

**ANNUAL BUDGET
OF
ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



**2018/19 TO 2020/21
ADOPTED MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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ABBREVIATIONS AND ACRONYMS

AO	Accounting Officer	SAPS	South African Police Service
AMR	Automated Meter Reading	SDBIP	Service Delivery Budget Implementation Plan
LED	Local Economic Development	SMME	Small Micro and Medium Enterprises
MEC	Member of the Executive Committee	BPC	Budget Planning Committee
MFMA	Municipal Financial Management Act	CFO	Chief Financial Officer
MIG	Municipal Infrastructure Grant	CPI	Consumer Price Index
MMC	Member of Mayoral Committee	CRRF	Capital Replacement Reserve Fund
MPRA	Municipal Properties Rates Act	DBSA	Development Bank of South Africa
MSA	Municipal Systems Act	DORA	Division of Revenue Act
MTEF	Medium-term Expenditure Framework	DWA	Department of Water Affairs
MTREF	Medium-term Revenue and Expenditure Framework	EE	Employment Equity
NERSA	National Electricity Regulator South Africa	FBS	Free basic services
NGO	Non-Governmental organisations	GDP	Gross domestic product
NKPIs	National Key Performance Indicators	GFS	Government Financial Statistics
OHS	Occupational Health and Safety	GRAP	General Recognised Accounting Practice
OP	Operational Plan	HR	Human Resources
PBO	Public Benefit Organisations	IDP	Integrated Development Strategy
PMS	Performance Management System	IT	Information Technology
PPE	Property Plant and Equipment	KM	Kilometre
PPP	Public Private Partnership	KPA	Key Performance Area
RSC	Regional Services Council	KPI	Key Performance Indicator
SALGA	South African Local Government Association		
KWH	Kilowatt		

1 Part 1- Annual Budget

1.1 Mayors Report

SPEECH BY THE MAYOR OF THE ELIAS MOTSOALEDI LOCAL MUNICIPALITY: CLLR. JULIA LATA MATHEBE ON THE OCCASION OF THE STATE OF THE MUNICIPAL ADDRESS COMBINED WITH THE ADOPTION OF REVIEWED IDP 2018/2019 BUDGET HELD ON THE 29 MAY 2018 AT MUNICIPAL CHAMBER

Honourable Speaker, Cllr Tladi

Chief Whip of Council, Cllr Phahlamohlaka

Members of the Executive Committee

Honourable Councillors

Our Traditional Leaders

Municipal Manager and her Management Team

Council Support Staff

Distinguished Guests

Community Members in the Public Gallery

Members of the Media

Ladies and Gentleman

Thobela

Honourable Speaker, I would like to open by extending warm and friendly greetings to all stakeholders, who came to share with us this important occasion of the State of the Municipal Address combined with the Adoption of Reviewed IDP 2018/2019 Budget, it gives me pleasure to stand before this august house as a humble servant of the people of Elias Motsoaledi, to share achievements and plans related to the work we would be doing in our occupation to radical transform of our glorious municipality. It would indeed be a grave mistake not to acknowledge the community of this Municipality, whose presence this Morning warms our hearts knowing that all our dignitaries and honourable guests are hospitably welcomed in their midst.

Fellow Councillors and Residents of Elias Motsoaledi, the first responsibility of a leader is to be truthful, no matter how much unpleasant it may be to the majority of the people. The second is to restore hope in the midst of improbability and this is primarily the reason for this State of the Municipality Address to state the reality that faces our municipality and which negatively impacts on its ability to help our community to resolve social and economic challenges facing them. A leader must give hope to the people by informing them about the strategies and programmes put in place to mitigate such challenges facing the institution, and consequently the area as a whole.

This is the second State of the Municipal Address (SOMA) and Adoption of Reviewed IDP 2018/2019 Budget for the sitting Council. Local Government is a highly regulated sphere of government. The Municipal Finance Management Act (MFMA) requires us to approve a budget at least a month before the start of the financial year. Our mandate as local government is informed by the Constitution, which places an obligation on local government institutions to strive, within their financial and administrative capacity, to achieve the objects of local government and developmental objectives set in section 152 and 153 respectively.

Honourable Speaker and fellow councillors, you will remember that it is almost two year since we took the oath of office following the local government elections in August 2016. You will all remember that we took the oath of office guided by the Ruling Party's Manifesto.

Amongst other commitments, the Ruling Party has made the following pledges:

- ❖ Expanding the electrification program to the remaining areas .
- ❖ Ensuring that tarred roads are maintained and gravel roads are graded.
- ❖ Increasing cleaning campaigns in towns and cities and increasing the number of households with access to refuse collection.
- ❖ Establishment of public participation to ensure that all communities are part of municipal programs and activities.
- ❖ Establishment local partnerships with the private sector, trade unions and community-based organizations to enhance service delivery.
- ❖ Co-operatives to mainstream economic development.
- ❖ Requiring municipalities to approve developments that integrate communities and bring developmental facilities to these communities.

Honourable Speaker; while the ruling party's manifesto guides us to strengthen public participation as part of the agenda for this term of office, we have held consultations with communities through the Mayoral Imbizos, Community Outreach Programs, IDP/PMS and Budget Representative Forums, MPAC Imbizos, IDP/PMS and Budget Roadshows.

This is all part of advancing people's power to determine their own destinies and to meet their expectations some of the societal challenges raised by communities are:

- Roads Infrastructure
- Electricity
- waste Removal
- Support of Small, Medium and Macro Enterprises (SMME's)
- The high rate of unemployment which contributes to high levels of poverty

Honourable Speaker, the communities that we serve expect us to deliver essential services as mention above. For us to be able to deliver on those services, proper budget planning processes must be followed. The Integrated Development Plan (IDP) and budget are therefore the most significant tools through which such expectations are realized, it therefore stands to reason that both these documents have to be treated with respect, gone are the days whereby government would plan community needs in isolation. We are a democratic and accountable government hence community participation in planning plays a very important role.

The ruling party, the ANC, and the Government of South Africa have declared 2018 the year of Nelson Mandela: renewal, unity and job creation. We reaffirm the powerfully articulated emphasis, firstly by President Ramaphosa and secondly by Limpopo Premier Honourable Chupu Mathabatha when they said, "We should honour Madiba by putting behind us the era of discord, disunity and disillusionment".

President Cyril Ramaphosa further said, "We have dedicated this year to Madiba's memory and we will devote our every action, every effort, every utterance to the realisation of his vision of a democratic, just and equitable society."

As Elias Motsoaledi Local Municipality, we recap the call that we shall use the year to reinforce our commitment to 'ethical behaviour and exemplary leadership'. In celebrating this centenary we must emulate his values, morality and stature in order to make a positive difference in the lives of our communities within the Municipality.

Mr Speaker, this year also marks the centenary of our phenomenal women in our life time, the legendary Mama Albertina Sisulu, a freedom fighter, a leader, a diligent and disciplined servant of the people. Through her leadership, she personified the fundamental link between national liberation and gender emancipation. We remember her contribution to the freedom we all enjoy today, let their memories never fade away for many generations to come.

PEOPLE OF ELIAS MOTSOALEDI, ALLOW ME TO REPORT ON THE STATE OF SERVICES IN OUR MUNICIPALITY.

ELECTRIFICATIONS

Elias Motsoaledi Local Municipality managed to increase its revenue base by acquiring the Electricity distribution license of the following areas:

Game Farm, Twin city Mall, Masakaneng, Mapoch grond

The Municipality is planning to upgrade the current Groblersdal substation from 20MVA to 40MVA as it will reach its full capacity and will have a negative economic growth of the municipality

Honourable Speaker Electrification plays a signification role in the betterment of human life. In this regards the municipality has electrified 939 house hold in this current financial year 2017/2018 through the Integrated National Electrification Programme INEP. We can indicate that an amount R15 million has been used for electrification projects in various communities/village of Elias Motsoaledi.

FREE BASIC ELECTRICITY

Fellow councillors

The indigent policy, whose aim is to alleviate poverty in disadvantaged Families by providing free basic electricity is useful in assessing progress in this regard.

For the 2017/2018 financial year over 9,929 indigents were registered on the indigent register and only 1,838 were configured by Eskom to receive free basic electricity. Municipality provides free basic electricity to both Eskom- and municipal-licensed areas.

We need to emphasize that the indigent status is not automatically granted but must be applied for. It depends upon application by legible indigents with valid proof of their indigent status.

We once more emphasize the need to develop a credible customer service database which will be premised upon the mapping of all our households.

ROADS CONSTRUCTION AND MAINTENANCE

We continue to strive to bring services to our people, particularly those that impact their lives daily. A tarred road may not put a plate of the food on the table, but it goes a long way to restore dignity and respect to our people. Honourable Speaker the Premier of the Limpopo Province Hon. Chupu Mathabatha during the state of the province address mention 13 top performing municipalities when it comes to MIG spending and Elias Motsoaledi is amongst them.

Some of the key Highlights of our ANC led Council during 2016/2017 and 2017/2018 financial year include the following achievements:

- ❖ Mogaung Construction of Access Road and Storm-Water Control Phase 1B
- ❖ Laersdrift Bus Road Phase 1A (800m)
- ❖ Naganeng Construction of Road 3.8km of asphalt road
- ❖ Groblersdal Construction of Klip and Kanaal Street
- ❖ Kgaphamadi of Bus Road and Storm-Water Control Phase 1C (700m)
- ❖ Kgoshi Rammupudu Access Road and Storm-Water Control Phase 1D (1300m)
- ❖ Mathula Stands of Access Road and Storm-Water Control Phase 1C (2000m)
- ❖ Tambo/Walter Sisulu Construction of Access Road and Storm Water Control Ph1C
- ❖ Zaaiplaas Construction of JJ Road and Storm-Water Control Phase 1E

COMPLETED ELECTRIFICATION PROJECTS

- ❖ Electrification of Tshehla Trust
- ❖ 200 households Masakaneng Village
- ❖ 79 Household in Mmakaepea-Dipakapakeng Village
- ❖ 160 household Jerusalem and Matsitsi Village
- ❖ 281 households Tambo and Jabulani Village
- ❖ 166 households Waalkraal A Village
- ❖ 53 Elansdoorn Village

Fellow Councillors and Residents of Elias Motsoaledi

The municipality has planned to construct amongst others the following road in the next financial year:

- ❖ Kgaphamadi Construction of Bus Route, Bridge and Storm water control
- ❖ Monsterlus to Makgopheng Road
- ❖ Kgoshi Mathebe
- ❖ Kgoshi Matsepe Construction of Access Road
- ❖ Mpheleng Construction of Bus Road and Storm Water Control
- ❖ Naganeng Construction of Bus Road and Storm Water Control (2285m)
- ❖ Laersdrift Bus Route (1000m)

Total budget of R53 million has been set aside to construct the above mission roads.

SOLID WASTE MANAGEMENT AND DISPOSAL

Solid waste management is another critical aspect of our drive towards entrenching decent sanitation in our communities. The municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, and waste disposal.

Elias Motsoaledi Local Municipality renders an effective refuse removal service to the following areas: Motetema, Monsterlus, Groblersdal, Roossenekal (Town & RDP), O R Tambo Township and Walter Sisulu RDP. The Municipality have 45 Skip bins placed strategically to reduce illegal dumping

LIBRARIES

In ensuring that we improve access to information Elias Motsoaledi Local Municipality has signed service Level agreement with Department of Sports, Arts and Culture for management of three libraries (Roossenekal, Vlakfontein and Groblersdal). The main objectives of the libraries are to reduce the level of illiteracy and to build a well-armed society.

Our young people, in and out of schools, are using our libraries with over 23 306 recorded in-house users and we hereby encourage more and more young people to walk into our libraries to acquire knowledge and information. All our Libraries have free Internet access for 1hour per person a day.

EDUCATION

MosipidiŠi wa dipolediŠo, masepala o na wa Elias Motsoaledi ka tlase ga boetapele bja African National Congress (ANC) o ela hloko thuto ya bana ba rona bjale ka ge ele baetapele ba ka moso.

Ke ka fao, mathomong a ngwaga wa 2018 re ile ra etela dikolo tŠe mmalwa tŠa mo Masepaleng wa rena tabakgolo ele go hlohleletŠa bana go tshwara ka thata dithutong tŠa bona le go kgothatŠa BarutiŠi le BarutiŠigadi moŠomong o botse o ba o dirang go ageng bokamoŠo bja bana ba rena.

Ketelo ya rena dikolong re kgonne go fana ka Dieta tŠa sekolo tŠe Masome hlano tsela(56 pairs of School Shoes) go bana ba sekolo sa Mathakge Combined School kua Masoing ward 15 gomme Skolong sa Ndendeka Secondary Schhool kwa Strekfontein ward 29 re kgone go fana ka mesamelwana ya lehlapo (sanitary pads) le di baledi (calculators) ga mmogo le sa Thejane Secondary school gona ra kgona go fana ka dibaledi tŠe masome seswi (80) calculator .

Ra fane gape ka di traveling bags tŠe Senyane (9) le Toiletries Bags tŠe Senyane (9) go bana ba Morwathebe Primary School nakong yage bayo emela Afrika-Borwa ka papadi ya kgwele ya Ntlatlana (netball).

MAYORS BURSARY PROGRAMME AND YOUTH EMPOWERMENT

I am reminded in this regard Honourable Speaker of the words once said by the late faithful of our liberation struggle icon Ntate Rolehlahla Nelson Mandela; when he said "Education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that the son of a mine worker can become the head of the mine, that a child of farm workers can become the president of a great nation. It is what we make out of what we have, not what we are given, that separates one person from another"

I am quoting these words deliberately ladies and gentlemen because I am fully aware that they are applicable to all of us here.

Our bursary remains a good story to tell and is also another evidence of the service delivery track record of the African National Congress. For the two years in this current term of this Council we have managed to take 45 students from poor backgrounds to various tertiary institutions in South Africa.

Today many young school leavers who would ordinarily have struggled with registration fees in tertiary institutions have been given a head-start by the municipality through our Bursary Programme

INTERSHIP PROGRAMME

We continue year-on-year Honourable Speaker to absorb into our system a number of young people from Elias Motsoaledi through our experiential programmes.

We believe that by exposing the youth to practical work environments we are equipping them with the necessary practical skills which will ensure that they gain sufficient experience to be able to apply for and obtain jobs anywhere.

Honourable Speaker, furthermore our municipality was able to enroll 205 youth in an apprenticeship programme with the support of National Youth Development Agency, Department of Environmental Affairs and National Department of Tourism to offer them knowledge and work experience, which will assist in their job hunting pursuits

2017/18 KEY ACHIEVEMENTS IN SUPPORT OF YOUTH DEVELOPMENT

In respond to the request that was made by young people of Elias Motsoaledi during the youth indaba in 2015/2017 Financial year, the municipality appointed two youth co-ordinators to handle issues of young people, we encourage young people to network with them. 80 young people around the municipality has joint NYDA Apprenticeship programme to be trained as Electrical Engineering, Diesel Mechanic and Carpentry. 40 young people will be assisted with code 10 and code 14 drivers Licences , 20 in Waste Management NQF Level 5, 20 in Environmental Education Training and Development, 20 in building construction NQF Level 4 & 3 and 25 in Hospitality youth Programme and furthermore the Municipality in Partnership CETA and Fetakgomo Youth Development brigade will recruit 75 young people in plumbing and 25 internship opportunities in civil engineering before the new financial year This allows us to empower these young people in necessary practical's skills which will ensure that they gain sufficient experience to be able to apply for and obtain jobs anywhere. Three (3) more interns were appointed in the I Finance Department through financial management grant.

SUPPORT TO DESIGNATED AND VULNERABLE GROUPS

The municipality in partnership with Kukhula growth through development has provided Learner ship to 25 people with disability in the following filed: business practice and call centre, furthermore 30 Disability forum and elderly forum members were trained by the office of the Premier Limpopo on the rights and participation of people with disability within the government. The very same forums were trained by SEDA on how to create their own business.

SUPPORT TO THE AGED PEOPLE

Honourable speaker, currently there are 17 registered aged club within the municipality and according to the Premier's office, our municipality is on top regarding centres/clubs in the province. The municipality in

partnership with Nedbank donated 150 blankets to the elderly centres as part of Mandela month commemoration.

HIV/AIDS

The municipality established the Local Aids Council, which is the multisector approach to address the pandemic of HAST (HIV/AIDS, Sexual transmission disease and TB) programmes. It is guided by the Limpopo Provincial Aids Council Framework of 2011 and the National Strategic Plan of HAST for 2017-2022.

We have a functional and active Council Committees for all the above special programs including the Technical and Local AIDS Council. We are working very closely with the Department of Health and other sector departments to compile reports, share experiences on how we can combat the scourge of HIV and AIDS.

The composition of the structures is that the Mayor chairs the Local AIDS Council while the Municipal Manager provide technical support to LAC as the chairperson. This is our commitment to ensure that these issues receive the highest and urgent attention.

According to the statistics from department of Health the following areas in our Municipality has a high number of HIV/TB; Thabakhubedu, Kgobokwane, Zaaipias and Tafelkop In terms of Ward Aids Council

CHILD HEADED FAMILIES

AS part of the resolution from Limpopo Aids Council (LPAC) that all political leaders in the province should adopt at least one or more child-youth headed families within their constituency. Respond to that call, the Mayor adoption of Masimula child headed family in ward 19 and also identified 62 child/youth headed families for handing over charismas hampers. Mr Speaker through the assistance of the special programme unite in my office we gave 62 child headed family Christmas hampers.

PUBLIC SAFETY

Fellow residents, our Public Safety Department has internal and external functions in the municipality and it is mandated to protect the assets and other resources of the municipality. This is also a key department in keeping a close eye on volatile service delivery protests and disaster management Externally, the department works with key stakeholders in various programmes including raids, road-blocks and educational road-shows, all aimed at ensuring the safety of our residents.

PUBLICA PARTICIPATION

Elias Municipality local Municipality has functional and vibrant Council. All Council Committees are doing a sterling work to provide critical insight into municipal law making and oversight, We appreciate the oversight work being done by our Municipal and Public Accounts Committee. We shall finalize the annual roll out plan which shall be approved by Council- outlining key areas of work and intervention by MPAC.

Through your leadership Mr Speaker, our Municipality has democratically elected 300 Ward Committees. These structures are a pillar of our democracy at the lowest level and a participatory model of governance and decision making.

Ward Committees must be a platform for planning and action. It must be a vehicle that, allows inclusive, accountable, transparent involvement of all residents without regard of age, sex, class or any background.

We need to build more capacity of the Ward Committees so that they audit, monitor service delivery and challenges beyond holding monthly meetings. The involvement of our traditional leaders and other respective Municipal Stakeholders in IDP process is a fundamental necessity for democratic rule and guarantee for a successful, sustainable and integrated model of governance. We are proud to mention that Council has approved a model of separation of powers between the Executive and the Legislative arm. This model is a guarantee that the executive will always be held accountable for its actions and also is a fundamental pillar for effective oversight and democratic governance at local level. We also introduced a paperless system, where Councillors receive digital Council documents on the Laptops. This save the Municipality millions of rands per year for printing and stationery costs of the council.

LOCAL ECONOMIC DEVELOPMENT

In focusing our efforts on the local economy, we have always emphasized the role and participation of the SMMEs and private sector in rebuilding our economy. Elias Motsoaledi local Municipality is committed to economic emancipation of local people thereby ensuring that they effectively and efficiently participate in local economic development. We are committed to ensure that local businesses benefit from the municipal procurement processes.

Furthermore we are actively involved in job creation; more than 1600 job opportunities were created during this financial year through EPWP and CWP programmes.

We want to acknowledge the role played by Twin City Development of having confidence to invest in our local economy. We are pleased that since the inception of this regional mall more than 1000 people have been employed during the construction and post construction phase of the mall. We are also proud that our local SMMEs has benefited through subcontracting thereby realizing substantial profit.

In striving to capacitate the SMMEs the municipality has organized a seminar focusing on business compliance and procurement which attracted more 100 SMMEs across the municipality. Again in partnership with Limpopo Economic Development Agency (LEDA) the municipality is currently running a yearly training program targeting co-operatives and SMMEs. These yearly program focuses on practical costing & pricing, basic accounting practices, managing finances, basic financial statements, marketing skills, customer care, income tax, tendering, project management and business planning.

As part of the endeavors to support the tourism sector the municipality in conjunction with Rossenekal Tourism Association and Limpopo Tourism Agency has successfully hosted the 17th Annual Arum Lily festival at Rossenekaal from the 24-26 November 2017. Since the intervention of the municipality the festival has magnificently realized a positive growth trajectory by attracting close to 1000 tourists to the event.

SPATIAL PLANNING AND ENVIRONMENT MANAGEMENT

In promoting Spatial Planning and Land Use Management, we are currently in consultation with various stakeholders including Traditional Leaders in our municipality to solicit inputs into the Review of Spatial Development Framework that will guide the development in our municipality.

We are assisting our Traditional Leaders with proper planning for new settlements, and currently we are finalizing the Site Demarcation Project at Bakopa, Ntwane and Matlala-Lehwelere, and furthermore planned for the same projects at Ga Kgoshi Matsepe and Inkosi Mahlangu in the new Financial Year 2018/19. Our effort to expand settlement capacity of Groblersdal Town is undefeated as we are currently in the process of mobilizing resources for installation of infrastructure services for the proposed township at the then game farm.

To ensure efficiency in processing land use applications and building plans, from the beginning of this financial year up to so far 145 plans were approved.

HUMAN SETTLEMENTS

Fellow residents, one of the most important struggles of our time is human settlements ensuring that our people have buildings to call their own, buildings to call home. When our people are homeless, they are stripped of their dignity. That is why when we won our freedom in 1994, one of the first policies of our democratically elected government was the Reconstruction and Development Programme.

We know and understand that shelter is a fundamental right enshrined in our country's Constitution. Working closely with the Provincial COGHSTA a total of 750 housing units have been allocated for our municipality for the financial year of 2017/18. Ward councillors have submitted their community need, and we wait for approvals from HSS.

HONOURABLE COUNCILLORS

Summary of 2018/2019 IDP and Budget is as follows:

I now indicate the specific allocation for 2018/2019 financial year.

The total Operating Revenue Budget amounts R 476 million and Operating Expenditure Budget amounts to R 471 million resulting with the operating surplus of R 5 million.

The Operating Expenditure Budget represents 86 percent of the total Expenditure Budget and the Capital Budget on the other hand represents 14 percent of the total Expenditure Budget. The 2018/2019 Total Expenditure Budget is 2.4 per cent more than the 2017/18 Total Expenditure Budget.

The decrease is mainly due to increase in the 2017/2018 Adjusted Capital Budget which is to be explained further under Capital Expenditure Assumptions.

REVENUE GENERATION ASSUMPTIONS

The total grants allocated to the municipality in terms of the 2018 Division of Revenue Bill amount to R 309 million over the medium-term, reflecting an increase of R8 million (2.6%) over the 2017/2018 DORA allocation.

The operating revenue budget for 2018/2019 amount to R 476 million which reflect an increase of R 32 million over the 2017/2018 operating revenue budget which is tantamount to an increase of 7 per cent.

Honourable Speaker, to fund our budget needs and to make provision for inflationary increases in goods and services required, we do need to adjust our tariffs in a reasonable manner, taking cognizance of the areas where we are currently experiencing losses.

The tariff increases are as follows:

The ESKOM tariff increase application of 6.4 per cent to be approved by NERSA and

The tariff will be implemented accordingly. The 6.4 per cent increase Honourable Speaker is calculated taking into account the affordability of the community we serve together with 7.32 percent increase in bulk purchase of electricity.

Honourable Speaker, Property Rates tariff will increase in 2018/2019 on average by 5.3 per cent that is within the forecasted tariff increase upper limit of 3 to 6 percent target band.

The total revenue to be generated internally amounts to R 231 million and the total operational grants amounts to R 245 million and this results in grants dependency proportion of 51 percent. It is worth mentioning that our municipality is gradually moving away from high grants dependency percentage as evidenced in the previous financial years.

OPERATING EXPENDITURE GUIDELINES AND ASSUMPTIONS

The total operating expenditure budget for 2018/2019 amount to R 471 million reflecting the increase of R 40 million over the 2017/2018 budget year which is equivalent to an increase of 9 per cent.

The increases on key expenditure cost drivers will be as follows in 2018/2019;

- The employee related cost and remuneration of councillors amount to R 134 million and R 25 million respectively which 34 per cent of a Total Operating Expenditure Budget that is within the norm range of 25 and 40 percent
- The electricity bulk purchase will increase by 7.32 per cent as per the National Energy Regulator of South Africa (NERSA) and MFMA Circular 91.

CAPITAL EXPENDITURE ASSUMPTIONS

Honourable Speaker, the total capital expenditure for 2018/2019 amount to R75 million reflecting a decrease of R 27 million relative to the 2017/2018 adjusted budget.

The material difference in capital budget for the two financial years is due to the approved roll-over of 2016/2017 MIG projects and additional appropriations in terms of Sections 29 of MFMA to finalise capital projects.

“The municipality is proud to announce that due to its high performance in implementing the MIG projects an additional R 11 million has been allocated to the municipality in 2017/2018 and will be appropriated in its special budget to be processed before the end of the financial year”

The 2018/2019 Capital Expenditure will be funded mainly from capital conditional grants allocation and internally generated funds that are budgeted as follows:

- R 53.8 million Municipal Infrastructure Grant (MIG) specifically for roads projects
- R 9.9 million Integrated National Electrification Programme for electricity reticulation
- R 20.3 million internally generated funds

HONOURABLE SPEAKER AND HONORABLE COUNCILLORS:

I hereby table the IDP and Budget for 2018/19 financial year in compliance with relevant legislations for adoption.

I THANK YOU

1.2 ANNUAL BUDGET RELATED RESOLUTIONS

1. Council resolves that the final tabled budget of Elias Motsoaledi Local Municipality for the financial year 2018/19, with three year audited actual and the two projected outer years 2019/20 and 2020/21 be approved in the following schedules attached to this report as Annexure A.
 - 1.1 Budgeted summary on table A1;
 - 1.2 Budgeted financial performance (revenue and expenditure by classification reflected on table A2;
 - 1.3 Budgeted financial performance (revenue and expenditure by municipal vote reflected on table A3;
 - 1.4 Budgeted financial performance (revenue source and expenditure by type reflected on table A4;
 - 1.5 Budgeted capital budget by vote, standard classification and funding as reflected on table A5;
 - 1.6 Budgeted financial position as reflected on table A6;
 - 1.7 Measurable performance objective for revenue source as per Cash flow Table A7;
 - 1.8 Cash back reserve/ accumulated surplus reconciliation on A8;
 - 1.9 Asset management as reflected on table A9; and
 - 1.10 The basic service delivery measurement on table A10;
2. Council resolves that property rates be approved for the budget year 2018/2019 financial year.
3. Council note that there are no changes to the existing budget related policies apart from the Budget Policy; and Supply Chain Management and Preferential Procurement Policies amended with Treasury recommendations on the following paragraphs:

Budget policy

Notwithstanding the preceding principle, the budget for salaries, allowances and salaries-related benefits shall be separately prepared, shall not be less than 25% nor exceed 40% of the aggregate operating budget component of the annual or adjustment budget.

Supply Chain Management Policy

- A) PARAGRAPH 2 PRINCIPLES AND PLEDGES
- B) PARAGRAPH 6 OVERSIGHT ROLE OF COUNCIL OF MUNICIPALITY OR BOARD OF DIRECTORS OF MUNICIPAL ENTITY
- c) Paragraph 12 General preconditions for consideration of written quotations or bids
- D) PARAGRAPH 13 SUPPLIER SELECTION/CERTIFICATION
- e) **Paragraph16 Formal Written Price Quotations (> R1000 < R30 000)**
- f) **Paragraph17 Formal written price quotations**
- g) **Paragraph18 Procedures for procuring goods or services through formal written or verbal quotation and formal written price quotation**

Preferential Procurement Policy

- a) Paragraph 4 Prequalification criteria for preferential procurement
- b) Paragraph 5 Tenders to be evaluated on functionality
- c) Paragraph 10 Criteria for breaking deadlock in scoring
- d) Paragraph 11 Award of contracts to tenderers not scoring highest points
- e) Paragraph 12 Subcontracting after award of tender
- f) Paragraph 13 Cancellation of tender
- g) Paragraph 14 Remedies

(Copy of the policies is attached to the report as Annexure B)

- h) The following budget related policies approved in F16/17-62 have no changes and are still applicable.
 - 3.1.1 Credit control policy
 - 3.1.2 Investment policy
 - 3.1.3 Budget policy
 - 3.1.4 Borrowing policy
 - 3.1.5 Expenditure management policy
 - 3.1.6 Assets management policy
 - 3.1.7 Supply chain management policy- to be approved with changes highlighted above.
 - 3.1.8 Indigent policy
 - 3.1.9 Virements policy
 - 3.1.10 Funding and reserves policy
 - 3.1.11 Property rates policy
 - 3.1.12 Tariff policy
- i) Council resolves that tariff and charges be approved for the budget 2018/19 financial year as fully indicated in the tariff structure attached to this report as Annexure C (Council approve the tariff policy and tariff structure pending the Nersa final comments)
 - Electricity
 - Refuse removal
 - Basic charges
 - Sundry tariffs
- j) Council resolves to approve the final 2018/2019- 2020/2021 Integrated Development Plan (IDP) as in item M17/18-30.
- k) Council notes that the SDBIP submission and approval of the SDBIP will be dealt with in accordance with sections 69(3) (a) and 53(1) (c) (ii) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

1.3 Executive Summary

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

Section 17 of Municipal Finance Management Act (MFMA) requires the municipality to prepare an annual budget in the prescribed format.

National Treasury's MFMA circular 89 and 91 have been used as guidance for the compilation of the 2018/19 MTREF.

The main challenges experienced during the compilation of the 2018/19 MTREF can be summarized as follows

- Ageing and poorly maintained roads and electricity infrastructure
- The need to re-prioritize projects and expenditure within the existing resource-base given the cash flow realities and declining cash position of the municipality.
- Increased cost of bulk electricity due to tariff increases (7,32%) from ESKOM which is placing pressure on service tariffs to residence and other consumers.
- Salaries and Wage increases for municipal staff as well as the need to fill all active vacant positions.
- Affordability of capital projects - original allocations on certain capital projects had to be reduced and some projects had to be shifted to the outer years of the 2018/19 MTREF.
- Limited and/or very minimal surplus anticipated to be realized from operating budget makes it difficult to accommodate all the wards within the area of jurisdiction of the municipality in terms of capital projects implementations

The following budget principles and guidelines directly informed the compilation the 2018/19 MTREF:

- The 2017/18 adjustment budget priorities and targets as well as the base line allocations contained in that adjustment were adopted as the upper limits for the new base lines for the 2018/19 annual budget.
- Tariffs and property rates increases should be affordable and should generally not exceed the inflation as measured by the CPI except where there are price increases in the inputs of services that are beyond the control of the municipality, for example: cost of bulk electricity. In addition, we had to ensure that our tariffs remained or moved towards being cost reflective, and had to take into account the need to address infrastructure backlogs.
- Capital projects and activities funded from external grants are budgeted as per the gazetted amount as outlined in 2018/19 Division of Revenue Act (DoRA).
- In addition to cost containment to be implemented by the municipality, the following items and allocations thereof had to be kept at minimum level:
 - Consultants and Professional Fees;
 - Special Projects and Events;
 - Refreshments and Entertainment (R2 000 allocated per directorate for the entire financial year);
 - Ad hoc travelling;

- Subsistence, Travelling and conference fees;
- Telephone and cell phone subscriptions;
- Issuing of Material and Store items, and
- Overtime.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium Term Revenue and Expenditure Framework:

Consolidated Overview of the 2018/19 MTREF

Description	2018/19	2019/20	2020/21
Total Revenue	540,613,483	583,096,539	625,115,589
Less: Transfer recognized capital	63,830,031	67,721,031	70,734,031
Operating revenue	476,783,452	515,375,508	554,381,558
Total Expenditure	471,306,288	496,843,976	525,437,878
(Surplus)/Deficit	5,477,164	18,531,531	28,943,679
Capital Expenditure	75,868,905	85,122,608	84,646,956

Total operating revenue for 2018/19 financial year amounts to R476, 468 million and the budget increases steadily in the outer financial years and the same applies to operating expenditure budget.

The above table is also used as a tool for testing if the Draft budget is going to have deficit or surplus throughout the 2018/19 MTREF, and as presented, the budget has a surplus of R5, 477 million; R18, 531 million and R28, 943 million respectively through the MTREF period.

1.4 Operating Revenue Framework

For Elias Motsoaledi Local 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 this 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 setting of tariff increases and balancing expenditures against realistically anticipated revenues and prioritization of capital projects as contained in the Integrated Development Plan (i.e. the needs of all wards within Elias Motsoaledi Local Municipality).

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 87% annual collection rate for property rates and other key service charges;
- Electricity tariff increases that are still to be approved by the National Electricity Regulator of South Africa (NERSA);
- 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);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

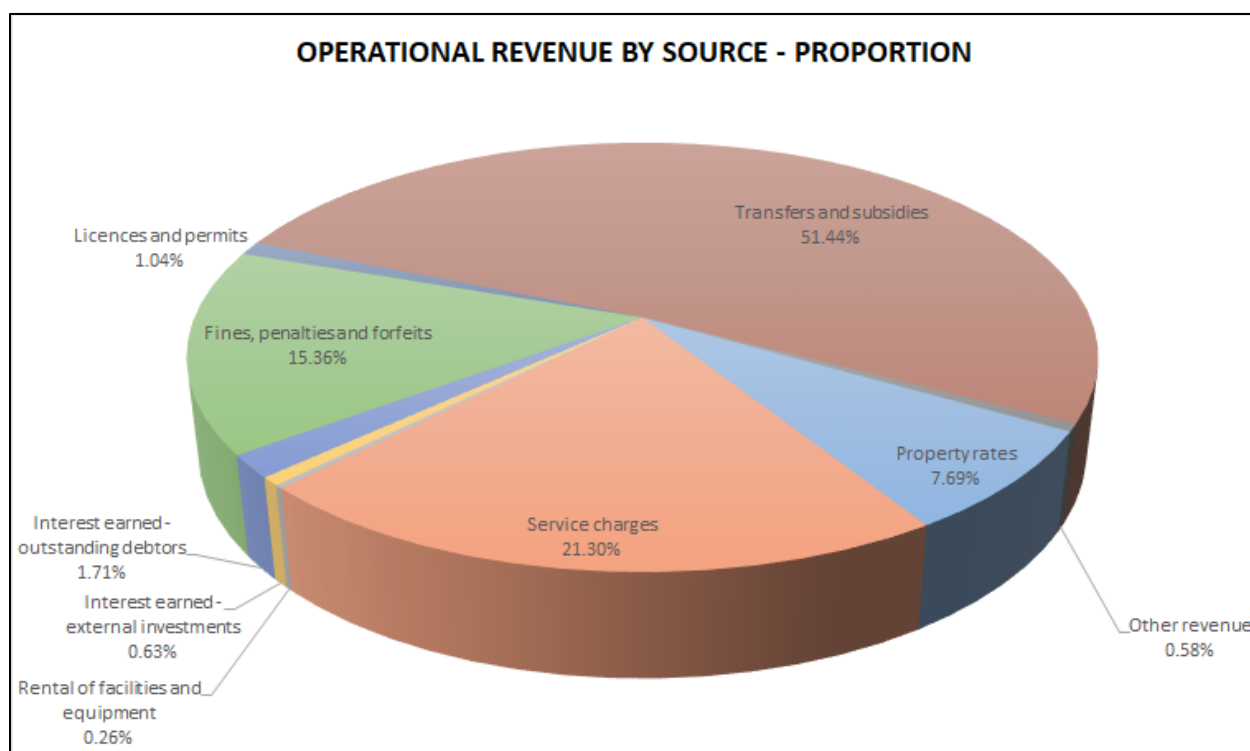
The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Table 1 Summary of revenue classified by main revenue source

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source										
Property rates	19,271	22,395	25,815	26,472	34,805	34,805	28,531	36,650	38,629	40,754
Service charges - electricity revenue	55,695	65,104	70,745	81,206	81,206	81,206	60,595	89,297	95,548	102,476
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	3,483	3,684	6,506	8,616	11,616	11,616	8,098	12,249	12,910	13,620
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1,889	2,213	1,319	1,935	1,000	1,000	541	1,220	1,286	1,357
Interest earned - external investments	3,965	4,290	2,889	3,701	2,500	2,500	1,796	3,000	3,162	3,336
Interest earned - outstanding debtors	5,861	5,872	6,469	6,260	14,260	14,260	8,476	8,161	8,601	9,075
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2,584	2,413	50,885	30,000	55,016	55,016	6,592	73,218	77,172	81,416
Licences and permits	5,081	4,257	5,255	5,171	4,500	4,500	3,913	4,950	5,217	5,504
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	170,641	216,652	213,105	226,163	226,163	226,163	211,265	245,278	269,940	293,775
Other revenue	7,548	3,423	8,098	2,499	13,678	13,678	11,536	2,761	2,910	3,070
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excl' capital transfers)	276,019	330,303	391,085	392,023	444,744	444,744	341,344	476,783	515,376	554,382

Table 2 Percentage Growth in revenue by main revenue source

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework					
		%	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21
Revenue By Source							
Property rates	34,805	5.3%	36,650	5.4%	38,629	5.5%	40,754
Service charges	92,822	9.4%	101,546	6.8%	108,458	7.0%	116,096
Rental of facilities and equipment	1,000	22.0%	1,220	5.4%	1,286	5.5%	1,357
Interest earned - external investments	2,500	20.0%	3,000	5.4%	3,162	5.5%	3,336
Interest earned - outstanding debtors	14,260	-42.8%	8,161	5.4%	8,601	5.5%	9,075
Fines, penalties and forfeits	55,016	33.1%	73,218	5.4%	77,172	5.5%	81,416
Licences and permits	4,500	10.0%	4,950	5.4%	5,217	5.5%	5,504
Transfers and subsidies	226,163	8.5%	245,278	10.1%	269,940	8.8%	293,775
Other revenue	13,678	-79.8%	2,761	5.4%	2,910	5.5%	3,070
Total Revenue (excluding capital transf)	444,744		476,783		515,376		554,382

**Figure 1 Main operational revenue categories for the 2018/19 financial year**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations (MBRR), transfer recognized - capital is excluded from the operating revenue statement, as inclusion of this revenue source would distort the calculation of the operating surplus/deficit.

Revenue generated from operational grants amounts to 51, 44% (2018/19 financial year) making it clear that the Municipality is still grants dependent, however the level of dependency is gradually going down. In addition, revenue to be generated from rates and services charges amounts to 7, 69% and 21, 30% respectively. In the 2018/19 financial year, revenue from rates and services charges add up to R138, 196 million or 28, 99%. This increases to R147, 087 million, and R156, 849 million in the respective financial years of the MTREF.

Service charges is the second largest revenue source totaling 21, 30% or R101, 546 million and increases to R108, 458 million and R116, 096 million respectively in the outer years. The third largest source is Fines that amounts to R73, 218 million in 2018/19 financial year and R77, 172 million and R81, 416 million respectively in the outer years.

Table 3 Operating Transfers and Grants Receipts

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:									
Operating Transfers and Grants									
National Government:	170,641	216,641	213,105	226,163	226,163	226,163	245,278	269,940	293,775
Local Government Equitable Share	166,920	212,948	210,385	223,019	223,019	223,019	237,506	262,705	286,108
Finance Management	1,600	1,600	1,625	1,700	1,700	1,700	1,770	2,235	2,667
Municipal Systems Improvement	934	930	-	-	-	-	-	-	-
EPWP Incentive	1,187	1,163	1,095	1,444	1,444	1,444	1,002	-	-
Energy Efficiency and Demand Side Management							5,000	5,000	5,000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Operating Transfers and Grants	170,641	216,641	213,105	226,163	226,163	226,163	245,278	269,940	293,775

Table 3 outlines the operating grants and transfers allocated to Elias Motsoaledi local municipality for 2018/19 MTREF and these grants are contributing significantly towards the revenue-base of the municipality. Of particular importance is to note that the municipality will be receiving a new operating grant for energy efficiency amounting to R5 million throughout the MTREF period.

1.4.1 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.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality conforms to the stipulations of the above mentioned regulations more especially on the ratio thereof.

The following stipulations in the Property Rates Policy are highlighted:

- The first R30 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this exemption, the following additional rebates on the market value of a property will be granted in terms of the Municipality's own Property Rates tariffs;

Description	Rebate
Residential Property	20%
Business,commercial and mining	25%
Agricultural Property	0%
Stat Owned Property	75%
Public Service Infrastructure	75%
Public Benefit Organization Property	75%
Municipal Property	Not Levied
Unidentified	Not Levied

The following owners may be granted a rebate on, or a reduction in the rates payable on their property:

- Pensioners that meet the following criteria:
 - Registered owner of property,
 - Applicant must reside on the property,
 - Income not exceeding an amount set by Council,
- Ratable property registered in the name of the Council., if such property is used in supplying electricity, water, and gas or sewerage services;
- Hospitals, clinics, and institutions for mentally ill persons, which are not operated for gain;
- Ratable property registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purpose of such society;
- Cemeteries and crematoriums, which are registered in the names of private persons and which are used exclusively for burials and cremations;
- Museums, art galleries, libraries and botanical gardens which are open to the public, whether admission fees are charged or not;
- Sports grounds used for the purpose of amateur sports and any social activities, which are connected with such sports;
- Ratable property registered in the name of benevolent or charitable organizations, or any ratable property let by the Council to any of the named organizations
- Owners of a property situated in an area affected by a disaster within the meaning of the Disaster Management Act, 2002 or in any other serious adverse social or economic conditions;

- Owners of residential properties with to which Section 17(1)(h) of the Act applies on the market value of the property less the amount stated in that Section or higher amount as determined by Council;
- State or public infrastructure and their rates may be reduced to a percentage which is contemplated in Section 11 of the Act.
- Owners of agricultural properties who are bona fide farmers.

1.4.2 Sale of Electricity and Impact of Tariff Increases

The NERSA document proposes a 6.84 per cent guideline increase for municipal electricity tariffs for 2018/19. This is based on a bulk tariff increase for municipalities of 7.32 per cent.

Considering the Eskom increases, the consumer tariff had been increased by 6, 4 percent (maximum) to offset the additional bulk purchase cost and cost reflective tariff as from 1 July 2018.

Registered indigents will continue to get 50 kWh allocated to them and this will result in indigents receiving 50 kWh per 30-day period free of charge.

It should further be noted that NERSA has advised that a step tariff structure needs to continue to be implemented even in the coming financial year. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidize the lower consumption users (mostly the poor).

1.4.3 Waste Removal and Impact of Tariff Increase

Service charge refuse removal is currently not doing fairly well since the revenue generated is currently less than the anticipated expenditure to be incurred and the municipality will therefore, have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors for the function not to break-even are repairs and maintenance on vehicles and landfill site, increases in general expenditure such as petrol and diesel and the cost of contracted service provider for refuse removal.

1.4.4 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services

Table 4 MBRR Table SA14 – Household bills

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	259	264	269	400	400	400	4%	415	500	528
Electricity: Basic levy	126	141	1,219	1,240	1,240	1,240	2%	1,260	1,280	1,352
Electricity: Consumption	834	1,195	1,219	1,240	1,240	1,240	2%	1,260	1,280	1,352
Water: Basic levy	-	-	-	-	-	-		-	-	-
Water: Consumption	-	-	-	-	-	-		-	-	-
Sanitation	-	-	-	-	-	-		-	-	-
Refuse removal	73	75	77	100	100	100	20%	120	150	158
Other	-	-	-	-	-	-		-	-	-
Sub-total	1,292	1,675	2,784	2,980	2,980	2,980	3%	3,055	3,210	3,390
VAT on Services	145	198	202	361	361	361	10%	396	407	429
Total large household bill:	1,437	1,873	2,986	3,341	3,341	3,341	3%	3,451	3,617	3,819
% increase/-decrease		30%	59%	12%	0%	0%		3%	5%	6%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	259	295	301	600	600	600	8%	650	700	739
Electricity: Basic levy	126	141	144	300	300	300	6%	318	344	363
Electricity: Consumption	834	1,234	1,259	1,270	1,270	1,270	2%	1,292	1,309	1,382
Water: Basic levy	-	-	-	-	-	-		-	-	-
Water: Consumption	-	-	-	-	-	-		-	-	-
Sanitation	-	-	-	-	-	-		-	-	-
Refuse removal	73	75	77	240	240	240	13%	272	294	310
Other	-	-	-	-	-	-		-	-	-
Sub-total	1,292	1,745	1,781	2,410	2,410	2,410	5%	2,532	2647	2,795
VAT on Services	145	203	207	280	280	280	1%	282	292.05	308
Total small household bill:	1,437	1,948	1,988	2,690	2,690	2,690	5%	2,814	2939.05	3,104
% increase/-decrease		36%	2%	35%	0%	0%		5%	4%	6%
Monthly Account for Household - 'Indigent' Household										
Rates and services charges:										
Property rates	39	41	42	50	50	50	20%	60	70	74
Electricity: Basic levy	126	141	1,150	1,286	1,286	1,286	2%	1,312	1,338	1,413
Electricity: Consumption	208	140	1,150	1,286	1,286	1,286	2%	1,312	1,338	1,413
Water: Basic levy	-	-	-	-	-	-	0%	-	-	-
Water: Consumption	-	-	-	-	-	-	0%	-	-	-
Sanitation	-	-	-	-	-	-	0%	-	-	-
Refuse removal	73	65	65	80	80	80	11%	89	100	106
Other	-	-	-	-	-	-	0%	-	-	-
Sub-total	446	387	2,407	2,702	2,702	2,702	3%	2,773	2,846	3,005
VAT on Services	62	54	55	70	70	70	481%	407	416	440
Total small household bill:	508	441	2,462	2,772	2,772	2,772	15%	3,180	3,262	3,445
% increase/-decrease		-13%	458%	13%	0%	0%		15%	3%	6%

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- The renewal of existing assets and the repairs and maintenance needs;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The alignment of capital programme to the asset renewal requirement as per MBRR;
- Operational surplus will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation will be made.

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type										
Employee related costs	102,669	112,151	117,781	123,460	126,105	126,105	110,466	134,149	142,723	152,000
Remuneration of councillors	18,844	19,061	20,298	22,113	23,430	23,430	18,684	25,070	26,675	28,409
Debt impairment	11,357	8,130	21,128	26,372	26,372	26,372	–	53,421	56,306	59,402
Depreciation & asset impairment	32,042	49,728	47,998	51,200	51,200	51,200	–	51,181	53,944	56,911
Finance charges		2,141	1,426	3,124	2,124	2,124	403	2,500	2,300	2,000
Bulk purchases	51,853	60,361	65,729	69,165	70,165	70,165	52,348	80,000	84,320	88,958
Other materials	1,687	9,606	12,873	13,497	11,821	11,821	9,881	17,093	18,017	19,007
Contracted services	11,259	36,111	43,080	25,350	65,237	65,237	51,067	60,020	62,629	66,073
Transfers and subsidies	1,832	1,279	708	3,724	3,724	3,724	4,972	4,404	4,642	4,897
Other expenditure	106,070	66,734	161,695	48,384	50,954	50,954	39,783	43,468	45,289	47,780
Loss on disposal of PPE		3,790	3,360							
Total Expenditure	337,613	369,091	496,076	386,388	431,132	431,132	287,604	471,306	496,844	525,438

The budgeted allocation for employee related costs and remuneration of councillors for the 2018/19 financial year totals R159, 219 million, which equals 33, 78% of the total operating expenditure. Based on MFMA circular 91, the three year salary increases have been factored into this budget at CPI percentage increase of 5, 3% for the 2018/19 financial year and annual increase of 5, 4% and 5, 5% have been included in the two outer years of the MTREF.

The cost associated with the remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on the annual collection rate of 59, 8 per cent and the Debt Write-off Policy of the Municipality. For the 2018/19 financial year this amount equates to R53, 421 million and escalates to R56, 306 million in 2019/20 and R59, 402 million

2020/21. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate for asset consumption. Budget appropriations in this regard total R51, 181 million for the 2018/19 financial year and equates to 10.86% of the total operating expenditure. Cognizance should be taken that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. Note should therefore be taken that depreciation and asset impairment as well as debt impairment constitute non-cash items and as a result they are excluded when determining surplus to be expended for funding capital projects.

Bulk purchase is directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure includes distribution losses. MFMA circular 91 outlines the set tariff increase for municipal bulk purchase from Eskom of 7, 32% that is deemed significant relative to the 2017/18 tariff increase of 0, 31%.

Other material comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure.

Contracted services comprise of 11, 22 % or R52, 885 million of the total operational budget for the 2018/19 financial year and increases to R55, 741 million and R58, 806 million in the two respective outer years. The norm for contracted services is 2% to 5% and as a result, the budget for contracted services through the MTREF period is considered to be excessive.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following diagram gives a breakdown of the main expenditure categories for the 2018/19 financial year.

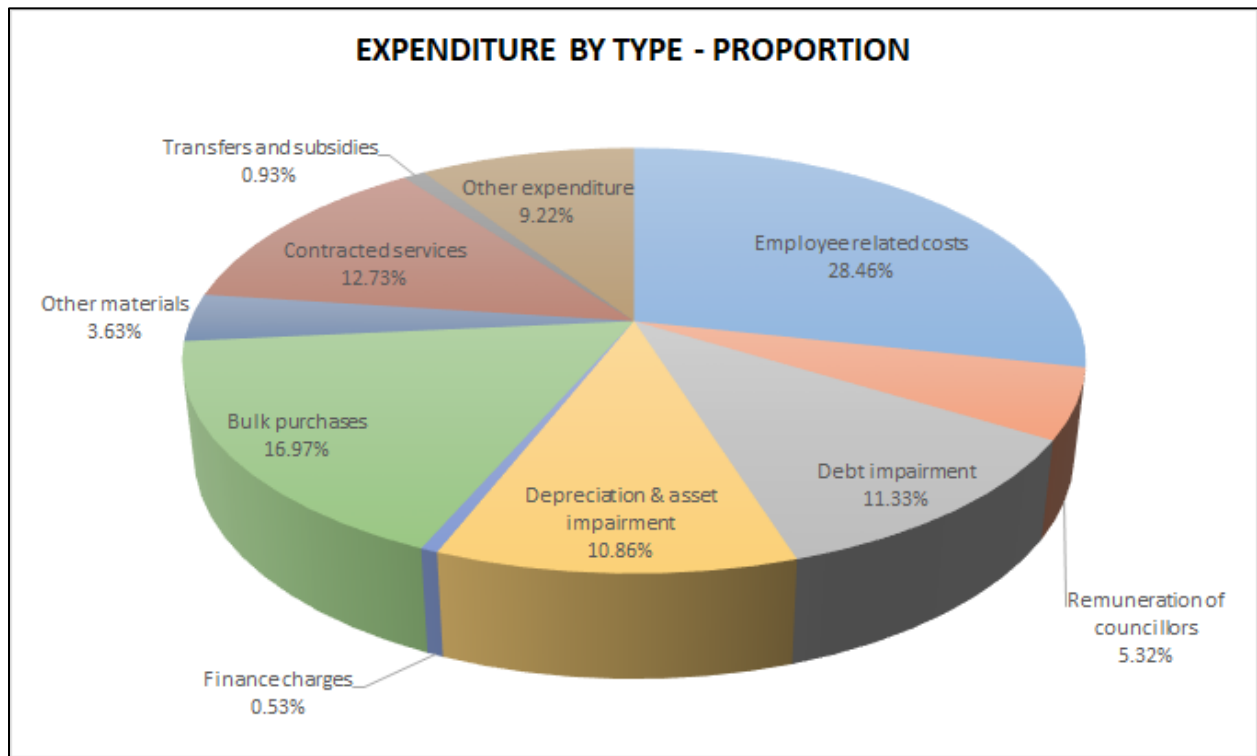


Figure 2 Main operational expenditure categories for the 2018/19 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2018/19 budget and MTREF provide for budget appropriations in the area of asset maintenance, as informed by the asset renewal and repairs and maintenance needs. 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.

During the compilation of the 2018/19 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. In this MTREF, repairs and maintenance budget has been increased from R12, 693 million in 2017/18 to R17, 950 million in 2018/19 then increases to R18, 919 million and R19, 960 million respectively in the outer years. In addition, the municipality is still experiencing budgetary constraints to can meet the required 8% that repairs and maintenance should contribute towards property, plant and equipment; and investment property. In relation to property, plant and equipment, repairs and maintenance comprises of 1, 8% throughout the

MTREF period and this percentage is however way below the set norm of 8% as stipulated by National Treasury.

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

Table 6 Repairs and maintenance per asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure									
Roads	881	1,788	946	2,500	2,650	2,650	4,000	4,216	4,448
Storm water Infrastructure	244	-	-	-	-	-	-	-	-
MV Networks	1,271	1,001	1,802	1,800	1,800	1,800	3,000	3,162	3,336
Landfill Sites	1,110	1,209	1,885	2,150	3,150	3,150	3,400	3,584	3,781
Waste Separation Facilities				150	150	150			
Operational Buildings	2,965	1,154	1,432	1,300	1,325	1,325	2,000	2,108	2,224
Computer Software and Applications		9	82	100	100	100			
Machinery and Equipment	586	2,749	2,405	1,711	2,118	2,118	3,550	3,742	3,947
Transport Assets	3,931	1,427	1,800	1,500	1,300	1,300	2,000	2,108	2,224
Total Repairs and Maintenance Expenditure	10,988	9,337	10,353	11,311	12,693	12,693	17,950	18,919	19,960
R&M as a % of PPE	1.50%	1.10%	1.10%	1.20%	1.30%	1.30%	1.80%	1.90%	1.90%
R&M as % Operating Expenditure	3.30%	2.50%	2.10%	2.90%	2.90%	2.90%	6.20%	4.00%	4.00%

For the 2018/19 financial year R10, 4 million of total repairs and maintenance will be spent on infrastructure assets. Road infrastructure and solid waste have budget been allocated R4 million each. The other assets that have been catered for in the repairs and maintenance budget is buildings, maintenance of website, machinery and equipment and transport assets. The overall budget for repairs and maintenance has increased from R12, 693 million to R17, 950 million that reflects 41, 42% increase.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists of 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. Details 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 10 MBRR A10 (Basic Service Delivery Measurement) on.

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 and this package covers all the basic services provided by EMLM and these services include, property rates rebates, service charges electricity, and refuse removal.

1.6 Capital expenditure

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

Table 7 2018/19 Medium-term capital budget per vote

Vote Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21
Vote 1 - Executive & Council	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	500	-	-	-	-
Vote 4 - Corporate Services	1,300	30.77%	1,700	-17.65%	1,400	0.00%	1,400
Vote 5 - Community Services	900	291.30%	3,522	23.46%	4,348	0.00%	11,896
Vote 6 - Technical Services	100,923	-30.49%	70,147	13.15%	79,375	-10.11%	71,351
Vote 7 - Developmental Planning	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	103,123		75,869		85,123		84,647

The major portion of capital expenditure budget is appropriated in vote 6 and for 2018/19 an amount of R70, 147 million has been appropriated and the figure has increased by 13, 15% in 2019/20 and then slightly decreased by 10, 11 in 2020/21. The budget in vote 6 is mainly for electrification and road infrastructure capital projects. The other departments', *id-est* Corporate Services – the appropriations are mainly for procurement of operational equipment such as ICT equipment, Office furniture, and other equipment while Community Services – the appropriations are for fencing of cemeteries and upgrading of landfill sites.

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Electricity related projects – R10, 868 million
- Roads related projects – R54, 832 million
- Operational equipment – R1, 700 million
- Buildings – R4, 947 million

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

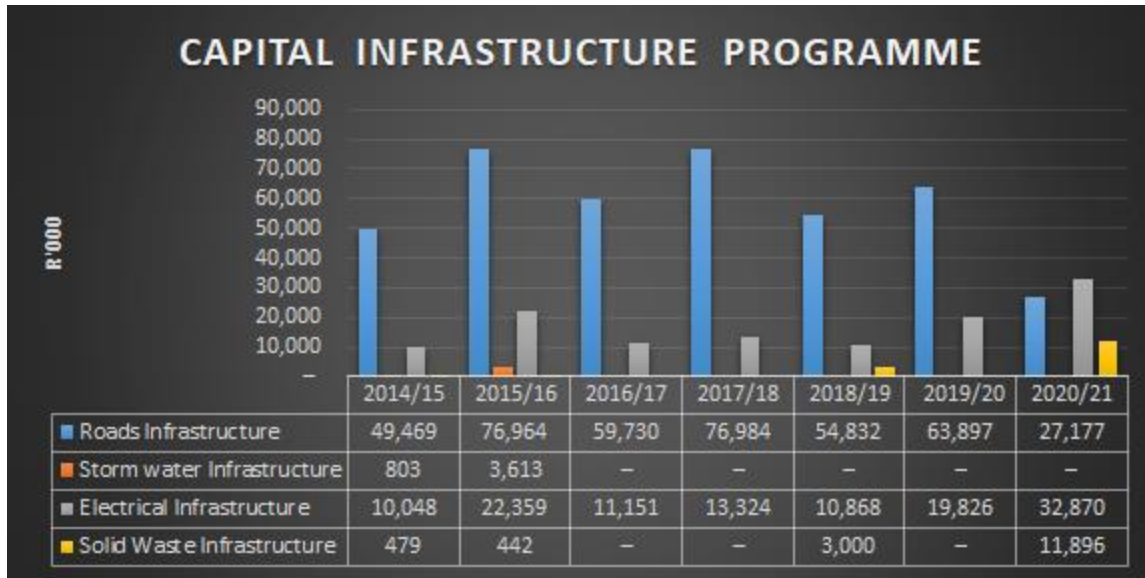


Figure 3 Capital Infrastructure Programme

1.7 Annual Budget Tables

The following tables present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 annual budget and MTREF.

Table 8 MBRR Table A1 - Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	19,271	22,395	25,815	26,472	34,805	34,805	28,531	36,650	38,629	40,754
Service charges	59,179	68,788	77,251	89,822	92,822	92,822	68,693	101,546	108,458	116,096
Investment revenue	3,965	4,290	2,889	3,701	2,500	2,500	1,796	3,000	3,162	3,336
Transfers recognised - operational	170,641	216,652	213,105	226,163	226,163	226,163	211,265	245,278	269,940	293,775
Other own revenue	22,962	18,178	72,026	45,865	88,454	88,454	31,059	90,309	95,186	100,421
Total Revenue (excluding capital transfers)	276,019	330,303	391,085	392,023	444,744	444,744	341,344	476,783	515,376	554,382
Employee costs	102,669	112,151	117,781	123,460	126,105	126,105	110,466	134,149	142,723	152,000
Remuneration of councillors	18,844	19,061	20,298	22,113	23,430	23,430	18,684	25,070	26,675	28,409
Depreciation & asset impairment	32,042	49,728	47,998	51,200	51,200	51,200	-	51,181	53,944	56,911
Finance charges	-	2,141	1,426	3,124	2,124	2,124	403	2,500	2,300	2,000
Materials and bulk purchases	53,540	69,966	78,603	82,662	81,986	81,986	62,229	97,093	102,337	107,965
Transfers and grants	1,832	1,279	708	3,724	3,724	3,724	4,972	4,404	4,642	4,897
Other expenditure	128,686	114,765	229,263	100,105	142,563	142,563	90,850	156,909	164,223	173,255
Total Expenditure	337,613	369,091	496,076	386,388	431,132	431,132	287,604	471,306	496,844	525,438
Surplus/(Deficit)	(61,594)	(38,788)	(104,990)	5,635	13,612	13,612	53,740	5,477	18,532	28,944
Transfers and subsidies - capital (monetary)	58,967	77,188	68,930	70,860	91,349	91,349	67,766	63,830	67,721	70,734
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	(2,627)	38,400	(36,060)	76,495	104,961	104,961	121,506	69,307	86,253	99,678
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2,627)	38,400	(36,060)	76,495	104,961	104,961	121,506	69,307	86,253	99,678
Capital expenditure & funds sources										
Capital expenditure	72,212	108,388	80,665	77,302	103,123	103,123	77,564	75,869	85,123	84,647
Transfers recognised - capital	51,462	77,188	68,895	62,158	80,131	80,131	67,654	55,504	58,888	61,508
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	20,750	31,200	11,770	15,144	22,992	22,992	9,910	20,365	26,235	23,139
Total sources of capital funds	72,212	108,388	80,665	77,302	103,123	103,123	77,564	75,869	85,123	84,647
Financial position										
Total current assets	78,138	58,124	87,618	107,614	92,914	92,914	144,278	120,845	153,340	172,726
Total non current assets	830,215	979,292	1,006,770	1,066,797	1,026,671	1,026,671	1,084,126	1,083,492	1,118,642	1,150,739
Total current liabilities	68,432	69,263	99,680	60,491	62,491	62,491	111,156	73,138	85,587	93,533
Total non current liabilities	79,033	95,865	89,811	98,733	106,433	106,433	86,141	116,629	106,083	92,380
Community wealth/Equity	760,887	872,288	904,896	1,015,187	950,660	950,660	1,031,107	1,014,570	1,080,311	1,137,552
Cash flows										
Net cash from (used) operating	57,728	22,790	98,321	93,102	106,587	106,587	89,558	83,769	101,353	115,441
Net cash from (used) investing	(70,369)	(30,567)	(81,193)	(77,302)	(102,523)	(102,523)	(63,516)	(71,869)	(82,623)	(81,947)
Net cash from (used) financing	2,361	(5,415)	(8,149)	(8,497)	(9,041)	(9,041)	(5,870)	(9,829)	(13,797)	(16,451)
Cash/cash equivalents at the year end	24,967	11,965	20,944	32,968	15,968	15,968	41,116	18,039	22,972	40,015
Cash backing/surplus reconciliation										
Cash and investments available	24,967	11,965	20,944	32,968	15,968	15,968	41,116	18,039	22,972	40,015
Application of cash and investments	23,600	28,276	45,957	7,405	11,176	11,176	16,934	(147)	(6,710)	(2,980)
Balance - surplus (shortfall)	1,367	(16,310)	(25,013)	25,563	4,792	4,792	24,182	18,186	29,682	42,995
Asset management										
Asset register summary (WDV)	819,565	967,888	938,646	1,054,011	1,013,594	1,013,594		1,070,651	1,105,655	1,137,739
Depreciation	32,042	49,728	47,998	51,200	51,200	51,200		51,181	53,944	56,911
Renewal of Existing Assets	18,642	30,190	40,622	38,974	42,414	42,414		34,071	37,105	13,913
Repairs and Maintenance	10,988	9,337	10,353	11,311	12,693	12,693		17,950	18,919	19,960
Free services										
Cost of Free Basic Services provided	690	800	708	2,000	2,000	2,000	842	2,224	2,344	2,473
Revenue cost of free services provided	17,799	5,235	-	8,193	8,193	8,193	18,224	18,224	19,208	20,265
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	3,000	3,126	3,342	3,895	3,895	3,895	3,600	3,600	3,480	3,000
Refuse:	50,306	50,312	50,317	50,317	50,317	50,317	54,129	54,129	54,129	54,129

Explanatory notes to MBRR Table A1 - Budget Summary

1. 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).
2. The table provides an overview of the amounts contained in the draft budget 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.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure net of non-cash items) is positive over the MTREF period.
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. 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.
4. The Cash backing/surplus reconciliation shows that the municipality does not have reserves and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position with regards to replacement of assets since no capital replacement reserve is in place. Notwithstanding the absence of capital replacement reserves, at least the municipality is not operating on an overdraft nor funding some of its capital projects through direct borrowings. 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 section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality has dropped and this is attributed to offering free basic services only to indigents and this function is not yet optimized.

Table 9 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional									
Governance and administration	204,510	248,338	253,047	170,084	183,920	183,920	203,714	216,385	234,513
Executive and council	934	930	-	35,581	35,581	35,581	42,873	45,668	48,978
Finance and administration	203,576	247,408	253,047	128,101	141,936	141,936	152,939	162,375	176,613
Internal audit	-	-	-	6,402	6,402	6,402	7,902	8,342	8,923
Community and public safety	359	2,711	45	12,846	18,446	18,446	18,637	20,117	21,400
Community and social services	341	2,710	45	6,377	11,977	11,977	7,973	8,606	9,201
Sport and recreation	18	1	-	6,469	6,469	6,469	10,664	11,512	12,199
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	66,292	76,852	115,853	150,237	200,822	200,822	185,532	195,945	207,876
Planning and development	1,317	1,186	1,635	13,512	19,012	19,012	17,319	18,185	19,092
Road transport	64,976	75,666	114,218	135,883	180,968	180,968	167,196	176,699	187,673
Environmental protection	-	-	-	842	842	842	1,018	1,060	1,111
Trading services	63,825	79,589	91,070	129,716	132,905	132,905	132,730	150,650	161,326
Energy sources	60,334	75,904	84,564	106,984	107,173	107,173	109,537	121,765	133,880
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	3,491	3,685	6,506	22,732	25,732	25,732	23,193	28,885	27,446
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	334,986	407,491	460,016	462,883	536,093	536,093	540,613	583,097	625,116
Expenditure - Functional									
Governance and administration	207,324	217,668	258,940	147,263	181,424	181,424	176,004	185,981	196,643
Executive and council	49,192	35,980	35,425	35,981	42,315	42,315	42,558	45,146	47,938
Finance and administration	158,132	176,275	215,183	104,880	131,658	131,658	125,652	132,598	139,993
Internal audit	-	5,413	8,333	6,402	7,450	7,450	7,795	8,236	8,712
Community and public safety	17,808	9,325	12,895	15,633	14,759	14,759	18,191	19,304	20,505
Community and social services	14,890	4,577	5,518	6,541	5,737	5,737	7,709	8,191	8,712
Sport and recreation	2,917	4,749	7,378	9,092	9,021	9,021	10,481	11,113	11,793
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	39,639	53,433	103,151	117,737	120,307	120,307	149,194	157,242	166,453
Planning and development	7,693	11,171	18,070	20,850	17,708	17,708	23,848	24,774	26,323
Road transport	31,947	40,800	83,994	96,045	101,719	101,719	124,365	131,429	139,028
Environmental protection	-	1,463	1,087	842	880	880	981	1,039	1,102
Trading services	72,841	88,664	121,089	105,754	114,643	114,643	127,918	134,317	141,838
Energy sources	60,619	65,530	98,785	86,949	87,570	87,570	105,653	110,776	116,922
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	12,223	23,135	22,304	18,805	27,073	27,073	22,265	23,541	24,915
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	337,613	369,091	496,076	386,388	431,132	431,132	471,306	496,844	525,438
Surplus/(Deficit) for the year	(2,627)	38,400	(36,060)	76,495	104,961	104,961	69,307	86,253	99,678

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (by standard classification)

1. 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 15 functional areas. 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.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 10 MBRR Table A3 - Budgeted Financial Performance (by vote)

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote									
Vote 1 - Executive & Council	–	–	–	31,540	37,871	37,871	38,168	40,432	43,312
Vote 2 - Office of the Municipal Manager	934	930	–	15,805	23,080	23,080	31,469	33,780	35,653
Vote 3 - Budget & Treasury	203,514	247,402	253,036	70,368	71,894	71,894	64,695	70,444	80,548
Vote 4 - Corporate Services	62	6	12	33,797	33,842	33,842	39,939	41,381	43,166
Vote 5 - Community Services	11,515	13,068	62,691	89,322	122,251	122,251	127,644	139,899	144,989
Vote 6 - Technical Services	117,644	143,712	141,006	200,885	220,489	220,489	211,110	228,598	247,360
Vote 7 - Developmental Planning	1,317	1,186	1,635	8,435	13,935	13,935	11,493	11,790	12,454
Vote 8 - Executive Support	–	1,186	1,635	12,731	12,731	12,731	16,094	16,773	17,634
Total Revenue by Vote	334,986	407,491	460,016	462,883	536,093	536,093	540,613	583,097	625,116
Expenditure by Vote to be appropriated									
Vote 1 - Executive & Council	28,444	29,961	31,808	31,940	38,271	38,271	37,886	40,182	42,659
Vote 2 - Office of the Municipal Manager	14,324	21,217	27,365	15,826	23,102	23,102	31,112	32,883	34,800
Vote 3 - Budget & Treasury	98,858	111,996	128,458	39,702	59,430	59,430	47,233	50,003	52,987
Vote 4 - Corporate Services	46,815	22,109	40,771	39,326	38,652	38,652	37,865	40,085	42,476
Vote 5 - Community Services	44,130	48,634	55,374	71,741	79,148	79,148	105,457	111,539	118,087
Vote 6 - Technical Services	90,924	104,289	183,344	165,483	165,729	165,729	185,027	194,326	204,881
Vote 7 - Developmental Planning	14,116	6,505	12,074	9,604	10,737	10,737	11,188	11,322	12,004
Vote 8 - Executive Support	–	24,381	16,881	12,767	16,063	16,063	15,539	16,503	17,544
Total Expenditure by Vote	337,613	369,091	496,076	386,388	431,132	431,132	471,306	496,844	525,438
Surplus/(Deficit) for the year	(2,627)	38,400	(36,060)	76,495	104,961	104,961	69,307	86,253	99,678

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

1. 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.

Table 11 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source										
Property rates	19,271	22,395	25,815	26,472	34,805	34,805	28,531	36,650	38,629	40,754
Service charges - electricity revenue	55,695	65,104	70,745	81,206	81,206	81,206	60,595	89,297	95,548	102,476
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	3,483	3,684	6,506	8,616	11,616	11,616	8,098	12,249	12,910	13,620
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1,889	2,213	1,319	1,935	1,000	1,000	541	1,220	1,286	1,357
Interest earned - external investments	3,965	4,290	2,889	3,701	2,500	2,500	1,796	3,000	3,162	3,336
Interest earned - outstanding debtors	5,861	5,872	6,469	6,260	14,260	14,260	8,476	8,161	8,601	9,075
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2,584	2,413	50,885	30,000	55,016	55,016	6,592	73,218	77,172	81,416
Licences and permits	5,081	4,257	5,255	5,171	4,500	4,500	3,913	4,950	5,217	5,504
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	170,641	216,652	213,105	226,163	226,163	226,163	211,265	245,278	269,940	293,775
Other revenue	7,548	3,423	8,098	2,499	13,678	13,678	11,536	2,761	2,910	3,070
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excl' capital transfers)	276,019	330,303	391,085	392,023	444,744	444,744	341,344	476,783	515,376	554,382
Expenditure By Type										
Employee related costs	102,669	112,151	117,781	123,460	126,105	126,105	110,466	134,149	142,723	152,000
Remuneration of councillors	18,844	19,061	20,298	22,113	23,430	23,430	18,684	25,070	26,675	28,409
Debt impairment	11,357	8,130	21,128	26,372	26,372	26,372	-	53,421	56,306	59,402
Depreciation & asset impairment	32,042	49,728	47,998	51,200	51,200	51,200	-	51,181	53,944	56,911
Finance charges	-	2,141	1,426	3,124	2,124	2,124	403	2,500	2,300	2,000
Bulk purchases	51,853	60,361	65,729	69,165	70,165	70,165	52,348	80,000	84,320	88,958
Other materials	1,687	9,606	12,873	13,497	11,821	11,821	9,881	17,093	18,017	19,007
Contracted services	11,259	36,111	43,080	25,350	65,237	65,237	51,067	60,020	62,629	66,073
Transfers and subsidies	1,832	1,279	708	3,724	3,724	3,724	4,972	4,404	4,642	4,897
Other expenditure	106,070	66,734	161,695	48,384	50,954	50,954	39,783	43,468	45,289	47,780
Loss on disposal of PPE	-	3,790	3,360	-	-	-	-	-	-	-
Total Expenditure	337,613	369,091	496,076	386,388	431,132	431,132	287,604	471,306	496,844	525,438
Surplus/(Deficit)	(61,594)	(38,788)	(104,990)	5,635	13,612	13,612	53,740	5,477	18,532	28,944
Transfers and subsidies - capital (monetary)	58,967	77,188	68,930	70,860	91,349	91,349	67,766	63,830	67,721	70,734
Transfers and subsidies - capital (monetary)	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	(2,627)	38,400	(36,060)	76,495	104,961	104,961	121,506	69,307	86,253	99,678
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(2,627)	38,400	(36,060)	76,495	104,961	104,961	121,506	69,307	86,253	99,678
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(2,627)	38,400	(36,060)	76,495	104,961	104,961	121,506	69,307	86,253	99,678
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2,627)	38,400	(36,060)	76,495	104,961	104,961	121,506	69,307	86,253	99,678

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

- Operating revenue is R476, 783 million in 2018/19 and escalates to R515, 376 million and R554, 382 million in the outer years.
- Services charges relating to electricity and refuse removal and these revenue sources contribute significantly to the revenue basket of the municipality and the contribution thereof totals R101, 546 million for the 2018/19 financial year and increasing to R108, 458 million in 2019/20 and increasing to R116, 096 million in 2020/21 financial year.

3. The 2018/19 financial year increase on service charges electricity is 10% that is higher than the approved tariff thereof and CPI and this is caused by normalization of electricity in Roosenekaal and as this will now allow the municipality to generate electricity revenue. The township has been enjoying the usage of electricity through illegal connections and this resulted in municipality incurring bulk purchase expenditure without getting the requisite revenue. The municipality therefore expect to start generating electricity revenue from Roosenekaal Township as the prepaid meters are now getting installed.
4. Rental of facilities and equipment is increasing by 22% in 2018/19 financial year and this is attributed to revision of rental of municipal facilities and equipment that were not on arm's length transactions and now the municipality is in a process of revising those rental amounts so that they can be market related.
5. Interest on investment is also increasing with a significant percentage that is attributed to the approach of taking advantage of interests generated from investment. For detailed schedule of how this revenue is projected to be generated please see table SA16. As and when the municipality will be having excess cash, priority will be given to short term investments.
6. Interest on outstanding debtors is projected to be reduced as there are some consumer accounts that are inactive and they have been getting interest levied on them. In addition, this is also going to be reduced by improving the collection rate.
7. Fines, penalties and forfeits is increasing with a high rate and this is attributed to the introduction of speed cameras in all the entrances of Groblersdal. Collection on these traffic fines is very low however, the total amount of traffic fines issued is very high. This also contributed significantly to high budgeted debt impairment.
8. License and permits revenue is projected to increase by 10% in 2018/19 financial year and this is attributed to municipality's plans for filling the three E-natis operators positions that have been vacant for quite some time and this led to municipality failing to service all customers in the Licensing division.
9. Transfers recognized – operating includes the local government equitable share, financial management grant, extended public works programme grant, municipal systems improvement grants and special support for councilors remuneration.
10. Other revenue for 2017/18 financial year was augmented by Developers contribution that was imposed to the new mall and hence a significant decrease in the 2018/19 financial year.
11. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
12. Employee related cost increase in 2018/19 financial year is slightly lower than the projected increase of 7% and this was as result of having all senior management positions filled and this resulted in reduced budgeted acting allowance. In addition, overtime is also reduced as part of implementation of cost containment measures.
13. The increase on debt impairment is attributed to impairment of traffic fines as explained in bullet point number 7 above.
14. The budgeted amount for depreciation and asset impairment is slightly reduced as a result of assets that were found to be duplicated (especially the high mast lights) in the municipality's asset register

15. Finance charges has also increased significantly and this is as a result of new finance lease agreement that has been entered into for the lease of heavy machinery and equipment.
16. Bulk purchase of electricity is increasing by 14% in the 2018/19 financial year that is above the projected NERSA approved increment and this is as a result of electrification of Masakaneng that is under ward 13 and this is municipal licensed area in terms of provision of electricity.
17. Other materials' significant increase is attributed to increased budget for repairs and maintenance.
18. Contracted services has been reduced slightly and the reduction is attributed to expiry of debt collection contract and the municipality is now intending on doing debt collection on its own. A budget of R500 thousand has been set aside under capital budget for establishment of Call Centre function designated for debt collection. Valuation services has also contributed to the reduction as a new valuation roll was implemented in 2017/18 financial year.
19. Transfers and subsidies expenditure 's increase of 18% in 2018/19 financial year is attributed to increased budget for external bursaries and the projected increase on the number of indigents households to get free basic electricity.
20. The reduction on other expenditure in 2018/19 financial year is attributed to awareness campaigns data strings that were reclassified to contracted services and lastly the implementation of cost containment measures to do away with "nice to have" activities.

Table 12 MBRR Table A5 - Budgeted Capital Expenditure by standard classification and funding source

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional										
Governance and administration	2,579	1,148	2,091	500	1,300	1,300	496	1,700	1,400	1,400
Executive and council										
Finance and administration	2,579	1,148	2,091	500	1,300	1,300	496	1,700	1,400	1,400
Internal audit										
Community and public safety	159	77	181	400	8,479	8,479	7,090	522	-	-
Community and social services	159	77	28					522		
Sport and recreation			-	400	8,479	8,479	7,090	-	-	-
Public safety			153							
Housing										
Health			-							
Economic and environmental services	61,667	84,276	67,241	63,244	80,021	80,021	61,086	59,779	63,897	38,482
Planning and development	1,009							-	-	-
Road transport	60,657	84,276	67,241	63,244	80,021	80,021	61,086	59,779	63,897	38,482
Environmental protection								-	-	-
Trading services	7,807	22,887	11,151	13,158	13,324	13,324	8,892	13,868	19,826	44,765
Energy sources	7,752	22,445	11,151	13,158	13,324	13,324	8,892	10,868	19,826	32,870
Water management								-	-	-
Waste water management								-	-	-
Waste management	55	442						3,000	-	11,896
Other								-	-	-
Total Capital Expenditure - Functional	72,212	108,388	80,665	77,302	103,123	103,123	77,564	75,869	85,123	84,647
Funded by:										
National Government	51,462	77,188	68,895	62,158	80,131	80,131	67,654	55,504	58,888	61,508
Provincial Government										
District Municipality										
Other transfers and grants										
Transfers recognised - capital	51,462	77,188	68,895	62,158	80,131	80,131	67,654	55,504	58,888	61,508
Public contributions & donations										
Borrowing										
Internally generated funds	20,750	31,200	11,770	15,144	22,992	22,992	9,910	20,365	26,235	23,139
Total Capital Funding	72,212	108,388	80,665	77,302	103,123	103,123	77,564	75,869	85,123	84,647

Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,280	1,148	-	500	1,300	1,300	496	1,400	1,400	1,400
Vote 5 - Community Services	214	3,701	28	500	500	500	-	3,000	-	11,896
Vote 6 - Technical Services	41,058	67,215	50,994	52,539	75,747	75,747	58,117	27,513	43,859	29,427
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	42,551	72,063	51,021	53,539	77,547	77,547	58,613	31,913	45,259	42,723
Single-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	500	-	-
Vote 4 - Corporate Services	1,299	-	1,508	-	-	-	-	300	-	-
Vote 5 - Community Services	-	-	153	400	400	400	285	522	-	-
Vote 6 - Technical Services	27,352	36,325	27,399	23,363	25,176	25,176	18,666	42,634	39,863	41,924
Vote 7 - Developmental Planning	1,009	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	583	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	29,660	36,325	29,643	23,763	25,576	25,576	18,951	43,956	39,863	41,924
Total Capital Expenditure - Vote	72,212	108,388	80,665	77,302	103,123	103,123	77,564	75,869	85,123	84,647

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2018/19 R31, 913 million has been allocated of the total R75, 869 million capital budget, which totals 42, 06%. This allocation escalates to R45, 259 million in 2019/20 and declines to R42, 723 million in 2020/21.
3. Single-year capital expenditure has been appropriated at R43, 956 million for the 2018/19 financial year and declines to R39, 863 million in 2019/20 and then increases to R41, 924 million in 2020/21 financial year.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years. The capital programme is funded from capital grants and transfers and internally generated funds from current year surpluses.

Table 14 MBRR Table A6 - Budgeted Financial Position

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS										
Current assets										
Cash	1,203	5,066	5,288	4,400	4,400	4,400	10,840	2,457	1,172	15,015
Call investment deposits	23,764	6,899	15,657	28,568	11,568	11,568	30,277	15,582	21,800	25,000
Consumer debtors	18,744	24,545	20,636	34,600	30,600	30,600	48,056	40,483	60,344	61,637
Other debtors	31,791	18,226	42,835	36,846	42,846	42,846	51,359	58,923	66,724	67,923
Current portion of long-term receivables							-			
Inventory	2,636	3,388	3,202	3,200	3,500	3,500	3,747	3,400	3,300	3,150
Total current assets	78,138	58,124	87,618	107,614	92,914	92,914	144,278	120,845	153,340	172,726
Non current assets										
Long-term receivables										
Investments										
Investment property	89,472	96,146	55,728	96,146	55,728	55,728	56,136	53,728	53,728	53,728
Investment in Associate										
Property, plant and equipment	729,129	871,247	938,356	957,866	957,866	957,866	1,015,767	1,016,632	1,051,636	1,083,720
Agricultural										
Biological	323	-								
Intangible	640	496	291		291	291	291	291	291	291
Other non-current assets	10,650	11,404	12,396	12,786	12,786	12,786	11,932	12,841	12,986	13,000
Total non current assets	830,215	979,292	1,006,770	1,066,797	1,026,671	1,026,671	1,084,126	1,083,492	1,118,642	1,150,739
TOTAL ASSETS	908,353	1,037,416	1,094,388	1,174,411	1,119,584	1,119,584	1,228,404	1,204,337	1,271,982	1,323,465
LIABILITIES										
Current liabilities										
Bank overdraft										
Borrowing	-	8,170	6,900	8,608	5,608	5,608	5,839	10,000	14,000	16,677
Consumer deposits	5,531	5,120	5,633	5,089	5,089	5,089	5,770	5,260	5,463	5,689
Trade and other payables	61,539	53,644	82,244	45,253	50,253	50,253	90,057	52,466	60,466	65,466
Provisions	1,362	2,330	4,904	1,542	1,542	1,542	9,489	5,412	5,658	5,700
Total current liabilities	68,432	69,263	99,680	60,491	62,491	62,491	111,156	73,138	85,587	93,533
Non current liabilities										
Borrowing	-	11,520	-	16,500	19,500	19,500	-	30,677	16,677	-
Provisions	79,033	84,345	89,811	82,233	86,933	86,933	86,141	85,952	89,406	92,380
Total non current liabilities	79,033	95,865	89,811	98,733	106,433	106,433	86,141	116,629	106,083	92,380
TOTAL LIABILITIES	147,465	165,128	189,492	159,224	168,924	168,924	197,297	189,767	191,670	185,913
NET ASSETS	760,887	872,288	904,896	1,015,187	950,660	950,660	1,031,107	1,014,570	1,080,311	1,137,552
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	760,887	872,288	904,896	1,015,187	950,660	950,660	1,031,107	1,014,570	1,080,311	1,137,552
Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	760,887	872,288	904,896	1,015,187	950,660	950,660	1,031,107	1,014,570	1,080,311	1,137,552

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- 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 equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 15 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	19,271	8,908	20,966	21,177	26,104	26,104	15,677	28,587	30,131	31,788
Service charges	52,686	59,267	69,070	83,078	79,245	79,245	54,524	89,922	96,063	102,852
Other revenue	10,037	8,835	10,066	13,516	24,449	24,449	31,449	18,225	19,210	20,266
Government - operating	170,641	216,652	214,632	226,163	226,163	226,163	226,163	245,278	269,940	293,775
Government - capital	65,518	77,188	83,703	70,860	91,349	91,349	81,860	63,830	67,721	70,734
Interest	9,257	10,163	10,410	5,579	5,352	5,352	1,710	4,632	4,882	5,151
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(267,851)	(355,769)	(308,578)	(320,424)	(338,227)	(338,227)	(315,061)	(359,801)	(379,652)	(402,227)
Finance charges		(2,141)	(1,426)	(3,124)	(4,124)	(4,124)	(448)	(2,500)	(2,300)	(2,000)
Transfers and Grants	(1,832)	(313)	(521)	(3,724)	(3,724)	(3,724)	(6,316)	(4,404)	(4,642)	(4,897)
NET CASH FROM/(USED) OPERATING ACTIVITIES	57,728	22,790	98,321	93,102	106,587	106,587	89,558	83,769	101,353	115,441
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	654	-	-	600	600	-	2,000	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	2,000	2,500	2,700
Decrease (increase) other non-current receivables	-	-	(529)	-	-	-	14,048	-	-	-
Decrease (increase) in non-current investments	-	77,167	-	-	-	-	-	-	-	-
Payments										
Capital assets	(70,369)	(108,388)	(80,665)	(77,302)	(103,123)	(103,123)	(77,564)	(75,869)	(85,123)	(84,647)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(70,369)	(30,567)	(81,193)	(77,302)	(102,523)	(102,523)	(63,516)	(71,869)	(82,623)	(81,947)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	2,361	(412)	21	111	(433)	(433)	(137)	171	203	227
Payments										
Repayment of borrowing		(5,003)	(8,170)	(8,608)	(8,608)	(8,608)	(5,733)	(10,000)	(14,000)	(16,677)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2,361	(5,415)	(8,149)	(8,497)	(9,041)	(9,041)	(5,870)	(9,829)	(13,797)	(16,451)
NET INCREASE/ (DECREASE) IN CASH HELD	(10,280)	(13,192)	8,979	7,304	(4,977)	(4,977)	20,172	2,071	4,933	17,044
Cash/cash equivalents at the year begin:	35,247	25,158	11,965	25,664	20,944	20,944	20,944	15,968	18,039	22,972
Cash/cash equivalents at the year end:	24,967	11,965	20,944	32,968	15,968	15,968	41,116	18,039	22,972	40,015

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.
- It can be seen that the cash level of the Municipality is projected to consistently increase, however the achievement of these results, requires implementation of stringent credit control.
- The 2018/19 MTREF has been informed by the planning principle of ensuring adequate cash and cash equivalent over the medium-term and as a result, the Cash and Investment management policy is now in place.

Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available										
Cash/cash equivalents at the year end	24,967	11,965	20,944	32,968	15,968	15,968	41,116	18,039	22,972	40,015
Other current investments > 90 days	-	-	(0)	0	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	24,967	11,965	20,944	32,968	15,968	15,968	41,116	18,039	22,972	40,015
Application of cash and investments										
Unspent conditional transfers	16,212	1,575	16,956	-	-	-	13,588	466	466	466
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	1,558	2,420		12,500	3,500	3,500	1,012	1,458	3,428	3,864
Other working capital requirements	4,468	21,951	29,001	(6,637)	6,134	6,134	(2,306)	(7,483)	(16,262)	(13,010)
Other provisions	1,362	2,330		1,542	1,542	1,542	4,640	5,412	5,658	5,700
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	23,600	28,276	45,957	7,405	11,176	11,176	16,934	(147)	(6,710)	(2,980)
Surplus(shortfall)	1,367	(16,310)	(25,013)	25,563	4,792	4,792	24,182	18,186	29,682	42,995

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".
- Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- From the above table, it is clearly indicated that the municipality has surplus over MTREF.
- The municipality is intending on achieving 100% spending on all the conditional grants to be received through the MTREF period.
- The budgeted unspent portion of conditional grant amounting R466 thousand relate to Land Affairs Grant that has been sitting in the books for years.

Table 17 MBRR Table A9 - Asset Management: New and Renewal of existing assets

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE									
Total New Assets	53,570	78,198	40,043	34,381	51,194	51,194	38,798	48,017	47,534
Roads Infrastructure	42,516	52,140	21,733	19,123	35,070	35,070	21,283	26,791	13,264
Storm water Infrastructure	803	3,613	-	-	-	-	-	-	-
Electrical Infrastructure	6,075	22,359	11,151	13,158	13,324	13,324	10,868	19,826	32,870
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	49,393	78,112	32,884	32,281	48,394	48,394	32,150	46,617	46,134
Community Facilities	3,112	-	-	300	300	300	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	3,112	-	-	300	300	300	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	1,298	-	-	-	4,447	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	1,298	-	-	-	4,447	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	1,168	300	800	800	500	500	500
Furniture and Office Equipment	-	-	340	200	500	500	400	400	400
Machinery and Equipment	1,065	86	2,100	600	1,200	1,200	1,300	500	500
Transport Assets	-	-	2,253	700	-	-	-	-	-
Total Renewal of Existing Assets	18,642	30,190	40,622	38,974	42,414	42,414	34,071	37,105	13,913
Roads Infrastructure	6,953	24,824	37,997	38,474	41,914	41,914	33,550	37,105	13,913
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	3,974	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	479	442	-	-	-	-	-	-	-
Infrastructure	11,406	25,266	37,997	38,474	41,914	41,914	33,550	37,105	13,913
Community Facilities	-	77	-	-	-	-	522	-	-
Sport and Recreation Facilities	-	-	1,694	-	-	-	-	-	-
Community Assets	-	77	1,694	-	-	-	522	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	6,435	3,699	932	500	500	500	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	6,435	3,699	932	500	500	500	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	476	623	-	-	-	-	-	-	-
Furniture and Office Equipment	325	237	-	-	-	-	-	-	-
Machinery and Equipment	-	288	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-

Table 18 MBRR Table A9 - Asset Management: Upgrading of existing assets and total capital expenditure

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE									
Total Upgrading of Existing Assets	-	-	-	3,947	9,515	9,515	3,000	-	23,200
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	3,000	-	11,896
Infrastructure	-	-	-	-	-	-	3,000	-	11,896
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	8,079	8,079	-	-	11,304
Community Assets	-	-	-	-	8,079	8,079	-	-	11,304
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	3,947	1,437	1,437	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	3,947	1,437	1,437	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Total Capital Expenditure									
Roads Infrastructure	49,469	76,964	59,730	57,596	76,984	76,984	54,832	63,897	27,177
Storm water Infrastructure	803	3,613	-	-	-	-	-	-	-
Electrical Infrastructure	10,048	22,359	11,151	13,158	13,324	13,324	10,868	19,826	32,870
Solid Waste Infrastructure	479	442	-	-	-	-	3,000	-	11,896
Infrastructure	60,799	103,378	70,881	70,754	90,308	90,308	68,700	83,723	71,943
Community Facilities	3,112	77	-	300	300	300	522	-	-
Sport and Recreation Facilities	-	-	1,694	-	8,079	8,079	-	-	11,304
Community Assets	3,112	77	1,694	300	8,379	8,379	522	-	11,304
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	6,435	3,699	2,229	4,447	1,937	1,937	4,447	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	6,435	3,699	2,229	4,447	1,937	1,937	4,447	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	476	623	1,168	300	800	800	500	500	500
Furniture and Office Equipment	325	237	340	200	500	500	400	400	400
Machinery and Equipment	1,065	374	2,100	600	1,200	1,200	1,300	500	500
Transport Assets	-	-	2,253	700	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	72,212	108,388	80,665	77,302	103,123	103,123	75,869	85,123	84,647

Table 19 MBRR Table A9 - Asset Management: Asset Management

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSET REGISTER SUMMARY - PPE (WDV)									
Roads Infrastructure	819,565	448,129	599,484	605,926	605,926	605,926	659,258	723,155	750,332
Storm water Infrastructure									
Electrical Infrastructure		52,317	47,089	70,460	70,460	70,460	70,460	70,460	70,460
Water Supply Infrastructure									
Sanitation Infrastructure									
Solid Waste Infrastructure		1,873		4,080	4,080	4,080	4,080	4,080	4,080
Rail Infrastructure									
Coastal Infrastructure									
Information and Communication Infrastructure									
Infrastructure	819,565	502,320	646,573	680,466	680,466	680,466	733,798	797,695	824,872
Community Facilities		700	1,694						
Sport and Recreation Facilities		43,224	35,521	53,575	53,575	53,575	53,575	53,575	64,880
Community Assets	-	43,924	37,215	53,575	53,575	53,575	53,575	53,575	64,880
Heritage Assets		463							
Revenue Generating		96,146		96,146	55,728	55,728	53,728	53,728	53,728
Non-revenue Generating		-							
Investment properties	-	96,146	-	96,146	55,728	55,728	53,728	53,728	53,728
Operational Buildings	-	222,601	213,186	134,703	134,703	134,703	136,633	106,440	98,742
Housing		-							
Other Assets	-	222,601	213,186	134,703	134,703	134,703	136,633	106,440	98,742
Servitudes									
Licences and Rights		496	291				291	291	291
Intangible Assets	-	496	291	-	-	-	291	291	291
Computer Equipment		5,242		6,120	6,120	6,120	6,620	7,120	7,620
Furniture and Office Equipment		39,322		35,376	35,376	35,376	36,276	36,676	37,076
Machinery and Equipment		57,374	24,409	45,280	45,280	45,280	47,384	47,784	48,184
Transport Assets			16,971	2,346	2,346	2,346	2,346	2,346	2,346
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	819,565	967,888	938,646	1,054,011	1,013,594	1,013,594	1,070,651	1,105,655	1,137,739
EXPENDITURE OTHER ITEMS									
Depreciation	32,042	49,728	47,998	51,200	51,200	51,200	51,181	53,944	56,911
Repairs and Maintenance by Asset Class	10,988	9,337	10,353	11,311	12,693	12,693	17,950	18,919	19,960
Roads Infrastructure	881	1,788	946	2,500	2,650	2,650	4,000	4,216	4,448
Storm water Infrastructure	244	-	-	-	-	-	-	-	-
Electrical Infrastructure	1,271	1,001	1,802	1,900	1,900	1,900	3,000	3,162	3,336
Solid Waste Infrastructure	1,110	1,209	1,885	2,300	3,300	3,300	3,400	3,584	3,781
Infrastructure	3,506	3,998	4,633	6,700	7,850	7,850	10,400	10,962	11,564
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	2,965	1,154	1,432	1,300	1,325	1,325	2,000	2,108	2,224
Other Assets	2,965	1,154	1,432	1,300	1,325	1,325	2,000	2,108	2,224
Licences and Rights	-	9	82	100	100	100	-	-	-
Intangible Assets	-	9	82	100	100	100	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	586	2,749	2,405	1,711	2,118	2,118	3,550	3,742	3,947
Transport Assets	3,931	1,427	1,800	1,500	1,300	1,300	2,000	2,108	2,224
TOTAL EXPENDITURE OTHER ITEMS	43,030	59,065	58,351	62,511	63,893	63,893	69,131	72,864	76,871
Renewal and upgrading of Existing Assets as % of total capex	25.82%	27.85%	50.36%	55.52%	50.36%	50.36%	48.86%	43.59%	43.84%
Renewal and upgrading of Existing Assets as % of deprecn	58.18%	60.71%	84.63%	83.83%	101.42%	101.42%	72.43%	68.78%	65.21%
R&M as a % of PPE	1.50%	1.10%	1.10%	1.20%	1.30%	1.30%	1.80%	1.80%	1.80%
Renewal and upgrading and R&M as a % of PPE	4.00%	4.00%	5.00%	5.00%	6.00%	6.00%	5.00%	5.00%	5.00%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to construct and/procure new assets, renewal, and upgrading of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal and upgrading of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. The renewal and upgrading of existing assets target has been met throughout the MTEF period, however, the achievement of repairs and maintenance target still remains a challenge.

Table 20 MBRR Table A10 – Service Delivery

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets									
Energy:									
Electricity (at least min.service level)	58,750	58,750	-	62,464	62,464	62,464	65,775	69,458	73,278
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	58,750	58,750	-	62,464	62,464	62,464	65,775	69,458	73,278
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	3,000	3,126	-	3,895	3,895	3,895	3,600	3,480	3,000
Below Minimum Service Level sub-total	3,000	3,126	-	3,895	3,895	3,895	3,600	3,480	3,000
Total number of households	61,750	61,876	-	66,359	66,359	66,359	69,375	72,938	76,278
Refuse:									
Removed at least once a week	11,363	11,270	6,816	17,342	17,442	17,442	11,434	11,534	11,634
Minimum Service Level and Above sub-total	11,363	11,270	6,816	17,342	17,442	17,442	11,434	11,534	11,634
Removed less frequently than once a week	394	400	405	405	405	405	405	405	405
Using communal refuse dump	1,993	1,993	1,993	1,993	1,993	1,993	1,993	1,993	1,993
Using own refuse dump	38,712	38,712	38,712	38,712	38,712	38,712	42,524	42,524	42,524
Other rubbish disposal	703	703	703	703	703	703	703	703	703
No rubbish disposal	8,504	8,504	8,504	8,504	8,504	8,504	8,504	8,504	8,504
Below Minimum Service Level sub-total	50,306	50,312	50,317	50,317	50,317	50,317	54,129	54,129	54,129
Total number of households	61,669	61,582	57,133	67,659	67,759	67,759	65,563	65,663	65,763
Households receiving Free Basic Service									
Electricity/other energy (50kwh per household per month)	1,245	1,245	-	1,286	2,000	2,000	2,106	2,224	2,346
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Electricity/other energy (50kwh per indigent household per month)	690	800	708	2,000	2,000	2,000	2,224	2,344	2,473
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-	-	-	-	-	-	-
Total cost of FBS provided	690	800	708	2,000	2,000	2,000	2,224	2,344	2,473
Highest level of free service provided per household									
Property rates (R value threshold)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	-	-	-	-	-	-	-	-	-
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	4,725	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates - section 17 of MPRA)	13,074	5,235	8,568	8,193	8,193	8,193	9,112	9,604	10,132
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	17,799	5,235	8,568	8,193	8,193	8,193	9,112	9,604	10,132

2 PART 2 – SUPPORTING DOCUMENTATION

2.1 Overview of the 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 Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is 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.

2.1.1 Budget Process Overview

Section 21 (1) (6) of the MFMA prescribes that the Mayor of a Municipality must at least 10 months before the start of a financial year, table in Council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and also the review of the Integrated Development Plan.

The municipality intends to conclude the review process for the 2018/19 IDP by the end of May 2018. Below is the timetable for the IDP/ budget process for 2018/19 Municipal fiscal year.

IDP/Budget Process Plan for the 2018/19 financial year

MONTH	ACTIVITY	Target date
PREPARATORY PHASE		
July 2017	<ul style="list-style-type: none"> Review of previous year's IDP/Budget process with MTEF included. EXCO provides political guidance over the budget process and priorities that must inform preparations of the budget. Tabling of the process plan to council structures for approval 4th Quarter Performance Lekgotla 	1-31 July 2017 1-31 July 2017 29 July 2017 28 July 2017
August 2017	<ul style="list-style-type: none"> IDP steering/technical committee meeting for the presentation of the approved 2018-2019 IDP and Budget process plan Ward-to-Ward based analysis data collection Submit AFS (Annual Financial Statements) for 2016/17 to AG. Submit 2016/17 cumulative Performance Report to AG & Council Structures 	14 August 2016 15 August 2017 - 17 September 2017 26 August 2017 31 August 2017
ANALYSIS PHASE		
September 2017	<ul style="list-style-type: none"> Council determines strategic objectives for service delivery through IDP review processes and the development of the next 3 year budget (including review of sector departments plans). Determine revenue projections and propose tariffs and draft initial allocations per function and department for 2018/19 financial year. Consult with provincial and national sector departments on sector specific programmes for alignment (schools, libraries, clinics, water, electricity, roads, etc). Finalize ward based data compilation for verification in December 2017. 	01 September- 31 December 2017
STRATEGIES PHASE		
October 2017	<ul style="list-style-type: none"> Quarterly (1st) review of 2016/17 budget, related policies, amendments (if necessary), any related consultative process. Collate information from ward based data. 	20 October 2017 1-31 October 2017 1-31 October 2017

	<ul style="list-style-type: none"> Begin preliminary preparations on proposed budget for 2018/19 financial year with consideration being given to partial performance of 2017/18. 1ST Quarter Performance Lekgotla (2016/17) 	20 October 2017
PROJECTS PHASE		
November 2017	<ul style="list-style-type: none"> Confirm IDP projects with district and sector departments. Engage with sector departments' strategic sessions to test feasibility of attendance to planned sessions. Review and effect changes on initial IDP draft. 	1-30 November 2017
INTEGRATION PHASE		
December 2017	<ul style="list-style-type: none"> Consolidated Analysis Phase report in place IDP Steering/technical Committee meeting to present the analysis phase data IDP Representative Forum to present the analysis report 	05 December 2017 07 December 2017 12 December 2017
January 2018	<ul style="list-style-type: none"> Review budget performance and prepare for adjustment Table Draft 2016/17 Annual Report to Council. Submit Draft Annual Report to AG, Provincial Treasury and COGHSTA. Publish Draft Annual Report in the municipal jurisdiction (website etc.). Prepare Oversight Report for the 2016/17 financial year. Mid-Year Performance Lekgotla/Review/Strategic Planning Session, (review of IDP/Budget, related policies and consultative process 	09-18 January 2018 30 January 2018 15 January 2018
February 2018	<ul style="list-style-type: none"> Table Budget Adjustment (if necessary). Submission of Draft IDP/Budget for 2018/19 to Management. Submission of Draft IDP/Budget and plans to Portfolio Committees. Submission of 2017-2018 Draft IDP and Budget to Executive Committee 	28 February 2018 10 February 2018 19-21 February 2018 27 February 2018
March 2018	<ul style="list-style-type: none"> Council considers the 2018-2019 Draft IDP and Budget. Publish the 2018-2019 Draft IDP and Budget for public comments. Adoption of Oversight Report for 2016-2017. 	30 March 2018

APPROVAL PHASE		
April 2018	<ul style="list-style-type: none"> Submit 2018-2019 Draft IDP and Budget to the National Treasury, Provincial Treasury and COGHSTA in both printed & electronic formats. Quarterly (3rd) review of 2017-2018 budget/IDP and related policies' amendment (if necessary) and related consultative process. IDP Representative Forum meeting to present the draft IDP to various stakeholders Consultation with National and Provincial Treasury, community participation and stakeholder consultation on the draft 2016/17 IDP. 3rd Quarter Performance Lekgotla (2016/17) 	<p>06 April 2018</p> <p>28 April 2018</p> <p>12 April 2018</p> <p>17 April 2018 -10 May 2018</p> <p>28 April 2018</p>
May 2018	<ul style="list-style-type: none"> Submission of Final Draft IDP/Budget for 2018/19 to the Council for approval. Finalize SDBIPⁱ for 2018/2019. Develop Performance Agreements (Performance Plans) of MM, Senior Managers and Middle Managers for 2018/19 performance year. 	31 May 2018
June 2018	<ul style="list-style-type: none"> Submission of the SDBIP to the Mayor. Submission of 208/19 Performance Agreements to the Mayor. 	1-30 June 2018

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP Process Plan and the Budget Time Schedule for the 2018/19 MTREF was tabled in Council in August 2017.

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 fourth revision cycle included 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 IDP has been taken into a business and financial planning process leading up to the 2018/19 MTREF based on the approved 2016/17 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2018/19 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance for 2017/18 financial year. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- The Municipality growth (looking mainly on additional revenue from the new mall and traffic fines)
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, etc)
- Performance trends (2017/18)
- The approved 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtors payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for service
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 89 and 91 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2018/19 MTREF was tabled before Council on 29 March 2018 for community consultation and thereafter it will be published on the municipality's website, and hard copies will be made available at satellite offices, municipal notice boards and various libraries.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- National Spatial Development Perspective (NSDP) and

- National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP' strategic objectives for the 2018/19 MTREF and further planning refinements that have directly informed the compilation of the budget:

Developmental priority	Outcome	Role of EMLM	Output
Spatial Rationale	Outcome 8 &9	<ul style="list-style-type: none"> ➤ Provide land for human settlement ➤ Zoning and rezoning of land ➤ Prevent land invasions 	More efficient land utilization and release state land.
Access to basic service delivery	Outcome 6	<ul style="list-style-type: none"> ➤ Provision of electricity ➤ Roads and storm water control 	Reliable infrastructure services
Local Economic Development	Outcome 7,4 &11	<ul style="list-style-type: none"> ➤ Creation of jobs ➤ Support to emerging businesses (SMME"s) ➤ Promote tourism 	Improved employment and municipal economy
Financial sound management	Outcome 9 &12	<ul style="list-style-type: none"> ➤ Financial management and planning ➤ Comply with legal financial requirements ➤ Revenue enhancement 	Sound financial management
Good Governance and public participation	Outcome 9	<ul style="list-style-type: none"> ➤ Community participations ➤ Intergovernmental relations 	Full participation of all structures and communities

Organizational Development	Outcome 9	<ul style="list-style-type: none"> ➤ Human resource development and management ➤ Organizational structure development ➤ Executive and Council support 	Vibrant institution

Social services	Outcome 1 , 2 &10	<ul style="list-style-type: none"> ➤ Education support and co-ordination ➤ Facilitation of health services ➤ Community development services 	Improved community services
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In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the developmental priorities mentioned above.

Table 20 MBRR Table SA2 – Matrix Financial Performance Budget (revenue sources and expenditure type and vote)

Description	Vote 1 - Executive & Council	Vote 2 - Office of the Municipal Manager	Vote 3 - Budget & Treasury	Vote 4 - Corporate Services	Vote 5 - Communit y Services	Vote 6 - Technical Services	Vote 7 - Developm ental Planning	Vote 8 - Executive Support	Total
Revenue By Source									
Property rates	–	–	36,650	–	–	–	–	–	36,650
Service charges - electricity revenue	–	–	–	–	–	89,297	–	–	89,297
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	12,249	–	–	–	12,249
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	–	–	–	–	–	1,220	–	–	1,220
Interest earned - external investments	–	–	3,000	–	–	–	–	–	3,000
Interest earned - outstanding debtors	–	–	4,323	–	614	3,224	–	–	8,161
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	73,200	18	–	–	73,218
Licences and permits	–	–	–	–	4,950	–	–	–	4,950
Agency services	–	–	–	–	–	–	–	–	–
Other revenue	–	–	844	16	53	1,001	847	–	2,761
Transfers and subsidies	38,168	31,469	19,879	39,923	36,578	52,520	10,647	16,094	245,278
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers)	38,168	31,469	64,695	39,939	127,644	147,280	11,493	16,094	476,783
Expenditure By Type									
Employee related costs	–	10,154	21,942	17,544	38,799	27,556	5,604	12,549	134,149
Remuneration of councillors	25,070	–	–	–	–	–	–	–	25,070
Debt impairment	–	–	3,692	–	44,997	4,733	–	–	53,421
Depreciation & asset impairment	–	–	–	5,712	3,547	41,921	–	–	51,181
Finance charges	–	–	–	–	–	2,500	–	–	2,500
Bulk purchases	–	–	–	–	–	80,000	–	–	80,000
Other materials	24	24	556	874	1,289	14,178	150	–	17,093
Contracted services	4,024	19,390	10,317	4,501	12,027	4,963	2,762	2,035	60,020
Transfers and subsidies	500	–	–	1,680	–	2,224	–	–	4,404
Other expenditure	8,268	1,544	10,727	7,553	4,798	6,952	2,673	954	43,468
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Expenditure	37,886	31,112	47,233	37,865	105,457	185,027	11,188	15,539	471,306
Surplus/(Deficit)	283	357	17,462	2,074	22,187	(37,747)	305	556	5,477
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	63,830	–	–	63,830
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	283	357	17,462	2,074	22,187	26,083	305	556	69,307

Table 21 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Executive & Council										
To Strengthen participatory governance within the governance	Sound Governance	-	-		31,540	37,871	37,871	38,168	40,432	43,312
Office of the Municipal Manager										
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	934	930	-	15,805	23,080	23,080	31,469	33,780	35,653
Budget & Treasury										
To implement sound financial management practices	Sustainable financial growth/Viability	203,514	247,402	253,036	70,368	71,894	71,894	64,695	70,444	80,548
Corporate Services										
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	62	6	12	33,797	33,842	33,842	39,939	41,381	43,166
Community Services										
Facilitate promotion of health and well being of communities	Improved social well being	11,515	13,068	62,691	89,322	122,251	122,251	127,644	139,899	144,989
Technical Services										
Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	58,677	67,710	72,076	130,025	129,140	129,140	147,280	160,877	176,626
Development Planning										
To provide a systematic intergrated spatial/land development policy. Increase regularisation of built environment	Intergrated human settlement	1,317	1,186	1,635	8,435	13,935	13,935	11,493	11,790	12,454
Executive Support										
Facilitate promotion of health and well being of communities	Improved social well being			1,635	12,731	12,731	12,731	16,094	16,773	17,634
Total Revenue (excluding capital transf)		276,019	330,303	391,085	392,023	444,744	444,744	476,783	515,376	554,382

Table 22 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Executive & Council										
To Strengthen participatory governance within the governance	Sound Governance	28,444	29,961	31,808	31,940	38,271	38,271	37,886	40,182	42,659
Office of the Municipal Manager										
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	14,324	21,217	27,365	15,826	23,102	23,102	31,112	32,883	34,800
Budget & Treasury										
To implement sound financial management practices	Sustainable financial growth/Viability	98,858	111,996	128,458	39,702	59,430	59,430	47,233	50,003	52,987
Corporate Services										
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	53,239	22,109	40,771	39,326	38,652	38,652	37,865	40,085	42,476
Community Services										
Facilitate promotion of health and well being of communities	Improved social well being	44,130	48,634	55,374	71,741	79,148	79,148	105,457	111,539	118,087
Technical Services										
Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	90,924	103,323	183,344	165,483	165,729	165,729	185,027	194,326	204,881
Development Planning										
To provide a systematic intergrated spatial/land development policy. Increase regularisation of built environment	Intergrated human settlement	7,693	6,505	12,074	9,604	10,737	10,737	11,188	11,322	12,004
Executive Support										
Facilitate promotion of health and well being of communities	Improved social well being	–	25,347	16,881	12,767	16,063	16,063	15,539	16,503	17,544
Total Expenditure		337,613	369,091	496,076	386,388	431,132	431,132	471,306	496,844	525,438

Table 23 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Budget & Treasury										
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	-	-	-	-	-	-	500	-	-
Corporate Services										
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	2,579	1,148	1,508	500	1,300	1,300	1,700	1,400	1,400
Community Services										
Facilitate promotion of health and well being of communities	Improved social well being	214	3,701	181	900	900	900	3,522	-	11,896
Technical Services										
Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic serices	68,409	103,539	78,393	75,902	100,923	100,923	70,147	83,723	71,351
Development Planning										
To provide a sytematic intergrated spatial/land development policy. Increase regularisation of built environment	Intergrated human settlement	1,009	-	-	-	-	-	-	-	-
Executive Support										
Facilitate promotion of health and well being of communities	Improved social well being	-	-	583	-	-	-	-	-	-
Total Capital Expenditure		72,212	108,388	80,665	77,302	103,123	103,123	75,869	85,123	84,647

2.3 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 targets, 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:

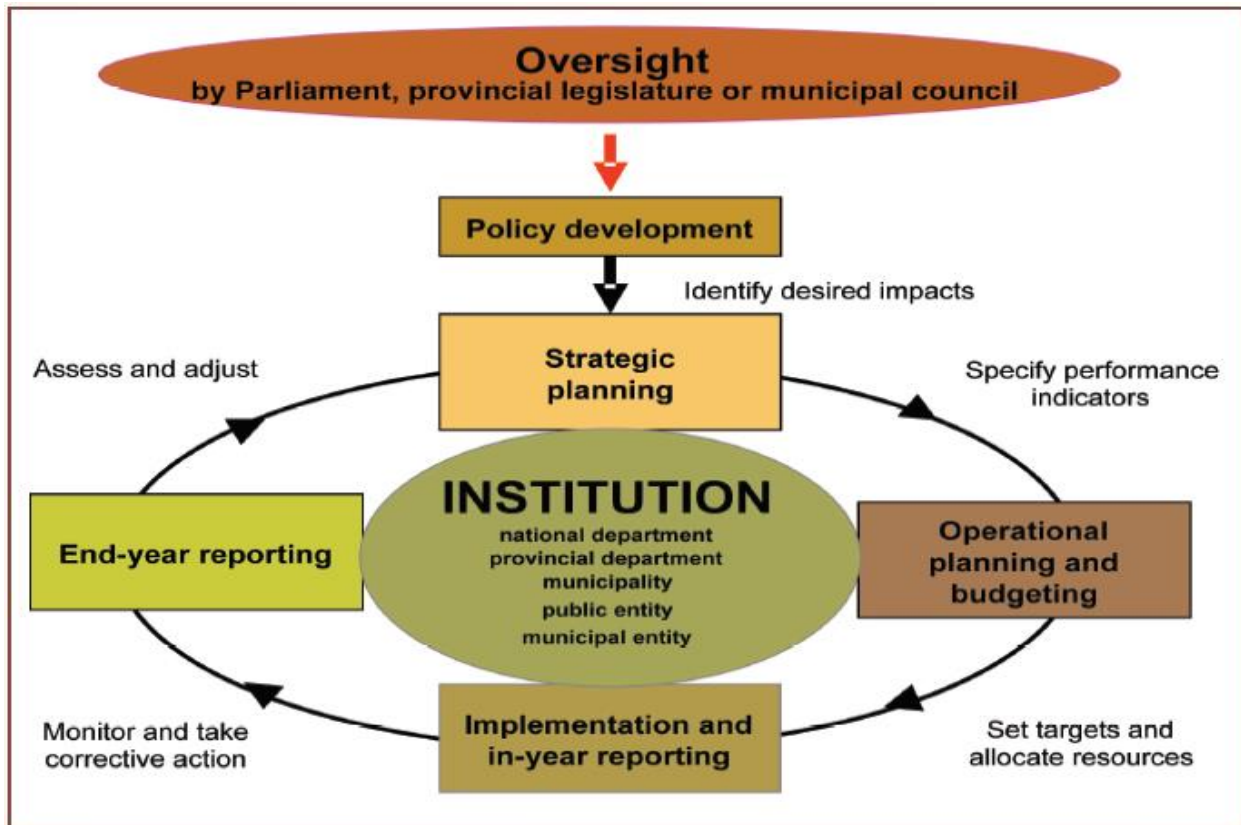


Figure 4 Planning, budgeting and reporting cycle

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:

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 24 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Vote 2 - Municipal Manager										
KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION										
Improved efficiency and effectiveness of the Municipal Administration	% of KPIs and projects attaining organisational targets (total organisation)	95%	95%	95%	95%	95%	95%	95%	95%	95%
Improved efficiency and effectiveness of the Municipal Administration	Final SDBIP approved by Mayor within 28 days after approval of Budget	1	1	1	1	1	1	1	1	1
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
To implement sound Financial management practices	% spend of the Total Operational Budget excluding non-cash items	95%	95%	96%	100%	100%	100%	100%	100%	100%
To implement sound Financial management practices	% of remuneration compared to total operating expenditure	34%	34%	36%	38%	38%	38%	37%	37%	37%
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
To strengthen participatory governance within the community	Number of final audited Annual Report submitted to Council on or before end of January	1	1	1	1	1	1	1	1	1
To strengthen participatory governance within the community	% of Council meetings resolutions implemented within the prescribed timeframe (3 months)	100%	100%	100%	100%	100%	100%	100%	100%	100%
To strengthen participatory governance within the community	Number Final IDP tabled and approved by Council by the 31 May	1	1	1	1	1	1	1	1	1
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
To create a culture of accountability and transparency	% of Auditor General matters resolved as per the approved audit action plan by 30 June 2018	100%	100%	100%	100%	100%	100%	100%	100%	100%
To create a culture of accountability and transparency	% execution of identified risk management plan within prescribed timeframes per quarter	100%	100%	100%	100%	100%	100%	100%	100%	100%
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
To facilitate economic growth and sustainable job creation	Number of Grant agreement signed between EMLM and dept. of public works stipulating the EPWP targets	1	1	1	1	1	1	1	1	1
Vote 3 - Budget and Treasury										
KPA 4 – BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
To provide free basic services to registered indigents	% of registered indigent households with access to free basic electricity services by 30 June (GKPI)	30%	33%	36%	60%	60%	60%	60%	60%	60%
To provide free basic services to registered indigents								200	200	200
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
To implement sound Financial management practices	Cost coverage ratio by the 30 June 2018 (GKPI)	2.01	2.01	2.01	4.01	4.01	4.01	4.01	4.01	4.01
To implement sound Financial management practices	% Collection Rate	82%	87%	86%	89%	89%	89%	89%	89%	89%
Number of assets verification reports submitted to municipal manager by 30 June		1	1	1	2	2	2	2	2	2
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
Compliance to MFMA legislation	Audited Annual Financial Statements (AFS) and Audit report submitted to council by 31 December	1	1	1	1	1	1	1	1	1
Compliance to MFMA legislation	Number of monthly SCM deviation reports submitted to municipal manager	12	12	12	15	15	15	20	20	20
Compliance to MFMA legislation	% Payment of creditors within 30 days	100%	100%	100%	100%	100%	100%	100%	100%	100%
Vote 4 - Corporate Services										
KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION										
To attract, develop and retain ethical and best human capital	Number of people from employment equity target groups employed in the three highest level of management in compliance with a municipality's approved employment equity plan (GKPI)	3	3	3	3	3	3	3	3	3
To attract, develop and retain ethical and best human capital	% of budget spent implementing the Workplace Skills Plan by the 30 June (GKPI)	80%	75%	71%	100%	100%	100%	100%	100%	100%
To attract, develop and retain ethical and best human capital	Number of organizational structure reviewed and aligned to the IDP and Budget by 30 June	1	1	1	1	1	1	1	1	1
Vote 5 - Community Services										
KPA 4 – BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
Reduction in the level of Service Delivery backlogs	% of households with access to a minimum level of basic waste removal by 30 June 2018 (once per week) (GKPI)	10%	11%	13%	17%	17%	17%	17%	17%	17%
To facilitate promotion of education upliftment within communities	Number of initiatives held to promote library facilities by 30 June	4	4	4	4	4	4	4	4	4
To ensure communities are contributing towards climate change and reduction of carbon footprint	Number of waste minimization projects initiated by 30 June (Environmental awareness programmes)	4	4	4	4	4	4	4	4	4
Increase the accessibility of emergency services to the community	Number of disaster awareness campaigns conducted by 30 June	4	4	4	4	4	4	4	4	4
Facilitate safe and secure neighborhoods	Number of community safety forum meeting held	4	4	4	4	4	4	4	4	4

Table 24 MBRR Table SA7 - Measurable performance objectives (continued)

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Vote 6 - Technical Services										
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
To facilitate economic growth and sustainable job creation	Number of additional jobs to be created using the Expanded Public Works Programme guidelines and other municipal programmes	451	460	465	630	630	630	650	650	650
To facilitate economic growth and sustainable job creation	% development of lighting master plan	80%	80%	80%	100%	100%	100%	100%	100%	100%
To facilitate economic growth and sustainable job creation	Number of additional households living in formal areas provided with electricity connections	0	0	0	1000	1000	1000	1000	1000	1000
To facilitate economic growth and sustainable job creation	Kilometers of new paved roads to be built kilometers of roads resurfaced/rehabilitated/resealed	2	2	4	8	8	8	10	10	10
To facilitate economic growth and sustainable job creation	% Development of roads master plan and maintenance plan	0%	0%	0%	100%	100%	100%	100%	100%	100%
To facilitate economic growth and sustainable job creation	% Roads signs, main holes, temporary bridges and sign boards	100%	100%	100%	100%	100%	100%	100%	100%	100%
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
Reduction in the level of Service Delivery backlogs	% Development of capital project implementation plan submitted to municipal manager for approval by 30 June 2018	100%	100%	100%	100%	100%	100%	100%	100%	100%
Reduction in the level of Service Delivery backlogs	% Spending on MIG funding by the 30 June	100%	100%	75%	100%	100%	100%	100%	100%	100%
Reduction in the level of Service Delivery backlogs	% Spending on INEP funding by the 30 June	100%	100%	98%	100%	100%	100%	100%	100%	100%
Vote 8 - Development Planning										
KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE										
To provide a systematic integrated spatial / land development policy	Number of informal settlements targeted for upgrading	1	2	5	1	3	3	3	3	3
To provide a systematic integrated spatial / land development policy	% Development of a Spatial Development Framework	100%	100%	100%	100%	100%	100%	100%	100%	100%
To provide a systematic integrated spatial / land development policy	% of Site demarcation projects completed	100%	100%	100%	100%	100%	100%	100%	100%	100%
To provide a systematic integrated spatial / land development policy	% projects implemented based on SPLUMA	100%	100%	100%	100%	100%	100%	100%	100%	100%
To provide a systematic integrated spatial / land development policy	% of land use applications received and processed within 90 days	100%	100%	100%	100%	100%	100%	100%	100%	100%
Increase regularisation of built environment	% of new building plans of less than 500 square metres assessed within 10 days of receipt of plans	100%	100%	100%	100%	100%	100%	100%	100%	100%
Increase regularisation of built environment	% of new building plans of more than 500 square meters assessed within 28 days of receipt of plans	100%	100%	100%	100%	100%	100%	100%	100%	100%
Increase regularisation of built environment	% of inspections conducted on building construction with an approved plan to ensure compliance with National Building Regulations and Building Standards	100%	100%	100%	100%	100%	100%	100%	100%	100%
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
To facilitate economic growth and sustainable job creation	Number of job opportunities provided through EPWP grant by 30 June	30	34	35	70	70	70	100	120	140
To facilitate economic growth and sustainable job creation	Number of networking events held by 30 June	1	1	1	2	2	2	2	2	2
To facilitate economic growth and sustainable job creation	Number of SMME's and Co-operatives capacity building workshops held by 30 June	4	4	4	4	4	4	4	4	4
To facilitate economic growth and sustainable job creation	Number of Review of LED Strategy	1	1	1	1	1	1	1	1	1
Vote 9 - Executive Support										
KPA 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
Facilitate promotion of health and well-being of communities	Number of Transversal programmes implemented in terms of mainstreaming with respect to HIV/AIDS, Gender, Disabled, Woman and Children Rights by the 30 June	1	1	2	4	4	4	4	4	4
To strengthen participatory governance within the community	Number of quarterly reports submitted to Council in terms of items raised during public participation; within the mandate of Council, that are processed and resolved within (3) months	1	1	2	4	4	4	4	4	4
Public Participation	Number of Community Satisfaction Surveys conducted by the 30 June	1	1	1	1	1	1	1	1	1
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
To create a culture of accountability and transparency	Number of MPAC quarterly reports submitted to council	4	4	4	4	4	4	4	4	4
Facilitates promotion of health and well-being of communities	Number of Mayor's outreach projects initiated by 30 June	2	2	2	2	2	2	2	2	2
Facilitates promotion of health and well-being of communities	Number of Speaker's outreach projects initiated by 30 June	2	2	2	2	2	2	2	2	2
Facilitates promotion of health and well-being of communities	number of MPAC outreach projects initiated by 30 June	1	1	1	1	1	1	1	1	1

Table 25 MBRR Table SA10 – Funding measurement

Description	MFMA section	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	24,967	11,965	20,944	32,968	15,968	15,968	41,116	18,039	22,972	40,015
Cash + investments at the yr end less applications - R'000	18(1)b	1,367	(16,310)	(25,013)	25,563	4,792	4,792	24,182	18,186	29,682	42,995
Cash year end/monthly employee/supplier payments	18(1)b	1.25	0.54	0.76	1.38	0.58	0.58	2.00	0.59	0.71	1.18
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(2,627)	38,400	(36,060)	76,495	104,961	104,961	121,506	69,307	86,253	99,678
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A.	10.23%	7.03%	6.83%	3.75%	-6.00%	-29.82%	2.28%	0.43%	0.64%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	80.85%	70.42%	57.17%	72.63%	60.07%	60.07%	79.24%	59.84%	60.02%	60.21%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	14.48%	8.92%	20.50%	22.68%	20.66%	20.66%	0.00%	38.66%	38.28%	37.87%
Capital payments % of capital expenditure	18(1)c;19	97.45%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grants % of Govt. legislated/gazetted allocations	18(1)a								100.00%	100.00%	100.00%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	-15.40%	48.40%	12.60%	2.80%	0.00%	35.40%	35.30%	27.80%	2.00%
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
R&M % of Property Plant & Equipment	20(1)(vi)	1.51%	1.07%	1.10%	1.18%	1.33%	1.33%	1.77%	1.77%	1.80%	1.84%
Asset renewal % of capital budget	20(1)(vi)	25.82%	27.85%	50.36%	50.42%	41.13%	41.13%	0.00%	44.91%	43.59%	16.44%
Supporting indicators											
% incr total service charges (incl prop rates)	18(1)a		16.23%	13.03%	12.83%	9.75%	0.00%	-23.82%	8.28%	6.43%	6.64%
% incr Property Tax	18(1)a		16.21%	15.27%	2.55%	31.48%	0.00%	-18.03%	5.30%	5.40%	5.50%
% incr Service charges - electricity revenue	18(1)a		16.89%	8.66%	14.79%	0.00%	0.00%	-25.38%	9.96%	7.00%	7.25%
% incr Service charges - water revenue	18(1)a		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% incr Service charges - sanitation revenue	18(1)a		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% incr Service charges - refuse revenue	18(1)a		5.75%	76.62%	32.43%	34.82%	0.00%	-30.28%	5.45%	5.40%	5.50%
% incr in Service charges - other	18(1)a		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total billable revenue											
Total billable revenue	18(1)a	78,450	91,183	103,065	116,294	127,627	127,627	97,225	138,196	147,088	156,849
Service charges		78,450	91,183	103,065	116,294	127,627	127,627	97,225	138,196	147,088	156,849
Property rates		19,271	22,395	25,815	26,472	34,805	34,805	28,531	36,650	38,629	40,754
Service charges - electricity revenue		55,695	65,104	70,745	81,206	81,206	81,206	60,595	89,297	95,548	102,476
Service charges - refuse removal		3,483	3,684	6,506	8,616	11,616	11,616	8,098	12,249	12,910	13,620
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1,889	2,213	1,319	1,935	1,000	1,000	541	1,220	1,286	1,357
Capital expenditure excluding capital grant funding		20,750	31,200	11,770	15,144	22,992	22,992	9,910	20,365	26,235	23,139
Cash receipts from ratepayers	18(1)a	81,994	77,010	100,101	117,771	129,798	129,798	101,649	136,734	145,404	154,906
Ratepayer & Other revenue	18(1)a	101,412	109,360	175,091	162,158	216,081	216,081	128,283	228,505	242,274	257,271
Change in consumer debtors (current and non-current)		(5,561)	(7,764)	20,701	7,975	9,975	9,975	35,944	27,960	27,662	2,492
Operating and Capital Grant Revenue	18(1)a	229,608	293,840	282,035	297,023	317,512	317,512	279,031	309,108	337,661	364,509
Capital expenditure - total	20(1)(vi)	72,212	108,388	80,665	77,302	103,123	103,123	77,564	75,869	85,123	84,647
Capital expenditure - renewal	20(1)(vi)	18,642	30,190	40,622	38,974	42,414	42,414		34,071	37,105	13,913
Supporting benchmarks											
Growth guideline maximum		0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
CPI guideline		0.043	0.039	0.046	0.05	0.05	0.05	0.05	0.054	0.056	0.054
DoRA operating grants total MFY									245,278	269,940	293,775
DoRA capital grants total MFY									63,830	67,721	70,734
Provincial operating grants									-	-	-
Provincial capital grants									-	-	-
District Municipality grants									-	-	-
Total gazetted/advised national, provincial and district grants									309,108	337,661	364,509
Average annual collection rate (arrear inclusive)											

Table 25 MBRR Table SA10 – Funding measurement (continued)

Description	MFMA section	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures											
DoRA operating											
Local Government Equitable Share									237,506	262,705	286,108
Finance Management									1,770	2,235	2,667
EPWP Incentive									1,002	–	–
Energy Efficiency and Demand Side Management									5,000	5,000	5,000
Total DoRA Operating									245,278	269,940	293,775
DoRA capital											
Municipal Infrastructure Grant (MIG)									53,832	54,921	57,934
Intergrated National Electrification Grant									9,998	12,800	12,800
Total DoRA Capital									63,830	67,721	70,734
Trend											
Change in consumer debtors (current and non-current)		(5,561)	(7,764)	20,701	35,944	27,960	27,662	2,492	–	–	–
Total Operating Revenue		276,019	330,303	391,085	392,023	444,744	444,744	341,344	476,783	515,376	554,382
Total Operating Expenditure		337,613	369,091	496,076	386,388	431,132	431,132	287,604	471,306	496,844	525,438
Operating Performance Surplus/(Deficit)		(61,594)	(38,788)	(104,990)	5,635	13,612	13,612	53,740	5,477	18,532	28,944
Cash and Cash Equivalents (30 June 2012)									18,039		
Revenue											
% Increase in Total Operating Revenue			19.67%	18.40%	0.24%	13.45%	0.00%	-23.25%	7.20%	8.09%	7.57%
% Increase in Property Rates Revenue			16.21%	15.27%	2.55%	31.48%	0.00%	-18.03%	5.30%	5.40%	5.50%
% Increase in Electricity Revenue			16.89%	8.66%	14.79%	0.00%	0.00%	-25.38%	9.96%	7.00%	7.25%
% Increase in Property Rates & Services Charges			16.23%	13.03%	12.83%	9.75%	0.00%	-23.82%	8.28%	6.43%	6.64%
Expenditure											
% Increase in Total Operating Expenditure			9.32%	34.40%	-22.11%	11.58%	0.00%	-33.29%	9.32%	5.42%	5.76%
% Increase in Employee Costs			9.23%	5.02%	4.82%	2.14%	0.00%	-12.40%	6.38%	6.39%	6.50%
% Increase in Electricity Bulk Purchases			16.41%	8.89%	5.23%	1.45%	0.00%	-25.39%	14.02%	5.40%	5.50%
Average Cost Per Budgeted Employee Position				291,536	309,424				320,930		
Average Cost Per Councillor (Remuneration)				338,298	362,505				410,990		
R&M % of PPE	1.50%	1.10%	1.10%	1.20%	1.30%	1.30%			1.80%	1.80%	1.80%
Asset Renewal and R&M as a % of PPE	4.00%	4.00%	5.00%	5.00%	6.00%	6.00%			5.00%	5.00%	5.00%
Debt Impairment % of Total Billable Revenue	14.48%	8.92%	20.50%	22.68%	20.66%	20.66%	0.00%		38.66%	38.28%	37.87%
Capital Revenue											
Internally Funded & Other (R'000)		20,750	31,200	11,770	15,144	22,992	22,992	9,910	20,365	26,235	23,139
Borrowing (R'000)		–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)		51,462	77,188	68,895	62,158	80,131	80,131	67,654	55,504	58,888	61,508
Internally Generated funds % of Non Grant Funding		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Borrowing % of Non Grant Funding		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grant Funding % of Total Funding		71.27%	71.21%	85.41%	80.41%	77.70%	77.70%	87.22%	73.16%	69.18%	72.66%
Capital Expenditure											
Total Capital Programme (R'000)		72,212	108,388	80,665	77,302	103,123	103,123	77,564	75,869	85,123	84,647
Asset Renewal		18,642	30,190	40,622	38,974	42,414	42,414	–	34,071	37,105	13,913
Asset Renewal % of Total Capital Expenditure		25.82%	27.85%	50.36%	50.42%	41.13%	41.13%	0.00%	44.91%	43.59%	16.44%
Cash											
Cash Receipts % of Rate Payer & Other		80.85%	70.42%	57.17%	72.63%	60.07%	60.07%	79.24%	59.84%	60.02%	60.21%
Cash Coverage Ratio		1.25	0.54	0.76	1.38	0.58	0.58	2.00	0.59	0.71	1.18
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		0.00%	1.94%	1.93%	3.04%	2.49%	2.49%	2.13%	2.65%	3.28%	3.55%
Borrowing Receipts % of Capital Expenditure		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Reserves											
Surplus/(Deficit)		1,367	(16,310)	(25,013)	25,563	4,792	4,792	24,182	18,186	29,682	42,995
Free Services											
Free Basic Services as a % of Equitable Share		0.41%	0.38%	0.34%	0.90%	0.90%	0.90%		0.00%	0.00%	0.00%
Free Services as a % of Operating Revenue (excl transfers)		16.89%	4.61%	4.81%	4.94%	3.75%	3.75%		3.94%	3.91%	3.89%
High Level Outcome of Funding Compliance											
Total Operating Revenue		276,019	330,303	391,085	392,023	444,744	444,744	341,344	476,783	515,376	554,382
Total Operating Expenditure		337,613	369,091	496,076	386,388	431,132	431,132	287,604	471,306	496,844	525,438
Surplus/(Deficit) Budgeted Operating Statement		(61,594)	(38,788)	(104,990)	5,635	13,612	13,612	53,740	5,477	18,532	28,944
Surplus/(Deficit) Considering Reserves and Cash Backing		1,367	(16,310)	(25,013)	25,563	4,792	4,792	24,182	18,186	29,682	42,995
MTREF Funded (1) / Unfunded (0)		1	–	–	1	1	1	1	1	1	1
MTREF Funded ü / Unfunded ü		✓	×	×	✓	✓	✓	✓	✓	✓	✓

Table 26 MBRR Table SA11 – Property rates summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Valuation:										
Date of valuation:	1/7/2014	1/7/2015	1/7/2016	1/7/2017						
Financial year valuation used	2012-16	2012-16	2012-16	2017-18						
Municipal by-laws s6 in place? (Y/N)	Yes	Yes	Yes	Yes				Yes		
Municipal/assistant valuer appointed? (Y/N)	No	No	No	No				No		
Municipal partnership s38 used? (Y/N)	No	No	No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	-	-	-	-	-	-	-	-	-	-
No. of data collectors (FTE)	1	-	1	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)	No	No	No	No						
Implementation time of new valuation roll (mths)	24	12	12	12				12		
No. of properties	25786	30455								
No. of supplementary valuations	86	1	1	-	-	-	1	1	1	
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	
No. of objections by rate payers	111	-	-	-	-	-	-	-	-	
No. of appeals by rate payers	69	-	-	-	-	-	-	-	-	
No. of successful objections	42	-	-	-	-	-	-	-	-	
No. of successful objections > 10%	38	-	-	-	-	-	-	-	-	
Supplementary valuation	1	1	1	-	-	-	1	1	1	
Public service infrastructure value (Rm)	793,185	800,000								
Municipality owned property value (Rm)	140,000	165,000								
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)	-	-								
Valuation reductions-nature reserves/park (Rm)	-	-								
Valuation reductions-mineral rights (Rm)	-	-								
Valuation reductions-R15,000 threshold (Rm)	386,790	386,790								
Valuation reductions-public worship (Rm)	-	-								
Valuation reductions-other (Rm)	386,790	200,000								
Total valuation reductions:	773,580	586,790	-	-	-	-	-	-	-	
Total value used for rating (Rm)	18,463,652	18,463,652								
Total land value (Rm)	-	-	-	-	-	-	-	-	-	
Total value of improvements (Rm)	-	-	-	-	-	-	-	-	-	
Total market value (Rm)	18,463,652	18,463,652								
Rating:										
Residential rate used to determine rate for other categories? (Y/N)	No	No	No	No				No		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes				Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No	No	No	No	No	No	
Special rating area used? (Y/N)	No	No	No	No				No		
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes				Yes		
Fixed amount minimum value (R'000)	30000	30000	30000	30000				30000		
Non-residential prescribed ratio s19? (%)	0	0	0	0				0		
Rate revenue:										
Rate revenue budget (R'000)	19,271	22,395	25,815	26,472	34,805	34,805	35,888	37,826	39,906	
Rate revenue expected to collect (R'000)	15,271	16,908	20,966	21,177	26,104	26,104	27,993	29,504	31,127	
Expected cash collection rate (%)	79.24%	75.50%	81.22%	80.00%	75.00%	75.00%	78.00%	78.00%	78.00%	
Special rating areas (R'000)	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - indigent (R'000)	2,250	2,250								
Rebates, exemptions - pensioners (R'000)	155	200								
Rebates, exemptions - bona fide farm. (R'000)	2,924	-	-	-	-	-	-	-	-	
Total rebates, exemptns, reductns, discs (R'000)	5,329	2,450	-	-	-	-	-	-	-	

Table 27 MBRR Table SA12a – Property rates by Category: Current year

Description	Residential	Industrial	Bus. & Comm.	Farm properties	State-owned	Muni properties	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2017/18																
Valuation:																
No. of properties	15,052	37	407	53	1,011	2,066	56	-	-	-	-	-	-	-	21	-
No. of sectional title property values	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)	<1	<1	<1	<1	<1	<1	<1								<1	
Frequency of valuation (select)	5	5	5	5	5	5	5									5
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market								Market	
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.								Land & impr.	
Phasing-in properties s21 (number)	0	0	0	0	0	0	0								0	
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes								Yes	
Flat rate used? (Y/N)	No	No	No	No	No	No	No								No	
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable								Variable	
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30,000
Valuation reductions-nature reserves/park (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30,000
Valuation reductions-mineral rights (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30,000
Valuation reductions-R15,000 threshold (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30,000
Valuation reductions-public worship (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30,000
Valuation reductions-other (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30,000
Total valuation reductions:																
Total value used for rating (Rm)	3,341,309	77,105	712,838	17,600	325,268	156,983	1,595								11,860	-
Total land value (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30,000
Total value of improvements (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30,000
Total market value (Rm)	3,341,309	77,105	712,838	17,600	325,268	156,983	1,595								11,860	-
Rating:																
Average rate	0	0	0	0	0	-	0	-	-	-	-	-	-	-	0	-
Rate revenue budget (R'000)																
Rate revenue expected to collect (R'000)	119	1	6	0	8	-	0	-	-	-	-	-	-	-	0	-
Expected cash collection rate (%)	1	1	1	1	1	-	1	-	-	-	-	-	-	-	1	-

Table 28 MBRR Table SA12b – Property rates by Category: Budget year

Description	Residential	Industrial	Bus. & Comm.	Farm properties	State-owned	Muni properties	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2018/19																
Valuation:																
No. of properties	15,052.00	37.00	407.00	53.00	1,011.00	2,066.00	56.00	-	-	-	-	-	-	-	21.00	-
No. of sectional title property values	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)	<1	<1	<1	<1	<1	<1	<1								<1	
Frequency of valuation (select)	5	5	5	5	5	5	5									5
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market								Market	
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.								Land & impr.	
Phasing-in properties s21 (number)	0	0	0	0	0	0	0								0	
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes								Yes	
Flat rate used? (Y/N)	No	No	No	No	No	No	No								No	
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable								Variable	
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	30	30	30	30	30	30	30									30
Valuation reductions-nature reserves/park (Rm)	30	30	30	30	30	30	30									30
Valuation reductions-mineral rights (Rm)	30	30	30	30	30	30	30									30
Valuation reductions-R15,000 threshold (Rm)	30	30	30	30	30	30	30									30
Valuation reductions-public worship (Rm)	30	30	30	30	30	30	30									30
Valuation reductions-other (Rm)	30	30	30	30	30	30	30									30
Total valuation reductions:																
Total value used for rating (Rm)	3,341,309	77,105	712,838	17,600	325,268	156,983	1,595								11,860	-
Total land value (Rm)	-															
Total value of improvements (Rm)	-															
Total market value (Rm)	3,341,309	77,105	712,838	17,600	325,268	156,983	1,595								11,860	-
Rating:																
Average rate	0.01	0.02	0.02	0.00	0.01	-	0.00								0.00	-
Rate revenue budget (R'000)																
Rate revenue expected to collect (R'000)	0	0	0	0	0	-	0	-	-	-	-	-	-	-	0	-
Expected cash collection rate (%)	85.00%	68.00%	68.00%	85.00%	100.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%

2.3.1 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty in paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

For the 2018/19 financial year registered indigents have been provided for in the budget and the indigent-base is expected to steadily increase in the MTREF period. In terms of the Municipality's indigent policy registered households are entitled to 50 kwh of electricity, free waste removal, as well as special property rates rebates. Special discount on property rates will also be given to pensioners.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in MBRR A10 (Basic Service Delivery Measurement) on.

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in the past is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money, there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2018/19 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 87 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Policy

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2007 and the policy has been getting reviewed on annual basis and the changes made now are incorporated and presented in the resolutions paragraph.

2.4.5 Budget Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in the past and is getting reviewed every financial year in respect of both Operating and Capital Budget Fund Transfers.

2.4.6 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was amended by Council in February 2013. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalent required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.7 Tariff Policies

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation.

All the above policies are available on the municipality's website, as well as the following budget related policies:

- Basic Social Services Package (Indigent Policy), and
- Petty Cash Policy

2.5 Overview of budget assumptions

External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2018/19 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is budgeted as a percentage (87%) of annual billings. Cash flow is assumed to be 87 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate. In addition, the following are some of the assumptions that have direct impact on debtors and collection rate as well revenue generation:

- Property rates – collection rate 78%
- Service charge electricity - collection rate 88%
- Service charge refuse removal - collection rate 74%
- Rental on facilities - collection rate 50%
- Traffic fines – 13%
- Interest on outstanding debtors - collection rate 20%

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

Salary increases

MFMA circular 89 and 91 did not stipulate the salary increase projection and as a result, the Facilitator's proposal on salary and wage collective agreement was used. The Facilitator proposed the salary increase to be as follows:

- 2018/19 – 7%
- 2019/20 – CPI plus 1.5%
- 2020/21 – CPI plus 1.25%

Comparing the increase from 2017/18 financial year to 2018/19 financial year, the movement is slightly lower than the assumed salary increase percentage and this is due to other municipal officials who are on fixed term contract and these employees do not get annual salary increase nor notch adjustment and same applies to outer years.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 95% will be achieved on operating expenditure and 100% on the capital programme for the 2018/19 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term and presents operating surplus of R5, 477 million in 2018/19 that is not relatively enough.

Table 29 Breakdown of the operating revenue over the medium-term

Description	Budget		Budget		Budget	
	Year 2018/19	%	Year +1 2019/20	%	Year +2 2020/21	%
Revenue By Source						
Property rates	36,650	7.7%	38,629	7.5%	40,754	7.4%
Service charges	101,546	21.3%	108,458	21.0%	116,096	20.9%
Transfers and subsidies	245,278	51.4%	269,940	52.4%	293,775	53.0%
Other revenue	93,309	19.6%	98,348	19.1%	103,757	18.7%
Total Revenue (excluding capital transf)	476,783	100.0%	515,376	100.0%	554,382	100.0%
Total Expenditure	471,306		496,844		525,438	
Surplus/(Deficit)	5,477		18,532		28,944	

The following graph is a breakdown of the operational revenue per main category for the 2018/19 Financial year

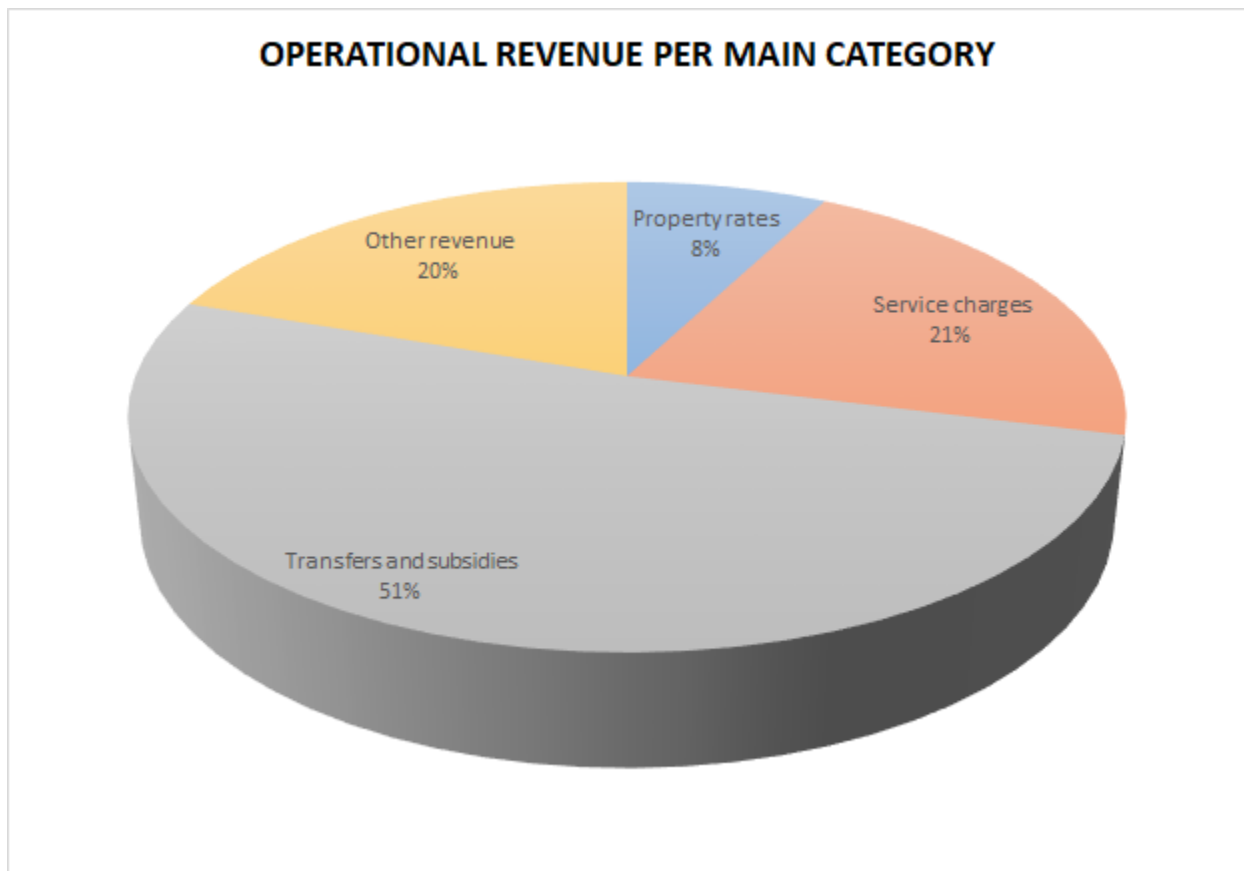


Figure 5 Breakdown of operating revenue over the 2018/19 MTREF

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 the provision of goods and services such as electricity and solid waste removal, property rates, operating and capital grants from organs of state 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 municipality and economic development;

- Revenue management and enhancement;
- Achievement of a 87 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- 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.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2018/19 MTREF on the different revenue categories are:

Table 30 Proposed tariff increases over the medium-term

Description	Tariff Increase	Tariff Increase	Tariff Increase	Additional Revenue	Additional Revenue	Additional Revenue
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Revenue By Source						
Property rates	5.30%	5.40%	5.50%	1,942	2,086	2,241
Service charge - Electricity	6.40%	7.00%	7.25%	5,715	6,688	7,429
Service charge - Refuse Removal	5.30%	5.40%	5.50%	649	697	749

Table 31 MBRR SA15 – Detail Investment Information

Investment type	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Securities - National Government	-	-	-	-	-	-	-	-	-
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	23,764	6,899	15,657	28,568	11,568	11,568	15,582	21,800	25,000
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-
Total	23,764	6,899	15,657	28,568	11,568	11,568	15,582	21,800	25,000

Table 32 MBRR SA16 – Investment particulars by maturity

Investments	Period of Investment	Type of Investment	Variable or Fixed	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest	Withdrawal	Additions	Closing Balance
Quotation-based	Months	Short term	Variable	7.66%	-	-	8/30/2018	11,294	393	(42,893)	31,206	-
Quotation-based	Months	Short term	Variable	6.60%	-	-	10/30/2018	-	664	(41,444)	40,780	-
Quotation-based	Months	Short term	Variable	7.45%	-	-	1/31/2019	-	735	(40,735)	40,000	-
Quotation-based	Months	Short term	Variable	7.60%	-	-	3/30/2019	-	500	(40,500)	40,000	-
Quotation-based	Months	Short term	Variable	8.25%	-	-	5/31/2019	-	475	(35,475)	35,000	-
Quotation-based	Months	Short term	Variable	7.50%	-	-	6/30/2019	-	234	(22,653)	38,000	15,582
Total								11,294	3,000	(223,698)	224,986	15,582

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted actual surplus of R69, 307 million, R86, 253 million and R99, 678 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2018/19 medium-term capital programme:

Table 33 Sources of capital revenue over the MTREF

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funded by:										
National Government	51,462	77,188	68,895	62,158	80,131	80,131	67,654	55,504	58,888	61,508
Provincial Government										
District Municipality										
Other transfers and grants										
Transfers recognised - capital	51,462	77,188	68,895	62,158	80,131	80,131	67,654	55,504	58,888	61,508
Public contributions & donations										
Borrowing										
Internally generated funds	20,750	31,200	11,770	15,144	22,992	22,992	9,910	20,365	26,235	23,139
Total Capital Funding	72,212	108,388	80,665	77,302	103,123	103,123	77,564	75,869	85,123	84,647

The above table is graphically represented as follows for the 2018/19 financial year.

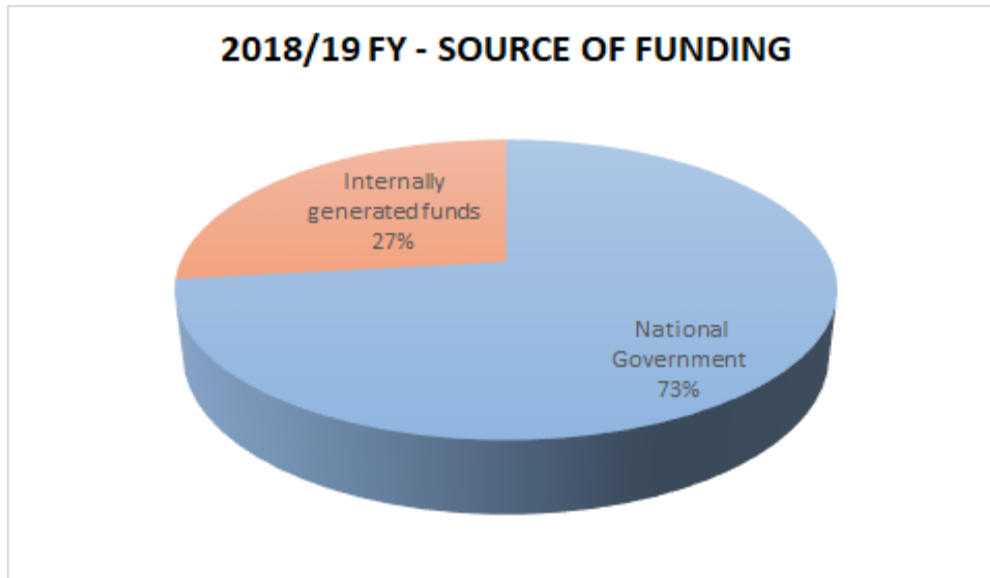


Figure 6 Breakdown of the source of funding for 2018/19 MTREF

Capital grants and receipts equate to 73% of the total funding source which represents R55, 504 million for the 2018/19 financial year and increases to R58, 888 million and R61, 508 million in 2019/20 and 2020/21 financial years respectively. Only 27% of capital budgets is funded from internally generated revenue.

Table 34 MBRR SA17 - Borrowing

Borrowing - Categorized by type	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Annuity and Bullet Loans									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases	-	11,520	6,900	16,500	19,500	19,500	33,677	15,677	-
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Total	-	11,520	-	16,500	19,500	19,500	33,677	15,677	-

2.7 Expenditure on grants and reconciliation of unspent funds

Table 35 MBRR SA18 - Transfers and Grants Receipts

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:									
Operating Transfers and Grants									
National Government:	170,641	216,641	213,105	226,163	226,163	226,163	245,278	269,940	293,775
Local Government Equitable Share	166,920	212,948	210,385	223,019	223,019	223,019	237,506	262,705	286,108
Finance Management	1,600	1,600	1,625	1,700	1,700	1,700	1,770	2,235	2,667
Municipal Systems Improvement	934	930	-	-	-	-	-	-	-
EPWP Incentive	1,187	1,163	1,095	1,444	1,444	1,444	1,002	-	-
Energy Efficiency and Demand Side Management							5,000	5,000	5,000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Operating Transfers and Grants	170,641	216,641	213,105	226,163	226,163	226,163	245,278	269,940	293,775
Capital Transfers and Grants									
National Government:	65,840	63,102	85,419	70,860	91,349	91,349	63,830	67,721	70,734
Municipal Infrastructure Grant (MIG)	62,961	53,102	72,419	55,860	76,160	76,160	53,832	54,921	57,934
Intergrated National Electrification Grant	2,879	10,000	13,000	15,000	15,189	15,189	9,998	12,800	12,800
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	65,840	63,102	85,419	70,860	91,349	91,349	63,830	67,721	70,734
TOTAL RECEIPTS OF TRANSFERS & GRANTS	236,481	279,743	298,524	297,023	317,512	317,512	309,108	337,661	364,509

Table 36 MBRR SA19 - Expenditure on transfers and grants expenditure

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:									
Operating Transfers and Grants									
National Government:	170,641	216,641	213,105	226,163	226,163	226,163	245,278	269,940	293,775
Local Government Equitable Share	166,920	212,948	210,385	223,019	223,019	223,019	237,506	262,705	286,108
Finance Management	1,600	1,600	1,625	1,700	1,700	1,700	1,770	2,235	2,667
Municipal Systems Improvement	934	930	-	-	-	-	-	-	-
EPWP Incentive	1,187	1,163	1,095	1,444	1,444	1,444	1,002	-	-
Energy Efficiency and Demand Side Management	-	-	-	-	-	-	5,000	5,000	5,000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	170,641	216,641	213,105	226,163	226,163	226,163	245,278	269,940	293,775
Capital Transfers and Grants									
National Government:	65,840	63,102	85,419	70,860	91,349	91,349	63,830	67,721	70,734
Municipal Infrastructure Grant (MIG)	62,961	53,102	72,419	55,860	76,160	76,160	53,832	54,921	57,934
Intergrated National Electrification Grant	2,879	10,000	13,000	15,000	15,189	15,189	9,998	12,800	12,800
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	65,840	63,102	85,419	70,860	91,349	91,349	63,830	67,721	70,734
TOTAL RECEIPTS OF TRANSFERS & GRANTS	236,481	279,743	298,524	297,023	317,512	317,512	309,108	337,661	364,509

Table 37 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	170,641	216,652	213,105	226,163	226,163	226,163	245,278	269,940	293,775
Conditions met - transferred to revenue	170,641	216,652	213,105	226,163	226,163	226,163	245,278	269,940	293,775
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Provincial Government:									
N/A	-	-	-	-	-	-	-	-	-
District Municipality:									
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:									
N/A	-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue	170,641	216,652	213,105	226,163	226,163	226,163	245,278	269,940	293,775
Total operating transfers and grants - CTBM	-	-	-	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	14,378	-	-	16,545	-	-	-	-
Current year receipts	65,840	62,810	85,419	62,158	63,586	80,131	55,504	58,888	61,508
Conditions met - transferred to revenue	51,462	77,188	68,895	62,158	80,131	80,131	55,504	58,888	61,508
Conditions still to be met - transferred to liabilities	14,378	-	16,524	-	-	-	-	-	-
Provincial Government:									
N/A	-	-	-	-	-	-	-	-	-
District Municipality:									
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:									
N/A	-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue	51,462	77,188	68,895	62,158	80,131	80,131	55,504	58,888	61,508
Total capital transfers and grants - CTBM	14,378	-	16,524	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	222,103	293,840	282,000	288,321	306,294	306,294	300,782	328,828	355,283
TOTAL TRANSFERS AND GRANTS - CTBM	14,378	-	16,524	-	-	-	-	-	-

Table 38 MBRR SA21 – Transfers and Grants made by the municipality

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Groups of Individuals										
Free Basic Electricity	678	313	708	2,000	2,000	2,000	3,940	2,224	2,344	2,473
Retirement Benefit	953	848	-	1,511	1,511	1,511	848	1,680	1,771	1,868
External Bursaries	200	118	-	213	213	213	184	500	527	556
Total Non-Cash Grants To Groups Of Individuals:	1,832	1,279	708	3,724	3,724	3,724	4,972	4,404	4,642	4,897
TOTAL NON-CASH TRANSFERS AND GRANTS	1,832	1,279	708	3,724	3,724	3,724	4,972	4,404	4,642	4,897
TOTAL TRANSFERS AND GRANTS	1,832	1,279	708	3,724	3,724	3,724	4,972	4,404	4,642	4,897

Table 38 presents the transfers and grants to be paid out by the municipality and figures presented in the 2018/19 MTREF pertains to bursaries to be awarded to the deserving students residing within the area of jurisdiction of Elias Motsoaledi local municipality, medical aid contributions to designated former employees of the municipality, and lastly, free basic electricity given to registered indigents.

2.8 Councilors and employees benefits

Table 39 MBRR SA22 – Summary of councilor and benefits

Summary of Employee and Councillor remuneration	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	12,196	11,508	12,363	14,748	14,757	14,757	15,073	16,037	17,080
Pension and UIF Contributions	1,047	987	1,691	1,670	1,670	1,670	1,857	1,976	2,105
Medical Aid Contributions	252	306	250	285	285	285	317	338	360
Motor Vehicle Allowance	4,030	3,640	4,672	4,788	4,788	4,788	5,324	5,665	6,033
Cellphone Allowance	–	1,615	1,146	612	1,930	1,930	2,489	2,648	2,820
Other benefits and allowances	381	1,005	–	9	(0)	(0)	10	11	11
Sub Total - Councillors	17,905	19,061	20,122	22,113	23,430	23,430	25,070	26,675	28,409
% increase		6%	6%	10%	6%	0%	7%	6%	6%
Senior Managers of the Municipality									
Basic Salaries and Wages	3,106	4,473	5,416	4,745	4,325	4,325	4,718	5,020	5,346
Pension and UIF Contributions	209	352	317	1,021	921	921	1,095	1,165	1,241
Medical Aid Contributions	–	169	6	228	198	198	252	268	286
Motor Vehicle Allowance	566	718	457	840	815	815	907	965	1,028
Cellphone Allowance	–	–	5	14	59	59	84	89	95
Other benefits and allowances	54	283	130	75	292	292	81	86	92
Payments in lieu of leave	–	–	–	–	165	165	–	–	–
Sub Total - Senior Managers of Municipality	3,936	5,994	6,331	6,923	6,775	6,775	7,137	7,594	8,088
% increase		52%	6%	9%	-2%	0%	5%	6%	6%
Other Municipal Staff									
Basic Salaries and Wages	58,199	66,719	68,064	78,939	74,581	74,581	85,022	90,463	96,343
Pension and UIF Contributions	11,194	12,228	14,452	14,523	16,183	16,183	16,149	17,183	18,300
Medical Aid Contributions	2,949	3,565	4,235	4,340	5,059	5,059	4,826	5,134	5,468
Overtime	1,473	2,589	2,835	1,595	2,784	2,784	1,774	1,887	2,010
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	4,994	5,437	7,995	8,062	9,481	9,481	8,965	9,539	10,159
Cellphone Allowance	–	–	116	636	835	835	986	1,039	1,106
Housing Allowances	95	137	152	145	214	214	161	171	182
Other benefits and allowances	9,713	12,594	7,651	7,333	8,499	8,499	8,057	8,572	9,130
Payments in lieu of leave	1,001	2,046	54	802	1,067	1,067	892	949	1,010
Long service awards	–	841	3,741	162	627	627	180	192	204
Post-retirement benefit obligations	–	–	962	–	–	–	–	–	–
Sub Total - Other Municipal Staff	89,617	106,156	110,255	116,537	119,330	119,330	127,011	135,129	143,913
% increase		18%	4%	6%	2%	0%	6%	6%	6%
Total Parent Municipality	111,458	131,211	136,708	145,573	149,535	149,535	159,219	169,398	180,409
		18%		4%			6%	6%	6%
TOTAL SALARY, ALLOWANCES & BENEFITS	111,458	131,211	136,708	145,573	149,535	149,535	159,219	169,398	180,409
% increase		18%	4%	6%	3%	0%	6%	6%	6%
TOTAL MANAGERS AND STAFF	93,553	112,151	116,586	123,460	126,105	126,105	134,149	142,723	152,000

Table 40 MBRR SA23 – Salary, allowances & benefits of political office bearer/senior management

Description	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors						
Speaker	454	77	216	–	–	747
Chief Whip	388	63	163	–	–	614
Executive Mayor	505	168	218	–	–	891
Deputy Executive Mayor	–	–	–	–	–	–
Executive Committee	3,405	511	1,305	–	–	5,221
Total for all other councillors	12,128	1,356	4,113	–	–	17,598
Total Councillors	16,881	2,175	6,015			25,070
Senior Managers						
Municipal Manager (MM)	981	162	134	–	–	1,277
Chief Finance Officer	895	213	134	–	–	1,241
Director Infrastructure	614	213	150	–	–	976
Director Community Services	614	213	134	–	–	960
Director Development Planning	500	172	168	–	–	840
Director Corporate Services	600	212	120	–	–	932
Director Executive Support	614	162	134	–	–	910
Total Senior Managers	4,818	1,347	972	–	–	7,137
TOTAL COST	21,699	3,522	6,987	–	–	32,208

The above table presents remuneration of Councillors per their categories together with employee related cost for senior managers and it should be noted that all senior management positions are currently filled.

Table 41 MBRR SA24 – Summary of personnel number

Summary of Personnel Numbers	2016/17			Current Year 2017/18			Budget Year 2018/19		
	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)	60	-	60	61	-	61	61	-	61
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
Municipal employees									
Municipal Manager and Senior Managers	7	-	7	6	-	6	7	-	7
Other Managers	33	29	4	28	28	-	30	30	-
Professionals	21	19	2	24	22	2	36	36	-
Finance	8	8	-	12	12	-	18	10	8
Spatial/town planning	4	4	-	3	3	-	8	8	-
Information Technology	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Other	9	7	2	9	7	2	10	10	-
Technicians	11	11	-	11	10	1	22	21	1
Finance	-	-	-	-	-	-	-	-	-
Spatial/town planning	-	-	-	-	-	-	-	-	-
Information Technology	6	6	-	6	6	-	8	8	-
Roads	-	-	-	-	-	-	-	-	-
Electricity	4	4	-	4	3	1	6	5	1
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Other	1	1	-	1	1	-	8	8	-
Clerks (Clerical and administrative)	110	104	6	110	104	6	110	110	-
Service and sales workers	46	35	11	46	35	11	16	16	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades	-	-	-	-	-	-	-	-	-
Plant and Machine Operators	20	20	-	20	20	-	22	22	-
Elementary Occupations	156	155	1	154	153	1	170	170	-
TOTAL PERSONNEL NUMBERS	464	373	91	460	372	88	474	397	77
% increase				-1%	0%	-3%	3.0%	8.9%	-21.6%
Total municipal employees headcount	361	332	29	359	336	23	413	405	8
Finance personnel headcount	46	40	6	58	52	6	61	60	1
Human Resources personnel headcount	13	12	1	11	10	1	13	12	1

2.9 Monthly targets for revenue, expenditure and cash flow

Table 42 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2018/19												Medium Term Revenue and		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source															
Property rates	3,067	3,067	3,067	3,067	3,067	2,250	3,067	3,067	2,967	3,067	3,067	3,829	36,650	38,629	40,754
Service charges - electricity revenue	6,965	6,965	7,065	7,065	7,165	7,165	7,265	7,265	7,365	7,890	8,565	8,561	89,297	95,548	102,476
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	901	921	981	1,291	901	1,001	901	1,001	1,001	1,001	1,001	1,345	12,249	12,910	13,620
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	102	102	102	102	102	102	102	102	102	102	102	102	1,220	1,286	1,357
Interest earned - external investments	-	400	280	400	-	400	178	350	440	244	308	-	3,000	3,162	3,336
Interest earned - outstanding debtors	697	727	753	670	528	662	718	670	729	662	739	607	8,161	8,601	9,075
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	5,801	6,001	6,401	6,802	6,501	6,702	601	6,002	7,001	7,001	6,802	7,603	73,218	77,172	81,416
Licences and permits	413	413	413	413	413	413	413	413	413	413	413	413	4,950	5,217	5,504
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	80,291	664	664	564	64,416	464	622	364	95,014	519	664	1,034	245,278	269,940	293,775
Other revenue	210	220	205	181	181	226	215	225	235	200	195	472	2,761	2,910	3,070
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transf')	98,446	19,479	19,930	20,553	83,272	19,382	14,080	19,457	115,265	21,098	21,854	23,966	476,783	515,376	554,382
Expenditure By Type															
Employee related costs	10,240	10,952	10,386	10,320	10,274	14,713	10,418	10,963	10,426	10,294	13,096	12,068	134,149	142,723	152,000
Remuneration of councillors	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,078	2,088	2,212	2,155	25,070	26,675	28,409
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	53,421	53,421	56,306	59,402
Depreciation & asset impairment	3,985	4,030	4,022	4,052	4,040	4,029	4,395	4,788	4,340	4,307	4,661	4,532	51,181	53,944	56,911
Finance charges	208	208	208	208	208	208	208	208	208	208	208	212	2,500	2,300	2,000
Bulk purchases	8,414	5,513	6,613	5,200	5,900	5,513	5,700	6,950	7,247	7,250	7,300	8,400	80,000	84,320	88,958
Other materials	1,173	2,520	591	353	2,836	706	1,236	535	2,059	1,252	1,427	2,406	17,093	18,017	19,007
Contracted services	6,477	5,967	4,460	5,646	3,849	5,623	3,730	5,783	3,608	5,207	3,755	5,916	60,020	62,629	66,073
Transfers and subsidies	366	366	366	366	366	366	366	366	366	366	366	375	4,404	4,642	4,897
Other expenditure	7,710	2,467	3,169	2,367	2,652	3,762	2,319	4,151	3,573	3,135	3,910	4,253	43,468	45,289	47,780
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	40,640	34,091	31,881	30,579	32,193	36,988	30,439	35,812	33,905	34,106	36,935	93,737	471,306	496,844	525,438
Surplus/(Deficit)	57,806	(14,612)	(11,951)	(10,026)	51,079	(17,606)	(16,359)	(16,355)	81,360	(13,008)	(15,081)	(69,771)	5,477	18,532	28,944
Transfers and subsidies - capital (monetary)	6,500	8,548	10,508	8,563	6,412	6,673	3,345	4,898	4,067	1,835	2,228	255	63,830	67,721	70,734
Transfers and subsidies - capital (monetary)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	64,306	(6,064)	(1,444)	(1,463)	57,491	(10,933)	(13,014)	(11,457)	85,428	(11,173)	(12,853)	(69,516)	69,307	86,253	99,678
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	64,306	(6,064)	(1,444)	(1,463)	57,491	(10,933)	(13,014)	(11,457)	85,428	(11,173)	(12,853)	(69,516)	69,307	86,253	99,678

Table 43 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2018/19											Medium Term Revenue and Expenditure Framework				
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Revenue by Vote																
Vote 1 - Executive & Council	13,142				10,513				14,513				-	38,168	40,432	43,312
Vote 2 - Office of the Municipal Manager	6,585				5,268				19,616				-	31,469	33,780	35,653
Vote 3 - Budget & Treasury	8,936	4,239	3,923	4,021	7,932	3,127	3,863	3,892	12,466	3,942	3,892	4,462	64,695	70,444	80,548	
Vote 4 - Corporate Services	14,077	1	1	1	11,262	1	1	1	14,588	1	1	3	39,939	41,381	43,166	
Vote 5 - Community Services	21,173	7,380	7,843	8,557	19,082	8,173	1,976	7,479	19,831	8,483	8,268	9,400	127,644	139,899	144,989	
Vote 6 - Technical Services	33,008	16,247	18,510	16,375	29,185	14,593	11,467	12,822	26,640	10,391	11,761	10,110	211,110	228,598	247,360	
Vote 7 - Developmental Planning	2,719	161	161	161	2,198	161	118	161	5,133	116	161	246	11,493	11,790	12,454	
Vote 8 - Executive Support	5,305				4,244				6,546				-	16,094	16,773	17,634
Total Revenue by Vote	104,946	28,027	30,438	29,115	89,684	26,055	17,425	24,354	119,333	22,933	24,082	24,221	540,613	583,097	625,116	
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council	3,045	3,106	3,028	2,984	2,809	2,937	3,428	3,034	3,161	3,411	3,410	3,534	37,886	40,182	42,659	
Vote 2 - Office of the Municipal Manager	2,480	2,326	2,679	3,059	2,175	2,979	2,463	2,600	2,137	2,474	2,530	3,211	31,112	32,883	34,800	
Vote 3 - Budget & Treasury	9,583	3,839	2,035	3,268	2,204	3,743	2,335	3,807	2,632	3,373	3,152	7,264	47,233	50,003	52,987	
Vote 4 - Corporate Services	2,642	2,694	2,924	2,772	2,845	3,962	2,676	4,140	3,274	2,757	3,488	3,690	37,865	40,085	42,476	
Vote 5 - Community Services	4,720	4,738	4,850	4,696	4,852	6,436	4,687	4,573	4,670	4,641	6,295	50,298	105,457	111,539	118,087	
Vote 6 - Technical Services	15,944	14,904	14,080	12,228	14,770	14,313	13,242	15,315	16,034	15,557	15,338	23,302	185,027	194,326	204,881	
Vote 7 - Developmental Planning	1,000	788	1,097	566	1,338	1,044	578	1,101	698	755	1,390	832	11,188	11,322	12,004	
Vote 8 - Executive Support	1,226	1,696	1,187	1,007	1,201	1,575	1,029	1,242	1,300	1,138	1,331	1,605	15,539	16,503	17,544	
Total Expenditure by Vote	40,640	34,091	31,881	30,579	32,193	36,988	30,439	35,812	33,905	34,106	36,935	93,737	471,306	496,844	525,438	
Surplus/(Deficit) before assoc.	64,306	(6,064)	(1,444)	(1,463)	57,491	(10,933)	(13,014)	(11,457)	85,428	(11,173)	(12,853)	(69,516)	69,307	86,253	99,678	
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	64,306	(6,064)	(1,444)	(1,463)	57,491	(10,933)	(13,014)	(11,457)	85,428	(11,173)	(12,853)	(69,516)	69,307	86,253	99,678	

Table 44 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2018/19												Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
	July	August	Sept.	October	November	December	January	February	March	April	May	June				
Revenue - Functional																
Governance and administration	50,479	4,240	3,924	4,023	41,167	3,128	3,864	3,893	76,694	3,943	3,893	4,465	203,714	216,385	234,513	
Executive and council	14,825				11,860				16,187			–	42,873	45,668	48,978	
Finance and administration	32,987	4,240	3,924	4,023	27,173	3,128	3,864	3,893	57,407	3,943	3,893	4,465	152,939	162,375	176,613	
Internal audit	2,668				2,134				3,100			–	7,902	8,342	8,923	
Community and public safety	5,337	4	4	4	4,270	4	4	4	8,989	4	4	9	18,637	20,117	21,400	
Community and social services	2,642	4	4	4	2,114	4	4	4	3,177	4	4	9	7,973	8,606	9,201	
Sport and recreation	2,695	0	0	0	2,156	0	0	0	5,813	0	0	0	10,664	11,512	12,199	
Economic and environmental services	30,799	14,700	16,910	15,020	26,816	12,653	4,308	9,750	28,715	8,655	8,672	8,537	185,532	195,945	207,876	
Planning and development	4,834	161	161	161	3,890	161	118	161	7,151	116	161	246	17,319	18,185	19,092	
Road transport	25,614	14,539	16,749	14,859	22,646	12,492	4,189	9,589	21,178	8,539	8,511	8,291	167,196	176,699	187,673	
Environmental protection	351				281				386			–	1,018	1,060	1,111	
Trading services	18,331	9,083	9,600	10,069	17,431	10,270	9,250	10,708	4,934	10,331	11,513	11,210	132,730	150,650	161,326	
Energy sources	11,663	8,120	8,574	8,729	11,896	9,214	8,291	9,646	3,848	9,264	10,462	9,832	109,537	121,765	133,880	
Waste management	6,668	963	1,026	1,341	5,535	1,056	959	1,062	1,087	1,066	1,051	1,378	23,193	28,885	27,446	
Total Revenue - Functional	104,946	28,027	30,438	29,115	89,684	26,055	17,425	24,354	119,333	22,933	24,082	24,221	540,613	583,097	625,116	
Expenditure - Functional																
Governance and administration	19,660	14,414	12,374	13,424	11,912	15,275	12,500	15,544	12,897	13,706	14,556	19,741	176,004	185,981	196642998	
Executive and council	3,385	3,455	3,367	3,301	3,153	3,462	3,802	3,423	3,470	3,807	3,857	4,074	42,558	45,146	47938022	
Finance and administration	15,708	10,284	8,230	9,372	8,196	11,136	8,158	11,470	8,880	9,217	10,085	14,916	125,652	132,598	139,993	
Internal audit	567	676	777	751	563	677	539	651	547	683	614	751	7,795	8,236	8,712	
Community and public safety	1,304	1,298	1,361	1,410	1,422	2,122	1,407	1,475	1,432	1,443	1,828	1,691	18,191	19,304	20,505	
Community and social services	526	496	590	633	566	943	596	573	589	577	815	806	7,709	8,191	8,712	
Sport and recreation	778	802	770	778	856	1,178	811	902	843	866	1,013	885	10,481	11,113	11,793	
Economic and environmental services	8,301	9,036	8,612	7,154	9,853	9,796	8,210	8,381	8,999	8,075	9,715	53,063	149,194	157,242	166,453	
Planning and development	1,925	1,737	2,070	1,587	2,321	2,601	1,532	2,152	1,631	1,730	2,524	2,038	23,848	24,774	26,323	
Road transport	6,320	7,214	6,461	5,496	7,476	7,082	6,622	6,173	7,286	6,274	7,054	50,906	124,365	131,429	139,028	
Environmental protection	56	86	81	71	56	112	56	56	81	71	137	119	981	1,039	1,102	
Trading services	11,375	9,342	9,535	8,591	9,006	9,795	8,323	10,412	10,577	10,882	10,836	19,242	127,918	134,317	141,838	
Energy sources	9,672	7,619	7,928	7,022	7,174	7,831	6,725	8,883	9,083	9,362	8,797	15,556	105,653	110,776	116,922	
Waste management	1,703	1,723	1,607	1,569	1,832	1,964	1,598	1,529	1,494	1,520	2,039	3,686	22,265	23,541	24,915	
Total Expenditure - Functional	40,640	34,091	31,881	30,579	32,193	36,988	30,439	35,812	33,905	34,106	36,935	93,737	471,306	496,844	525,438	
Surplus/(Deficit) before assoc.	64,306	(6,064)	(1,444)	(1,463)	57,491	(10,933)	(13,014)	(11,457)	85,428	(11,173)	(12,853)	(69,516)	69,307	86,253	99,678	
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit)	64,306	(6,064)	(1,444)	(1,463)	57,491	(10,933)	(13,014)	(11,457)	85,428	(11,173)	(12,853)	(69,516)	69,307	86,253	99,678	

Table 45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2018/19												Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June				
Multi-year expenditure to be appropriated																
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	85	100	150	200	-	200	-	-	250	200	115	100	1,400	1,400	1,400	
Vote 5 - Community Services	-	800	300	-	-	1,000	350	-	550	-	-	-	3,000	-	11,896	
Vote 6 - Technical Services	1,418	1,696	4,111	1,605	3,080	2,852	2,339	2,550	3,614	1,384	1,937	928	27,513	43,859	29,427	
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	1,503	2,596	4,561	1,805	3,080	4,052	2,689	2,550	4,414	1,584	2,052	1,028	31,913	45,259	42,723	
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 3 - Budget & Treasury	-	-	500	-	-	-	-	-	-	-	-	-	500	-	-	
Vote 4 - Corporate Services	-	100	-	50	-	-	20	-	-	75	-	55	300	-	-	
Vote 5 - Community Services	-	100	-	-	250	-	-	-	172	-	-	-	522	-	-	
Vote 6 - Technical Services	5,220	6,393	6,576	7,428	5,151	4,645	1,270	3,699	550	1,280	-	423	42,634	39,863	41,924	
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total	5,220	6,593	7,076	7,478	5,401	4,645	1,290	3,699	722	1,355	-	478	43,956	39,863	41,924	
Total Capital Expenditure	6,722	9,189	11,637	9,283	8,482	8,697	3,979	6,249	5,136	2,938	2,052	1,505	75,869	85,123	84,647	

Table 46 MBRR SA 29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2018/19												Medium Term Revenue and		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional															
Governance and administration	85	200	150	250	-	200	20	-	250	275	115	155	1,700	1,400	1400000
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration	85	200	150	250	-	200	20	-	250	275	115	155	1,700	1,400	1,400
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	-	100	-	-	250	-	-	-	172	-	-	-	522	-	-
Community and social services	-	100	-	-	250	-	-	-	172	-	-	-	522	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	6,637	7,269	10,537	8,083	6,982	6,219	2,709	4,599	3,471	1,744	976	555	59,779	63,897	38,482
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	6,637	7,269	10,537	8,083	6,982	6,219	2,709	4,599	3,471	1,744	976	555	59,779	63,897	38,482
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	-	1,620	950	950	1,250	2,278	1,250	1,650	1,243	920	962	795	13,868	19,826	44,765
Energy sources	-	820	650	950	1,250	1,278	900	1,650	693	920	962	795	10,868	19,826	32,870
Waste management	-	800	300	-	-	1,000	350	-	550	-	-	-	3,000	-	11,896
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	6,722	9,189	11,637	9,283	8,482	8,697	3,979	6,249	5,136	2,938	2,052	1,505	75,869	85,123	84,647
Funded by:															
National Government	5,652	7,433	9,137	7,446	5,576	5,802	2,909	4,259	3,537	1,596	1,937	222	55,504	58,888	61,508
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	5,652	7,433	9,137	7,446	5,576	5,802	2,909	4,259	3,537	1,596	1,937	222	55,504	58,888	61,508
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1,070	1,756	2,500	1,837	2,906	2,895	1,070	1,990	1,599	1,343	115	1,284	20,365	26,235	23,139
Total Capital Funding	6,722	9,189	11,637	9,283	8,482	8,697	3,979	6,249	5,136	2,938	2,052	1,505	75,869	85,123	84,647

Table 47 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source													0		
Property rates	2,392	2,392	2,392	2,392	2,392	1,755	2,392	2,392	2,314	2,392	2,392	2,987	28,587	30,131	31,788
Service charges - electricity revenue	6,129	6,129	6,217	6,217	6,305	6,305	6,393	6,393	6,481	6,943	7,537	9,320	80,368	85,993	92,228
Service charges - refuse revenue	667	682	726	955	667	741	667	741	741	741	741	1,485	9,554	10,070	10,624
Rental of facilities and equipment	51	51	51	51	51	51	51	51	51	51	51	51	610	643	678
Interest earned - external investments	-	400	280	400	-	400	178	350	440	244	308	-	3,000	3,162	3,336
Interest earned - outstanding debtors	139	145	151	134	106	132	144	134	146	132	148	121	1,632	1,720	1,815
Fines, penalties and forfeits	754	780	832	884	845	871	78	780	910	910	884	1,718	10,248	10,801	11,395
Licences and permits	413	413	413	413	413	413	413	413	413	413	413	413	4,950	5,217	5,504
Transfer receipts - operational	100,730	450	-	-	-	79,168	-	-	64,929	-	-	-	245,278	269,940	293,775
Other revenue	210	220	205	181	181	226	215	225	235	200	195	129	2,417	2,548	2,688
Cash Receipts by Source	111,485	11,661	11,266	11,627	10,959	90,061	10,530	11,478	76,659	12,025	12,668	16,224	386,644	420,226	453,831
Other Cash Flows by Source															
Transfer receipts - capital	22,593	-	-	3,999	28,186	-	3,076	-	5,976	-	-	-	63,830	67,721	70,734
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	2,000	-	-	-	-	-	-	2,000	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	20	15	10	4	2	6	12	6	8	25	40	23	171	203	227
Decrease (Increase) in non-current debtors	25	58	150	100	278	300	250	150	100	112	200	277	2,000	2,500	2,700
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	134,123	11,734	11,426	15,730	39,424	92,367	13,868	11,634	82,743	12,162	12,908	16,524	454,645	490,650	527,492
Cash Payments by Type															
Employee related costs	10,240	10,952	10,386	10,320	10,274	14,713	10,418	10,963	10,426	10,294	13,096	12,068	134,149	142,723	152,000
Remuneration of councillors	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,078	2,088	2,212	2,155	25,070	26,675	28,409
Finance charges	208	208	208	208	208	208	208	208	208	208	208	212	2,500	2,300	2,000
Bulk purchases - Electricity	8,414	5,513	6,613	5,200	5,900	5,513	5,700	6,950	7,247	7,250	7,300	8,400	80,000	84,320	88,958
Other materials	1,173	2,520	591	353	2,836	706	1,236	535	2,059	1,252	1,427	2,406	17,093	18,017	19,007
Contracted services	6,477	5,967	4,460	5,646	3,849	5,623	3,730	5,783	3,608	5,207	3,755	5,916	60,020	62,629	66,073
Transfers and grants - other	366	366	366	366	366	366	366	366	366	366	366	375	4,404	4,642	4,897
Other expenditure	7,710	2,467	3,169	2,367	2,652	3,762	2,319	4,151	3,573	3,135	3,910	4,253	43,468	45,289	47,780
Cash Payments by Type	36,655	30,061	27,860	26,527	28,152	32,959	26,044	31,024	29,565	29,800	32,274	35,784	366,705	386,594	409,124
Other Cash Flows/Payments by Type															
Capital assets	6,722	9,189	11,637	9,283	8,482	8,697	3,979	6,249	5,136	2,938	2,052	1,505	75,869	85,123	84,647
Repayment of borrowing	833	833	833	833	833	833	833	833	833	833	833	833	10,000	14,000	16,677
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	44,211	40,083	40,330	36,643	37,467	42,490	30,856	38,106	35,534	33,571	35,159	38,123	452,574	485,717	510,448
NET INCREASE/(DECREASE) IN CASH HELD	89,912	(28,349)	(28,904)	(20,913)	1,957	49,877	(16,988)	(26,472)	47,209	(21,409)	(22,251)	(21,599)	2,071	4,933	17,044
Cash/cash equivalents at the month/year begin:	15,968	105,880	77,531	48,627	27,714	29,671	79,548	62,560	36,088	83,297	61,888	39,637	15,968	18,039	22,972
Cash/cash equivalents at the month/year end:	105,880	77,531	48,627	27,714	29,671	79,548	62,560	36,088	83,297	61,888	39,637	18,039	18,039	22,972	40,015

Table 48 MBRR SA32–List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
AM Accountants/Munsoft	Yrs	1	Finance Consultation - Preparation of AFS and mSCOA implementation	6/30/2018	As and when
Canon	Yrs	3	Provision of photocopying machines	2/28/2018	As and when
Selema Plant Hire	Yrs	3	Rehabilitation of landfill site	6/30/2020	13440000
Wenzile Phaphama	Yrs	3	Security services	6/30/2019	32780675
Munsoft	Yrs	5	Financial system	6/30/2018	5520000
Baupa Printing	Yrs	3	Printing services	3/31/2020	As and when
OB Media	Yrs	3	Printing services	3/31/2020	As and when
Sage VIP	Yrs	5	Payroll system	6/30/2018	As and when
Lateral Unison Insurance Brokers	Yrs	3	Insurance services	6/30/2019	4700000
Nedbank	Yrs	5	Banking services	6/30/2022	As and when
Supply and delivery of refuse bags	Yrs	3	Supply of refuse bags	6/30/2020	Still on advert
Fleet Horizon	Yrs	3	Lease of vehicles	8/30/2018	1100000
Selema and Mashumi JV	Yrs	3	Refuse removal	6/30/2019	6000000
MTN	Yrs	3	Supply of cell phones and other gadgets	6/30/2019	400000
Market Demand	Yrs	3	Asset Management Support	6/30/2019	4500000
Bongilemashumi	Yrs	3	Supply and delivery of cartridges	3/31/2020	As and when
Bahlotse	Yrs	3	Supply and delivery of cartridges	3/31/2020	As and when
Mohlaka Media	Yrs	3	Supply and delivery of cartridges	3/31/2020	As and when
Lermat	Yrs	3	Supply and delivery of electrical materials	1/31/2021	As and when
KF Petta	Yrs	3	Supply and delivery of electrical materials	1/31/2021	As and when
Mpofu	Yrs	3	Supply and delivery of electrical materials	1/31/2021	As and when
Pheladi 'a Noko	Yrs	3	Event management	1/31/2021	As and when
Skhoba	Yrs	3	Event management	1/31/2021	As and when
Lemon Peel	Yrs	3	Event management	1/31/2021	As and when
Roneli	Yrs	3	Event management	1/31/2021	As and when
24/7 Travel	Yrs	3	Event management	1/31/2021	As and when
KDM Travel	Yrs	3	Accommodation bookings	11/30/2021	As and when
Reakgona Travel	Yrs	3	Accommodation bookings	11/30/2021	As and when
Babirwa Travel	Yrs	3	Accommodation bookings	11/30/2021	As and when
PMH	Yrs	3	ICT support	8/31/2020	As and when
Perteta	Yrs	3	Supply and delivery of asphalt	1/31/2021	As and when

2.10 Contracts having future budgetary implications

Table 49 MBRR Table SA33–Contracts having future budgetary implications

Description	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
	Total	Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Revenue Obligation By Contract													
Contract 1	–	–	–	–	–	–	–	–	–	–	–	–	–
Contract 2	–	–	–	–	–	–	–	–	–	–	–	–	–
Contract 3 etc	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Operating Revenue Implication	–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract													
Refuse removal	6,000	7,000	8,000	–	–	–	–	–	–	–	–	–	21,000
Maintenance of landfill site	–	3,840	4,800	5,069	–	–	–	–	–	–	–	–	13,709
Security services	10,036	10,939	11,806	–	–	–	–	–	–	–	–	–	32,781
Insurance	4,700	5,100	6,000	–	–	–	–	–	–	–	–	–	15,800
Lease of vehicles	–	1,726	20,323	20,551	19,869	–	–	–	–	–	–	–	62,469
Asset management consultancy	4,500	4,500	4,500	–	–	–	–	–	–	–	–	–	13,500
Total Operating Expenditure Implication	25,236	33,105	55,429	25,619	19,869	–	–	–	–	–	–	–	159,258
Capital Expenditure Obligation By Contract													
Naganeng Bus Road	–	21,779	8,817	–	–	–	–	–	–	–	–	–	30,596
Contract 2	–	–	–	–	–	–	–	–	–	–	–	–	–
Contract 3 etc	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure Implication	–	10,526	14,904	–	–	–	–	–	–	–	–	–	25,431
Total Expenditure Implication	25,236	43,631	70,333	25,619	19,869	–	–	–	–	–	–	–	184,689

2.11 Capital expenditure details

The following five tables present details of the municipality's capital expenditure programme, firstly on new assets, renewal of existing assets, repair and maintenance of assets, depreciation, and upgrading of existing assets.

Table 50 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets									
Infrastructure	49,393	78,112	32,884	32,281	48,394	48,394	32,150	46,617	46,134
Roads Infrastructure	42,516	52,140	21,733	19,123	35,070	35,070	21,283	26,791	13,264
Roads	42,516	52,140	21,733	19,123	35,070	35,070	21,283	26,791	13,264
Capital Spares									
Storm water Infrastructure	803	3,613	-	-	-	-	-	-	-
Storm water Conveyance	803	3,613							
Electrical Infrastructure	6,075	22,359	11,151	13,158	13,324	13,324	10,868	19,826	32,870
HV Substations									
HV Switching Station									
HV Transmission Conductors	3,778	15,218	11,151	13,158	13,324	13,324	10,868	19,826	32,870
MV Substations									
MV Switching Stations									
MV Networks	2,297	7,141							
Capital Spares									
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Community Assets	3,112	-	-	300	300	300	-	-	-
Community Facilities	3,112	-	-	300	300	300	-	-	-
Halls									
Cemeteries/Crematoria	2,953								
Parks									
Public Open Space	159	-		300	300	300			
Nature Reserves									
Capital Spares		-							
Other assets	-	-	1,298	-	-	-	4,882	-	-
Operational Buildings	-	-	1,298	-	-	-	4,447	-	-
Municipal Offices			583				4,447	-	-
Workshops			715						
Computer Equipment	-	-	1,168	300	800	800	500	500	500
Computer Equipment			1,168	300	800	800	500	500	500
Furniture and Office Equipment	-	-	340	200	500	500	900	400	400
Furniture and Office Equipment			340	200	500	500	400	400	400
Machinery and Equipment	1,065	86	2,100	600	1,200	1,200	2,104	500	500
Machinery and Equipment	1,065	86	2,100	600	1,200	1,200	1,300	500	500
Transport Assets	-	-	2,253	700	-	-	-	-	-
Transport Assets			2,253	700	-	-			
Total Capital Expenditure on new assets	53,570	78,198	40,043	34,381	51,194	51,194	38,798	48,017	47,534

Table 51 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on renewal of existing									
Infrastructure	11,406	25,266	37,997	38,474	41,914	41,914	33,550	37,105	13,913
Roads Infrastructure	6,953	24,824	37,997	38,474	41,914	41,914	33,550	37,105	13,913
Roads	6,953	24,824	37,997	38,474	41,414	41,414	33,550	37,105	13,913
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	500	500	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	3,974	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	3,974	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	479	442	-	-	-	-	-	-	-
Landfill Sites	479	442	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Community Assets	-	77	1,694	-	-	-	522	-	-
Community Facilities	-	77	-	-	-	-	522	-	-
Cemeteries/Crematoria	-	77	-	-	-	-	522	-	-
Parks	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	1,694	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	1,694	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	6,435	3,699	932	500	500	500	-	-	-
Operational Buildings	6,435	3,699	932	500	500	500	-	-	-
Municipal Offices	4,571	3,699	-	500	500	500	-	-	-
Yards	1,009	-	-	-	-	-	-	-	-
Training Centres	-	-	932	-	-	-	-	-	-
Capital Spares	855	-	-	-	-	-	-	-	-
Computer Equipment	476	623	-	-	-	-	-	-	-
Computer Equipment	476	623	-	-	-	-	-	-	-
Furniture and Office Equipment	325	237	-	-	-	-	-	-	-
Furniture and Office Equipment	325	237	-	-	-	-	-	-	-
Machinery and Equipment	-	288	-	-	-	-	-	-	-
Machinery and Equipment	-	288	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	18,642	30,190	40,622	38,974	42,414	42,414	34,071	37,105	13,913
Renewal of Existing Assets as % of total capex	0.00%	27.85%	50.36%	50.42%	41.13%	41.13%	44.91%	43.59%	16.44%
Renewal of Existing Assets as % of deprechn"	58.18%	60.71%	84.63%	76.12%	82.84%	82.84%	66.57%	68.78%	24.45%

Table 52 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure									
Infrastructure	3,506	3,998	4,633	6,700	7,850	7,850	11,000	11,594	12,232
Roads Infrastructure	881	1,788	946	2,500	2,650	2,650	4,000	4,216	4,448
Roads	881	1,788	946	2,500	2,650	2,650	4,000	4,216	4,448
Road Structures	-								
Road Furniture	-								
Capital Spares									
Storm water Infrastructure	244	-	-	-	-	-	-	-	-
Storm water Conveyance	244								
Electrical Infrastructure	1,271	1,001	1,802	1,900	1,900	1,900	3,000	3,162	3,336
HV Substations									
HV Switching Station									
MV Substations									
MV Switching Stations									
MV Networks	1,271	1,001	1,802	1,800	1,800	1,800	3,000	3,162	3,336
LV Networks									
Capital Spares				100	100	100			
Solid Waste Infrastructure	1,110	1,209	1,885	2,300	3,300	3,300	3,400	3,584	3,781
Landfill Sites	1,110	1,209	1,885	2,150	3,150	3,150	3,400	3,584	3,781
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Capital Spares				150	150	150			
Other assets	2,965	1,154	1,432	1,300	1,325	1,325	2,000	2,108	2,224
Operational Buildings	2,965	1,154	1,432	1,300	1,325	1,325	2,000	2,108	2,224
Municipal Offices	2,965	1,154	1,432	1,300	1,325	1,325	2,000	2,108	2,224
Intangible Assets	-	9	82	100	100	100	-	-	-
Servitudes									
Licences and Rights	-	9	82	100	100	100	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications		9	82	100	100	100			
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	586	2,749	2,405	1,711	2,118	2,118	3,550	3,742	3,947
Machinery and Equipment	586	2,749	2,405	1,711	2,118	2,118	3,550	3,742	3,947
Transport Assets	3,931	1,427	1,800	1,500	1,300	1,300	2,000	2,108	2,224
Transport Assets	3,931	1,427	1,800	1,500	1,300	1,300	2,000	2,108	2,224
Total Repairs and Maintenance Expenditure	10,988	9,337	10,353	11,311	12,693	12,693	17,950	18,919	19,960
R&M as a % of PPE	1.50%	1.10%	1.10%	1.20%	1.30%	1.30%	1.80%	1.90%	1.90%
R&M as % Operating Expenditure	3.30%	2.50%	2.10%	2.90%	2.90%	2.90%	6.20%	4.00%	4.00%

Table 53 MBRR SA34d – Depreciation of Assets

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Depreciation by Asset Class/Sub-class									
Infrastructure	28,248	43,432	34,968	45,835	45,835	45,835	34,653	36,524	38,533
Roads Infrastructure	19,931	21,648	34,480	25,298	25,298	25,298	25,147	26,505	27,962
Roads	19,931	21,648	34,480	25,298	25,298	25,298	25,147	26,505	27,962
Road Structures									
Storm water Infrastructure	4,459	6,247	–	5,746	5,746	5,746	3,712	3,912	4,127
Drainage Collection									
Storm water Conveyance	4,459	6,247		5,746	5,746	5,746	3,712	3,912	4,127
Attenuation									
Electrical Infrastructure	3,091	13,538	–	12,398	12,398	12,398	5,166	5,445	5,744
HV Switching Station									
HV Transmission Conductors	3,091	13,538		12,398	12,398	12,398	5,166	5,445	5,744
MV Substations									
Solid Waste Infrastructure	767	1,999	488	2,392	2,392	2,392	629	663	700
Landfill Sites	767	1,999	488	2,392	2,392	2,392	629	663	700
Waste Transfer Stations									
Capital Spares									
Community Assets	3,517	1,842	2,129	2,231	2,231	2,231	2,918	3,076	3,245
Community Facilities	3,517	1,842	2,129	2,231	2,231	2,231	2,918	3,076	3,245
Cemeteries/Crematoria	3,517	1,842	2,129	2,231	2,231	2,231	2,918	3,076	3,245
Other assets	54	1,418	2,978	120	120	120	2,180	2,298	2,424
Operational Buildings	54	1,418	2,978	120	120	120	2,180	2,298	2,424
Municipal Offices	54	1,418	2,978	120	120	120	2,180	2,298	2,424
Intangible Assets	–	–	205	–	–	–	378	398	420
Licences and Rights	–	–	205	–	–	–	378	398	420
Computer Software and Applications			205				378	398	420
Load Settlement Software Applications									
Computer Equipment	14	16	953	21	21	21	1,518	1,600	1,688
Computer Equipment	14	16	953	21	21	21	1,518	1,600	1,688
Furniture and Office Equipment	160	20	1,518	26	26	26	3,817	4,023	4,244
Furniture and Office Equipment	160	20	1,518	26	26	26	3,817	4,023	4,244
Machinery and Equipment	6	1,800	1,323	2,080	2,080	2,080	2,175	2,292	2,419
Machinery and Equipment	6	1,800	1,323	2,080	2,080	2,080	2,175	2,292	2,419
Transport Assets	43	1,200	3,924	888	888	888	3,542	3,734	3,939
Transport Assets	43	1,200	3,924	888	888	888	3,542	3,734	3,939
Libraries	–	–	–	–	–	–	–	–	–
Libraries									
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals									
Total Depreciation	32,042	49,728	47,998	51,200	51,200	51,200	51,181	53,944	56,911

Table 54 MBRR SA34e – Upgrading of Existing Assets

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on upgrading of existing assets									
Infrastructure	-	-	-	-	-	-	3,000	-	11,896
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Roads									
Road Structures									
Road Furniture									
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection									
Storm water Conveyance									
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks									
Solid Waste Infrastructure	-	-	-	-	-	-	3,000	-	11,896
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities							3,000	-	11,896
Community Assets	-	-	-	-	8,079	8,079	-	-	11,304
Community Facilities	-	-	-	-	-	-	-	-	-
Halls									
Cemeteries/Crematoria									
Sport and Recreation Facilities	-	-	-	-	8,079	8,079	-	-	11,304
Indoor Facilities									
Outdoor Facilities					8,079	8,079	-	-	11,304
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	3,947	1,437	1,437	-	-	-
Operational Buildings	-	-	-	3,947	1,437	1,437	-	-	-
Workshops				3,947	1,437	1,437			
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Libraries	-	-	-	-	-	-	-	-	-
Libraries									
Total Capital Expenditure on upgrading of existing assets	-	-	-	3,947	9,515	9,515	3,000	-	23,200
Upgrading of Existing Assets as % of total capex	0.00%	0.00%	0.00%	5.11%	9.23%	9.23%	3.95%	0.00%	27.41%
Upgrading of Existing Assets as % of deprecn"	0.00%	0.00%	0.00%	7.71%	18.58%	18.58%	5.86%	0.00%	40.77%

Table 55 MBRR Table SA35–Future financial implication of the capital budget

Description	2018/19 MTREF			FORECASTS			Present value
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	
Capital expenditure							
Vote 1 - Executive & Council	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-
Vote 4 - Corporate Services	2,200	1,400	1,400	-	-	-	-
Vote 5 - Community Services	1,826	-	-	-	-	-	-
Vote 6 - Technical Services	69,082	83,723	83,247	-	-	-	-
Vote 7 - Developmental Planning	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-
Total Capital Expenditure	73,108	85,123	84,647	-	-	-	-
Future operational costs by vote							
Vote 1 - Executive & Council	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-
Vote 5 - Community Services	-	-	-	-	-	-	-
Vote 6 - Technical Services	-	-	-	-	-	-	-
Vote 7 - Developmental Planning	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-
List entity summary if applicable							
Total future operational costs	-	-	-	-	-	-	-
Future revenue by source							
Property rates	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-
List other revenues sources if applicable							
List entity summary if applicable							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	73,108	85,123	84,647	-	-	-	-

Table 56 MBRR Table SA36–Capital project list

Municipal Vote	Program/Project description	Asset Class	Asset Sub-Class	2018/19 Medium Term Revenue & Expenditure Framework			
				Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Renewal, Upgrading, or New
Budget and Treasury	Mobile Office	Other assets	Municipal Offices	500	–	–	New
Community Services	Fencing of Elandsdoorn Cemeteries	Community	Cemeteries/Crematoria	522	–	–	Renewal
	Groblersdal Landfill site	Infrastructure	Waste Management	3,000	4,348	11,896	Upgrading
Corporate Services	Air Conditioner	Machinery and Equipment	Machinery and Equipment	300			New
	Furniture and Office Equipment	Furniture and Office Equipment	Furniture and Office Equipment	400	400	400	New
	Machinery and Equipment	Machinery and Equipment	Machinery and Equipment	500	500	500	New
	Computer Equipment	Computer Equipment	Computer Equipment	500	500	500	New
Technical Services	Electrification of Mabose	Infrastructure	Electrical Infrastructure	–	–	4,651	New
	Electrification of Makaepa	Infrastructure	Electrical Infrastructure	2,870	–	–	New
	Electrification of Masakaneng	Infrastructure	Electrical Infrastructure	2,912	4,783	435	New
	Electrification of Tambo Village - New Town	Infrastructure	Electrical Infrastructure	2,912	6,348	2,036	New
	Electrification of Uitspanning A	Infrastructure	Electrical Infrastructure	–	–	4,009	New
	Electrification of Zuma Park	Infrastructure	Electrical Infrastructure	–	870	–	New
	Installation of high mast light in various villages	Infrastructure	Electrical Infrastructure	–	3,478	13,043	New
	Installation of electrical meters in Groblersdal	Infrastructure	Electrical Infrastructure	1,304	–	–	New
	Upgrading of Groblersdal subsation	Infrastructure	Electrical Infrastructure	870	4,348	8,696	New
	Monsterlus to Makgopheng Road, Kgoshi Mathebe and Kgoshi Matsepe Construction of Access Roads	Infrastructure	Roads Infrastructure	7,826		–	New
	Mogaung Road	Infrastructure	Roads Infrastructure	–	5,217	5,217	New
	Mpheleng Road Construction	Infrastructure	Roads Infrastructure	8,478	–	–	New
	Hlogotlou street and stormwater	Infrastructure	Roads Infrastructure	–	3,965	–	New
	Motetema Internal Streets	Infrastructure	Roads Infrastructure	3,478	3,478	–	New
	JJ Zaaiplaas Road	Infrastructure	Roads Infrastructure	–	9,783	–	New
	Kgoshi Rammupudu Road	Infrastructure	Roads Infrastructure	–	–	13,913	Renewal
	Laersdrift Road	Infrastructure	Roads Infrastructure	6,087	13,055	–	Renewal
	Naganeng Bus Route	Infrastructure	Roads Infrastructure	8,817	–	–	Renewal
	Groblersdal Roads and Streets	Infrastructure	Roads Infrastructure	1,739	4,348	–	Renewal
	Kgapamadi road	Infrastructure	Roads Infrastructure	15,602	11,859	–	Renewal
	Nyakoroane Road	Infrastructure	Roads Infrastructure	1,304	–	–	Renewal
	Development of workshop	Other assets	Operational Buildings	4,447	–	–	New
	Ramogwerane to Nkadameng Road and Stormwater	Infrastructure	Roads Infrastructure	1,500			New
Tambo Road Construction	Infrastructure	Roads Infrastructure	–	7,843	–	Renewal	
Upgrading of streets of Elansdoreen	Infrastructure	Roads Infrastructure			8,047	New	
Upgrading of Tafelkop stadium	Community Assets	Sport and Recreation Facilities			11,304	Upgrading	
Total Capital Expenditure				75,869	85,123	84,647	

Table 57 MBRR Table SA37 – Projects delayed from previous financial year

Municipal Vote	Project name	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure		
					Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Infrastructure	Mogaung Construction of Access Road	Roads Infrastructure	Roads		5,197	5,197	–	5,217	5,217
Infrastructure	Laersdrift Bus Road Phase 1A	Roads Infrastructure	Roads		5,197	5,197	–	13,055	–
Infrastructure	Upgrading of Hlogotlou Streets	Roads Infrastructure	Roads		3,333	5,844	–	3,965	–
Infrastructure	Construction of Fleet Centre	Operational Buildings	Workshops		3,947	3,947	4,447	–	–
Infrastructure	Electrification of Masakaneng Village (115 HH)	Electrical Infrastructure	MV Networks		4,123	4,123	2,912	4,783	435
Infrastructure	Electrification of Tambo and Jabulani Village (230 HH)	Electrical Infrastructure	MV Networks		1,011	1,011	2,912	6,348	2,036

Table 58 MBRR Table SA38 – Detailed operational projects

Operational project	Program/Project description	Individually Approved	Asset Class	Asset Sub-Class	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure			Project information
					Audited Outcomes	Current Year	Budget Year	Budget Year	Budget Year	
Infrastructure	Repairs and maintenance of machinery and equipment	Yes	Machinery and Equipment	Machinery and Equipment	2,161	1,486	3,350	3,531	3,725	Administrative and Head Office (including satellite offices)
Infrastructure	Repairs and maintenance of vehicles	Yes	Transport Assets	Transport Assets	1,800	1,043	2,000	2,108	2,224	Administrative and Head Office (including satellite offices)
Infrastructure	Repairs and maintenance of buildings	Yes	Operational Buildings	Municipal Offices	1,432	12	2,000	2,108	2,224	Administrative and Head Office (including satellite offices)
Infrastructure	Repairs and maintenance of electrical network	Yes	Electrical Infrastructure	MV Networks	2,404	1,020	3,000	3,162	3,336	Wholeofmunicipality
Infrastructure	Repairs and maintenance of roads	Yes	Roads Infrastructure	Roads	2,946	1,748	4,000	4,216	4,448	Wholeofmunicipality
Community services	Repairs and maintenance of landfill site	Yes	Solid Waste Infrastructure	Landfill Sites	2,052	1,684	3,400	3,584	3,781	Wholeofmunicipality
Corporate Services	Repairs and maintenance of machinery and equipment	Yes	Machinery and Equipment	Machinery and Equipment	77	18	200	211	222	Administrative and Head Office (including satellite offices)

2.12 Legislation compliance status

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

1. 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 City's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has just appointed five interns on a permanent positions at Accountant level. Subsequent to that, three interns have been appointed from 03rd March 2018 to undergo training in various divisions of the Financial Services Department the municipality is in a process of advertising for 5 additional interns.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and/or outsourced and it is fully functional.
5. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.13 Compliance with MFMA Circular 71

2.13.1 Financial Position

Asset Management

- Capital expenditure to Total Expenditure – 13, 87%

The ratio is within the norm range of between 10% and 20%

- Repairs and maintenance – 1, 80%

The ratio is way below the norm of 8% and this is attributed to budget constraint since the municipality need approximately R85 million for it to achieve the required norm of 8% and this figure is even more than the total capital budget.

Debtors' management

- Collection rate – 84, 12%

The ratio is lower than the norm of 95% and this is due to low collection rate on refuse removal and non-payment of property rates in some townships and last low collection rate on traffic fines as this is the second largest source of revenue of the municipality.

- Net debtors days – 186 days

The ratio is way more than the norm of 30 days and this is also attributed to collection rate that is lower than the norm

Liquidity Management

- Cash/ cost coverage ratio – 0.04

The ratio is less than 1 month and this portrays a negative picture about the liquidity position of the municipality

- Current ratio – 1,7:1

The ratio is also below the norm of 1.5 to 2:1

Liability Management

- Capital cost (Interest paid and redemption) as a % of Total Operating Expenditure – 2,65%

The ratio is within the norm of 6 to 8 percent

- Borrowing to total revenue – 9%

The ratio is also below the norm of 23% to 45%

2.13.2 Financial Position

Efficiency

- Net operating surplus margin – 1%

The budget shows that the municipality will be able to recover operational cost and generate surplus that will assist in funding capital budget.

- Net surplus/deficit electricity – 4%

The ratio is within the norm range of between 0% and 15%, however it should be noted that the total revenue budget is inclusive of capital transfers and grants.

- Net surplus/deficit refuse – 4%

The ratio is within the norm range of between 0% and 15% and as a result, the refuse removal service appears to be rendered in a sustainable manner.

Revenue management

- Revenue growth – 0,84%

The ratio is less than CPI of 5, 3% and this is attributed to transfers and grants especially the approved roll over amount of R16 million

- Revenue growth excluding capital transfers – 7%
The ratio is more than CPI of 5, 3%

Expenditure management

- Creditors payment period (trade creditors) – 70 days
The ratio is more than the norm of 30 days and this is an indication that the municipality might experience cash flow problems in a long run.
- Remuneration (employee related cost and councillors remuneration) – 34%
The ratio is within the norm range of between 25% and 40%
- Contracted services to total operating expenditure – 13%
The ratio is more than the norm range of between 2% and 5% and this is indicative of the fact that the municipality is still relying on consultants and outsourcing of certain services.

Expenditure management

- Own funded capital expenditure to total capital expenditure – 27%

No norm is proposed however it can be concluded that funding mix of capital expenditure is currently undertaken.
- Own source of revenue to total operating revenue – 49%
No norm is proposed however, the own revenue appear to be significantly increasing and the increase is mainly attributed to traffic fines revenue.

2.14 Municipal Manager’s quality certificate

Municipal Manager’s quality certificate

Quality certificate

I, RAMAKGAHLELA MINAH MAREDI, the Municipal Manager of **ELIAS MOTSOALEDI LOCAL MUNICIPALITY**, hereby certify that the 2018/19 annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with integrated Development Plan of the Municipality.

Print name: Ramakgahlela Minah Maredi

Municipal Manager of Elias Motsoaledi Local Municipality (LIM-472)

Signature  **Elias Motsoaledi Local Municipality**

Date 08/06/2018 08 JUN 2018

Municipal Manager

ELIAS MOTSOALEDI LOCAL MUNICIPALITY



Address: P.O. Box 48
Groblersdal, 0470

Phone: (013) 262 3056/7/8/9
Fax: (013) 262 2893

E-mail: rmaredi@emlm.gov.za

EXECUTIVE SUPPORT

BT17/18-67

CERTIFIED EXTRACT OF A RESOLUTION BY THE MUNICIPAL COUNCIL IN A SPECIAL COUNCIL MEETING HELD 29 MAY 2018 IN THE COUNCIL CHAMBER, MUNICIPAL OFFICES GROBLERSDAL.

BT17/18-67 2018/2019-2020/2021 FINAL ANNUAL BUDGET
RESOLVED: -

1. Council resolves that the final budget of Elias Motsoaledi Local Municipality for the financial year 2018/19, with three year audited actual and the two projected outer years 2019/20 and 2020/21 is approved in the following schedules attached to this report.

- 1.1 Budgeted summary on table A1;
- 1.2 Budgeted financial performance (revenue and expenditure by classification reflected on table A2);
- 1.3 Budgeted financial performance (revenue and expenditure by municipal vote reflected on table A3);
- 1.4 Budgeted financial performance (revenue source and expenditure by type reflected on table A4);
- 1.5 Budgeted capital budget by vote, standard classification and funding as reflected on table A5;
- 1.6 Budgeted financial position as reflected on table A6;
- 1.7 Measurable performance objective for revenue source as per Cash flow
Table A7;
- 1.8 Cash back reserve/ accumulated surplus reconciliation on A8;
- 1.9 Asset management as reflected on table A9; and
- 1.10 The basic service delivery measurement on table A10;

2. Council resolves that property rates are approved for the 2018/2019 financial year.

3. Council notes that there are no changes to the existing budget related policies apart from the Budget Policy; and Supply Chain Management and Preferential Procurement Policies amended with Treasury recommendations on the following paragraphs:

Budget policy

2.15 Notwithstanding the preceding principle, the budget for salaries, allowances and salaries-related benefits shall be separately prepared, shall not be less than 25% nor exceed 40% of the aggregate operating budget component of the annual or adjustment budget. For purpose of applying this principle, the remuneration of political office bearers and other councillor shall be excluded from this limit.

Supply Chain Management Policy

- a) Paragraph 2 Principles and pledges
- b) Paragraph 6 Oversight role of council of municipality or board of directors of municipal entity
- c) Paragraph 12 General preconditions for consideration of written quotations or bids
- d) Paragraph 13 Supplier Selection/Certification
- E) PARAGRAPH16 FORMAL WRITTEN PRICE QUOTATIONS (R1000 - R30 000)
- F) PARAGRAPH17 FORMAL WRITTEN PRICE QUOTATIONS
- G) PARAGRAPH18 PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH FORMAL WRITTEN OR VERBAL QUOTATION AND FORMAL WRITTEN PRICE QUOTATION

Preferential Procurement Policy

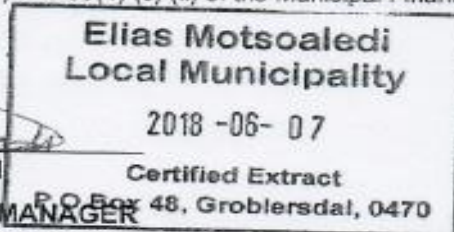
- a) Paragraph 4 Prequalification criteria for preferential procurement
- b) Paragraph 5 Tenders to be evaluated on functionality
- c) Paragraph 10 Criteria for breaking deadlock in scoring
- d) Paragraph 11 Award of contracts to tenderers not scoring highest points
- e) Paragraph 12 Subcontracting after award of tender
- f) Paragraph 13 Cancellation of tender
- g) Paragraph 14 Remedies
- h) Council resolves that the following FINAL budget related policies are approved and subjected to public consultation process

- 3.1 Credit control policy
- 3.2 Investment policy
- 3.3 Budget policy
- 3.4 Borrowing policy
- 3.5 Expenditure management policy
- 3.6 Assets management policy
- 3.7 Supply chain management policy- is approved with changes highlighted above.
- 3.8 Indigent policy
- 3.9 Virements policy
- 3.10 Funding and reserves policy
- 3.11 Property rates policy
- 3.12 Tariff policy

- i) Council resolves that tariff and charges are approved for the 2018/19 financial year as fully indicated in the tariff structure attached to this report.

- Electricity
- Refuse removal
- Basic charges
- Sundry tariffs

- j) Council notes that the SDBIP submission and approval of the SDBIP will be dealt with in accordance with sections 69(3) (a) and 53(1) (c) (ii) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).



ELIAS MOTSOALEDI LOCAL MUNICIPALITY



Address: P.O. Box 48
Groblersdal, 0470

Phone: (013) 262 3056/7/8/9
Fax: (013) 262 2893

E-mail: rmaredi@emlm.gov.za

EXECUTIVE SUPPORT

CT 17/18-28


CERTIFIED EXTRACT OF A RESOLUTION BY THE MUNICIPAL COUNCIL IN A SPECIAL COUNCIL MEETING HELD 29 MAY 2018 IN THE COUNCIL CHAMBER, MUNICIPAL OFFICES GROBLERSDAL.

CT 17/18-28

STRATEGIC RISK REGISTER FOR ELIAS MOTSOALEDI LOCAL MUNICIPALITY 2018 / 2019 FINANCIAL YEAR

RESOLVED: -

1. That the strategic risk register of Elias Motsoaledi Local Municipality for the 2018/2019 financial year is approved


R.M MAREDI
MUNICIPAL MANAGER



ELIAS MOTSOALEDI LOCAL MUNICIPALITY



Address: P.O. Box 48
Groblersdal, 0470

Phone: (013) 262 3056/7/8/9
Fax: (013) 262 2893

E-mail: rmaredi@emlm.gov.za

EXECUTIVE SUPPORT

CT 17/18-29

CERTIFIED EXTRACT OF A RESOLUTION BY THE MUNICIPAL COUNCIL IN A SPECIAL COUNCIL MEETING HELD 29 MAY 2018 IN THE COUNCIL CHAMBER, MUNICIPAL OFFICES GROBLERSDAL.

CT 17/18-29 **SERVICE DELIVERY STANDARDS FOR ELIAS MOTSOALEDI LOCAL MUNICIPALITY 2018 / 2019 FINANCIAL YEAR**

RESOLVED: -

1. That the service delivery standards of Elias Motsoaledi Local Municipality for the 2018/2019 financial year is approved.


R.M MAREDI
MUNICIPAL MANAGER

