



MAKHUDUTHAMAGA
LOCAL MUNICIPALITY

APPROVED ANNUAL BUDGET
OF
Makhuduthamaga Local Municipality

2017/18

To

2019/20

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Abbreviations and Acronyms

BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
MM	Municipal Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MTEF	Medium-term Expenditure Framework
CRRF	Capital Replacement Reserve Fund	MTREF	Medium-term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
IDP	Integrated Development Strategy	PPP	Public Private Partnership
IT	Information Technology	RG	Restructuring Grant
km	kilometre	SALGA	South African Local Government Association
DFS	Government Financial Statistics	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator	DOE	Department of Energy
LED	Local Economic Development		
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act Programme		
IGF	Internally Generated Funds	CBR	Cash Backed Reserves
FY	Full Year		

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2 PART 1 – Annual Budget

2.1 Mayor's report

Honourable speaker,

Executive committee members,

Chief whip,

Councillors,

Traditional leaders,

Chairperson of MPAC,

Chair of chairs

Municipal manager, senior managers and all employees of the municipality present here,

Managers from other government departments.

Leaders of religious denominations

Members of ward committees,

Business leaders present here,

Guests, members of the community and comrades.

Honourable speaker, once again it is an honour for me, today to be given an opportunity to table the draft IDP and Budget of the municipality for 2017/18 to 2019/20 to the council of Makhuduthamaga Local Municipality. The budget is prepared for the 2017/18 and two outer years to comply with the MFMA and MFMA regulations.

Honourable speaker

The Municipal Finance Management Act 56 of 2003 requires councils of municipalities in terms of section 16(1) to approve an annual budget for the municipality at least 30 days (section 24(1)) before the start of the financial year. In order for the municipality to comply with section 16 (1) mentioned above, the mayor of the municipality must first table the draft annual budget at a council meeting at least 90 days before the start of the budget year. The first draft budget for 2017/18 MTREF was indeed presented in council on the 28 of March 2017.

It is also a requirement of the MFMA that a time schedule be presented to the municipal council, at least ten months before the start of the budget year, outlining all the budgeting key deadlines,

And it was tabled in council held in July 2016 the time schedule outlining key deadlines for –

- i. The preparation, tabling and approval of the annual budget;
- ii. The annual review of the integrated development plan in terms of section 34 of municipal Systems Act; and the budget related policies.
- iii. The tabling and adoption of any amendments to the integrated development plan and the budget related policies; and
- iv. Any consultative processes forming part of the process referred to in the above subparagraphs.

Honourable speaker

Guided by the time schedule adopted by council, we have followed all necessary processes to ensure that our Integrated Development Plan is not just a compliance document but a plan that carries solution for the needs of our communities having taken into consideration all the budget inputs collected during the budget/IDP consultations held with all the relevant stakeholders.

Honourable speaker

We are presenting a projected total revenue budget to the amount of **R 391.5 million** for 2017/18 budget year, **R 394.8 million** and **R 409 million** for 2018/19 and 2019/20 financial years respectively. The total revenue budget for 2017/18 consists of **R 312.4 million** from National transfers and grants and **R 79.1 million** from own sources of revenue.

Our total National transfers and grants for 2017/18 are made up of **R 233 million** from equitable share, **R 1.7 million** for Finance Management Grant, **R 63.2 million** for Municipal Infrastructure Grant to fund roads infrastructure projects, **R 13 million** from Integrated National Electrification Grant and **R 1.2 million** from the Extended Public Works Programme.

Total amount of **R 79.1 million** from own revenue sources is made up of **R 38.8 million** from Property rates, **R 12.2 million** from interests on investments, **R 21 million** from interests on outstanding accounts, **R 5.2 million** from agency services, **R 632 thousands** for traffic fines and **R 1.2 million** for other revenue.

The municipality has also budgeted an amount of **R 22.3 million** in a form of cash backed reserves to fund the total expenditure budget in excess of the **R 391.5 million** budgeted revenue for 2017/18. The municipality has, in total, **R 413.9 million** to fund both the capital and operational projects of the municipality for 2017/18 budget year.

Honourable speaker

The revenue growth for 2017/18 financial year and the two outer years of the MTREF remain a serious point of concern as the municipality did not report for any revenue growth in the 2017/18 budget year and the 2018/19 budget year only shows an increase of about one percent on total revenue from 2017/18 budget year. This is a serious concern, considering the service delivery backlogs we are faced with, and therefore measures have to be put in place to ensure that the revenue generation and collection capacity of the municipality is strengthened and sustained. We have therefore reviewed our revenue enhancement strategies, in which process we identified new sources of revenue such as service charges for waste collection, rental of municipal halls and sports grounds. A thorough consultation will be conducted with the relevant stakeholders to ensure successful implementation of the plans to maximise opportunities for more revenue to sustain provision of services to our people.

Honourable speaker

We are also, planning to develop a credible and accurate indigent register which will also assist the municipality, not only with directing basic services to the appropriate people but also in planning to maximise revenue generation.

Honourable speaker

The total revenue, presented above is used to fund the total annual budgeted expenditure to the amount of **R 413.7 million** for 2017/18 financial year. The total annual budgeted expenditure for the two outer years amounts to **R 402.7 million** and **R 417.5 million** for 2018/19 and 2019/20 respectively. The total expenditure for 2017/18 is made up of **R 268.8 million** for operational expenditure and **R 144.9 million** for capital expenditure.

The total expenditure budget for 2017/18 can be summarized as follows per municipal department:

Executive Support is allocated a total budget of **R 3.9 million**

Municipal Manager's Office is allocated a total budget of **R 10.1 million**

Speaker's Office is allocated a total budget of **R 32 million**

Mayor's Office is allocate a total budget of **R 16.7 million**

Community services is allocated a total budget of **R 42.2 million**

Budget and Treasury is allocated a total budget of **R 106.4 million**

Corporate Services is allocated a total budget of **R 30.2 million**

Economic Development and Planning is allocate a total budget of **R 15.5 million**

Infrastructure Development is allocated a total budget of **R 156.7 million**

Honourable speaker

The operational expenditure of **R 268.8 million** for 2017/18 is made up of the following expenditure sources;

Employee related costs – **R 72.8 million**

Remuneration of councillors – **R 22 million.**

Debt impairment – **R 28.1 million.**

Depreciation & assets impairments – **R 21.5 million.**

Contracted services – **R 35.6 million**

Other expenditure – **R 88.8 million**

Honourable speaker

We appropriated a total amount of **R 144.9 million** for capital expenditure budget to be implemented in 2017/18 budget year. We tried our best to cover as many of our wards as possible with the limited financial resources available, to ensure that service delivery is spread equally to all wards of the municipality. We have budgeted **R 5 million** for the purchase of the Office furniture and equipment, Tipper Truck and a Tanker as some of these assets have already reached their useful life and became very expensive for the municipality to maintain, which left the municipality with no option but to dispose them off to cut the escalating maintenance costs . For the improvement and to keep our IT infrastructure at the required standards, we budgeted **R 5 million.**

Honourable Speaker

We also budgeted **R 2 million** for the development of Municipal Park, acquisition of PMS system, construction of market stalls and land scaping at the front of the municipal offices.

Honourable speaker

We have allocated **R 113.5 million** for roads, bridges and storm water construction in 2017/18 and for the two outer years of the 2018/19 MTREF, we allocated **R 121.4 million** and **R 135.4 million** for 2018/19 and 2019/20 respectively.

We also have budgeted about **R 13 million** for the implementation of the national electrification programme, **R 5.3 million** for the acquisition of the solid waste collection assets and **R 1.2 million** for the acquisition of the traffic control assets.

In 2017/18 budget year we are going to implement the following projects which will be funded by MIG;

1. Construction of Makgwabe to Mphane access road (10km) – **R 13.1 million.**
2. Construction of Kolokotela Internal Road – **R 4.4 million**
3. Construction of Rietfontein to Eensaam access road (10.5km) – **R 12.6 million.**
4. Construction of Thabampshe cross to Tswaing access road – **R 14.2 million.**
5. Construction of road from Glen cowie to Moloi (5km) – **R 15.3 million.**
6. Construction of access road from Mashabela Tribal office to Mphanama – **R 1.8 million**

Honourable speaker

Due to funding constraints, we are forced to implement the longer roads in phases and funding them in multi years. Five of the above mentioned projects will be continued in 2018/19 and 2019/20 where applicable to be completed.

Honourable speaker

We further allocated an amount of **R 51.7 million** from the equitable share to fund the following capital projects in 2017/18 budget year;

1. Construction of access road from R597 to Mashishing reservoir (2.1km) – **R 8.3 million**
2. Construction of Mohlala/Ngwanantshwane access road – **R 4.4 million**
3. Construction of Thusong Centre – **R 6.1 million**
4. Construction of access road to Manganeng Access Bridge – **R 5.7 million**
5. Construction of access road from Sekhukhune Traffic Station to the Bridge – **R 4.8 million**
6. Construction of access road to Maila Mapitsane tribal office (2.4km) – **R 6.1 million**
7. Construction of access road to Mashupye village (2.6km) – **R 8.7 million**
8. Construction of Cabrieve/Khayelitsha access bridge – **R 4.4 million**
9. Construction of access road to Lobethal to Tisane (1.2km) – **R 439 thousands**
10. Construction of access road from Mokwete to Molepane/Ntwane – **R 439 thousands**
11. Construction of access road to Mochadi – **R 439 thousands**
12. Construction of Seruteng/Marishane access bridge – **R 439 thousands**
13. Construction of Maila Mapitsane to Magolego Tribal Office – **R 439 thousands**
14. Construction of Mathapisa to Kgaruthuthu access road – **R 439 thousands**
15. Construction of Phaahla Tribal Office – **R 439 thousands**

For 2018/19 and 2019/20 outer years, we allocated **R 56.2 million** and **R 65.9 million** respectively from equitable share to fund capital projects is indicated in our IDP and the tables of the annual budget for 2016/17 MTREF.

Honourable speaker

We are therefore hereby tabling to this honourable council the following documents for adoption as mandated by section 16(1) of MFMA read with section 74 and 75a of MSA and Municipal Property Rates Act of 2004:

1. Final 2017/18 – 2021/22 IDP and the 2017/18 MTREF Budget.
2. Reviewed budget related policies.
3. National Treasury MFMA circular No.85 and 86

We are confident that the budget and the accompanying policies are mutually consistent, credible and represent the will of our people.

Let me take this opportunity on behalf of the executive committee, administration and of course on my own behalf as the mayor, to thank everyone, councillors, executive committee members, officials, Magoshi and the general community for the support and cooperation they've shown during our term of council and wish that they continue working with this municipality in the foreseeable future in ensuring better service delivery for our people.

Thank you.

2.2 Council resolutions



2.3 Executive Summary.

Legislative background

In terms of the Municipal Finance Management Act No. 56 of 2003 section 16 (1), the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. It is a requirement in terms of section 16 (2) that at least 90 days before the start of the financial year, the Mayor of the municipality must table in a council meeting the annual budget before the start of the financial year.

Complying with section 21 (b) of the MFMA, the mayor of Makhuduthamaga Local Municipality has tabled in a council meeting held in July 2016 a time schedule outlining key deadlines for:

- (i) the preparation, tabling and approval of the annual budget;
- (ii) the annual review of :
 - The integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - The budget-related policies;
- (iii) the tabling and adoption of any amendments to the Integrated Development Plan and the budget-related policies; and
- (iv) All consultative processes forming part of the processes referred to in Subparagraphs (i), (ii)

To comply and adhere to the time schedule as adopted by council of the municipality and to comply with the MFMA requirement in terms of chapter 4 (Municipal Budgets), the Annual Budget for 2017/18 and the MTREF is hereby after considering the inputs from community consultations prepared in terms of budget principles, Makhuduthamaga Budgeting policy, applicable legislations, MFMA circulars, Municipal Budget and Reporting Regulation and supporting documents as detailed below.

Budget principles and assumptions

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

The municipality's financial management strategies and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, considering the cost containment measures as approved by the cabinet, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken on expenditures of noncore and 'nice to have' items as indicated in MFMA circular number 85 and 86. The MFMA Budget circulars issued in the previous years, were also considered in preparation of the final annual budget for the 2017/18 MTREF.

The municipality has reviewed its revenue enhancement strategies to ensure that they are crafted to address the current revenue collection challenges considering the current circumstances and limitations within which the municipality operates. The current sources of revenue were reviewed to identify obstacles for revenue collection and strategies were put in place to improve and sustain collection of revenue from these sources. New available sources of revenue were also identified, and a plan of action was developed for implementation in the next financial years to start collecting revenue from such potential revenue sources. Furthermore, the municipality has budgeted to improve capacity and service conditions in its customer based DLTCs (Testing stations) to improve revenue collection for licenses and permits. The municipality has also contracted a debt collector who will assist the municipality to improve collection on outstanding debts

The municipality will undertake a number of customer care workshops in which customers will among other things be engaged and shown the importance of their responsibility to pay rates and to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The workshops will also assist the municipality to gather information on challenges faced by the customers to pay their accounts on time and such information will be used by the management of the municipality to encourage and improve debt collection.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 59, 66, 67, 70, 71, 74, 75, 78, 79, 82, 85 & 86 were used to guide the compilation of the 2017/18 and the MTREF Annual Budget.

- The main challenges experienced during the compilation of the 2017/18 MTREF can be summarised as follows:
 - The need to reprioritise infrastructure projects and necessary operational expenditure within the existing limited resources considering the cash flow realities and cash position of the municipality;
 - The municipality's inability to generate enough own revenue to assist in addressing the infrastructure and other service delivery challenges in our communities.
 - The land ownership issues which affect revenue base growth in our municipality and proper town planning in the Jane Furse area, which is the most prominent economic growth point for the municipality.
 - Lack of credible indigent register.
- The following budgeting principles and guidelines directly informed the compilation of the 2017/18 MTREF budget:
 - The annual budget for 2017/18 and the MTREF was prepared on a zero base principle, meaning that each item or programme was budgeted considering the specification of the project and not the historical expenditure.
 - The 2016/17 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were considered as the upper limits for the new baselines for the 2017/18 annual budget where resources allow and necessary;
 - Only programmes and capital projects contained in the municipality's Integrated Development Plan will be budgeted for during the 2017/18 MTREF to ensure that the budget remain an implementation tool for the municipality's IDP.
 - For the 2017/18 financial year and throughout the MTREF, tariffs for property rates will be reduced to 1.5 cents in a rand to make property rates affordable to our communities and to encourage debtors to pay their accounts.
 - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the 2017/18 Medium-term Revenue and Expenditure Framework as compared to the past budget year:

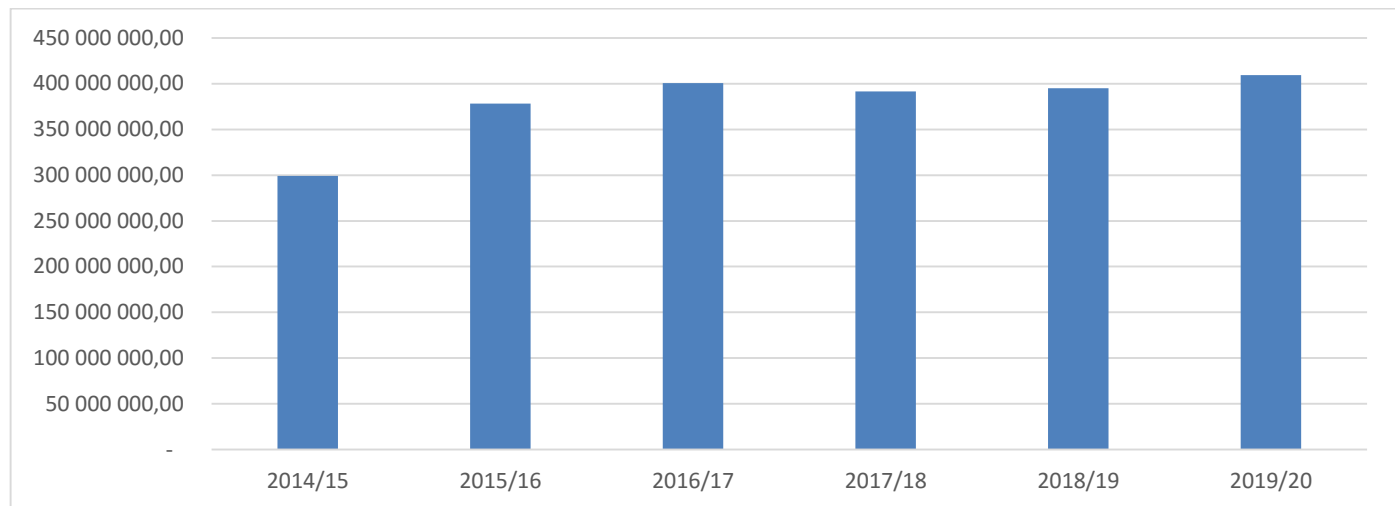
Table 1 Consolidated Overview of the 2016/17 MTREF

Description	Adjusted Budget 2016/17	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Total Revenue	400 696 731,35	391 533 804,01	394 867 958,83	409 236 994,03
Cash Backed Reserves	44 500 000,00	22 390 385,48	8 008 453,04	8 528 754,63
Total Funding	445 196 731,35	413 924 189,49	402 876 411,87	417 765 748,66
Total Operating Expenditure	273 005 740,51	268 816 552,25	262 943 396,16	274 887 467,10
Total Operating Surplus/Deficit	172 190 990,84	145 107 637,24	139 933 015,71	142 878 281,56
Capital Expenditure	168 070 807,97	144 961 810,60	139 811 689,08	142 648 430,56
	4 120 182,88	145 826,64	121 326,63	229 851,00

The municipality has budgeted a total Revenue of **R 391.5 million** for 2017/18 financial year, **R 394.8 million** and **R 409 million** for 2018/19 and 2019/20 respectively. Total revenue has decreased by 2 per cent or **R 9.2 million** for the 2017/18 financial year when compared to the 2016/17 Adjustments Budget. For the two outer years, total revenue will increase by 1 per cent and 4 per cent respectively, equating to a total revenue growth of **R 17.7 million** over the MTREF when compared to the 2016/17 financial year. The total revenue for 2017/18 includes the grants allocations from the national treasury to the amount of **R 312.4 million** and own revenue sources to the amount of **R 79.1 million**. For the two outer years of the MTREF 2018/19 and 2019/20 total grants allocations included in total revenue amounts to **R 309.5 million** and **R 317.5 million** respectively while own revenue continues to grow to **R 85.2 million** and **R 91.8 million** respectively.

The municipality is expecting the own revenue total budget for the two outer years to increase during review of the IDP and budget in 2017/18 after the approval of the reviewed revenue enhancement strategies which will introduce new sources of revenue, such as service charges for waste collection, rental of municipal halls and sports grounds and business licensing fees. The municipality has also included in its budget for 2017/18 a project to develop and regularly update the indigent register, with a plan to expand property rates charges to households in 2018/19 financial year to strengthen the municipality's revenue generating capacity and to ensure sustainability of service delivery. The above mentioned plans to expand revenue generation of the municipality have not yet been accounted for in the budget for 2017/18 MTREF as the relevant stakeholders are still going to be consulted before implementation.

The following bar chart indicates, the revenue growth level of the municipality for the 2017/18 MTREF including when compared to the past three years:



Total operating expenditure for the 2017/18 financial year has been appropriated at **R 268.8 million** and translates into an operating budgeted surplus of **R 145 million** as indicated in table A4. This surplus together is used to fund capital expenditure for 2017/18 as indicated in table 1 above. When compared to the 2016/17 Adjustments Budget, operational expenditure has gone down by 16 per cent in the 2017/18 budget and decreases again by 4 per cent by 2018/19. The operating surplus for the two outer years decreases to **R 139.9 million** for 2018/19 and increase to **R 142.8 million** in 2019/20 financial year. These surpluses will be used to fund capital projects.

The capital budget for 2017/18 financial year amounts to **R 144.9 million** and has decreased by 14 per cent when compared to the 2016/17 Adjustment Budget of **R 168 million**. The decrease in capital expenditure budget is due to the fact the capital expenditure in excess of budgeted revenue for 2016/17 was funded by a combination of equitable share and cash backed reserves to address the backlogs from previous budget year and an additional grant which was received from MIG in 2016/17. The municipality's revenue for 2017/18 is not sufficient to fund growth in capital expenditure budget and therefore, capital infrastructure projects will be implemented using multi-year budgets to cover all prioritised areas that have service delivery backlogs and to ensure a fair spread of basic services to our 31 wards.

For 2018/19 and 2019/20 budget years, the capital expenditure is budgeted at **R 139.8 million** and **R142.6 million** respectively. This reflects a further decrease in our capital expenditure due to poor revenue generation and collection by the municipality. The municipality's revenue enhancements strategies programme is aiming at amongst other things to address this reduction in capital expenditure in the future budget years.

Operating Revenue Framework

The need to generate sustainable revenue is essential to meet funding requirements for Makhuduthamaga local municipality to continue improving the quality of services provided to its communities and to address the service delivery backlogs. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and high level of

unemployment, inadequate town planning, and many other socio-economic challenges in our municipality which directly affects negatively the municipality's revenue generation and collection.

The lack of control on land for strategic development and economic growth is one of the major factors contributing to poor revenue generation and collection. The involvement of the local traditional authorities within which the 31 wards of our municipality falls within their leadership in the development plans of the municipality remain a pivotal programme, to ensure they understand and support the municipality's concept of spatial development and economic development within the jurisdictions of their leadership. They must understand the socio-economic benefits for them and the communities under their leadership first and not perceive the municipality to be a competitor when it comes to leading and governing their communities.

The expenditure required to address these challenges will always exceed available funding; hence difficult choices have to be made in relation to balance expenditures against realistically anticipated revenues. The council of Makhuduthamaga cannot increase the property rates tariffs in the near future as we still have very low level of revenue collection for the property rates which makes 49.1 per cent of the total own revenue of **R 79.1 million**. The municipality has resolved to reduce the property rates tariffs from 2 cents in a rand to 1.5 cents in a rand due to a material increase in the values of properties as per the new valuation roll for 2016 to 2021. Council will continue with programmes and steps that will ensure an improvement in community cooperation and improved collection on property rates as it is a major source of the municipality's own revenue. The municipality currently bill property rates on business properties and government properties only, due to the council resolution that was taken to exclude households pending certain processes to be completed. The municipality is planning to extend the billing of property rates on households in the next coming financial years after the completion of the indigent register project and consultation of the revenue enhancement strategies with all relevant stakeholders to get their buy in on the implementation of the plan.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2017/18 financial year and the two outer years. The new sources of revenue proposed in the revenue enhancement strategies will only be included in the budget for the two outer years once approved by council and necessary programmes such as implementing by-laws has been completed.

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 95 per cent annual collection rate for property rates and other key service charges;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs; (e.g. Waste collection project, business licensing)
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.
- The township establishment in Jane Furse as the primary note for development.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source)

Table 2 Summary of revenue classified by main revenue source

LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	43 987	29 841	31 834	33 426	37 894	37 894	37 894	38 841	39 812	41 006
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		75	106	115	121	121	121	121	121	125	131
Interest earned - external investments		7 827	8 119	11 702	12 225	10 225	10 225	10 225	12 259	13 370	15 375
Interest earned - outstanding debtors		12 455	17 087	20 498	20 998	23 498	23 498	23 498	21 058	23 757	25 657
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		156	635	579	630	730	730	730	632	635	648
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		4 039	4 400	4 909	5 154	5 154	5 154	5 154	5 169	6 526	7 831
Transfers and subsidies		162 144	182 401	232 170	228 253	228 253	228 253	228 253	236 226	242 778	246 865
Other revenue	2	2 227	1 669	980	1 029	613	613	613	1 032	1 061	1 111
Gains on disposal of PPE		-	2	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		232 910	244 261	302 787	301 835	306 487	306 487	306 487	315 338	328 064	338 626
Capital transfers and contributions		41 539	54 735	75 450	66 210	94 210	94 210	94 210	76 196	66 804	70 611
Total Revenue (Including capital transfers and contributions)		232 910	298 996	378 237	368 045	400 697	400 697	400 697	391 534	394 868	409 237

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

The total revenue for the municipality excluding capital transfers amount to **R 315 million** for 2017/18, **R 328 million** for 2018/19 and **R 338.6 million** for 2019/20. The total amount for operational grants to be received for 2017/18 is **R 236 million**. For the two outer years the total operational grants to be received amounts to **R 242.7 million** and **R 246.8 million** for 2018/19 and 2019/20 financial years respectively.

Revenue from government grants forms a significant percentage of the total operating revenue for the municipality for all of the 2016/17 MTREF. This clearly indicate that our municipality is dependent on government grants which contribute 75 per cent of the total operating revenue in 2017/18 budget year and 74 percent in 2018/19 and 73 in 2019/20.

Revenue generated from property rates amount to **R 38.8 million** and the projected interest on property rates overdue accounts amounts to **R 21 million**. The projected interests were calculated considering the current long outstanding accounts in the municipality's debtor's book. The total projected revenue from property rates when including the interests on overdue accounts amounts to **R 59.8 million** which is 76 per cent of the total own revenue budget for 2017/18.

The municipality has contracted a legal firm to assist the municipality in collecting property rates for business properties and will continue working together with the Limpopo department of Cooperative Governance, Human Settlements and Traditional Affairs through the debt forum to collect outstanding rates revenue from all government departments. The valuation roll for 2016 to 2021 separates the value of the land and improvements

made on the land and the municipality's billing will also separates the rates bill for the land and the improvements (property) to ensure that rates customers pay for the improvements while the issue of land ownership is still under the process to be resolved.

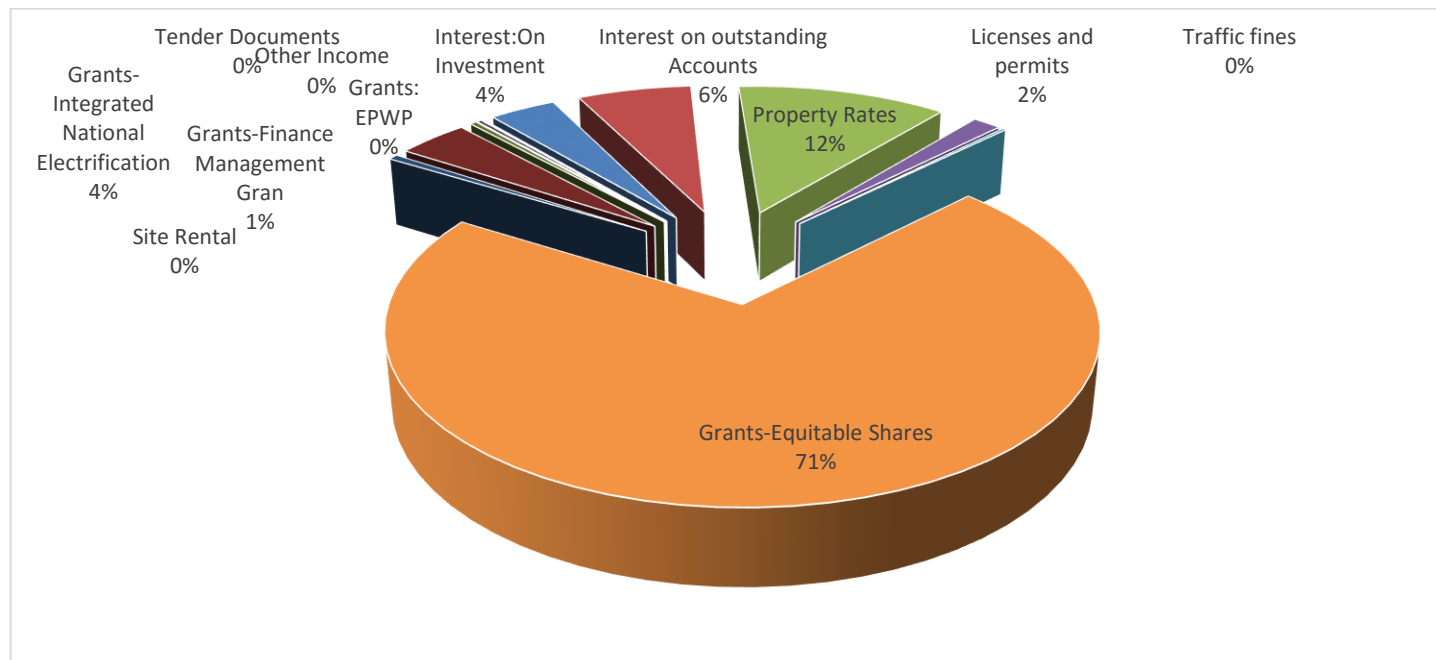
The revenue from Property rates is budgeted to increase to **R 39.8 million** and **R 41 million** for 2018/19 and 2019/20 respectively. The increase is as a result of projected increase in properties in the area as per the growth in LED projections. The tariff for property rates remain 1.5 cents in a rand for the whole MTREF.

Revenue from Licenses and permits amount to **R 5.2 million** for 2017/18 budget year, **R 6.5 million** and **R 7.8 million** for 2018/19 and 2019/20 financial years respectively. The municipality has budgeted to refurbish the testing stations to increase capacity and improve service efficiency to attract more customers and improve revenue collection on this source of revenue. The municipality will also ensure, that the e-natis system used for issuing licenses and permits that does not need special tests prior to issue, is available at the municipal offices from August 2016 to bring the service closer to many customers who travel a long distance to renew their vehicle licences.

Other revenue consists of various items such as income received for selling tender documents, charges for suppliers database registration and other allocations from LG SITA for skills development. Refer to table SA1 under 2.14 (Other supporting documents) for more details.

The following graph indicates the total operational revenue per source and the percentage of each source to the total operational revenue of **R 321.3 million** for 2017/18 financial year:

Revenue per source graph



Source of Revenue	Amount	Percentage
Interest:On Investment	12 259 454,57	4%
Interest on outstanding Accounts	21 057 518,08	6%
Property Rates	38 840 991,00	12%
Licenses and permits	5 169 015,89	2%
Traffic fines	631 800,00	0%
Grants-Equitable Shares	233 368 000,00	71%
Grants-Finance Management Gran	1 700 000,00	1%
Grants-Integrated National Electrification	13 000 000,00	4%
Grants: EPWP	1 158 000,00	0%
Tender Documents	821 340,00	0%
Site Rental	121 084,47	57%
Other Income	210 600,00	0%
	328 337 804,01	

Operating Expenditure Framework

The municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- The municipality's Spatial Development Framework.
- The infrastructure projects plan in the IDP to address the backlog and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to backlog eradication plan;
- Operational gains/ surpluses will be directed to funding the capital budget.
- Funding was allocated to only projects which have projects implementation plans to guard against under spending.
- The Demand management plan and procurement plan of the municipality.

The following table is a high level summary of the operating annual budget for 2017/18 and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure By Type											
Employee related costs	2	43 739	43 604	51 285	71 518	63 112	63 112	63 112	72 815	77 694	82 822
Remuneration of councillors		16 688	17 529	19 909	20 792	20 792	20 792	20 792	22 040	23 517	25 069
Debt impairment	3	36 155	27 989	30 000	17 280	31 417	31 417	31 417	28 049	25 747	17 708
Depreciation & asset impairment	2	10 956	13 715	16 616	13 638	18 938	18 938	18 938	21 500	23 600	25 000
Finance charges		283									
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8										
Contracted services		28 484	35 387	58 828	36 649	56 365	56 365	56 365	35 647	29 928	32 660
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	41 567	55 299	78 273	71 237	82 381	82 381	82 381	88 766	82 457	91 630
Loss on disposal of PPE		17 909	97 643	85 950							
Total Expenditure		195 781	291 166	340 862	231 114	273 006	273 006	273 006	268 817	262 943	274 887

Employee Related Costs

The budget allocation for employee related costs for the 2017/2018 financial year is **R72.8 million**, which equals to 27 per cent of the total operating expenditure. The South African Local Government Bargaining Council recently entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

We have therefore used the average CPI as guided by the MFMA Circular number 86 when calculating the salary increase for 2017/18 to 2018/19. The average CPI used as guided by Circular 86 is 6.4% for 2017/18. The municipality budgeted 7.4% per cent increase for 2017/18 to be implemented from 1 July 2017 for all employees excluding senior managers and the municipal manager. Increases of 6.7% (2018/19) and 6.6% (2019/20) were included in the two outer years respectively as guided by the MFMA circulars mentioned above.

The total employee related costs has increased from **R 63.1 million** in 2015/16 adjusted budget to **R 72.8 million** in 2017/18 which reflect a 15 per cent increase. This is as a result of the inclusion of positions which were not funded during the adjustment budget for 2016/17 in the annual budget for 2017/18 and the MTREF to increase capacity of the municipality to implements its IDP.

As part of the municipality's cost reprioritization and cash management strategy to make enough funds available to fund capital projects, non-critical vacancies on the municipal structure were not funded. In addition, expenditure for overtime was only budgeted for the municipal drivers, political offices personnel and traffic officers for emergencies and strict measures has been put in place to ensure that it is not abused considering the cost containment measures as per MFMA circular number 82.

The following positions budget among others was reduced during adjustment budget for 2016/17 as they were vacant as at the date of adjustment budget and therefore only budget for three (3) months was included in the adjustment budget for 2016/17. We have however included the budget for the whole 12 months in the annual budget for 2017/18 as recruitment processes have already commenced, with expectation of successful candidates to start working on the 1st of October 2017.

Position Name	Department	Position level
Council Secretary	Speaker's office	Middle management
MPAC Secretary	Speakers' office	Lower level management
Training and council welfare office	Speakers' office	Lower level management
Driver/Chauffer: Speaker	Speakers' office	Lower level management
MPAC coordinator	Speakers' office	Lower level management
Senior Manager: Executive Support	Executive Support	Senior Management
Secretary: Chief whip	Chief whip's office (Corporate services)	Lower level management
HRM Officer	Corporate services	Lower level management
IT Technician	Corporate Services	Lower level management
Switchboard operator	Corporate Services	Lower level management
Internal Audit Officer	MM's Office	Middle management
Risk management Officer	MM's Office	Middle management
Manager MM's Office	MM's Office	Middle management
Deputy CFO	Budget & Treasury	Senior management
Inventory Officer	Budget & Treasury	Lower level management
Payroll officer	Budget & Treasury	Lower level management
Acquisition officer	Budget & Treasury	Lower level management
Senior manager Community services	Community services	Senior management
General workers X 4	Community services	Lower management level
General workers X 4	Infrastructure Development	Lower management level
Landfill operator X 2	Community services	Lower management level
Compactor Driver	Community services	Lower management level
Senior manager EDP	Economic Development and Planning	Senior management
Senior Town planner	Economic Development and Planning	Middle management
PMS Officer	Economic Development and Planning	Lower level management

There are positions on the municipal organogram which are filled and the municipality has found out that they are no longer necessary when restructuring the organogramme and since they are 5 year contracts, they will be removed from the organogram and budget once the contracts end. Some of the contracts end in 2017/18 and 2018/19.

Remuneration of Councillors

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 total costs for councillor allowances is **R 22 million** for 2017/18, **R 23.5 million** and **R 25.1 million** for 2018/19 and 2019/20 respectively. An increase was projected at 6 per cent for 2017/18 and 6 percent for 2018/19 and 2019/20 for the upper limits for councillors.

Debt Impairment

The provision of debt impairment for 2017/18 was determined based on the Debt Write-off Policy of the municipality. For the 2017/18 financial year this amount equates to **R 28 million**, increases to **R 25.7 million** in 2017/18 and decreases to **R 17.7 million** in 2019/20 respectively. This expenditure is projected for property rates debtors and is considered to be a non-cash flow item. This item is not cash funded as there is no service rendered that is associated with the billed debt and therefore no costs associated with rendering the services were determined, to require cash funding. Revenue generated from Property rates is used to fund this expenditure item to avoid cash flow problems that may arise when customers does not pay. For example, the expenditure for Debt recovery is funded through property rates as a percentage of the amount collected, which means, when there is no collection no expenditure will be incurred.

Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. The projections were made taking into consideration the municipality's assets value as recorded in the 2015/2016 AFS and new acquisitions for the current year 2016/17 and 2017/18 budget year and the MTREF. Budget appropriations in this regard are R 21.5 million for the 2017/18 financial year and equates to 8 per cent of the total operating expenditure. It increases to R 23.6 million and 25 million for 2018/19 and 2019/20 budget years respectively.

It must however be noted that, though the municipality's capital expenditure is more than **R 100 million** for each budget year of the MTREF, the majority of the roads which forms part of this capital expenditure are **D roads** which will not be capitalised due to the circular issued by RAL and therefore did not form part of budgeted depreciation calculation. Only our roads and other assets under our ownership and control were considered when doing the projections for the budget years of the MTREF.

Contracted Services

Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipment and machinery. Security and cleaning services have been allocated **R 8 million** and **R 4 million** for 2017/18 respectively. The costs of these services increase to **R 8.6 million** and **R 4.3 million** in 2018/19.

Repairs and maintenance has been budgeted at 9% percent of the total operational budget and 11 per cent of the Asset value as per 2015/16 AFS taking in to consideration guidelines contained in MFMA circular number 66, 67, 70, 72, 74 ,75, 78 and 79.

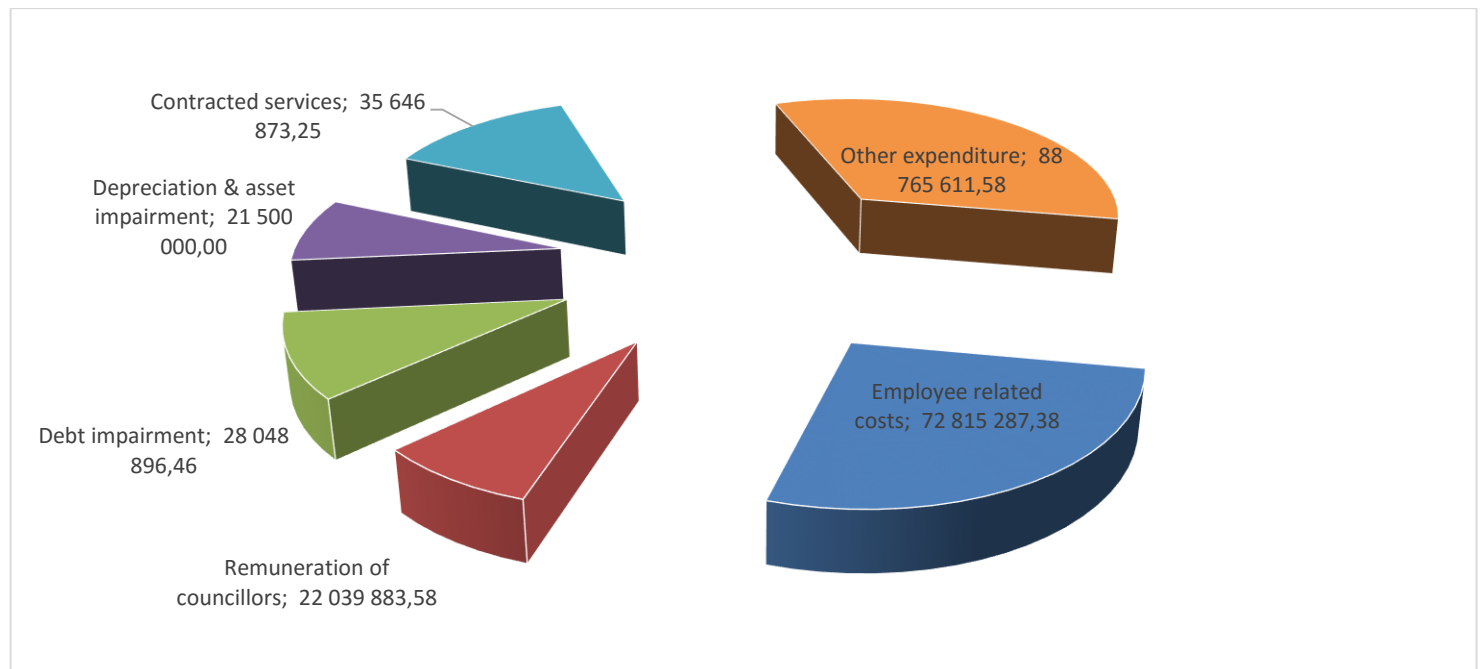
Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Amongst other expenditures comprised in this group for 2017/18 financial year, the municipality have budgeted incentives for ward committees at **R 3.9 million**, training and capacity building of councillors and ward committees at **R 1.6 million**, mayor's special and outreach programmes at **R 5 million**, publications and branding of the municipality at **R 9.2 million**, Audit fees at **R 3.1 million**, bursary fund at **R 2.4 million**, travel and accommodation at **R 2.6 million**, acquisition of land, spatial planning and land scarping at **R 2.8 million**, SMME support and LED programmes at **R 2.2 million**, free basic electricity at **R 3.9 million**, disaster management programmes and sports and culture promotions at **R 4.1 million**.

Furthermore, in compliance to the cost containment measures as approved by the cabinet, the municipality has reduced spending on excessive advertising, travelling, caterings, promotional materials and mandates that belong to other spheres of government for 2017/18 MTREF. For further details on other expenditure refer to table SA1

The following bar chart gives a breakdown of the main expenditure categories for the 2017/18 financial year.

Table 6 Main Operational Expenditure categories for 2017/18 financial year



Description	Budget Amount 2017/18	Percentage
Employee related costs	72 815 287,38	27%
Remuneration of councillors	22 039 883,58	8%
Debt impairment	28 048 896,46	10%
Depreciation & asset impairment	21 500 000,00	8%
Contracted services	35 646 873,25	13%
Other expenditure	88 765 611,58	33%
	268 816 552,25	

Priority given to repairs and maintenance

Considering National Treasury MFMA circular number 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78 and 79, the municipality has put repairs and maintenance as one of the priorities to preserve and maintain the municipality's current infrastructure, to ensure that the existing assets are in good working conditions and to lengthen the assets life span. The 2017/18 budget and MTREF provide for a decrease in the area of asset maintenance as compared to the previous financial year 2015/16. 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. In the municipality's case, all repairs and maintenance services for the infrastructure assets will be done through contracted services as indicated in table SA1 of the A schedule. The repairs and maintenance budget for 2017/18 amount to **R 35.6 million**, **R 29.9 million** and **R 32.6 million** for 2018/19 and 2019/20 respectively.

Repairs and maintenance expenditure budget amounts to 09 per cent of the municipality's budgeted operational expenditure for 2017/18. For the two outer years, repairs and maintenance is budgeted at 6 per cent and 7 per cent of the budgeted operational expenditure respectively.

Free Basic Services: Electricity tokens

The municipality gives free basic electricity tokens to poor households within the municipal jurisdictions to assist them as they cannot afford the electricity costs. Our municipality does not have a licence to provide electricity and therefore buys the tokens from Eskom for the affected households who registered with the municipality. 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 basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table MBRR Table A10 (Basic Service Delivery Measurement)

The cost of the free basic electricity of the registered indigent households is financed through the local government equitable share received in terms of the annual Division of Revenue Act and it has been allocated at **R 3.9 million** for 2017/18, **R 4.1 million** and **R 4.4 million** for 2018/19 and 2019/20 respectively.

Capital expenditure

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

Table 3 2014/15 Medium-term capital budget per vote

LIM473 Makhuduthamaga - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Support		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		73 658	116 295	148 490	129 260	134 811	134 811	134 811	113 462	121 412	135 348
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	73 658	116 295	148 490	129 260	134 811	134 811	134 811	113 462	121 412	135 348
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Support		-	-	-	1 700	2 200	2 200	2 200	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	3 700	5 500	3 060	3 060	3 060	2 000	600	700
Vote 4 - Infrastructure Development		941	-	2 100	7 000	7 000	7 000	7 000	13 000	-	-
Vote 5 - Community Services		-	-	500	3 500	2 193	2 193	2 193	6 500	9 200	6 000
Vote 6 - Corporate Services		4 054	1 037	4 050	3 500	3 500	3 500	3 500	5 000	1 900	600
Vote 7 - Budget and Treasury		5 677	10 167	12 200	4 450	15 307	15 307	15 307	5 000	6 700	-
Capital single-year expenditure sub-total		10 672	11 204	22 550	25 650	33 260	33 260	33 260	31 500	18 400	7 300
Total Capital Expenditure - Vote		84 330	127 500	171 040	154 910	168 071	168 071	168 071	144 962	139 812	142 648

New Capital Assets

For 2017/18 an amount of **R 144.9 million** has been appropriated for the new capital expenditure which will be funded by MIG to the amount of **R 63.1 million** and equitable share & cash backed reserves to the amount of **R 81.8 million**. For 2018/19 and 2019/20 the budget has been appropriated at **R 139.8 million** and **R 142.6 million** respectively.

Infrastructure and Development vote is appropriated the highest allocation of R 113 million in 2017/18 which equates to 87 per cent of the total capital budget for 2017/18 to build roads and bridges, Budget and Treasury is allocated 3 per cent of the total capital budget for capacitating the two testing stations aiming at improving service efficiency and ultimately improved revenue generation. The remaining 10 per cent is allocated to Economic

Development and planning at 1 per cent, Corporate Services at 3 per cent, Waste Management 6 per cent, refer to table SA 36 which provides projects names and respective ward allocations.

Renewal of existing Assets

No budget allocation on the renewal of municipal infrastructure assets for 2017/18.

2.4 DRAFT ANNUAL BUDGET TABLES (A1 to A10)

The following are the ten main A schedule tables for the annual budget of Makhuduthamaga municipality for the 2017/18 MTREF

2.4.1 Table 7 MBRR A1 – Annual Budget Summary

LIM473 Makhuduthamaga - Table A1 Budget Summary										
Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	43 987	29 841	31 834	33 426	37 894	37 894	37 894	38 841	39 812	41 006
Investment revenue	7 827	8 119	11 702	12 225	10 225	10 225	10 225	12 259	13 370	15 375
Transfers recognised - operational	162 144	182 401	232 170	228 253	228 253	228 253	228 253	236 226	242 778	246 865
Other own revenue	18 952	23 899	27 081	27 932	30 116	30 116	30 116	28 011	32 104	35 379
Total Revenue (excluding capital transfers and contributions)	232 910	244 261	302 787	301 835	306 487	306 487	306 487	315 338	328 064	338 626
Employee costs	43 739	43 604	51 285	71 518	63 112	63 112	63 112	72 815	77 694	82 822
Remuneration of councillors	16 688	17 529	19 909	20 792	20 792	20 792	20 792	22 040	23 517	25 069
Depreciation & asset impairment	10 956	13 715	16 616	13 638	18 938	18 938	18 938	21 500	23 600	25 000
Finance charges	283	–	–	–	–	–	–	–	–	–
Other expenditure	124 115	216 318	253 051	125 165	170 163	170 163	170 163	152 461	138 133	141 997
Total Expenditure	195 781	291 166	340 862	231 114	273 006	273 006	273 006	268 817	262 943	274 887
Surplus/(Deficit)	37 129	(46 905)	(38 075)	70 721	33 481	33 481	33 481	46 521	65 121	63 739
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 539	54 735	75 450	66 210	94 210	94 210	94 210	76 196	66 804	70 611
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	78 668	7 830	37 375	136 931	127 691	127 691	127 691	122 717	131 925	134 350
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	78 668	7 830	37 375	136 931	127 691	127 691	127 691	122 717	131 925	134 350
Capital expenditure & funds sources										
Capital expenditure	84 330	127 500	171 040	154 910	168 071	168 071	168 071	144 962	139 812	142 648
Transfers recognised - capital	84 330	127 500	171 040	154 910	168 071	168 071	168 071	144 962	139 812	142 648
Total sources of capital funds	84 330	127 500	171 040	154 910	168 071	168 071	168 071	144 962	139 812	142 648
Financial position										
Total current assets	150 221	143 429	148 282	122 625	120 362	120 362	120 362	132 393	163 367	191 413
Total non current assets	202 727	220 411	356 145	301 859	425 341	425 341	425 341	521 519	621 680	733 049
Total current liabilities	30 076	31 379	14 376	15 468	15 468	15 468	15 468	33 613	17 726	18 896
Total non current liabilities	2 786	2 813	3 744	4 028	4 028	4 028	4 028	4 327	4 616	4 921
Community wealth/Equity	320 085	329 648	486 307	404 987	526 206	526 206	526 206	615 973	762 705	900 644
Cash flows										
Net cash from (used) operating	86 327	111 214	174 642	160 784	164 713	164 713	164 713	157 039	167 694	167 351
Net cash from (used) investing	(83 940)	(128 798)	(171 040)	(154 910)	(168 071)	(168 071)	(168 071)	(144 962)	(139 812)	(142 648)
Net cash from (used) financing	(81)	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	129 702	112 117	115 720	74 569	65 338	65 338	65 338	73 977	101 860	126 562
Cash backing/surplus reconciliation										
Cash and investments available	129 702	112 117	115 720	74 569	65 338	65 338	65 338	73 187	100 170	123 972
Application of cash and investments	28 154	23 561	(9 152)	(26 775)	(27 951)	(27 951)	(27 951)	(11 760)	(33 130)	(39 442)
Balance - surplus (shortfall)	101 548	88 556	124 872	101 344	93 289	93 289	93 289	84 947	133 300	163 414
Asset management										
Asset register summary (WDV)	202 727	220 411	356 145	301 859	425 341	425 341	521 519	521 519	621 680	733 049
Depreciation	10 956	13 715	16 616	13 638	18 938	18 938	21 500	21 500	23 600	25 000
Renewal of Existing Assets	–	6 700	–	14 000	18 421	18 421	18 421	–	–	–
Repairs and Maintenance	15 447	22 626	58 828	19 900	42 200	42 200	22 581	22 581	15 987	17 799
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	605	605	605	605	605	605	605	605	605	605
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sew erage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

2.4.2 Table MBRR A2 – Budgeted Financial Performance (Functional Classification)

LIM473 Makhuduthamaga - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
<i>Governance and administration</i>		274 449	298 996	378 237	368 045	400 697	400 697	391 534	394 868	409 237
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		274 449	298 996	378 237	368 045	400 697	400 697	391 534	394 868	409 237
Internal audit		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	274 449	298 996	378 237	368 045	400 697	400 697	391 534	394 868	409 237
Expenditure - Functional										
<i>Governance and administration</i>		151 305	227 985	246 230	153 623	178 343	178 343	189 446	187 016	192 223
Executive and council		32 416	36 401	54 925	55 053	61 501	61 501	62 803	61 860	70 138
Finance and administration		118 889	191 584	191 305	98 571	116 842	116 842	126 643	125 156	122 085
<i>Community and public safety</i>		12 045	12 323	17 311	22 137	18 417	18 417	23 607	23 674	24 970
Community and social services		4 205	3 346	4 881	6 160	5 237	5 237	6 937	7 672	7 807
Sport and recreation		368	970	1 900	1 040	963	963	3 135	1 800	1 950
Public safety		7 471	8 008	10 530	14 937	12 217	12 217	13 535	14 202	15 213
<i>Economic and environmental services</i>		25 405	38 479	60 642	41 781	57 387	57 387	35 740	33 899	38 397
Planning and development		7 333	9 453	17 219	15 420	13 652	13 652	13 457	12 769	17 648
Road transport		18 072	29 026	43 423	26 361	43 735	43 735	22 283	21 130	20 749
<i>Trading services</i>		7 028	12 378	16 678	13 572	18 859	18 859	20 024	18 354	19 297
Energy sources		4 292	8 764	10 480	7 116	7 804	7 804	7 902	6 297	6 707
Waste management		2 736	3 614	6 197	6 456	11 054	11 054	12 122	12 057	12 591
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	195 781	291 166	340 862	231 114	273 006	273 006	268 817	262 943	274 887
Surplus/(Deficit) for the year		78 668	7 830	37 375	136 931	127 691	127 691	122 717	131 925	134 350

2.4.3 Table MBRR A3 – Budgeted Financial Performance (Municipal Vote)

LIM473 Makhuduthamaga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Support		–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	–	–	–	–	–	–
Vote 4 - Infrastructure Development		–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 7 - Budget and Treasury		274 449	298 996	378 237	368 045	400 697	400 697	391 534	394 868	409 237
Total Revenue by Vote	2	274 449	298 996	378 237	368 045	400 697	400 697	391 534	394 868	409 237
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Support		32 416	32 139	49 262	46 566	53 621	53 621	52 670	51 526	59 429
Vote 2 - Office of the Municipal Manager		–	4 262	5 664	8 486	7 880	7 880	10 133	10 334	10 708
Vote 3 - Economic Development and Planning		7 333	9 453	17 219	15 420	13 652	13 652	13 457	12 769	17 648
Vote 4 - Infrastructure Development		22 364	37 790	53 903	33 477	51 539	51 539	30 185	27 427	27 456
Vote 5 - Community Services		14 780	15 937	23 509	28 593	29 471	29 471	35 729	35 731	37 561
Vote 6 - Corporate Services		15 991	18 853	17 069	22 862	23 692	23 692	25 218	23 508	24 113
Vote 7 - Budget and Treasury		102 898	172 732	174 236	75 708	93 150	93 150	101 425	101 648	97 972
Total Expenditure by Vote	2	195 781	291 166	340 862	231 114	273 006	273 006	268 817	262 943	274 887
Surplus/(Deficit) for the year	2	78 668	7 830	37 375	136 931	127 691	127 691	122 717	131 925	134 350

2.4.4 Table MBRR A4 – Budgeted Financial Performance (Operational Revenue and Expenditure)

LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	43 987	29 841	31 834	33 426	37 894	37 894	37 894	38 841	39 812	41 006
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		75	106	115	121	121	121	121	121	125	131
Interest earned - external investments		7 827	8 119	11 702	12 225	10 225	10 225	10 225	12 259	13 370	15 375
Interest earned - outstanding debtors		12 455	17 087	20 498	20 998	23 498	23 498	23 498	21 058	23 757	25 657
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		156	635	579	630	730	730	730	632	635	648
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		4 039	4 400	4 909	5 154	5 154	5 154	5 154	5 169	6 526	7 831
Transfers and subsidies		162 144	182 401	232 170	228 253	228 253	228 253	228 253	236 226	242 778	246 865
Other revenue	2	2 227	1 669	980	1 029	613	613	613	1 032	1 061	1 111
Gains on disposal of PPE			2								
Total Revenue (excluding capital transfers and contributions)		232 910	244 261	302 787	301 835	306 487	306 487	306 487	315 338	328 064	338 626
Expenditure By Type											
Employee related costs	2	43 739	43 604	51 285	71 518	63 112	63 112	63 112	72 815	77 694	82 822
Remuneration of councillors		16 688	17 529	19 909	20 792	20 792	20 792	20 792	22 040	23 517	25 069
Debt impairment	3	36 155	27 989	30 000	17 280	31 417	31 417	31 417	28 049	25 747	17 708
Depreciation & asset impairment	2	10 956	13 715	16 616	13 638	18 938	18 938	18 938	21 500	23 600	25 000
Finance charges		283									
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		28 484	35 387	58 828	36 649	56 365	56 365	56 365	35 647	29 928	32 660
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	41 567	55 299	78 273	71 237	82 381	82 381	82 381	88 766	82 457	91 630
Loss on disposal of PPE		17 909	97 643	85 950							
Total Expenditure		195 781	291 166	340 862	231 114	273 006	273 006	273 006	268 817	262 943	274 887
Surplus/(Deficit)		37 129	(46 905)	(38 075)	70 721	33 481	33 481	33 481	46 521	65 121	63 739
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 539	54 735	75 450	66 210	94 210	94 210	94 210	76 196	66 804	70 611
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		78 668	7 830	37 375	136 931	127 691	127 691	127 691	122 717	131 925	134 350
Taxation											
Surplus/(Deficit) after taxation		78 668	7 830	37 375	136 931	127 691	127 691	127 691	122 717	131 925	134 350
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		78 668	7 830	37 375	136 931	127 691	127 691	127 691	122 717	131 925	134 350
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		78 668	7 830	37 375	136 931	127 691	127 691	127 691	122 717	131 925	134 350

2.4.5 Table 11 MBRR A5 – Budgeted Capital Expenditure (By Vote & Standard Classification)

LIM473 Makhuduthamaga - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Support		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	–	–	–	–	–	–	–
Vote 4 - Infrastructure Development		73 658	116 295	148 490	129 260	134 811	134 811	134 811	113 462	121 412	135 348
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Budget and Treasury		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	73 658	116 295	148 490	129 260	134 811	134 811	134 811	113 462	121 412	135 348
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Support		–	–	–	1 700	2 200	2 200	2 200	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	3 700	5 500	3 060	3 060	3 060	2 000	600	700
Vote 4 - Infrastructure Development		941	–	2 100	7 000	7 000	7 000	7 000	13 000	–	–
Vote 5 - Community Services		–	–	500	3 500	2 193	2 193	2 193	6 500	9 200	6 000
Vote 6 - Corporate Services		4 054	1 037	4 050	3 500	3 500	3 500	3 500	5 000	1 900	600
Vote 7 - Budget and Treasury		5 677	10 167	12 200	4 450	15 307	15 307	15 307	5 000	6 700	–
Capital single-year expenditure sub-total		10 672	11 204	22 550	25 650	33 260	33 260	33 260	31 500	18 400	7 300
Total Capital Expenditure - Vote		84 330	127 500	171 040	154 910	168 071	168 071	168 071	144 962	139 812	142 648
Capital Expenditure - Functional											
Governance and administration		9 731	11 204	16 250	9 650	21 007	21 007	21 007	10 000	8 600	600
Executive and council											
Finance and administration		9 731	11 204	16 250	9 650	21 007	21 007	21 007	10 000	8 600	600
Community and public safety		–	–	500	1 000	–	–	–	1 200	–	–
Public safety		–	–	500	1 000	–	–	–	1 200	–	–
Economic and environmental services		73 658	116 295	152 190	134 760	137 871	137 871	137 871	115 462	122 012	136 048
Planning and development		–	–	3 700	5 500	3 060	3 060	3 060	2 000	600	700
Road transport		73 658	116 295	148 490	129 260	134 811	134 811	134 811	113 462	121 412	135 348
Trading services		941	–	2 100	9 500	9 193	9 193	9 193	18 300	9 200	6 000
Energy sources		941	–	2 100	7 000	7 000	7 000	7 000	13 000	–	–
Waste management		–	–	–	2 500	2 193	2 193	2 193	5 300	9 200	6 000
Other											
Total Capital Expenditure - Functional	3	84 330	127 500	171 040	154 910	168 071	168 071	168 071	144 962	139 812	142 648
Funded by:											
National Government		84 330	127 500	171 040	154 910	168 071	168 071	168 071	144 962	139 812	142 648
Transfers recognised - capital	4	84 330	127 500	171 040	154 910	168 071	168 071	168 071	144 962	139 812	142 648
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
Total Capital Funding	7	84 330	127 500	171 040	154 910	168 071	168 071	168 071	144 962	139 812	142 648

2.4.6 Table MBRR A6 – Budgeted Financial Position

LIM473 Makhuduthamaga - Table A6 Budgeted Financial Position											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash		129 702	112 117	115 720	74 569	65 338	65 338	65 338	73 977	101 860	126 562
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	3 422	13 590	19 223	39 145	46 113	46 113	46 113	49 526	52 844	56 331
Other debtors		16 333	17 315	12 925	8 595	8 595	8 595	8 595	9 230	9 849	10 499
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	763	407	415	316	316	316	316	450	505	610
Total current assets		150 221	143 429	148 282	122 625	120 362	120 362	120 362	133 183	165 057	194 003
Non current assets											
Investment property		1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 252	1 252	1 252
Property, plant and equipment	3	200 546	218 385	352 909	299 690	423 171	423 171	423 171	518 817	619 129	730 737
Intangible		1 009	854	2 064	998	998	998	998	1 451	1 300	1 060
Other non-current assets											
Total non current assets		202 727	220 411	356 145	301 859	425 341	425 341	425 341	521 519	621 680	733 049
TOTAL ASSETS		352 947	363 840	504 427	424 484	545 703	545 703	545 703	654 702	786 738	927 052
LIABILITIES											
Current liabilities											
Trade and other payables	4	30 076	31 379	14 376	15 468	15 468	15 468	15 468	33 613	17 726	18 896
Provisions											
Total current liabilities		30 076	31 379	14 376	15 468	15 468	15 468	15 468	33 613	17 726	18 896
Non current liabilities											
Provisions		2 786	2 813	3 744	4 028	4 028	4 028	4 028	4 327	4 616	4 921
Total non current liabilities		2 786	2 813	3 744	4 028	4 028	4 028	4 028	4 327	4 616	4 921
TOTAL LIABILITIES		32 862	34 192	18 120	19 497	19 497	19 497	19 497	37 940	22 343	23 817
NET ASSETS	5	320 085	329 648	486 307	404 987	526 206	526 206	526 206	616 763	764 395	903 234
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		320 085	329 648	486 307	404 987	526 206	526 206	526 206	616 763	764 395	903 234
TOTAL COMMUNITY WEALTH/EQUITY	5	320 085	329 648	486 307	404 987	526 206	526 206	526 206	616 763	764 395	903 234

2.4.7 Table MBRR A7 – Budgeted Cash Flows

LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1 585	8 425	10 414	23 505	23 505	23 505	23 505	25 245	29 936	34 912
Other revenue		4 537	5 169	32 704	30 787	30 471	30 471	30 471	26 381	28 402	31 767
Government - operating	1	185 806	232 147	232 170	228 253	228 253	228 253	228 253	236 226	242 778	246 865
Government - capital	1	–	–	75 450	66 210	94 210	94 210	94 210	76 196	66 804	70 611
Interest		20 045	8 119	32 200	12 225	10 225	10 225	10 225	12 259	13 370	15 375
Payments											
Suppliers and employees		(125 644)	(142 647)	(208 296)	(200 196)	(221 951)	(221 951)	(221 951)	(219 268)	(213 596)	(232 180)
Finance charges		(2)	–	–					–	–	–
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		86 327	111 214	174 642	160 784	164 713	164 713	164 713	157 039	167 694	167 351
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		390	7	–					–	–	–
Payments											
Capital assets		(84 330)	(128 805)	(171 040)	(154 910)	(168 071)	(168 071)	(168 071)	(144 962)	(139 812)	(142 648)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(83 940)	(128 798)	(171 040)	(154 910)	(168 071)	(168 071)	(168 071)	(144 962)	(139 812)	(142 648)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		(81)	–	–					–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(81)	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		2 307	(17 585)	3 602	5 874	(3 358)	(3 358)	(3 358)	12 078	27 883	24 703
Cash/cash equivalents at the year begin:	2	127 395	129 702	112 117	68 696	68 696	68 696	68 696	61 899	73 977	101 860
Cash/cash equivalents at the year end:	2	129 702	112 117	115 720	74 569	65 338	65 338	65 338	73 977	101 860	126 562

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

3. It can be seen that the cash levels of the municipality fell significantly over the 2017/18 budget year but however the municipality is managing to reach a positive cash movements in the 2017/18 MTREF.
4. The 2017/18 MTREF provide for a net increase in cash of **R 12 million** for the 2017/18 financial year, net increase of **R 27 million** in 2018/19 and **R 24.7 million** in 2019/20.
5. Cash Flow from Operating activities;
The municipality has projected to receive **R 25 million** from Property rates and **R 26 million** from other revenue which consists mainly of VAT recovery for capital expenditure and other contracted services for operational purposes. Transfers from National government are projected to be received 100%. Trade and other payables as indicated in table A6 has been subtracted from the total expenditure included in the cash flow and non-cash flow items such as depreciation and debt impairment has been disregarded in the calculations.

The municipality's council has contracted a law firm to assist in debt collection and is currently engaging relevant stake holders to ensure a better collection rate in property rates and to ensure a better implementation of service charges in the near future.

Capital Assets expenditure and cash paid to suppliers and employees increases over the 2017/18 MTREF due to increase in employee costs, operational expenditure budget, capital expenditure budget and the projected creditors balance at the end of each budget year.

2.4.8 Table MBRR A8 – Cash backed reserves/Accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	129 702	112 117	115 720	74 569	65 338	65 338	65 338	73 977	101 860	126 562
Other current investments > 90 days		–	–	0	–	–	–	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		129 702	112 117	115 720	74 569	65 338	65 338	65 338	73 977	101 860	126 562
Application of cash and investments											
Unspent conditional transfers		7 792	2 717	12 300	–	–	–	–	17 000	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	–	–	–	–	–	–	–	–	–	–
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		7 792	2 717	12 300	–	–	–	–	17 000	–	–
Surplus(shortfall)		121 910	109 401	103 420	74 569	65 338	65 338	65 338	56 977	101 860	126 562

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. 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.
3. 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".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2018/19 to 2019/20 the municipality's budget is properly funded and reflect surplus.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2017/18 MTREF was fully funded.
7. The municipality does not have noncurrent investments and no projection has been made for unspent conditional grants as we plan to utilise 100% of the allocation by year end.
8. The municipality is planning to spend 100% of its conditional grants.
9. VAT input will always be more than VAT output which is reflecting in the cash flow from operating activities and therefore no amount will reflect under statutory requirements

2.4.9 Table MBRR table A9 – Asset Management

LIM473 Makhuduthamaga - Table A9 Asset Management										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE										
Total New Assets	1	84 330	120 800	171 040	140 910	149 649	149 649	144 962	139 812	142 648
Roads Infrastructure		73 658	109 595	148 490	115 260	116 389	116 389	113 462	121 412	135 348
Electrical Infrastructure		941	–	2 100	7 000	7 000	7 000	13 000	–	–
Solid Waste Infrastructure		–	–	–	2 500	2 500	2 500	5 300	9 200	6 000
Infrastructure		74 599	109 595	150 590	124 760	125 889	125 889	131 762	130 612	141 348
Community Facilities		–	–	3 700	6 500	3 060	3 060	3 200	600	700
Community Assets		–	–	3 700	6 500	3 060	3 060	3 200	600	700
Operational Buildings		5 677	10 167	12 700	6 150	17 200	17 200	5 000	6 700	–
Other Assets		5 677	10 167	12 700	6 150	17 200	17 200	5 000	6 700	–
Licences and Rights		1 121	–	–	–	–	–	–	–	–
Intangible Assets		1 121	–	–	–	–	–	–	–	–
Computer Equipment		2 933	1 037	4 050	3 500	3 500	3 500	5 000	1 900	600
Total Renewal of Existing Assets	2	–	6 700	–	14 000	18 421	18 421	–	–	–
Roads Infrastructure		–	6 700	–	14 000	18 421	18 421	–	–	–
Infrastructure		–	6 700	–	14 000	18 421	18 421	–	–	–
Total Capital Expenditure	4									
Roads Infrastructure		73 658	116 295	148 490	129 260	134 811	134 811	113 462	121 412	135 348
Electrical Infrastructure		941	–	2 100	7 000	7 000	7 000	13 000	–	–
Solid Waste Infrastructure		–	–	–	2 500	2 500	2 500	5 300	9 200	6 000
Infrastructure		74 599	116 295	150 590	138 760	144 311	144 311	131 762	130 612	141 348
Community Facilities		–	–	3 700	6 500	3 060	3 060	3 200	600	700
Community Assets		–	–	3 700	6 500	3 060	3 060	3 200	600	700
Operational Buildings		5 677	10 167	12 700	6 150	17 200	17 200	5 000	6 700	–
Other Assets		5 677	10 167	12 700	6 150	17 200	17 200	5 000	6 700	–
Licences and Rights		1 121	–	–	–	–	–	–	–	–
Intangible Assets		1 121	–	–	–	–	–	–	–	–
Computer Equipment		2 933	1 037	4 050	3 500	3 500	3 500	5 000	1 900	600
TOTAL CAPITAL EXPENDITURE - Asset class		84 330	127 500	171 040	154 910	168 071	168 071	144 962	139 812	142 648
ASSET REGISTER SUMMARY - PPE (WDV)										
Roads Infrastructure	5	171 025	182 801	290 771	266 316	367 512	367 512	450 578	537 696	634 625
Storm water Infrastructure		3 168	2 858	5 703	7 000	7 000	7 000	8 582	10 241	12 088
Infrastructure		174 193	185 659	296 474	273 316	374 512	374 512	459 161	547 938	646 713
Community Assets		–	–	–	–	–	–	–	–	–
Non-revenue Generating		1 172	1 172	1 172	1 172	1 172	1 172	1 252	1 252	1 252
Investment properties		1 172	1 172	1 172	1 172	1 172	1 172	1 252	1 252	1 252
Operational Buildings		26 353	32 727	56 435	26 373	48 659	48 659	59 657	71 191	84 025
Other Assets		26 353	32 727	56 435	26 373	48 659	48 659	59 657	71 191	84 025
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Licences and Rights		1 009	854	2 064	998	998	998	1 451	1 300	1 060
Intangible Assets		1 009	854	2 064	998	998	998	1 451	1 300	1 060
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	202 727	220 411	356 145	301 859	425 341	425 341	521 519	621 680	733 049
EXPENDITURE OTHER ITEMS										
Depreciation	7	10 956	13 715	16 616	13 638	18 938	18 938	21 500	23 600	25 000
Repairs and Maintenance by Asset Class	3	15 447	22 626	58 828	19 900	42 200	42 200	22 581	15 987	17 799
Roads Infrastructure		14 582	20 734	37 550	16 100	36 100	36 100	2 000	3 100	3 800
Electrical Infrastructure		–	–	4 100	2 500	3 700	3 700	3 500	1 600	1 700
Infrastructure		14 582	20 734	41 650	18 600	39 800	39 800	5 500	4 700	5 500
Computer Equipment		–	558	1 027	800	1 300	1 300	2 900	427	455
Machinery and Equipment		58	–	13 612	–	–	–	–	–	–
Transport Assets		807	1 334	2 538	500	1 100	1 100	2 181	1 261	1 344
TOTAL EXPENDITURE OTHER ITEMS		26 403	36 340	75 443	33 538	61 138	61 138	44 081	39 587	42 799

2.4.10 Table 16 MBRR table A10 – Basic Service delivery measurement

LIM473 Makhuduthamaga - Table A10 Basic service delivery measurement										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-

Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		9 981	9 981	9 981	9 981	9 981	9 981	9 981	9 981	9 981
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
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)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		605	605	605	605	605	605	605	605	605
Other										
Total revenue cost of subsidised services provided		605	605	605	605	605	605	605	605	605

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The municipality continues to make good progress with the eradication of backlogs on services that are within the functions of the municipality in terms of the South African Constitution and Municipal Systems Act. The municipality performs only the function of providing indigents registered in the municipality's indigent register with electricity tokens (Free Basic Electricity) and the other basic services as listed in table A10 are performed by the Greater Sekhukhune District Municipality. It must be noted also that as the municipality does not sell electricity, but purchase the electricity from Eskom, therefore the revenue costs for providing free basic electricity is Zero.
- The following are the services that are provided by the district municipality and hence, no information has been completed on the table A10 of the municipality's Annual budget for 2017/18 MTREF:
 - Water services
 - Sanitation services
 - Electricity services
 - Refuse services
- The budget provides for 110 000 households to be registered as indigent in 2017/18, and therefore entitled to receiving Free Basic Services. It is anticipated that these Free Basic Services will cost the municipality **R 3.9 million** in 2017/18, increasing to **R 4.1 million** in 2018/19 and **R 4.5 million** in 2019/20. This is covered by the municipality's equitable share allocation from national government.

3 PART 2 – SUPPORTING DOCUMENTS

3.1 Overview of municipal 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 of the municipality consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio chairperson for Finance.

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

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

The budget steering committee had regular meetings to deal with the IDP/Budget processes as contained in the municipality's approved time schedule that sets out the process to review the IDP and prepare the annual budget.

3.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule in June 2016. Key dates applicable to the process were adhered to and progress was reported to council quarterly

3.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the first review of the IDP as adopted by Council in August 2016.

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 first 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

The SDBIP for 2017/18 has been completed and will be submitted to the relevant stakeholders within 28 days from the date of adopting the budget by council.

3.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2017/18 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 2017/18 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2016/17 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- The municipality's Spatial Development Plan

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85 and 86 has been taken into consideration in the planning and prioritisation process.

3.1.4 Community Consultation

The consultation schedule for draft 2017/18 MTREF which was tabled before Council on 30 March 2017 was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and the municipality's community libraries and at tribal offices.

All documents in the appropriate format (electronic and printed) were submitted to National and Provincial Treasury, and other national and provincial departments in accordance with section 23 of the MFMA and MFMA circular number 79 and 80, to provide an opportunity for them to ensure that their inputs are incorporated in the final budget and for monitoring purposes. Inputs received from the Provincial Treasury were considered and were necessary and appropriate included in the final budget for 2017/18 and the MTREF.

Ward Committees were utilised to facilitate the community consultation process. The applicable dates and venues which were published on municipality's websites, notice boards and published in a newspaper and the local community radio station were as follows. Individual sessions were scheduled and conducted with organised

businesses and other stakeholders to further ensure transparency and interaction. Other stakeholders that were involved in the consultation include churches, non-governmental institutions, local chiefs, traditional healers, youth, people with disabilities and community-based organisations.

3.2 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.

Our municipal IDP that 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 municipal council, was first adopted in August 2017. This plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. The municipality's IDP is therefore a key instrument which was used to provide vision, leadership and direction to all those that have a role to play in the development of the municipality. The IDP enables the municipality 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.

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 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's five strategic objectives for the 2017/18 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 17 IDP Strategic Objectives

2016/2017 Financial year	2017/2018 Financial year
To ensure sustainable use of land and promote growth and development.	To ensure sustainable use of land and promote growth and development.
To improve quality of life of our citizens through sustainable roads infrastructure.	To improve quality of life of our citizens through sustainable roads infrastructure.
To create an environment that will develop, stimulate and strengthen local economic growth.	To create an environment that will develop, stimulate and strengthen local economic growth.
To provide sound and sustainable	To provide sound and sustainable

management of the financial affairs of the municipality.	management of the financial affairs of the municipality.
To effectively coordinate all general administrative, governance, human resources, IT and legal services.	To effectively coordinate all general administrative, governance, human resources, IT and legal services.
To provide assurance and build internal and public confidence on internal and external operations of the municipality and its stakeholders.	To provide assurance and build internal and public confidence on internal and external operations of the municipality and its stakeholders.

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.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide waste removal;
 - Provide roads and storm water;
 - Provide municipal planning services; and
 - Maintaining the infrastructure of the municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches through the EPWP programme in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to assist on matters affecting primary health care.
 - Extending waste removal services and ensuring effective municipal cleansing;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated.
 - Provision of bursaries for well deserving students who are financially needy.

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance and transparency through:

- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure management strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

The 2016/17 draft budget and the MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 18 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

LIM473 Makhuduthamaga - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved revenue collection rate for property rates debtors			43 987	29 841	31 834	33 426	37 894	37 894	38 841	39 812	41 006
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved revenue collection on rental of municipal assets.			75	106	115	121	121	121	121	125	131
To secure sound and sustainable management of fiscus and financial affairs of the institution.	increase revenue generation through interests on investments.			7 827	8 119	11 702	12 225	10 225	10 225	12 259	13 370	15 375
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved collection rate on interests for overdue accounts.			12 455	17 087	20 498	20 998	23 498	23 498	21 058	23 757	25 657
To secure sound and sustainable management of fiscus and financial affairs of the institution.	To maximise adherence to roads laws and regulations.			156	635	579	630	730	730	632	635	648
To secure sound and sustainable management of fiscus and financial affairs of the institution.				4 039	4 400	4 909	5 154	5 154	5 154	5 169	6 526	7 831
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Receipt of the total equitable share grant allocated for our municipality			162 144	182 401	232 170	228 253	228 253	228 253	236 226	242 778	246 865
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improve collection rate on VAT input and other revenue			2 227	1 669	980	1 029	613	613	1 032	1 061	1 111
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Receipt of total allocation of MIG grant.			41 539	54 735	75 450	66 210	94 210	94 210	76 196	66 804	70 611
To recover some of the initial costs of acquiring the assets for re-investment purposes.				–	2	–	–	–	–	–	–	–
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	274 449	298 996	378 237	368 045	400 697	400 697	391 534	394 868	409 237

Table 19 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted Operational Expenditure.

LIM473 Makhuduthamaga - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
To coordinate all general administrative, governance, human resources, IT and legal services	improved and efficient institutional governance			–	36 401	54 219	55 053	61 501	61 501	25 218	23 508	24 113
To Improve quality of life.	Improved service delivery and eradication of service delivery backlog.			22 364	37 790	53 518	33 477	51 539	51 539	35 729	35 731	37 561
To create an environment that will develop, stimulate and strengthen local economic growth.	improved economic growth			7 333	9 453	17 108	15 420	13 652	13 652	13 457	12 769	17 648
To secure sound and sustainable management of fiscus and financial affairs of the institution.	financially viable municipality			102 898	172 732	174 385	75 708	93 150	93 150	101 425	101 648	97 972
To Improve Internal and External operation of the municipality and its stakeholders	Practice of good governance			48 407	18 853	19 114	22 862	23 692	23 692	62 803	61 860	70 138
To Improve quality of life.	Improved service delivery and eradication of service delivery backlog.			14 780	15 937	22 518	28 593	29 471	29 471	30 185	27 427	27 456
Allocations to other priorities												
Total Expenditure			1	195 781	291 166	340 862	231 114	273 006	273 006	268 817	262 943	274 887

Table 20 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted Capital Expenditure.

LIM473 Makhuduthamaga - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
To coordinate all general administrative, governance, human resources, IT and legal services	improved and efficient institutional governance	A		–			1 700	2 200	2 200	–	–	–
To Improve quality of life.	Improved service delivery and eradication of service delivery backlog.	B		74 599	116 295	150 590	138 760	119 442	119 442	112 146	123 412	137 348
To create an environment that will develop, stimulate and strengthen local economic growth.	improved economic growth	C		–	–	3 700	5 500	3 060	3 060	2 000	1 600	1 460
To secure sound and sustainable management of fiscus and financial affairs of the institution.	financially viable municipality	D		5 677	10 167	16 250	4 450	15 307	15 307	2 000	–	–
To Improve Internal and External operation of the municipality and its stakeholders	Practice of good governance	E		4 054	1 037	–	3 500	3 500	3 500	2 000	900	1 800
To improve the safety of the community members through public safety law enforcement	Prioritise the safety of members of the community	F		–	–	500	1 000	–	–	–	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	84 330	127 500	171 040	154 910	143 509	143 509	118 146	125 912	140 608

3.3 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, assess 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 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:

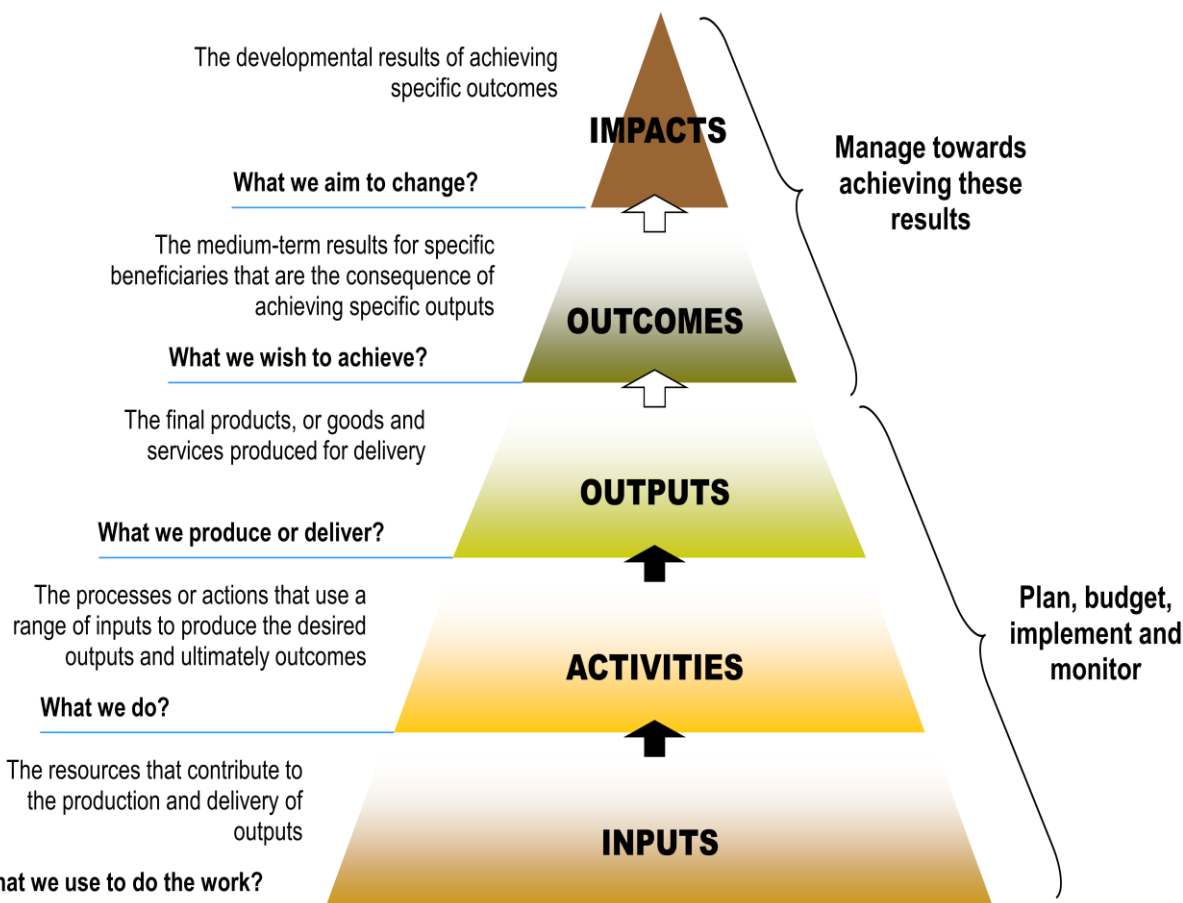


Figure 1 Definition of performance information concepts

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/18 MTREF.

Table 21 MBRR Table SA8 - Performance indicators and benchmarks

LIM473 Makhuduthamaga - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	5,0	4,6	10,3	7,9	7,6	7,6	7,6	8,9	10,6	12,4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	5,0	4,6	9,5	7,9	7,6	7,6	7,6	8,9	10,6	12,4
Liquidity Ratio	Monetary Assets/Current Liabilities	4,3	3,6	8,0	4,8	4,0	4,0	4,0	5,4	7,1	8,8
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		3,6%	28,2%	32,7%	70,3%	62,0%	62,0%	62,0%	65,0%	75,2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		3,6%	28,2%	32,7%	70,3%	62,0%	62,0%	62,0%	65,0%	75,2%	85,1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	8,5%	12,7%	10,6%	15,8%	17,8%	17,8%	17,8%	18,3%	18,3%	18,4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Creditors to Cash and Investments		17,2%	25,6%	1,8%	20,7%	25,0%	25,0%	25,0%	18,6%	14,1%	11,3%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	–	–	–	–	–	–	–	–	–	–
	% Volume (units purchased and generated less units sold)/units purchased and generated	–	–	–	–	–	–	–	–	–	–
Water Distribution Losses (2)	Total Volume Losses (kℓ)	–	–	–	–	–	–	–	–	–	–
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	–	–	–	–	–	–	–	–	–	–
Employee costs	Employee costs/(Total Revenue - capital revenue)	18,8%	17,9%	16,9%	23,7%	20,6%	20,6%	20,6%	24,7%	24,8%	24,9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	25,9%	26,4%	24,8%	30,6%	27,4%	27,4%		31,6%	31,7%	31,8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6,6%	9,3%	19,4%	6,6%	13,8%	13,8%		7,4%	5,8%	5,5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4,8%	5,6%	5,5%	4,5%	6,2%	6,2%	6,2%	7,0%	7,5%	8,0%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	8,7	1,9	5,8	7,2	7,2	7,2	6,4	5,9	5,5	6,0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	44,8%	103,2%	100,6%	142,3%	143,9%	143,9%	143,9%	150,8%	157,0%	162,5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	11,0	9,2	7,3	5,1	3,6	3,6	3,6	5,5	7,4	9,5

3.3.1 Performance indicators and benchmarks

3.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. Our municipality is not planning to make use of borrowed funds to fund its capital expenditure for 2017/18 MTREF due to poor own revenue collection rate.

3.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. The debt equity ratio of our municipality remains at 0:1 or zero per cent for 2017/18 as our municipality does not have borrowings or overdraft and the ratio remain stable for the two outer years.

3.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 financial year the current ratio is 10.3 as per the audited annual financial statements for 30 June 2016. For the 2016/17 financial year, it is estimated to be at 7.8. It is further estimated to be at 4, 9.3 and 10.3 for 2017/18 and the two outer years of the 2016/17 MTREF respectively. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to settle its current liabilities as they fall due. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1 or more. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2016/17 MTREF our municipality ratio indicates that we will be able to meet our creditor obligations. This is also supported by the cash flow projections appropriated to ensure that cash out flow is always covered by cash inflow or availability of surplus funds to settle the obligations.

3.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been put in place to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.
- The significant percentage of our debtors are government departments which did not pay their accounts because of various reasons provided to the municipality which includes budget issues and lack of certain information from the municipality's side. We have worked hard to compile all information required to prove the accuracy of the billings and submitted it to all affected departments.

3.3.1.5 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of the receipt of the invoice in the previous financial year. As our liquidity ratio is in good order we will not encounter cash flow problems to ensure a 100 per cent compliance rate to this legislative obligation in

2017/18 and the MTREF. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

3.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to increase for the 2017/18 MTREF as the municipality is filling critical vacancies to assist in efficient acceleration of service delivery to address the municipality's backlog.
- Repairs and maintenance as percentage of operating expenditure is 9% for 2017/18 budget year. The municipality will always ensure that its existing assets are properly maintained and repaired to lengthen their life span and to keep them in good working conditions.

3.3.2 Free Basic Services: basic electricity tokens for indigent households

The free basic electricity token assists residents that have difficulty paying for electricity services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2016/17 financial year registered indigents are been provided with a fifty (50) KWh token per household per month at a total cost **R 3.7 million** to the municipality. The cost of free basic electricity increases to **R 3.9 million** in 2017/18 financial year and increases to **R 4.1 million** and **R 4.5 million** in 2018/19 and 2019/20 respectively. The total amount of units provided per household remains at 50 KWh for the 2017/18 MTREF.

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 Table 16 MBRR A10 (Basic Service Delivery Measurement)

3.4 Overview of budget related-policies

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

3.4.1 Review of credit control and debt collection procedures/policies

The Debt Collection Policy as approved by Council in May 2015 is was reviewed. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review the tariff for property rates and certain components to encourage our customers to pay their accounts as they complained with current rate and to achieve a higher collection rate. 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.

The 2017/18 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 50 per cent on current debtors. 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 and since these overdue debtors has not paid in the past two

financial years and an impairment was made to their balances as at 30 June 2015, the municipality has not made any projection for them in the cash flow statement for 2017/18 MTREF. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

3.4.2 Budget Policy

The adjustments budget process is governed by various provisions in the MFMA and the Budget policy of the municipality which 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 is utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

3.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in May 2016. This policy is under review and the amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

3.4.4 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was adopted by Council in May 2016. 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 equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

3.4.5 Tariff Policies

The municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The reviewed policy will be submitted to council for approval in May 2017.

3.5 Overview of budget assumptions

3.5.1 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 available cash.

3.5.2 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 2017/18 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 electricity and water; and
- The increase in the cost of remuneration.

3.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality is not planning to use borrowing to fund its capital projects and therefore no interests are to be paid. The municipality is forecasting to have surplus cash for investment and cash management and investment policy will be applied when investing such funds to generate revenue.

3.5.4 Collection rate for revenue services

The municipality's assumption is that, the reduction of the property rates tariff implemented from 1 July 2016 will be affordable to the rate payers and collection will increase significantly as compared to the previous years.

3.5.5 Salary increases

We have budgeted salary increases as per the National Treasury Circular number 85 and 86. We budgeted an increase of 7.4 per cent for 2017/18 and 6.7 per cent for 2018/19 and 6.6 per cent 2018/2019 respectively for all employees with exclusion of senior managers. .

3.5.6 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 are:

- 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.

3.6 Overview of budget funding

3.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 22 Breakdown of the operating revenue over the medium-term

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 transfers recognised – operational (government grants), Property rates, capital grants from organs of state and other minor charges (such as 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;
- National Treasury guidelines;
- 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 determination of the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff reduction for the 2017/18 MTREF for Property rates can be shown as follows:

Table 4 Approved tariff reduction over the medium-term

	Approved Tariff	Approved Tariff	Approved Tariff	Approved Tariff
Revenue Category	2016/17	2017/18	2018/19	2019/20
Property Rate	1,5 Cents	1,5 Cents	1,5 Cents	1,5 Cents

3.6.2 Cash Flow Management

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

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue and other own sources of revenue:

Table 28 MBRR Table A7 - Budget cash flow statement

LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1 585	8 425	10 414	23 505	23 505	23 505	23 505	25 245	29 936	34 912
Other revenue		4 537	5 169	32 704	30 787	30 471	30 471	30 471	26 381	28 402	31 767
Government - operating	1	185 806	232 147	232 170	228 253	228 253	228 253	228 253	236 226	242 778	246 865
Government - capital	1	–	–	75 450	66 210	94 210	94 210	94 210	76 196	66 804	70 611
Interest		20 045	8 119	32 200	12 225	10 225	10 225	10 225	12 259	13 370	15 375
Payments											
Suppliers and employees		(125 644)	(142 647)	(208 296)	(200 196)	(221 951)	(221 951)	(221 951)	(219 268)	(213 596)	(232 180)
Finance charges		(2)	–	–					–	–	–
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		86 327	111 214	174 642	160 784	164 713	164 713	164 713	157 039	167 694	167 351
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		390	7	–					–	–	–
Payments											
Capital assets		(84 330)	(128 805)	(171 040)	(154 910)	(168 071)	(168 071)	(168 071)	(144 962)	(139 812)	(142 648)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(83 940)	(128 798)	(171 040)	(154 910)	(168 071)	(168 071)	(168 071)	(144 962)	(139 812)	(142 648)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		(81)	–	–					–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(81)	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		2 307	(17 585)	3 602	5 874	(3 358)	(3 358)	(3 358)	12 078	27 883	24 703
Cash/cash equivalents at the year begin:	2	127 395	129 702	112 117	68 696	68 696	68 696	68 696	61 899	73 977	101 860
Cash/cash equivalents at the year end:	2	129 702	112 117	115 720	74 569	65 338	65 338	65 338	73 977	101 860	126 562

The above table shows a net decrease in cash held for 2016/17 and the net increase in cash held for the 2017/18 MTREF.

3.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 29 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	129 702	112 117	115 720	74 569	65 338	65 338	65 338	73 977	101 860	126 562
Other current investments > 90 days		-	-	0	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		129 702	112 117	115 720	74 569	65 338	65 338	65 338	73 977	101 860	126 562
Application of cash and investments											
Unspent conditional transfers		7 792	2 717	12 300	-	-	-	-	17 000	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	-	-	-	-	-	-	-	-
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		7 792	2 717	12 300	-	-	-	-	17 000	-	-
Surplus(shortfall)		121 910	109 401	103 420	74 569	65 338	65 338	65 338	56 977	101 860	126 562

From the above table it can be seen that the cash and investments available total is **R 73.9 million** in the 2017/18 financial year and increases to **R 101.8 million** by 2017/18 and **R 126.5 million** by 2018/19.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

Table 30 MBRR SA10 – Funding compliance measurement

LIM473 Makhuduthamaga Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	129 702	112 117	115 720	74 569	61 899	61 899	61 899	89 207	125 309	166 935
Cash + investments at the yr end less applications - R'000	18(1)b	2	101 548	88 556	124 872	101 344	89 850	89 850	89 850	117 967	158 439	206 377
Cash year end/monthly employee/supplier payments	18(1)b	3	11,0	9,2	7,3	5,1	3,6	3,6	3,6	5,5	7,4	9,5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	78 668	7 830	37 375	136 931	99 691	99 691	99 691	118 680	126 491	140 940
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(38,2%)	0,7%	(1,0%)	7,4%	(6,0%)	(6,0%)	(3,5%)	(3,5%)	(3,0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	9,7%	25,3%	73,2%	88,5%	79,4%	79,4%	79,4%	77,2%	81,1%	87,3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	82,2%	93,8%	94,2%	51,7%	82,9%	82,9%	82,9%	50,2%	59,0%	53,7%
Capital payments % of capital expenditure	18(1)c;19	8	100,0%	101,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	56,4%	4,0%	48,5%	14,6%	0,0%	0,0%	7,4%	6,7%	6,6%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	7,7%	10,4%	16,7%	6,6%	10,0%	10,0%	5,6%	4,6%	3,2%	2,7%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	5,3%	0,0%	9,0%	12,8%	12,8%	0,0%	0,0%	0,0%	0,0%
Supporting indicators												
% incr <i>total service charges (incl prop rates)</i>	18(1)a			(32,2%)	6,7%	5,0%	13,4%	0,0%	0,0%	2,5%	2,5%	3,0%
% incr Property Tax	18(1)a			(32,2%)	6,7%	5,0%	13,4%	0,0%	0,0%	2,5%	2,5%	3,0%
% incr in Service charges - other	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	18(1)a		43 987	29 841	31 834	33 426	37 894	37 894	37 894	38 841	39 812	41 006
Service charges			43 987	29 841	31 834	33 426	37 894	37 894	37 894	38 841	39 812	41 006
Property rates			43 987	29 841	31 834	33 426	37 894	37 894	37 894	38 841	39 812	41 006
Rental of facilities and equipment			75	106	115	121	121	121	121	121	125	131
Cash receipts from ratepayers	18(1)a		6 123	13 594	43 118	54 292	53 976	53 976	53 976	51 626	58 338	66 679
Ratepayer & Other revenue	18(1)a		62 939	53 739	58 915	61 357	68 009	68 009	68 009	66 852	71 916	76 386
Change in consumer debtors (current and non-current)			5 945	11 149	1 242	15 593	22 561	22 561	22 561	11 016	3 937	4 138
Operating and Capital Grant Revenue	18(1)a		203 683	237 137	307 620	294 463	294 463	294 463	294 463	305 795	323 641	343 357
Capital expenditure - total	20(1)(vi)		84 330	127 500	171 040	154 910	143 509	143 509	143 509	118 146	125 912	140 608
Capital expenditure - renewal	20(1)(vi)		–	6 700	–	14 000	18 421	18 421		–	–	–
Supporting benchmarks												
Growth guideline maximum			6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline			4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY										242 196	256 411	271 757
DoRA capital grants total MFY										63 599	67 230	71 600
Total gazetted/adviced national, provincial and district grants										305 795	323 641	343 357
DoRA operating												
Equitable Share										240 496	254 456	269 723
Finance Management Grant										1 700	1 955	2 033
										242 196	256 411	271 757
DoRA capital												
Municipal Infrastructure Grant										63 599	67 230	71 600
										63 599	67 230	71 600

Trend											
Change in consumer debtors (current and non-current)		5 945	11 149	1 242	22 561	11 016	3 937	4 138	–	–	–
Total Operating Revenue		232 910	244 261	302 787	301 835	306 487	306 487	306 487	321 308	341 697	363 518
Total Operating Expenditure		195 781	291 166	340 862	231 114	273 006	273 006	273 006	266 226	282 436	294 177
Operating Performance Surplus/(Deficit)		37 129	(46 905)	(38 075)	70 721	33 481	33 481	33 481	55 081	59 261	69 340
Cash and Cash Equivalents (30 June 2012)									89 207		
Revenue											
% Increase in Total Operating Revenue			4,9%	24,0%	(0,3%)	1,5%	0,0%	0,0%	4,8%	6,3%	6,4%
% Increase in Property Rates Revenue			(32,2%)	6,7%	5,0%	13,4%	0,0%	0,0%	2,5%	2,5%	3,0%
% Increase in Electricity Revenue			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% Increase in Property Rates & Services Charges			(32,2%)	6,7%	5,0%	13,4%	0,0%	0,0%	2,5%	2,5%	3,0%
Expenditure											
% Increase in Total Operating Expenditure			48,7%	17,1%	(32,2%)	18,1%	0,0%	0,0%	(2,5%)	6,1%	4,2%
% Increase in Employee Costs			(0,3%)	17,6%	39,5%	(11,8%)	0,0%	0,0%	26,0%	6,7%	6,6%
% Increase in Electricity Bulk Purchases			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average Cost Per Budgeted Employee Position (Remuneration)				377 097,22	518 247,96				576 247,51		
Average Cost Per Councillor (Remuneration)				331 824,48	335 360,37				355 481,99		
R&M % of PPE		7,7%	10,4%	16,7%	6,6%	10,0%	10,0%		4,6%	3,2%	2,7%
Asset Renewal and R&M as a % of PPE		8,0%	13,0%	17,0%	11,0%	14,0%	14,0%		5,0%	3,0%	3,0%
Debt Impairment % of Total Billable Revenue		82,2%	93,8%	94,2%	51,7%	82,9%	82,9%	82,9%	50,2%	59,0%	53,7%
Capital Revenue											
Grant Funding and Other (R'000)		84 330	127 500	171 040	154 910	143 509	143 509	143 509	118 146	125 912	140 608
Internally Generated funds % of Non Grant Funding		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing % of Non Grant Funding		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Capital Expenditure											
Total Capital Programme (R'000)		84 330	127 500	171 040	154 910	143 509	143 509	143 509	118 146	125 912	140 608
Asset Renewal		–	6 700	–	14 000	18 421	18 421	18 421	–	–	–
Asset Renewal % of Total Capital Expenditure		0,0%	5,3%	0,0%	9,0%	12,8%	12,8%	12,8%	0,0%	0,0%	0,0%
Cash											
Cash Receipts % of Rate Payer & Other		9,7%	25,3%	73,2%	88,5%	79,4%	79,4%	79,4%	77,2%	81,1%	87,3%
Cash Coverage Ratio		0	0	0	0	0	0	0	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		0,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing Receipts % of Capital Expenditure		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves											
Surplus/(Deficit)		101 548	88 556	124 872	101 344	89 850	89 850	89 850	117 967	158 439	206 377
Free Services											
Free Basic Services as a % of Equitable Share		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
Free Services as a % of Operating Revenue (excl operational transfers)		0,9%	1,0%	0,9%	0,8%	0,8%	0,8%		0,8%	0,7%	0,7%
High Level Outcome of Funding Compliance											
Total Operating Revenue		232 910	244 261	302 787	301 835	306 487	306 487	306 487	321 308	341 697	363 518
Total Operating Expenditure		195 781	291 166	340 862	231 114	273 006	273 006	273 006	266 226	282 436	294 177
Surplus/(Deficit) Budgeted Operating Statement		37 129	(46 905)	(38 075)	70 721	33 481	33 481	33 481	55 081	59 261	69 340
Surplus/(Deficit) Considering Reserves and Cash Backing		101 548	88 556	124 872	101 344	89 850	89 850	89 850	117 967	158 439	206 377
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded *	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

3.7 Expenditure on allocations and grants programmes

Table 30 MBRR SA18 - Transfers and Grants Received

LIM473 Makhuduthamaga - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		161 537	182 401	232 170	235 253	235 253	235 253	236 226	242 778	246 865
Local Government Equitable Share		157 820	178 834	228 571	225 123	225 123	225 123	233 368	240 823	244 910
Finance Management		1 550	1 600	1 600	1 625	1 625	1 625	1 700	1 955	1 955
Municipal Systems Improvement		890	934	930	–	–	–			
EPWP Incentive		1 000	1 033	1 069	1 505	1 505	1 505	1 158	–	–
Integrated National Electrification Programme		277	–	–	7 000	7 000	7 000	–	–	–
Total Operating Transfers and Grants	5	161 537	182 401	232 170	235 253	235 253	235 253	236 226	242 778	246 865
<u>Capital Transfers and Grants</u>										
National Government:		41 539	54 735	74 950	59 210	87 210	87 210	76 196	66 804	70 611
Municipal Infrastructure Grant (MIG)		41 539	54 735	74 950	59 210	87 210	87 210	76 196	66 804	70 611
District Municipality:		–	–	–	–	500	500	–	–	–
<i>Sekhukhune District Municipality</i>						500	500			
Total Capital Transfers and Grants	5	41 539	54 735	74 950	59 210	87 710	87 710	76 196	66 804	70 611
TOTAL RECEIPTS OF TRANSFERS & GRANTS		203 076	237 137	307 120	294 463	322 963	322 963	312 422	309 582	317 476

Table 31 MBRR SA19 - Expenditure on Transfers & Grants

LIM473 Makhuduthamaga - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		162 144	182 401	232 170	235 253	235 253	235 253	236 226	242 778	246 865
Local Government Equitable Share		157 820	178 834	228 571	225 123	225 123	225 123	233 368	240 823	244 910
Finance Management		1 550	1 600	1 600	1 625	1 625	1 625	1 700	1 955	1 955
Municipal Systems Improvement		890	934	930	–	–	–	–	–	–
EPWP Incentive		1 607	1 033	1 069	1 505	1 505	1 505	1 158	–	–
Integrated National Electrification Programme		277	–	–	7 000	7 000	7 000	–	–	–
Total operating expenditure of Transfers and Grants:		162 144	182 401	232 170	235 253	235 253	235 253	236 226	242 778	246 865
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		41 539	54 735	74 950	59 210	87 210	87 210	76 196	66 804	70 611
Municipal Infrastructure Grant (MIG)		41 539	54 735	74 950	59 210	87 210	87 210	76 196	66 804	70 611
District Municipality:		–	–	500	–	–	–	–	–	–
Sekhukhune District Municipality				500						
Total capital expenditure of Transfers and Grants		41 539	54 735	75 450	59 210	87 210	87 210	76 196	66 804	70 611
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		203 683	237 137	307 620	294 463	322 463	322 463	312 422	309 582	317 476

Table 32 MBRR SA 20 – Reconciliation of transfers, grant receipts and unspent funds

LIM473 Makhuduthamaga - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		3 816	7 792	–	–	–	–	–	–	–
Current year receipts		158 328	174 609	232 170	228 253	228 253	228 253	236 226	242 778	246 865
Conditions met - transferred to revenue		162 144	182 401	232 170	228 253	228 253	228 253	236 226	242 778	246 865
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		162 144	182 401	232 170	228 253	228 253	228 253	236 226	242 778	246 865
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		21 084						17 000		
Current year receipts		25 315	57 452	74 950	66 210	94 210	94 210	76 196	66 804	70 611
Conditions met - transferred to revenue		41 539	54 735	74 950	66 210	94 210	94 210	93 196	66 804	70 611
Conditions still to be met - transferred to liabilities		4 860	2 717							
District Municipality:										
Balance unspent at beginning of the year				500						
Current year receipts										
Conditions met - transferred to revenue		–	–	500	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		41 539	54 735	75 450	66 210	94 210	94 210	93 196	66 804	70 611
Total capital transfers and grants - CTBM	2	4 860	2 717	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		203 683	237 137	307 620	294 463	322 463	322 463	329 422	309 582	317 476
TOTAL TRANSFERS AND GRANTS - CTBM		4 860	2 717	–	–	–	–	–	–	–

3.8 Allocations and grants made by the municipality.

Our municipality does not have any allocations any grants transferred to other municipalities or entities as indicated by the table below.

LIM473 Makhuduthamaga - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Insert description</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-

3.9 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

LIM473 Makhuduthamaga - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		9 301	12 425	11 464	11 490	11 490	11 490	12 180	12 996	13 854
Pension and UIF Contributions		2 159	1 220	2 468	2 873	2 873	2 873	3 045	3 249	3 463
Medical Aid Contributions				–						
Motor Vehicle Allowance		3 777	2 623	4 317	4 788	4 788	4 788	5 075	5 415	5 772
Cellphone Allowance		1 452	1 021	1 660	1 400	1 400	1 400	1 484	1 584	1 688
Other benefits and allowances		–	240	–	242	242	242	256	273	291
Sub Total - Councillors		16 688	17 529	19 909	20 792	20 792	20 792	22 040	23 517	25 069
% increase	4		5,0%	13,6%	4,4%	–	–	6,0%	6,7%	6,6%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2 195	2 354	2 235	4 166	3 170	3 170	4 230	4 513	4 811
Pension and UIF Contributions		197	120	401	146	146	146	154	164	175
Medical Aid Contributions		105	181	173	233	233	233	305	326	347
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	626	434	889	1 246	831	831	1 211	1 292	1 377
Cellphone Allowance	3	89	55	91	177	114	114	170	181	193
Housing Allowances	3	347	225	126	525	359	359	508	542	577
Other benefits and allowances	3	156	354	56	107	80	80	74	79	85
Sub Total - Senior Managers of Municipality		3 714	3 722	3 970	6 601	4 932	4 932	6 651	7 097	7 565
% increase	4		0,2%	6,7%	66,3%	(25,3%)	–	34,9%	6,7%	6,6%
Other Municipal Staff										
Basic Salaries and Wages		20 849	23 260	26 886	32 756	29 337	29 337	33 309	35 540	37 886
Pension and UIF Contributions		4 691	5 310	5 814	7 206	6 487	6 487	7 646	8 159	8 697
Medical Aid Contributions		2 045	2 397	2 294	6 052	5 341	5 341	6 154	6 566	6 999
Overtime		179	256	268	2 717	2 268	2 268	1 788	1 908	2 034
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	5 277	6 071	6 751	8 398	7 686	7 686	8 738	9 323	9 938
Cellphone Allowance	3	894	1 008	1 128	1 371	1 240	1 240	1 377	1 469	1 566
Housing Allowances	3	1 498	1 865	1 693	2 940	2 697	2 697	3 321	3 543	3 777
Other benefits and allowances	3	1 909	2 970	2 433	3 477	3 124	3 124	3 832	4 089	4 358
Payments in lieu of leave		1 847	–	2 768	–	–	–	–	–	–
Long service awards		834	–	1 250	–	–	–	–	–	–
Sub Total - Other Municipal Staff		40 024	43 137	51 285	64 917	58 179	58 179	66 164	70 597	75 256
% increase	4		7,8%	18,9%	26,6%	(10,4%)	–	13,7%	6,7%	6,6%
Total Parent Municipality		60 427	64 388	75 165	92 310	83 904	83 904	94 855	101 210	107 890
			6,6%	16,7%	22,8%	(9,1%)	–	13,1%	6,7%	6,6%
TOTAL SALARY, ALLOWANCES & BENEFITS		60 427	64 388	75 165	92 310	83 904	83 904	94 855	101 210	107 890
% increase	4		6,6%	16,7%	22,8%	(9,1%)	–	13,1%	6,7%	6,6%
TOTAL MANAGERS AND STAFF	5,7	43 739	46 859	55 255	71 518	63 112	63 112	72 815	77 694	82 822

2.9 The following table SA23 indicates the remuneration for the political office bearers.

LIM473 Makhuduthamaga - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4							–
Chief Whip								–
Executive Mayor								–
Deputy Executive Mayor								–
Executive Committee								–
Total for all other councillors								–
Total Councillors	8	–	–	–	–			–
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 080 249	302 401	17 426	–		1 400 076
Chief Finance Officer			487 187	70 503	256 706	–		814 396
Director Corporate Services			665 537	12 429	431 275	–		1 109 241
Director Community Services			665 537	12 429	431 275	–		1 109 241
Director Planning and Development			665 537	12 429	431 275	–		1 109 241
Director Infrastructure and Development			665 533	123 486	320 222	–		1 109 241
List of each official with packages >= senior manager								
								–
Total Senior Managers of the Municipality	8,10	–	4 229 580	533 677	1 888 179	–		6 651 437
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	4 229 580	533 677	1 888 179	–		6 651 437

3. SA24 Indicates the Personnel Numbers

LIM473 Makhuduthamaga - Supporting Table SA24 Summary of personnel numbers										
Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
Number	1,2	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	62	–	62	62	–	62
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	–	6	6	–	6	6	–	6
Other Managers	7	–	–	–	–	–	–	–	–	–
Professionals		97	85	10	97	85	10	97	85	10
<i>Finance</i>		50	41	8	50	41	8	50	41	8
<i>Spatial/town planning</i>		9	8	–	9	8	–	9	8	–
<i>Information Technology</i>		2	2	–	2	2	–	2	2	–
<i>Roads</i>		6	4	2	6	4	2	6	4	2
<i>Electricity</i>		1	1	–	1	1	–	1	1	–
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		29	29	–	29	29	–	29	29	–
Technicians		–	–	–	–	–	–	–	–	–
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Clerks (Clerical and administrative)		29	25	4	29	25	4	29	25	4
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		6	6	–	6	6	–	6	6	–
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	198	116	80	200	116	82	200	116	82
% increase					1,0%	–	2,5%	–	–	–
Total municipal employees headcount	6, 10	138	116	1	138	118	20	146	128	18
Finance personnel headcount	8, 10	51	42	8	51	42	8	51	42	8
Human Resources personnel headcount	8, 10	21	20	1	21	20	1	21	20	1

3.10 Monthly targets for revenue, expenditure and cash flow

The following tables shows how the municipality is planning to receive its budgeted revenue and spend funds appropriated per cost centre, standard classification and the cash inflow and out flow per month.

Table 365 MBRR SA25 - Budgeted monthly revenue and expenditure

LIM473 Makhuduthamaga - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source																
Property rates		3 237	3 237	3 237	3 237	3 237	3 237	3 237	3 237	3 237	3 237	3 237	3 237	38 841	39 812	41 006
Rental of facilities and equipment		10	12	10	8	10	10	10	7	10	13	10	10	121	125	131
Interest earned - external investments		1 019	1 019	973	1 065	1 019	1 019	1 019	958	1 115	1 019	1 019	1 019	12 259	13 370	15 375
Interest earned - outstanding debtors		1 890	1 260	1 470	2 100	1 470	1 260	1 680	2 370	1 890	1 890	1 680	2 100	21 058	23 757	25 657
Fines, penalties and forfeits		13	32	63	32	32	126	25	40	88	78	53	53	632	635	648
Agency services		464	515	464	567	309	430	464	412	325	392	361	467	5 169	6 526	7 831
Transfers and subsidies		93 530	–	–	–	78 041	–	–	–	64 655	–	–	–	236 226	242 778	246 865
Other revenue		322	–	10	147	82	–	123	92	55	–	7	194	1 032	1 061	1 111
Total Revenue (excluding capital transfers and contributions)		100 484	6 074	6 226	7 155	84 199	6 081	6 557	7 116	71 375	6 628	6 365	7 078	315 338	328 064	338 626
Expenditure By Type																
Employee related costs		6 609	6 713	6 245	6 488	6 773	7 059	6 828	6 510	6 449	6 435	6 016	692	72 815	77 694	82 822
Remuneration of councillors		1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	22 040	23 517	25 069
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	28 049	28 049	25 747	17 708
Depreciation & asset impairment		1 620	1 620	1 820	1 820	1 820	1 900	1 900	1 900	1 900	1 960	2 120	1 120	21 500	23 600	25 000
Contracted services		4 712	1 861	2 470	1 643	5 721	3 550	1 592	5 328	1 486	2 593	2 774	1 917	35 647	29 928	32 660
Other expenditure		4 991	13 223	7 056	6 729	10 547	4 716	7 310	6 245	6 629	6 171	4 049	11 100	88 766	82 457	91 630
Total Expenditure		19 769	25 254	19 427	18 517	26 698	19 062	19 466	21 819	18 300	18 995	16 796	44 714	268 817	262 943	274 887
Surplus/(Deficit)		80 715	(19 180)	(13 201)	(11 362)	57 501	(12 981)	(12 909)	(14 704)	53 075	(12 367)	(10 430)	(37 636)	46 521	65 121	63 739
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		25 099	–	–	–	22 000	–	–	–	29 097	–	–	–	76 196	66 804	70 611
Surplus/(Deficit) after capital transfers & contributions		105 814	(19 180)	(13 201)	(11 362)	79 501	(12 981)	(12 909)	(14 704)	82 172	(12 367)	(10 430)	(37 636)	122 717	131 925	134 350
Surplus/(Deficit)	1	105 814	(19 180)	(13 201)	(11 362)	79 501	(12 981)	(12 909)	(14 704)	82 172	(12 367)	(10 430)	(37 636)	122 717	131 925	134 350

Table 37 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																	
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Revenue by Vote																	
Vote 1 - Executive Support													-	-	-	-	
Vote 2 - Office of the Municipal Manager													-	-	-	-	
Vote 3 - Economic Development and Planning													-	-	-	-	
Vote 4 - Infrastructure Development													-	-	-	-	
Vote 5 - Community Services													-	-	-	-	
Vote 6 - Corporate Services													-	-	-	-	
Vote 7 - Budget and Treasury		128 053	6 074	6 226	7 155	102 699	6 081	6 557	7 116	94 875	6 628	6 365	13 705	391 534	394 868	409 237	
Total Revenue by Vote		128 053	6 074	6 226	7 155	102 699	6 081	6 557	7 116	94 875	6 628	6 365	13 705	391 534	394 868	409 237	
Expenditure by Vote to be appropriated																	
Vote 1 - Executive Support		4 451	6 307	4 226	3 365	6 891	3 272	3 231	4 502	6 373	3 766	3 367	2 919	52 670	51 526	59 429	
Vote 2 - Office of the Municipal Manager		807	1 217	595	1 087	497	662	1 117	577	767	1 377	584	843	10 133	10 334	10 708	
Vote 3 - Economic Development and Planning		1 502	1 051	1 955	514	2 038	732	1 762	587	1 009	1 022	816	470	13 457	12 769	17 648	
Vote 4 - Infrastructure Development		4 454	1 587	2 144	878	5 412	2 569	1 347	5 259	919	1 519	2 438	1 659	30 185	27 427	27 456	
Vote 5 - Community Services		2 438	4 114	2 684	4 127	2 428	3 657	4 544	2 164	1 939	2 004	2 110	3 519	35 729	35 731	37 561	
Vote 6 - Corporate Services		1 374	3 966	1 959	2 273	2 101	2 114	3 328	1 591	1 568	2 640	1 148	1 156	25 218	23 508	24 113	
Vote 7 - Budget and Treasury		5 366	6 215	7 538	5 496	6 527	5 790	5 017	7 466	5 859	6 334	5 303	34 515	101 425	101 648	97 972	
Total Expenditure by Vote		20 392	24 456	21 101	17 740	25 894	18 796	20 347	22 146	18 434	18 663	15 767	45 082	268 817	262 943	274 887	
Surplus/(Deficit) before assoc.		107 661	(18 382)	(14 874)	(10 585)	76 805	(12 715)	(13 789)	(15 031)	76 441	(12 035)	(9 402)	(31 377)	122 717	131 925	134 350	
Surplus/(Deficit)	1	107 661	(18 382)	(14 874)	(10 585)	76 805	(12 715)	(13 789)	(15 031)	76 441	(12 035)	(9 402)	(31 377)	122 717	131 925	134 350	

Table 38 MBRR SA27 - Budgeted monthly revenue and expenditure (Standard classification)

LIM473 Makhuduthamaga - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																	
Description	Ref	Budget Year 2017/18												Medium Term	Revenue and	Expenditure	
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand																	
Revenue - Functional																	
<i>Governance and administration</i>		128 053	6 074	6 226	7 155	102 699	6 081	6 557	7 116	94 875	6 628	6 365	13 705	391 534	394 868	409 237	
Executive and council													–	–	–	–	
Finance and administration		128 053	6 074	6 226	7 155	102 699	6 081	6 557	7 116	94 875	6 628	6 365	13 705	391 534	394 868	409 237	
<i>Other</i>													–	–	–	–	
Total Revenue - Functional		128 053	6 074	6 226	7 155	102 699	6 081	6 557	7 116	94 875	6 628	6 365	13 705	391 534	394 868	409 237	
			6 074	6 226	7 155	102 699	6 081	6 557	7 116	94 875	6 628	6 365					
Expenditure - Functional																	
<i>Governance and administration</i>		11 998	17 704	14 318	12 656	16 016	11 838	12 694	14 431	14 567	14 458	10 402	38 364	189 446	187 016	192 223	
Executive and council		5 258	7 524	4 821	4 453	7 388	3 934	4 348	5 079	7 140	5 143	3 951	3 762	62 803	61 860	70 138	
Finance and administration		6 740	10 180	9 497	8 203	8 628	7 904	8 346	9 352	7 427	9 315	6 451	34 602	126 643	125 156	122 085	
<i>Community and public safety</i>		2 117	2 463	1 901	2 019	2 623	1 486	1 704	2 578	1 599	2 138	1 589	1 387	23 607	23 674	24 970	
Community and social services		639	685	419	861	465	508	676	600	541	710	421	409	6 937	7 672	7 807	
Sport and recreation		–	800	504	–	740	–	–	900	–	–	190	(0)	3 135	1 800	1 950	
Public safety		1 478	978	978	1 158	1 418	978	1 028	1 078	1 058	1 428	978	978	13 535	14 202	15 213	
<i>Economic and environmental services</i>		4 941	2 273	3 234	1 027	7 085	1 886	2 470	5 481	1 563	1 576	2 890	1 314	35 740	33 899	38 397	
Planning and development		1 502	1 051	1 955	514	2 038	732	1 762	587	1 009	1 022	816	470	13 457	12 769	17 648	
Road transport		3 439	1 222	1 279	513	5 047	1 154	708	4 894	554	554	2 073	844	22 283	21 130	20 749	
Env ironmental protection													–	–	–	–	
<i>Trading services</i>		1 273	2 573	1 223	2 383	1 013	4 173	957	623	2 123	1 223	523	1 933	20 024	18 354	19 297	
Energy sources		1 015	365	865	365	365	1 415	639	365	365	965	365	815	7 902	6 297	6 707	
Waste management		258	2 208	358	2 018	648	2 758	318	258	1 758	258	158	1 118	12 122	12 057	12 591	
<i>Other</i>													–	–	–	–	
Total Expenditure - Functional		20 330	25 014	20 677	18 085	26 738	19 384	17 825	23 113	19 852	19 395	15 404	42 999	268 817	262 943	274 887	
Surplus/(Deficit) before assoc.		107 723	(18 939)	(14 450)	(10 930)	75 961	(13 303)	(11 268)	(15 998)	75 022	(12 767)	(9 039)	(29 294)	122 717	131 925	134 350	
Share of surplus/ (deficit) of associate													–	–	–	–	
Surplus/(Deficit)	1	107 723	(18 939)	(14 450)	(10 930)	75 961	(13 303)	(11 268)	(15 998)	75 022	(12 767)	(9 039)	(29 294)	122 717	131 925	134 350	

Table 39 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive Support													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Economic Development and Planning													-	-	-	-
Vote 4 - Infrastructure Development		8 000	11 000	7 500	11 700	10 000	9 169	10 070	9 386	10 688	9 424	8 000	8 525	113 462	121 412	135 348
Vote 5 - Community Services													-	-	-	-
Vote 6 - Corporate Services													-	-	-	-
Vote 7 - Budget and Treasury													-	-	-	-
Capital multi-year expenditure sub-total	2	8 000	11 000	7 500	11 700	10 000	9 169	10 070	9 386	10 688	9 424	8 000	8 525	113 462	121 412	135 348
Single-year expenditure to be appropriated																
Vote 1 - Executive Support													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Economic Development and Planning		400	1 000	-	250	-	-	-	-	-	350	-	-	2 000	600	700
Vote 4 - Infrastructure Development		-	-	7 000	-	-	-	-	6 000	-	-	-	-	13 000	-	-
Vote 5 - Community Services		-	1 200	5 300	-	-	-	-	-	-	-	-	-	6 500	9 200	6 000
Vote 6 - Corporate Services		-	-	3 200	-	-	-	800	-	1 000	-	-	-	5 000	1 900	600
Vote 7 - Budget and Treasury		-	-	5 000	-	-	-	-	-	-	-	-	-	5 000	6 700	-
Capital single-year expenditure sub-total	2	400	2 200	20 500	250	-	-	800	6 000	1 000	350	-	-	31 500	18 400	7 300
Total Capital Expenditure	2	8 400	13 200	28 000	11 950	10 000	9 169	10 870	15 386	11 688	9 774	8 000	8 525	144 962	139 812	142 648

Table 40 MBRR SA29 - Budgeted monthly capital expenditure (Standard classification)

LIM473 Makhuduthamaga - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																	
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Capital Expenditure - Functional	1																
<i>Governance and administration</i>		–	–	8 200	–	–	–	800	–	1 000	–	–	–	10 000	8 600	600	
Executive and council													–	–	–	–	
Finance and administration		–	–	8 200	–	–	–	800	–	1 000	–	–	–	10 000	8 600	600	
<i>Economic and environmental services</i>		8 400	12 000	7 500	11 950	10 000	9 169	10 070	9 386	10 688	9 774	8 000	8 525	115 462	122 012	136 048	
Planning and development		400	1 000	–	250	–	–	–	–	–	350	–	–	2 000	600	700	
Road transport		8 000	11 000	7 500	11 700	10 000	9 169	10 070	9 386	10 688	9 424	8 000	8 525	113 462	121 412	135 348	
<i>Other</i>													–	–	–	–	
Total Capital Expenditure - Functional	2																
		8 400	13 200	28 000	11 950	10 000	9 169	10 870	15 386	11 688	9 774	8 000	8 525	144 962	139 812	142 648	
Funded by:																	
National Government		8 400	13 200	28 000	11 950	10 000	9 169	10 870	15 386	11 688	9 774	8 000	8 525	144 962	139 812	142 648	
Provincial Government													–	–	–	–	
District Municipality													–	–	–	–	
Other transfers and grants													–	–	–	–	
Transfers recognised - capital		8 400	13 200	28 000	11 950	10 000	9 169	10 870	15 386	11 688	9 774	8 000	8 525	144 962	139 812	142 648	
Total Capital Funding		8 400	13 200	28 000	11 950	10 000	9 169	10 870	15 386	11 688	9 774	8 000	8 525	144 962	139 812	142 648	

Table 41 MBRR SA30 - Budgeted monthly cash flow (Standard classification)

LIM473 Makhuduthamaga - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source													1		
Property rates	575	689	865	1 356	1 750	2 304	2 560	3 029	3 029	3 029	3 029	3 030	25 245	29 936	34 912
Rental of facilities and equipment	10	12	10	8	10	10	10	7	10	13	10	10	121	125	131
Interest earned - external investments	1 019	1 019	973	1 065	1 019	1 019	1 019	958	1 115	1 019	1 019	1 019	12 259	13 370	15 375
Fines, penalties and forfeits	13	32	63	32	32	126	25	40	88	78	53	53	632	635	648
Licences and permits	464	515	464	567	309	430	464	412	325	392	361	467	5 169	6 526	7 831
Transfer receipts - operational	93 530	–	–	–	78 041	–	–	–	64 655	–	–	–	236 226	242 778	246 865
Other revenue	322	–	5 510	147	82	–	7 923	92	6 182	–	7	194	20 459	21 116	23 157
Cash Receipts by Source	95 932	2 267	7 885	3 174	81 242	3 888	12 001	4 538	75 404	4 530	4 478	4 771	300 111	314 486	328 920
Other Cash Flows by Source															
Transfer receipts - capital	25 099	–	–	–	22 000	–	–	29 097	–	–	–	–	76 196	66 804	70 611
Total Cash Receipts by Source	121 031	2 267	7 885	3 174	103 242	3 888	12 001	33 635	75 404	4 530	4 478	4 771	376 307	381 290	399 531
Cash Payments by Type															
Employee related costs	6 545	6 272	5 370	6 300	5 995	6 090	5 974	6 137	5 930	6 586	5 527	6 092	72 815	77 694	82 822
Remuneration of councillors	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	22 040	23 517	25 069
Contracted services	4 712	1 861	2 470	1 643	5 721	3 550	1 592	5 328	1 486	2 593	2 774	1 917	35 647	29 928	32 660
Other expenditure	5 531	13 326	9 225	6 585	11 365	6 147	6 490	7 915	8 586	6 426	3 330	3 840	88 766	82 457	91 630
Cash Payments by Type	18 625	23 296	18 901	16 365	24 918	17 624	15 892	21 216	17 837	17 441	13 467	13 685	219 268	213 596	232 180
Other Cash Flows/Payments by Type															
Capital assets	8 400	13 200	28 000	11 950	10 000	9 169	10 870	15 386	11 688	9 774	8 000	8 525	144 962	139 812	142 648
Total Cash Payments by Type	27 025	36 496	46 901	28 315	34 918	26 793	26 762	36 602	29 525	27 215	21 467	22 210	364 229	353 408	374 828
NET INCREASE/(DECREASE) IN CASH HELD	94 007	(34 229)	(39 016)	(25 141)	68 325	(22 905)	(14 761)	(2 967)	45 879	(22 685)	(16 990)	(17 439)	12 078	27 883	24 703
Cash/cash equivalents at the month/year begin:	61 899	155 906	121 677	82 661	57 520	125 845	102 940	88 179	85 212	131 090	108 406	91 416	61 899	73 977	101 860
Cash/cash equivalents at the month/year end:	155 906	121 677	82 661	57 520	125 845	102 940	88 179	85 212	131 090	108 406	91 416	73 977	73 977	101 860	126 562

3.11 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

3.12 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 42 MBRR SA 34a - Capital expenditure on new assets by asset class

LIM473 Makhuduthamaga - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		74 599	109 595	150 590	124 760	125 889	125 889	131 762	130 612	141 348
Roads Infrastructure		73 658	109 595	148 490	115 260	116 389	116 389	113 462	121 412	135 348
Roads		73 658	109 595	148 490	115 260	116 389	116 389	113 462	121 412	135 348
Electrical Infrastructure		941	–	2 100	7 000	7 000	7 000	13 000	–	–
LV Networks		941	–	2 100	7 000	7 000	7 000	13 000	–	–
Capital Spares										
Solid Waste Infrastructure		–	–	–	2 500	2 500	2 500	5 300	9 200	6 000
Waste Processing Facilities					2 500	2 500	2 500	5 300	9 200	6 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Community Assets		–	–	3 700	6 500	3 060	3 060	3 200	600	700
Community Facilities		–	–	3 700	6 500	3 060	3 060	3 200	600	700
Police				–	1 000	–	–	1 200	–	–
Capital Spares										
Other assets		5 677	10 167	12 700	6 150	17 200	17 200	5 000	6 700	–
Operational Buildings		5 677	10 167	12 700	6 150	17 200	17 200	5 000	6 700	–
Municipal Offices		5 677	10 167	12 700	6 150	17 200	17 200	5 000	6 700	–
Intangible Assets		1 121	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		1 121	–	–	–	–	–	–	–	–
Computer Software and Applications		1 121	–	–	–	–	–	–	–	–
Computer Equipment		2 933	1 037	4 050	3 500	3 500	3 500	5 000	1 900	600
Computer Equipment		2 933	1 037	4 050	3 500	3 500	3 500	5 000	1 900	600
Total Capital Expenditure on new assets	1	84 330	120 800	171 040	140 910	149 649	149 649	144 962	139 812	142 648

Table 43 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

LIM473 Makhuduthamaga - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	6 700	–	14 000	18 421	18 421	–	–	–
Roads Infrastructure		–	6 700	–	14 000	18 421	18 421	–	–	–
Roads		–	6 700	–	14 000	18 421	18 421			
Road Structures										
Road Furniture										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment										
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets										
Libraries		–	–	–	–	–	–	–	–	–
Libraries										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing assets	1	–	6 700	–	14 000	18 421	18 421	–	–	–

Table 44 MBRR SA34c - Repairs and maintenance expenditure by asset class

LIM473 Makhuduthamaga - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		14 582	20 734	41 650	18 600	39 800	39 800	5 500	4 700	5 500
Roads Infrastructure		14 582	20 734	37 550	16 100	36 100	36 100	2 000	3 100	3 800
Roads		14 582	20 734	37 550	16 100	36 100	36 100	2 000	3 100	3 800
Electrical Infrastructure		–	–	4 100	2 500	3 700	3 700	3 500	1 600	1 700
LV Networks		–	–	4 100	2 500	3 700	3 700	3 500	1 600	1 700
Capital Spares										
Computer Equipment		–	558	1 027	800	1 300	1 300	2 900	427	455
Computer Equipment		–	558	1 027	800	1 300	1 300	2 900	427	455
Machinery and Equipment		58	–	13 612	–	–	–	–	–	–
Machinery and Equipment		58	–	13 612						
Transport Assets		807	1 334	2 538	500	1 100	1 100	2 181	1 261	1 344
Transport Assets		807	1 334	2 538	500	1 100	1 100	2 181	1 261	1 344
Total Repairs and Maintenance Expen	1	15 447	22 626	58 828	19 900	42 200	42 200	22 581	15 987	17 799

Table 45 MBRR SA34d – Depreciation by Asset class

LIM473 Makhuduthamaga - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		6 849	8 539	10 999	9 028	12 536	12 536	14 232	15 623	16 549
Roads Infrastructure		6 539	8 229	10 638	8 731	12 125	12 125	13 765	15 110	16 006
<i>Roads</i>		6 539	8 229	10 638	8 731	12 125	12 125	13 765	15 110	16 006
Electrical Infrastructure		310	310	361	296	412	412	467	513	543
<i>LV Networks</i>		310	310	361	296	412	412	467	513	543
<i>Capital Spares</i>										
<u>Other assets</u>		684	692	684	562	780	780	886	972	1 030
Operational Buildings		684	692	684	562	780	780	886	972	1 030
<i>Municipal Offices</i>		684	692	684	562	780	780	886	972	1 030
<u>Biological or Cultivated Assets</u>		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
<u>Intangible Assets</u>		499	344	499	410	569	569	646	709	751
Servitudes										
Licences and Rights		499	344	499	410	569	569	646	709	751
<i>Computer Software and Applications</i>		499	344	499	410	569	569	646	709	751
<u>Computer Equipment</u>		871	1 147	1 321	1 085	1 506	1 506	1 710	1 877	1 988
Computer Equipment		871	1 147	1 321	1 085	1 506	1 506	1 710	1 877	1 988
<u>Furniture and Office Equipment</u>		498	526	755	620	861	861	977	1 073	1 136
Furniture and Office Equipment		498	526	755	620	861	861	977	1 073	1 136
<u>Machinery and Equipment</u>		253	373	384	316	438	438	497	546	578
Machinery and Equipment		253	373	384	316	438	438	497	546	578
<u>Transport Assets</u>		1 300	2 093	1 972	1 618	2 247	2 247	2 551	2 801	2 967
Transport Assets		1 300	2 093	1 972	1 618	2 247	2 247	2 551	2 801	2 967
<u>Libraries</u>		–	–	–	–	–	–	–	–	–
Libraries										
<u>Zoo's, Marine and Non-biological Animals</u>		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	10 956	13 715	16 616	13 638	18 938	18 938	21 500	23 600	25 000

Table 46 MBRR SA34e – Capital expenditure on the upgrading of existing assets

LIM473 Makhuduthamaga - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets										
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on upgrading of existing assets	1	-	-	-	-	-	-	-	-	-

Table 46 MBRR SA35 - Future financial implications of the capital budget

LIM473 Makhuduthamaga - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
Capital expenditure	1							
Vote 1 - Executive Support		–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		2 000	600	700	1 555	1 656	1 764	1 878
Vote 4 - Infrastructure Development		126 462	121 412	135 348	146 276	155 784	165 910	176 694
Vote 5 - Community Services		6 500	9 200	6 000	–	–	–	–
Vote 6 - Corporate Services		5 000	1 900	600	1 917	2 042	2 174	2 316
Vote 7 - Budget and Treasury		5 000	6 700	–	–	–	–	–
Total Capital Expenditure		144 962	139 812	142 648	149 748	159 482	169 848	180 888
Future operational costs by vote	2							
Vote 1 - Executive Support		52 670	51 526	59 429	67 805	72 212	76 906	81 905
Vote 2 - Office of the Municipal Manager		10 133	10 334	10 708	11 561	12 312	13 113	13 965
Vote 3 - Economic Development and Planning		13 457	12 769	17 648	12 815	13 648	14 535	15 479
Vote 4 - Infrastructure Development		30 185	27 427	27 456	32 532	34 647	36 899	39 297
Vote 5 - Community Services		35 729	35 731	37 561	39 529	42 098	44 835	47 749
Vote 6 - Corporate Services		25 218	23 508	24 113	28 767	30 637	32 628	34 749
Vote 7 - Budget and Treasury		101 425	101 648	97 972	120 290	128 108	136 436	145 304
Total future operational costs		268 817	262 943	274 887	313 299	333 663	355 351	378 449
Future revenue by source	3							
Property rates		38 841	39 812	41 006	43 672	46 510	49 534	52 753
Service charges - other								
Rental of facilities and equipment		121	125	131	140	149	159	169
Interest earned - external investments		12 259	13 370	15 375	16 375	17 439	18 573	19 780
Interest earned - outstanding debtors		21 058	23 757	25 657	27 325	29 101	30 993	33 007
Fines, penalties and forfeits		632	635	648	690	735	783	834
Agency services		5 169	6 526	7 831	8 340	8 882	9 460	10 074
Transfers and subsidies		236 226	242 778	246 865	289 421	308 233	328 268	349 606
Other revenue		1 032	1 061	1 111	1 184	1 261	1 343	1 430
Total future revenue		315 338	328 064	338 626	387 146	412 311	439 111	467 653
Net Financial Implications		98 441	74 691	78 910	75 901	80 834	86 088	91 684

Table 46 MBRR SA36 - Detailed capital budget per municipal vote

LIM473 Makhuduthamaga - Supporting Table SA36 Detailed capital budget								
Municipal Vote/Capital project	Ref	Program/Project description	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	4							
Parent municipality:								
<i>List all capital projects grouped by Municipal Vote</i>								
Vote 4 - Infrastructure Development		Construction of Kolokotela Internal Road (5.5km)	–	–		–	–	–
Vote 4 - Infrastructure Development		Construction of Makgwabe to Mphane Access Road (10km)	40 212	–		13 158	25 212	–
Vote 4 - Infrastructure Development		Construction of Kome Internal Strs(2.5km)	13 000	–		–	–	13 000
Vote 4 - Infrastructure Development		Construction of Rietfontein to Eensaam Access Road Phase 2(10.5km)	16 906	–		14 830	–	–
Vote 4 - Infrastructure Development		Construction of Thabampshe Cross To Tswaing Access Road	18 939	–		16 614	–	–
Vote 4 - Infrastructure Development		Construction of Access Road from Glen Cowie to Moloi (5km)	17 950	–		15 351	12 000	–
Vote 4 - Infrastructure Development		Construction of Pitjaneng Internal Str(2.3km)	11 500	–		–	–	11 000
Vote 4 - Infrastructure Development		Construction of Marishane and Phaahla Internal Str(4.2km)	22 000	–		–	–	11 000
Vote 4 - Infrastructure Development		Construction of Moraba Access Bridge	3 500	–		–	–	3 948
Vote 4 - Infrastructure Development		Construction of Nebo/Maserumule Park Access Road(1.5km)	5 500	–		–	–	5 500
Vote 4 - Infrastructure Development		Construction of road from Mashabela Tribal office to Mphanama(10km)	52 000	–		1 754	28 000	25 000
Vote 4 - Infrastructure Development		Construction of Access Road from R579 to Mashishing Main Reservoir(2.1km)	15 500	–		8 333	–	–
Vote 4 - Infrastructure Development		Construction of Mohlala/Ngwantshwane Access Bridge	15 000	–		13 158	–	–
Vote 4 - Infrastructure Development		Construction of Thusong Centre	35 400	–		–	13 200	
Vote 4 - Infrastructure Development		Construction of access road to Maila Mapitsane Tribal Office Phase 4(2.4km)	12 500	–		6 140	–	–
Vote 4 - Infrastructure Development		Construction of access road to Mashupye village (2.6km)	16 000	–		9 211	–	–
Vote 4 - Infrastructure Development		Construction of Manganeng Access Bridge	1 000	–		–	–	–

Table 46 MBRR SA36 - Detailed capital budget per municipal vote (continued)

Vote 4 - Infrastructure Development	Construction of Access Road from Sekhukhune Traffic Station to Bridge	11 000	–	4 825	–	–
Vote 4 - Infrastructure Development	Construction of Matulaneng Access Bridge	5 500	–	–	5 500	–
Vote 4 - Infrastructure Development	Construction of Setlaboswane Internal Road(1.6km)	9 000	–	–	–	8 300
Vote 4 - Infrastructure Development	Construction of Apel Cross Internal Road(3km)	16 500	–	–	7 000	5 600
Vote 4 - Infrastructure Development	Construction of Cabrievie/Khayelicha access bridge	15 000	–	7 895	5 500	–
Vote 4 - Infrastructure Development	Construction of Cabrievie Internal Road(2.6km)	15 000	–	–	7 000	8 000
Vote 4 - Infrastructure Development	Construction of access road from rietfontein to Mare village (3km).	16 500	–	–	3 500	10 500
Vote 4 - Infrastructure Development	Construction of road from Lobethal to Tisane	18 000	–	439	2 500	10 000
Vote 4 - Infrastructure Development	Construction of road from Mokwete to Molapane/Ntwane	33 000	–	439	2 500	13 500
Vote 4 - Infrastructure Development	Construction of Access road to Mochadi	6 000	–	439	2 500	–
Vote 4 - Infrastructure Development	Construction of Seruteng/Marishane Access Bridge	8 000	–	439	7 000	–
Vote 4 - Infrastructure Development	Glen Cowie old Post Office to Phokwane Police Station	5 000	–	–	–	5 000
Vote 4 - Infrastructure Development	Mamone Sekwati - Motlokwe access road	5 000	–	–	–	5 000
Vote 4 - Infrastructure Development	Construction of access road from Maila Mapitsane to Magolego Tribal Office	20 000	–	439	–	–
Vote 7 - Budget and Treasuy	Purchases of Office Furniture and Equipment	2 000	–	5 000	6 700	–
Vote 6 - Corporate Services	Acquisition of IT Infrastructure Assets	2 000	–	5 000	1 900	600
Vote 3 - Economic Development and Planning	Acquisition of PMS system,GIS system,Develop municipal Parks	2 000	–	2 000	600	700
Vote 4 - Infrastructure Development	Supply of Electricity	–	–	13 000	–	–
Vote 5 Community Services	Acquisition of Other Assets	4 500	–	6 500	9 200	6 000
Parent Capital expenditure	1			144 962	139 812	142 648



The table above indicate that the municipality does not have any of its projects to be implemented delayed from the previous financial years.

Table 47 MBRR SA38 – Consolidated Detailed Operational Projects

Vote 1 - Executive support	Salaries			3 027	3 229	3 443
	Travel and Accomodation			880	830	670
Vote 2 - Municipal Managers' Office	Salaries	3 352	6 030	6 733	7 184	7 658
	Risk Management Programmes	455	550	500	450	250
	Internal Audit programmes	352	500	2 200	1 950	2 000
	Audit Committee Support	590	800	700	750	800
Vote 1 - Spekers' Office	Salaries	1 306	2 423	2 166	2 312	2 464
	Councilr-Allowance	18 858	20 792	22 040	23 517	25 069
	Sitting Allowance	288	310	355	368	380
	Ward Committee Incentives	3 696	3 720	3 980	4 100	4 350
	Public Participations	1 520	1 900	1 200	1 500	1 900
	Whippery Support	–	200	250	300	350
	Council Logistics	919	1 175	470	550	860
	Capacity Building Of Councilor	934	1 000	800	600	1 750
	Ward Committee Capacity Buildi	778	1 800	800	850	950
Vote 1 - Mayors' Office	Salaries	3 906	2 891	1 642	1 752	1 867
	Publications	9 225	12 225	9 000	6 953	10 237
	Paupers Burial fund	–	200	150	100	100
	Multi-media bulk purchases	–	65	–	–	–
	Special Programmes	1 899	2 634	2 500	1 750	1 800
	Develop municipal Children's charter	–	150	–	–	–
	Outreach Programmes Mayor	1 654	1 532	2 500	1 880	2 100
	Multi-media channels	115	323	700	850	980
	Corp Branding & Marketing	–	150	210	86	160
	Forge Partnership with all stakeholders	–	131	–	–	–
Vote 5 - Community Services	Salaries	2 343	2 981	4 187	4 468	4 762
	Library awareness campaign	348	200	300	350	350
	Protective clothing	4	676		400	–
	Travel and Accomodation			863	636	693
	Stipent	39	131	141	150	160

Vote 7 - Budget & Treasury	Salaries	11 868	15 874	18 298	19 524	20 812
	Depreciation-Other Assets	17 961	18 938	21 500	23 600	25 000
	Rep & Main-Other Assets	2 212	1 100	2 181	1 261	1 344
	Contracted Services	830	856	919	980	1 045
	Audit Fees	2 485	2 670	3 120	3 430	3 900
	Bank Charges	165	170	182	194	207
	Electricity	1 769	1 498	2 208	2 566	2 730
	Grants Fmg	1 452	1 625	1 700	1 955	1 955
	Provision for bad debts	44 633	31 417	28 049	25 747	17 708
	Insurance	205	552	592	632	674
	Printing And Stationery	1 260	2 128	2 285	2 438	1 599
	Rental:Office Equipment	386	416	446	476	508
	Financial Services Capacity	4	369	396	423	451
	Fleet Management And System	273	142	152	162	173
	Mpra Expense	58	1 622	2 319	1 543	1 859
	Plant : Fuel And Oil	1 822	1 607	1 726	1 841	2 313
	Cleaning Services	4 010	3 796	4 076	4 349	4 637
	Security Services	8 094	7 514	8 070	8 611	9 179
	Vehicle Tracking	10	82	88	94	100
	Implementation of Mscoa	–	250	2 427	1 000	1 000
	Travel and Accommodation	85 950	–	690	820	780
Vote 6 - Corporate Services	Salaries	7 743	9 026	10 023	10 694	11 400
	Repairs & Maintenance:Infrastructure	478	1 300	2 900	427	455
	Administration Expenses	4 289	1 500	1 900	1 950	2 000
	Advertising	782	1 487	1 500	1 700	1 500
	Bursary Fund.	2 070	2 200	2 420	2 720	2 810
	Telecommunication Costs	1 115	1 077	1 157	1 234	1 316
	Legal Costs and Development of By-Laws	192	900	1 400	850	740
	Refreshments	52	55	59	63	67
	Development Of OHS Standards	148	1 655	1 000	700	890
	Review of HR Policies	99	220	120	130	85
	Training-Staff	918	1 090	1 250	1 300	1 400
	Travel & Accommodation	2 694	2 405	630	870	920
	Customer Care	250	366	450	450	–
	Review of Service Standards	–	200	210	240	280
	Bathopele Service Delivery Awareness	–	210	200	180	250

Vote 3 - Planning and Development	Salaries	4 976	4 285	5 296	5 651	6 024
	Lums Roll-Out (Review on LUMS and Implementation on LUMS)		300	100	150	140
	Spatial Planning (Demarcation of sites)	1 541	3 300	2 400	1 600	1 300
	Process of Acquiring Land	4	400	200	300	430
	Formalisation of Jane Furse	1 594	1 200	1 800	1 000	900
	Building Regulations Awareness & Buidling Control Strategy		200	100	100	170
	Travel and Accomodation	415	100	210	140	175
Vote 3 - Local Eceonomic Development	Salaries	396	1 162	1 151	1 228	1 309
	Smme Support	2 403	–	2 000	2 400	7 000
	LED Summit & Forums & Development of LED Plan	5	450	200	200	200
Vote 4 - Housing and Electricity	Salaries	350	449	475	507	541
	Free Basic Electricity	4 427	3 656	3 926	4 189	4 466
	Maintenance of electricity facilities	4 419	3 700	3 500	1 600	1 700
Vote 4 - Technical Services	Salaries	2 427	1 997	2 112	2 254	2 403
	Travel and Accomodation			410	260	300
Vote 4 - Roads and Bridges	Salaries	2 033	2 175	2 272	2 424	2 584
	Rep & Maint-Infrastructure	33 957	36 100	2 000	3 100	3 800
	Rep & Maint-Other Assets	–	2 000	12 000	9 600	10 500
	EPWP Expenses	–	–	1 500	–	–
	Mig Overheads	322	888	1 489	1 592	1 163
	Development of Road Master Plan	–	–	–	1 300	–
	Review of Indegent Register	–	575	500	600	–
Vote 5 - Waste Management	Salaries	399	1 454	2 022	2 157	2 299
	Fencing of Cemeties	3 135	1 000	600	600	600
	Protection of Areas of Natural resources	393	500	600	350	350
	Environmental awareness campaigns	–	200	300	250	350
	Solid Waste Collection	1 785	7 900	8 600	8 700	8 991

Vote 5 - Disaster Management		Salaries	418	449	476	508	542
		Disaster awareness campaign	334	200	270	310	350
		Disaster relief fund	622	600	700	850	950
Vote 5 - Public Safety		Salaries	7 689	11 917	12 935	13 802	14 713
		Road safety awareness campaign	159	300	600	400	500
Vote 5 - Sport Parks and Recreation		Upgrading & Maintenance Sports	213	–	2 100	700	550
		Sports & Culture Promotions	1 172	963	1 035	1 100	1 400
Parent operational expenditure	1		334 443	270 222	268 817	262 943	274 887

3.13 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 Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed six interns undergoing training in various divisions of the Budget and Treasury Department, Risk management and Audit section. Since the introduction of the Internship programme the municipality has successfully trained 14 interns and employed 9 of the total trained on permanent positions. Three of this total was permanently employed by the district municipality and two was recently employed by our municipality.
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 is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2017/18 MTREF in June 2017 directly aligned and informed by the 2017/18 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

3.14 Other supporting documents

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance

LIM473 Makhuduthamaga - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		43 987	29 841	31 834	33 426	37 894	37 894	37 894	38 841	39 812	41 006
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>											
Net Property Rates		43 987	29 841	31 834	33 426	37 894	37 894	37 894	38 841	39 812	41 006
Other Revenue by source											
Tender Documents		2 227	613	780	819	539	539	539	821	850	879
Other Revenue		–	1 057	200	210	74	74	74	211	211	233
Total 'Other' Revenue	1	2 227	1 669	980	1 029	613	613	613	1 032	1 061	1 111
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	24 755	25 614	28 144	36 922	32 507	32 507	32 507	37 538	40 053	42 697
Pension and UIF Contributions		4 690	4 840	6 080	7 352	6 632	6 632	6 632	7 800	8 323	8 872
Medical Aid Contributions		2 150	2 578	5 112	6 285	5 575	5 575	5 575	6 459	6 892	7 346
Overtime		179	256	–	2 717	2 268	2 268	2 268	1 788	1 908	2 034
Motor Vehicle Allowance		5 903	6 504	6 837	9 644	8 517	8 517	8 517	9 948	10 615	11 315
Cellphone Allowance		983	1 063	1 018	1 548	1 354	1 354	1 354	1 547	1 650	1 759
Housing Allowances		1 845	2 090	2 278	3 465	3 056	3 056	3 056	3 829	4 085	4 355
Other benefits and allowances		3 234	659	1 815	3 584	3 204	3 204	3 204	3 906	4 168	4 443
sub-total	5	43 739	43 604	51 285	71 518	63 112	63 112	63 112	72 815	77 694	82 822
<i>Less: Employees costs capitalised to PPE</i>											
Total Employee related costs	1	43 739	43 604	51 285	71 518	63 112	63 112	63 112	72 815	77 694	82 822
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		10 956	13 715	16 616	13 638	18 938	18 938	18 938	21 500	23 600	25 000
Total Depreciation & asset impairment	1	10 956	13 715	16 616	13 638	18 938	18 938	18 938	21 500	23 600	25 000
Contracted services											
Repairs and Maintenance		15 447	22 626	45 805	22 900	42 617	42 617	42 617	22 581	15 987	17 799
Security Services and Cleaning Services		13 037	12 761	12 332	12 893	12 893	12 893	12 893	12 147	12 960	13 816
Other Contracted Services		–	–	690	856	856	856	856	919	980	1 045
sub-total	1	28 484	35 387	58 828	36 649	56 365	56 365	56 365	35 647	29 928	32 660
Other Expenditure By Type											
Audit fees		2 367	2 213	2 400	2 670	2 670	2 670	2 670	85 566	80 502	89 675
General expenses	3	39 200	50 920	75 873	68 567	79 711	79 711	79 711	3 200	1 955	1 955
Grants and Subsidies		–	2 166	–	–	–	–	–			
Total 'Other' Expenditure	1	41 567	55 299	78 273	71 237	82 381	82 381	82 381	88 766	82 457	91 630
Repairs and Maintenance by Expenditure Item	8										
Contracted Services		15 447	22 626	58 828	19 900	42 200	42 200	42 200	22 581	15 987	17 799
Total Repairs and Maintenance Expenditure	9	15 447	22 626	58 828	19 900	42 200	42 200	42 200	22 581	15 987	17 799

The total amount of **R 88.7 million** for general expenses in 2017/18 and the outer years **R 82.4 million** and **R 91.6 million** for 2018/19 and 2019/20 respectively are detailed in the following tables:

Annual Budget 2017/18 (Per Municipal Vote)					
Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
EXECUTIVE SUPPORT					
LIM473-0000-200100	Salaries	-	-	-	-
	Travel & Accommodation	-	880 000,00	830 000,00	670 000,00
		-	880 000,00	830 000,00	670 000,00
Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
MUNICIPAL MANAGER'S OFFICE					
LIM473-4200-200100	Salaries	-	-	-	-
LIM473-4200-260430	Risk Management Programmes &	550 000,00	500 000,00	450 000,00	250 000,00
LIM473-4200-260440	Internal Audit programmes	500 000,00	2 200 000,00	1 950 000,00	2 000 000,00
LIM473-4200-260450	Audit Committee Support	800 000,00	700 000,00	750 000,00	800 000,00
	Printing and Stationery	-	-	-	-
		1 850 000,00	3 400 000,00	3 150 000,00	3 050 000,00
Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
OFFICE OF THE SPEAKER					
LIM473-4520-200100	Salaries	-	-	-	-
LIM473-4520-215010	Council Allowance	-	-	-	-
LIM473-4520-215015	Sitting Allowance	309 510,80	355 000,00	368 000,00	380 000,00
LIM473-4520-260252	Ward Committee Incentives	3 720 000,00	3 980 000,00	4 100 000,00	4 350 000,00
LIM473-4520-260254	Public Participations	1 900 000,00	1 200 000,00	1 500 000,00	1 900 000,00
LIM473-4520-260380	Whippery Support	200 000,00	250 000,00	300 000,00	350 000,00
LIM473-4520-260411	Council Logistics	1 174 973,54	470 000,00	550 000,00	860 000,00
	Speaker's Vehicle	-	-	-	-
LIM473-4520-266079	Capacity Building Of Councilor	1 000 000,00	800 000,00	600 000,00	1 750 000,00
LIM473-4520-266080	Ward Committee Capacity Buildi	1 800 000,00	800 000,00	850 000,00	950 000,00
		10 104 484,34	7 855 000,00	8 268 000,00	10 540 000,00
Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
OFFICE OF THE MAYOR					
LIM473-4530-200100	Salaries	-	-	-	-
LIM473-4530-260523	Publications	12 224 643,58	9 000 000,00	6 953 000,00	10 236 798,00
	Paupers Burial fund	200 000,00	150 000,00	100 000,00	100 000,00
LIM473-4530-260299	Multi-media bulk purchases	65 200,00	-	-	-
LIM473-4530-265030	Special Programmes	2 634 339,00	2 500 000,00	1 750 000,00	1 800 000,00
LIM473-4530-265031	Develop municipal Children's charter	150 000,00	-	-	-
LIM473-4530-265060	Outreach Programmes Mayor	1 532 210,00	2 500 000,00	1 880 000,00	2 100 000,00
LIM473-4530-265066	Multi-media channels	323 390,17	700 000,00	850 000,00	980 000,00
	Mayor's Vehicle	-	-	-	-
LIM473-4530-266018	Corp Branding & Marketing	150 000,00	210 000,00	86 000,00	160 000,00
	Forge Partnership with all stakeholders	131 000,00	-	-	-
	Printing and Stationery	-	-	-	-
		17 410 782,75	15 060 000,00	11 619 000,00	15 376 798,00
Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
COMMUNITY SERVICES					
LIM473-5066-200100	Salaries	-	-	-	-
LIM473-5066-275001	Library awareness campaign	200 000,00	300 000,00	350 000,00	350 000,00
LIM473-5066-260240	Protective clothing	675 939,10	-	400 000,00	-
	Travel & Accommodation	-	863 091,21	636 158,32	693 064,77
LIM473-5066-265092	Stipent	130 988,80	140 681,97	150 107,66	160 014,77
	Printing and Stationery	-	-	-	-
		1 006 927,90	1 303 773,18	1 536 265,98	1 203 079,54

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
BUDGET AND TREASURY					
LIM473-5200-055550	Grants-Msiq Expenses	-	-	-	-
LIM473-5200-200100	Salaries	-	-	-	-
LIM473-5200-230050	Deprctn-Other Assets	-	-	-	-
LIM473-5200-235050	Rep & Main-Other Assets	-	-	-	-
LIM473-5200-250010	Contracted Services	-	-	-	-
LIM473-5200-265028	Revenue Enhancement Strategy	-	-	-	-
LIM473-5200-265029	Administration Expenses	-	-	-	-
LIM473-5200-265030	Municipal office building	-	-	-	-
LIM473-5200-260030	Audit Fees	2 670 000,00	3 120 000,00	3 430 000,00	3 900 000,00
LIM473-5200-260040	Bank Charges	169 513,60	182 057,61	194 255,47	207 076,33
LIM473-5200-260100	Electricity	1 497 654,27	2 208 480,69	2 566 248,89	2 729 521,32
LIM473-5200-260135	Grants Fmg	1 625 000,00	1 700 000,00	1 955 000,00	1 955 000,00
LIM473-5200-260136	Provision for bad debts	-	-	-	-
LIM473-5200-260160	Insurance	551 533,33	592 346,80	632 034,03	673 748,28
LIM473-5200-260230	Printing And Stationery	2 127 580,00	2 285 020,92	2 438 117,32	1 599 033,06
LIM473-5200-260400	Municipal Vehicles	-	-	-	-
LIM473-5200-265027	Rental:Office Equipment	415 651,87	446 410,11	476 319,59	507 756,68
LIM473-5200-265029	Development Of Valuation Roll	343 289,47	-	-	-
LIM473-5200-265032	Grap/Gamap:Financial Statement	185 326,84	-	-	-
LIM473-5200-265085	Capital-Other Assets	-	-	-	-
LIM473-5200-265120	Financial Services Capacity	368 961,98	396 265,17	422 814,93	450 720,72
LIM473-5200-265140	Fleet Management And Svstem	141 592,89	152 070,76	162 259,50	172 968,63
LIM473-5200-265150	Mora Expense	1 621 500,00	2 318 692,89	1 543 395,31	1 859 359,40
LIM473-5200-265160	Plant : Fuel And Oil	1 606 708,99	1 725 605,45	1 841 221,02	2 312 741,60
LIM473-5200-266010	Systems-Vip/Accpac/caseware	-	-	-	-
LIM473-5200-266040	Cleaning Services	-	-	-	-
LIM473-5200-266060	Security Services	-	-	-	-
LIM473-5200-266070	Vehicle Tracking	81 612,28	87 651,58	93 524,24	99 696,84
	Travel & Accomodation	-	690 000,00	820 000,00	780 000,00
	Acquisition of the Scoa Svstem	-	-	-	-
	Implementation of Mscoa	250 000,00	2 427 000,00	1 000 000,00	1 000 000,00
		13 655 925,51	18 331 601,98	17 575 190,31	18 247 622,87

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
CORPORATE SERVICES					
LIM473-5520-200100	Salaries	-	-	-	-
LIM473-5520-235065	Repairs & Mait:ict Infrastruct	-	-	-	-
LIM473-5520-260010	Administration Expenses	1 500 000,00	1 900 000,00	1 950 000,00	2 000 000,00
LIM473-5520-260020	Advertising	1 487 232,90	1 500 000,00	1 700 000,00	1 500 000,00
LIM473-5520-260045	Bursary Fund.	2 200 000,00	2 420 000,00	2 720 000,00	2 810 000,00
LIM473-5520-260045	Electricity	-	-	-	-
LIM473-5520-260046	Training committee	-	-	-	-
LIM473-5520-260110	Telecommunication Costs	1 076 933,09	1 156 626,13	1 234 120,09	1 315 572,01
LIM473-5520-260170	Legal Costs and Development of By-	900 000,00	1 400 000,00	850 000,00	740 000,00
LIM473-5520-260260	Refreshments	54 879,23	58 940,29	62 889,29	67 039,98
LIM473-5520-266016	Development Of Ohs Standards	1 655 200,00	1 000 000,00	700 000,00	890 000,00
LIM473-5520-266017	Review of HR Policies	220 000,00	120 000,00	130 000,00	85 000,00
LIM473-5520-260360	Training-Staff	1 090 000,00	1 250 000,00	1 300 000,00	1 400 000,00
LIM473-5520-260370	Travel & Accomodation	2 405 112,86	630 000,00	870 000,00	920 000,00
	Laptops/Tablets for 61 councillors	-	-	-	-
LIM473-5520-260410	IT Infrastructure	-	-	-	-
LIM473-5520-260911	Customer Care	365 960,00	450 000,00	450 000,00	-
	Review of Service Standards &	200 000,00	210 000,00	240 000,00	280 000,00
	Bathopele Service Delivery	210 000,00	200 000,00	180 000,00	250 000,00
	Printing And Stationery	-	-	-	-
		13 365 318,08	12 295 566,43	12 387 009,38	12 257 611,99

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
ECONOMIC DEVELOPMENT AND PLANNING					
LIM473-6200-200100	Salaries	-	-	-	-
LIM473-6200-265036	Lums Roll-Out (Review on LUMS and	300 000,00	100 000,00	150 000,00	140 000,00
LIM473-6200-265048	Spatial Planning (Demarcation of sites)	3 300 000,00	2 400 000,00	1 600 000,00	1 300 000,00
LIM473-6200-265049	PMS system	-	-	-	-
LIM473-6200-265049	Market Stalls	-	-	-	-
LIM473-6200-265052	Process of Acquiring Land	400 000,00	200 000,00	300 000,00	430 000,00
LIM473-6200-265073	Formalisation of Jane Furse	1 200 000,00	1 800 000,00	1 000 000,00	900 000,00
LIM473-6200-265072	Building Regulations Awareness &	200 000,00	100 000,00	100 000,00	170 000,00
LIM473-6200-265074	GIS (Geographic Information System)	-	-	-	-
LIM473-6200-26535	Land use management (Municipal	100 000,00	-	-	-
LIM473-6200-266222	Development Of Municipal Parks &	-	-	-	-
	Travel & Accommodation	-	210 000,00	140 000,00	175 000,00
	Community Cemetery Strategy (Pilot)	-	-	-	-
	Printing And Stationery	-	-	-	-
		5 500 000,00	4 810 000,00	3 290 000,00	3 115 000,00

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
LOCAL ECONOMIC SERVICES					
LIM473-6250-200100	Salaries	-	-	-	-
LIM473-6250-265051	Smme Support	-	2 000 000,00	2 400 000,00	7 000 000,00
LIM473-6250-265057	LED Summit & Forums &	450 000,00	200 000,00	200 000,00	200 000,00
LIM473-6250-265056	Revival of municipal cultural villages	-	-	-	-
LIM473-6250-265057	Ward 21 Mamone Cultural Village	-	-	-	-
LIM473-6250-265071	Land Scaping	-	-	-	-
LIM473-6250-060052	EPWP Expenses	-	-	-	-
	Printing And Stationery	-	-	-	-
	Tourism Forum and Shows.Tourism	250 000,00	-	-	-
		700 000,00	2 200 000,00	2 600 000,00	7 200 000,00

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
INFRASTRUCTURE DEVELOPMENT: BUILDING AND ELECTRICITY					
LIM473-7200-200100	Salaries	-	-	-	-
LIM473-7200-245015	Free Basic Electricity	3 655 848,75	3 926 381,55	4 189 449,12	4 465 952,76
LIM473-7200-265088	Capital:Infrastructure Assets	-	-	-	-
LIM473-7200-400053	Maintenance of electricity facilities	-	-	-	-
		3 655 848,75	3 926 381,55	4 189 449,12	4 465 952,76

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
INFRASTRUCTURE DEVELOPMENT: TECHNICAL SERVICES					
LIM473-7350-200100	Salaries	-	-	-	-
	Travel & Accommodation	-	410 000,00	260 000,00	300 000,00
		-	410 000,00	260 000,00	300 000,00

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
INFRASTRUCTURE DEVELOPMENT: ROADS AND STORM WATER					
LIM473-7500-200100	Salaries	-	-	-	-
LIM473-7500-235030	Rep & Maint-Infrastructure	-	-	-	-
	Rep & Maint-Other Assets	-	-	-	-
LIM473-7500-235075	Feasibility Studies- Roads and Storm	-	-	-	-
LIM473-6250-060052	EPWP Expenses	2 005 000,00	1 500 000,00	-	-
LIM473-7500-265088	Infrastructure Assets	-	-	-	-
LIM473-7500-400073	Miq Overheads	888 000,00	1 488 575,37	1 592 310,92	1 162 569,44
	Development of Road Master Plan	-	-	1 300 000,00	-
	Review of Indegent Register	575 000,00	500 000,00	600 000,00	-
		3 468 000,00	3 488 575,37	3 492 310,92	1 162 569,44

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
WASTE MANAGEMENT					
LIM473-7750-200100	Salaries	-	-	-	-
LIM473-7750-235055	Fencing of Cemeteries	1 000 000,00	600 000,00	600 000,00	600 000,00
LIM473-7750-235056	Developing municipal IWMP	-	-	-	-
LIM473-7750-235057	Integrated Waste management policy	-	-	-	-
LIM473-7750-235065	Protection of Areas of Natural	500 000,00	600 000,00	350 000,00	350 000,00
LIM473-7750-235066	Environmental awareness campaigns	200 000,00	300 000,00	250 000,00	350 000,00
LIM473-7750-235067	Capital Assets	-	-	-	-
LIM473-7750-265077	Solid Waste Collection	7 900 000,00	8 600 000,00	8 700 000,00	8 991 040,00
	Printing And Stationery	-	-	-	-
		9 600 000,00	10 100 000,00	9 900 000,00	10 291 040,00

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
DISASTER MANAGEMENT					
LIM473-8250-200100	Salaries	-	-	-	-
LIM473-8250-200101	Disaster volunteer Cops	-	-	-	-
LIM473-8250-200102	Disaster awareness campaign	200 000,00	270 000,00	310 000,00	350 000,00
LIM473-8250-200112	Disaster relief fund	600 000,00	700 000,00	850 000,00	950 000,00
LIM473-8250-200112	Implement Disaster Recovery Plan	-	-	-	-
	Printing And Stationery	-	-	-	-
		800 000,00	970 000,00	1 160 000,00	1 300 000,00

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
PUBLIC SAFETY					
LIM473-8510-200100	Salaries	-	-	-	-
LIM473-8510-200101	K73 trailer for traffic	-	-	-	-
LIM473-8510-200102	Road safety awareness campaign	300 000,00	600 000,00	400 000,00	500 000,00
LIM473-8510-200103	Capital: Other Assets	-	-	-	-
		300 000,00	600 000,00	400 000,00	500 000,00

Account No.	Project	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
SPORTS PARKS AND RECREATION					
LIM473-8550-266161	Upgrading & Maintenance Sports	-	2 100 000,00	700 000,00	550 000,00
LIM473-8550-266162	Sports & Culture Promotions	963 420,00	1 034 713,08	1 100 000,00	1 400 000,00
	Upgrading of libraries	-	-	-	-
		963 420,00	3 134 713,08	1 800 000,00	1 950 000,00

MAKHUDUTHAMAGA CONS	COMPANY TOTAL	82 380 707,33	88 765 611,58	82 457 225,70	91 629 674,60
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Table 50 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

LIM473 Makhuduthamaga - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)									
Description	Ref	Vote 1 - Executive Support	Vote 2 - Office of the Municipal	Vote 3 - Economic Developmen	Vote 4 - Infrastructure Development	Vote 5 - Community Services	Vote 6 - Corporate Services	Vote 7 - Budget and Treasury	Total
R thousand	1								
Revenue By Source									
Property rates								38 841	38 841
Rental of facilities and equipment								121	121
Interest earned - external investments								12 259	12 259
Interest earned - outstanding debtors								21 058	21 058
Fines, penalties and forfeits								632	632
Agency services								5 169	5 169
Other revenue								1 032	1 032
Transfers and subsidies								236 226	236 226
Gains on disposal of PPE									-
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	315 338	315 338
Expenditure By Type									
Employee related costs		6 835	6 733	6 447	4 860	19 620	10 023	18 298	72 815
Remuneration of councillors		22 040							22 040
Contracted services					17 500	-	2 900	15 247	35 647
Other expenditure		23 795	3 400	7 010	7 825	16 108	12 296	67 880	138 315
Total Expenditure		52 670	10 133	13 457	30 185	35 729	25 218	101 425	268 817
Surplus/(Deficit)		(52 670)	(10 133)	(13 457)	(30 185)	(35 729)	(25 218)	213 913	46 521
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)								76 196	76 196
Surplus/(Deficit) after capital transfers & contributions		(52 670)	(10 133)	(13 457)	(30 185)	(35 729)	(25 218)	290 109	122 717

Table 51 MBRR Table SA3 – Supporting detail to Statement of Financial Position

LIM473 Makhuduthamaga - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Consumer debtors		3 422	13 590	19 223	39 145	46 113	46 113	46 113	49 526	52 844	56 331
Less: Provision for debt impairment											
Total Consumer debtors	2	3 422	13 590	19 223	39 145	46 113	46 113	46 113	49 526	52 844	56 331
Property, plant and equipment (PPE)											
PPE at cost/v aluation (ex cl. finance leases)		200 546	218 385	352 909	299 690	423 171	423 171	423 171	518 817	619 129	730 737
Leases recognised as PPE	3										
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	200 546	218 385	352 909	299 690	423 171	423 171	423 171	518 817	619 129	730 737
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		22 284	28 663	2 076	15 468	15 468	15 468	15 468	16 613	17 726	18 896
Unspent conditional transfers		7 792	2 717	12 300					17 000		
Total Trade and other payables	2	30 076	31 379	14 376	15 468	15 468	15 468	15 468	33 613	17 726	18 896
Non current liabilities - Borrowing											
Borrowing	4										
Total Non current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits		2 786	2 813	3 744	4 028	4 028	4 028	4 028	4 327	4 616	4 921
Total Provisions - non-current		2 786	2 813	3 744	4 028	4 028	4 028	4 028	4 327	4 616	4 921
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		241 418	321 818	448 931	268 056	398 515	398 515	398 515	493 255	630 781	766 295
Restated balance		241 418	321 818	448 931	268 056	398 515	398 515	398 515	493 255	630 781	766 295
Surplus/(Deficit)		78 668	7 830	37 375	136 931	127 691	127 691	127 691	122 717	131 925	134 350
Accumulated Surplus/(Deficit)	1	320 085	329 648	486 307	404 987	526 206	526 206	526 206	615 973	762 705	900 644
Reserves											
Other reserves											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	320 085	329 648	486 307	404 987	526 206	526 206	526 206	615 973	762 705	900 644

Table 52 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

LIM473 Makhuduthamaga - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<u>Demographics</u>												
Population		Census 2001 - Census 2007 - Census 2011	264	262	300	300	300	300	274	300	300	300
Females aged 5 - 14		Census 2001 - Census 2007 - Census 2011	–	–	300	177	177	177	60	177	177	177
Males aged 5 - 14		Census 2001 - Census 2007 - Census 2011	–	–	123	123	123	123	60	123	123	123
Females aged 15 - 34		Census 2001 - Census 2007 - Census 2011	–	–					47			
Males aged 15 - 34		Census 2001 - Census 2007 - Census 2011	–	–					36			
Unemployment		Census 2001 - Census 2007 - Census 2011	–	–	24	21	21	21	33	21	21	21
<u>Monthly household income (no. of households)</u>	1, 12											
No income		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	144 105	144 105	144 105	144 105	121 946	144 105	144 105	144 105
R1 - R1 600		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	–	–	–	–	1 311 130	–	–	–
R1 601 - R3 200		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	–	–	–	–	3 945	–	–	–
R3 201 - R6 400		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	60 966	60 966	60 966	60 966	2 894	60 966	60 966	60 966
R6 401 - R12 800		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	32 154	32 154	32 154	32 154	3 281	32 154	32 154	32 154
R12 801 - R25 600		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	2 128	2 128	2 128	2 128	2 028	2 128	2 128	2 128
R25 601 - R51 200		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	2 637	2 637	2 637	2 637	346	2 637	2 637	2 637
R52 201 - R102 400		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	3 829	3 829	3 829	3 829	57	3 829	3 829	3 829
R102 401 - R204 800		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	718	718	718	718	73	718	718	718
R204 801 - R409 600		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	57	57	57	57	55	57	57	57
R409 601 - R819 200		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	9	9	9	9	9	9	9	9
> R819 200		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	235	235	235	235	235	235	235	235

Poverty profiles (no. of households)												
< R2 060 per household per month	13	Statistics South Africa 2007 & 2011 (Community Survey)			247 632	247632,00	247632,00	247632,00	247632,00			
Insert description	2	Statistics South Africa 2007 & 2011 (Community Survey)			-	0,00	0,00	0,00	0,00			
Household/demographics (000)												
Number of people in municipal area												
Number of poor people in municipal												
Number of households in municipal												
Number of poor households in												
Definition of poor household (R per												
Housing statistics	3											
Formal												
Informal												
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Table 53 MBRR Table SA11 – Property rates summary

LIM473 Makhuduthamaga - Supporting Table SA11 Property rates summary										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Valuation:	1									
Date of valuation:		2011-07-01	2011-07-01	2011-07-01	2011-07-01					
Financial year valuation used		2012/2013	2012/2013	2012/2013	2012/2013					
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes					
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes					
Municipal partnership s38 used? (Y/N)		NO	NO	NO	NO	NO	NO	NO	NO	NO
No. of assistant valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of data collectors (FTE)	3	-	-	-	-	-	-	-	-	-
No. of internal valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes					
Implementation time of new valuation roll (mths)		48	48	48	48					
No. of properties	5	1 797	1 797	1 797	1 797	1 797	1 797	1 797	1 797	1 797
No. of sectional title values	5	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		1	1	1	1	1	1	1	1	1
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		No	No	No	No					
Differential rates used? (Y/N)	5	No	No	No	No					
Limit on annual rate increase (s20)? (Y/N)		Yes	Yes	Yes	Yes					
Special rating area used? (Y/N)		No	No	No	No					
Phasing-in properties s21 (number)		0	0	0	0					
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes					
Fixed amount minimum value (R'000)		-	-	-	-					
Non-residential prescribed ratio s19? (%)		0,0%	0,0%	0,0%	0,0%					
Rate revenue:										
Rate revenue budget (R '000)	6	41 358	27 270	28 813	33 426	37 894	37 894	38 841	39 812	41 006
Rate revenue expected to collect (R'000)	6		18 232	16 250	23 505	23 505	23 505	25 245	29 936	34 912
Expected cash collection rate (%)		0,0%	66,9%	56,4%	70,3%	62,0%	62,0%	65,0%	75,2%	85,1%
Special rating areas (R'000)	7	-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-

Table 54 MBRR Table SA12a – Property rates by category (current year)

LIM473 Makhuduthamaga - Supporting Table SA12a Property rates by category (current year)																	
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	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 2016/17																	
Valuation:																	
No. of properties		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of sectional title property values		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
No. of valuation roll amendments																	
Years since last valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation (select)		<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	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.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Fiat rate used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Rating:																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates,exemptns,eductns,discs (R'000)																	

Table 55 MBRR Table SA12b – Property rates by category (Budget year)

LIM473 Makhuduthamaga - Supporting Table SA12b Property rates by category (budget year)																	
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	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 2017/18																	
Valuation:																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Estimated no. of properties not valued																	
Years since last valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation (select)		<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	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.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Rating:																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discouts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)																	

Table 56 MBRR Table SA13a – Service tariffs by category.

LIM473 Makhuduthamaga - Supporting Table SA13a Service Tariffs by category									
Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Property rates <i>(rate in the Rand)</i>	1								
Farm properties - used			2 cents	2 cents	2 cents	2 cents	1,5 cents	1,5 cents	1,5 cents
Farm properties - not used									
Industrial properties			2 cents	2 cents	2 cents	2 cents	1,5 cents	1,5 cents	1,5 cents
Communal land - other			2 cents	2 cents	2 cents	2 cents	1,5 cents	1,5 cents	1,5 cents
Exemptions, reductions and rebates <i>(Rands)</i>									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Waste water tariffs									
Domestic									
Electricity tariffs									
Domestic									
Basic charge/fixed fee <i>(Rands/month)</i>									
Service point - vacant land <i>(Rands/month)</i>									
FBE		(how is this targeted?)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee									
80l bin - once a week									
250l bin - once a week									

Table 57 MBRR Table SA13b – Service tariffs by category (explanatory).

LIM473 Makhuduthamaga - Supporting Table SA13b Service Tariffs by category - explanatory									
Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Exemptions, reductions and rebates (Rands)</u>									
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
<u>Water tariffs</u>									
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
<u>Waste water tariffs</u>									
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
<u>Electricity tariffs</u>									
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-

Table 58 MBRR Table SA14 – Household bills.

LIM473 Makhuduthamaga - Supporting Table SA14 Household bills											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-

Table 59 MBRR Table SA15 – Investment particulars by type.

LIM473 Makhuduthamaga - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
<u>Parent municipality</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		-	-	-	-	-	-	-	-	-
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										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
<u>Entities</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

Table 60 MBRR Table SA16 – Investment particulars by maturity.

LIM473 Makhuduthamaga - Supporting Table SA16 Investment particulars by maturity														
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
														-
														-
														-
Municipality sub-total										-		-	-	-
Entities														
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									-		-	-	-

Table 61 MBRR Table SA17 – Borrowing.

LIM473 Makhuduthamaga - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-

Table 61 MBRR Table SA17 – Borrowing (Continued).

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

2.1 Annual Budget of Municipal entities

- The municipality does not have entities.

3.15 Annual Budget of municipal entities attached to the municipal annual budget.

N.B The municipality does not have municipal entity.

3.16 Municipal Manager's quality certificate