard																
<i>Governance and administration</i>		56 552	-	-	-	51 121	-	-	-	51 121	-	-	1 000	159 794	169 702	179 714
Executive and council													1 000	1 000	1 062	1 125
Budget and treasury office		56 552				51 121			51 121				0	158 794	168 640	178 589
Corporate services													-	-	-	-
<i>Community and public safety</i>		206	206	206	206	206	206	206	206	206	206	206	506	2 767	2 939	3 112
Community and social services		206	206	206	206	206	206	206	206	206	206	206	506	2 767	2 939	3 112
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		19 478	-	-	-	19 478	-	-	-	19 478	-	-	1 500	59 934	63 650	67 405
Planning and development													-	-	-	-
Road transport		19 478				19 478			19 478				1 500	59 934	63 650	67 405
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Revenue - Standard		76 236	206	206	206	70 805	206	206	206	70 805	206	206	3 006	222 495	236 290	250 231
Expenditure - Standard																
<i>Governance and administration</i>		11 033	11 033	11 033	11 033	11 033	11 033	11 033	11 033	11 033	11 033	11 033	13 533	134 901	143 265	151 717
Executive and council		3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	4 256	37 329	39 643	41 982
Budget and treasury office		5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	5 972	6 521	72 209	76 686	81 210
Corporate services		2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 055	2 755	25 363	26 936	28 525
<i>Community and public safety</i>		2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 865	31 078	33 005	34 952
Community and social services		2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 565	2 865	31 078	33 005	34 952
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 366	7 367	88 395	93 876	99 414
Planning and development		519	519	519	519	519	519	519	519	519	519	519	519	6 226	6 612	7 002
Road transport		6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 847	6 848	82 169	87 264	92 412
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Expenditure - Standard		20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	20 965	23 765	254 374	270 145	286 084
Surplus/(Deficit) before assoc.		55 271	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	(31 879)	(33 855)	(35 853)
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	55 271	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	49 840	(20 759)	(20 759)	(20 759)	(31 879)	(33 855)	(35 853)

MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

EC135 Intsika Yethu - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Multi-year expenditure to be appropriated	1																
Vote 1 - Exco and Council														-	-	-	-
Vote 2 - Municipal Manager Office														-	-	-	-
Vote 3 - Corporate Services Office														-	-	-	-
Vote 4 - Infrastructure Planning and Development Office														-	-	-	-
Vote 5 - Community Services														-	-	-	-
Vote 6 - Budget and Treasury Office														-	-	-	-
Vote 7 - Local Economic Development														-	-	-	-
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	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Single-year expenditure to be appropriated																	
Vote 1 - Exco and Council														-	-	-	-
Vote 2 - Municipal Manager Office														-	-	-	-
Vote 3 - Corporate Services Office														-	-	-	-
Vote 4 - Infrastructure Planning and Development Office		3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	37 900	40 250	42 625	
Vote 5 - Community Services														-	-	-	-
Vote 6 - Budget and Treasury Office														-	-	-	-
Vote 7 - Local Economic Development														-	-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-	-
Capital single-year expenditure sub-total	2	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	37 900	40 250	42 625	
Total Capital Expenditure	2	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	37 900	40 250	42 625	

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MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

EC135 Intsika Yethu - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Capital Expenditure - Standard	1																
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council																	
Budget and treasury office																	
Corporate services																	
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services																	
Sport and recreation																	
Public safety																	
Housing																	
Health																	
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development																	
Road transport																	
Environmental protection																	
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity																	
Water																	
Waste water management																	
Waste management																	
<i>Other</i>																	
Total Capital Expenditure - Standard	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funded by:																	
National Government		3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	1 330	37 900	40 250	42 625
Provincial Government																	
District Municipality																	
Other transfers and grants																	
Transfers recognised - capital		3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	1 330	37 900	40 250	42 625
Public contributions & donations																	
Borrowing																	
Internally generated funds																	
Total Capital Funding		3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	3 325	1 330	37 900	40 250	42 625

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EC135 Intsika Yethu - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

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										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	718	-	-	25 591	27 178	28 781
Infrastructure - Road transport		-	-	-	-	-	-	25 591	27 178	28 781
<i>Roads, Pavements & Bridges</i>								9 570	10 164	10 763
<i>Storm water</i>								16 021	17 014	18 018
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	718	-	-	-	-	-
<i>Waste Management</i>					718				-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings									-	-
Other	9								-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development									-	-
Other									-	-
Other assets		-	-	-	109	-	-	-	-	-
General vehicles									-	-
Specialised vehicles	10				-	-	-	-	-	-
Plant & equipment									-	-
Computers - hardware/equipment									-	-
Furniture and other office equipment					109				-	-
Intangibles		-	-	-	1 396	-	-	-	-	-
Computers - software & programming					1 070				-	-
Other (<i>list sub-class</i>)					326				-	-
Total Capital Expenditure on renewal of existing	1	-	-	-	2 223	-	-	25 591	27 178	28 781

EC135 Intsika Yethu - Supporting Table SA34c Repairs and maintenance expenditure by asset class

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	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		926	2 302	-	3 277	-	3 277	-	-	-
Infrastructure - Road transport		926	2 302	-	3 277	-	3 277	-	-	-
Roads, Pavements & Bridges		926	2 302	-	3 277	-	3 277	-	-	-
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	3 042	-	3 042	-	-	-
Buildings					3 042		3 042			
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	2 456	-	2 456	250	266	281
General vehicles										
Specialised vehicles										
Plant & equipment					2 382		2 382			
Computers - hardware/equipment										
Furniture and other office equipment					74		74			
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings								250	266	281
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	926	2 302	-	8 774	-	8 774	250	266	281

R&M as a % of PPE	0.2%	0.5%	0.0%	0.0%	0.0%	13.1%	0.0%	0.0%	0.0%
R&M as % Operating Expenditure	0.3%	1.4%	0.0%	2.7%	0.0%	2.7%	0.1%	0.1%	0.1%

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Legislation compliance status

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

In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipal website.

Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. One out of 5 Interns has been appointed as acquisition clerk from February 2016..

Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

Audit Committee

An Audit Committee has been established and is fully functional.

Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

Budget Steering Committee has been established as well

mSCOA implementation plan and progress to date

Intsika Yethu Local Municipality has established the m SCOA committees (Steering committee and Project implementation committee)

Awareness workshop has been conducted for the Councilors, Senior Management and Middle Management

The Municipality has registered on the database

Project Plan has been tabled to Council

SIU 10000000 - Budget on Title 501 Expenses on 400 - by Subpart Expense System

Director	2015	2016	2017	Current Year 2015			2015 12 Month Review - 8			
	Actual Expenses	Actual Expenses	Actual Expenses	Orig. Budget	Adj. Act. Budget	F. Year Forecast	Product Expenses	Budget Year 2015 12	Budget Year -1 2015 15	Budget Year -2 2015 15
SIU 10000000										
Capital Expenses										
Cellular Telephone	527,111	543,601	536,264	-	-	-	138,729	-	-	-
Computer Hardware	507,881	503,688	506,288	-	-	-	155,728	-	-	-
Total Capital Expenses	1,034,992	1,047,289	1,042,552							
Construction Expenses										
Construction	25,662	76,225	62,440	-	-	-	147,875	-	-	-
Total Construction Expenses	25,662	76,225	62,440							
Departmental Expenses										
Departmental Expenses	-	-	-	-	-	-	-	-	-	-
Property Expenses - State										
Property Expenses - State	544,961	506,986	528,341	-	67,117	67,117	3,290	-	-	-
Total Property Expenses - State	544,961	506,986	528,341		67,117	67,117	3,290			
AS - 700										
Current Assets - Savings	-	-	-	-	-	-	-	-	-	-
Current Liabilities - Savings	-	-	-	-	-	-	-	-	-	-
Total Current Assets - Savings	-	-	-							
Construction Expenses										
Construction Expenses	35,235	31,638	41,872	-	67,117	67,117	7,087	-	-	-
Total Construction Expenses	35,235	31,638	41,872		67,117	67,117	7,087			
Departmental Expenses										
Departmental Expenses	-	-	-	-	-	-	-	-	-	-
Total Departmental Expenses	-	-	-							
Recreation Expenses										
Recreation Expenses	8,298	7,972	7,646	-	-	-	5,348	-	-	-
Total Recreation Expenses	8,298	7,972	7,646				5,348			
Operating Expenses										
Operating Expenses	85,593	85,776	85,458	-2,855	5,728	-2,855	-	-5,575	-5,575	-5,575
Total Operating Expenses	85,593	85,776	85,458		5,728	-2,855		-5,575	-5,575	-5,575
Total Expenses	1,655,546	1,629,280	1,619,400		139,952	101,269				
Total Expenses	1,655,546	1,629,280	1,619,400		139,952	101,269				

INTSIKA YETHU MUNICIPALITY EC 135



Municipal manager's quality certificate

I **ZAMUXOLO SHASHA**, municipal manager of Intsika Yethu Local Municipality, hereby certify that the draft 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 draft budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : Z. SHASHA

(Municipal manager of Intsika Yethu Municipality -EC135)

Signature _____

Date 30 March 2016

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Municipal Manager's Quality Certification

I.....Municipal Manager of Intsika Yethu Local Municipality hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act 56 of 2003 and the regulations made under the Act, and that the adjustment budget and supporting documents are consistent with the Integrated Plan of the municipality.

Signature.....

Mr Z.Shasha
Municipal Manager
Intsika Yethu Local Municipality
Date

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