



MAKHUDUTHAMAGA  
LOCAL  
MUNICIPALITY

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DRAFT ANNUAL BUDGET OF  
**MAKHUDUTHAMAGA LOCAL  
MUNICIPALITY**  
**2017/2018 MTREF**

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- **At the reception of our municipal buildings**
- **All public libraries of the municipality**
- **At [www.makhuduthamaga.gov.za](http://www.makhuduthamaga.gov.za)**

## 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 Plan	PPP	Public Private Partnership
IT	Information Technology	RG	Restructuring Grant
km	kilometre	SALGA	South African Local Government Association
GFS	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		
MBRR	Municipal Budget and Reporting Regulations		



## TABLE OF CONTENTS

### 1 Contents

<b>2</b>	<b>PART 1 – ANNUAL BUDGET .....</b>	<b>4</b>
2.1	MAYOR’S REPORT .....	4
2.2	COUNCIL RESOLUTIONS .....	11
2.3	EXECUTIVE SUMMARY .....	13
2.4	DRAFTANNUAL BUDGET TABLES (A1 TO A10) .....	27
2.4.1	Table 7 MBRR A1 – Annual Budget Summary .....	28
2.4.2	Table MBRR A2 – Budgeted Financial Performance (Functional Classification) .....	29
2.4.3	Table MBRR A3 – Budgeted Financial Performance (Municipal Vote) .....	30
2.4.4	Table MBRR A4 – Budgeted Financial Performance (Operational Revenue and Expenditure) .....	31
2.4.5	Table 11 MBRR A5 – Budgeted Capital Expenditure (By Vote & Standard Classification) .....	32
2.4.6	Table MBRR A6 – Budgeted Financial Position .....	33
2.4.7	Table MBRR A7 – Budgeted Cash Flows .....	34
2.4.8	Table MBRR A8 – Cash backed reserves/Accumulated surplus reconciliation .....	35
2.4.9	Table MBRR table A9 – Asset Management .....	37
2.4.10	Table 16 MBRR table A10 – Basic Service delivery measurement .....	39
<b>3</b>	<b>PART 2 – SUPPORTING DOCUMENTS .....</b>	<b>41</b>
3.1	OVERVIEW OF MUNICIPAL BUDGET PROCESS .....	41
3.1.1	Budget Process Overview .....	41
3.1.2	IDP and Service Delivery and Budget Implementation Plan .....	41
3.1.3	Financial Modelling and Key Planning Drivers .....	42
3.1.4	Community Consultation .....	42
3.2	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP .....	43
3.3	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS .....	49
3.3.1	Performance indicators and benchmarks .....	52
3.3.2	Free Basic Services: basic electricity tokens for indigent households .....	53
3.4	OVERVIEW OF BUDGET RELATED-POLICIES .....	53
3.4.1	Review of credit control and debt collection procedures/policies .....	53
3.4.2	Budget Policy .....	53
3.4.3	Supply Chain Management Policy .....	54
3.4.4	Cash Management and Investment Policy .....	54
3.4.5	Tariff Policies .....	54
3.5	OVERVIEW OF BUDGET ASSUMPTIONS .....	54
3.5.1	External factors .....	54
3.5.2	General inflation outlook and its impact on the municipal activities .....	54
3.5.3	Interest rates for borrowing and investment of funds .....	54
3.5.4	Collection rate for revenue services .....	54



## 2017/2018 Draft Annual Budget and MTREF

3.5.5	Salary increases .....	55
3.5.6	Impact of national, provincial and local policies .....	55
3.6	OVERVIEW OF BUDGET FUNDING.....	55
3.6.1	Medium-term outlook: operating revenue .....	55
3.6.2	Cash Flow Management.....	57
3.6.3	Cash Backed Reserves/Accumulated Surplus Reconciliation .....	58
3.7	EXPENDITURE ON ALLOCATIONS AND GRANTS= PROGRAMMES .....	62
3.8	ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY.....	65
3.9	COUNCILLOR AND EMPLOYEE BENEFITS.....	67
3.10	MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW .....	69
3.11	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS.....	77
3.12	CAPITAL EXPENDITURE DETAILS .....	77
3.13	LEGISLATION COMPLIANCE STATUS .....	93
3.14	OTHER SUPPORTING DOCUMENTS .....	94
3.15	ANNUAL BUDGET OF MUNICIPAL ENTITIES ATTACHED TO THE MUNICIPAL ANNUAL BUDGET.....	113
3.16	MUNICIPAL MANAGER'S QUALITY CERTIFICATE .....	114



## **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 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 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 table the annual budget at a council meeting at least 90 days before the start of the budget year. It was tabled in council held in July 2015 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.

Honourable speaker

We are presenting a projected total revenue budget to the amount of **R 397.9 million** for 2017/18 budget year, **R 408.9 million** and **R 435 million** for 2018/19 and 2019/20 financial years respectively. The total revenue budget for 2017/18 consists of **R 305.7 million** from National transfers and grants and **R 79.2 million** from own sources of revenue.

Our total National transfers and grants for 2017/18 are made up of **R 240.5 million** from equitable share, **R 1.7 million** for Finance Management Grant, **R 63.5 million** for Municipal Infrastructure Grant to fund roads infrastructure projects.

Total amount of **R 79.2 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.

Honourable speaker

The revenue growth for 2017/18 financial year and the two outer years of the MTREF remain very low at an average of 3 per cent, for 2017/18 and increase to 6 percent by 2018/19. This is not enough, 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 404.9 million** for 2017/18 financial year. The total annual budgeted expenditure for the two outer years amounts to **R 416.9 million** and **R 443 million** for 2018/19 and 2019/20 respectively. The total expenditure for 2017/18 is made up of **R 230.6 million** for operational expenditure and **R 174.2 million** for capital expenditure.



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

Municipal Manager's Office is allocated a total budget of R 9.7 million

Speaker's Office is allocated a total budget of R 34.1 million

Mayor's Office is allocated a total budget of R 15 million

Community services is allocated a total budget of R 28.8 million

Budget and Treasury is allocated a total budget of R 74.3 million

Corporate Services is allocated a total budget of R 24.9 million

Economic Development and Planning is allocated a total budget of R 16.1 million

Infrastructure Development is allocated a total budget of R 200.6 million

Honourable speaker

The operational expenditure of **R 230.6 million** for 2017/18 is made up of the following expenditure sources;

Employee related costs – **R 79.5 million**

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

Debt impairment – **R 19.5 million.**

Depreciation & assets impairments – **R 22.5 million.**

Contracted services – **R 39.4 million**

Other expenditure – **R 48.3 million**





Honourable speaker

We appropriated a total amount of **R 174.2 million** for capital expenditure to be implemented in 2017/18. We tried our best to cover as many of our wards as possible with the limited resources available, to ensure that service delivery is spread equally to all wards of the municipality. We have budgeted **R 2 million** for the purchase of the office furniture and equipment. For the improvement and to keep our IT infrastructure at the required standards, we budgeted **R 2 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 allocating **R 149.7 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 123.4 million** and **R 137.3 million** for 2018/19 and 2019/20 respectively.

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

1. Construction of Kolokotela internal road (5.5km) – **R 9.6 million**.
2. Construction of Makgwabe to Mphane access road (10km) – **R 13.1 million**.
3. Construction of Rietfontein to Eensaam access road (10.5km) – **R 14.8 million**.
4. Construction of Thabampshe cross to Tswaing access road – **R 13.5 million**.
5. Construction of road from Glen cowie to Moloi (5km) – **R 8.7 million**.
6. Construction of access road from Mashabela Tribal office t 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 50.4 million** from equitable share to fund the following capital projects in 2017/18;

1. Construction of access road from R597 to Mashishing reservoir (2.1km) – **R 8.3 million**
2. Construction of Mohlala/Ngwanantshwane access road – **R 13.1 million**
3. Construction of Manganeng access bridge – **R 439 thousands**
4. Construction of access road from Sekhukhune Traffic Station to the Bridge – **R 4.8 million**
5. Construction of access road to Maila Mapitsane tribal office (2.4km) – **R 6.1 million**
6. Construction of access road to Mashupye village (2.6km) – **R 9.2 million**
7. Construction of Cabrieve internal road (2.6km) – **R 6.6 million**
8. Construction of access road to Lobethal to Tisane (1.2km) – **R 439 thousands**
9. Construction of access road from Mokwete to Molepane/Ntwane – **R 439 thousands**
10. Construction of access road to Mochadi – **R 439 thousands**
11. Construction of Seruteng/Marishane access bridge – **R 439 thousands**

For 2018/19 and 2019/20 outer years, we allocated **R 58.2 million** and **R 67.9 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. Draft IDP/Budget for 2016/2017.
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 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

### RESOLUTION No.

#### AGENDA ITEM:

### RESOLUTION ON THE TABLING OF DRAFT IDP/BUDGET 2017/2018-2019/2020

#### NOTING THAT:

1. The Local Government Municipal Systems Act 32 of 2000 section 34 a municipal council must review its integrated development plan annually in accordance with the assessment of its performance measurements in terms of section 41,
2. Local Government Municipal Finance Management Act 56 of 2003 section 24 the municipal council must at least 90 days before the start of the budget the mayor must table before council the draft annual budget.
  - 2.1 The draft annual budget for the financial year 2017/2018 and the multi-year and single year capital appropriations to the total amount of **R 397 906 804** budgeted revenue and **R 404 923 799** budgeted expenditure. The total expenditure in excess of the budgeted revenue will be funded by cash backed reserves to the amount of **R 7 578 104**. Capital appropriation amount to **R 174 277 600** and operational expenditure amounts to **R 230 646 199** as set out in the following tables:
    - 2.1.1 Budget summary as contained in table A1
    - 2.1.2 Budgeted financial performance (revenue and expenditure by standards classification) as contained in table A2.
    - 2.1.3 Budgeted financial performance (revenue and expenditure by municipal vote) as contained in table A3
    - 2.1.4 Budgeted financial performance (revenue by source and expenditure by (revenue by source and expenditure by type) as contained in table A4.
    - 2.1.5 Multi –year and single year capital appropriations by municipal votes and standards classification and associated funding by source as contained in table A5
  - 2.2 The financial position, Cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 2.2.1 Budget financial position as contained in table A6



- 2.2.2 Budget Cash flows as contained in table A7
  - 2.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in table A8
  - 2.2.4 Asset management as contained in table A9
  - 2.2.5 Basic service delivery measurement as contained in table A10
3. The Council of Makhuduthamaga Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) noted the Draft IDP for public consultation:
4. In Compliance with the above mentioned Legislations, Makhuduthamaga Municipal Council at its Special Council Meeting of 30 March 2017, held at the municipal chamber:

**RESOLVED THAT:**

- The Integrated Development Plan and Draft Budget for 2017/18 to 2019/2020 be noted as tabled for public consultation.
- The reviewed budget related policies be noted as tabled for public consultation.
- The tariffs for property rates be 1.5 cents in a rand rate

**Mover: Cllr Maitula M.B (Mayor)**

**Secunder:**

**Council Speaker:**

**Municipal Manager: Mr. ME Moropa**

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

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

**Date: \_\_\_\_\_**

**Date: \_\_\_\_\_**

## 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 prepared and tabled in terms of budget principles, Makhuduthamaga Budget 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. The strategic planning held on 28<sup>th</sup> February 2017 to 03<sup>rd</sup> March 2017 dealt amongst other things with review of the municipality's vision and financial management strategies. Where appropriate, considering the cost containment measures as approved by the cabinet, funds were channelled 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.



## 2017/2018 Draft Annual Budget and MTREF

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 (expansion) 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 from local businesses.

The municipality will also undertake a number of customer care workshops in which customers will among other thing 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. The workshops has been planned to start with the currently billed customers in April 2017 and potential customers later in May 2017.

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 latest A Schedule version 6.1 was used for compilation of the 2017/18 Draft Budget and the MTREF.

- 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.
  - Institutional incapacity to effectively and economically use the available limited resources.
  - High rate of vacancy in Senior management and critical middle management which affect the planning and implementation of the IDP and annual Budget of the municipality.-
- The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:
  - 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.



## 2017/2018 Draft Annual Budget and MTREF

- 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;
- The Municipal Standard Chart of Accounts regulations were taken in to consideration when preparing the Draft Annual Budget for 2017/18 and the MTREF

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 2017/18 MTREF**

Description	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget Year + 1 2018/19	Draft Budget Year + 2 2019/20
Total Revenue	372 696 731,35	397 906 804,01	408 926 958,83	435 117 504,03
Total Operating Expenses	273 005 740,51	230 646 199,74	278 000 135,51	293 897 198,45
Total Operating Surplus/(Deficit)	99 690 990,84	167 260 604,27	130 926 823,32	141 220 305,58
Cash Backed reserves	44 500 000,00	7 578 104,78	8 008 453,04	8 528 754,63
Total Funding for Capital Expenditure	144 190 990,84	174 838 709,05	138 935 276,36	149 749 060,21
Total Capital Expenditure	143 509 403,97	174 277 600,08	138 911 689,08	149 108 430,56
Net Surplus/(Deficit)	681 586,88	561 108,98	23 587,28	640 629,65

### Total Revenue and Expenditure Budget

The municipality has projected a total revenue budget of R 397.9 million and total expenditure budget of R 404.9 million for 2017/18 financial year.

The municipality has budgeted a total Revenue of R 397.9 million for 2017/18 financial year, R408.9 million and R431.1 million for 2018/19 and 2019/20 respectively. Total revenue has grown by 6.8 per cent or R 25.3 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 3 per cent and 6 per cent respectively, equating to a total revenue growth of R 62.5 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 318.7 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 R323.6 million and 343.3 million respectively while own revenue continues to grow to R 85.2 million and R91.7 million respectively.

The municipality is expecting the own revenue total budget for the two outer years to increase during review after the approval of the reviewed revenue enhancement strategies which will introduce new

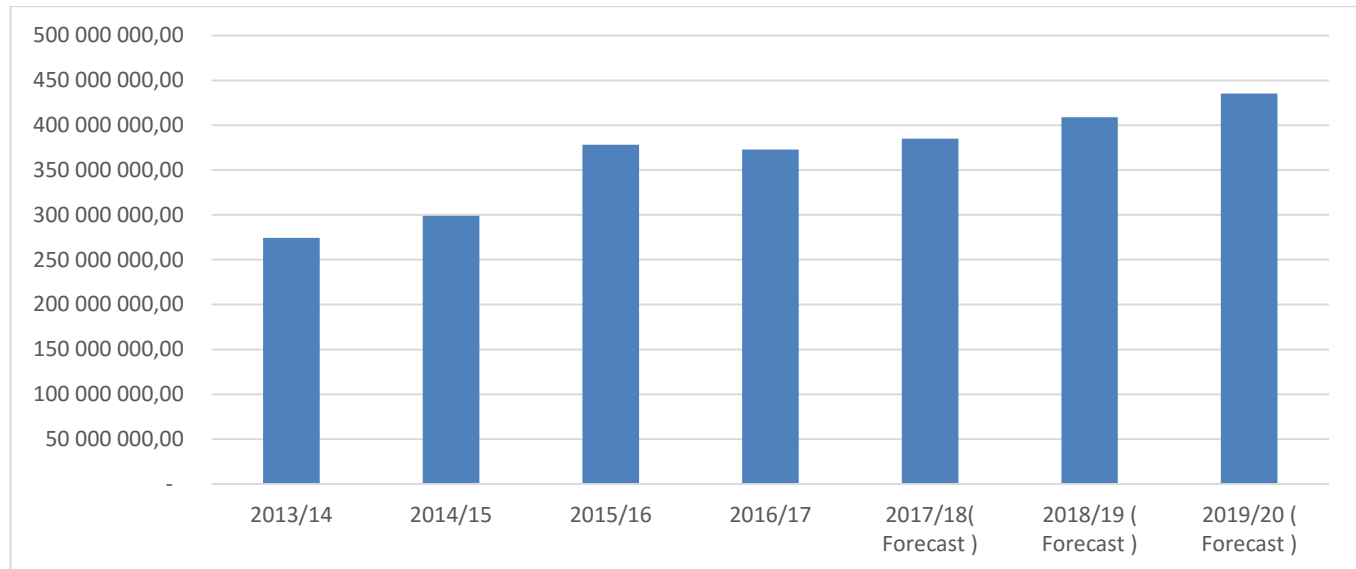




## 2017/2018 Draft Annual Budget and MTREF

sources of revenue, such as service charges for waste collection, rental of municipal halls and sports grounds. The municipality has also included in its budget for 2016/17 a project to develop and regularly update the indigent register, which will assist the municipality in revenue generation and to ensure sustainability of service delivery and provision of basic services to deserving indigents.

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 230.6 million and translates into an operating budgeted surplus of R 167.2 million as indicated in table A4. This surplus is used to fund capital expenditure for 2017/18 as indicated in table 1 below. When compared to the 2016/17 Adjustments Budget, operational expenditure has gone down by **16 per cent** in the 2017/18 budget and grows by 7.6 **per cent** by 2019/20. The operating surplus for the two outer years decrease to R 130.9 million for 2018/19 and R141.2 million in 2019/20 financial year. These surpluses will be used to fund capital projects.

The capital budget of for 2017/18 financial year amounts to R 174.2 million and has increased by **21.4 per cent** when compared to the 2016/17 Adjustment Budget of R 143.5 million. 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 areas that have service delivery backlogs.

In the total amount for capital budget in 2017/18, an amount of R 61.7 million is funded by MIG for roads and bridges; R 13 million is funded by INEG from DOE while the remaining capital expenditure will be funded by equitable share to the amount of R 99.5 million.

The capital expenditure decrease to R 138.9 million in the 2018/19 financial year and R149.1 million in 2019/20. The details of the capital projects are in table SA36, and the mayor's report clearly outline the objectives council want to achieve through implementation of these infrastructure projects.

## 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;

## 2017/2018 Draft Annual Budget and MTREF

- 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)

LTM-7.5 Maximum Management - 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		
		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	1										
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 - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
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	242 196	256 411	271 757
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	321 308	341 697	363 518

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 321.3 million** for 2017/18, **R 341.6 million** for 2018/19 and **R 363.5 million** for 2019/20 grant for 2016/17. The total amount for operational grants to be received for 2017/18 is **R 242 million**. For the two outer years the total operational grants to be received amounts to **R 256.4 million** and **R 271.7 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



## 2017/2018 Draft Annual Budget and MTREF

government grants which contribute 75 per cent of the total operating revenue in 2017/18 budget year and 75 percent in 2018/19 and 75 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.

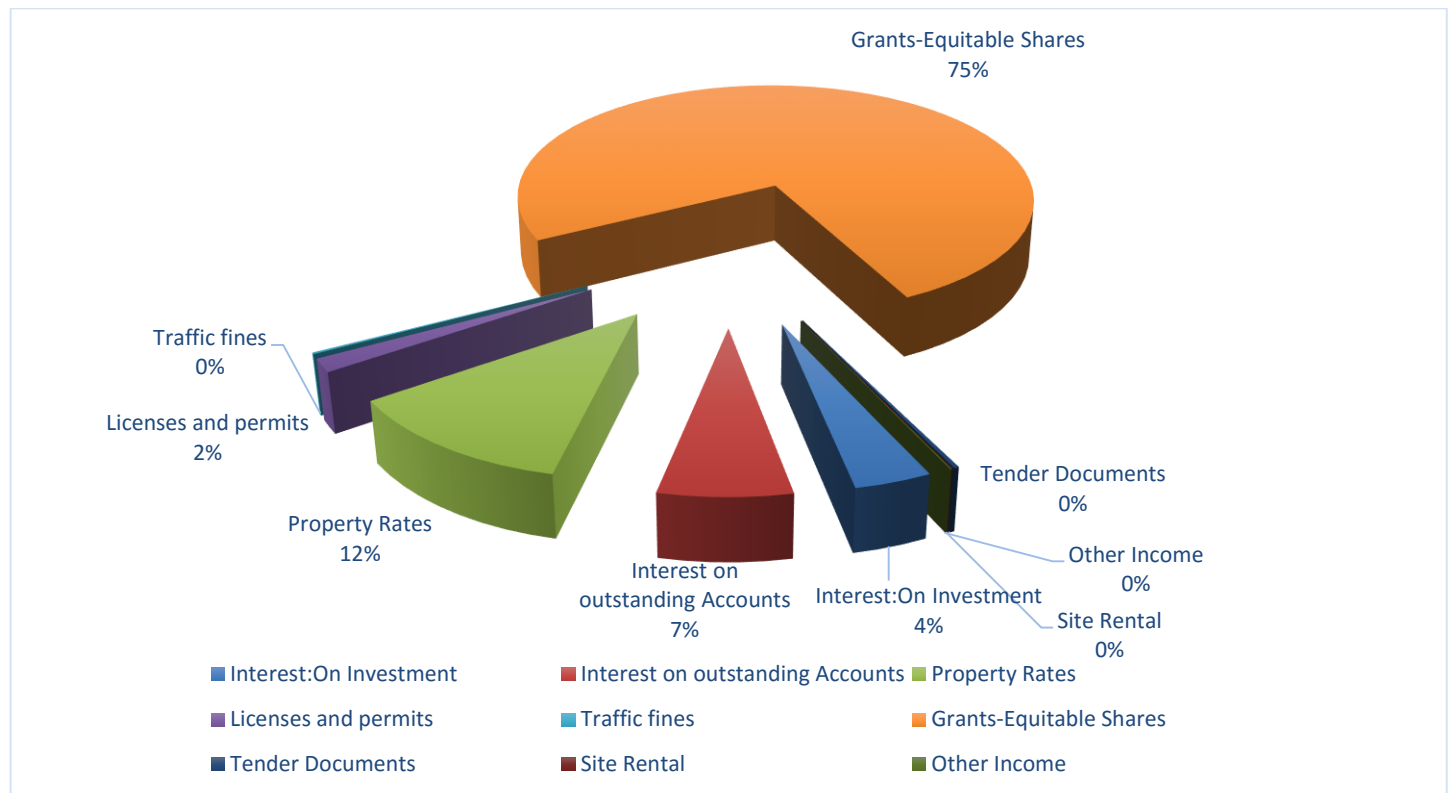
Revenue from Licenses and permits amount to **R 5.2 million** for 2017/18 budget year, **R 6.5 million** and **R 7.8 million** for 2018/19 and 2019/20 financial years respectively. The municipality has budgeted to refurbish the testing stations to increase capacity and improve service efficiency to attract 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





## 2017/2018 Draft Annual Budget and MTREF

Source of Revenue	Budgeted Amount 2017/18	Percentage
Interest:On Investment	12 259 454,57	4%
Interest on outstanding Accounts	21 057 518,08	7%
Property Rates	38 840 991,00	12%
Licenses and permits	5 169 015,89	2%
Traffic fines	631 800,00	0%
Grants-Equitable Shares	242 196 000,00	75%
Tender Documents	821 340,00	0%
Site Rental	121 084,47	0%
Other Income	210 600,00	0%
	<b>321 307 804,01</b>	

### 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):



## 2017/2018 Draft Annual Budget and MTREF

**Table 5 Summary of operating expenditure by standard classification**

**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		
		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	1										
<b>Expenditure By Type</b>											
Employee related costs	2	43 739	43 604	51 285	71 518	63 112	63 112	63 112	79 522	84 850	90 450
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	18 050	8 000	3 000
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	41 747	50 528	48 410
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	41 567	55 299	78 273	71 237	82 381	82 381	82 381	47 787	87 505	101 969
Loss on disposal of PPE		17 909	97 643	85 950							
<b>Total Expenditure</b>		<b>195 781</b>	<b>291 166</b>	<b>340 862</b>	<b>231 114</b>	<b>273 006</b>	<b>273 006</b>	<b>273 006</b>	<b>230 646</b>	<b>278 000</b>	<b>293 897</b>

### Employee Related Costs

The budget allocation for employee related costs for the 2017/2018 financial year is **R79.5 million**, which equals to 30 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 79.5 million** in 2017/18 which reflect a 26 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.





#### 2017/2018 Draft Annual Budget and MTREF

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 and will be completed by end of June 2016, with expectation of successful candidates to start working on the 1<sup>st</sup> of July 2016.

Position Name	Department	Position level
Protocol officers x 1	Mayor's office (Corporate services)	Lower level management
Youth Officer	Mayor's office (Corporate services)	Lower level management
Secretary: Chief whip	Chief whip's office (Corporate services)	Lower level management
HRM Officer	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
Senior manager Community services	Community services	Senior management
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

The following new positions among others were included in the municipality's organogram to increase capacity to attain the IDP objectives:

Position Name	Department	Position level
Council Secretary	Council	Middle management
Manager waste management	Community services	Middle management

#### 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 18 million**, decreases to **R 8 million** in 2017/18 and decreases to **R 3 million** in 2019/20 respectively. This expenditure is projected for property rates debtors and is considered to be a non-cash flow item. 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





## 2017/2018 Draft Annual Budget and MTREF

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 together with cash in transit contract expenses. 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 9.1 million** and **R 4.6 million** in 2019/20.

Repairs and maintenance has been budgeted at 12% 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, 78,79 and the recent budget circulars.

### 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 2.2 million**, mayor's special and outreach programmes at **R 3.2 million**, publications and branding of the municipality at **R 13 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 2.6 million**, SMME support and LED programmes at **R 600 thousands**, free basic electricity at **R 3.9 million**, maintenance of landfill sites and other waste management activities at **R 9 million**, disaster management programmes and sports and culture promotions at **R 2 million**.

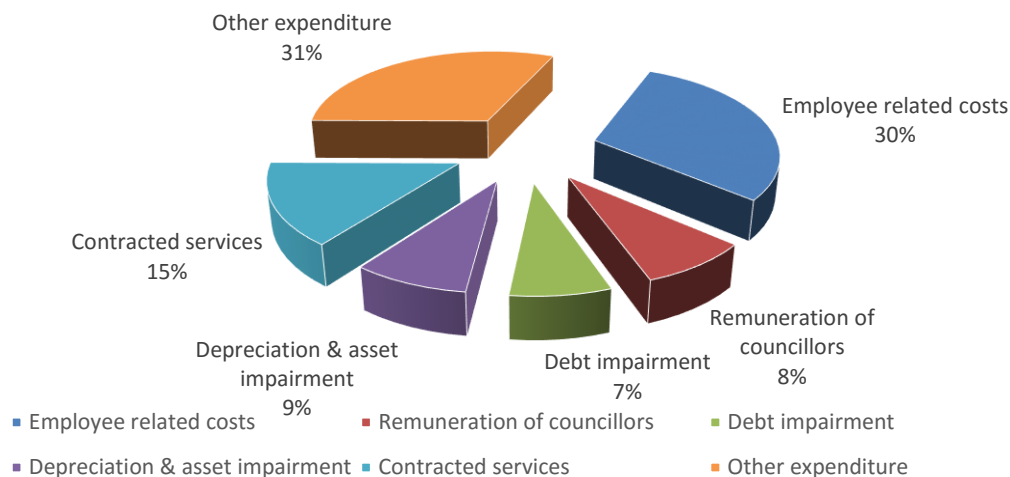
Furthermore, in compliance to the cost containment measures as approved by the cabinet, the municipality has reduced spending on excessive advertising, travelling, caterings, promotional materials and mandates that belong to other spheres of government for 2017/18 MTREF. For further details on other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

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



## 2017/2018 Draft Annual Budget and MTREF



### 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 and non 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 28.6 million**, **R 36.5 million** and **R 33.5 million** for 2018/19 and 2019/20 respectively.

Repairs and maintenance expenditure budget amounts to 12 per cent of the municipality's budgeted operational expenditure for 2017/18 which is a requirement in terms of the National Treasury MFMA Budget circulars guidelines. For the two outer years, repairs and maintenance is budgeted at 16 per cent and 15 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



2017/2018 Draft Annual Budget and MTREF

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 R thousand	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
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-
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	110 249	110 249	110 249	149 778	123 412	137 348
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	73 658	116 295	148 490	129 260	110 249	110 249	110 249	149 778	123 412	137 348
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Council		-	-	-	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	1 600	1 460
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	4 500	10 500	6 000
Vote 6 - Corporate Services		4 054	1 037	4 050	3 500	3 500	3 500	3 500	1 500	900	1 800
Vote 7 - Budget and Treasury		5 677	10 167	12 200	4 450	15 307	15 307	15 307	3 500	2 500	2 500
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		10 672	11 204	22 550	25 650	33 260	33 260	33 260	24 500	15 500	11 760
<b>Total Capital Expenditure - Vote</b>		84 330	127 500	171 040	154 910	143 509	143 509	143 509	174 278	138 912	149 108



## New Capital Assets

For 2017/18 an amount of **R174.2 million** has been appropriated for the new capital expenditure which will be funded by MIG to the amount of **R 63.5 million** and equitable share to the amount of **R 110.7 million**. For 2018/19 and 2019/20 the budget has been appropriated at **R 138.9 million** and **R 149.1 million** respectively.

Infrastructure and Development vote is appropriated the highest allocation of R 162.7 million in 2017/18 which equates to 93 per cent of the total capital budget for 2017/18 to build roads and bridges and electricity infrastructure, Budget and Treasury is allocated 2 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 5 per cent is allocated to Economic Development and planning at 1 per cent, Corporate Services at 1 per cent, 3 per cent to Community services for waste management equipments. 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 and the MTREF as there was no assets that need refurbishment as per the asset verification process performed by the municipality.

## 2.4 DRAFTANNUAL 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



## 2017/2018 Draft Annual Budget and 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		
	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
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	43 987	29 841	31 834	33 426	37 894	37 894	37 894	38 841	39 812	41 006
Service charges	–	–	–	–	–	–	–	–	–	–
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	242 196	256 411	271 757
Other own revenue	18 952	23 899	27 081	27 932	30 116	30 116	30 116	28 011	32 104	35 379
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>232 910</b>	<b>244 261</b>	<b>302 787</b>	<b>301 835</b>	<b>306 487</b>	<b>306 487</b>	<b>306 487</b>	<b>321 308</b>	<b>341 697</b>	<b>363 518</b>
Employee costs	43 739	43 604	51 285	71 518	63 112	63 112	63 112	79 522	84 850	90 450
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	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	124 115	216 318	253 051	125 165	170 163	170 163	170 163	107 584	146 033	153 378
<b>Total Expenditure</b>	<b>195 781</b>	<b>291 166</b>	<b>340 862</b>	<b>231 114</b>	<b>273 006</b>	<b>273 006</b>	<b>273 006</b>	<b>230 646</b>	<b>278 000</b>	<b>293 897</b>
<b>Surplus/(Deficit)</b>	<b>37 129</b>	<b>(46 905)</b>	<b>(38 075)</b>	<b>70 721</b>	<b>33 481</b>	<b>33 481</b>	<b>33 481</b>	<b>90 662</b>	<b>63 697</b>	<b>69 620</b>
Transfers and subsidies - capital (monetary allocated)	41 539	54 735	75 450	66 210	66 210	66 210	66 210	76 599	67 230	71 600
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>78 668</b>	<b>7 830</b>	<b>37 375</b>	<b>136 931</b>	<b>99 691</b>	<b>99 691</b>	<b>99 691</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>78 668</b>	<b>7 830</b>	<b>37 375</b>	<b>136 931</b>	<b>99 691</b>	<b>99 691</b>	<b>99 691</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>84 330</b>	<b>127 500</b>	<b>171 040</b>	<b>154 910</b>	<b>143 509</b>	<b>143 509</b>	<b>143 509</b>	<b>174 278</b>	<b>138 912</b>	<b>148 348</b>
Transfers recognised - capital	84 330	127 500	171 040	154 910	143 509	143 509	143 509	174 278	138 912	148 348
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
<b>Total sources of capital funds</b>	<b>84 330</b>	<b>127 500</b>	<b>171 040</b>	<b>154 910</b>	<b>143 509</b>	<b>143 509</b>	<b>143 509</b>	<b>174 278</b>	<b>138 912</b>	<b>148 348</b>
<b>Financial position</b>										
Total current assets	150 221	143 429	148 282	122 625	116 923	116 923	116 923	90 630	104 660	120 068
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	16 613	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	522 767	522 767	522 767	591 210	703 997	829 299
<b>Cash flows</b>										
Net cash from (used) operating	86 327	111 214	174 642	160 784	136 713	136 713	136 713	143 802	148 949	159 514
Net cash from (used) investing	(83 940)	(128 798)	(171 040)	(154 910)	(143 509)	(143 509)	(143 509)	(174 278)	(138 912)	(148 348)
Net cash from (used) financing	(81)	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>129 702</b>	<b>112 117</b>	<b>115 720</b>	<b>74 569</b>	<b>61 899</b>	<b>61 899</b>	<b>61 899</b>	<b>31 424</b>	<b>41 462</b>	<b>52 627</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	129 702	112 117	115 720	74 569	61 899	61 899	61 899	31 424	41 462	52 627
Application of cash and investments	28 154	23 561	(9 152)	(26 775)	(27 951)	(27 951)	(27 951)	(28 760)	(33 130)	(39 442)
<b>Balance - surplus (shortfall)</b>	<b>101 548</b>	<b>88 556</b>	<b>124 872</b>	<b>101 344</b>	<b>89 850</b>	<b>89 850</b>	<b>89 850</b>	<b>60 184</b>	<b>74 592</b>	<b>92 069</b>
<b>Asset management</b>										
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	28 081	28 081	35 887	32 999
<b>Free services</b>										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	605	605	605	605	605	605	605	605	605	605
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sew erage:	–	–	–	–	–	–	–	–	–	–
Energy :	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–



2017/2018 Draft Annual Budget and MTREF

**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		
		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
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		274 449	298 996	378 237	368 045	372 697	372 697	397 907	408 927	435 118
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		274 449	298 996	378 237	368 045	372 697	372 697	397 907	408 927	435 118
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	274 449	298 996	378 237	368 045	372 697	372 697	397 907	408 927	435 118
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		151 305	227 985	246 230	153 623	178 343	178 343	153 239	174 485	180 310
Executive and council		32 416	36 401	54 925	55 053	61 501	61 501	53 945	64 848	69 485
Finance and administration		118 889	191 584	191 305	98 571	116 842	116 842	99 294	109 637	110 825
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		12 045	12 323	17 311	22 137	18 417	18 417	24 197	26 189	27 636
Community and social services		4 205	3 346	4 881	6 160	5 237	5 237	6 681	7 684	7 805
Sport and recreation		368	970	1 900	1 040	963	963	1 635	1 800	1 950
Public safety		7 471	8 008	10 530	14 937	12 217	12 217	15 881	16 705	17 881
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		25 405	38 479	60 642	41 781	57 387	57 387	42 632	56 808	55 973
Planning and development		7 333	9 453	17 219	15 420	13 652	13 652	15 679	14 723	19 132
Road transport		18 072	29 026	43 423	26 361	43 735	43 735	26 953	42 086	36 840
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		7 028	12 378	16 678	13 572	18 859	18 859	10 578	20 518	29 978
Energy sources		4 292	8 764	10 480	7 116	7 804	7 804	5 902	6 297	6 707
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 736	3 614	6 197	6 456	11 054	11 054	4 676	14 221	23 271
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	195 781	291 166	340 862	231 114	273 006	273 006	230 646	278 000	293 897
<b>Surplus/(Deficit) for the year</b>		78 668	7 830	37 375	136 931	99 691	99 691	167 261	130 927	141 220



2017/2018 Draft Annual Budget and MTREF

**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
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
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	372 697	372 697	397 907	408 927	435 118
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>274 449</b>	<b>298 996</b>	<b>378 237</b>	<b>368 045</b>	<b>372 697</b>	<b>372 697</b>	<b>397 907</b>	<b>408 927</b>	<b>435 118</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Council		32 416	32 139	49 262	46 566	53 621	53 621	44 798	55 179	59 420
Vote 2 - Office of the Municipal Manager		-	4 262	5 664	8 486	7 880	7 880	9 147	9 669	10 065
Vote 3 - Economic Development and Planning		7 333	9 453	17 219	15 420	13 652	13 652	15 679	14 723	19 132
Vote 4 - Infrastructure Development		22 364	37 790	53 903	33 477	51 539	51 539	32 855	48 382	43 547
Vote 5 - Community Services		14 780	15 937	23 509	28 593	29 471	29 471	28 873	40 410	50 907
Vote 6 - Corporate Services		15 991	18 853	17 069	22 862	23 692	23 692	24 958	26 427	27 261
Vote 7 - Budget and Treasury		102 898	172 732	174 236	75 708	93 150	93 150	74 337	83 211	83 564
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>195 781</b>	<b>291 166</b>	<b>340 862</b>	<b>231 114</b>	<b>273 006</b>	<b>273 006</b>	<b>230 646</b>	<b>278 000</b>	<b>293 897</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>78 668</b>	<b>7 830</b>	<b>37 375</b>	<b>136 931</b>	<b>99 691</b>	<b>99 691</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>





2017/2018 Draft Annual Budget and MTREF

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

LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure)

LIM475 Makinduduthanaga - 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		
		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	1										
<b>Revenue By Source</b>											
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 - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
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	242 196	256 411	271 757
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								
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>232 910</b>	<b>244 261</b>	<b>302 787</b>	<b>301 835</b>	<b>306 487</b>	<b>306 487</b>	<b>306 487</b>	<b>321 308</b>	<b>341 697</b>	<b>363 518</b>
<b>Expenditure By Type</b>											
Employee related costs	2	43 739	43 604	51 285	71 518	63 112	63 112	63 112	79 522	84 850	90 450
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	18 050	8 000	3 000
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	41 747	50 528	48 410
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	41 567	55 299	78 273	71 237	82 381	82 381	82 381	47 787	87 505	101 969
Loss on disposal of PPE		17 909	97 643	85 950							
<b>Total Expenditure</b>		<b>195 781</b>	<b>291 166</b>	<b>340 862</b>	<b>231 114</b>	<b>273 006</b>	<b>273 006</b>	<b>273 006</b>	<b>230 646</b>	<b>278 000</b>	<b>293 897</b>
<b>Surplus/(Deficit)</b>		<b>37 129</b>	<b>(46 905)</b>	<b>(38 075)</b>	<b>70 721</b>	<b>33 481</b>	<b>33 481</b>	<b>33 481</b>	<b>90 662</b>	<b>63 697</b>	<b>69 620</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 539	54 735	75 450	66 210	66 210	66 210	66 210	76 599	67 230	71 600
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>78 668</b>	<b>7 830</b>	<b>37 375</b>	<b>136 931</b>	<b>99 691</b>	<b>99 691</b>	<b>99 691</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>78 668</b>	<b>7 830</b>	<b>37 375</b>	<b>136 931</b>	<b>99 691</b>	<b>99 691</b>	<b>99 691</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>78 668</b>	<b>7 830</b>	<b>37 375</b>	<b>136 931</b>	<b>99 691</b>	<b>99 691</b>	<b>99 691</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>78 668</b>	<b>7 830</b>	<b>37 375</b>	<b>136 931</b>	<b>99 691</b>	<b>99 691</b>	<b>99 691</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>





2017/2018 Draft Annual Budget and MTREF

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		
		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
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure - to be appropriated</b>	<b>2</b>										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-
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	110 249	110 249	110 249	149 778	123 412	137 348
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>73 658</b>	<b>116 295</b>	<b>148 490</b>	<b>129 260</b>	<b>110 249</b>	<b>110 249</b>	<b>110 249</b>	<b>149 778</b>	<b>123 412</b>	<b>137 348</b>
<b>Single-year expenditure - to be appropriated</b>	<b>2</b>										
Vote 1 - Council		-	-	-	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	1 600	1 460
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	4 500	10 500	6 000
Vote 6 - Corporate Services		4 054	1 037	4 050	3 500	3 500	3 500	3 500	1 500	900	1 800
Vote 7 - Budget and Treasury		5 677	10 167	12 200	4 450	15 307	15 307	15 307	3 500	2 500	2 500
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>10 672</b>	<b>11 204</b>	<b>22 550</b>	<b>25 650</b>	<b>33 260</b>	<b>33 260</b>	<b>33 260</b>	<b>24 500</b>	<b>15 500</b>	<b>11 760</b>
<b>Total Capital Expenditure - Vote</b>		<b>84 330</b>	<b>127 500</b>	<b>171 040</b>	<b>154 910</b>	<b>143 509</b>	<b>143 509</b>	<b>143 509</b>	<b>174 278</b>	<b>138 912</b>	<b>149 108</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>9 731</b>	<b>11 204</b>	<b>16 250</b>	<b>9 650</b>	<b>21 007</b>	<b>21 007</b>	<b>21 007</b>	<b>5 000</b>	<b>3 400</b>	<b>4 300</b>
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		9 731	11 204	16 250	9 650	21 007	21 007	21 007	5 000	3 400	4 300
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>-</b>	<b>-</b>	<b>500</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	500	1 000	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>73 658</b>	<b>116 295</b>	<b>152 190</b>	<b>134 760</b>	<b>113 309</b>	<b>113 309</b>	<b>113 309</b>	<b>151 778</b>	<b>125 012</b>	<b>138 808</b>
Planning and development		-	-	3 700	5 500	3 060	3 060	3 060	2 000	1 600	1 460
Road transport		73 658	116 295	148 490	129 260	110 249	110 249	110 249	149 778	123 412	137 348
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>941</b>	<b>-</b>	<b>2 100</b>	<b>9 500</b>	<b>9 193</b>	<b>9 193</b>	<b>9 193</b>	<b>17 500</b>	<b>10 500</b>	<b>6 000</b>
Energy sources		941	-	2 100	7 000	7 000	7 000	7 000	13 000	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	2 500	2 193	2 193	2 193	4 500	10 500	6 000
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>84 330</b>	<b>127 500</b>	<b>171 040</b>	<b>154 910</b>	<b>143 509</b>	<b>143 509</b>	<b>143 509</b>	<b>174 278</b>	<b>138 912</b>	<b>149 108</b>
<b>Funded by:</b>											
National Government		84 330	127 500	171 040	154 910	143 509	143 509	143 509	174 278	138 912	149 108
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>84 330</b>	<b>127 500</b>	<b>171 040</b>	<b>154 910</b>	<b>143 509</b>	<b>143 509</b>	<b>143 509</b>	<b>174 278</b>	<b>138 912</b>	<b>149 108</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>84 330</b>	<b>127 500</b>	<b>171 040</b>	<b>154 910</b>	<b>143 509</b>	<b>143 509</b>	<b>143 509</b>	<b>174 278</b>	<b>138 912</b>	<b>149 108</b>



## 2017/2018 Draft Annual Budget and MTREF

### 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		
		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											
Current assets											
Cash		129 702	112 117	115 720	74 569	61 899	61 899	61 899	31 424	41 462	52 627
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	116 923	116 923	116 923	90 630	104 660	120 068
Non current assets											
Long-term receivables											
Investments											
Investment property		1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 252	1 252	1 252
Investment in Associate											
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
Agricultural											
Biological											
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	542 264	542 264	542 264	612 150	726 340	853 117
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	30 076	31 379	14 376	15 468	15 468	15 468	15 468	16 613	17 726	18 896
Provisions											
Total current liabilities		30 076	31 379	14 376	15 468	15 468	15 468	15 468	16 613	17 726	18 896
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
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	20 940	22 343	23 817
NET ASSETS	5	320 085	329 648	486 307	404 987	522 767	522 767	522 767	591 210	703 997	829 299
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		320 085	329 648	486 307	404 987	522 767	522 767	522 767	591 210	703 997	829 299
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	320 085	329 648	486 307	404 987	522 767	522 767	522 767	591 210	703 997	829 299



## 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
Service charges			–	–	–	–	–	–	–	–	–	–
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	242 196	256 411	271 757
Government - capital		1	–	–	75 450	66 210	66 210	66 210	66 210	63 599	67 230	71 600
Interest			20 045	8 119	32 200	12 225	10 225	10 225	10 225	12 259	13 370	15 375
Dividends			–	–	–	–	–	–	–	–	–	–
Payments												
Suppliers and employees			(125 644)	(142 647)	(208 296)	(200 196)	(221 951)	(221 951)	(221 951)	(225 878)	(246 400)	(265 897)
Finance charges			(2)	–	–	–	–	–	–	–	–	–
Transfers and Grants		1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES			86 327	111 214	174 642	160 784	136 713	136 713	136 713	143 802	148 949	159 514
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			390	7	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors			–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables			–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments			–	–	–	–	–	–	–	–	–	–
Payments												
Capital assets			(84 330)	(128 805)	(171 040)	(154 910)	(143 509)	(143 509)	(143 509)	(174 278)	(138 912)	(148 348)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(83 940)	(128 798)	(171 040)	(154 910)	(143 509)	(143 509)	(143 509)	(174 278)	(138 912)	(148 348)
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	(6 796)	(6 796)	(6 796)	(30 475)	10 038	11 166
Cash/cash equivalents at the year begin:		2	127 395	129 702	112 117	68 696	68 696	68 696	68 696	61 899	31 424	41 462
Cash/cash equivalents at the year end:		2	129 702	112 117	115 720	74 569	61 899	61 899	61 899	31 424	41 462	52 627

### 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 decrease in cash of **R 30.4 million** for the 2017/18 financial year, net increase of **R 10 million** in 2018/19 and **R 11 million** in 2019/20.
5. Cash Flow from Operating activities;  
The municipality has projected to receive **R 25 million** from Property rates and **R 23 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



## 2017/2018 Draft Annual Budget and MTREF

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		
		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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	129 702	112 117	115 720	74 569	61 899	61 899	61 899	31 424	41 462	52 627
Other current investments > 90 days		-	-	0	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>129 702</b>	<b>112 117</b>	<b>115 720</b>	<b>74 569</b>	<b>61 899</b>	<b>61 899</b>	<b>61 899</b>	<b>31 424</b>	<b>41 462</b>	<b>52 627</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		7 792	2 717	12 300	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	20 362	20 845	(21 452)	(26 775)	(27 951)	(27 951)	(27 951)	(28 760)	(33 130)	(39 442)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>28 154</b>	<b>23 561</b>	<b>(9 152)</b>	<b>(26 775)</b>	<b>(27 951)</b>	<b>(27 951)</b>	<b>(27 951)</b>	<b>(28 760)</b>	<b>(33 130)</b>	<b>(39 442)</b>
<b>Surplus(shortfall)</b>		<b>101 548</b>	<b>88 556</b>	<b>124 872</b>	<b>101 344</b>	<b>89 850</b>	<b>89 850</b>	<b>89 850</b>	<b>60 184</b>	<b>74 592</b>	<b>92 069</b>

### 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.



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2017/2018 Draft Annual Budget and MTREF

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		
		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
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	84 330	120 800	171 040	140 910	125 088	125 088	174 278	138 912	149 108
Roads Infrastructure		73 658	109 595	148 490	115 260	91 828	91 828	149 778	123 412	137 348
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		941	-	2 100	7 000	7 000	7 000	13 000	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	2 500	2 500	2 500	4 500	10 500	6 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>74 599</b>	<b>109 595</b>	<b>150 590</b>	<b>124 760</b>	<b>101 328</b>	<b>101 328</b>	<b>167 278</b>	<b>133 912</b>	<b>143 348</b>
Community Facilities		-	-	3 700	6 500	3 060	3 060	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>3 700</b>	<b>6 500</b>	<b>3 060</b>	<b>3 060</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		5 677	10 167	12 700	6 150	17 200	17 200	5 500	4 100	3 960
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>5 677</b>	<b>10 167</b>	<b>12 700</b>	<b>6 150</b>	<b>17 200</b>	<b>17 200</b>	<b>5 500</b>	<b>4 100</b>	<b>3 960</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 121	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>1 121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		2 933	1 037	4 050	3 500	3 500	3 500	1 500	900	1 800
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-



2017/2018 Draft Annual Budget and MTREF

<b>Total Capital Expenditure</b>	4									
Roads Infrastructure		73 658	116 295	148 490	129 260	110 249	110 249	149 778	123 412	137 348
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		941	-	2 100	7 000	7 000	7 000	13 000	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	2 500	2 500	2 500	4 500	10 500	6 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>74 599</b>	<b>116 295</b>	<b>150 590</b>	<b>138 760</b>	<b>119 749</b>	<b>119 749</b>	<b>167 278</b>	<b>133 912</b>	<b>143 348</b>
Community Facilities		-	-	3 700	6 500	3 060	3 060	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>3 700</b>	<b>6 500</b>	<b>3 060</b>	<b>3 060</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		5 677	10 167	12 700	6 150	17 200	17 200	5 500	4 100	3 960
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>5 677</b>	<b>10 167</b>	<b>12 700</b>	<b>6 150</b>	<b>17 200</b>	<b>17 200</b>	<b>5 500</b>	<b>4 100</b>	<b>3 960</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 121	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>1 121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		2 933	1 037	4 050	3 500	3 500	3 500	1 500	900	1 800
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>84 330</b>	<b>127 500</b>	<b>171 040</b>	<b>154 910</b>	<b>143 509</b>	<b>143 509</b>	<b>174 278</b>	<b>138 912</b>	<b>149 108</b>



2017/2018 Draft Annual Budget and MTREF

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
<b>Household service targets</b>	1									
<b>Water:</b>										
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	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-





## 2017/2018 Draft Annual Budget and MTREF

<b>Households receiving Free Basic Service</b>	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)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	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)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		605	605	605	605	605	605	605	605	605
Other										
<b>Total revenue cost of subsidised services provided</b>		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 for 2016/17 to 2020/21 as adopted by Council in May 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.



## 2017/2018 Draft Annual Budget and MTREF

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 will be tabled together with the draft IDP/Budget and will be implemented in April and May to ensure proper consultation of communities with regards to the IDP and Budget for the 2017/18 MTREF. The inputs of the stakeholders will be considered where necessary when finalising the IDP/Budget for 2017/18 MTREF.

All documents in the appropriate format (electronic and printed) will be submitted to National and Provincial Treasury, and other national and provincial departments in accordance with section 23 of the MFMA and MFMA circular number 85 and 86, to provide an opportunity for them to ensure that their inputs are incorporated in the final budget and for monitoring purposes.

Ward Committees will be utilised to facilitate the community consultation process.

## 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 on 31 May 2016. 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**

2017/2018 Financial year	2018/2019 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 management of the financial affairs of the municipality.	To provide sound and sustainable management of the financial affairs of the municipality.



2017/2018 Draft Annual Budget and MTREF

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 2017/18 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.



2017/2018 Draft Annual Budget and MTREF

**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	242 196	256 411	271 757
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 and INEG grant.			41 539	54 735	75 450	66 210	66 210	66 210	76 599	67 230	71 600
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	372 697	372 697	397 907	408 927	435 118



**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	improved and efficient institutional governance			–	36 401	54 219	55 053	61 501	61 501	64 814	69 444	74 522	
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	33 005	32 382	30 547	
To create an environment that will develop, stimulate and strengthen local economic	improved economic growth			7 333	9 453	17 108	15 420	13 652	13 652	14 079	12 623	12 032	
To secure sound and sustainable management of fiscus and financial affairs of	financially viable municipality			102 898	172 732	174 385	75 708	93 150	93 150	61 717	102 337	112 668	
To Improve Internal and External operation of the municipality and its	Practice of good governance			48 407	18 853	19 114	22 862	23 692	23 692	24 758	26 427	27 011	
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	32 273	34 788	37 116	
Allocations to other priorities													
Total Expenditure				1	195 781	291 166	340 862	231 114	273 006	273 006	230 646	278 000	293 897





**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			
				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	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	162 778	123 412	137 348	
To create an environment that will develop, stimulate and strengthen local economic	improved economic growth	C		–	–	3 700	5 500	3 060	3 060	2 000	1 600	700	
To secure sound and sustainable management of fiscus and financial affairs of	financially viable municipality	D		5 677	10 167	16 250	4 450	15 307	15 307	3 500	2 500	2 500	
To Improve Internal and External operation of the municipality and its	Practice of good governance	E		4 054	1 037	–	3 500	3 500	3 500	1 500	900	1 800	
To improve the safety of the community members through public safety law enforcement	Proritise the safety of members of the community	F		–	–	500	1 000	–	–	4 500	10 500	6 000	
		G											
		H											
		I											
		J											
		K											
		L											
		M											
		N											
		O											
		P											
Allocations to other priorities				3									
Total Capital Expenditure				1	84 330	127 500	171 040	154 910	143 509	143 509	174 278	138 912	148 348

### 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:

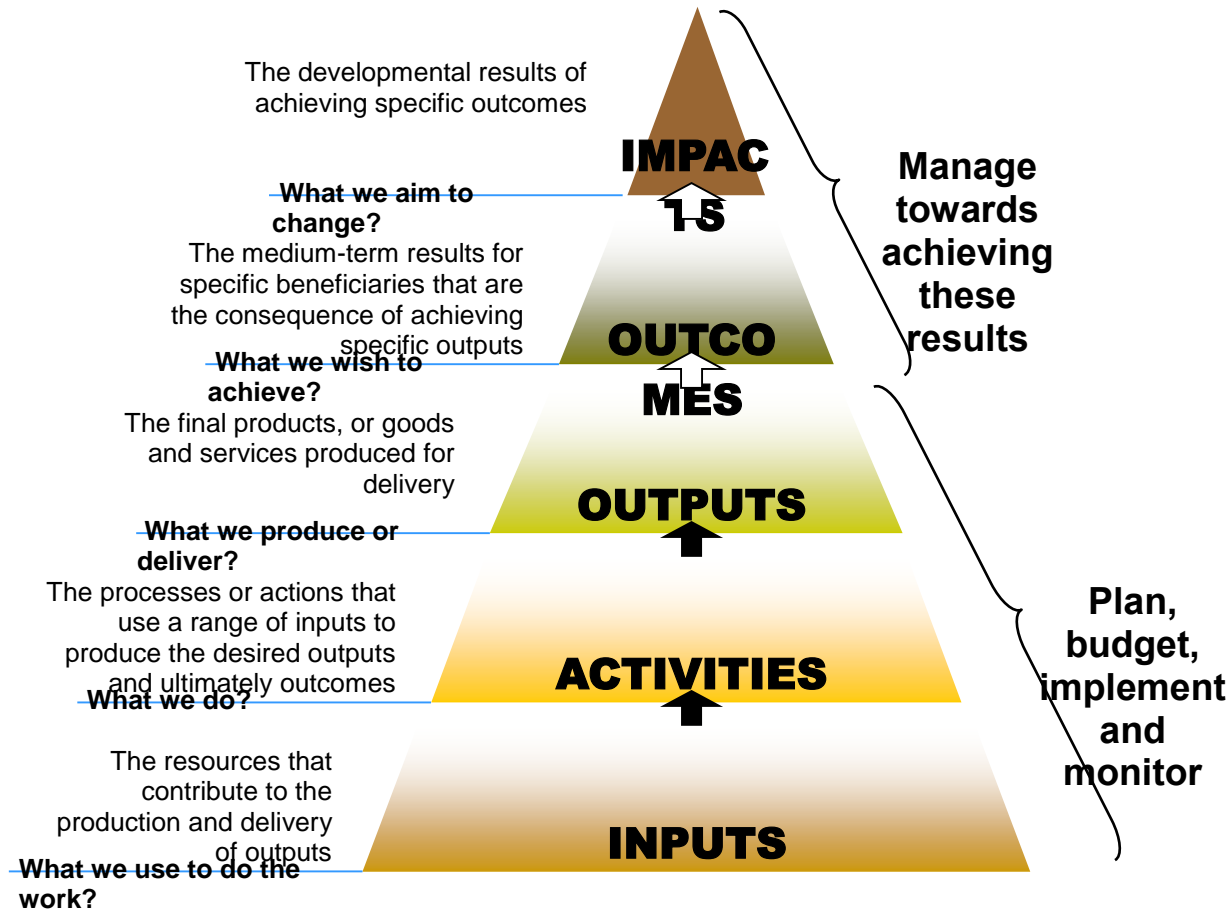


Figure 1 Definition of performance information concepts

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



2017/2018 Draft Annual Budget and 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
<b><u>Borrowing Management</u></b>											
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 ex cl. 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%
<b><u>Safety of Capital</u></b>											
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%
<b><u>Liquidity</u></b>											
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
<b><u>Revenue Management</u></b>											
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%
<b><u>Creditors Management</u></b>											
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%
<b><u>Other Indicators</u></b>											
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%
<b><u>IDP regulation financial viability indicators</u></b>											
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 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.

#### 3.3.1.4 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.

#### 3.3.1.5 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 revenue remains the unchanged at 12% for 2017/18. 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 2016 is under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review 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 2016, 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.

The rate of revenue collection is currently expressed as a percentage (27 per cent) of annual billings. Cash flow for 2017/18 is expected to be 50 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy and the use of debt collector.

### 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:





2017/2018 Draft Annual Budget and MTREF

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

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
<b>Revenue By Source</b>											
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	242 196	256 411	271 757
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								
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>232 910</b>	<b>244 261</b>	<b>302 787</b>	<b>301 835</b>	<b>306 487</b>	<b>306 487</b>	<b>306 487</b>	<b>321 308</b>	<b>341 697</b>	<b>363 518</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 539	54 735	75 450	66 210	66 210	66 210	66 210	63 599	67 230	71 600
<b>Surplus/(Deficit) for the year</b>		<b>78 668</b>	<b>7 830</b>	<b>37 375</b>	<b>136 931</b>	<b>99 691</b>	<b>99 691</b>	<b>99 691</b>	<b>118 680</b>	<b>126 491</b>	<b>140 940</b>

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 Tarriff 2016/17	Approved Tarriff 2017/18	Approved Tarriff 2018/19	Approved Tarriff 2019/20
Revenue Category				
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:



2017/2018 Draft Annual Budget and MTREF

**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		
		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
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		1 585	8 425	10 414	23 505	23 505	23 505	23 505	25 245	29 936	34 912
Service charges		—	—	—	—	—	—	—	—	—	—
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	242 196	256 411	271 757
Government - capital	1	—	—	75 450	66 210	66 210	66 210	66 210	63 599	67 230	71 600
Interest		20 045	8 119	32 200	12 225	10 225	10 225	10 225	12 259	13 370	15 375
Dividends		—	—	—	—	—	—	—	—	—	—
<b>Payments</b>											
Suppliers and employees		(125 644)	(142 647)	(208 296)	(200 196)	(221 951)	(221 951)	(221 951)	(225 878)	(246 400)	(265 897)
Finance charges		(2)	—	—	—	—	—	—	—	—	—
Transfers and Grants	1	—	—	—	—	—	—	—	—	—	—
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>86 327</b>	<b>111 214</b>	<b>174 642</b>	<b>160 784</b>	<b>136 713</b>	<b>136 713</b>	<b>136 713</b>	<b>143 802</b>	<b>148 949</b>	<b>159 514</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		390	7	—	—	—	—	—	—	—	—
Decrease (Increase) in non-current debtors		—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables		—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—	—
<b>Payments</b>											
Capital assets		(84 330)	(128 805)	(171 040)	(154 910)	(143 509)	(143 509)	(143 509)	(174 278)	(138 912)	(148 348)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(83 940)</b>	<b>(128 798)</b>	<b>(171 040)</b>	<b>(154 910)</b>	<b>(143 509)</b>	<b>(143 509)</b>	<b>(143 509)</b>	<b>(174 278)</b>	<b>(138 912)</b>	<b>(148 348)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—	—
<b>Payments</b>											
Repayment of borrowing		(81)	—	—	—	—	—	—	—	—	—
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(81)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>2 307</b>	<b>(17 585)</b>	<b>3 602</b>	<b>5 874</b>	<b>(6 796)</b>	<b>(6 796)</b>	<b>(6 796)</b>	<b>(30 475)</b>	<b>10 038</b>	<b>11 166</b>
Cash/cash equivalents at the year begin:	2	127 395	129 702	112 117	68 696	68 696	68 696	68 696	61 899	31 424	41 462
Cash/cash equivalents at the year end:	2	129 702	112 117	115 720	74 569	61 899	61 899	61 899	31 424	41 462	52 627

The above table shows a net decrease in cash held for 2016/17 and the 2017/18 MTREF which is covered by the favourable cash balances at the beginning of each year. The municipality 's cash and cash equivalents shows a decreasing trend as the municipality use the cash saved from previous financial years to fund infrastructure projects in 2016/17 financial year.

### 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:



## 2017/2018 Draft Annual Budget and MTREF

- 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		
		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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	129 702	112 117	115 720	74 569	61 899	61 899	61 899	31 424	41 462	52 627
Other current investments > 90 days		-	-	0	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>129 702</b>	<b>112 117</b>	<b>115 720</b>	<b>74 569</b>	<b>61 899</b>	<b>61 899</b>	<b>61 899</b>	<b>31 424</b>	<b>41 462</b>	<b>52 627</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		7 792	2 717	12 300	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	20 362	20 845	(21 452)	(26 775)	(27 951)	(27 951)	(27 951)	(28 760)	(33 130)	(39 442)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>28 154</b>	<b>23 561</b>	<b>(9 152)</b>	<b>(26 775)</b>	<b>(27 951)</b>	<b>(27 951)</b>	<b>(27 951)</b>	<b>(28 760)</b>	<b>(33 130)</b>	<b>(39 442)</b>
<b>Surplus(shortfall)</b>		<b>101 548</b>	<b>88 556</b>	<b>124 872</b>	<b>101 344</b>	<b>89 850</b>	<b>89 850</b>	<b>89 850</b>	<b>60 184</b>	<b>74 592</b>	<b>92 069</b>

From the above table it can be seen that the cash and investments available total is **R 60 million** in the 2017/18 financial year and increases to **R 74 million** by 2017/18 and **R 92 million** by 2019/20.

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



## 2017/2018 Draft Annual Budget and MTREF

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
<b>Funding measures</b>												
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 CPI 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%
<b>Supporting indicators</b>												
% incr total service charges (incl prop rates)	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	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	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	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	143 509	118 146	125 912	140 608
Capital expenditure - renewal	20(1)(vi)	-	6 700	-	14 000	18 421	18 421			-	-	-
<b>Supporting benchmarks</b>												
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/adv ised national, provincial and district grants										305 795	323 641	343 357
<b>DoRA operating</b>												
Equitable Share										240 496	254 456	269 723
Finance Management Grant										1 700	1 955	2 033
										242 196	256 411	271 757
<b>DoRA capital</b>												
Municipal Infrastructure Grant										63 599	67 230	71 600
										63 599	67 230	71 600



## 2017/2018 Draft Annual Budget and MTREF

<b>Trend</b>												
Change in consumer debtors (current and non-current)		5 945	11 149	1 242	22 561	11 016	3 937	4 138	-	-	-	
<b>Total Operating Revenue</b>		232 910	244 261	302 787	301 835	306 487	306 487	306 487	321 308	341 697	363 518	
<b>Total Operating Expenditure</b>		195 781	291 166	340 862	231 114	273 006	273 006	273 006	266 226	282 436	294 177	
<b>Operating Performance Surplus/(Deficit)</b>		37 129	(46 905)	(38 075)	70 721	33 481	33 481	33 481	55 081	59 261	69 340	
<b>Cash and Cash Equivalents (30 June 2012)</b>									89 207			
<b>Revenue</b>												
% 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%	
<b>Expenditure</b>												
% 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%	
<b>Capital Revenue</b>												
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%	
<b>Capital Expenditure</b>												
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%	
<b>Cash</b>												
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	
<b>Borrowing</b>												
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%	
<b>Reserves</b>												
Surplus/(Deficit)		101 548	88 556	124 872	101 344	89 850	89 850	89 850	117 967	158 439	206 377	
<b>Free Services</b>												
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%	
<b>High Level Outcome of Funding Compliance</b>												
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	
<b>MTREF Funded (1) / Unfunded (0)</b>	15	1	1	1	1	1	1	1	1	1	1	
<b>MTREF Funded ✓ / Unfunded *</b>	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		
		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
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b><u>Operating Transfers and Grants</u></b>										
<b>National Government:</b>		161 260	182 401	232 170	228 253	228 253	228 253	242 196	256 411	271 757
Local Government Equitable Share		157 820	178 834	228 571	225 123	225 123	225 123	240 496	254 456	269 723
Finance Management		1 550	1 600	1 600	1 625	1 625	1 625	1 700	1 955	2 033
Municipal Systems Improvement		890	934	930	-	-	-	-	-	-
EPWP Incentive		1 000	1 033	1 069	1 505	1 505	1 505	-	-	-
Integrated National Electrification Programme		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	161 260	182 401	232 170	228 253	228 253	228 253	242 196	256 411	271 757
<b><u>Capital Transfers and Grants</u></b>										
<b>National Government:</b>		41 816	54 735	74 950	66 210	94 210	94 210	76 599	67 230	71 600
Municipal Infrastructure Grant (MIG)		41 539	54 735	74 950	59 210	87 210	87 210	63 599	67 230	71 600
Integrated National Electrification Programme		277	-	-	7 000	7 000	7 000	13 000	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	500	-	-	-	-	-	-
<i>Sekhukhune District Municipality</i>		-	-	500	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	41 816	54 735	75 450	66 210	94 210	94 210	76 599	67 230	71 600
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		203 076	237 137	307 620	294 463	322 463	322 463	318 795	323 641	343 357



**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		
		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
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants:</b>										
<b>National Government:</b>		161 867	182 401	232 170	228 253	228 253	228 253	242 196	256 411	271 757
Local Government Equitable Share		157 820	178 834	228 571	225 123	225 123	225 123	240 496	254 456	269 723
Finance Management		1 550	1 600	1 600	1 625	1 625	1 625	1 700	1 955	2 033
Municipal Systems Improvement		890	934	930	-	-	-	-	-	-
EPWP Incentive		1 607	1 033	1 069	1 505	1 505	1 505	-	-	-
Integrated National Electrification Programme										
0										
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants</b>		161 867	182 401	232 170	228 253	228 253	228 253	242 196	256 411	271 757
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		41 816	54 735	74 950	66 210	94 210	94 210	76 599	67 230	71 600
Municipal Infrastructure Grant (MIG)		41 539	54 735	74 950	59 210	87 210	87 210	63 599	67 230	71 600
Integrated National Electrification Programme		277	-	-	7 000	7 000	7 000	13 000	-	-
0										
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
0										
<b>District Municipality:</b>		-	-	500	-	-	-	-	-	-
Sekhukhune District Municipality				500	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		41 816	54 735	75 450	66 210	94 210	94 210	76 599	67 230	71 600
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		203 683	237 137	307 620	294 463	322 463	322 463	318 795	323 641	343 357





**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		
		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
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
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	242 196	256 411	271 757
<b>Conditions met - transferred to revenue</b>		<b>162 144</b>	<b>182 401</b>	<b>232 170</b>	<b>228 253</b>	<b>228 253</b>	<b>228 253</b>	<b>242 196</b>	<b>256 411</b>	<b>271 757</b>
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		<b>162 144</b>	<b>182 401</b>	<b>232 170</b>	<b>228 253</b>	<b>228 253</b>	<b>228 253</b>	<b>242 196</b>	<b>256 411</b>	<b>271 757</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		21 084	–	–						
Current year receipts		25 315	57 452	74 950	66 210	94 210	94 210	63 599	67 230	71 600
<b>Conditions met - transferred to revenue</b>		<b>41 539</b>	<b>54 735</b>	<b>74 950</b>	<b>66 210</b>	<b>94 210</b>	<b>94 210</b>	<b>63 599</b>	<b>67 230</b>	<b>71 600</b>
Conditions still to be met - transferred to liabilities		4 860	2 717							
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year				500						
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>500</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		<b>41 539</b>	<b>54 735</b>	<b>75 450</b>	<b>66 210</b>	<b>94 210</b>	<b>94 210</b>	<b>63 599</b>	<b>67 230</b>	<b>71 600</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>4 860</b>	<b>2 717</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>203 683</b>	<b>237 137</b>	<b>307 620</b>	<b>294 463</b>	<b>322 463</b>	<b>322 463</b>	<b>305 795</b>	<b>323 641</b>	<b>343 357</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>4 860</b>	<b>2 717</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



### **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.



2017/2018 Draft Annual Budget and MTREF

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		
		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											
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Insert description</i>											
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b>											
<i>Insert description</i>											
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
<i>Insert description</i>	4										
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
<i>Insert description</i>	5										
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	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
	1	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
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
<b>Sub Total - Councillors</b>		<b>16 688</b>	<b>17 529</b>	<b>19 909</b>	<b>20 792</b>	<b>20 792</b>	<b>20 792</b>	<b>22 040</b>	<b>23 517</b>	<b>25 069</b>
<b>% increase</b>	4		5,0%	13,6%	4,4%	–	–	6,0%	6,7%	6,6%
<b>Senior Managers of the Municipality</b>										
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
<b>Sub Total - Senior Managers of Municipality</b>		<b>3 714</b>	<b>3 722</b>	<b>3 970</b>	<b>6 601</b>	<b>4 932</b>	<b>4 932</b>	<b>6 651</b>	<b>7 097</b>	<b>7 565</b>
<b>% increase</b>	4		0,2%	6,7%	66,3%	(25,3%)	–	34,9%	6,7%	6,6%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		20 849	23 260	26 886	32 756	29 337	29 337	37 089	39 574	42 186
Pension and UIF Contributions		4 691	5 310	5 814	7 206	6 487	6 487	8 151	8 697	9 271
Medical Aid Contributions		2 045	2 397	2 294	6 052	5 341	5 341	6 714	7 164	7 637
Overtime		179	256	268	2 717	2 268	2 268	2 065	2 204	2 349
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	5 277	6 071	6 751	8 398	7 686	7 686	9 568	10 209	10 883
Cellphone Allowance	3	894	1 008	1 128	1 371	1 240	1 240	1 515	1 616	1 723
Housing Allowances	3	1 498	1 865	1 693	2 940	2 697	2 697	3 691	3 938	4 198
Other benefits and allowances	3	1 909	2 970	2 433	3 477	3 124	3 124	4 077	4 350	4 637
Payments in lieu of leave		1 847	–	2 768	–	–	–	–	–	–
Long service awards		834	–	1 250	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>		<b>40 024</b>	<b>43 137</b>	<b>51 285</b>	<b>64 917</b>	<b>58 179</b>	<b>58 179</b>	<b>72 871</b>	<b>77 753</b>	<b>82 885</b>
<b>% increase</b>	4		7,8%	18,9%	26,6%	(10,4%)	–	25,3%	6,7%	6,6%
<b>Total Parent Municipality</b>		<b>60 427</b>	<b>64 388</b>	<b>75 165</b>	<b>92 310</b>	<b>83 904</b>	<b>83 904</b>	<b>101 562</b>	<b>108 367</b>	<b>115 519</b>
			6,6%	16,7%	22,8%	(9,1%)	–	21,0%	6,7%	6,6%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>60 427</b>	<b>64 388</b>	<b>75 165</b>	<b>92 310</b>	<b>83 904</b>	<b>83 904</b>	<b>101 562</b>	<b>108 367</b>	<b>115 519</b>
<b>% increase</b>	4		6,6%	16,7%	22,8%	(9,1%)	–	21,0%	6,7%	6,6%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>43 739</b>	<b>46 859</b>	<b>55 255</b>	<b>71 518</b>	<b>63 112</b>	<b>63 112</b>	<b>79 522</b>	<b>84 850</b>	<b>90 450</b>



**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.
<b>Councillors</b>	3							
Speaker	4							–
Chief Whip								–
Executive Mayor								–
Deputy Executive Mayor								–
Executive Committee								–
Total for all other councillors								–
<b>Total Councillors</b>	8	–	–	–	–	–		–
<b>Senior Managers of the Municipality</b>	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								–
<b>Total Senior Managers of the Municipality</b>	8,10	–	4 229 580	533 677	1 888 179	–		6 651 437
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								–
<b>Total for municipal entities</b>	8,10	–	–	–	–	–		–
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	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
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		60	–	60	62	–	62	62	–	62
Board Members of municipal entities	4									
<b>Municipal employees</b>	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										
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>198</b>	<b>116</b>	<b>80</b>	<b>200</b>	<b>116</b>	<b>82</b>	<b>200</b>	<b>116</b>	<b>82</b>
<b>% increase</b>					1,0%	–	2,5%	–	–	–
<b>Total municipal employees headcount</b>	6, 10	<b>138</b>	<b>116</b>	<b>1</b>	<b>138</b>	<b>118</b>	<b>20</b>	<b>146</b>	<b>128</b>	<b>18</b>
Finance personnel headcount	8, 10	<b>51</b>	<b>42</b>	<b>8</b>	<b>51</b>	<b>42</b>	<b>8</b>	<b>51</b>	<b>42</b>	<b>8</b>
Human Resources personnel headcount	8, 10	<b>21</b>	<b>20</b>	<b>1</b>	<b>21</b>	<b>20</b>	<b>1</b>	<b>21</b>	<b>20</b>	<b>1</b>

### 3.10 Monthly targets for revenue, expenditure and cash flow



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2017/2018 Draft Annual Budget and MTREF

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.

2017/2018 Draft Annual Budget and MTREF

**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		
		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
<b>R thousand</b>																
<b>Revenue By Source</b>																
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
Service charges - electricity revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - water revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		13	32	63	32	32	126	25	40	88	78	53	53	632	635	648
Licences and permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Agency services		464	515	464	567	309	430	464	412	325	392	361	467	5 169	6 526	7 831
Transfers and subsidies		99 500	—	—	—	78 041	—	—	—	64 655	—	—	—	242 196	256 411	271 757
Other revenue		322	—	10	147	82	—	123	92	55	—	7	194	1 032	1 061	1 111
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>106 454</b>	<b>6 074</b>	<b>6 226</b>	<b>7 155</b>	<b>84 199</b>	<b>6 081</b>	<b>6 557</b>	<b>7 116</b>	<b>71 375</b>	<b>6 628</b>	<b>6 365</b>	<b>7 078</b>	<b>321 308</b>	<b>341 697</b>	<b>363 518</b>
<b>Expenditure By Type</b>																
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	7 399	79 522	84 850	90 450
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		—	—	—	—	—	—	—	—	—	—	—	—	18 050	18 050	3 000
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
Finance charges		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bulk purchases		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services		2 422	4 179	3 108	2 721	4 279	1 878	4 710	1 656	4 324	3 341	3 962	4 567	41 147	49 828	47 860
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure		4 991	13 223	7 056	6 729	10 547	4 716	7 310	6 245	6 629	6 171	4 049	(29 279)	48 387	88 205	102 519
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>17 479</b>	<b>27 572</b>	<b>20 065</b>	<b>19 595</b>	<b>25 256</b>	<b>17 390</b>	<b>22 584</b>	<b>18 147</b>	<b>21 138</b>	<b>19 743</b>	<b>17 984</b>	<b>3 694</b>	<b>230 646</b>	<b>278 000</b>	<b>293 897</b>
<b>Surplus/(Deficit)</b>		<b>88 975</b>	<b>(21 498)</b>	<b>(13 839)</b>	<b>(12 440)</b>	<b>58 943</b>	<b>(11 309)</b>	<b>(16 027)</b>	<b>(11 032)</b>	<b>50 237</b>	<b>(13 115)</b>	<b>(11 618)</b>	<b>3 384</b>	<b>90 662</b>	<b>63 697</b>	<b>69 620</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		29 099	—	—	5 500	18 500	—	—	—	23 500	—	—	—	76 599	67 230	71 600
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>118 074</b>	<b>(21 498)</b>	<b>(13 839)</b>	<b>(6 940)</b>	<b>77 443</b>	<b>(11 309)</b>	<b>(16 027)</b>	<b>(11 032)</b>	<b>73 737</b>	<b>(13 115)</b>	<b>(11 618)</b>	<b>3 384</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>118 074</b>	<b>(21 498)</b>	<b>(13 839)</b>	<b>(6 940)</b>	<b>77 443</b>	<b>(11 309)</b>	<b>(16 027)</b>	<b>(11 032)</b>	<b>73 737</b>	<b>(13 115)</b>	<b>(11 618)</b>	<b>3 384</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>



2017/2018 Draft Annual Budget and MTREF

**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		
		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
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - Council													-	-	-	-
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	20 078	397 907	408 927	435 118
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Total Revenue by Vote</b>		<b>128 053</b>	<b>6 074</b>	<b>6 226</b>	<b>7 155</b>	<b>102 699</b>	<b>6 081</b>	<b>6 557</b>	<b>7 116</b>	<b>94 875</b>	<b>6 628</b>	<b>6 365</b>	<b>20 078</b>	<b>397 907</b>	<b>408 927</b>	<b>435 118</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Council		3 983	6 777	3 605	3 361	6 877	3 169	3 124	3 794	6 854	3 658	3 319	(3 723)	44 798	55 179	59 420
Vote 2 - Office of the Municipal Manager		807	977	645	1 177	647	662	917	577	767	877	824	267	9 147	9 669	10 065
Vote 3 - Economic Development and Planning		1 325	1 335	1 840	581	2 041	895	2 065	815	829	1 175	674	2 105	15 679	14 723	19 132
Vote 4 - Infrastructure Development		1 977	3 640	2 612	2 162	3 865	1 162	4 340	1 192	3 682	2 742	3 362	2 116	32 855	48 382	43 547
Vote 5 - Community Services		2 438	4 114	2 684	4 127	2 428	3 657	2 544	2 164	1 939	2 004	2 110	(1 336)	28 873	40 410	50 907
Vote 6 - Corporate Services		1 932	3 521	1 989	1 977	1 785	1 939	3 414	1 773	1 652	1 856	1 227	1 893	24 958	26 427	27 261
Vote 7 - Budget and Treasury		5 017	7 208	6 690	6 209	7 612	5 906	6 179	7 832	5 414	7 431	6 467	2 371	74 337	83 211	83 564
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Total Expenditure by Vote</b>		<b>17 479</b>	<b>27 572</b>	<b>20 065</b>	<b>19 595</b>	<b>25 256</b>	<b>17 390</b>	<b>22 584</b>	<b>18 147</b>	<b>21 138</b>	<b>19 743</b>	<b>17 984</b>	<b>3 694</b>	<b>230 646</b>	<b>278 000</b>	<b>293 897</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>110 574</b>	<b>(21 498)</b>	<b>(13 839)</b>	<b>(12 440)</b>	<b>77 443</b>	<b>(11 309)</b>	<b>(16 027)</b>	<b>(11 032)</b>	<b>73 737</b>	<b>(13 115)</b>	<b>(11 618)</b>	<b>16 384</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>110 574</b>	<b>(21 498)</b>	<b>(13 839)</b>	<b>(12 440)</b>	<b>77 443</b>	<b>(11 309)</b>	<b>(16 027)</b>	<b>(11 032)</b>	<b>73 737</b>	<b>(13 115)</b>	<b>(11 618)</b>	<b>16 384</b>	<b>167 261</b>	<b>130 927</b>	<b>141 220</b>

2017/2018 Draft Annual Budget and MTREF

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

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
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Council													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Economic Development and Planning													-	-	-	-
Vote 4 - Infrastructure Development		8 000	11 000	16 500	9 700	6 000	9 169	10 070	9 386	7 688	9 424	8 000	44 841	149 778	123 412	137 348
Vote 5 - Community Services													-	-	-	-
Vote 6 - Corporate Services													-	-	-	-
Vote 7 - Budget and Treasury													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	8 000	11 000	16 500	9 700	6 000	9 169	10 070	9 386	7 688	9 424	8 000	44 841	149 778	123 412	137 348
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Council													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Economic Development and Planning		400	1 000		250						350		-	2 000	1 600	700
Vote 4 - Infrastructure Development													13 000	13 000	-	-
Vote 5 - Community Services													4 500	4 500	10 500	6 000
Vote 6 - Corporate Services		-	750	-	-	750	-	-	-	-	-	-	-	1 500	900	1 800
Vote 7 - Budget and Treasury		-	-	2 000	-	-	-	-	-	-	-	-	1 500	3 500	2 500	2 500
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	400	1 750	2 000	250	750	-	-	-	-	350	-	19 000	24 500	15 500	11 000
<b>Total Capital Expenditure</b>	2	8 400	12 750	18 500	9 950	6 750	9 169	10 070	9 386	7 688	9 774	8 000	63 841	174 278	138 912	148 348

2017/2018 Draft Annual Budget and MTREF

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

LIM473 Makhuduthamaga - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

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
<b>Capital Expenditure - Functional</b>	1															
<i><b>Governance and administration</b></i>		-	750	2 000	-	750	-	-	-	500	-	-	1 000	5 000	3 400	4 300
Executive and council													-	-	-	-
Finance and administration		-	750	2 000	-	750	-	-	-	500	-	-	1 000	5 000	3 400	4 300
Internal audit													-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services													-	-	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i><b>Economic and environmental services</b></i>		8 400	12 000	16 500	9 950	16 000	19 169	10 070	9 386	7 688	13 774	14 000	14 841	151 778	125 012	138 048
Planning and development		400	1 000	-	250	-	-	-	-	-	350	-	-	2 000	1 600	700
Road transport		8 000	11 000	16 500	9 700	16 000	19 169	10 070	9 386	7 688	13 424	14 000	14 841	149 778	123 412	137 348
Environmental protection													-	-	-	-
<i><b>Trading services</b></i>		-	5 850	4 500	-	-	-	7 150	-	-	-	-	-	17 500	10 500	6 000
Energy sources			5 850					7 150					-	13 000	-	-
Water management													-	-	-	-
Waste water management													-	-	-	-
Waste management				4 500									-	4 500	10 500	6 000
<i><b>Other</b></i>													-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	8 400	18 600	23 000	9 950	16 750	19 169	17 220	9 386	8 188	13 774	14 000	15 841	174 278	138 912	148 348
<b>Funded by:</b>																
National Government		8 400	18 600	23 000	9 950	16 750	19 169	17 220	9 386	8 188	13 774	14 000	15 841	174 278	138 912	148 348
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
<b>Transfers recognised - capital</b>		8 400	18 600	23 000	9 950	16 750	19 169	17 220	9 386	8 188	13 774	14 000	15 841	174 278	138 912	148 348
<b>Public contributions &amp; donations</b>													-	-	-	-
<b>Borrowing</b>													-	-	-	-
<b>Internally generated funds</b>													-	-	-	-
<b>Total Capital Funding</b>		8 400	18 600	23 000	9 950	16 750	19 169	17 220	9 386	8 188	13 774	14 000	15 841	174 278	138 912	148 348

2017/2018 Draft Annual Budget and MTREF

**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		
		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
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		-	750	2 000	-	750	-	-	-	500	-	-	1 000	5 000	3 400	4 300
Executive and council													-	-	-	-
Finance and administration		-	750	2 000	-	750	-	-	-	500	-	-	1 000	5 000	3 400	4 300
Internal audit													-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services													-	-	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<b>Economic and environmental services</b>		8 400	12 000	16 500	9 950	16 000	19 169	10 070	9 386	7 688	13 774	14 000	14 841	151 778	125 012	138 048
Planning and development		400	1 000	-	250	-	-	-	-	-	350	-	-	2 000	1 600	700
Road transport		8 000	11 000	16 500	9 700	16 000	19 169	10 070	9 386	7 688	13 424	14 000	14 841	149 778	123 412	137 348
Environmental protection													-	-	-	-
<b>Trading services</b>		-	5 850	4 500	-	-	-	7 150	-	-	-	-	-	17 500	10 500	6 000
Energy sources			5 850					7 150					-	13 000	-	-
Water management													-	-	-	-
Waste water management													-	-	-	-
Waste management				4 500									-	4 500	10 500	6 000
<b>Other</b>													-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	8 400	18 600	23 000	9 950	16 750	19 169	17 220	9 386	8 188	13 774	14 000	15 841	174 278	138 912	148 348
<b>Funded by:</b>																
National Government		8 400	18 600	23 000	9 950	16 750	19 169	17 220	9 386	8 188	13 774	14 000	15 841	174 278	138 912	148 348
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
<b>Transfers recognised - capital</b>		8 400	18 600	23 000	9 950	16 750	19 169	17 220	9 386	8 188	13 774	14 000	15 841	174 278	138 912	148 348
<b>Public contributions &amp; donations</b>													-	-	-	-
<b>Borrowing</b>													-	-	-	-
<b>Internally generated funds</b>													-	-	-	-
<b>Total Capital Funding</b>		8 400	18 600	23 000	9 950	16 750	19 169	17 220	9 386	8 188	13 774	14 000	15 841	174 278	138 912	148 348

2017/2018 Draft Annual Budget and MTREF

**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
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													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
Service charges - electricity revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - water revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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
Agency services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer receipts - operational	99 500	—	—	—	78 041	—	—	—	64 655	—	—	—	242 196	256 411	271 757
Other revenue	322	—	5 510	147	82	—	7 923	92	6 182	—	—	194	20 459	21 116	23 157
<b>Cash Receipts by Source</b>	<b>101 902</b>	<b>2 267</b>	<b>7 885</b>	<b>3 174</b>	<b>81 242</b>	<b>3 888</b>	<b>12 001</b>	<b>4 538</b>	<b>75 404</b>	<b>4 530</b>	<b>4 478</b>	<b>4 771</b>	<b>306 081</b>	<b>328 119</b>	<b>353 811</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	21 599	—	—	—	18 500	—	—	—	23 500	—	—	—	63 599	67 230	71 600
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (Increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Receipts by Source</b>	<b>123 501</b>	<b>2 267</b>	<b>7 885</b>	<b>3 174</b>	<b>99 742</b>	<b>3 888</b>	<b>12 001</b>	<b>4 538</b>	<b>98 904</b>	<b>4 530</b>	<b>4 478</b>	<b>4 771</b>	<b>369 680</b>	<b>395 349</b>	<b>425 411</b>
<b>Cash Payments by Type</b>															
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	7 399	79 522	84 850	90 450
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
Finance charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bulk purchases - Electricity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services	2 422	4 179	3 108	2 721	4 279	1 878	4 710	1 656	4 324	3 341	3 962	4 567	41 147	49 828	47 860
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure	4 991	13 223	7 056	6 729	10 547	4 716	7 310	6 245	6 629	6 171	4 049	5 503	83 169	88 205	102 519
<b>Cash Payments by Type</b>	<b>15 859</b>	<b>25 952</b>	<b>18 245</b>	<b>17 775</b>	<b>23 436</b>	<b>15 490</b>	<b>20 684</b>	<b>16 247</b>	<b>19 238</b>	<b>17 783</b>	<b>15 864</b>	<b>19 305</b>	<b>225 878</b>	<b>246 400</b>	<b>265 897</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	8 400	18 600	23 000	9 950	16 750	19 169	17 220	9 386	8 188	13 774	14 000	15 841	174 278	138 912	148 348
Repayment of borrowing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Cash Flow s/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Payments by Type</b>	<b>24 259</b>	<b>44 552</b>	<b>41 245</b>	<b>27 725</b>	<b>40 186</b>	<b>34 659</b>	<b>37 903</b>	<b>25 633</b>	<b>27 426</b>	<b>31 558</b>	<b>29 864</b>	<b>35 145</b>	<b>400 155</b>	<b>385 312</b>	<b>414 246</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>99 242</b>	<b>(42 285)</b>	<b>(33 361)</b>	<b>(24 550)</b>	<b>59 556</b>	<b>(30 771)</b>	<b>(25 903)</b>	<b>(21 095)</b>	<b>71 478</b>	<b>(27 027)</b>	<b>(25 386)</b>	<b>(30 374)</b>	<b>(30 475)</b>	<b>10 038</b>	<b>11 166</b>
Cash/cash equivalents at the month/year begin:	61 899	161 142	118 857	85 496	60 946	120 502	89 732	63 829	42 734	114 212	87 185	61 799	61 899	31 424	41 462
Cash/cash equivalents at the month/year end:	161 142	118 857	85 496	60 946	120 502	89 732	63 829	42 734	114 212	87 185	61 799	31 424	31 424	41 462	52 627

### 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	101 328	101 328	167 278	133 912	143 348
Roads Infrastructure			73 658	109 595	148 490	115 260	91 828	91 828	149 778	123 412	137 348
Roads			73 658	109 595	148 490	115 260	91 828	91 828	149 778	123 412	137 348
Road Structures											
Road Furniture											
Capital Spares									-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Drainage Collection											
Storm water Conveyance											
Attenuation											
Electrical Infrastructure			941	-	2 100	7 000	7 000	7 000	13 000	-	-
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors											
MV Substations											
MV Switching Stations											
MV Networks											
LV Networks			941	-	2 100	7 000	7 000	7 000	13 000	-	-
Capital Spares											
Solid Waste Infrastructure			-	-	-	2 500	2 500	2 500	4 500	10 500	6 000
Landfill Sites											
Waste Transfer Stations											
Waste Processing Facilities						2 500	2 500	2 500	4 500	10 500	6 000
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											



## 2017/2018 Draft Annual Budget and MTREF

2017/2018 Draft Annual Budget and MPREF										
<b>Community Assets</b>										
Community Facilities			3 700	6 500	3 060	3 060				
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police				1 000	–	–	–	–	–	
Purfs										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares			3 700	5 500	3 060	3 060	–	–	–	
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–	
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>	–	–	–	–	–	–	–	–	–	
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>	–	–	–	–	–	–	–	–	–	
Revenue Generating	–	–	–	–	–	–	–	–	–	
Improved Property										
Unimproved Property										
Non-revenue Generating	–	–	–	–	–	–	–	–	–	
Improved Property										
Unimproved Property										
<b>Other assets</b>	5 677	10 167	12 700	6 150	17 200	17 200	5 500	4 100	3 960	
Operational Buildings	5 677	10 167	12 700	6 150	17 200	17 200	5 500	4 100	3 960	
Municipal Offices	5 677	10 167	12 700	6 150	17 200	17 200	5 500	4 100	3 960	
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	–	–	–	–	–	–	–	–	–	
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>	–	–	–	–	–	–	–	–	–	
Biological or Cultivated Assets										
<b>Intangible Assets</b>	1 121	–	–	–	–	–	–	–	–	
Serv itudes										
Licences and Rights	1 121	–	–	–	–	–	–	–	–	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	1 121	–	–	–	–	–	–	–	–	
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	2 933	1 037	4 050	3 500	3 500	3 500	1 500	900	1 800	
Computer Equipment	2 933	1 037	4 050	3 500	3 500	3 500	1 500	900	1 800	
<b>Furniture and Office Equipment</b>	–	–	–	–	–	–	–	–	–	
Furniture and Office Equipment										
<b>Machinery and Equipment</b>	–	–	–	–	–	–	–	–	–	
Machinery and Equipment										
<b>Transport Assets</b>	–	–	–	–	–	–	–	–	–	
Transport Assets										
<b>Libraries</b>	–	–	–	–	–	–	–	–	–	
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>	–	–	–	–	–	–	–	–	–	
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on new assets</b>	1	84 330	120 800	171 040	140 910	125 088	125 088	174 278	138 912	149 108



**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	
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>											
<b>Infrastructure</b>		–	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											
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–	
Biological or Cultivated Assets											
<b>Intangible Assets</b>		–	–	–	–	–	–	–	–	–	
Servitudes											
Licences and Rights		–	–	–	–	–	–	–	–	–	
Water Rights											
Effluent Licenses											
Solid Waste Licenses											
Computer Software and Applications											
Load Settlement Software Applications											
Unspecified											
<b>Computer Equipment</b>		–	–	–	–	–	–	–	–	–	
Computer Equipment											
<b>Furniture and Office Equipment</b>		–	–	–	–	–	–	–	–	–	
Furniture and Office Equipment											
<b>Machinery and Equipment</b>		–	–	–	–	–	–	–	–	–	
Machinery and Equipment											
<b>Transport Assets</b>		–	–	–	–	–	–	–	–	–	
Transport Assets											
<b>Libraries</b>		–	–	–	–	–	–	–	–	–	
Libraries											
<b>Zoo's, Marine and Non-biological Animals</b>		–	–	–	–	–	–	–	–	–	
Zoo's, Marine and Non-biological Animals											
<b>Total Capital Expenditure on renewal of existing assets</b>	1	–	6 700	–	14 000	18 421	18 421	–	–		





2017/2018 Draft Annual Budget and MTREF

**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		
		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	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		14 582	20 734	41 650	18 600	39 800	39 800	23 500	32 600	29 700
Roads Infrastructure		14 582	20 734	37 550	16 100	36 100	36 100	22 000	31 000	28 000
Roads		14 582	20 734	37 550	16 100	36 100	36 100	22 000	31 000	28 000
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	4 100	2 500	3 700	3 700	1 500	1 600	1 700
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks		–	–	4 100	2 500	3 700	3 700	1 500	1 600	1 700
Capital Spares										
<b>Other assets</b>										
		–	–	–	2 000	2 000	2 000	3 000	1 600	1 500
Operational Buildings		–	–	–	2 000	2 000	2 000	3 000	1 600	1 500
Municipal Offices					2 000	2 000	2 000	3 000	1 600	1 500
<b>Computer Equipment</b>										
		–	558	1 027	800	1 300	1 300	400	427	455
Computer Equipment		–	558	1 027	800	1 300	1 300	400	427	455
<b>Furniture and Office Equipment</b>										
		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
<b>Machinery and Equipment</b>										
		58	–	13 612	–	–	–	–	–	–
Machinery and Equipment		58	–	13 612						
<b>Transport Assets</b>										
		807	1 334	2 538	500	1 100	1 100	1 181	1 261	1 344
Transport Assets		807	1 334	2 538	500	1 100	1 100	1 181	1 261	1 344
<b>Libraries</b>										
		–	–	–	–	–	–	–	–	–
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>										
		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	15 447	22 626	58 828	21 900	44 200	44 200	28 081	35 887	32 999
R&M as a % of PPE		7,7%	10,4%	16,7%	7,3%	10,4%	10,4%	6,6%	6,9%	5,3%
R&M as % Operating Expenditure		7,9%	7,8%	17,3%	9,5%	16,2%	16,2%	10,3%	15,6%	11,9%



**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		
		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
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		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
Roads		6 539	8 229	10 638	8 731	12 125	12 125	13 765	15 110	16 006
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		310	310	361	296	412	412	467	513	543
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks		310	310	361	296	412	412	467	513	543
Capital Spares										



## 2017/2018 Draft Annual Budget and MTREF

		2017/2018 Draft Annual Budget and MTRR								
<b>Other assets</b>		684	692	684	562	780	780	886	972	1 030
Operational Buildings		684	692	684	562	780	780	886	972	1 030
Municipal Offices		684	692	684	562	780	780	886	972	1 030
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
<b>Intangible Assets</b>		499	344	499	410	569	569	646	709	751
Servitudes										
Licences and Rights		499	344	499	410	569	569	646	709	751
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		499	344	499	410	569	569	646	709	751
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>		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
<b>Furniture and Office Equipment</b>		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
<b>Machinery and Equipment</b>		253	373	384	316	438	438	497	546	578
Machinery and Equipment		253	373	384	316	438	438	497	546	578
<b>Transport Assets</b>		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
<b>Libraries</b>		–	–	–	–	–	–	–	–	–
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
<b>Total Depreciation</b>	1	10 956	13 715	16 616	13 638	18 938	18 938	21 500	23 600	25 000



**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
<b>Capital expenditure</b>	1							
Vote 1 - Council		–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		2 000	1 600	1 460	1 555	1 656	1 764	1 878
Vote 4 - Infrastructure Development		112 146	123 412	137 348	146 276	155 784	165 910	176 694
Vote 5 - Community Services		–	–	–	–	–	–	–
Vote 6 - Corporate Services		2 000	900	1 800	1 917	2 042	2 174	2 316
Vote 7 - Budget and Treasury		2 000	–	–	–	–	–	–
<b>Total Capital Expenditure</b>		<b>118 146</b>	<b>125 912</b>	<b>140 608</b>	<b>149 748</b>	<b>159 482</b>	<b>169 848</b>	<b>180 888</b>
<b>Future operational costs by vote</b>	2							
Vote 1 - Council		55 127	59 185	63 667	67 805	72 212	76 906	81 905
Vote 2 - Office of the Municipal Manager		9 687	10 259	10 855	11 561	12 312	13 113	13 965
Vote 3 - Economic Development and Planning		14 079	12 623	12 032	12 815	13 648	14 535	15 479
Vote 4 - Infrastructure Development		33 005	32 382	30 547	32 532	34 647	36 899	39 297
Vote 5 - Community Services		32 273	34 788	37 116	39 529	42 098	44 835	47 749
Vote 6 - Corporate Services		24 758	26 427	27 011	28 767	30 637	32 628	34 749
Vote 7 - Budget and Treasury		97 297	106 772	112 948	120 290	128 108	136 436	145 304
<b>Total future operational costs</b>		<b>266 226</b>	<b>282 436</b>	<b>294 177</b>	<b>313 299</b>	<b>333 663</b>	<b>355 351</b>	<b>378 449</b>
<b>Future revenue by source</b>	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		242 196	256 411	271 757	289 421	308 233	328 268	349 606
Other revenue		1 032	1 061	1 111	1 184	1 261	1 343	1 430
<b>Total future revenue</b>		<b>321 308</b>	<b>341 697</b>	<b>363 518</b>	<b>387 146</b>	<b>412 311</b>	<b>439 111</b>	<b>467 653</b>
<b>Net Financial Implications</b>		<b>63 065</b>	<b>66 650</b>	<b>71 268</b>	<b>75 901</b>	<b>80 834</b>	<b>86 088</b>	<b>91 684</b>

2017/2018 Draft Annual Budget and MTREF

**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			Project information	
				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	Ward location	New or renewal
R thousand	4									
Parent municipality:										
List all capital projects grouped by Municipal Vote										
Vote 4 - Infrastructure Development		Construction of Kolokotela Internal Road (5.5km)	16 500	–		9 649	–	–		
Vote 4 - Infrastructure Development		Construction of Makgwabe to Mphane Access Road (10km)	35 000	–		13 158	16 500	–		
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)	43 000	–		14 830	2 256	–		
Vote 4 - Infrastructure Development		Construction of Thabampshe Cross To Tswaing Access Road	47 250	–		13 544	6 456	–		
Vote 4 - Infrastructure Development		Construction of Access Road from Glen Cowie to Moloi (5km)	17 950	–		8 772	15 000	–		
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	25 000	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/Ngwanantshwane 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	–	–		

2017/2018 Draft Annual Budget and MTREF

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

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	–		439	–	–		
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 Cabrieve/Khayelicha access bridge	15 000	–		6 579	–	–		
Vote 4 - Infrastructure Development	Construction of Cabrieve 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	5 000	12 000		
Vote 4 - Infrastructure Development	Construction of road from Mokwete to Molapane/Ntwane	33 000	–		439	5 000	13 500		
Vote 4 - Infrastructure Development	Construction of Access road to Mochadi	6 000	–		439	5 000	–		
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 7 - Budget and Treasuy	Purchases of Office Furniture and Equipment	2 000	–		2 000	–	–		
Vote 6 - Corporate Services	Acquisition of IT Infrastructure Assets	2 000	–		2 000	900	1 800		
Vote 3 - Economic Development and Planning	Acquisition of PMS system, GIS system, Develop municipal Parks	2 000	–		2 000	1 600	1 460		
<b>Parent Capital expenditure</b>	<b>1</b>				<b>118 146</b>	<b>125 912</b>	<b>140 608</b>		

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2017/2018 Draft Annual Budget and MTREF

**Table 47 MBRR SA37 – Consolidated Detailed Capital Projects**

Draft Annual Budget 2016/17 (Infrastructure Projects list)							
DIRECTORATE	PROJECT	OVERALL BUDGET	SOURCE OF FUNDING	BUDGET			
				Draft Annual Budget 2017/18	Draft Annual Budget 2017/18 (VAT exclusive)	Draft Annual Budget 2018/19	Draft Annual Budget 2019/20
MIG Funded projects							
Infrastructure Services	Construction of Kolokotela Internal Road (5.5km)	R 16 500 000,00	MIG	9 649 122,81	9 649 122,81	-	-
Infrastructure Services	Construction of Makgwabe to Mphane Access Road (10km)	R 35 000 000,00	MIG	13 157 894,74	13 157 894,74	16 500 000,00	-
Infrastructure Services	Construction of Kome Internal Strs(2.5km)	R 13 000 000,00	MIG	-	-	-	13 000 000,00
Infrastructure Services	Construction of Rietfontein to Eensaam Access Road Phase 2(10.5km)	R 43 000 000,00	MIG	14 830 231,65	14 830 231,65	2 255 548,73	-
Infrastructure Services	Construction of Thabampshe Cross To Tswaing Access Road	R 47 250 000,00	MIG/CBR	13 543 859,65	13 543 859,65	6 456 140,35	-
Infrastructure Services	Construction of Access Road from Glen Cowie to Moloi (5km)	R 17 950 000,00	MIG	8 771 929,82	8 771 929,82	15 000 000,00	-
Infrastructure Services	Construction of Pitjaneng Internal Str(2.3km)	R 11 500 000,00	MIG	-	-	-	11 000 000,00
Infrastructure Services	Construction of Marishane and Phaahla Internal Str(4.2km)	R 22 000 000,00	MIG	-	-	-	11 000 000,00
Infrastructure Services	Construction of Moraba Access Bridge	R 3 500 000,00	MIG	-	-	-	3 948 430,56
Infrastructure Services	Construction of Nebo/Maserumule Park Access Road(1.5km)	R 5 500 000,00	MIG	-	-	-	5 500 000,00
Infrastructure Services	Construction of road from Mashabela Tribal office to Mphanama(10km)	R 52 000 000,00	MIG	1 754 385,96	1 754 385,96	25 000 000,00	25 000 000,00
Total				R 61 707 424,64	R 61 707 424,64	R 65 211 689,08	R 69 448 430,56
		MIG Overheads		R 1 891 575,37	R 1 891 575,37	R 2 018 310,92	R 2 151 519,44
		Total MIG Expenditure		R 63 599 000,00	R 63 599 000,00	R 67 230 000,00	R 71 599 950,00





2017/2018 Draft Annual Budget and MTREF

Equitable share funded projects							
Directorate	Project	OVERAL BUDGET	SOURCE OF FUNDING	BUDGET			
				Draft Annual Budget 2017/18	Draft Budget 2017/18 (VAT Exclusive)	Draft Annual Budget 2018/19	Draft Annual Budget 2019/20
Infrastructure Services	Construction of road from Lobethal to Tisane	R 18 000 000,00	E/S	500 000,00	438 596,49	5 000 000,00	12 000 000,00
Infrastructure Services	Construction of road from Mokwete to Molapane/Ntwane	R 33 000 000,00	E/S	500 000,00	438 596,49	5 000 000,00	13 500 000,00
Infrastructure Services	Construction of Access road to Mochadi	R 6 000 000,00	E/S	500 000,00	438 596,49	5 000 000,00	-
Infrastructure Services	Construction of Seruteng/Marishane Access Bridge	R 8 000 000,00	E/S	500 000,00	438 596,49	7 000 000,00	
Infrastructure Services	Rehabilitation of access road to Phaahla Trial Office	R 5 000 000,00	E/S	5 000 000,00	4 385 964,91	-	-
Infrastructure Services	Construction of access road from Maila Mapitsane to Magolego Tribal Office	R 20 000 000,00	E/S	20 000 000,00	17 543 859,65		
Infrastructure Services	Glen Cowie old Post Office to Phokwane Police Station	R 5 000 000,00	E/S	-	-	-	5 000 000,00
Infrastructure Services	Mamone Sekwati - Motlokwe access road	R 5 000 000,00	E/S	-	-	-	5 000 000,00
<b>Total</b>				<b>100 400 000,00</b>	<b>88 070 175,44</b>	<b>58 200 000,00</b>	<b>67 900 000,00</b>
<b>Grand total</b>				<b>163 999 000,00</b>	<b>151 669 175,44</b>	<b>125 430 000,00</b>	<b>139 499 950,00</b>

## 2017/2018 Draft Annual Budget and MTREF

LIM473 Makhuduthamaga - Supporting Table SA38 Consolidated detailed operational projects								
Municipal Vote/Operational project	Ref	Program/Project description	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
R thousand	4		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	Ward location
Parent municipality:								
List all operational projects grouped by Municipal Vote								
Vote 2 - Municipal Managers' Office		Salaries	3 352	6 030	7 047	7 519	8 015	
		Risk Management & Awareness Programmes	455	550	1 040	1 040	1 040	
		Internal Audit programmes	352	500	900	950	1 000	
		Audit Committee Support	590	800	700	750	800	
Vote 1 - Spekers' Office		Salaries	1 306	2 423	3 886	4 147	4 421	
		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	—	—	—	
		Council Logistics	919	1 175	470	550	860	
		Capacity Building Of Councilor	934	1 000	1 400	1 600	1 750	
		Ward Committee Capacity Buildi	778	1 800	800	1 000	950	
Vote 1 - Mayors' Office		Salaries	3 906	2 891	4 057	4 328	4 614	
		Publications	9 225	12 225	13 129	14 009	14 934	
		Paupers Burial fund	—	200	—	—	—	
		Multi-media bulk purchases	—	65	—	—	—	
		Special Programmes	1 899	2 634	1 500	1 750	1 800	
		Develop municipal Children's charter	—	150	—	—	—	
		Outreach Programmes Mayor	1 654	1 532	1 700	1 880	2 100	
		Multi-media channels	115	323	400	350	380	
		Corp Branding & Marketing	—	150	210	86	160	
Vote 5 - Community Services		Forge Partnership with all stakeholders	—	131	—	—	—	
		Salaries	2 343	2 981	4 795	5 116	5 454	
		Library awareness campaign	348	200	300	350	350	
		Protective clothing	4	676	—	400	—	
		Stipent	39	131	141	150	160	



## 2017/2018 Draft Annual Budget and MTREF

<b>Vote 7 - Budget &amp; Treasury</b>	<b>Salaries</b>	11 868	15 874	18 279	19 504	20 791
	<b>Deprctn-Other Assets</b>	17 961	18 938	22 500	25 600	29 000
	<b>Rep &amp; Main-Other Assets</b>	2 212	1 100	1 181	1 261	1 344
	<b>Contracted Services</b>	830	856	919	980	1 045
	<b>Revenue Enhancement Strategy</b>	—	—	2 950	3 150	3 440
	<b>Administration Expenses</b>	—	—	161	187	188
	<b>Municipal office building</b>	—	—	—	—	—
	<b>Audit Fees</b>	2 485	2 670	3 120	3 430	3 900
	<b>Bank Charges</b>	165	170	182	194	207
	<b>Electricity</b>	1 769	1 498	1 608	1 716	1 830
	<b>Grants Fmg</b>	1 452	1 625	1 700	1 955	1 955
	<b>Provision for bad debts</b>	44 633	31 417	19 500	23 500	22 000
	<b>Insurance</b>	205	552	592	632	674
	<b>Printing And Stationery</b>	1 260	2 128	2 285	2 438	2 599
	<b>Municipal Vehicles</b>	—	—	—	—	—
	<b>Rental:Office Equipment</b>	386	416	446	476	508
	<b>Development Of Valuation Roll</b>	662	343	369	393	419
	<b>Grap/Gamap:Financial Statement review</b>	115	185	199	212	226
	<b>Financial Services Capacity</b>	4	369	396	423	451
	<b>Fleet Management And System</b>	273	142	152	162	173
	<b>Mpra Expense</b>	58	1 622	1 741	1 858	1 981
	<b>Plant : Fuel And Oil</b>	1 822	1 607	1 726	1 841	2 313
	<b>Systems-Vip/Accpac/caseware License</b>	—	—	—	—	—
	<b>Cleaning Services</b>	4 010	3 796	4 448	4 746	5 060
	<b>Security Services</b>	8 094	7 514	10 326	11 018	11 745
	<b>Vehicle Tracking</b>	10	82	88	94	100
	<b>Implementation of Mscoa</b>	—	250	2 427	1 000	1 000
	<b>Loss On Sale Of Asset</b>	85 950	—	—	—	—
	<b>Interest Expense</b>	73	—	—	—	—
	<b>MSIG Expenses</b>	930	—	—	—	—
<b>Vote 6 - Corporate Services</b>	<b>Salaries</b>	7 743	9 026	10 709	11 427	12 181
	<b>Repairs &amp; Mait:Ict Infrastruct</b>	478	1 300	400	427	455
	<b>Administration Expenses</b>	4 289	1 500	1 900	1 950	2 100
	<b>Advertising</b>	782	1 487	1 800	2 000	1 700
	<b>Bursary Fund.</b>	2 070	2 200	2 420	2 720	2 810
	<b>Electricity</b>	—	—	—	—	—
	<b>Training committee</b>	—	—	—	—	—
	<b>Telecommunication Costs</b>	1 115	1 077	1 157	1 234	1 316
	<b>Legal Costs and Development of By-Laws</b>	192	900	700	850	740
	<b>Refreshments</b>	52	55	59	63	67
	<b>Development Of Ohs Standards</b>	148	1 655	1 000	700	890
	<b>Review of HR Policies</b>	99	220	120	130	85
	<b>Training-Staff</b>	918	1 090	1 250	1 300	1 450
	<b>Travel &amp; Accomodation</b>	2 694	2 405	2 583	2 756	2 938
	<b>Customer Care</b>	250	366	450	450	—
	<b>Review of Service Standards &amp; Development of Servi</b>	—	200	210	240	280
	<b>Bathopele Service Delivery Awareness</b>	—	210	—	180	—
	<b>IT Infrastructure</b>	3 497	—	—	—	—



## 2017/2018 Draft Annual Budget and MTREF

<b>Vote 6 - Corporate Services</b>	<b>Salaries</b>	7 743	9 026	10 709	11 427	12 181	
	<b>Repairs &amp; Maintenance Infrastructure</b>	478	1 300	400	427	455	
	<b>Administration Expenses</b>	4 289	1 500	1 900	1 950	2 100	
	<b>Advertising</b>	782	1 487	1 800	2 000	1 700	
	<b>Bursary Fund.</b>	2 070	2 200	2 420	2 720	2 810	
	<b>Electricity</b>	–	–	–	–	–	
	<b>Training committee</b>	–	–	–	–	–	
	<b>Telecommunication Costs</b>	1 115	1 077	1 157	1 234	1 316	
	<b>Legal Costs and Development of By-Laws</b>	192	900	700	850	740	
	<b>Refreshments</b>	52	55	59	63	67	
	<b>Development Of OHS Standards</b>	148	1 655	1 000	700	890	
	<b>Review of HR Policies</b>	99	220	120	130	85	
	<b>Training-Staff</b>	918	1 090	1 250	1 300	1 450	
	<b>Travel &amp; Accommodation</b>	2 694	2 405	2 583	2 756	2 938	
	<b>Customer Care</b>	250	366	450	450	–	
	<b>Review of Service Standards &amp; Development of Services</b>	–	200	210	240	280	
<b>Vote 3 - Planning and Development</b>	<b>Bathopele Service Delivery Awareness</b>	–	210	–	180	–	
	<b>IT Infrastructure</b>	3 497	–	–	–	–	
	<b>Salaries</b>	4 976	4 285	5 776	6 163	6 569	
	<b>Lums Roll-Out (Review on LUMS and Implementation on LUMS)</b>		300	100	150	140	
	<b>Spatial Planning (Demarcation of sites)</b>	1 541	3 300	2 400	1 600	1 400	
	<b>Process of Acquiring Land</b>	4	400	200	300	430	
	<b>Formalisation of Jane Furse</b>	1 594	1 200	1 800	2 000	900	
	<b>Building Regulations Awareness &amp; Building Control Strategy</b>		200	100	100	170	
	<b>Land use management (Municipal Land Audit)</b>	415	100	–	–	–	
	<b>Community Cemetery Strategy (Pilot)</b>	–	–	–	–	–	
	<b>PMS</b>	40	–	–	–	–	
	<b>Salaries</b>	396	1 162	1 603	1 710	1 823	
	<b>Summe Support</b>	2 403	–	400	400	400	
	<b>LED Summit &amp; Forums &amp; Development of LED Plan</b>	5	450	200	200	200	
	<b>Revival of municipal cultural villages</b>	29	–	–	–	–	
<b>Vote 3 - Local Economic Development</b>	<b>Ward 21 Mamone Cultural Village</b>	–	–	–	–	–	
	<b>EPWP Expenses</b>	4 340	2 005	1 500	–	–	
	<b>Printing And Stationery</b>	–	–	–	–	–	
	<b>Tourism Forum and Shows, Tourism Establishment a</b>	202	250	–	–	–	



2017/2018 Draft Annual Budget and MTREF

<b>Vote 4 - Housing and Electricity</b>	<b>Salaries</b>	350	449	475	507	541	
	<b>Free Basic Electricity</b>	4 427	3 656	3 926	4 189	4 466	
	<b>Maintenance of electricity facilities</b>	4 419	3 700	2 500	1 600	1 700	
<b>Vote 4 - Technical Services</b>	<b>Salaries</b>	2 427	1 997	2 112	2 254	2 403	
<b>Vote 4 - Roads and Bridges</b>	<b>Salaries</b>	2 033	2 175	2 449	2 613	2 786	
	<b>Rep &amp; Maint-Infrastructure</b>	33 957	36 100	17 500	15 000	15 000	
	<b>Rep &amp; Maint-Other Assets</b>	–	2 000	2 150	1 600	1 500	
	<b>Feasibility Studies- Roads and Storm water projects</b>	–	–	–	–	–	
	<b>Mig Overheads</b>	322	888	1 892	2 018	2 152	
	<b>Development of Road Master Plan</b>	–	–	–	2 000	–	
	<b>Review of Indegent Register</b>	–	575	–	600	–	
<b>Vote 5 - Waste Management</b>	<b>Salaries</b>	399	1 454	2 576	2 749	2 930	
	<b>Fencing of Cemeteries</b>	3 135	1 000	600	600	600	
	<b>Developing municipal IWMP</b>	–	–	–	–	–	
	<b>Integrated Waste management policy</b>	–	–	–	–	–	
	<b>Protection of Areas of Natural resources</b>	393	500	600	–	400	
	<b>Environmental awareness campaigns</b>	–	200	300	250	350	
	<b>Solid Waste Collection</b>	1 785	7 900	4 000	5 000	5 200	
<b>Vote 5 - Disaster Management</b>	<b>Salaries</b>	418	449	476	508	542	
	<b>Disaster volunteer Cops</b>	–	–	–	–	–	
	<b>Disaster awareness campaign</b>	334	200	270	310	350	
	<b>Disaster relief fund</b>	622	600	700	850	950	
	<b>Implement Disaster Recovery Plan</b>	–	–	–	–	–	
<b>Vote 5 - Public Safety</b>	<b>Salaries</b>	7 689	11 917	15 281	16 305	17 381	
	<b>K73 trailer for traffic</b>	–	–	–	–	–	
	<b>Road safety awareness campaign</b>	159	300	600	400	500	
	<b>Capital:Other Assets</b>	85	–	–	–	–	
<b>Vote 5 - Sport Parks and Recreation</b>	<b>Upgrading &amp; Maintenance Sports</b>	213	–	600	700	550	
	<b>Sports &amp; Culture Promotions</b>	1 172	963	1 035	1 100	1 400	
<b>Parent operational expenditure</b>	<b>1</b>	<b>344 417</b>	<b>273 006</b>	<b>266 226</b>	<b>282 436</b>	<b>294 177</b>	<b>92</b>

### 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
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)											
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
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	24 755	25 614	28 144	36 922	32 507	32 507	32 507	41 319	44 087	46 997
Pension and UIF Contributions		4 690	4 840	6 080	7 352	6 632	6 632	6 632	8 305	8 862	9 447
Medical Aid Contributions		2 150	2 578	5 112	6 285	5 575	5 575	5 575	7 019	7 490	7 984
Overtime		179	256	–	2 717	2 268	2 268	2 268	2 065	2 204	2 349
Performance Bonus		–	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		5 903	6 504	6 837	9 644	8 517	8 517	8 517	10 779	11 501	12 260
Cellphone Allowance		983	1 063	1 018	1 548	1 354	1 354	1 354	1 685	1 797	1 916
Housing Allowances		1 845	2 090	2 278	3 465	3 056	3 056	3 056	4 199	4 480	4 776
Other benefits and allowances		3 234	659	1 815	3 584	3 204	3 204	3 204	4 151	4 430	4 722
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations											
sub-total		4									
	5	43 739	43 604	51 285	71 518	63 112	63 112	63 112	79 522	84 850	90 450
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	43 739	43 604	51 285	71 518	63 112	63 112	63 112	79 522	84 850	90 450
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment	10	10 956	13 715	16 616	13 638	18 938	18 938	18 938	22 500	25 600	29 000
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
Total Depreciation & asset impairment	1	10 956	13 715	16 616	13 638	18 938	18 938	18 938	22 500	25 600	29 000
Contracted services											
Repairs and Maintenance		15 447	22 626	45 805	22 900	42 617	42 617	42 617	23 731	19 887	19 999
Security Services and Cleaning Services		13 037	12 761	12 332	12 893	12 893	12 893	12 893	14 775	15 765	16 805
Other Contracted Services		–	–	690	856	856	856	856	919	980	1 045



2017/2018 Draft Annual Budget and MTREF

2017/2018 Draft Annual Budget and MTREF											
<b>Other Expenditure By Type</b>											
Collection costs											
Contributions to 'other' provisions											
Consultant fees											
Audit fees		2 367	2 213	2 400	2 670	2 670	2 670	2 670	3 120	3 430	3 900
General expenses	3	39 200	50 920	75 873	68 567	79 711	79 711	79 711	80 119	84 907	85 910
Grants and Subsidies		–	2 166	–	–	–	–	–			
<b>Total 'Other' Expenditure</b>	<b>1</b>	<b>41 567</b>	<b>55 299</b>	<b>78 273</b>	<b>71 237</b>	<b>82 381</b>	<b>82 381</b>	<b>82 381</b>	<b>83 239</b>	<b>88 337</b>	<b>89 810</b>

The total amount of **R 83.2 million** for general expenses in 2017/18 and the outer years **R 88.3 million** and **R 89.8 million** for 2018/19 and 2019/20 respectively are detailed in the following tables:





2017/2018 Draft Annual Budget and MTREF

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>BUDGET AND TREASURY</b>					
LIM473-5200-265028	Revenue Enhancement Strategy	-	2 950 000,00	3 150 000,00	3 440 000,00
LIM473-5200-265029	Administration Expenses	-	161 000,00	187 000,00	188 000,00
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	1 608 480,69	1 716 248,89	1 829 521,32
LIM473-5200-260135	Grants Fmg	1 625 000,00	1 700 000,00	1 955 000,00	1 955 000,00
LIM473-5200-260160	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	2 599 033,06
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	368 692,89	393 395,31	419 359,40
LIM473-5200-265032	Grap/Gamap:Financial Statement review	185 326,84	199 041,03	212 376,77	226 393,64
LIM473-5200-265120	Financial Services Capacity	368 961,98	396 265,17	422 814,93	450 720,72
LIM473-5200-265140	Fleet Management And System	141 592,89	152 070,76	162 259,50	172 968,63
LIM473-5200-265150	Mpra Expense	1 621 500,00	1 741 491,00	1 858 170,90	1 980 810,18
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 License	-		-	-
LIM473-5200-266070	Vehicle Tracking	81 612,28	87 651,58	93 524,24	99 696,84
	Implementation of Mscoa	250 000,00	2 427 000,00	1 000 000,00	1 000 000,00
		<b>13 655 925,51</b>	<b>20 143 134,00</b>	<b>20 162 737,98</b>	<b>21 962 826,69</b>

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>CORPORATE SERVICES</b>					
LIM473-5520-260010	Administration Expenses	1 500 000,00	1 900 000,00	1 950 000,00	2 100 000,00
LIM473-5520-260020	Advertising	1 487 232,90	1 800 000,00	2 000 000,00	1 700 000,00
LIM473-5520-260045	Bursary Fund.	2 200 000,00	2 420 000,00	2 720 000,00	2 810 000,00
LIM473-5520-260110	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	700 000,00	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	1 450 000,00
LIM473-5520-260370	Travel & Accomodation	2 405 112,86	2 583 091,21	2 756 158,32	2 938 064,77
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 Awareness	210 000,00		180 000,00	-
	Printing And Stationery	-		-	-
		<b>13 365 318,08</b>	<b>13 648 657,64</b>	<b>14 573 167,70</b>	<b>14 375 676,77</b>



2017/2018 Draft Annual Budget and MTREF

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>ECONOMIC DEVELOPMENT AND PLANNING</b>					
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	1 400 000,00
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	2 000 000,00	900 000,00
LIM473-6200-265072	Building Regulations Awareness &	200 000,00	100 000,00	100 000,00	170 000,00
LIM473-6200-26535	Land use management (Municipal Land	100 000,00		-	-
	Community Cemetery Strategy (Pilot)	-		-	-
		<b>5 500 000,00</b>	<b>4 600 000,00</b>	<b>4 150 000,00</b>	<b>3 040 000,00</b>

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>LOCAL ECONOMIC SERVICES</b>					
LIM473-6250-265051	Smme Support	-	400 000,00	400 000,00	400 000,00
LIM473-6250-265057	LED Summit & Forums & Development	450 000,00	200 000,00	200 000,00	200 000,00
LIM473-6250-060052	EPWP Expenses	2 005 000,00	1 500 000,00	-	-
	Tourism Forum and Shows, Tourism	250 000,00		-	-
		<b>2 705 000,00</b>	<b>2 100 000,00</b>	<b>600 000,00</b>	<b>600 000,00</b>

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>INFRASTRUCTURE DEVELOPMENT: BUILDING AND ELECTRICITY</b>					
LIM473-7200-245015	Free Basic Electricity	3 655 848,75	3 926 381,55	4 189 449,12	4 465 952,76
		<b>3 655 848,75</b>	<b>3 926 381,55</b>	<b>4 189 449,12</b>	<b>4 465 952,76</b>

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>INFRASTRUCTURE DEVELOPMENT: TECHNICAL SERVICES</b>					
LIM473-7350-200100	Salaries	-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



2017/2018 Draft Annual Budget and MTREF

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>INFRASTRUCTURE DEVELOPMENT: ROADS AND STORM WATER</b>					
LIM473-7500-235075	Feasibility Studies- Roads and Storm	-		-	-
LIM473-7500-400073	Mig Overheads	888 000,00	1 891 575,37	2 018 310,92	2 151 519,44
	Development of Road Master Plan	-	-	2 000 000,00	-
	Review of Indegent Register	575 000,00		600 000,00	-
		<b>1 463 000,00</b>	<b>1 891 575,37</b>	<b>4 618 310,92</b>	<b>2 151 519,44</b>

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>WASTE MANAGEMENT</b>					
LIM473-7750-235055	Fencing of Cemeteries	1 000 000,00	600 000,00	600 000,00	600 000,00
LIM473-7750-235065	Protection of Areas of Natural resources	500 000,00	600 000,00	-	400 000,00
LIM473-7750-235066	Environmental awareness campaigns	200 000,00	300 000,00	250 000,00	350 000,00
LIM473-7750-265077	Solid Waste Collection	7 900 000,00	4 000 000,00	5 000 000,00	5 200 000,00
		<b>9 600 000,00</b>	<b>5 500 000,00</b>	<b>5 850 000,00</b>	<b>6 550 000,00</b>

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>DISASTER MANAGEMENT</b>					
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	-		-	-
		<b>800 000,00</b>	<b>970 000,00</b>	<b>1 160 000,00</b>	<b>1 300 000,00</b>

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>PUBLIC SAFETY</b>					
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	-	-	-	-
		<b>300 000,00</b>	<b>600 000,00</b>	<b>400 000,00</b>	<b>500 000,00</b>

Account No.	Project	Adjusted Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19	Draft Budget 2019/20
<b>SPORTS PARKS AND RECREATION</b>					
LIM473-8550-266161	Upgrading & Maintenance Sports	-	600 000,00	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	-		-	-
		<b>963 420,00</b>	<b>1 634 713,08</b>	<b>1 800 000,00</b>	<b>1 950 000,00</b>

<b>COMPANY TOTAL</b>		<b>82 380 707,33</b>	<b>83 239 410,81</b>	<b>88 336 701,48</b>	<b>89 809 507,78</b>
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2017/2018 Draft Annual Budget and MTREF

**Table 50 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

<b>LIM473 Makhuduthamaga - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)</b>									
Description	Ref	Vote 1 - Council	Vote 2 - Office of the Municipal	Vote 3 - Economic Developmen	Vote 4 - Infrastructure	Vote 5 - Community Services	Vote 6 - Corporate Services	Vote 7 - Budget and Treasury	Total
<b>R thousand</b>	<b>1</b>								
<b><u>Revenue By Source</u></b>									
Property rates								38 841	38 841
Service charges - other									–
Rental of facilities and equipment								121	121
Interest earned - external investments								12 259	12 259
Interest earned - outstanding debtors								21 058	21 058
Dividends received									–
Fines, penalties and forfeits								632	632
Licences and permits									–
Agency services								5 169	5 169
Other revenue								1 032	1 032
Transfers and subsidies								242 196	242 196
Gains on disposal of PPE									–
<b>Total Revenue (excluding capital transfers and contributions)</b>		–	–	–	–	–	–	321 308	321 308
<b><u>Expenditure By Type</u></b>									
Employee related costs		7 943	7 047	7 379	5 037	23 128	10 709	18 279	79 522
Remuneration of councillors		22 040	–	–	–	–	–	–	22 040
Debt impairment								19 500	19 500
Depreciation & asset impairment								22 500	22 500
Contracted services		–	–	–	22 150	–	400	16 875	39 425
Transfers and subsidies									–
Other expenditure		25 144	2 640	6 700	5 818	9 145	13 649	20 143	83 239
Loss on disposal of PPE									–
<b>Total Expenditure</b>		<b>55 127</b>	<b>9 687</b>	<b>14 079</b>	<b>33 005</b>	<b>32 273</b>	<b>24 758</b>	<b>97 297</b>	<b>266 226</b>
<b>Surplus/(Deficit)</b>		<b>(55 127)</b>	<b>(9 687)</b>	<b>(14 079)</b>	<b>(33 005)</b>	<b>(32 273)</b>	<b>(24 758)</b>	<b>224 010</b>	<b>55 081</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)								63 599	63 599
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(55 127)</b>	<b>(9 687)</b>	<b>(14 079)</b>	<b>(33 005)</b>	<b>(32 273)</b>	<b>(24 758)</b>	<b>287 609</b>	<b>118 680</b>

**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											
<b>ASSETS</b>											
<b>Consumer debtors</b>											
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											
<b>Total Consumer debtors</b>	2	3 422	13 590	19 223	39 145	46 113	46 113	46 113	49 526	52 844	56 331
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. 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											
<b>Total Property, plant and equipment (PPE)</b>	2	200 546	218 385	352 909	299 690	423 171	423 171	423 171	518 817	619 129	730 737
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
<b>Total Current liabilities - Borrowing</b>		-	-	-	-	-	-	-	-	-	-
<b>Trade and other payables</b>											
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							
VAT											
<b>Total Trade and other payables</b>	2	30 076	31 379	14 376	15 468	15 468	15 468	15 468	16 613	17 726	18 896
<b>Non current liabilities - Borrowing</b>											
Borrowing	4										
Finance leases (including PPP asset element)											
<b>Total Non current liabilities - Borrowing</b>		-	-	-	-	-	-	-	-	-	-
<b>Provisions - non-current</b>											
Retirement benefits		2 786	2 813	3 744	4 028	4 028	4 028	4 028	4 327	4 616	4 921
List other major provision items											
Refuse landfill site rehabilitation											
Other											
<b>Total Provisions - non-current</b>		2 786	2 813	3 744	4 028	4 028	4 028	4 028	4 327	4 616	4 921
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		241 418	321 818	448 931	268 056	423 076	423 076	423 076	530 312	661 353	802 666
GRAP adjustments											
Restated balance		241 418	321 818	448 931	268 056	423 076	423 076	423 076	530 312	661 353	802 666
Surplus/(Deficit)		78 668	7 830	37 375	136 931	99 691	99 691	99 691	417 701	444 248	483 514
<b>Accumulated Surplus/(Deficit)</b>	1	320 085	329 648	486 307	404 987	522 767	522 767	522 767	948 013	1 105 601	1 286 180
<b>Reserves</b>											
Other reserves											
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	320 085	329 648	486 307	404 987	522 767	522 767	522 767	948 013	1 105 601	1 286 180



2017/2018 Draft Annual Budget and MTREF

**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
<b>Demographics</b>												
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
<b>Monthly household income (no. of households)</b>	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



## 2017/2018 Draft Annual Budget and MTREF

<b>Poverty profiles (no. of households)</b>												
< 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			
<b>Household/demographics (000)</b>												
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												
<b>Housing statistics</b>	3											
Formal												
Informal												
<b>Total number of households</b>			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
<b>Total new housing dwellings</b>			-	-	-	-	-	-	-	-	-	-
<b>Economic</b>	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
<b>Collection rates</b>	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
<b>Valuation:</b>	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
<b>Rating:</b>										
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%					
<b>Rate revenue:</b>										
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	-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptns, reductns, discs (R'000)</b>		-	-	-	-	-	-	-	-	-





2017/2018 Draft Annual Budget and MTREF

**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)																	
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/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/discounts (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
<b><u>Property rates</u></b> <i>(rate in the Rand)</i>	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used			2 cents	2 cents	2 cents	2 cents	2 cents	2 cents	2 cents
Farm properties - not used									
Industrial properties			2 cents	2 cents	2 cents	2 cents	2 cents	2 cents	2 cents
Communal land - business and commercial									
Communal land - other			2 cents	2 cents	2 cents	2 cents	2 cents	2 cents	2 cents
<b><u>Exemptions, reductions and rebates</u></b> <i>(Rands)</i>									
<b><u>Residential properties</u></b>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
<b><u>Other rebates or exemptions</u></b>	2								
<b><u>Water tariffs</u></b>									
<b><u>Domestic</u></b>									
<b><u>Other</u></b>	2								
<b><u>Waste water tariffs</u></b>									
<b><u>Domestic</u></b>									
<b><u>Other</u></b>	2								
<b><u>Electricity tariffs</u></b>									
<b><u>Domestic</u></b>									
<b><u>Other</u></b>	2								
<b><u>Waste management tariffs</u></b>									
<b><u>Domestic</u></b>									
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>									
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-



2017/2018 Draft Annual Budget and MTREF

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent								% incr.			
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total large household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-		-	-	-
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-		-	-	-
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-		-	-	-

Table 59 MBRR Table SA15 – Investment particulars by type.



2017/2018 Draft Annual Budget and MTREF

**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
<b>R thousand</b>										
<b><u>Parent municipality</u></b>										
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										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b><u>Entities</u></b>										
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										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		-	-	-	-	-	-	-	-	-

**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												
<b>Parent municipality</b>														
ABSA		1 Month	Call Investment	Yes	Fixed	8%	-	N/A	31 March 2017	64 098	401	-	-	64 498
														-
														-
														-
														-
														-
														-
Municipality sub-total										64 098		-	-	64 498
<b>Entities</b>														
														-
														-
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									64 098		-	-	64 498



**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
<b>Parent municipality</b>										
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										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
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										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	-	-	-	-	-	-	-





**Table 61 MBRR Table SA17 – Borrowing (Continued).**

Unspent Borrowing - Categorised by type										
<b>Parent municipality</b>										
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										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
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										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	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

I **Moropa Mogobadi Erick**, the municipal manager of **Makhuduthamaga Municipality** hereby certify that;

- ☐ The Draft Annual Budget for 2017/18 MTREF

Together with all the supporting tables and documents, were prepared in accordance with the requirements of the Municipal Finance Management Act No. 56 of 2003 and the applicable Municipal Budgeting Regulations.

Print Name: **Moropa Mogobadi Erick**

Municipal Manager of **Makhuduthamaga Local Municipality (LIM473)**

Signature .....

Date .....