



UBUHLEBEZWE MUNICIPALITY

2016/2017 FINALBUDGET

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Part 1: Final Annual Budget

1. MAYORAL BUDGET SPEECH

Speech by the Mayor of uBuhlebezwe Municipality, Z.D. Nxumalo on the occasion of the Council meeting to present an Final Budget for the 2016/2017 financial year.

26 May 2016

- Madame Speaker, Cllr N Peterson;
- Deputy Mayor, Cllr CT Dlamini
- Colleagues in the Executive Committee
- Chairperson to MPAC, Cllr Jili
- Fellow Councillors
- oNdabazitha/ Amakhosi
- All Distinguished Guests present;
- The entire Management led by the Municipal Manager
- Ladies and Gentleman, and everyone present Good day

On the 23rd of March we assembled at this council chamber as we were tabling the municipality's draft budget. The document that I am presenting today was taken to the communities for public participation to receive comments and blessings from the public, this took place in the week of the 12, 13 and 14 April 2016. It further went to the strategic planning session for finalisation in Margate South Coast, Desroches Hotel on the 18th to 22nd of April 2016, where it was presented and discussed with all members of the council and Amakhosi.

Madam Speaker, after the 2016 local government elections, Ubuhebezwe Municipality will be given two additional wards, which has the potential to positively or negatively impact our budget. The population will increase which will assist in the increase of our equitable share in the 2017/18 financial year. However, it may also negatively impact us on financial year 2016/17 as we will need to provide services to new wards that were previously outside of our boundaries. I must also emphasise to my colleagues that, this is our last budget as councillors inaugurated in 2011, and the challenge is still upon us to leave a lasting legacy at this municipality.

Madam Speaker on electrification projects, we have R30 Million from the Department of Minerals and Energy. Although we have not received any funding from Cogta on electrification for financial year 2016/17, with the funds that we have available, we are going to supply electricity to houses without electricity. National Treasury's allocation on MSIG has been withdrawn.

Madame Speaker, I must close by thanking the management for a wonderful job done in compiling this budget. We are a clean audit municipality and I hope that the budget that we are approving today will also harvest another clean audit.

I thank you.



RECOMMENDATION

In view of the above explanation, I recommend that:

1. Council approves the final budget as tabled today with all the A- schedules as prescribed
2. Council approves the revision to service delivery targets and performance indicators in the service delivery and budget implementation plan.

Budget Summary

The following table is a consolidated overview of the proposed 2016/2017 budget, in comparison with 2015/16 budget.

Table 1 Consolidated Overview of the 2015/16 and 2016/2017 final budget

R Thousand	Final Budget 2015/2016	Final Budget 2016/2017
Total Operating Revenue	R 186 166 811.38	R 180 371 672.93
Total Operating Expenditure	R 124 670 950.00	R 134 696 400.19
Surplus/ Deficit for the year	R 61 495 862.00	R 45 675 272.49
Total Capital Expenditure	R 88 187 640.00	R 65 912 348.00

1.2 Council Resolutions

The Council of Uthukela Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- *That the annual budget of the municipality for the financial year 2016/2017 ; and indicative allocations for the two projected outer years 2017/2018 and 2018/2019 and related policies be approved, as set out in the following schedules and annexure:*

6.1	Budget summary	A1 Sum	
6.2	Budgeted financial performance (revenue and expenditure by standard classification)	A2 Fin Perf	
6.3	Budgeted financial performance (revenue and expenditure by municipal vote)	A3 Fin Perf	


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6.4	Budgeted financial performance (revenue and expenditure)	A4 Fin Perf	
6.5	Budgeted capital expenditure by vote, standard classification and funding	A5 Cap Ex	
6.6	Budgeted financial position	A6 Fin Pos	
6.7	Budgeted cash flows	A7Cas Flow	
6.8	Cash backed reserves/accumulated surplus reconciliation	A8 Res Rec	
6.9	Asset management	A9 Asset	
6.10	Basic service delivery measurement	A10 SerDel	



1.3 EXECUTIVE SUMMARY

1.3.1 Introduction

This 2016 to 2018 Tabled Medium Term Revenue and Expenditure Framework(MTREF) Budget Report deals with the operating budget and tariff proposals as well as the capital budget and funding sources proposal to ensure that uBuhlebezwe Municipality renders services to their local community in a financially sustainable manner.

1.3.2 Past performance

uBuhlebezwe Municipality has now attained Clean audit reports for the past consecutive three years. Whilst the Clean Audits reports are positive achievements one has to be honest and say that it tells the reader little about whether we have improved service delivery or even delivered on our constitutional mandate. It's actually reflects the good image of uBuhlebezwe leadership in rendering its services, transparency and equally to benefits its needy community at large.

1.3.3 Financial Sustainability

Financial sustainability over the long-term has to do with the maintenance of high priority expenditure programs, both operating and capital, to ensure program sustainability and desired quality of services to be rendered. There must also be rates and service charges stability and predictability in the overall rate burden by ensuring reasonable rates and service charges to fund programs.

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

1.3.4 Budget Summary

The following table is a consolidated overview of the proposed 2016/2017 budget, In comparison with 2015/16 budget.

Table 1 Consolidated Overview of the 2015/16 and 2016/2017 final budget

R Thousand	Final Budget 2015/2016	Final Budget 2016/2017
Total Operating Revenue	R 186 166 811.38	R 180 371 672.93
Total Operating Expenditure	R 124 670 950.00	R 134 696 400.19
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Total Capital	R 88 187 640.00	R 65 912 348.00



OPERATING REVENUE

The estimated operating revenue has been projected at R 180 371 672.93.

Total operating revenue has been decreased by 3.1 % for the year 2016/2017 financial year when compared to 2015/16 financial year; this is as a result of the electrification grant and MIG which has decreased for the forth-coming year. MSIG fund has not been allocated for the financial year 2016/17.

The following table is a summary of the 2016/2017 MTREF(classified by main revenue source):

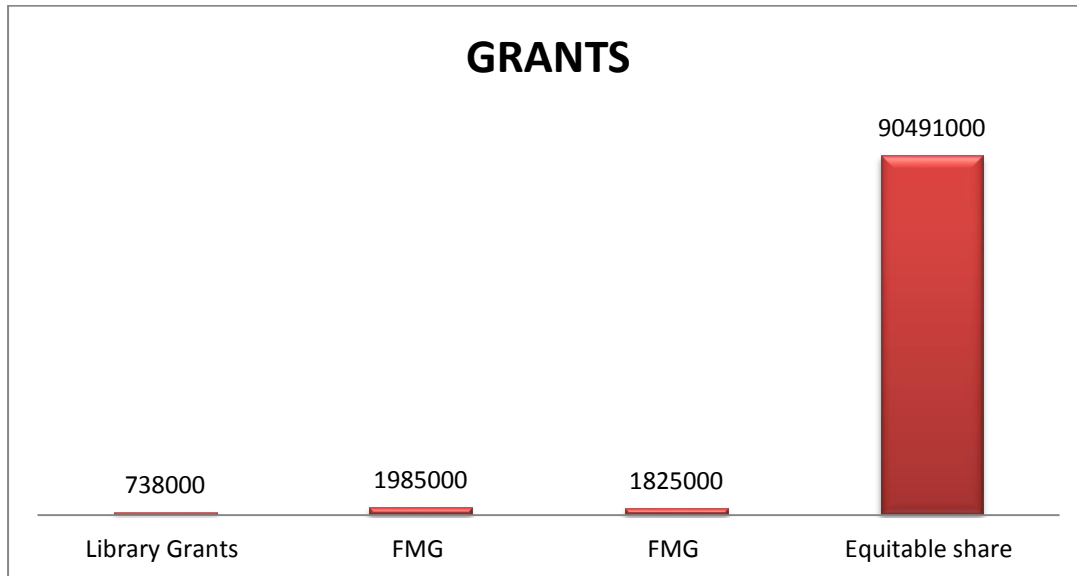
Choose name from list - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A: Consolidated 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		
R thousand	1	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	8 298	12 410	12 349	12 980	12 983	23 441	23 441	15 754	16 542	17 369
Property rates - penalties & collection charges		-	539	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1 272	1 478	1 454	1 878	1 878	1 793	1 793	1 991	2 090	2 195
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		208	856	811	474	479	1 102	1 102	500	525	551
Interest earned - external investments		2 864	3 793	5 456	3 000	4 500	6 599	6 599	4 000	4 200	4 410
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		147	188	264	200	200	1 191	1 191	250	263	276
Licences and permits		3 144	3 234	3 507	3 020	3 520	3 452	3 452	3 560	3 738	3 925
Agency services		609	-	-	700	700	803	803	720	756	794
Transfers recognised - operational		64 778	71 011	80 757	90 100	90 100	88 775	88 775	95 039	99 791	104 780
Other revenue	2	917	1 186	1 675	191	493	713	713	279	292	307
Gains on disposal of PPE		192	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		82 428	94 696	106 273	112 543	114 853	127 870	127 870	122 092	128 197	134 606

In line with the formats prescribed by 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 or deficit.

Government Subsidies / Grants

R95 039 000 Grants total consist of Equitable Share increased from R85 227 000 to R 90 491 000, FMG from R 1 800 000 to R 1 825 000, EPWP from R 1 420 000 to R 1 985 000, and Library Grant from R 723 000 to R 738 000.



Grants remain the largest revenue source.

- **Property Rates**

The municipality has resolved to increase the rates and service charges by 5%. This led to the budget for rates to be R 15 753 821.25 for the 2016/2017 financial year. The amount of R 15.7 million is the net amount after considering revenue foregone / rebates.



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

Choose name from list - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
							Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Property rates (rate in the Rand)	1								
Residential properties			0.0134	0.0141	0.0144	0.0151	0.0159	0.0167	0.0175
Residential properties - vacant land			-	0.0145	0.0148	0.0155	0.0163	0.0171	0.0180
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			-	-	-	-	-	-	-
Farm properties - used			0.0030	0.0035	0.0036	0.0038	0.0040	0.0042	0.0044
Farm properties - not used			-	-	-	-	-	-	-
Industrial properties			0.0145	0.0152	0.0155	0.0163	0.0171	0.0179	0.0188
Business and commercial properties			0.0138	0.0145	0.0148	0.0156	0.0163	0.0171	0.0180
Communal land - residential			-	-	-	-	-	-	-
Communal land - small holdings			-	-	-	-	-	-	-
Communal land - farm property			-	-	-	-	-	-	-
Communal land - business and commercial			-	-	-	-	-	-	-
Communal land - other			0.0033	0.0035	0.0036	0.0155	0.0040	0.0042	0.0044
State-owned properties			0.0138	0.0145	0.0148	0.0155	0.0163	0.0171	0.0180
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			0.0033	0.0035	0.0036	0.0045	0.0048	0.0050	0.0052
Privately owned towns serviced by the State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									

• Refuse / Service Charges

This refers to refuse removal income that the municipality collects as budgeted. The proposed budget for services amounted to R 1 990 710 for 2016/2017. The municipality has not reached a break – even point in delivering this service, meaning the cost of providing the service is more than the revenue recovered.

Comparison between current waste removal fees and increases

REFUSE REMOVAL	2015/16	2016/17
Small Business	R 793.76	R 833.45
Big Business	R 2 313.05	R 2 428.70
Residential	R 115.33	R 121.10
Welfare	R 24.56	R 25.79
Fairview and other low cost housing projects	R 24.56	R 25.79
Garden Refuse Removal per load	R 172.63	R 181.26
Builder's Waste	R 186.80	R 196.13
Purchases of Refuse Bins, each	Cost + 10%	Cost + 10%
Refuse Containers / Skip Bins: (Supply once off, per container)	per agreement	
Removal per month	per agreement	



For the processing of any application received for the disposal of domestics refuse in those cases where disposal is undertaken by the owner into bylaws 2(2)		
Solid Waste Bylaws	R 508.52	R 533.94
Recovery of enforcement costs in terms of bylaw 22(4)	Actual cost	Actual cost

- **Rental**

This refers to rental for municipal facilities, the municipality budgeted the amount of R 500 000.

- **Traffic Fines**

Traffic Fines budget has been increased from R 200 000 to R 250 000.

- **Interest on Investments**

This refers to funds invested by the municipality on various institutions, for less than one year, we have budgeted an amount of R 4 000 000.

- **Licence and Permit**

The Municipality has budgeted to collect R 3 560 000 from Licence and Permit.

- **Agency Services**

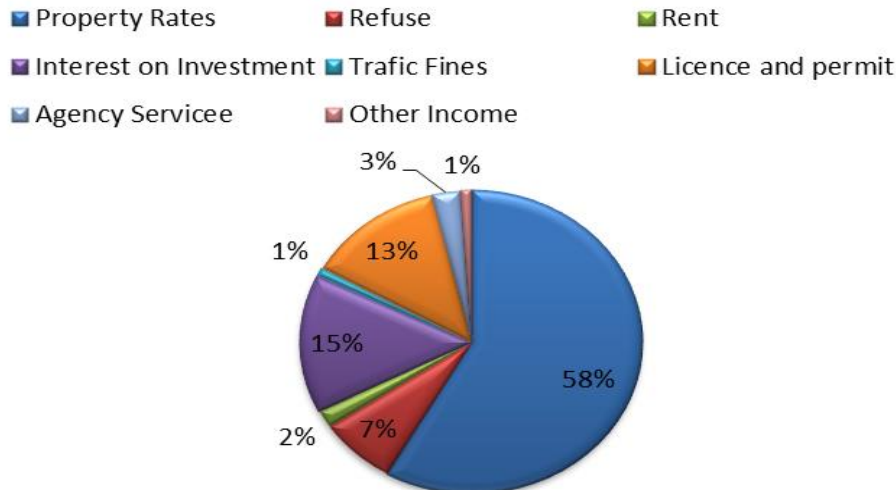
The Municipality has budgeted to collect R 720 000 from Agency Services.

Other Income

The Municipality has budgeted amount of R 278 500 for other Income



OPERATIONAL REVENUE



1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy
- Efficient revenue management, which aims to ensure a 99 per cent annual collection rate for property rates and other key service charges,
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) MPRA,
- Increase ability to extend new services and recover costs
- The municipality's Indigent Policy and rendering of free basic services and
- Tariff policies of the Municipality



OPERATING EXPENDITUE

Total operating expenditure for the 2016/2017 financial year has been appropriated at R134 696 400.19 and compare to 2015/2016 financial year which was R124 670 950.

1.5 Operating Expenditure Framework

The total operating expenditure for 2016/2017 financial year has been appropriated at R134 696 400. The Municipality's expenditure framework for the 2016/17budget is informed by the following:

- Balanced budget constraint(operating expenditure should not exceed operating revenue)unless there are existing uncommitted cash-backed reserves to fund any deficit
- Funding of the over the medium-term as informed by Section 18 and 19 of the MFMA,
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

Expenditure by Source Table

Choose name from list - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A9 Consolidated 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		
R thousand	1	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
Expenditure By Type											
Employee related costs	2	–	–	33 657	50 975	54 029	50 975	–	60 566	63 595	66 774
Remuneration of councillors		5 633	6 893	7 180	7 556	7 556	7 655	7 655	9 855	10 348	10 865
Debt impairment	3	1 435	4 835	5 218	1 700	1 700	1 700	1 700	1 900	1 995	2 095
Depreciation & asset impairment	2	16 421	12 610	16 627	18 000	18 000	18 000	12 840	19 000	19 950	20 948
Finance charges		133	101	57	–	–	–	–	–	–	–
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	1 828	2 762	2 339	4 311	4 299	2 810	2 810	2 994	3 143	3 300
Contracted services		1 864	4 405	4 962	6 073	6 684	3 666	3 666	6 484	–	–
Transfers and grants		1 935	1 115	1 514	2 465	2 465	2 465	1 644	4 435	4 657	4 890
Other expenditure	4, 5	23 096	20 699	21 969	30 893	30 711	28 554	28 554	29 462	30 935	32 482
Loss on disposal of PPE		6 167	375	3 095	–	–	–	–	–	–	–
Total Expenditure		58 512	53 796	96 620	121 973	125 444	115 825	58 870	134 696	134 623	141 354
Surplus/(Deficit)		23 916	40 900	9 653	(9 430)	(10 591)	12 045	69 000	(12 604)	(6 426)	(6 748)
Transfers recognised - capital		16 982	28 052	60 238	73 624	88 624	88 030	88 030	58 280	61 194	64 253
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506



Employee Related Costs

This refers to the salaries and benefits paid to employees, currently the municipality has tentatively budgeted 6% for salary increases.

The proposed total cost to employer amount to R70 421 411. This amount includes the Councilors Remuneration.

- **Provision for doubtful debts.**

The provision of debt impairment was determined based on an annual collection rate. For the 2016/2017 financial year this amount equates to R1 900 000. While this expenditure is considered to be non-cash item, it informed the cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

- **Depreciation**

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the rate asset consumption. Budget appropriations in this regard total R19 000 000 for the 2016/2017 financial year and equates to 14 per cent of the total operating expenditure, it has been increased by R 1000 000 compare to 2015/2016.

- **Repairs and Maintenance**

In line with repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure assets. The amount of R 2 993 650 has been budgeted for 2016/2017.

- **Contracted Services**

The budget of R 6 484 000 has been set aside for contracted services, this refers to lease payable for printing and photocopying machines that municipality is using, security, car tracker, Insurance ect.

- **Transfers and Grants/ Free Basic Services**

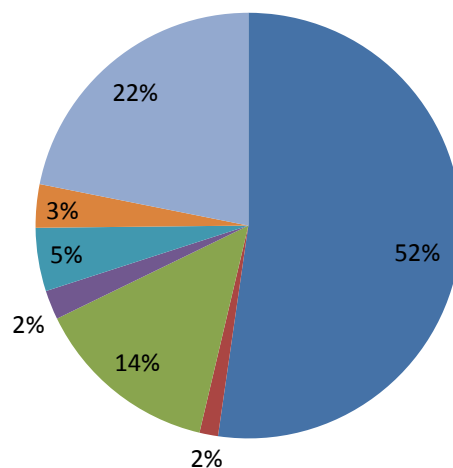
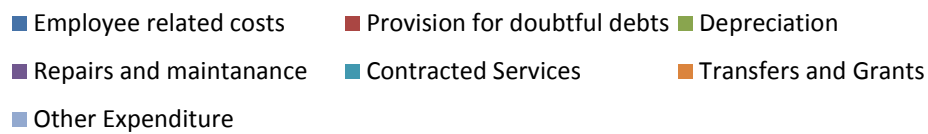
The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The budget of R 4 435 000 has been set aside.



- **Other Expenditure**

Other expenditure is the expenditure incurred by the municipality for its operations, the amount of R29 462 339 is projected.

OPERATING EXPENDITURE



Community Development Programmes/Projects

PROGRAMMES	2015/2016	2016/2017
Bursary Youth	500 000	600 000
Disaster Management	230000	250 000
Grant in aid	10 000	10 000
Marketing and Tourism	30 000	60 000
Moral Generation	250 000	120 000
Performing Arts	200 000	320 000
Back To School	15 000	15 000
Arts and Culture	190 000	250 000
Community Development	571 000	1 200 000
Youth Programs	200 000	200 000



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HIV/AIDS Awareness	210 000	150 000
Ward Committee	760 464	1 235 000
Public Participation	300 000	150 000
LED Projects	1 500 000	1 000 000
Stakeholders forum	100 000	50 000
Garden Manure and Tree	230 000	32 000

1.6 CAPITAL EXPENDITURE

The total Capital budget for 2016/2017 financial year has been appropriated at R 65 912 348.

The capital budget of R65 912 348 for 2016/2017 is 25.3% less, when compared to 2015/16 final budget. Capital projects are funded by 78.1% grants and 21.9% internally generated funds.

Capital expenditure funding is funded by grants which is an amount of R24 057 000 from MIG and R30 000 000 for Electrification from DOE respectively. Other expenditure of R11 855 348 is funded from internally generated funds.

Summary of Capital Expenditure

MIG	R 24 057 000
Electrification	R 30 000 000
Internal Funded	R 11 855 348
Total	R65 912 348



Choose name from list - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	2016/17 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
R thousand	4								
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>									
Planning and Development		Mxolisi Ngubo Road			1 003	1 053	1 106	Ward 11	New
Planning and Development		Thuleshe Road			1 348	1 416	1 486		New
Planning and Development		Nomakhele Road			1 929	2 025	2 127	Ward 12	New
Planning and Development		Msenge Road			1 229	1 291	1 355		New
Planning and Development		Reggie Hadebe Road			186	195	205	Ward 6	New
Planning and Development		Magawula-Nzimande			962	1 010	1 061	Ward 8	New
Planning and Development		Inkosi Bhekamabhaca Zulu Road			81	85	90	Ward 11	New
Planning and Development		Sgubudwini Road			59	62	65	Ward 12	New
Planning and Development		Portion of East Street			2 504	2 629	2 760	Ward 2	Renewal
Planning and Development		Ixopo Bus Rank			3 918	4 114	4 319	Ward 2	New
Planning and Development		Chapel Street			500	525	551	Ward 2	Renewal
Planning and Development		Jeffrey Zungu Sportsfield			4 500	4 725	4 961	Ward 2	New
Planning and Development		Upgrade of Jolivet Sportsfield			5 214	5 475	5 749	Ward 7	New
Planning and Development		Mleyi Sportfields			350	368	386	Ward 1	New
Planning and Development		Webbstown Community Hall			114	120	126	Ward 4	New
Planning and Development		Morningside Hall (Soweto)			2 319	2 434	2 556	Ward 9	New
Planning and Development		Bayempini Mzizi Hall			109	114	120	Ward 10	New
Planning and Development		Themba Mnguni Hall			107	112	118		New
Planning and Development		Emadungeni Hall			2 857	3 000	3 150		New
Planning and Development		Kintail Hall			2 039	2 141	2 249		New
Council		Mayors Vehicle			800	840	882		New
Social Development		SD Vehicle-Sedan Traffic,Bakkie			1 000	1 050	1 103		New
Social Development		Brush Cutters and Mowers			68	71	75		New
Social Development		Trailors- Padfoot Rollers			150	158	165		New
Corporate and Admin		Office and IT Equipment			1 000	1 050	1 103		New
Social Development		Chairs for Halls			250	263	276		New
Budget and Treasure Office		Office Furniture			350	368	386		New
Social Development		Buildings			846	888	933		New
Municipal Manager		Intangibles			100	105	110		New
Corporate and Admin		Borehole			20	21	22		New
Technical		Electrification			30 000	31 500	33 075		New
Parent Capital expenditure	1				65 912	69 208	72 668		



1.7 Annual Budget Tables-

1.7.1 Explanatory notes to MBRR Table A1-Budget Summary for 2016/2017 Financial year.

- Table A1 is a budget summary and provides a concise overview of Uthmaniyana Local Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. The Budget Summary provides the key information in this regard;
 - Transfer recognised is reflected on the Financial Performance Budget
 - Internally generated funds are financed from a combination of the operating surplus and accumulated cash-backed surplus from previous years. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
- Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The municipality is committed to provide free basic services to the needy community. In addition, the municipality continues to make progress in addressing service delivery backlogs.



Choose name from list - Table A1 Consolidated 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	8 298	12 949	12 349	12 980	12 983	23 441	23 441	15 754	16 542	17 369
Service charges	1 272	1 478	1 454	1 878	1 878	1 793	1 793	1 991	2 090	2 195
Investment revenue	2 864	3 793	5 456	3 000	4 500	6 599	6 599	4 000	4 200	4 410
Transfers recognised - operational	64 778	71 011	80 757	90 100	90 100	88 775	88 775	95 039	99 791	104 780
Other own revenue	5 217	5 464	6 257	4 585	5 392	7 262	7 262	5 309	5 574	5 853
Total Revenue (excluding capital transfers and contributions)	82 428	94 696	106 273	112 543	114 853	127 870	127 870	122 092	128 197	134 606
Employee costs	–	–	33 657	50 975	54 029	50 975	–	60 566	63 595	66 774
Remuneration of councillors	5 633	6 893	7 180	7 556	7 556	7 655	7 655	9 855	10 348	10 865
Depreciation & asset impairment	16 421	12 610	16 627	18 000	18 000	18 000	12 840	19 000	19 950	20 948
Finance charges	133	101	57	–	–	–	–	–	–	–
Materials and bulk purchases	1 828	2 762	2 339	4 311	4 299	2 810	2 810	2 994	3 143	3 300
Transfers and grants	1 935	1 115	1 514	2 465	2 465	2 465	1 644	4 435	4 657	4 890
Other expenditure	32 562	30 315	35 245	38 666	39 095	33 920	33 920	37 846	32 930	34 577
Total Expenditure	58 512	53 796	96 620	121 973	125 444	115 825	58 870	134 696	134 623	141 354
Surplus/(Deficit)	23 916	40 900	9 653	(9 430)	(10 591)	12 045	69 000	(12 604)	(6 426)	(6 748)
Transfers recognised - capital	16 982	28 052	60 238	73 624	88 624	88 030	88 030	58 280	61 194	64 253
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506
Capital expenditure & funds sources										
Capital expenditure	27 430	28 707	283 117	88 188	102 526	102 637	102 637	65 912	69 208	83 875
Transfers recognised - capital	16 939	19 780	238 228	64 671	78 945	79 028	79 028	54 706	57 441	60 313
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	477	–	–	–	–	–	–	–
Internally generated funds	10 491	8 927	44 412	23 517	23 581	23 609	23 609	11 207	11 767	12 355
Total sources of capital funds	27 430	28 707	283 117	88 188	102 526	102 637	102 637	65 912	69 208	72 668
Financial position										
Total current assets	63 821	77 572	95 088	54 655	67 952	54 655	–	101 087	106 141	111 448
Total non current assets	193 178	214 785	263 160	236 360	250 528	236 360	–	295 461	310 234	325 746
Total current liabilities	23 499	20 250	23 947	4 862	15 789	4 862	–	20 668	21 702	22 787
Total non current liabilities	4 986	5 706	5 543	4 346	4 346	4 346	–	5 543	5 820	6 111
Community wealth/Equity	228 515	266 402	328 758	281 808	298 345	281 808	–	370 336	388 853	408 296
Cash flows										
Net cash from (used) operating	58 874	43 559	84 951	69 040	94 710	70 530	70 530	100 709	105 744	111 031
Net cash from (used) investing	(33 695)	(10 038)	(68 457)	(88 188)	(51 531)	(88 188)	(88 188)	(65 912)	(69 208)	(72 668)
Net cash from (used) financing	(219)	(286)	(558)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	57 758	90 993	81 970	44 584	57 880	(17 658)	(2 957)	87 969	124 505	162 868
Cash backing/surplus reconciliation										
Cash and investments available	57 758	66 033	81 970	44 584	57 880	44 584	–	87 969	92 367	96 986
Application of cash and investments	22 969	19 530	21 198	(4 177)	746	(1 181)	–	(1 718)	(1 805)	(1 894)
Balance - surplus (shortfall)	34 789	46 503	60 772	48 760	57 134	45 764	–	89 687	94 172	98 880
Asset management										
Asset register summary (WDV)	193 178	214 785	263 160	107 304	122 231	122 342	295 461	295 461	181 860	182 581
Depreciation & asset impairment	16 421	12 610	16 627	18 000	18 000	18 000	19 000	19 000	19 950	20 948
Renewal of Existing Assets	–	–	–	6 197	6 229	6 229	6 229	1 106	1 161	1 220
Repairs and Maintenance	1 834	2 762	2 339	4 311	4 291	1 333	2 994	2 994	3 143	3 300
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	5 049	6 590	7 587	4 375	4 375	7 787	6 600	6 600	6 930	7 277
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–



1.7.2 Explanatory notes to 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. The modified GFS standard classification divides the municipal services into its functional areas.

Municipal revenue, operating expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports

Choose name from list - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		65 074	77 044	89 125	104 187	105 990	116 969	112 405	118 025	123 926
Executive and council		—	25	10	—	—	—	—	—	—
Budget and treasury office		64 796	76 088	88 128	103 987	105 790	116 039	112 155	117 763	123 651
Corporate services		278	931	987	200	200	929	250	263	276
<i>Community and public safety</i>		4 965	4 098	4 952	4 258	4 763	6 203	4 797	5 036	5 288
Community and social services		778	577	737	1 033	1 038	1 569	1 022	1 073	1 126
Sport and recreation		911	63	384	—	—	—	—	—	—
Public safety		3 274	3 406	3 773	3 225	3 725	4 634	3 775	3 964	4 162
Housing		1	51	58	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		28 100	40 010	70 970	75 844	90 846	90 936	61 180	64 239	67 451
Planning and development		18 211	30 200	62 413	73 704	88 706	88 051	58 415	61 335	64 402
Road transport		9 889	9 810	8 557	2 140	2 140	2 884	2 765	2 903	3 048
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		1 272	1 596	1 464	1 878	1 878	1 793	1 991	2 090	2 195
Electricity		—	—	—	—	—	—	—	—	—
Water		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		1 272	1 596	1 464	1 878	1 878	1 793	1 991	2 090	2 195
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Standard	2	99 411	122 748	166 511	186 167	203 477	215 900	180 372	189 390	198 860
Expenditure - Standard										
<i>Governance and administration</i>		55 700	56 270	65 439	73 020	73 943	62 025	81 554	85 631	89 913
Executive and council		12 315	13 496	14 980	19 923	19 373	18 885	22 614	23 745	24 932
Budget and treasury office		31 738	24 893	28 218	32 747	33 547	25 641	37 525	39 402	41 372
Corporate services		11 647	17 881	22 241	20 350	21 022	17 499	21 414	22 485	23 609
<i>Community and public safety</i>		9 769	13 370	16 274	21 911	23 481	19 865	23 014	22 925	24 071
Community and social services		4 037	6 446	6 921	8 685	11 012	7 763	9 123	9 579	10 058
Sport and recreation		568	565	625	941	914	1 236	672	705	740
Public safety		4 813	5 993	7 873	11 175	10 501	9 931	12 039	12 641	13 273
Housing		351	366	855	1 109	1 054	935	1 181	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		13 519	15 939	16 266	22 155	21 072	17 725	21 624	22 705	23 840
Planning and development		9 324	10 761	10 615	14 922	13 834	11 384	13 732	14 419	15 140
Road transport		4 195	5 179	5 651	7 233	7 239	6 340	7 892	8 286	8 700
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		4 684	4 862	6 176	9 049	6 948	6 999	8 505	8 931	9 377
Electricity		—	—	—	—	—	—	—	—	—
Water		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		4 684	4 862	6 176	9 049	6 948	6 999	8 505	8 931	9 377
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Standard	3	83 672	90 441	104 154	126 134	125 444	106 614	134 696	140 192	147 201
Surplus/(Deficit) for the year		15 739	32 306	62 356	60 033	78 033	109 287	45 675	49 199	51 659



1.7.3 Explanatory notes to 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 organisational structure. This means it is possible to present the operating surplus or deficit of a vote. The table shows the analysis of the surplus or deficit

Choose name from list - Table A3 Consolidated 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
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	25	10	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		64 796	76 088	88 128	103 987	105 790	116 039	112 155	117 763	123 651
Vote 3 - CORPORATE SERVICES		278	931	987	200	200	929	250	263	276
Vote 4 - COMMUNITY AND SOCIAL SERVICES		778	577	737	1 033	1 038	1 569	1 022	1 073	1 126
Vote 5 - SPORTS AND RECREATION / PARKS		911	63	384	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		3 274	3 406	3 773	3 225	3 725	4 634	3 775	3 964	4 162
Vote 7 - HOUSING		1	51	58	-	-	-	-	-	-
Vote 8 - PLANNING AND DEVELOPMENT		1 229	2 260	1 789	80	82	21	135	142	149
Vote 9 - ROADS TRANSPORT		26 871	37 750	69 181	75 764	90 764	90 914	61 045	64 097	67 302
Vote 10 - WASTE MANAGEMENT		1 272	1 596	1 464	1 878	1 878	1 793	1 991	2 090	2 195
Vote 11 - 0		-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	99 411	122 748	166 511	186 167	203 477	215 900	180 372	189 390	198 860
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		12 315	13 496	14 980	19 923	19 373	18 885	22 614	23 745	24 932
Vote 2 - BUDGET AND TREASURY		31 738	24 893	28 218	32 747	33 547	25 641	37 525	39 402	41 372
Vote 3 - CORPORATE SERVICES		11 647	17 881	22 241	20 350	21 022	17 499	21 414	22 485	23 609
Vote 4 - COMMUNITY AND SOCIAL SERVICES		4 037	6 446	6 921	8 685	11 012	7 763	9 123	9 579	10 058
Vote 5 - SPORTS AND RECREATION / PARKS		568	565	625	941	914	1 236	672	705	740
Vote 6 - PUBLIC SAFETY		4 813	5 993	7 873	11 175	10 501	9 931	12 039	12 641	13 273
Vote 7 - HOUSING		351	366	855	1 109	1 054	935	1 181	1 240	1 302
Vote 8 - PLANNING AND DEVELOPMENT		6 629	7 047	6 418	8 351	7 127	6 312	7 311	7 677	8 060
Vote 9 - ROADS TRANSPORT		6 890	8 893	9 848	13 804	13 945	11 412	14 313	15 028	15 780
Vote 10 - WASTE MANAGEMENT		4 684	4 862	6 176	9 049	6 948	6 999	8 505	8 931	9 377
Vote 11 - 0		-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	83 672	90 441	104 154	126 134	125 444	106 614	134 696	141 431	148 503
Surplus/(Deficit) for the year	2	15 739	32 306	62 356	60 033	78 033	109 287	45 675	47 959	50 357

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

Total revenue is R 122 092 031 in 2016/2017, Revenue to be generated from property rates is R15 753 821 in 2016/2017 financial year.

Transfers recognised-operating includes the local government equitable share and other grants from national and provincial government. It is noted that the grants remains a significant and high funding source for the municipality.



Choose name from list - Table A4 Consolidated 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		
R thousand	1	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	8 298	12 410	12 349	12 980	12 983	23 441	23 441	15 754	16 542	17 369
Property rates - penalties & collection charges		–	539	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	1 272	1 478	1 454	1 878	1 878	1 793	1 793	1 991	2 090	2 195
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		208	856	811	474	479	1 102	1 102	500	525	551
Interest earned - external investments		2 864	3 793	5 456	3 000	4 500	6 599	6 599	4 000	4 200	4 410
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		147	188	264	200	200	1 191	1 191	250	263	276
Licences and permits		3 144	3 234	3 507	3 020	3 520	3 452	3 452	3 560	3 738	3 925
Agency services		609	–	–	700	700	803	803	720	756	794
Transfers recognised - operational		64 778	71 011	80 757	90 100	90 100	88 775	88 775	95 039	99 791	104 780
Other revenue	2	917	1 186	1 675	191	493	713	713	279	292	307
Gains on disposal of PPE		192	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		82 428	94 696	106 273	112 543	114 853	127 870	127 870	122 092	128 197	134 606
Expenditure By Type											
Employee related costs	2	–	–	33 657	50 975	54 029	50 975	–	60 566	63 595	66 774
Remuneration of councillors		5 633	6 893	7 180	7 556	7 556	7 655	7 655	9 855	10 348	10 865
Debt impairment	3	1 435	4 835	5 218	1 700	1 700	1 700	1 700	1 900	1 995	2 095
Depreciation & asset impairment	2	16 421	12 610	16 627	18 000	18 000	18 000	12 840	19 000	19 950	20 948
Finance charges		133	101	57	–	–	–	–	–	–	–
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	1 828	2 762	2 339	4 311	4 299	2 810	2 810	2 994	3 143	3 300
Contracted services		1 864	4 405	4 962	6 073	6 684	3 666	3 666	6 484	–	–
Transfers and grants		1 935	1 115	1 514	2 465	2 465	2 465	1 644	4 435	4 657	4 890
Other expenditure	4, 5	23 096	20 699	21 969	30 893	30 711	28 554	28 554	29 462	30 935	32 482
Loss on disposal of PPE		6 167	375	3 095	–	–	–	–	–	–	–
Total Expenditure		58 512	53 796	96 620	121 973	125 444	115 825	58 870	134 696	134 623	141 354
Surplus/(Deficit)		23 916	40 900	9 653	(9 430)	(10 591)	12 045	69 000	(12 604)	(6 426)	(6 748)
Transfers recognised - capital		16 982	28 052	60 238	73 624	88 624	88 030	88 030	58 280	61 194	64 253
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		40 899	68 952	69 891	64 194	78 033	100 075	157 030	45 675	54 767	57 506

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

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification, and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The capital programme is funded by grants, donations and internally generated funds



Choose name from list - Table A5 Consolidated 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 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - SPORTS AND RECREATION / PARKS		-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 7 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 8 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		1 000	1 200	1 464	1 550	800	800	800	900	945	992
Vote 2 - BUDGET AND TREASURY		667	-	15 377	1 605	1 105	1 150	1 150	350	368	386
Vote 3 - CORPORATE SERVICES		-	-	24 339	3 210	2 920	2 920	2 920	1 020	1 071	1 125
Vote 4 - COMMUNITY AND SOCIAL SERVICES		7 700	5 500	94 394	10 899	9 440	9 468	9 468	18 174	19 082	20 036
Vote 5 - SPORTS AND RECREATION / PARKS		-	-	-	6 519	5 679	5 679	5 679	-	-	-
Vote 6 - PUBLIC SAFETY		1 200	-	2 292	-	-	-	-	1 000	1 050	1 103
Vote 7 - HOUSING		-	-	67	-	-	-	-	-	-	-
Vote 8 - PLANNING AND DEVELOPMENT		-	-	271	-	-	-	-	-	-	-
Vote 9 - ROADS TRANSPORT		16 863	22 007	141 212	64 405	82 582	82 620	82 620	44 469	46 692	49 027
Vote 10 - WASTE MANAGEMENT		-	-	3 701	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		27 430	28 707	283 117	88 188	102 526	102 637	102 637	65 912	69 208	72 668
Total Capital Expenditure - Vote		27 430	28 707	283 117	88 188	102 526	102 637	102 637	65 912	69 208	72 668
Capital Expenditure - Standard											
Governance and administration		1 667	1 200	41 180	6 365	4 825	4 870	4 870	2 270	2 384	2 503
Executive and council		1 000	1 200	1 464	1 550	800	800	800	900	945	992
Budget and treasury office		667	-	15 377	1 605	1 105	1 150	1 150	350	368	386
Corporate services		-	-	24 339	3 210	2 920	2 920	2 920	1 020	1 071	1 125
Community and public safety		8 900	5 500	96 601	17 418	15 119	15 147	15 147	19 174	20 132	21 139
Community and social services		7 700	5 500	94 382	17 418	15 119	15 147	15 147	18 174	19 082	20 036
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		1 200	-	2 152	-	-	-	-	1 000	1 050	1 103
Housing		-	-	67	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		16 863	22 007	141 634	64 405	82 582	82 620	82 620	44 469	46 692	49 027
Planning and development		-	-	284	-	-	-	-	-	-	-
Road transport		16 863	22 007	141 351	64 405	82 582	82 620	82 620	44 469	46 692	49 027
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	3 701	-	-	-	-	-	-	11 207
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	11 207
Waste management		-	-	3 701	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	27 430	28 707	283 117	88 188	102 526	102 637	102 637	65 912	69 208	83 875
Funded by:											
National Government		15 489	16 580	222 189	64 671	78 945	79 028	79 028	24 057	25 260	26 523
Provincial Government		1 450	3 200	16 039	-	-	-	-	30 000	31 500	33 075
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	(0)	-	-	-	-	-	-	-
Transfers recognised - capital	4	16 939	19 780	238 228	64 671	78 945	79 028	79 028	54 057	56 760	59 598
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	477	-	-	-	-	-	-	-
Internally generated funds		10 491	8 927	44 412	23 517	23 581	23 609	23 609	11 855	12 448	13 071
Total Capital Funding	7	27 430	28 707	283 117	88 188	102 526	102 637	102 637	65 912	69 208	72 668



1.7.6 Explanatory notes to Table A6-Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and

management of the impact of the budget on the statement of financial position(balance sheet)

- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version.
- Any movement on the budgeted financial performance or the capital budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalent at year end.
- Table SA3 provides a detailed analysis of the major components of a number of items, including
 - Call investments deposits
 - Consumer debtors
 - Property, plant and equipment
 - Trade and other payables
 - Provisions non- current
 - Change in net assets,
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets on the municipality belong to the community.



UBuhlebezwe Municipality

2016 – 17 Final Budget

Choose name from list - Table A6 Consolidated Budgeted Financial Position

Description		Ref	2012/13	2013/14	2014/15	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	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS												
Current assets												
Cash			3 485	1 934	3 212	2 500	15 796	2 500	–	4 000	4 200	4 410
Call investment deposits	1		54 273	64 100	78 758	42 084	42 084	42 084	–	83 969	88 167	92 576
Consumer debtors	1		4 581	5 674	8 001	7 288	7 288	7 288	–	8 001	8 401	8 821
Other debtors			1 482	1 265	1 446	2 784	2 784	2 784	–	1 446	1 519	1 594
Current portion of long-term receivables			–	–	–	–	–	–	–	–	–	–
Inventory	2		–	4 600	3 671	–	–	–	–	3 671	3 855	4 047
Total current assets			63 821	77 572	95 088	54 655	67 952	54 655	–	101 087	106 141	111 448
Non current assets												
Long-term receivables			–	–	–	–	–	–	–	–	–	–
Investments			–	–	–	–	–	–	–	–	–	–
Investment property			17 788	13 026	12 814	17 586	17 586	17 586	–	12 814	13 454	14 127
Investment in Associate			–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3		174 950	201 279	249 465	215 644	229 812	215 644	–	281 726	295 812	310 603
Agricultural			–	–	–	–	–	–	–	–	–	–
Biological			–	–	–	–	–	–	–	–	–	–
Intangible			440	480	881	3 130	3 130	3 130	–	921	967	1 015
Other non-current assets			–	–	–	–	–	–	–	–	–	–
Total non current assets			193 178	214 785	263 160	236 360	250 528	236 360	–	295 461	310 234	325 746
TOTAL ASSETS			257 000	292 357	358 248	291 015	318 480	291 015	–	396 548	416 375	437 194
LIABILITIES												
Current liabilities												
Bank overdraft	1		–	–	–	–	–	–	–	–	–	–
Borrowing	4		384	406	282	430	430	430	–	182	191	200
Consumer deposits			–	–	–	–	–	–	–	–	–	–
Trade and other payables	4		23 116	19 844	23 665	4 432	15 360	4 432	–	20 487	21 511	22 587
Provisions			–	–	–	–	–	–	–	–	–	–
Total current liabilities			23 499	20 250	23 947	4 862	15 789	4 862	–	20 668	21 702	22 787
Non current liabilities												
Borrowing			763	454	63	488	488	488	–	63	66	69
Provisions			4 223	5 252	5 480	3 857	3 857	3 857	–	5 480	5 754	6 042
Total non current liabilities			4 986	5 706	5 543	4 346	4 346	4 346	–	5 543	5 820	6 111
TOTAL LIABILITIES			28 485	25 956	29 490	9 208	20 135	9 208	–	26 211	27 522	28 898
NET ASSETS			228 515	266 402	328 758	281 808	298 345	281 808	–	370 336	388 853	408 296
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)	4		228 141	266 028	328 384	281 434	297 971	281 434	–	369 963	388 461	407 884
Reserves	4		374	374	374	374	374	374	–	374	392	412
TOTAL COMMUNITY WEALTH/EQUITY			228 515	266 402	328 758	281 808	298 345	281 808	–	370 336	388 853	408 296

1.7.7 Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- Cash and cash equivalent totals R89 687 148 as at the end of the 2016/2017.



UBuhlebezwe Municipality

2016 – 17 Final Budget

Choose name from list - Table A7 Consolidated Budgeted Cash Flows

Description		Ref	2012/13	2013/14	2014/15	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	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		8 292	12 949	12 349	10 514	22 829	10 524	10 524	41 225	43 286	45 450
	Service charges		1 272	1 478	1 454	1 521	1 502	1 521	1 521	3 493	3 668	3 851
	Other revenue		1 136	1 186	1 675	4 585	5 056	6 065	6 065	9 469	9 942	10 439
	Government - operating	1	64 778	71 011	80 757	90 100	106 129	90 100	90 100	95 039	99 791	104 780
	Government - capital	1	16 982	28 052	60 238	64 291	67 929	64 291	64 291	58 280	61 194	64 253
	Interest		3 793	3 793	5 446	3 000	5 000	3 000	3 000	7 000	7 350	7 718
	Dividends		-	-	-	-	-	-	-	-	-	-
Payments												
	Suppliers and employees		(34 515)	(73 797)	(75 454)	(102 506)	(111 286)	(102 506)	(102 506)	(109 361)	(114 829)	(120 571)
	Finance charges		-	-	-	-	-	-	-	-	-	-
	Transfers and Grants	1	(2 864)	(1 115)	(1 514)	(2 465)	(2 450)	(2 465)	(2 465)	(4 435)	(4 657)	(4 890)
NET CASH FROM/(USED) OPERATING ACTIVITIES			58 874	43 559	84 951	69 040	94 710	70 530	70 530	100 709	105 744	111 031
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
	Proceeds on disposal of PPE		-	24 960	-	-	-	-	-	-	-	-
	Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
	Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
	Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments												
	Capital assets		(33 695)	(34 998)	(68 457)	(88 188)	(51 531)	(88 188)	(88 188)	(65 912)	(69 208)	(72 668)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(33 695)	(10 038)	(68 457)	(88 188)	(51 531)	(88 188)	(88 188)	(65 912)	(69 208)	(72 668)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
	Short term loans		-	-	-	-	-	-	-	-	-	-
	Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
	Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments												
	Repayment of borrowing		219	(286)	(558)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES			(219)	(286)	(558)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD												
		2	24 960	33 235	15 937	(19 148)	43 179	(17 658)	(17 658)	34 796	36 536	38 363
	Cash/cash equivalents at the year begin:	2	32 798	57 758	66 033	63 731	14 701	-	14 701	53 172	87 969	124 505
	Cash/cash equivalents at the year end:	2	57 758	90 993	81 970	44 584	57 880	(17 658)	(2 957)	87 969	124 505	162 868

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

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be funded
- As part of the budgeting and planning guidelines that informed the compilation of the 2016/2017 MTREF the end objective of the medium framework was to ensure the budget is funded aligned to section 18 of the MFMA.
- Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2016/2017 MTREF is funded



Choose name from list - Table A8 Consolidated 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
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	57 758	90 993	81 970	44 584	57 880	(17 658)	(2 957)	87 969	124 505	162 868
Other current investments > 90 days		0	(24 960)	(0)	0	-	62 241	2 957	-	(32 138)	(65 882)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		57 758	66 033	81 970	44 584	57 880	44 584	-	87 969	92 367	96 986
Application of cash and investments											
Unspent conditional transfers		15 676	11 900	14 169	0	-	0	-	10 169	10 678	11 212
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	7 293	7 630	7 028	(4 177)	746	(1 181)	-	(11 888)	(12 483)	(13 106)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		22 969	19 530	21 198	(4 177)	746	(1 181)	-	(1 718)	(1 805)	(1 894)
Surplus(shortfall)		34 789	46 503	60 772	48 760	57 134	45 764	-	89 687	94 172	98 880

1.7.9 Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality is working towards meeting both of these recommendations but the budget for uBuhlebezwe is adequate to secure the ongoing health of the municipality's infrastructure.





UBuhlebezwe Municipality

2016 – 17 Final Budget

Choose name from list - Table A9 Consolidated 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	27 430	28 707	283 117	81 991	96 251	96 362	64 806	68 046	71 449
Infrastructure - Road transport		16 863	22 007	96 188	9 887	11 505	11 543	9 801	10 291	10 806
Infrastructure - Electricity		-	-	30 367	39 724	54 383	54 383	30 000	31 500	33 075
Infrastructure - Water		-	-	1 748	-	80	80	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	0	-	-	-	-	-	-
Infrastructure		16 863	22 007	128 303	49 611	65 968	66 007	39 801	41 791	43 881
Community		7 462	5 500	95 928	24 319	23 226	23 226	21 577	22 656	23 789
Heritage assets		2 849	-	4 792	-	-	-	-	-	-
Investment properties		-	-	13 026	-	-	-	-	-	-
Other assets	6	256	1 200	40 188	6 460	6 091	6 164	3 328	3 494	3 669
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	881	1 600	965	965	100	105	110
Total Renewal of Existing Assets	2	-	-	-	6 197	6 229	6 229	1 106	1 161	1 220
Infrastructure - Road transport		-	-	-	4 000	4 000	4 000	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	4 000	4 000	4 000	-	-	-
Community		-	-	-	642	670	670	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1 555	1 559	1 559	1 106	1 161	1 220
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		16 863	22 007	96 188	13 887	15 505	15 543	9 801	10 291	10 806
Infrastructure - Electricity		-	-	30 367	39 724	54 383	54 383	30 000	31 500	33 075
Infrastructure - Water		-	-	1 748	-	80	80	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	0	-	-	-	-	-	-
Infrastructure		16 863	22 007	128 303	53 611	69 968	70 007	39 801	41 791	43 881
Community		7 462	5 500	95 928	24 961	23 897	23 897	21 577	22 656	23 789
Heritage assets		2 849	-	4 792	-	-	-	-	-	-
Investment properties		-	-	13 026	-	-	-	-	-	-
Other assets	6	256	1 200	40 188	8 015	7 650	7 723	4 434	4 656	4 889
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	881	1 600	965	965	100	105	110
TOTAL CAPITAL EXPENDITURE - Asset class	2	27 430	28 707	283 117	88 188	102 480	102 591	65 912	69 208	72 668
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	16 409	19 483	15 122	13 887	15 505	15 543	75 345	25 345	25 345
Infrastructure - Electricity		30 474	36 182	28 083	39 724	54 383	54 383	84 383	84 383	84 383
Infrastructure - Water		-	-	-	-	80	80	80	80	80
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		46 882	55 665	43 204	53 611	69 968	70 007	159 808	109 808	109 808
Community		71 349	76 415	82 966	24 961	23 897	23 897	99 209	45 474	45 474
Heritage assets		2 849	2 849	-	-	-	-	-	-	-
Investment properties		17 788	13 026	12 814	17 586	17 586	17 586	12 814	13 454	14 127
Other assets		53 870	66 350	123 294	8 015	7 650	7 723	22 710	12 157	12 157
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		440	480	881	3 130	3 130	3 130	921	967	1 015
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	193 178	214 785	263 160	107 304	122 231	122 342	295 461	181 860	182 581
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		16 421	12 610	16 627	18 000	18 000	18 000	19 000	19 950	20 948
Repairs and Maintenance by Asset Class	3	1 834	2 762	2 339	4 311	4 291	1 333	2 994	3 143	3 300
Infrastructure - Road transport		-	-	-	800	750	800	750	788	827
Infrastructure - Electricity		-	-	-	100	100	100	120	126	132
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	900	850	900	870	914	959
Community		-	-	-	1 550	1 550	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1 834	2 762	2 339	1 861	1 891	433	2 124	2 230	2 341
TOTAL EXPENDITURE OTHER ITEMS		18 255	15 372	19 966	22 311	22 291	19 333	21 994	23 093	24 248
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	7.0%	6.1%	6.1%	1.7%	1.7%	1.7%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	34.4%	34.6%	34.6%	5.8%	5.8%	5.8%
R&M as a % of PPE		1.0%	1.4%	0.9%	2.0%	1.9%	0.6%	1.1%	1.1%	1.1%
Renewal and R&M as a % of PPE		1.0%	1.0%	1.0%	10.0%	9.0%	6.0%	1.0%	2.0%	2.0%



1.7.10 Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The Municipality continues to make good progress with the eradication of backlogs:
- The number of household registered for indigent in 2016/2017 is expected to increase therefore entitled to receiving Free Basic Services, this is covered by municipality's equitable share.

PART 2

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.



2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTERGRATED DEVELOPMENT PLAN

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the newly developed IDP includes the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The details of all revenue, operational expenditure and capital expenditure which are aligned to the goals and action plans in the Integrated Development Plan are outlined in the supporting documentation **S4 to S6**

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Borrowing Management

The municipality currently does not have external borrowings. The municipality's credit worthiness has not been assessed; however there are no plans to utilize this facility in the next two years

Debtors and Creditor's Management

Creditors are paid twice a month in order to cater for SMME's and in order to avoid late payments thereby incurring interests.

The Credit Control and Debt collection policy was adopted in order to tighten up debt collection. Furthermore, the municipality utilizes services of debt collectors to collect from all defaulting debtors.



2.4 OVERVIEW OF BUDGET RELATED-POLICIES

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

- Credit Control and debts Collection policies
- Asset Management Policy
- Budget Policy
- Supply Chain Management Policy
- Virement Policy
- Cash Management and Investment Policy
- Property Rate Policy
- Indigent Policy

All the above policies are available on the municipality's website.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The Draft budget was prepared in accordance with guidelines and assumptions as outlined in Municipal Budget and Reporting Regulations, taking into consideration the following aspects:

- National budget assumptions, guidelines and projections;
- Alignment with national and provincial priorities;
- Headline inflation and gross domestic products forecasts; and
- Revenue assumptions with regard to grants allocation in terms of revised DORA.
- Anticipated own revenue from rates and services charges, sundry charges and other revenues and affordability of ratepayers and consumers services;
- The ability of municipality to collect revenue (payment level);
- Operating expenditure cost drivers and growth thereof;
- Capital budget funding model;
- Protecting the poor by ensuring access to basic services

2.6 OVERVIEW OF BUDGET FUNDING

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from grant funding. Other funding is derived from Property rates, drivers licences, investments, rentals and operating and capital



grants and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipal area and economic development;
- Revenue management and enhancement;
- National Treasury guidelines;
- Achievement of full cost recovery of specific user charges;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels such as Town planning.

2.7 ANNUAL BUDGETS AND SDBIPs –INTERNAL DEPARTMENT

2.8 CONTRACTS HAVING BUDGETARY IMPLICATIONS

The municipality does not have contracts that go beyond the current Draft budget year and the two outer years.

In terms of the municipality's supply chain management policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the bid evaluation and adjustment committees must obtain formal financial comments from the Financial Management Division of the Budget and Treasury Office Department.

2.9 LEGISLATION COMPLIANCE STATUS

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

- **Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme and has employed interns undergoing training in various divisions of the Financial Services Department.



- **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.

2.10 MUNICIPAL MANAGER'S QUALITY CERTIFICATE



01 Budget and Treasury Department

QUALITY CERTIFICATE

(This certificate is done in terms of the Municipal Finance Management Act 56 of 2003, Regulations no: 32141 of April 17, 2009)

I, Gamakulu Ma-Art Sineke (Municipal Manager) of uBuhlebezwe Municipality (KZN 434), hereby certify that the 2016/ 2017 Final budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, regulations made under the act and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Gamakulu Ma-Art Sineke

Municipal Manager

UBUHLEBEZWE MUNICIPALITY – KZN434

26 May 2016

DATED



2.11 OTHER DOCUMENTS

UBUHLEBEZWE



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South Africa

MUNICIPALITY

From the Office of the Municipal Manager

EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD ON THE 26TH MAY 2016 AT 10H00 AT WEBBSTOWN HALL, WEBBSTOWN

RESOLUTION NO : CBTO40/16

AGENDA ITEM/SUBJECT : FINAL BUDGET FOR 2016/2017 FINANCIAL YEAR

Council at its meeting held on the 26th May 2016 considered the above matter. Following discussion, it was

RESOLVED AS FOLLOWS:

- (i) *THAT Council approves the Final Budget 2016/17 with all A-schedules as prescribed,*

CERTIFIED A TRUE EXTRACT OF THE ORIGINAL MINUTES

NAME OF MUNICIPAL MANAGER : MR GM SINEKE

SIGNATURE OF MUNICIPAL MANAGER : _____

DATE OF SIGNATURE : _____

