



MAKHUDUTHAMAGA
LOCAL MUNICIPALITY

DRAFT ANNUAL BUDGET
OF
Makhuduthamaga Local Municipality

2019/20

To

2021/22

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- At 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 Strategy | PPP | Public Private Partnership |
| IT | Information Technology | RG | Restructuring Grant |
| km | kilometre | SALGA | South African Local Government Association |
| DFS | Government Financial Statistics | SDBIP | Service Delivery Budget Implementation Plan |
| KPA | Key Performance Area | SMME | Small Micro and Medium Enterprises |
| KPI | Key Performance Indicator | DOE | Department of Energy |
| LED | Local Economic Development | CBR | Cash Backed Reserves |
| MEC | Member of the Executive Committee | | |
| MFMA | Municipal Financial Management Act | | |
| IGF | Internally Generated Funds | | |
| FY | Full Year | | |

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2 PART 1 – Annual Budget

2.1 Mayor's report

Honourable speaker,

Executive committee members,

Chief whip,

Councillors,

Traditional leaders,

Chairperson of MPAC,

Chair of chairs

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

Managers from other government departments.

Leaders of religious denominations

Members of ward committees,

Business leaders present here,

Guests, members of the community and comrades.

Honourable speaker, it is an honour for me, today to be given this opportunity to table the draft IDP and Budget of the municipality for 2019/20 to 2021/22 to the council of Makhuduthamaga Local Municipality. The budget is prepared for the 2019/20 and two outer years to comply with the MFMA and MFMA regulations.

Honourable speaker

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

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

And it was tabled in council held in July 2018 the time schedule outlining key deadlines for –

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

Honourable speaker

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

Honourable speaker

We are presenting a projected total revenue budget to the amount of **R 427 million** for 2019/20 budget year, **R 453 million** and **R 484 million** for 2020/21 and 2021/22 financial years respectively. The total revenue budget for 2019/20 consists of **R 335 million** from National transfers and grants and **R 92 million** from own sources of revenue.

Our total National transfers and grants for 2019/20 are made up of **R 268 million** from equitable share, **R 1.8 million** for Finance Management Grant, **R 62 million** for Municipal Infrastructure Grant to fund roads infrastructure projects, **R 1 million** from the Extended Public Works Programme and **R 1.8 million** for the Municipal Systems Improvement Grant.

Total amount of **R 92 million** from own revenue sources is made up of **R 43 million** from Property rates, **R 6 million** from interests on investments, **R 36 million** from interests on outstanding accounts, **R 7 million** from agency services, **R 625 thousands** for traffic fines and **R 544 thousands** for other revenue.

Honourable speaker

The revenue growth for 2019/20 financial year and the two outer years of the MTREF remain a serious point of concern as the municipality did not manage to collect on own sources of revenue in the 2018/19 budget year, a situation which is more likely to occur in the two outer years (2020/21 & 2021/22). This is a serious concern, considering the service delivery backlogs we are faced with, and therefore measures have to be put in place to ensure that the revenue generation and collection capacity of the municipality is strengthened and sustained. We have therefore reviewed our revenue enhancement strategies, in which process we identified new sources of revenue. 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 in a process on maintaining 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 427 million** for 2019/20 financial year. The total annual budgeted expenditure for the two outer years amounts to **R 452 million** and **R 484 million** for 2020/21 and 2021/22 respectively. The total expenditure for 2019/20 is made up of **R 343 million** for operational expenditure and **R 84 million** for capital expenditure.

The total expenditure budget for 2019/20 can be summarized as follows per municipal vote:

Executive Support is allocated a total budget of **R 65 million**

Municipal Manager's Office is allocated a total budget of **R 14 million**

Community services is allocated a total budget of **R 57 million**

Budget and Treasury is allocated a total budget of **R 126 million**

Corporate Services is allocated a total budget of **R 29 million**

Economic Development and Planning is allocated a total budget of **R 14 million**

Infrastructure Development is allocated a total budget of **R 122 million**

Honourable speaker

The operational expenditure of **R 343 million** for 2019/20 is made up of the following expenditure sources;

Employee related costs – **R 86 million**

Remuneration of councillors – **R 24 million.**

Debt impairment – **R 36 million.**

Depreciation & assets impairments – **R 28 million.**

Contracted services – **R 105 million**

Other expenditure – **R 64 million**

Honourable speaker

We appropriated a total amount of **R 83 million** for capital expenditure budget to be implemented in 2019/20 budget year. We tried our best to cover as many of our wards as possible with the limited financial resources available, to ensure that service delivery is spread equally to all wards of the municipality. We have budgeted **R 1 million** for the purchase of the Office furniture and equipment and **R 3 million** for the purchases of Transport Assets. For the improvement and to keep our IT infrastructure at the required standards, we budgeted **R 2 million**.

Honourable speaker

We have allocated **R 77 million** for roads, bridges and storm water construction in 2019/20 budget year and we also allocated **R 83 million** and **R 98 million** for 2020/21 and 2021/22 respectively.

In the 2018/19 budget year we are going to implement the following capital projects which will be funded by MIG;

1. Construction of Makgwabe_Mphane access road (10km) – **R 8.6 million.**
2. Construction of Mashabela_Machacha access road (10.km) – **R 21 million.**
3. Construction of Mokwete_Molepane access road (10km) – **R 17 million.**
4. Construction of Ga-Mampane access road (2km)– **R 8.6 million**
5. Phaahla access road (1.5km) – **R 6 million**

Honourable speaker

Due to funding constraints, we are forced to implement the longer roads in phases and provide for their funding in multi years. Three of the above mentioned projects will be continued in 2020/21 and 2021/22 where applicable to be completed.

Honourable speaker

We further allocated an amount of **R 16 million** from the equitable share to fund the following capital projects in 2019/20 budget year;

1. Construction of Matulaneng access bridge – **R 3.6 million**
2. Construction of Lobethal_Tisane access road – **R 435 thousand**
3. Construction of Seruteng_Marishane access bridge – **R 435 thousand**
4. Construction of Maila Mapitsane_Magolego access road – **R 870 thousand**
5. Construction of access Glen Cowie_Old Post Office access road– **R 435 thousands**
6. Construction of Stocking internal road – **R 8.7 million**
7. Construction of Marishane_Phaahla internal streets – **R 1.2 million**

For the 2020/21 and 2021/22 outer years, we allocated **R 22.7 million** and **R 27 million** respectively from equitable share to fund capital projects is indicated in our IDP and the tables of the annual budget for 2019/20 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 2019/20 – 2023/24 IDP and the 2019/20 MTREF Budget.
2. Reviewed budget related policies.

3. National Treasury MFMA circular No.93 and 94

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

Thank you.

2.2 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 24 (1) 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 2018 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 2019/20 and the MTREF is hereby after considering the inputs from community consultations prepared in terms of budget principles, Makhuduthamaga Budgeting policy, applicable legislations, MFMA circulars, Municipal Budget and Reporting Regulation and supporting documents as detailed below.

Budget principles and assumptions

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

The municipality's financial management strategies and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, considering the cost containment measures as approved by the cabinet, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. The municipality did consider MFMA budget circular 93 & 94 in the preparation on this budget and the MFMA Budget circulars issued in the previous years, were also considered in preparation of the final annual budget for the 2019/20 MTREF.

The municipality has reviewed its revenue enhancement strategies to ensure that they are crafted to address the current revenue collection challenges considering the current circumstances and limitations within which the municipality operates. The current sources of revenue were reviewed to identify obstacles for revenue collection

and strategies were put in place to improve and sustain collection of revenue from these sources. New available sources of revenue were also identified, and a plan of action was developed for implementation in the next financial years to start collecting revenue from such potential revenue sources. Furthermore, the municipality has budgeted to improve capacity and service conditions in its customer based DLTCs (Testing stations) to improve revenue collection for licenses and permits.

The municipality has undertaken a number of stakeholder engagements where stakeholders engaged on 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 engagements also did assist the municipality to gathering information on the challenges faced by the customers to pay their accounts on time and such information will be used by the management of the municipality to encourage and improve debt collection.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 59, 66, 67, 70, 71, 74, 75, 78, 79, 82, 85, 86, 89, 91, 93 & 94 were used to guide the compilation of the 2019/20 and the MTREF Annual Budget.

- The main challenges experienced during the compilation of the 2019/20 MTREF can be summarised as follows:
 - The need to reprioritise infrastructure projects and necessary operational expenditure within the existing limited resources considering the cash flow realities and cash position of the municipality;
 - The municipality's inability to generate enough own revenue to assist in addressing the infrastructure and other service delivery challenges in our communities.
 - The land ownership issues which affect revenue base growth in our municipality and proper town planning in the Jane Furse area, which is the most prominent economic growth point for the municipality.
 - Lack of credible indigent register.

- The following budgeting principles and guidelines directly informed the compilation of the 2019/20 MTREF budget:
 - The annual budget for 2019/20 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 2018/19 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 2019/20 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 2019/20 MTREF to ensure that the budget remain an implementation tool for the municipality's IDP.
 - For the 2019/20 financial year and throughout the MTREF, tariffs for property rates will be remain at 0.015 cents in a rand to make property rates affordable to our communities and to encourage debtors to pay their accounts.
 - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

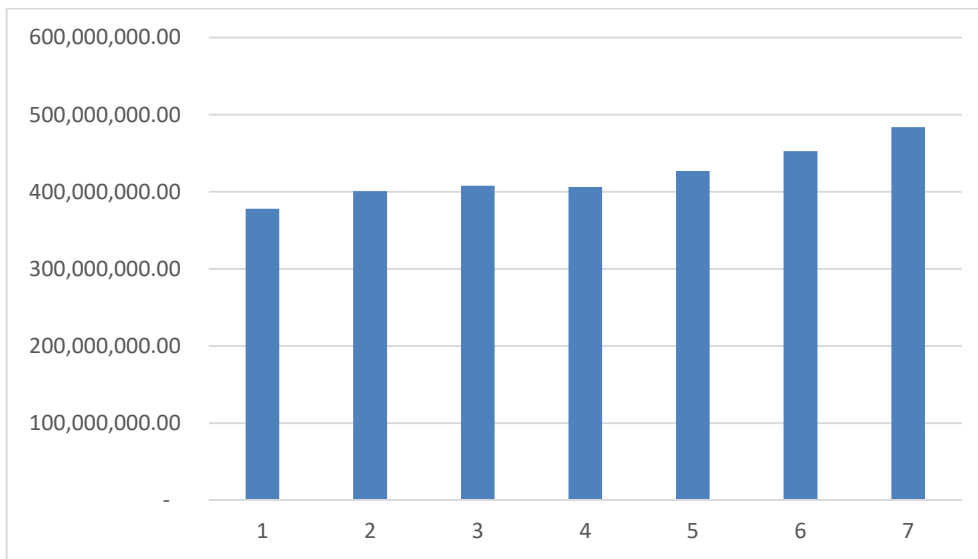
In view of the aforementioned, the following table is a consolidated overview of the 2019/20 Medium-term Revenue and Expenditure Framework as compared to the past budget year:

Table 1 Consolidated Overview of the 2019/20 MTREF

| Description | Adjusted Budget 2018/19 | Draft Budget 2019/20 | Draft Budget 2020/21 | Draft Budget 2021/22 |
|---|----------------------------|-------------------------|-------------------------|-------------------------|
| Total Revenue | 406,198,848.76 | 427,204,789.13 | 452,609,165.23 | 483,873,731.72 |
| Total Operating Expenditure | 343,251,519.70 | 342,990,211.85 | 356,861,184.01 | 376,120,689.05 |
| Operating Surplus/Deficit for the year | 62,947,329.06 | 84,214,577.28 | 95,747,981.22 | 107,753,042.67 |
| Cash backed reserves | 16,469,799.68 | - | - | - |
| VAT Refunds 2017/18 (December 2017 - June 2018) | 23,494,903.15 | - | - | - |
| Total Funding for Capital Expenditure | 102,912,031.89 | 84,214,577.28 | 95,747,981.22 | 107,753,042.67 |
| Capital Expenditure | 102,782,173.71 | 83,913,041.00 | 95,504,346.00 | 107,592,893.00 |
| Total Surplus/Deficit | 129,858.18 | 301,536.28 | 243,635.22 | 160,149.67 |

The municipality has budgeted a total Revenue of **R 427 million** for 2019/20 financial year, **R 452 million** and **R 483 million** for 2020/21 and 2021/22 respectively. Total revenue has increased by **R 21 million** for the 2019/20 financial year when compared to the 2018/19 adjusted revenue budget. For the two outer years, total revenue will increase by 6 per cent and 7 per cent respectively, equating to a total revenue growth of **R 77 million** over the MTREF when compared to the 2018/19 financial year. The total revenue for 2019/20 includes the grants allocations from the national treasury to the amount of **R 334 million** and own revenue sources to the amount of **R 93 million**. For the two outer years of the MTREF 2020/21 and 2021/22 total grants allocations included in total revenue amounts to **R 354 million** and **R 380 million** respectively while own revenue decreases to **R 98 million** and **R 103 million** respectively.

The following bar chart indicates, the revenue growth level of the municipality for the 2019/20 MTREF including the comparison to the past three years:



Total operating expenditure for the 2019/20 financial year has been appropriated at **R 342 million** and translates into an operating budgeted surplus of **R 84 million** as indicated in table A4. This surplus is used to fund capital expenditure for 2019/20 as indicated in table 1 above. When compared to the 2018/19 adjusted revenue budget **R 14 million** by 2020/21. The operating surplus for the two outer years decreases to **R 95 million** for 2020/21 and increases to **R 107 million** in 2021/22 financial year. These surpluses will be used to fund capital projects for two outer years.

The capital budget for 2019/20 financial year amounts to **R 83 million** and has decreased by 18 per cent as compared to the 2018/19 adjusted capital budget of **R 102 million**. For 2020/21 and 2021/22 budget years, the capital expenditure is budgeted at **R 95 million** and **R 107 million** respectively. This reflects a further decrease in our capital expenditure due to poor revenue generation and collection by the municipality. The municipality’s revenue enhancements strategies programme is aiming at amongst other things to address this reduction in capital expenditure in the future budget years.

Operating Revenue Framework

The need to generate sustainable revenue is essential to meet funding requirements for Makhuduthamaga local municipality to continue improving the quality of services provided to its communities and to address the service delivery backlogs. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and high level of unemployment, inadequate town planning, and many other socio-economic challenges in our municipality which directly affects negatively the municipality’s revenue generation and collection.

The 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 municipal property rates tariffs remain unchanged at 0.015 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.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2019/20 financial year and the two outer years.

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

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

The following table is a summary of the 2019/20 MTREF (classified by main revenue source)

Table 2 Summary of revenue classified by main revenue source

| LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 31,834 | 37,894 | 37,708 | 37,237 | 38,129 | 38,129 | 38,129 | 43,049 | 45,696 | 48,342 |
| Rental of facilities and equipment | | 115 | 121 | 150 | 130 | 130 | 130 | 130 | 142 | 152 | 156 |
| Interest earned - external investments | | 11,702 | 10,225 | 7,828 | 10,235 | 5,304 | 5,304 | 5,304 | 5,693 | 6,034 | 6,336 |
| Interest earned - outstanding debtors | | 20,498 | 23,498 | 33,999 | 29,343 | 32,642 | 32,642 | 32,642 | 35,906 | 38,061 | 39,964 |
| Dividends received | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 579 | 730 | 236 | 150 | 550 | 550 | 550 | 626 | 650 | 686 |
| Licences and permits | | - | - | - | - | - | - | - | - | - | - |
| Agency services | | 4,909 | 5,154 | 4,943 | 5,584 | 5,984 | 5,984 | 5,984 | 6,553 | 7,011 | 7,432 |
| Transfers and subsidies | | 232,170 | 228,253 | 247,523 | 256,837 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 |
| Other revenue | 2 | 980 | 613 | 951 | 682 | 622 | 622 | 622 | 544 | 461 | 368 |
| Gains on disposal of PPE | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 302,787 | 306,487 | 333,339 | 340,198 | 340,199 | 340,199 | 340,199 | 365,083 | 387,040 | 413,345 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 75,450 | 94,210 | 74,655 | 66,000 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 |
| Total Revenue (Including capital transfers and contributions) | | 378,237 | 400,697 | 407,994 | 406,198 | 406,199 | 406,199 | 406,199 | 427,205 | 452,609 | 483,874 |

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 365 million** for 2019/20, **R 387 million** for 2020/21 and **R 413 million** for 2021/22. The total amount for operational grants to be received

for 2019/20 is **R 272 million**. For the two outer years the total operational grants to be received amounts to **R 288 million** and **R 2310 million** for 2020/21 and 2021/22 financial years respectively.

Revenue from government grants forms a significant percentage of the total operating revenue for the municipality for all of the 2019/20 MTREF. This clearly indicate that our municipality is dependent on government grants which contribute 75 per cent of the total operating revenue in 2019/20 budget year and 74 percent in 2020/21 and 75 in 2021/22.

Revenue generated from property rates amount to **R 43 million** and the projected interest on property rates overdue accounts amounts to **R 35 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 78 million** which is 80 per cent of the total own revenue budget for 2019/20.

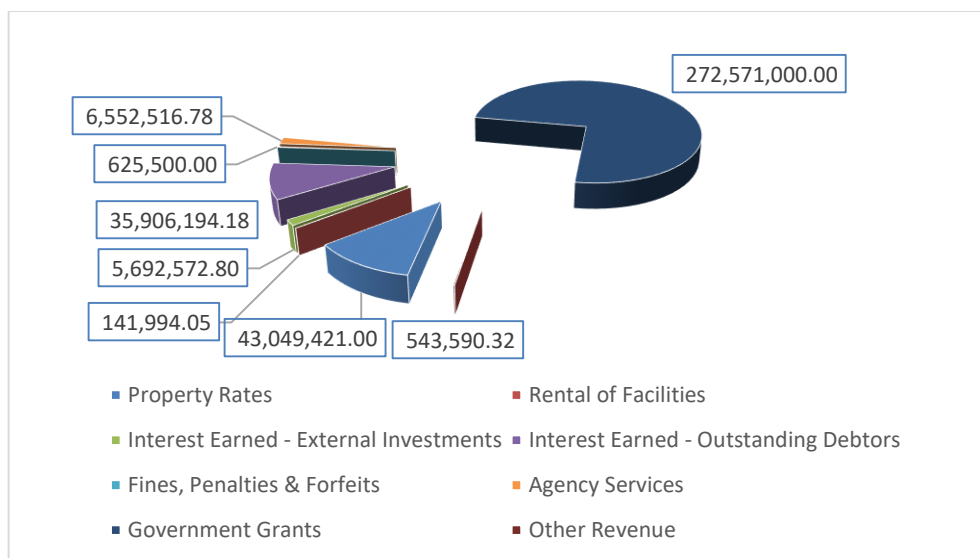
The revenue from Property rates is budgeted to remain at **R 43 million** throughout the 2019/20 financial year.

Revenue from Licenses and permits amount to **R 6.5 million** for 2019/20 budget year, **R 7 million** and **R 7 million** for 2020/21 and 2021/22 financial years respectively. The municipality is currently awaiting approval from the national department of transport to have the eNatis system operating from the municipal head office to accelerate the collection of revenue through the traffic licenses.

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 365 million** for 2019/20 financial year:

Revenue per source graph



| Source of Revenue | Amount | Percentage |
|--|-----------------------|-------------|
| Property Rates | 43,049,421.00 | 12% |
| Rental of Facilities | 141,994.05 | 0% |
| Interest Earned - External Investments | 5,692,572.80 | 2% |
| Interest Earned - Outstanding Debtors | 35,906,194.18 | 10% |
| Fines, Penalties & Forfeits | 625,500.00 | 0% |
| Agency Services | 6,552,516.78 | 2% |
| Government Grants | 272,571,000.00 | 75% |
| Other Revenue | 543,590.32 | 0% |
| | 365,082,789.13 | 100% |

Operating Expenditure Framework

The municipality's expenditure framework for the 2019/20 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 2019/20 and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

| LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | | | | | | | | |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 2 | 51,285 | 63,112 | 62,121 | 81,996 | 74,095 | 74,095 | 74,095 | 86,263 | 91,870 | 97,842 |
| Remuneration of councillors | | 19,909 | 20,792 | 22,112 | 24,909 | 24,909 | 24,909 | 24,909 | 24,329 | 26,032 | 27,854 |
| Debt impairment | 3 | 30,000 | 31,417 | 65,757 | 29,343 | 29,343 | 29,343 | 29,343 | 35,906 | 38,061 | 39,964 |
| Depreciation & asset impairment | 2 | 16,616 | 18,938 | 26,108 | 22,198 | 26,511 | 26,511 | 26,511 | 27,720 | 31,878 | 36,660 |
| Finance charges | | | | | | | | | | | |
| Bulk purchases | 2 | - | - | - | - | - | - | - | - | - | - |
| Other materials | 8 | | | | | | | | | | |
| Contracted services | | 58,828 | 56,365 | 81,439 | 95,199 | 126,096 | 126,096 | 126,096 | 104,709 | 102,456 | 103,292 |
| Transfers and subsidies | | - | - | - | - | - | - | - | - | - | - |
| Other expenditure | 4, 5 | 164,224 | 82,381 | 218,033 | 64,755 | 62,297 | 62,297 | 62,297 | 64,062 | 66,564 | 70,509 |
| Loss on disposal of PPE | | | | | | | | | | | |
| Total Expenditure | | 340,862 | 273,006 | 475,569 | 318,400 | 343,252 | 343,252 | 343,252 | 342,990 | 356,861 | 376,121 |

Employee Related Costs

The budget allocation for employee related costs for the 2019/20 financial year is **R 86 million**, which equals to 25 per cent of the total operating expenditure.

The total budget employee related costs has increased from **R 74 million** in 2018/19 adjusted budget to **R 86 million** in 2019/20 which reflect a 16 per cent increase. This is as a result of the inclusion of the vacant positions which couldn't be filled during the 201/18 financial year together with other new vacant positions which are budgeted to be filled in the 2019 financial year.

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

The following vacant positions are budgeted to be filled in the 2019/20 financial year.

| Position Name | Department | Position level |
|--|--------------------|------------------------|
| Deputy Senior Manager: Executive Support | Executive Support | Middle management |
| Council Secretary | Executive Support | Middle Management |
| Chauffer : Mayor's Office | Executive Support | Lower level management |
| VIP Officers X 2 | Executive Support | Lower level management |
| Secretary: Chief Whip | Executive Support | Lower level management |
| Secretary: MPAC | Executive Support | Lower level management |
| HRM Manager | Corporate Services | Middle Management |
| HRM Officer | Corporate services | Lower level management |
| Personal Assistant: MM's Office | MM's Office | Lower level management |

| | | |
|--------------------------------|----------------------------|------------------------|
| Deputy CFO | Budget & Treasury | Middle management |
| Environmental Manager X 1 | Community services | Middle management |
| Waste Management Office | Community services | Lower level management |
| Personal Assistant | Community services | Lower Level management |
| Library assistant X 2 | Community services | Lower Level management |
| General workers X 4 | Community services | Lower management level |
| General workers X 4 | Infrastructure Development | Lower management level |
| Landfill operator X 2 | Community services | Lower management level |
| Compactor Driver X 1 | Community services | Lower management level |
| Manager | LED | Middle management |
| Senior Manager: Infrastructure | Infrastructure | Senior Management |
| PMU Technician | Infrastructure | Lower level management |
| Plant Operator X 1 | Infrastructure | Lower level 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 budget for councillor allowances is **R 24 million** for 2019/20, **R 26 million** and **R 27 million** for 2020/21 and 2021/22 respectively. An increase was projected at 7 per cent for 2019/20 and 7 percent for 2020/21 and 2021/22 on the upper limits for councillors.

Debt Impairment

The provision of debt impairment for 2019/20 was determined based on the Debt Write-off Policy of the municipality. For the 2019/20 financial year this amount equates to **R 35 million**, increases to **R 38 million** in 2021/21 and decreases to **R 39 million** in 2021/22 respectively. This expenditure is projected for property rates debtors and is considered to be a non-cash flow item. This item is not cash funded as there is no service rendered that is associated with the billed debt and therefore no costs associated with rendering the services were determined, to require cash funding. Revenue generated from Property rates is used to fund this expenditure item to avoid cash flow problems that may arise when customers does not pay. For example, the expenditure for Debt recovery is funded through property rates as a percentage of the amount collected, which means, when there is no collection no expenditure will be incurred.

Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. The projections were made taking into consideration the municipality's assets value as recorded in the 2017/18 AFS and new acquisitions for the current year 2018/19 and 2019/20 budget year and the MTREF. Budget appropriations in this regard are **R 27 million** for the 2019/20 financial year and equates to 8 per cent of the total operating expenditure. It increases to **R 31 million** and **36 million** for 2020/21 and 2021/22 budget years respectively.

Contracted Services

Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipment and machinery and maintenance of the landfill side. The budget on contracted service is **R 104 million** for the 2019/20 financial year, it decreases to **R 102 million** and **R 103 million** in the 2020/21 and 2021/22 outer years.

Repairs and maintenance has been budgeted at 18% percent of the total operational budget and 21 per cent of the Asset value as per 2017/18 AFS taking in to consideration guidelines contained in MFMA circular number 66, 67, 70, 72, 74 ,75, 78, 79, 85, 86, 89,91,93 & 94.

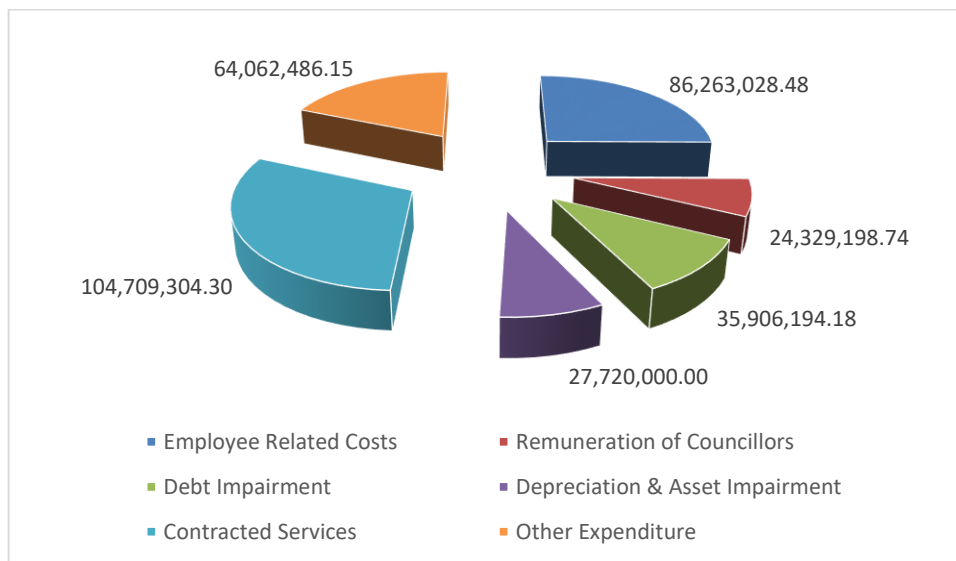
Other Expenditure

The municipality has also budgeted an amount of **R 64 million** on other general expenditure items for the 2019/20 financial year. The budget for the 2020/21 & 2021/22 is **R 66 million & R 70 million** for the general expenditure.

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 2019/20 MTREF. For further details on other expenditure refer to table SA1.

The following bar chart gives a breakdown of the main expenditure categories for the 2019/20 financial year.

Table 6 Main Operational Expenditure categories for 2019/20 financial year



| Description | Amount | Percentage |
|---------------------------------|-----------------------|-------------|
| Employee Related Costs | 86,263,028.48 | 25% |
| Remuneration of Councillors | 24,329,198.74 | 7% |
| Debt Impairment | 35,906,194.18 | 10% |
| Depreciation & Asset Impairment | 27,720,000.00 | 8% |
| Contracted Services | 104,709,304.30 | 31% |
| Other Expenditure | 64,062,486.15 | 19% |
| | 342,990,211.85 | 100% |

Priority given to repairs and maintenance

Considering National Treasury MFMA circular number 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93 & 94 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. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. In the municipality's case, all repairs and maintenance services for the infrastructure assets will be done through contracted services as indicated in table SA1 of the A schedule. The repairs and maintenance budget for 2019/20 amount to **R 62 million**, **R 59 million** and **R 57 million** for 2020/21 and 2021/22 respectively.

Repairs and maintenance expenditure budget amounts to 18 per cent of the municipality's budgeted operational expenditure for 2019/20. For the two outer years, repairs and maintenance is budgeted at 17 per cent and 15 per cent of the budgeted operational expenditure respectively.

Free Basic Services: Electricity tokens

The municipality provides free basic electricity tokens to poor households within the municipal jurisdictions to assist them as they cannot afford the electricity costs. Our municipality does not have a licence to provide electricity and therefore buys the tokens from Eskom for the affected households who registered with the municipality. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. Details relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table MBRR Table A10 (Basic Service Delivery Measurement)

The cost of the free basic electricity of the registered indigent households is financed through the local government equitable share received in terms of the annual Division of Revenue Act and it has been allocated at **R 4.5 million** for 2019/20, **R 4.8 million** and **R 5 million** for 2020/21 and 2021/22 respectively.

Capital expenditure

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

Table 3 2019/20 Medium-term capital budget per vote

| LIM473 Makhuduthamaga - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding | | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Vote Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | 1 | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive Support | | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Office of the Municipal Manager | | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Economic Development and Planning | | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Infrastructure Development | | 148,490 | 134,811 | 136,179 | 92,390 | 93,690 | 93,690 | 93,690 | 77,913 | 88,304 | 98,093 |
| Vote 5 - Community Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Corporate Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Budget and Treasury | | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | 148,490 | 134,811 | 136,179 | 92,390 | 93,690 | 93,690 | 93,690 | 77,913 | 88,304 | 98,093 |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive Support | | - | 2,200 | - | - | - | - | - | - | - | - |
| Vote 2 - Office of the Municipal Manager | | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Economic Development and Planning | | 3,700 | 3,060 | - | 3,200 | 1,570 | 1,570 | 1,570 | - | - | - |
| Vote 4 - Infrastructure Development | | 2,100 | 7,000 | 10,144 | - | - | - | - | - | - | - |
| Vote 5 - Community Services | | 500 | 2,193 | 2,428 | 1,217 | 1,217 | 1,217 | 1,217 | - | - | - |
| Vote 6 - Corporate Services | | 4,050 | 3,500 | 5,463 | 2,522 | 1,522 | 1,522 | 1,522 | 2,000 | 2,400 | 2,500 |
| Vote 7 - Budget and Treasury | | 12,200 | 15,307 | 6,069 | 4,783 | 4,783 | 4,783 | 4,783 | 4,000 | 4,800 | 7,000 |
| Capital single-year expenditure sub-total | | 22,550 | 33,260 | 24,103 | 11,722 | 9,092 | 9,092 | 9,092 | 6,000 | 7,200 | 9,500 |
| Total Capital Expenditure - Vote | | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Funded by: | | | | | | | | | | | |
| National Government | | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Total Capital Funding | 7 | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |

New and Existing Capital Assets

For 2019/20 an amount of **R 83.9 million** has been appropriated for the new capital expenditure which will be funded by MIG to the amount of **R 62 million** and equitable share & VAT refunds to the amount of **R 22 million**. For 2020/21 and 2021/22 the budget has been appropriated at **R 95.5 million** and **R 107.5 million** respectively.

Infrastructure and Development vote is appropriated the highest allocation of **R 77.9 million** which equates to 93 per cent of the total capital budget for 2019/20 to build roads and bridges, Budget and Treasury is allocated 5 per cent of the total capital budget. The remaining 2 per cent is allocated to Corporate Services.

Below are the capital projects which form part of the total budgeted capital expenditure for 2019/20 MTREF:

Makgwabe Mphane access road 10km 2019/20 (MIG) – **R 8.8 million.**

Mashabela Machacha access road 10km 2019/20 (MIG) – **R 21 million.**

Marishane Phaahla Internal Streets 4.2km 2019/20 (MES) - **R 1.2 million.**

Matulaneng access bridge 2019/20 (ES) – **R 3.6 million.**

Lobethal/Tisane access road 3.3km 2019/20 (ES) – **R 435 thousand.**

Mokwete/Molepane access road 10km 2019/20 (MIG) – **R 17.4 million.**

Glen Cowie/Old Post Office access road 7km 2019/20 (MIG) – **R 435 thousand.**

Seruteng/Marishane access bridge 2018/19 (ES) – **R 435 thousands.**

Maila Mapitsane/Magolego 3.6km Tribal Office 2018/19 (ES) – **R 870 thousand.**

Phaahla access road 1.5km 2018/19 (ES) – **R 6.1 million.**

Ga-Mampane access road 5km 2018/19 (MIG) – **R 8.8 million.**

Stocking Internal Streets 5.3km 2018/19 (ES) – **R 8.8 million.**

2.3 DRAFT ANNUAL BUDGET TABLES (A1 to A10)

The following are the ten main A schedule tables for the annual budget of Makhuduthamaga municipality for the 2019/20 MTREF

2.3.1 Table 7 MBRR A1 – Annual Budget Summary

| LIM473 Makhuduthamaga - Table A1 Budget Summary | | | | | | | | | | |
|---|-----------------|-----------------|------------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousands | | | | | | | | | | |
| Financial Performance | | | | | | | | | | |
| Property rates | 31,834 | 37,894 | 37,708 | 37,237 | 38,129 | 38,129 | 38,129 | 43,049 | 45,696 | 48,342 |
| Service charges | - | - | - | - | - | - | - | - | - | - |
| Investment revenue | 11,702 | 10,225 | 7,828 | 10,235 | 5,304 | 5,304 | 5,304 | 5,693 | 6,034 | 6,336 |
| Transfers recognised - operational | 232,170 | 228,253 | 247,523 | 256,837 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 |
| Other own revenue | 27,081 | 30,116 | 40,279 | 35,889 | 39,928 | 39,928 | 39,928 | 43,770 | 46,334 | 48,606 |
| Total Revenue (excluding capital transfers and contributions) | 302,787 | 306,487 | 333,339 | 340,198 | 340,199 | 340,199 | 340,199 | 365,083 | 387,040 | 413,345 |
| Employee costs | 51,285 | 63,112 | 62,121 | 81,996 | 74,095 | 74,095 | 74,095 | 86,263 | 91,870 | 97,842 |
| Remuneration of councillors | 19,909 | 20,792 | 22,112 | 24,909 | 24,909 | 24,909 | 24,909 | 24,329 | 26,032 | 27,854 |
| Depreciation & asset impairment | 16,616 | 18,938 | 26,108 | 22,198 | 26,511 | 26,511 | 26,511 | 27,720 | 31,878 | 36,660 |
| Other expenditure | 253,051 | 170,163 | 365,229 | 189,297 | 217,736 | 217,736 | 217,736 | 204,678 | 207,081 | 213,765 |
| Total Expenditure | 340,862 | 273,006 | 475,569 | 318,400 | 343,252 | 343,252 | 343,252 | 342,990 | 356,861 | 376,121 |
| Surplus/(Deficit) | (38,075) | 33,481 | (142,231) | 21,798 | (3,053) | (3,053) | (3,053) | 22,093 | 30,179 | 37,224 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 75,450 | 94,210 | 74,655 | 66,000 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 |
| Contributions recognised - capital & contributed assets | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Transfers recognised - capital | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Total sources of capital funds | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Financial position | | | | | | | | | | |
| Total current assets | 148,282 | 120,362 | 46,838 | 86,039 | 59,878 | 59,878 | 59,878 | 72,912 | 71,876 | 77,701 |
| Total non current assets | 356,145 | 425,341 | 293,622 | 386,222 | 324,562 | 324,562 | 324,562 | 277,792 | 274,587 | 280,914 |
| Total current liabilities | 14,376 | 21,580 | 47,825 | 17,726 | 17,726 | 17,726 | 17,726 | 10,648 | 9,655 | 10,716 |
| Total non current liabilities | 3,744 | 4,028 | 4,504 | 4,616 | 4,616 | 4,616 | 4,616 | 4,856 | 5,119 | 5,395 |
| Community wealth/Equity | 486,307 | 520,094 | 288,131 | 449,918 | 362,097 | 362,097 | 362,097 | 335,200 | 331,690 | 342,503 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 174,642 | 164,713 | (40,885) | 110,907 | 121,651 | 121,651 | 121,651 | 22,917 | 42,192 | 53,881 |
| Net cash from (used) investing | (171,040) | (168,071) | (24,042) | (119,729) | (114,199) | (114,199) | (114,199) | (29,677) | (39,935) | (44,064) |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the year end | 115,720 | 65,338 | 19,278 | 10,406 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | 115,720 | 65,338 | 19,278 | 22,841 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |
| Application of cash and investments | (9,152) | (21,839) | 43,146 | (12,937) | (9,774) | (9,774) | (9,774) | (2,518) | (4,315) | (2,332) |
| Balance - surplus (shortfall) | 124,872 | 87,177 | (23,869) | 35,778 | 36,454 | 36,454 | 36,454 | 22,437 | 26,491 | 34,325 |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 356,145 | 425,341 | 293,621 | 386,222 | 324,562 | 324,562 | 324,562 | 277,792 | 274,587 | 280,914 |
| Depreciation | 16,616 | 18,938 | 26,108 | 22,198 | 26,511 | 26,511 | 26,511 | 27,720 | 31,878 | 36,660 |
| Renewal and Upgrading of Existing Assets | - | 18,421 | - | 6,798 | 6,798 | 6,798 | 6,798 | - | - | - |
| Repairs and Maintenance | 58,828 | 42,200 | 42,381 | 53,022 | 77,322 | 77,322 | 77,322 | 62,591 | 59,887 | 57,726 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - | - |
| Revenue cost of free services provided | 605 | 605 | 605 | 605 | 605 | 605 | 605 | 605 | 605 | 605 |
| Households below minimum service level | | | | | | | | | | |

2.3.2 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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Revenue - Functional | | | | | | | | | | |
| Governance and administration | | 378,237 | 400,697 | 407,994 | 406,198 | 406,199 | 406,199 | 427,205 | 452,609 | 483,874 |
| Executive and council | | – | – | – | – | – | – | – | – | – |
| Finance and administration | | 378,237 | 400,697 | 407,994 | 406,198 | 406,199 | 406,199 | 427,205 | 452,609 | 483,874 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| Other | 4 | – | – | – | – | – | – | – | – | – |
| Total Revenue - Functional | 2 | 378,237 | 400,697 | 407,994 | 406,198 | 406,199 | 406,199 | 427,205 | 452,609 | 483,874 |
| Expenditure - Functional | | | | | | | | | | |
| Governance and administration | | 246,230 | 178,343 | 242,189 | 209,667 | 215,787 | 215,787 | 228,670 | 246,211 | 263,995 |
| Executive and council | | 54,925 | 61,501 | 68,618 | 73,467 | 75,298 | 75,298 | 75,325 | 80,899 | 86,086 |
| Finance and administration | | 191,305 | 116,842 | 168,449 | 134,600 | 138,888 | 138,888 | 149,627 | 162,230 | 174,312 |
| Internal audit | | – | – | 5,122 | 1,600 | 1,600 | 1,600 | 3,718 | 3,082 | 3,597 |
| Community and public safety | | 17,311 | 18,417 | 25,666 | 25,197 | 23,091 | 23,091 | 27,454 | 27,586 | 30,020 |
| Community and social services | | 4,881 | 5,237 | 7,012 | 8,993 | 7,807 | 7,807 | 9,191 | 9,574 | 10,343 |
| Sport and recreation | | 1,900 | 963 | 2,143 | 1,550 | 980 | 980 | 1,500 | 1,700 | 2,000 |
| Public safety | | 10,530 | 12,217 | 11,278 | 12,153 | 11,803 | 11,803 | 13,285 | 14,139 | 15,068 |
| Housing | | – | – | 5,232 | 2,500 | 2,500 | 2,500 | 3,478 | 2,174 | 2,609 |
| Health | | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | | 60,642 | 57,387 | 185,410 | 63,162 | 85,171 | 85,171 | 76,181 | 71,383 | 70,382 |
| Planning and development | | 17,219 | 13,652 | 18,328 | 14,507 | 15,162 | 15,162 | 15,957 | 15,674 | 17,082 |
| Road transport | | 43,423 | 43,735 | 143,192 | 22,144 | 43,548 | 43,548 | 30,624 | 24,210 | 20,300 |
| Environmental protection | | – | – | 23,889 | 26,511 | 26,461 | 26,461 | 29,600 | 31,500 | 33,000 |
| Trading services | | 16,678 | 18,859 | 22,304 | 20,374 | 19,203 | 19,203 | 10,686 | 11,681 | 11,724 |
| Energy sources | | 10,480 | 7,804 | 21,484 | 17,132 | 18,132 | 18,132 | 7,201 | 7,970 | 7,772 |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – |
| Waste management | | 6,197 | 11,054 | 820 | 3,242 | 1,071 | 1,071 | 3,485 | 3,711 | 3,953 |
| Other | 4 | – | – | – | – | – | – | – | – | – |
| Total Expenditure - Functional | 3 | 340,862 | 273,006 | 475,569 | 318,400 | 343,252 | 343,252 | 342,990 | 356,861 | 376,121 |
| Surplus/(Deficit) for the year | | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |

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

| LIM473 Makhuduthamaga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote) | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Vote Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - Executive Support | | - | - | - | - | - | - | - | - | - |
| Vote 2 - Office of the Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 3 - Economic Development and Planning | | - | - | - | - | - | - | - | - | - |
| Vote 4 - Infrastructure Development | | - | - | - | - | - | - | - | - | - |
| Vote 5 - Community Services | | - | - | - | - | - | - | - | - | - |
| Vote 6 - Corporate Services | | - | - | - | - | - | - | - | - | - |
| Vote 7 - Budget and Treasury | | 378,237 | 400,697 | 407,994 | 406,198 | 406,199 | 406,199 | 427,205 | 452,609 | 483,874 |
| Total Revenue by Vote | 2 | 378,237 | 400,697 | 407,994 | 406,198 | 406,199 | 406,199 | 427,205 | 452,609 | 483,874 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote 1 - Executive Support | | 49,262 | 53,621 | 59,493 | 62,300 | 63,331 | 63,331 | 65,263 | 70,183 | 74,674 |
| Vote 2 - Office of the Municipal Manager | | 5,664 | 7,880 | 9,125 | 12,767 | 13,567 | 13,567 | 14,062 | 14,316 | 15,562 |
| Vote 3 - Economic Development and Planning | | 17,219 | 13,652 | 11,986 | 11,908 | 13,129 | 13,129 | 13,688 | 13,262 | 14,517 |
| Vote 4 - Infrastructure Development | | 53,903 | 51,539 | 169,232 | 44,375 | 66,214 | 66,214 | 43,571 | 36,765 | 33,245 |
| Vote 5 - Community Services | | 23,509 | 29,471 | 44,797 | 52,450 | 48,088 | 48,088 | 57,060 | 60,623 | 64,364 |
| Vote 6 - Corporate Services | | 17,069 | 23,692 | 33,237 | 28,225 | 27,989 | 27,989 | 26,945 | 29,177 | 30,878 |
| Vote 7 - Budget and Treasury | | 174,236 | 93,150 | 147,699 | 106,374 | 110,934 | 110,934 | 122,400 | 132,534 | 142,881 |
| Total Expenditure by Vote | 2 | 340,862 | 273,006 | 475,569 | 318,400 | 343,252 | 343,252 | 342,990 | 356,861 | 376,121 |
| Surplus/(Deficit) for the year | 2 | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |

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

| LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | | | | | | | | |
|---|------|-----------------|-----------------|------------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 31,834 | 37,894 | 37,708 | 37,237 | 38,129 | 38,129 | 38,129 | 43,049 | 45,696 | 48,342 |
| Rental of facilities and equipment | | 115 | 121 | 150 | 130 | 130 | 130 | 130 | 142 | 152 | 156 |
| Interest earned - external investments | | 11,702 | 10,225 | 7,828 | 10,235 | 5,304 | 5,304 | 5,304 | 5,693 | 6,034 | 6,336 |
| Interest earned - outstanding debtors | | 20,498 | 23,498 | 33,999 | 29,343 | 32,642 | 32,642 | 32,642 | 35,906 | 38,061 | 39,964 |
| Fines, penalties and forfeits | | 579 | 730 | 236 | 150 | 550 | 550 | 550 | 626 | 650 | 686 |
| Agency services | | 4,909 | 5,154 | 4,943 | 5,584 | 5,984 | 5,984 | 5,984 | 6,553 | 7,011 | 7,432 |
| Transfers and subsidies | | 232,170 | 228,253 | 247,523 | 256,837 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 |
| Other revenue | 2 | 980 | 613 | 951 | 682 | 622 | 622 | 622 | 544 | 461 | 368 |
| Total Revenue (excluding capital transfers and contributions) | | 302,787 | 306,487 | 333,339 | 340,198 | 340,199 | 340,199 | 340,199 | 365,083 | 387,040 | 413,345 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 2 | 51,285 | 63,112 | 62,121 | 81,996 | 74,095 | 74,095 | 74,095 | 86,263 | 91,870 | 97,842 |
| Remuneration of councillors | | 19,909 | 20,792 | 22,112 | 24,909 | 24,909 | 24,909 | 24,909 | 24,329 | 26,032 | 27,854 |
| Debt impairment | 3 | 30,000 | 31,417 | 65,757 | 29,343 | 29,343 | 29,343 | 29,343 | 35,906 | 38,061 | 39,964 |
| Depreciation & asset impairment | 2 | 16,616 | 18,938 | 26,108 | 22,198 | 26,511 | 26,511 | 26,511 | 27,720 | 31,878 | 36,660 |
| Contracted services | | 58,828 | 56,365 | 81,439 | 95,199 | 126,096 | 126,096 | 126,096 | 104,709 | 102,456 | 103,292 |
| Other expenditure | 4, 5 | 164,224 | 82,381 | 218,033 | 64,755 | 62,297 | 62,297 | 62,297 | 64,062 | 66,564 | 70,509 |
| Loss on disposal of PPE | | | | | | | | | | | |
| Total Expenditure | | 340,862 | 273,006 | 475,569 | 318,400 | 343,252 | 343,252 | 343,252 | 342,990 | 356,861 | 376,121 |
| Surplus/(Deficit) | | (38,075) | 33,481 | (142,231) | 21,798 | (3,053) | (3,053) | (3,053) | 22,093 | 30,179 | 37,224 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 75,450 | 94,210 | 74,655 | 66,000 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 |
| Surplus/(Deficit) after capital transfers & contributions | | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |
| Taxation | | | | | | | | | | | |
| Surplus/(Deficit) after taxation | | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |
| Attributable to minorities | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |
| Share of surplus/ (deficit) of associate | 7 | | | | | | | | | | |
| Surplus/(Deficit) for the year | | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |

2.3.5 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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | 1 | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 4 - Infrastructure Development | | 148,490 | 134,811 | 136,179 | 92,390 | 93,690 | 93,690 | 93,690 | 77,913 | 88,304 | 98,093 |
| Capital multi-year expenditure sub-total | 7 | 148,490 | 134,811 | 136,179 | 92,390 | 93,690 | 93,690 | 93,690 | 77,913 | 88,304 | 98,093 |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive Support | | – | 2,200 | – | – | – | – | – | – | – | – |
| Vote 2 - Office of the Municipal Manager | | – | – | – | – | – | – | – | – | – | – |
| Vote 3 - Economic Development and Planning | | 3,700 | 3,060 | – | 3,200 | 1,570 | 1,570 | 1,570 | – | – | – |
| Vote 4 - Infrastructure Development | | 2,100 | 7,000 | 10,144 | – | – | – | – | – | – | – |
| Vote 5 - Community Services | | 500 | 2,193 | 2,428 | 1,217 | 1,217 | 1,217 | 1,217 | – | – | – |
| Capital single-year expenditure sub-total | | 22,550 | 33,260 | 24,103 | 11,722 | 9,092 | 9,092 | 9,092 | 6,000 | 7,200 | 9,500 |
| Total Capital Expenditure - Vote | | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | 16,250 | 21,007 | 11,532 | 7,304 | 6,304 | 6,304 | 6,304 | 6,000 | 7,200 | 9,500 |
| Finance and administration | | 16,250 | 21,007 | 11,532 | 7,304 | 6,304 | 6,304 | 6,304 | 6,000 | 7,200 | 9,500 |
| Community and public safety | | 500 | – | 186 | 1,217 | 1,217 | 1,217 | 1,217 | – | – | – |
| Public safety | | 500 | – | 186 | 1,217 | 1,217 | 1,217 | 1,217 | – | – | – |
| Economic and environmental services | | 152,190 | 137,871 | 136,179 | 95,590 | 95,260 | 95,260 | 95,260 | 77,913 | 88,304 | 98,093 |
| Planning and development | | 3,700 | 3,060 | – | 3,200 | 1,570 | 1,570 | 1,570 | – | – | – |
| Road transport | | 148,490 | 134,811 | 136,179 | 92,390 | 93,690 | 93,690 | 93,690 | 77,913 | 88,304 | 98,093 |
| Trading services | | 2,100 | 9,193 | 12,385 | – | – | – | – | – | – | – |
| Energy sources | | 2,100 | 7,000 | 10,144 | – | – | – | – | – | – | – |
| Waste management | | – | 2,193 | 2,241 | – | – | – | – | – | – | – |
| Transfers recognised - capital | 4 | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Borrowing | 6 | | | | | | | | | | |
| Internally generated funds | | | | | | | | | | | |
| Total Capital Funding | 7 | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |

2.3.6 Table MBRR A6 – Budgeted Financial Position

| LIM473 Makhuduthamaga - Table A6 Budgeted Financial Position | | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | | 115,720 | 65,338 | 19,278 | 22,841 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |
| Call investment deposits | 1 | – | – | – | – | – | – | – | – | – | – |
| Consumer debtors | 1 | 19,223 | 46,113 | 26,562 | 52,844 | 22,844 | 22,844 | 22,844 | 28,032 | 37,329 | 36,697 |
| Other debtors | | 12,925 | 8,595 | 483 | 9,849 | 9,849 | 9,849 | 9,849 | 24,361 | 11,921 | 8,510 |
| Inventory | 2 | 415 | 316 | 515 | 505 | 505 | 505 | 505 | 600 | 450 | 500 |
| Total current assets | | 148,282 | 120,362 | 46,838 | 86,039 | 59,878 | 59,878 | 59,878 | 72,912 | 71,876 | 77,701 |
| Non current assets | | | | | | | | | | | |
| Investment property | | 1,172 | 1,172 | 210 | 1,252 | 1,252 | 1,252 | 1,252 | 210 | 210 | 210 |
| Property, plant and equipment | 3 | 352,909 | 423,171 | 291,200 | 383,671 | 322,011 | 322,011 | 322,011 | 276,807 | 274,321 | 280,704 |
| Intangible | | 2,064 | 998 | 2,213 | 1,300 | 1,300 | 1,300 | 1,300 | 776 | 57 | – |
| Total non current assets | | 356,145 | 425,341 | 293,622 | 386,222 | 324,562 | 324,562 | 324,562 | 277,792 | 274,587 | 280,914 |
| TOTAL ASSETS | | 504,427 | 545,703 | 340,460 | 472,261 | 384,440 | 384,440 | 384,440 | 350,705 | 346,463 | 358,615 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Consumer deposits | | | | | | | | | | | |
| Trade and other payables | 4 | 14,376 | 21,580 | 47,825 | 17,726 | 17,726 | 17,726 | 17,726 | 10,648 | 9,655 | 10,716 |
| Provisions | | | | | | | | | | | |
| Total current liabilities | | 14,376 | 21,580 | 47,825 | 17,726 | 17,726 | 17,726 | 17,726 | 10,648 | 9,655 | 10,716 |
| Non current liabilities | | | | | | | | | | | |
| Provisions | | 3,744 | 4,028 | 4,504 | 4,616 | 4,616 | 4,616 | 4,616 | 4,856 | 5,119 | 5,395 |
| Total non current liabilities | | 3,744 | 4,028 | 4,504 | 4,616 | 4,616 | 4,616 | 4,616 | 4,856 | 5,119 | 5,395 |
| TOTAL LIABILITIES | | 18,120 | 25,608 | 52,330 | 22,343 | 22,343 | 22,343 | 22,343 | 15,504 | 14,774 | 16,111 |
| NET ASSETS | 5 | 486,307 | 520,094 | 288,131 | 449,918 | 362,097 | 362,097 | 362,097 | 335,200 | 331,690 | 342,503 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 486,307 | 520,094 | 288,131 | 449,918 | 362,097 | 362,097 | 362,097 | 335,200 | 331,690 | 342,503 |
| Reserves | 4 | – | – | – | – | – | – | – | – | – | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 5 | 486,307 | 520,094 | 288,131 | 449,918 | 362,097 | 362,097 | 362,097 | 335,200 | 331,690 | 342,503 |

2.3.7 Table MBRR A7 – Budgeted Cash Flows

| LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows | | | | | | | | | | | |
|--|-----|------------------|------------------|-----------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | 10,414 | 23,505 | 7,265 | 6,749 | 12,945 | 12,945 | 12,945 | 14,567 | 18,467 | 20,003 |
| Service charges | | - | - | - | - | - | - | - | - | - | - |
| Other revenue | | 32,704 | 30,471 | 6,228 | 29,018 | 52,715 | 52,715 | 52,715 | 7,250 | 7,638 | 7,978 |
| Government - operating | 1 | 232,170 | 228,253 | 243,135 | 256,837 | 256,837 | 256,837 | 256,837 | 270,771 | 288,976 | 310,061 |
| Government - capital | 1 | 75,450 | 94,210 | 74,655 | 66,000 | 66,000 | 66,000 | 66,000 | - | - | - |
| Interest | | 32,200 | 10,225 | 8,749 | 10,235 | 5,304 | 5,304 | 5,304 | 5,693 | 6,034 | 6,336 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (208,296) | (221,951) | (380,917) | (257,931) | (272,150) | (272,150) | (272,150) | (275,364) | (278,923) | (290,497) |
| Finance charges | | - | - | - | - | - | - | - | - | - | - |
| Transfers and Grants | 1 | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 174,642 | 164,713 | (40,885) | 110,907 | 121,651 | 121,651 | 121,651 | 22,917 | 42,192 | 53,881 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | 62,122 | 65,569 | 70,529 |
| Payments | | | | | | | | | | | |
| Capital assets | | (171,040) | (168,071) | (24,042) | (119,729) | (114,199) | (114,199) | (114,199) | (91,799) | (105,504) | (114,593) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (171,040) | (168,071) | (24,042) | (119,729) | (114,199) | (114,199) | (114,199) | (29,677) | (39,935) | (44,064) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | | | | | | | | | | |
| | | 3,602 | (3,358) | (64,927) | (8,822) | 7,452 | 7,452 | 7,452 | (6,760) | 2,257 | 9,817 |
| Cash/cash equivalents at the year begin: | 2 | 112,117 | 68,696 | 84,204 | 19,228 | 19,228 | 19,228 | 19,228 | 26,680 | 19,919 | 22,176 |
| Cash/cash equivalents at the year end: | 2 | 115,720 | 65,338 | 19,278 | 10,406 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |

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. The 2019/20 MTREF provide for a net decrease in cash of **R 6.7 million** for the 2019/20 financial year, net increase of **R 2.2 million** in 2020/21 and **R 9.8 million** in 2021/22.
4. Cash Flow from Operating activities;
The municipality has projected to receive **R 29.9 million** from Property rates and **R 6.5 million** from other revenue which consists mainly of VAT recovery for capital expenditure and other contracted services for operational purposes. Transfers from National government are projected to be received 100%. Trade and other payables as indicated in table A6 has been subtracted from the total expenditure included in the cash flow and non-cash flow items such as depreciation and debt impairment has been disregarded in the calculations.
5. Property Rates
 - The municipality has budgeted to collect about **R 14 million** from the property rates billing during the 2019/20 budget year after taking into consideration the **R 9.5 million** collected by the municipality covering the period 1st July 2018 – 31 January 2019. This collection includes payments received from both government departments & the business community.
 -
6. Other Revenue
 - Other revenue sources include, rental of facilities, traffic fines and agency income.
 - The municipality is anticipating 100% collection on these items of revenue on the basis that collection on all these revenue items has already went above 100% in the current 2018/19 financial year.
7. Government Grants & Transfers Cash Flow Assumptions
 - All government grants are projected to be received at 100% and all conditional grants are projected to be spent at 100% during the 2019/20 budget year.
8. Interest on investments Cash Flow Assumptions
 - The interest on investments is projected to be received at 100%. All budgeted investments will be carried out as and when there is surplus cash available in the municipality's primary bank accounts and such available cash surpluses are not currently committed.

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

| LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation | | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 115,720 | 65,338 | 19,278 | 10,406 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |
| Other current investments > 90 days | | 0 | – | – | 12,435 | – | – | – | (0) | (0) | (0) |
| Non current assets - Investments | 1 | – | – | – | – | – | – | – | – | – | – |
| Cash and investments available: | | 115,720 | 65,338 | 19,278 | 22,841 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | – | – | – | – | – | – | – | – | – | – |
| Unspent borrowing | | – | – | – | – | – | – | – | – | – | – |
| Statutory requirements | 2 | | | | | | | | | | |
| Other working capital requirements | 3 | (9,152) | (21,839) | 43,146 | (12,937) | (9,774) | (9,774) | (9,774) | (2,518) | (4,315) | (2,332) |
| Other provisions | | | | | | | | | | | |
| Long term investments committed | 4 | – | – | – | – | – | – | – | – | – | – |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | | |
| Total Application of cash and investments: | | (9,152) | (21,839) | 43,146 | (12,937) | (9,774) | (9,774) | (9,774) | (2,518) | (4,315) | (2,332) |
| Surplus(shortfall) | | 124,872 | 87,177 | (23,869) | 35,778 | 36,454 | 36,454 | 36,454 | 22,437 | 26,491 | 34,325 |

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 2019/20 to 2021/22 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 2019/20 MTREF was fully funded.
7. The municipality does not have non-current 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
10. The municipality's third party payments such as SARS under the statutory requirements are accounted for under the employee related costs on B7 as part of the payments to suppliers and employees over the

2019/20 MTREF. The VAT portion is also accounted for as part of the payments to suppliers and employees and also under the capital assets payments on the B7.

11. The main purpose of the 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.

2.3.9 Table MBRR table A9 – Asset Management

| LIM473 Makhuduthamaga - Table A9 Asset Management | | | | | | | | | | | |
|---|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| CAPITAL EXPENDITURE | | | | | | | | | | | |
| | Total New Assets | 1 | 171,040 | 149,649 | 160,282 | 97,314 | 95,984 | 95,984 | 83,913 | 95,504 | 107,593 |
| | <i>Roads Infrastructure</i> | | 148,490 | 116,389 | 136,179 | 85,592 | 86,892 | 86,892 | 77,913 | 88,304 | 98,093 |
| | <i>Electrical Infrastructure</i> | | 2,100 | 7,000 | 10,144 | – | – | – | – | – | – |
| | <i>Solid Waste Infrastructure</i> | | – | 2,500 | 2,428 | – | – | – | – | – | – |
| | Infrastructure | | 150,590 | 125,889 | 148,751 | 85,592 | 86,892 | 86,892 | 77,913 | 88,304 | 98,093 |
| | Community Facilities | | 3,700 | 3,060 | – | 4,417 | 2,787 | 2,787 | – | – | – |
| | Sport and Recreation Facilities | | – | – | – | – | – | – | – | – | – |
| | Community Assets | | 3,700 | 3,060 | – | 4,417 | 2,787 | 2,787 | – | – | – |
| | Computer Equipment | | 4,050 | 3,500 | 5,463 | 2,522 | 1,522 | 1,522 | 2,000 | 2,400 | 2,500 |
| | Furniture and Office Equipment | | – | – | – | 1,739 | 1,339 | 1,339 | 1,000 | 1,300 | 1,500 |
| | Machinery and Equipment | | – | – | – | – | – | – | – | – | – |
| | Transport Assets | | 12,700 | 17,200 | 6,069 | 3,043 | 3,443 | 3,443 | 3,000 | 3,500 | 5,500 |
| | Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| | Total Renewal of Existing Assets | 2 | – | 18,421 | – | 2,550 | 2,550 | 2,550 | – | – | – |
| | <i>Roads Infrastructure</i> | | – | 18,421 | – | – | – | – | – | – | – |
| | <i>Sanitation Infrastructure</i> | | – | – | – | 2,550 | 2,550 | 2,550 | – | – | – |
| | Infrastructure | | – | 18,421 | – | 2,550 | 2,550 | 2,550 | – | – | – |
| | Total Upgrading of Existing Assets | 6 | – | – | – | 4,248 | 4,248 | 4,248 | – | – | – |
| | Infrastructure | | – | – | – | – | – | – | – | – | – |
| | Community Facilities | | – | – | – | 4,248 | 4,248 | 4,248 | – | – | – |
| | Community Assets | | – | – | – | 4,248 | 4,248 | 4,248 | – | – | – |
| | Total Capital Expenditure | 4 | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| | <i>Roads Infrastructure</i> | | 148,490 | 134,811 | 136,179 | 85,592 | 86,892 | 86,892 | 77,913 | 88,304 | 98,093 |
| | <i>Electrical Infrastructure</i> | | 2,100 | 7,000 | 10,144 | – | – | – | – | – | – |
| | <i>Sanitation Infrastructure</i> | | – | – | – | 2,550 | 2,550 | 2,550 | – | – | – |
| | <i>Solid Waste Infrastructure</i> | | – | 2,500 | 2,428 | – | – | – | – | – | – |
| | Infrastructure | | 150,590 | 144,311 | 148,751 | 88,142 | 89,442 | 89,442 | 77,913 | 88,304 | 98,093 |
| | Community Facilities | | 3,700 | 3,060 | – | 8,666 | 7,036 | 7,036 | – | – | – |
| | Community Assets | | 3,700 | 3,060 | – | 8,666 | 7,036 | 7,036 | – | – | – |
| | Computer Equipment | | 4,050 | 3,500 | 5,463 | 2,522 | 1,522 | 1,522 | 2,000 | 2,400 | 2,500 |
| | Furniture and Office Equipment | | – | – | – | 1,739 | 1,339 | 1,339 | 1,000 | 1,300 | 1,500 |
| | Machinery and Equipment | | – | – | – | – | – | – | – | – | – |
| | Transport Assets | | 12,700 | 17,200 | 6,069 | 3,043 | 3,443 | 3,443 | 3,000 | 3,500 | 5,500 |
| | TOTAL CAPITAL EXPENDITURE - Asset class | | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| | ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 356,145 | 425,341 | 293,621 | 386,222 | 324,562 | 324,562 | 277,792 | 274,587 | 280,914 |
| | <i>Roads Infrastructure</i> | | 290,771 | 367,512 | 205,699 | 317,863 | 256,203 | 256,203 | 223,002 | 229,493 | 244,922 |
| | <i>Electrical Infrastructure</i> | | 5,703 | 7,000 | – | 8,161 | 8,161 | 8,161 | 979 | 579 | 179 |
| | Infrastructure | | 296,474 | 374,512 | 205,699 | 326,023 | 264,364 | 264,364 | 223,981 | 230,072 | 245,101 |
| | Investment properties | | 1,172 | 1,172 | 210 | 1,252 | 1,252 | 1,252 | 210 | 210 | 210 |
| | Other Assets | | 56,435 | 48,659 | 85,500 | 57,647 | 57,647 | 57,647 | 52,826 | 44,248 | 35,604 |
| | Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| | Intangible Assets | | 2,064 | 998 | 2,213 | 1,300 | 1,300 | 1,300 | 776 | 57 | – |
| | TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 356,145 | 425,341 | 293,621 | 386,222 | 324,562 | 324,562 | 277,792 | 274,587 | 280,914 |
| | EXPENDITURE OTHER ITEMS | | 75,443 | 61,138 | 68,489 | 75,220 | 103,833 | 103,833 | 90,311 | 91,765 | 94,386 |
| | Depreciation | 7 | 16,616 | 18,938 | 26,108 | 22,198 | 26,511 | 26,511 | 27,720 | 31,878 | 36,660 |
| | Repairs and Maintenance by Asset Class | 3 | 58,828 | 42,200 | 42,381 | 53,022 | 77,322 | 77,322 | 62,591 | 59,887 | 57,726 |
| | <i>Roads Infrastructure</i> | | 37,550 | 36,100 | 22,000 | 15,000 | 38,000 | 38,000 | 21,739 | 17,304 | 13,043 |
| | <i>Electrical Infrastructure</i> | | 4,100 | 3,700 | 3,000 | 2,000 | 3,000 | 3,000 | 2,174 | 2,609 | 2,174 |
| | <i>Solid Waste Infrastructure</i> | | – | – | – | 26,261 | 26,261 | 26,261 | 29,600 | 31,500 | 33,000 |
| | Infrastructure | | 41,650 | 39,800 | 25,000 | 43,261 | 67,261 | 67,261 | 53,513 | 51,413 | 48,217 |
| | Sport and Recreation Facilities | | – | – | 2,100 | – | – | – | – | – | – |
| | Community Assets | | – | – | 2,100 | – | – | – | – | – | – |
| | Operational Buildings | | – | – | 6,500 | 2,500 | 1,800 | 1,800 | 3,478 | 2,174 | 2,609 |
| | Housing | | – | – | – | – | – | – | – | – | – |
| | Other Assets | | – | – | 6,500 | 2,500 | 1,800 | 1,800 | 3,478 | 2,174 | 2,609 |
| | Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| | Computer Equipment | | 1,027 | 1,300 | 6,000 | 5,739 | 6,739 | 6,739 | 3,600 | 4,000 | 4,200 |
| | Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| | Machinery and Equipment | | 13,612 | – | – | – | – | – | – | – | – |
| | Transport Assets | | 2,538 | 1,100 | 2,781 | 1,522 | 1,522 | 1,522 | 2,000 | 2,300 | 2,700 |
| | TOTAL EXPENDITURE OTHER ITEMS | | 75,443 | 61,138 | 68,489 | 75,220 | 103,833 | 103,833 | 90,311 | 91,765 | 94,386 |

2.3.10 Table 16 MBRR table A10 – Basic Service delivery measurement

| LIM473 Makhuduthamaga - Table A10 Basic service delivery measurement | | | | | | | | | | |
|---|-----|------------|------------|------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Household service targets | 1 | | | | | | | | | |
| Highest level of free service provided per household | | | | | | | | | | |
| Property rates (R value threshold) | | | | | | | | | | |
| Water (kilolitres per household per month) | | | | | | | | | | |
| Sanitation (kilolitres per household per month) | | | | | | | | | | |
| Sanitation (Rand per household per month) | | | | | | | | | | |
| Electricity (kwh per household per month) | | 5,356,942 | 4,309,604 | 4,685,022 | 4,200,000 | 4,200,000 | 4,200,000 | 4,500,000 | 4,800,000 | 5,000,000 |
| Refuse (average litres per week) | | | | | | | | | | |
| Revenue cost of subsidised services provided (R'000) | 9 | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | 605 | 605 | 605 | 605 | 605 | 605 | 605 | 605 | 605 |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) | | - | - | - | - | - | - | - | - | - |
| Water (in excess of 6 kilolitres per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (in excess of free sanitation service to indigent households) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (in excess of one removal a week for indigent households) | | - | - | - | - | - | - | - | - | - |
| Municipal Housing - rental rebates | | | | | | | | | | |
| Housing - top structure subsidies | 6 | | | | | | | | | |
| Other | | | | | | | | | | |
| Total revenue cost of subsidised services provided | | 605 | 605 | 605 | 605 | 605 | 605 | 605 | 605 | 605 |

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The municipality continues to make good progress with the eradication of backlogs on services that are within the functions of the municipality in terms of the South African Constitution and Municipal Systems Act. The municipality performs only the function of providing indigents registered in the municipality’s indigent register with electricity tokens (Free Basic Electricity) and the other basic services as listed in table A10 are performed by the Greater Sekhukhune District Municipality. It must be noted also that as the municipality does not sell electricity, but purchase the electricity from Eskom, therefore the revenue costs for providing free basic electricity is Zero.
- The following are the services that are provided by the district municipality and hence, no information has been completed on the table A10 of the municipality’s Annual budget for 2019/20 MTREF:
 - Water services
 - Sanitation services
 - Electricity services
 - Refuse services
- The budget provides for 110 000 households to be registered as indigent in 2019/20, and therefore entitled to receiving Free Basic Services. It is anticipated that these Free Basic Services will cost the municipality **R 4.5 million** in 2019/20, increasing to **R 4.8 million** in 2020/21 and **R 5 million** in 2021/22. 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 2018) 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 July 2018. Key dates applicable to the process were adhered to and progress was reported to council quarterly

3.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the first review of the IDP as adopted by Council in July 2018.

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

The Process Plan applicable to the first revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;

- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP

The SDBIP for 2019/20 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 2019/20 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 2019/20 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, 86, 89,91,93 & 94 has been taken into consideration in the planning and prioritisation process.

3.1.4 Community Consultation

The consultation schedule for draft 2019/20 MTREF which was tabled before Council on 28 March 2019 and was also published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and the municipality's community libraries and at tribal offices.

All documents in the appropriate format (electronic and printed) were submitted to National and Provincial Treasury, and other national and provincial departments in accordance with section 23 of the MFMA and MFMA circular number 93 and 94, to provide an opportunity for them to ensure that their inputs are incorporated in the final budget and for monitoring purposes. Inputs received from the Provincial Treasury were considered and were necessary and appropriate included in the final budget for 2018/19 and the MTREF.

Ward Committees were utilised to facilitate the community consultation process. The applicable dates and venues which were published on municipality's websites, notice boards and published in a newspaper and the local community radio station were as follows. Individual sessions were scheduled and conducted with organised businesses and other stakeholders to further ensure transparency and interaction. Other stakeholders that were involved in the consultation include churches, non-governmental institutions, local chiefs, traditional healers, youth, people with disabilities and community-based organisations.

3.2 Overview of alignment of annual budget with IDP

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

Our municipal IDP that provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the municipal council, was first adopted in July 2018. 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 2018/19 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 17 IDP Strategic Objectives

| 2018/19 Financial year | 2019/20 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. |

| | |
|---|---|
| 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 2019/20 draft budget and the MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

| LIM473 Makhuduthamaga - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue) | | | | | | | | | | | | | |
|--|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|---------|
| Strategic Objective | Goal | Goal Code | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | |
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | |
| R thousand | | | | | | | | | | | | | |
| To secure sound and sustainable management of fiscus and financial affairs of the institution. | Improved revenue collection rate for property rates debtors | | | 31,834 | 37,894 | 37,708 | 37,237 | 38,129 | 38,129 | 43,049 | 45,696 | 48,342 | |
| To secure sound and sustainable management of fiscus and financial affairs of the institution. | Improved revenue collection on rental of municipal assets. | | | 115 | 121 | 150 | 130 | 130 | 130 | 142 | 152 | 156 | |
| To secure sound and sustainable management of fiscus and financial affairs of the institution. | increase revenue generation through interests on investments. | | | 11,702 | 10,225 | 7,828 | 10,235 | 5,304 | 5,304 | 5,693 | 6,034 | 6,336 | |
| To secure sound and sustainable management of fiscus and financial affairs of the institution. | Improved collection rate on interests for overdue accounts. | | | 20,498 | 23,498 | 33,999 | 29,343 | 32,642 | 32,642 | 35,906 | 38,061 | 39,964 | |
| To secure sound and sustainable management of fiscus and financial affairs of the institution. | To maximise adherence to roads laws and regulations. | | | 579 | 730 | 236 | 150 | 550 | 550 | 626 | 650 | 686 | |
| To secure sound and sustainable management of fiscus and financial affairs of the institution. | Adherence to vehicle licensing regulations | | | 4,909 | 5,154 | 4,943 | 5,584 | 5,984 | 5,984 | 6,553 | 7,011 | 7,432 | |
| 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 | | | 232,170 | 228,253 | 247,523 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 | |
| To secure sound and sustainable management of fiscus and financial affairs of the institution. | Improve collection rate on VAT input and other revenue | | | 980 | 613 | 951 | 682 | 622 | 622 | 544 | 461 | 368 | |
| To secure sound and sustainable management of fiscus and financial affairs of the institution. | Receipt of total allocation of MIG grant. | | | 75,450 | 94,210 | 74,655 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 | |
| Allocations to other priorities | | | 2 | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | | 1 | 378,237 | 400,697 | 407,994 | 406,198 | 406,199 | 406,199 | 427,205 | 452,609 | 483,874 |

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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | |
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | |
| R thousand | | | | | | | | | | | | | |
| Good corporate governance and administration | Implement best methods & practices of corporate governance | | | 19,114 | 23,692 | 33,237 | 28,225 | 27,989 | 27,989 | 26,945 | 29,177 | 30,878 | |
| Excelerate basic service delivery | Deliver all basic services to the community members | | | 53,518 | 81,010 | 214,023 | 96,825 | 114,301 | 114,301 | 100,632 | 97,389 | 97,609 | |
| Sustainable economic planning and development | Archivement of the set economic development targets | | | 39,625 | 13,652 | 11,986 | 11,908 | 13,129 | 13,129 | 13,688 | 13,262 | 14,517 | |
| Sustainable financial management | financially viable municipality | | | 174,385 | 93,150 | 147,706 | 106,374 | 110,934 | 110,934 | 122,400 | 132,534 | 142,881 | |
| Executive Support and Institional Management | Practice of good governance | | | 54,219 | 61,501 | 68,618 | 75,067 | 76,898 | 76,898 | 79,325 | 84,499 | 90,236 | |
| Allocations to other priorities | | | | | | | | | | | | | |
| Total Expenditure | | | | 1 | 340,862 | 273,006 | 475,569 | 318,400 | 343,252 | 343,252 | 342,990 | 356,861 | 376,121 |

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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | |
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | |
| R thousand | | | | | | | | | | | | |
| Good corporate governance and administration | Implement best methods & practices of corporate governance | A | - | 2,200 | - | - | - | - | - | 2,000 | 2,400 | 2,500 |
| Excelerate basic service delivery | Deliver all basic services to the community members | B | 151,090 | 144,004 | 148,751 | 93,608 | 94,908 | 94,908 | 77,913 | 88,304 | 98,093 | |
| Sustainable economic planning and development | Archivement of the set economic development targets | C | 3,700 | 3,060 | - | 3,200 | 1,570 | 1,570 | - | - | - | |
| Sustainable financial management | financially viable municipality | D | 16,250 | 15,307 | 6,069 | 4,783 | 4,783 | 4,783 | 4,000 | 4,800 | 7,000 | |
| Executive Support and Institional | Practice of good governance | E | - | 3,500 | 5,463 | 2,522 | 1,522 | 1,522 | - | - | - | |
| Allocations to other priorities | | | | | | | | | | | | |
| Total Capital Expenditure | | | | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |

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:

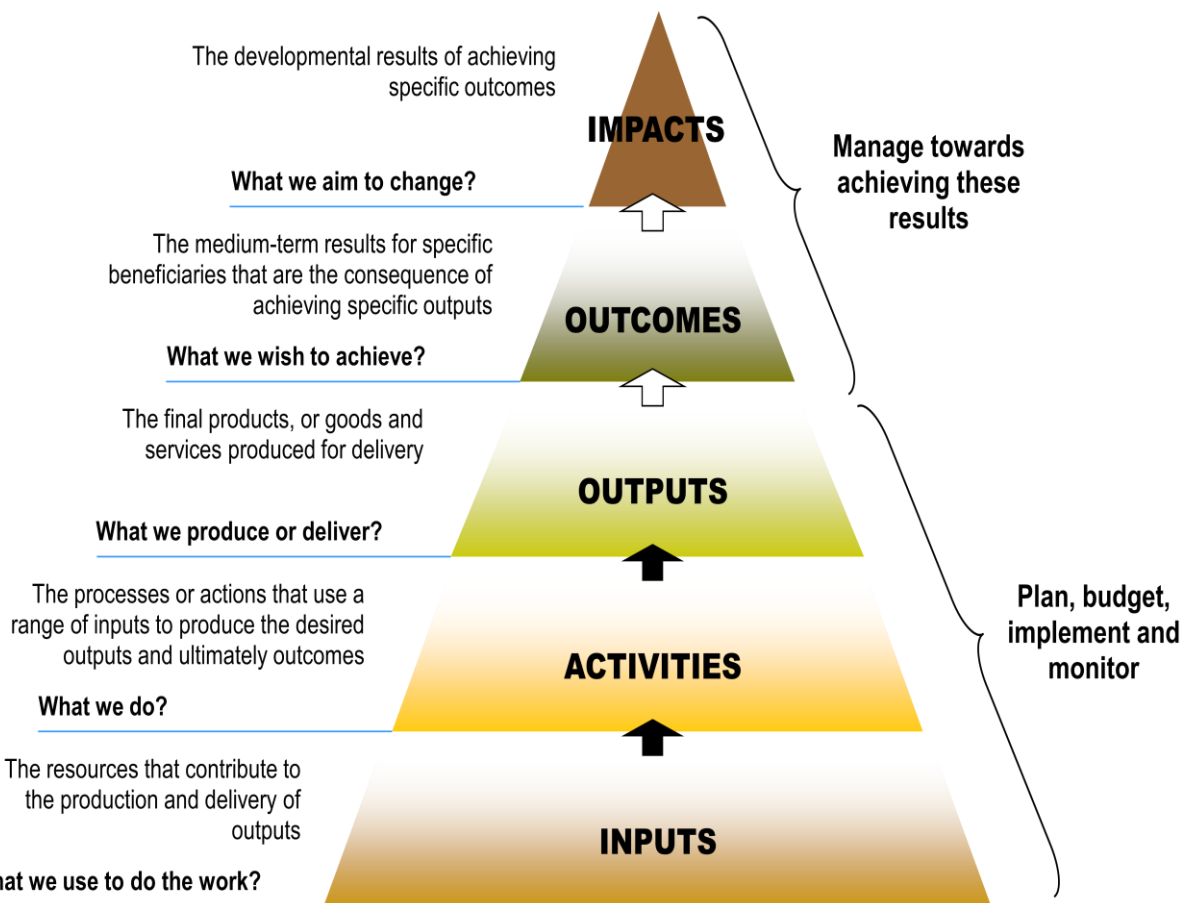


Figure 1 Definition of performance information concepts

The following table sets out the municipalities main performance objectives and benchmarks for the 2019/20 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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Borrowing Management | | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0.0% | 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 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Safety of Capital | | | | | | | | | | | |
| 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% |
| Liquidity | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 10.3 | 5.6 | 1.0 | 4.9 | 3.4 | 3.4 | 3.4 | 6.8 | 7.4 | 7.3 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 10.3 | 5.6 | 1.0 | 4.9 | 3.4 | 3.4 | 3.4 | 6.8 | 7.4 | 7.3 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 8.0 | 3.0 | 0.4 | 1.3 | 1.5 | 1.5 | 1.5 | 1.9 | 2.3 | 3.0 |
| Revenue Management | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 32.7% | 62.0% | 19.3% | 18.1% | 34.0% | 34.0% | 34.0% | 33.8% | 40.4% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 32.7% | 62.0% | 19.3% | 18.1% | 34.0% | 34.0% | 34.0% | 33.8% | 40.4% | 41.4% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 10.6% | 17.8% | 8.1% | 18.4% | 9.6% | 9.6% | 9.6% | 14.4% | 12.7% | 10.9% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | 1.0% | 1.0% | 1.0% | 2.0% | 2.0% | 2.0% | 2.0% | 20.0% | 36.0% | 40.0% |
| Creditors Management | | | | | | | | | | | |
| 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 | | 12.4% | 33.0% | 248.1% | 170.3% | 66.4% | 66.4% | 66.4% | 53.5% | 43.5% | 33.5% |
| Other Indicators | | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 16.9% | 20.6% | 18.6% | 24.1% | 21.8% | 21.8% | 21.8% | 23.6% | 23.7% | 23.7% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 24.8% | 27.4% | 25.3% | 31.4% | 29.1% | 29.1% | | 30.3% | 30.4% | 30.4% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 19.4% | 13.8% | 12.7% | 15.6% | 22.7% | 22.7% | | 17.1% | 15.5% | 14.0% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 5.5% | 6.2% | 7.8% | 6.5% | 7.8% | 7.8% | 7.8% | 7.6% | 8.2% | 8.9% |
| IDP regulation financial viability indicators | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 6.9 | 8.9 | 8.4 | 15.7 | 15.7 | 15.7 | 14.6 | 15.3 | 15.5 | 16.3 |
| ii. O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 100.6% | 143.9% | 71.4% | 167.8% | 85.5% | 85.5% | 85.5% | 121.3% | 107.4% | 93.2% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | 6.2 | 3.8 | 0.7 | 0.5 | 1.1 | 1.1 | 1.1 | 0.9 | 0.9 | 1.3 |

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 2019/20 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 2019/20 as our municipality does not have borrowings or overdraft and the ratio remain stable for the two outer years.

3.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2017/18 financial year the current ratio is 1 as per the audited annual financial statements for 30 June 2018. For the 2018/19 financial year, it is estimated to be at 3.38. It is further estimated to be at 6.85 for the 2019/20 budget year and 7.44 & 7.25 for 2020/21 & 2021/22 respectively. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to settle its current liabilities as they fall due. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1 or more. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2019/20 MTREF our municipality ratio indicates that we will be able to meet our creditor obligations. This is also supported by the cash flow projections appropriated to ensure that cash out flow is always covered by cash inflow or availability of surplus funds to settle the obligations.

3.3.1.4 Revenue Management

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

3.3.1.5 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of the receipt of the invoice in the previous financial year. As our liquidity ratio is in good order we will not encounter cash flow problems to ensure a 100 per cent compliance rate to this legislative obligation in 2019/20 and the MTREF. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

3.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to increase for the 2019/20 MTREF as the municipality is filling critical vacancies to assist in efficient acceleration of service delivery to address the municipality's backlog.
- Repairs and maintenance as percentage of operating expenditure is 18% for 2019/20 budget year. The municipality will always ensure that its existing assets are properly maintained and repaired to lengthen their life span and to keep them in good working conditions.

3.3.2 Free Basic Services: basic electricity tokens for indigent households

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

For the 2018/19 financial year registered indigents are been provided with a fifty (50) KWh token per household per month at a total cost **R 4.2 million** to the municipality. The cost of free basic electricity increases to **R 4.5 million** in 2019/20 financial year and increases to **R 4.8 million** and **R 5 million** in 2020/21 and 2021/22 respectively. The total amount of units provided per household remains at 50 KWh for the 2019/20 MTREF.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 16 MBRR A10 (Basic Service Delivery Measurement)

3.4 Overview of budget related-policies

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

3.4.1 Review of credit control and debt collection procedures/policies

The Debt Collection Policy as approved by Council in May 2015 is was reviewed. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review the tariff for property rates and certain components to encourage our customers to pay their accounts as they complained with current rate and to achieve a higher collection rate. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

The 2019/20 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 2018, the municipality has not made any projection for them in the cash flow statement for 2018/19 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 2018. 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 2018. 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 2018.

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 2019/20 MTREF:

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

3.5.3 Interest rates for borrowing and investment of funds

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

3.5.4 Collection rate for revenue services

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

3.5.5 Salary increases

We have budgeted salary increases as per the National Treasury Circular number 93 and 94. We budgeted an increase of 7 per cent for 2019/20 financial year.

3.5.6 Impact of national, provincial and local policies

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

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

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

3.6 Overview of budget funding

3.6.1 Medium-term outlook: operating revenue

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

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

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the transfers recognised – operational (government grants), Property rates, capital grants from organs of state and other minor charges (such as licenses and permits etc).

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

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- National Treasury guidelines;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the determination of the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff reduction for the 2018/19 MTREF for Property rates can be shown as follows:

Table 4 Approved tariff reduction over the medium-term

| Revenue Category | Approved Tariff 2017/18 | Approved Tariff 2018/19 | Approved Tariff 2019/20 | Approved Tariff 2020/21 |
|------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Property Rates | 0.015 cents | 0.015 cents | 0.015 cents | 0.015 cents |

3.6.2 Cash Flow Management

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

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

Table 28 MBRR Table A7 - Budget cash flow statement

| LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows | | | | | | | | | | | |
|--|-----|------------------|------------------|-----------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | 10,414 | 23,505 | 7,265 | 6,749 | 12,945 | 12,945 | 12,945 | 14,567 | 18,467 | 20,003 |
| Service charges | | - | - | - | - | - | - | - | - | - | - |
| Other revenue | | 32,704 | 30,471 | 6,228 | 29,018 | 52,715 | 52,715 | 52,715 | 7,250 | 7,638 | 7,978 |
| Government - operating | 1 | 232,170 | 228,253 | 243,135 | 256,837 | 256,837 | 256,837 | 256,837 | 270,771 | 288,976 | 310,061 |
| Government - capital | 1 | 75,450 | 94,210 | 74,655 | 66,000 | 66,000 | 66,000 | 66,000 | - | - | - |
| Interest | | 32,200 | 10,225 | 8,749 | 10,235 | 5,304 | 5,304 | 5,304 | 5,693 | 6,034 | 6,336 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (208,296) | (221,951) | (380,917) | (257,931) | (272,150) | (272,150) | (272,150) | (275,364) | (278,923) | (290,497) |
| Finance charges | | - | - | - | - | - | - | - | - | - | - |
| Transfers and Grants | 1 | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 174,642 | 164,713 | (40,885) | 110,907 | 121,651 | 121,651 | 121,651 | 22,917 | 42,192 | 53,881 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | 62,122 | 65,569 | 70,529 |
| Payments | | | | | | | | | | | |
| Capital assets | | (171,040) | (168,071) | (24,042) | (119,729) | (114,199) | (114,199) | (114,199) | (91,799) | (105,504) | (114,593) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (171,040) | (168,071) | (24,042) | (119,729) | (114,199) | (114,199) | (114,199) | (29,677) | (39,935) | (44,064) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 3,602 | (3,358) | (64,927) | (8,822) | 7,452 | 7,452 | 7,452 | (6,760) | 2,257 | 9,817 |
| Cash/cash equivalents at the year begin: | 2 | 112,117 | 68,696 | 84,204 | 19,228 | 19,228 | 19,228 | 19,228 | 26,680 | 19,919 | 22,176 |
| Cash/cash equivalents at the year end: | 2 | 115,720 | 65,338 | 19,278 | 10,406 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |

The above table shows a net decrease in cash held for 2019/20 financial year and a net increase the outer years.

3.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

| LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation | | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 115,720 | 65,338 | 19,278 | 10,406 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |
| Other current investments > 90 days | | 0 | - | - | 12,435 | - | - | - | (0) | (0) | (0) |
| Non current assets - Investments | 1 | - | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | 115,720 | 65,338 | 19,278 | 22,841 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | - | - | - | - | - | - | - | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | | | | | | | | | | |
| Other working capital requirements | 3 | (9,152) | (21,839) | 43,146 | (12,937) | (9,774) | (9,774) | (9,774) | (2,518) | (4,315) | (2,332) |
| Other provisions | | | | | | | | | | | |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | | |
| Total Application of cash and investments: | | (9,152) | (21,839) | 43,146 | (12,937) | (9,774) | (9,774) | (9,774) | (2,518) | (4,315) | (2,332) |
| Surplus(shortfall) | | 124,872 | 87,177 | (23,869) | 35,778 | 36,454 | 36,454 | 36,454 | 22,437 | 26,491 | 34,325 |

From the above table it can be seen that the cash and investments available total is **R 19 million** in the 2019/20 financial year and increases to **R 22 million** by 2020/21 and **R 31 million** by 2021/22.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a

greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

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

Funding compliance measurement

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

Table 30 MBRR SA10 – Funding compliance measurement

| LIM473 Makhuduthamaga Supporting Table SA10 Funding measurement | | | | | | | | | | | | |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | MFMA section | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Funding measures | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | 1 | 115,720 | 65,338 | 19,278 | 10,406 | 26,680 | 26,680 | 26,680 | 19,919 | 22,176 | 31,993 |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | 124,872 | 87,177 | (23,869) | 35,778 | 36,454 | 36,454 | 36,454 | 22,437 | 26,491 | 34,325 |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | 6.2 | 3.8 | 0.7 | 0.5 | 1.1 | 1.1 | 1.1 | 0.9 | 0.9 | 1.3 |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | N.A. | 13.0% | (6.5%) | (7.2%) | (3.6%) | (6.0%) | (6.0%) | 6.9% | 0.1% | (0.2%) |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 73.2% | 79.4% | 17.3% | 48.9% | 84.1% | 84.1% | 84.1% | 25.1% | 28.4% | 28.9% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | 94.2% | 82.9% | 174.4% | 78.8% | 77.0% | 77.0% | 77.0% | 83.4% | 83.3% | 82.7% |
| Capital payments % of capital expenditure | 18(1)c,19 | 8 | 100.0% | 100.0% | 15.0% | 115.0% | 111.1% | 111.1% | 111.1% | 109.4% | 110.5% | 106.5% |
| 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 | | | | | | | | 0.0% | 0.0% | 0.0% |
| Current consumer debtors % change - incr(decr) | 18(1)a | 11 | N.A. | 70.2% | (50.6%) | 131.8% | (47.9%) | 0.0% | 0.0% | 60.3% | (6.0%) | (8.2%) |
| 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 | 16.7% | 10.0% | 14.6% | 13.8% | 24.0% | 24.0% | 19.4% | 22.6% | 21.8% | 20.6% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 0.0% | 11.0% | 0.0% | 2.4% | 2.5% | 2.5% | 0.0% | 0.0% | 0.0% | 0.0% |
| Supporting indicators | | | | | | | | | | | | |
| % incr total service charges (incl prop rates) | 18(1)a | | | 19.0% | (0.5%) | (1.2%) | 2.4% | 0.0% | 0.0% | 12.9% | 6.1% | 5.8% |
| % incr Property Tax | 18(1)a | | | 19.0% | (0.5%) | (1.2%) | 2.4% | 0.0% | 0.0% | 12.9% | 6.1% | 5.8% |
| % incr Service charges - electricity revenue | 18(1)a | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| % incr Service charges - water revenue | 18(1)a | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| % incr Service charges - sanitation revenue | 18(1)a | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| % incr Service charges - refuse revenue | 18(1)a | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| % incr in | 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 | | 31,834 | 37,894 | 37,708 | 37,237 | 38,129 | 38,129 | 38,129 | 43,049 | 45,696 | 48,342 |
| Service charges | | | 31,834 | 37,894 | 37,708 | 37,237 | 38,129 | 38,129 | 38,129 | 43,049 | 45,696 | 48,342 |
| Property rates | | | 31,834 | 37,894 | 37,708 | 37,237 | 38,129 | 38,129 | 38,129 | 43,049 | 45,696 | 48,342 |
| Service charges - other | | | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | | 115 | 121 | 150 | 130 | 130 | 130 | 130 | 142 | 152 | 156 |
| Capital expenditure excluding capital grant funding | | | - | - | - | - | - | - | - | - | - | - |
| Cash receipts from ratepayers | 18(1)a | | 43,118 | 53,976 | 13,493 | 35,767 | 65,660 | 65,660 | 65,660 | 21,817 | 26,105 | 27,981 |
| Ratepayer & Other revenue | 18(1)a | | 58,915 | 68,009 | 77,987 | 73,126 | 78,057 | 78,057 | 78,057 | 86,819 | 92,030 | 96,948 |
| Change in consumer debtors (current and non-current) | | | 8,638 | 22,561 | (27,662) | 35,647 | 5,647 | 5,647 | 5,647 | (10,300) | (3,143) | (4,043) |
| Operating and Capital Grant Revenue | 18(1)a | | 307,620 | 322,463 | 322,178 | 322,837 | 322,837 | 322,837 | 322,837 | 334,693 | 354,545 | 380,590 |
| Capital expenditure - total | 20(1)(vi) | | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Capital expenditure - renewal | 20(1)(vi) | | - | 18,421 | - | 2,550 | 2,550 | 2,550 | | - | - | - |
| Supporting benchmarks | | | | | | | | | | | | |
| Growth guideline maximum | | | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| CPI guideline | | | 4.3% | 3.9% | 4.6% | 5.0% | 5.0% | 5.0% | 5.0% | 5.4% | 5.6% | 5.4% |
| | | | | | | | | | | - | - | - |

| | | | | | | | | | | | |
|--|----|----------|---------|-------------|-------------|----------|---------|---------|-------------|---------|---------|
| Trend | | | | | | | | | | | |
| Change in consumer debtors (current and non-current) | | 8,638 | 22,561 | (27,662) | 5,647 | (10,300) | (3,143) | (4,043) | - | - | - |
| Total Operating Revenue | | 302,787 | 306,487 | 333,339 | 340,198 | 340,199 | 340,199 | 340,199 | 365,083 | 387,040 | 413,345 |
| Total Operating Expenditure | | 340,862 | 273,006 | 475,569 | 318,400 | 343,252 | 343,252 | 343,252 | 342,990 | 356,861 | 376,121 |
| Operating Performance Surplus/(Deficit) | | (38,075) | 33,481 | (142,231) | 21,798 | (3,053) | (3,053) | (3,053) | 22,093 | 30,179 | 37,224 |
| Cash and Cash Equivalents (30 June 2012) | | | | | | | | | 19,919 | | |
| Revenue | | | | | | | | | | | |
| % Increase in Total Operating Revenue | | | 1.2% | 8.8% | 2.1% | 0.0% | 0.0% | 0.0% | 7.3% | 6.0% | 6.8% |
| % Increase in Property Rates Revenue | | | 19.0% | (0.5%) | (1.2%) | 2.4% | 0.0% | 0.0% | 12.9% | 6.1% | 5.8% |
| % 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 | | | 19.0% | (0.5%) | (1.2%) | 2.4% | 0.0% | 0.0% | 12.9% | 6.1% | 5.8% |
| Expenditure | | | | | | | | | | | |
| % Increase in Total Operating Expenditure | | | (19.9%) | 74.2% | (33.0%) | 7.8% | 0.0% | 0.0% | (0.1%) | 4.0% | 5.4% |
| % Increase in Employee Costs | | | 23.1% | (1.6%) | 32.0% | (9.6%) | 0.0% | 0.0% | 16.4% | 6.5% | 6.5% |
| % 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) | | | | 425487.5959 | 515695.2534 | | | | 542534.7703 | | |
| Average Cost Per Councillor (Remuneration) | | | | 356644.7419 | 401759.6488 | | | | 392406.4314 | | |
| R&M % of PPE | | 16.7% | 10.0% | 14.6% | 13.8% | 24.0% | 24.0% | | 22.6% | 21.8% | 20.6% |
| Asset Renewal and R&M as a % of PPE | | 17.0% | 14.0% | 14.0% | 15.0% | 26.0% | 26.0% | | 23.0% | 22.0% | 21.0% |
| Debt Impairment % of Total Billable Revenue | | 94.2% | 82.9% | 174.4% | 78.8% | 77.0% | 77.0% | 77.0% | 83.4% | 83.3% | 82.7% |
| Capital Revenue | | | | | | | | | | | |
| Grant Funding and Other (R'000) | | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Internally Generated funds % of Non Grant Funding | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowing % of Non Grant Funding | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grant Funding % of Total Funding | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Capital Expenditure | | | | | | | | | | | |
| Total Capital Programme (R'000) | | 171,040 | 168,071 | 160,282 | 104,112 | 102,782 | 102,782 | 102,782 | 83,913 | 95,504 | 107,593 |
| Asset Renewal | | - | 18,421 | - | 6,798 | 6,798 | 6,798 | 6,798 | - | - | - |
| Asset Renewal % of Total Capital Expenditure | | 0.0% | 11.0% | 0.0% | 6.5% | 6.6% | 6.6% | 6.6% | 0.0% | 0.0% | 0.0% |
| Cash | | | | | | | | | | | |
| Cash Receipts % of Rate Payer & Other | | 73.2% | 79.4% | 17.3% | 48.9% | 84.1% | 84.1% | 84.1% | 25.1% | 28.4% | 28.9% |
| Cash Coverage Ratio | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Borrowing | | | | | | | | | | | |
| Credit Rating (2009/10) | | | | | | | | | 0 | | |
| Capital Charges to Operating | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowing Receipts % of Capital Expenditure | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Reserves | | | | | | | | | | | |
| Surplus/(Deficit) | | 124,872 | 87,177 | (23,869) | 35,778 | 36,454 | 36,454 | 36,454 | 22,437 | 26,491 | 34,325 |
| Free Services | | | | | | | | | | | |
| Free Basic Services as a % of Equitable Share | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | 0.0% | 0.0% | 0.0% |
| Free Services as a % of Operating Revenue (excl operational transfers) | | 0.9% | 0.8% | 0.7% | 0.7% | 0.7% | 0.7% | | 0.7% | 0.6% | 0.6% |
| High Level Outcome of Funding Compliance | | | | | | | | | | | |
| Total Operating Revenue | | 302,787 | 306,487 | 333,339 | 340,198 | 340,199 | 340,199 | 340,199 | 365,083 | 387,040 | 413,345 |
| Total Operating Expenditure | | 340,862 | 273,006 | 475,569 | 318,400 | 343,252 | 343,252 | 343,252 | 342,990 | 356,861 | 376,121 |
| Surplus/(Deficit) Budgeted Operating Statement | | (38,075) | 33,481 | (142,231) | 21,798 | (3,053) | (3,053) | (3,053) | 22,093 | 30,179 | 37,224 |
| Surplus/(Deficit) Considering Reserves and Cash Backing | | 124,872 | 87,177 | (23,869) | 35,778 | 36,454 | 36,454 | 36,454 | 22,437 | 26,491 | 34,325 |
| MTREF Funded (1) / Unfunded (0) | 15 | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| MTREF Funded ✓ / Unfunded ✗ | 15 | ✓ | ✓ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

3.7 Expenditure on allocations and grants programmes

Table 30 MBRR SA18 - Transfers and Grants Received

| LIM473 Makhuduthamaga - Supporting Table SA18 Transfers and grant receipts | | | | | | | | | | | | | | | | | | |
|--|------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|---------------------|------------------------|------------------------|----------------------|--|--|---|--|--|--|--|
| Description | Ref | 2015/16 | | | 2016/17 | | | 2017/18 | | | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | | | | | | | | |
| RECEIPTS: | 1, 2 | | | | | | | | | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | | | | | | | | | |
| National Government: | | 232,170 | 235,253 | 247,523 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 | | | | | | | | |
| Local Government Equitable Share | | 228,571 | 225,123 | 233,388 | 241,518 | 241,518 | 241,518 | 267,931 | 285,436 | 304,751 | | | | | | | | |
| Finance Management | | 1,600 | 1,625 | 1,700 | 1,770 | 1,770 | 1,770 | 1,770 | 3,540 | 5,310 | | | | | | | | |
| Municipal Systems Improvement | | 930 | - | - | - | - | - | 1,800 | - | - | | | | | | | | |
| EPWP Incentive | | 1,069 | 1,505 | 1,158 | 1,537 | 1,537 | 1,537 | 1,070 | - | - | | | | | | | | |
| Integrated National Electrification Programme | | - | 7,000 | 11,277 | 12,012 | 12,012 | 12,012 | - | - | - | | | | | | | | |
| Total Operating Transfers and Grants | 5 | 232,170 | 235,253 | 247,523 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 | | | | | | | | |
| Capital Transfers and Grants | | | | | | | | | | | | | | | | | | |
| National Government: | | 74,950 | 87,210 | 74,655 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 | | | | | | | | |
| Municipal Infrastructure Grant (MIG) | | 74,950 | 87,210 | 74,655 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 | | | | | | | | |
| Total Capital Transfers and Grants | 5 | 74,950 | 87,210 | 74,655 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 | | | | | | | | |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 307,120 | 322,463 | 322,178 | 322,837 | 322,837 | 322,837 | 334,693 | 354,545 | 380,590 | | | | | | | | |

Table 31 MBRR SA19 - Expenditure on Transfers & Grants

| LIM473 Makhuduthamaga - Supporting Table SA19 Expenditure on transfers and grant programme | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| EXPENDITURE: | 1 | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 232,170 | 235,253 | 247,523 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 |
| Local Government Equitable Share | | 228,571 | 225,123 | 233,388 | 241,518 | 241,518 | 241,518 | 267,931 | 285,436 | 304,751 |
| Finance Management | | 1,600 | 1,625 | 1,700 | 1,770 | 1,770 | 1,770 | 1,770 | 3,540 | 5,310 |
| Municipal Systems Improvement | | 930 | - | - | - | - | - | 1,800 | - | - |
| EPWP Incentive | | 1,069 | 1,505 | 1,158 | 1,537 | 1,537 | 1,537 | 1,070 | - | - |
| Integrated National Electrification Programme | | - | 7,000 | 11,277 | 12,012 | 12,012 | 12,012 | - | - | - |
| Total operating expenditure of Transfers and Grants: | | 232,170 | 235,253 | 247,523 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 74,950 | 87,210 | 74,655 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 |
| Municipal Infrastructure Grant (MIG) | | 74,950 | 87,210 | 74,655 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 |
| Total capital expenditure of Transfers and Grants | | 74,950 | 87,210 | 74,655 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 307,120 | 322,463 | 322,178 | 322,837 | 322,837 | 322,837 | 334,693 | 354,545 | 380,590 |

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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Operating transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | 232,170 | 228,253 | 247,523 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 |
| Conditions met - transferred to revenue | | 232,170 | 228,253 | 247,523 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 |
| Total operating transfers and grants revenue | | 232,170 | 228,253 | 247,523 | 256,837 | 256,837 | 256,837 | 272,571 | 288,976 | 310,061 |
| Total operating transfers and grants - CTBM | 2 | - | - | - | - | - | - | - | - | - |
| Capital transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | 6,111 | 6,111 | 6,111 | | | |
| Current year receipts | | 74,950 | 94,210 | 74,655 | 66,000 | 66,000 | 66,000 | 62,122 | 65,569 | 70,529 |
| Conditions met - transferred to revenue | | 74,950 | 94,210 | 74,655 | 72,111 | 72,111 | 72,111 | 62,122 | 65,569 | 70,529 |
| Total capital transfers and grants revenue | | 74,950 | 94,210 | 74,655 | 72,111 | 72,111 | 72,111 | 62,122 | 65,569 | 70,529 |
| Total capital transfers and grants - CTBM | 2 | - | - | - | - | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS REVENUE | | 307,120 | 322,463 | 322,178 | 328,948 | 328,948 | 328,948 | 334,693 | 354,545 | 380,590 |
| TOTAL TRANSFERS AND GRANTS - CTBM | | - | - | - | - | - | - | - | - | - |

3.8 Allocations and grants made by the municipality.

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

| LIM473 Makhuduthamaga - Supporting Table SA21 Transfers and grants made by the municipality | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Cash Transfers to other municipalities | | | | | | | | | | | |
| - | 1 | - | - | - | - | - | - | - | - | - | - |
| Total Cash Transfers To Municipalities: | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Entities/Other External Mechanisms | | | | | | | | | | | |
| - | 2 | - | - | - | - | - | - | - | - | - | - |
| Total Cash Transfers To Entities/Ems' | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to other Organs of State | | | | | | | | | | | |
| - | 3 | - | - | - | - | - | - | - | - | - | - |
| Total Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Organisations | | | | | | | | | | | |
| - | | - | - | - | - | - | - | - | - | - | - |
| Total Cash Transfers To Organisations | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Groups of Individuals | | | | | | | | | | | |
| - | | - | - | - | - | - | - | - | - | - | - |
| Total Cash Transfers To Groups Of Individuals: | | - | - | - | - | - | - | - | - | - | - |
| TOTAL CASH TRANSFERS AND GRANTS | 6 | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to other municipalities | | | | | | | | | | | |
| - | 1 | - | - | - | - | - | - | - | - | - | - |
| Total Non-Cash Transfers To Municipalities: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to Entities/Other External Mechanisms | | | | | | | | | | | |
| - | 2 | - | - | - | - | - | - | - | - | - | - |
| Total Non-Cash Transfers To Entities/Ems' | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to other Organs of State | | | | | | | | | | | |
| - | 3 | - | - | - | - | - | - | - | - | - | - |
| Total Non-Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Grants to Organisations | | | | | | | | | | | |
| - | 4 | - | - | - | - | - | - | - | - | - | - |
| Total Non-Cash Grants To Organisations | | - | - | - | - | - | - | - | - | - | - |
| Groups of Individuals | | | | | | | | | | | |
| - | 5 | - | - | - | - | - | - | - | - | - | - |
| Total Non-Cash Grants To Groups Of Individuals: | | - | - | - | - | - | - | - | - | - | - |
| TOTAL NON-CASH TRANSFERS AND GRANTS | | - | - | - | - | - | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS | 6 | - | - | - | - | - | - | - | - | - | - |

3.9 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

| LIM473 Makhuduthamaga - Supporting Table SA22 Summary councillor and staff benefits | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Summary of Employee and Councillor remuneration | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | 1 | | | | | | | | | |
| Basic Salaries and Wages | | 11,464 | 11,490 | 12,225 | 13,961 | 13,961 | 13,961 | 13,776 | 14,741 | 15,772 |
| Pension and UIF Contributions | | 2,468 | 2,873 | 2,312 | 2,847 | 2,847 | 2,847 | 2,336 | 2,499 | 2,674 |
| Medical Aid Contributions | | – | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | | 4,317 | 4,788 | 4,745 | 5,092 | 5,092 | 5,092 | 4,792 | 5,128 | 5,487 |
| Cellphone Allowance | | 1,660 | 1,400 | 2,527 | 2,660 | 2,660 | 2,660 | 3,026 | 3,101 | 3,318 |
| Housing Allowances | | – | – | – | – | – | – | – | – | – |
| Other benefits and allowances | | – | 242 | 303 | 349 | 349 | 349 | 399 | 426 | 456 |
| Sub Total - Councillors | | 19,909 | 20,792 | 22,112 | 24,909 | 24,909 | 24,909 | 24,329 | 25,895 | 27,708 |
| % increase | 4 | | 4.4% | 6.3% | 12.6% | – | – | (2.3%) | 6.4% | 7.0% |
| Senior Managers of the Municipality | 2 | | | | | | | | | |
| Basic Salaries and Wages | | 2,235 | 3,170 | 1,794 | 4,407 | 4,130 | 4,130 | 3,420 | 3,642 | 3,879 |
| Pension and UIF Contributions | | 401 | 146 | 5 | 164 | 74 | 74 | 318 | 338 | 360 |
| Medical Aid Contributions | | 173 | 233 | 165 | 307 | 307 | 307 | 369 | 392 | 418 |
| Overtime | | – | – | – | – | (45) | (45) | – | – | – |
| Performance Bonus | | – | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | 3 | 889 | 831 | 568 | 1,264 | 1,264 | 1,264 | 1,220 | 1,299 | 1,384 |
| Cellphone Allowance | 3 | 91 | 114 | 57 | 181 | 136 | 136 | 106 | 113 | 120 |
| Housing Allowances | 3 | 126 | 359 | 246 | 522 | 522 | 522 | 206 | 219 | 233 |
| Other benefits and allowances | 3 | 56 | 80 | 397 | 75 | 47 | 47 | 64 | 68 | 72 |
| Payments in lieu of leave | | – | – | – | – | – | – | – | – | – |
| Long service awards | | – | – | – | – | – | – | – | – | – |
| Post-retirement benefit obligations | 6 | – | – | – | – | – | – | – | – | – |
| Sub Total - Senior Managers of Municipality | | 3,970 | 4,932 | 3,232 | 6,920 | 6,434 | 6,434 | 5,701 | 6,072 | 6,466 |
| % increase | 4 | | 24.2% | (34.5%) | 114.1% | (7.0%) | – | (11.4%) | 6.5% | 6.5% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 26,886 | 29,337 | 35,062 | 40,658 | 36,479 | 36,479 | 43,531 | 46,360 | 49,374 |
| Pension and UIF Contributions | | 5,814 | 6,487 | 6,425 | 8,512 | 7,748 | 7,748 | 8,171 | 8,702 | 9,268 |
| Medical Aid Contributions | | 2,294 | 5,341 | 3,240 | 5,824 | 5,180 | 5,180 | 6,583 | 7,011 | 7,467 |
| Overtime | | 268 | 2,268 | 534 | 1,175 | 1,155 | 1,155 | 664 | 707 | 753 |
| Performance Bonus | | – | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | 3 | 6,751 | 7,686 | 7,812 | 9,245 | 8,294 | 8,294 | 10,882 | 11,590 | 12,343 |
| Cellphone Allowance | 3 | 1,128 | 1,240 | 1,314 | 1,348 | 1,317 | 1,317 | 1,889 | 2,012 | 2,142 |
| Housing Allowances | 3 | 1,693 | 2,697 | 2,352 | 3,722 | 3,326 | 3,326 | 4,229 | 4,504 | 4,797 |
| Other benefits and allowances | 3 | 2,433 | 3,124 | 2,151 | 4,592 | 4,162 | 4,162 | 4,613 | 4,913 | 5,232 |
| Payments in lieu of leave | | 2,768 | – | – | – | – | – | – | – | – |
| Long service awards | | 1,250 | – | – | – | – | – | – | – | – |
| Post-retirement benefit obligations | 6 | – | – | – | – | – | – | – | – | – |
| Sub Total - Other Municipal Staff | | 51,285 | 58,179 | 58,889 | 75,076 | 67,661 | 67,661 | 80,562 | 85,799 | 91,375 |
| % increase | 4 | | 13.4% | 1.2% | 27.5% | (9.9%) | – | 19.1% | 6.5% | 6.5% |
| Total Parent Municipality | | 75,165 | 83,904 | 84,233 | 106,905 | 99,004 | 99,004 | 110,592 | 117,765 | 125,549 |
| | | | 11.6% | 0.4% | 26.9% | (7.4%) | – | 11.7% | 6.5% | 6.6% |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 75,165 | 83,904 | 84,233 | 106,905 | 99,004 | 99,004 | 110,592 | 117,765 | 125,549 |
| % increase | 4 | | 11.6% | 0.4% | 26.9% | (7.4%) | – | 11.7% | 6.5% | 6.6% |
| TOTAL MANAGERS AND STAFF | 5,7 | 55,255 | 63,112 | 62,121 | 81,996 | 74,095 | 74,095 | 86,263 | 91,870 | 97,842 |

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 |
| | | | | 1 | | | | 2 |
| Rand per annum | | | | | | | | |
| Councillors | 3 | | | | | | | |
| Speaker | 4 | | 628,842 | 79,712 | 51,392 | | | 759,946 |
| Chief Whip | | | 423,472 | 74,730 | 217,415 | | | 715,617 |
| Executive Mayor | | | 786,043 | 99,640 | 52,244 | | | 937,928 |
| Deputy Executive Mayor | | | - | - | - | | | - |
| Executive Committee | | | 2,687,208 | 474,213 | 1,503,960 | | | 4,665,381 |
| Total for all other councillors | | | 9,649,183 | 1,607,630 | 5,993,514 | | | 17,250,327 |
| Total Councillors | 8 | - | 14,174,748 | 2,335,925 | 7,818,525 | | | 24,329,199 |
| Senior Managers of the Municipality | 5 | | | | | | | |
| Municipal Manager (MM) | | | 666,723 | 179,712 | 265,214 | | | 1,111,649 |
| Chief Finance Officer | | | 550,561 | 84,047 | 283,360 | | | 917,968 |
| Senior Manager: Corporate Services | | | 550,561 | 138,293 | 228,973 | | | 917,826 |
| Senior Manager: Infrastructure Development | | | 550,561 | 68,981 | 298,426 | | | 917,968 |
| Senior Manager: Economic Development & Planning | | | 550,561 | 209,749 | 157,287 | | | 917,597 |
| Senior Manager: Community Services | | | 550,561 | 68,981 | 298,426 | | | 917,968 |
| Total Senior Managers of the Municipality | 8,10 | - | 3,419,526 | 749,764 | 1,531,687 | - | | 5,700,976 |
| A Heading for Each Entity | 6,7 | | | | | | | |
| List each member of board by designation | | | | | | | | |
| Total for municipal entities | 8,10 | - | - | - | - | - | | - |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 10 | - | 17,594,274 | 3,085,689 | 9,350,212 | - | | 30,030,175 |

3. SA24 Indicates the Personnel Numbers

LIM473 Makhuduthamaga - Supporting Table SA24 Summary of personnel numbers

| Summary of Personnel Numbers | Ref | 2017/18 | | | Current Year 2018/19 | | | Budget Year 2019/20 | | |
|---|-----|------------|------------|---------------------|----------------------|------------|---------------------|---------------------|------------|---------------------|
| | | Number | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees | Positions | Permanent employees |
| Municipal Council and Boards of Municipal Entities | | | | | | | | | | |
| Councillors (Political Office Bearers plus Other Councillors) | | 62 | | 62 | 62 | | 62 | 62 | | 62 |
| Board Members of municipal entities | 4 | | | | | | | | | |
| Municipal employees | | | | | | | | | | |
| Municipal Manager and Senior Managers | 3 | 6 | | 6 | 6 | | 6 | 6 | | 6 |
| Other Managers | 7 | | | | | | | | | |
| Professionals | | 103 | 92 | 11 | 112 | 101 | 11 | 112 | 101 | 11 |
| <i>Finance</i> | | 52 | 44 | 8 | 56 | 48 | 8 | 56 | 48 | 8 |
| <i>Spatial/town planning</i> | | 7 | 6 | 1 | 9 | 8 | 1 | 9 | 8 | 1 |
| <i>Information Technology</i> | | 3 | 3 | – | 4 | 4 | – | 4 | 4 | – |
| <i>Roads</i> | | 6 | 4 | 2 | 6 | 4 | 2 | 6 | 4 | 2 |
| <i>Electricity</i> | | 1 | 1 | – | 1 | 1 | – | 1 | 1 | – |
| <i>Other</i> | | 34 | 34 | – | 36 | 36 | – | 36 | 36 | – |
| Technicians | | – | – | – | – | – | – | – | – | – |
| Clerks (Clerical and administrative) | | 31 | 27 | 4 | 31 | 27 | 4 | 31 | 27 | 4 |
| Plant and Machine Operators | | 6 | 6 | – | 10 | 10 | – | 10 | 10 | – |
| Elementary Occupations | | | | | | | | | | |
| TOTAL PERSONNEL NUMBERS | 9 | 208 | 125 | 83 | 221 | 138 | 83 | 221 | 138 | 83 |

3.10 Monthly targets for revenue, expenditure and cash flow

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

Table 365 MBRR SA25 - Budgeted monthly revenue and expenditure

| LIM473 Makhuduthamaga - Supporting Table SA25 Budgeted monthly revenue and expenditure | | | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|-----|---------------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---|------------------------|------------------------|
| Description | Ref | Budget Year 2019/20 | | | | | | | | | | | | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | | | |
| Revenue By Source | | | | | | | | | | | | | | | | |
| Property rates | | 3,587 | 3,587 | 3,587 | 3,587 | 3,587 | 3,587 | 3,587 | 3,587 | 3,587 | 3,587 | 3,587 | 3,587 | 43,049 | 45,696 | 48,342 |
| Rental of facilities and equipment | | 10 | 10 | 10 | 14 | 10 | 10 | 10 | 15 | 9 | 18 | 20 | 7 | 142 | 152 | 156 |
| Interest earned - external investments | | 654 | 691 | 560 | 402 | 383 | 404 | 367 | 361 | 399 | 536 | 616 | 319 | 5,693 | 6,034 | 6,336 |
| Interest earned - outstanding debtors | | 3,036 | 3,404 | 3,035 | 3,113 | 3,094 | 3,205 | 3,033 | 2,994 | 3,005 | 3,033 | 3,081 | 1,875 | 35,906 | 38,061 | 39,964 |
| Fines, penalties and forfeits | | 27 | 94 | 67 | 54 | 46 | 100 | 40 | 40 | 39 | 52 | 39 | 30 | 626 | 650 | 686 |
| Agency services | | 502 | 502 | 502 | 502 | 513 | 579 | 579 | 579 | 579 | 590 | 600 | 523 | 6,553 | 7,011 | 7,432 |
| Transfers and subsidies | | 116,101 | 268 | - | - | 482 | 88,417 | - | 321 | 66,983 | - | - | - | 272,571 | 288,976 | 310,061 |
| Other revenue | | 67 | 37 | 57 | 71 | 32 | 37 | 14 | 64 | 3 | 80 | 20 | 62 | 544 | 461 | 368 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 123,985 | 8,593 | 7,818 | 7,745 | 8,146 | 96,340 | 7,630 | 7,960 | 74,605 | 7,895 | 7,962 | 6,403 | 365,083 | 387,040 | 413,345 |
| Expenditure By Type | | | | | | | | | | | | | | | | |
| Employee related costs | | 7,105 | 7,360 | 7,368 | 7,208 | 7,125 | 7,138 | 7,163 | 7,210 | 7,130 | 7,201 | 7,095 | 7,159 | 86,263 | 91,870 | 97,842 |
| Remuneration of councillors | | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 24,329 | 26,032 | 27,854 |
| Debt impairment | | - | - | - | - | - | - | - | - | - | - | - | 35,906 | 35,906 | 38,061 | 39,964 |
| Depreciation & asset impairment | | 2,310 | 2,310 | 2,310 | 2,310 | 2,310 | 2,310 | 2,310 | 2,310 | 2,310 | 2,310 | 2,310 | 2,310 | 27,720 | 31,878 | 36,660 |
| Contracted services | | 12,484 | 7,543 | 5,607 | 13,147 | 9,397 | 8,037 | 8,724 | 9,064 | 6,695 | 9,884 | 7,885 | 6,242 | 104,709 | 102,456 | 103,292 |
| Other expenditure | | 7,175 | 6,008 | 5,694 | 6,219 | 4,057 | 6,668 | 5,975 | 6,319 | 6,449 | 4,022 | 3,358 | 2,119 | 64,062 | 66,564 | 70,509 |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 31,102 | 25,248 | 23,006 | 30,912 | 24,917 | 26,180 | 26,200 | 26,931 | 24,612 | 25,444 | 22,675 | 55,764 | 342,990 | 356,861 | 376,121 |
| Surplus/(Deficit) | | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 92,883 | (16,656) | (15,188) | (23,167) | (16,770) | 70,159 | (18,570) | (18,970) | 49,994 | (17,549) | (14,713) | (49,361) | 22,093 | 30,179 | 37,224 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | 27,955 | - | - | - | - | 24,849 | - | - | 9,318 | - | - | - | 62,122 | 65,569 | 70,529 |
| Transfers and subsidies - capital (in-kind - all) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 120,838 | (16,656) | (15,188) | (23,167) | (16,770) | 95,008 | (18,570) | (18,970) | 59,312 | (17,549) | (14,713) | (49,361) | 84,215 | 95,748 | 107,753 |
| Taxation | | | | | | | | | | | | | | - | - | - |
| Attributable to minorities | | | | | | | | | | | | | | - | - | - |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | | - | - | - |

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

| LIM473 Makhuduthamaga - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote) | | | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|---|-----|---------------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---|------------------------|------------------------|---|
| Description | Ref | Budget Year 2019/20 | | | | | | | | | | | | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | |
| R thousand | | July | August | Sept. | October | November | December | January | February | March | April | May | June | | | | |
| Revenue by Vote | | | | | | | | | | | | | | | | | |
| Vote 1 - Executive Support | | | | | | | | | | | | | | - | - | - | - |
| Vote 2 - Office of the Municipal Manager | | | | | | | | | | | | | | - | - | - | - |
| Vote 3 - Economic Development and Planning | | | | | | | | | | | | | | - | - | - | - |
| Vote 4 - Infrastructure Development | | | | | | | | | | | | | | - | - | - | - |
| Vote 5 - Community Services | | | | | | | | | | | | | | - | - | - | - |
| Vote 6 - Corporate Services | | | | | | | | | | | | | | - | - | - | - |
| Vote 7 - Budget and Treasury | | 151,940 | 8,593 | 7,818 | 7,745 | 8,146 | 121,188 | 7,630 | 7,960 | 83,923 | 7,895 | 7,962 | 6,403 | 427,205 | 452,609 | 483,874 | |
| Total Revenue by Vote | | 151,940 | 8,593 | 7,818 | 7,745 | 8,146 | 121,188 | 7,630 | 7,960 | 83,923 | 7,895 | 7,962 | 6,403 | 427,205 | 452,609 | 483,874 | |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | | | |
| Vote 1 - Executive Support | | 6,415 | 4,206 | 6,142 | 8,187 | 3,346 | 6,590 | 6,377 | 4,232 | 6,326 | 6,725 | 3,314 | 3,403 | 65,263 | 70,183 | 74,674 | |
| Vote 2 - Office of the Municipal Manager | | 889 | 1,557 | 879 | 1,889 | 879 | 851 | 1,857 | 922 | 1,573 | 857 | 1,001 | 909 | 14,062 | 14,316 | 15,562 | |
| Vote 3 - Economic Development and Planning | | 4,335 | 424 | 586 | 1,467 | 1,224 | 561 | 660 | 924 | 1,061 | 457 | 924 | 1,063 | 13,688 | 13,262 | 14,517 | |
| Vote 4 - Infrastructure Development | | 4,400 | 2,976 | 1,893 | 5,176 | 5,300 | 3,471 | 3,250 | 5,623 | 1,488 | 3,907 | 4,095 | 1,991 | 43,571 | 36,765 | 33,245 | |
| Vote 5 - Community Services | | 4,407 | 4,790 | 4,453 | 4,575 | 5,451 | 5,102 | 4,933 | 4,563 | 4,531 | 5,033 | 4,754 | 4,467 | 57,060 | 60,623 | 64,364 | |
| Vote 6 - Corporate Services | | 3,337 | 2,998 | 1,747 | 2,096 | 1,549 | 1,920 | 2,259 | 4,319 | 1,742 | 1,812 | 1,689 | 1,477 | 26,945 | 29,177 | 30,878 | |
| Vote 7 - Budget and Treasury | | 7,319 | 8,297 | 7,306 | 7,520 | 7,167 | 7,684 | 6,864 | 6,347 | 7,890 | 6,654 | 6,898 | 42,453 | 122,400 | 132,534 | 142,881 | |
| Total Expenditure by Vote | | 31,102 | 25,248 | 23,006 | 30,912 | 24,917 | 26,180 | 26,200 | 26,931 | 24,612 | 25,444 | 22,675 | 55,764 | 342,990 | 356,861 | 376,121 | |
| Surplus/(Deficit) before assoc. | | 120,838 | (16,656) | (15,188) | (23,167) | (16,770) | 95,008 | (18,570) | (18,970) | 59,312 | (17,549) | (14,713) | (49,361) | 84,215 | 95,748 | 107,753 | |
| Surplus/(Deficit) | 1 | 120,838 | (16,656) | (15,188) | (23,167) | (16,770) | 95,008 | (18,570) | (18,970) | 59,312 | (17,549) | (14,713) | (49,361) | 84,215 | 95,748 | 107,753 | |

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

| LIM473 Makhuduthamaga - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification) | | | | | | | | | | | | | | | | |
|--|-----|---------------------|----------|----------|----------|----------|----------|----------|----------|--------|----------|----------|----------|---|------------------------|------------------------|
| Description | Ref | Budget Year 2019/20 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Revenue - Functional | | | | | | | | | | | | | | | | |
| Governance and administration | | 151,940 | 8,593 | 7,818 | 7,745 | 8,146 | 121,188 | 7,630 | 7,960 | 83,923 | 7,895 | 7,962 | 6,403 | 427,205 | 452,609 | 483,874 |
| Executive and council | | | | | | | | | | | | | | | | |
| Finance and administration | | 151,940 | 8,593 | 7,818 | 7,745 | 8,146 | 121,188 | 7,630 | 7,960 | 83,923 | 7,895 | 7,962 | 6,403 | 427,205 | 452,609 | 483,874 |
| Internal audit | | | | | | | | | | | | | | | | |
| Total Revenue - Functional | | 151,940 | 8,593 | 7,818 | 7,745 | 8,146 | 121,188 | 7,630 | 7,960 | 83,923 | 7,895 | 7,962 | 6,403 | 427,205 | 452,609 | 483,874 |
| Expenditure - Functional | | | | | | | | | | | | | | | | |
| Governance and administration | | 17,961 | 17,058 | 16,074 | 19,693 | 12,940 | 17,045 | 17,357 | 15,820 | 17,531 | 16,047 | 12,902 | 48,242 | 228,670 | 246,211 | 263,995 |
| Executive and council | | 7,305 | 5,763 | 7,020 | 10,076 | 4,224 | 7,441 | 8,234 | 5,154 | 7,899 | 7,581 | 4,315 | 312 | 75,325 | 80,899 | 86,086 |
| Finance and administration | | 10,606 | 10,545 | 9,003 | 8,567 | 8,666 | 9,604 | 8,573 | 10,616 | 8,931 | 8,416 | 8,437 | 47,663 | 149,627 | 162,230 | 174,312 |
| Internal audit | | 50 | 750 | 50 | 1,050 | 50 | – | 550 | 50 | 700 | 50 | 150 | 268 | 3,718 | 3,082 | 3,597 |
| Community and public safety | | 2,074 | 1,791 | 2,314 | 1,979 | 2,452 | 2,066 | 1,834 | 2,616 | 2,245 | 2,299 | 2,339 | 3,445 | 27,454 | 27,586 | 30,020 |
| Community and social services | | 538 | 748 | 461 | 723 | 909 | 409 | 791 | 409 | 912 | 538 | 944 | 1,809 | 9,191 | 9,574 | 10,343 |
| Sport and recreation | | 200 | – | 150 | – | 350 | – | – | 400 | – | 210 | 190 | – | 1,500 | 1,700 | 2,000 |
| Public safety | | 1,065 | 1,043 | 1,244 | 1,076 | 1,193 | 1,116 | 1,043 | 1,177 | 1,043 | 1,175 | 1,043 | 1,065 | 13,285 | 14,139 | 15,068 |
| Housing | | 270 | – | 460 | 180 | – | 540 | – | 630 | 290 | 376 | 162 | 570 | 3,478 | 2,174 | 2,609 |
| Health | | | | | | | | | | | | | | | | |
| Economic and environmental services | | 10,183 | 5,683 | 1,322 | 8,436 | 8,408 | 5,031 | 6,022 | 7,661 | 4,120 | 6,081 | 6,400 | 6,834 | 76,181 | 71,383 | 70,382 |
| Planning and development | | 4,335 | 424 | 586 | 1,467 | 1,224 | 561 | 660 | 3,298 | 1,061 | 457 | 924 | 958 | 15,957 | 15,674 | 17,082 |
| Road transport | | 3,548 | 2,559 | 736 | 4,469 | 4,883 | 2,169 | 2,563 | 2,063 | 759 | 2,824 | 3,176 | 875 | 30,624 | 24,210 | 20,300 |
| Environmental protection | | 2,300 | 2,700 | – | 2,500 | 2,300 | 2,300 | 2,800 | 2,300 | 2,300 | 2,800 | 2,300 | 5,000 | 29,600 | 31,500 | 33,000 |
| Trading services | | 885 | 716 | 3,296 | 804 | 1,116 | 2,039 | 986 | 834 | 716 | 1,017 | 1,034 | (2,757) | 10,686 | 11,681 | 11,724 |
| Energy sources | | 582 | 417 | 697 | 527 | 417 | 762 | 687 | 557 | 439 | 707 | 757 | 651 | 7,201 | 7,970 | 7,772 |
| Water management | | | | | | | | | | | | | | | | |
| Waste water management | | | | | | | | | | | | | | | | |
| Waste management | | 303 | 299 | 2,599 | 277 | 699 | 1,277 | 299 | 277 | 277 | 310 | 277 | (3,408) | 3,485 | 3,711 | 3,953 |
| Other | | | | | | | | | | | | | | | | |
| Total Expenditure - Functional | | 31,102 | 25,248 | 23,006 | 30,912 | 24,917 | 26,180 | 26,200 | 26,931 | 24,612 | 25,444 | 22,675 | 55,764 | 342,990 | 356,861 | 376,121 |
| Surplus/(Deficit) before assoc. | | 120,838 | (16,656) | (15,188) | (23,167) | (16,770) | 95,008 | (18,570) | (18,970) | 59,312 | (17,549) | (14,713) | (49,361) | 84,215 | 95,748 | 107,753 |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) | 1 | 120,838 | (16,656) | (15,188) | (23,167) | (16,770) | 95,008 | (18,570) | (18,970) | 59,312 | (17,549) | (14,713) | (49,361) | 84,215 | 95,748 | 107,753 |

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

| LIM473 Makhuduthamaga - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote) | | | | | | | | | | | | | | | | | | | |
|---|-----|---------------------|--------|--------|---------|-------|-------|---------|------|--------|-------|-------|-------|---|------------------------|------------------------|---|--|--|
| Description | Ref | Budget Year 2019/20 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | | | |
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | | | |
| Multi-year expenditure to be appropriated | 1 | | | | | | | | | | | | | | | | | | |
| Vote 1 - Executive Support | | | | | | | | | | | | | | - | - | - | - | | |
| Vote 2 - Office of the Municipal Manager | | | | | | | | | | | | | | - | - | - | - | | |
| Vote 3 - Economic Development and Planning | | | | | | | | | | | | | | - | - | - | - | | |
| Vote 4 - Infrastructure Development | | 3,931 | 4,485 | 11,150 | 4,235 | 9,870 | 4,550 | 12,750 | 435 | 10,628 | 465 | 9,087 | 6,328 | 77,913 | 88,304 | 98,093 | | | |
| Vote 5 - Community Services | | | | | | | | | | | | | | - | - | - | - | | |
| Vote 6 - Corporate Services | | | | | | | | | | | | | | - | - | - | - | | |
| Vote 7 - Budget and Treasury | | | | | | | | | | | | | | - | - | - | - | | |
| Capital multi-year expenditure sub-total | 2 | 3,931 | 4,485 | 11,150 | 4,235 | 9,870 | 4,550 | 12,750 | 435 | 10,628 | 465 | 9,087 | 6,328 | 77,913 | 88,304 | 98,093 | | | |
| Single-year expenditure to be appropriated | | | | | | | | | | | | | | | | | | | |
| Vote 1 - Executive Support | | | | | | | | | | | | | | - | - | - | - | | |
| Vote 2 - Office of the Municipal Manager | | | | | | | | | | | | | | - | - | - | - | | |
| Vote 3 - Economic Development and Planning | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Vote 4 - Infrastructure Development | | | | | | | | | | | | | | - | - | - | - | | |
| Vote 5 - Community Services | | | | | | | | | | | | | | - | - | - | - | | |
| Vote 6 - Corporate Services | | - | - | 900 | - | - | - | - | - | 1,100 | - | - | - | 2,000 | 2,400 | 2,500 | | | |
| Vote 7 - Budget and Treasury | | - | - | - | - | - | 700 | 3,000 | - | - | 300 | - | - | 4,000 | 4,800 | 7,000 | | | |
| Capital single-year expenditure sub-total | 2 | - | - | 900 | - | - | 700 | 3,000 | - | 1,100 | 300 | - | - | 6,000 | 7,200 | 9,500 | | | |
| Total Capital Expenditure | 2 | 3,931 | 4,485 | 12,050 | 4,235 | 9,870 | 5,250 | 15,750 | 435 | 11,728 | 765 | 9,087 | 6,328 | 83,913 | 95,504 | 107,593 | | | |

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

| LIM473 Makhuduthamaga - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification) | | | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|-----|---------------------|--------|--------|---------|-------|-------|---------|------|--------|-------|-------|-------|---|-------------|-------------|
| Description | Ref | Budget Year 2019/20 | | | | | | | | | | | | Budget Year | Budget Year | Budget Year |
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | 2019/20 | +1 2020/21 | +2 2021/22 |
| R thousand | | | | | | | | | | | | | | | | |
| Capital Expenditure - Functional | 1 | | | | | | | | | | | | | | | |
| Governance and administration | | - | - | 900 | - | - | 700 | 3,000 | - | 1,100 | 300 | - | - | 6,000 | 7,200 | 9,500 |
| Executive and council | | | | | | | | | | | | | | - | - | - |
| Finance and administration | | - | - | 900 | - | - | 700 | 3,000 | - | 1,100 | 300 | - | - | 6,000 | 7,200 | 9,500 |
| Internal audit | | | | | | | | | | | | | | - | - | - |
| Economic and environmental services | | 3,931 | 4,485 | 11,150 | 4,235 | 9,870 | 4,550 | 12,750 | 435 | 10,628 | 465 | 9,087 | 6,328 | 77,913 | 88,304 | 98,093 |
| Planning and development | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Road transport | | 3,931 | 4,485 | 11,150 | 4,235 | 9,870 | 4,550 | 12,750 | 435 | 10,628 | 465 | 9,087 | 6,328 | 77,913 | 88,304 | 98,093 |
| Environmental protection | | | | | | | | | | | | | | - | - | - |
| Trading services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | | | | | | | | | | | | | | - | - | - |
| Total Capital Expenditure - Functional | 2 | 3,931 | 4,485 | 12,050 | 4,235 | 9,870 | 5,250 | 15,750 | 435 | 11,728 | 765 | 9,087 | 6,328 | 83,913 | 95,504 | 107,593 |
| Funded by: | | | | | | | | | | | | | | | | |
| National Government | | 3,931 | 4,485 | 12,050 | 4,235 | 9,870 | 5,250 | 15,750 | 435 | 11,728 | 765 | 9,087 | 6,328 | 83,913 | 95,504 | 107,593 |
| Transfers recognised - capital | | 3,931 | 4,485 | 12,050 | 4,235 | 9,870 | 5,250 | 15,750 | 435 | 11,728 | 765 | 9,087 | 6,328 | 83,913 | 95,504 | 107,593 |
| Borrowing | | | | | | | | | | | | | | - | - | - |
| Internally generated funds | | | | | | | | | | | | | | - | - | - |
| Total Capital Funding | | 3,931 | 4,485 | 12,050 | 4,235 | 9,870 | 5,250 | 15,750 | 435 | 11,728 | 765 | 9,087 | 6,328 | 83,913 | 95,504 | 107,593 |

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

| LIM473 Makhuduthamaga - Supporting Table SA30 Budgeted monthly cash flow | | | | | | | | | | | | | | | | | | | |
|--|---------------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---|---------------------|------------------------|------------------------|--|--|--|
| MONTHLY CASH FLOWS | Budget Year 2019/20 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | | | | |
| | R thousand | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | | | |
| Cash Receipts By Source | | | | | | | | | | | | | | 1 | | | | | |
| Property rates | 1,014 | 1,014 | 1,014 | 1,014 | 1,214 | 1,214 | 1,214 | 1,214 | 1,257 | 1,257 | 1,257 | 1,885 | 14,567 | 18,467 | 20,003 | | | | |
| Rental of facilities and equipment | 10 | 10 | 10 | 14 | 10 | 10 | 10 | 15 | 9 | 18 | 20 | 7 | 142 | 152 | 156 | | | | |
| Interest earned - external investments | 654 | 691 | 560 | 402 | 383 | 404 | 367 | 361 | 399 | 537 | 616 | 318 | 5,693 | 6,034 | 6,336 | | | | |
| Interest earned - outstanding debtors | | | | | | | | | | | | | | | | | | | |
| Fines, penalties and forfeits | 1 | 1 | - | 2 | - | 1 | - | 1 | 2 | 1 | 1 | 4 | 12 | 14 | 21 | | | | |
| Licences and permits | | | | | | | | | | | | | | | | | | | |
| Agency services | 502 | 502 | 502 | 502 | 513 | 579 | 579 | 579 | 579 | 590 | 600 | 523 | 6,553 | 7,011 | 7,432 | | | | |
| Transfer receipts - operational | 114,301 | 268 | - | - | 482 | 88,417 | - | 321 | 66,983 | - | - | - | 270,771 | 288,976 | 310,061 | | | | |
| Other revenue | 67 | 37 | 57 | 71 | 32 | 37 | 14 | 64 | 3 | 80 | 20 | 62 | 544 | 461 | 368 | | | | |
| Cash Receipts by Source | 116,549 | 2,522 | 2,142 | 2,006 | 2,634 | 90,662 | 2,184 | 2,554 | 69,233 | 2,482 | 2,513 | 2,799 | 298,281 | 321,115 | 344,378 | | | | |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | | | | |
| 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) | 27,955 | - | - | - | - | 24,849 | - | - | 9,318 | - | - | - | 62,122 | 65,569 | 70,529 | | | | |
| Total Cash Receipts by Source | 144,504 | 2,522 | 2,142 | 2,006 | 2,634 | 115,511 | 2,184 | 2,554 | 78,552 | 2,482 | 2,513 | 2,799 | 360,403 | 386,684 | 414,907 | | | | |
| Cash Payments by Type | | | | | | | | | | | | | | | | | | | |
| Employee related costs | 7,105 | 7,360 | 7,368 | 7,208 | 7,125 | 7,138 | 7,163 | 7,210 | 7,130 | 7,201 | 7,095 | 7,159 | 86,263 | 91,870 | 97,842 | | | | |
| Remuneration of councillors | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 | 24,329 | 26,032 | 27,854 | | | | |
| Contracted services | 12,484 | 7,543 | 5,607 | 13,147 | 9,397 | 8,037 | 8,724 | 9,064 | 6,695 | 9,884 | 7,885 | 2,242 | 100,709 | 94,456 | 94,292 | | | | |
| Other expenditure | 7,175 | 6,008 | 5,694 | 6,219 | 4,057 | 6,668 | 5,975 | 6,319 | 6,449 | 4,022 | 3,358 | 2,119 | 64,062 | 66,564 | 70,509 | | | | |
| Cash Payments by Type | 28,792 | 22,938 | 20,696 | 28,602 | 22,607 | 23,870 | 23,890 | 24,621 | 22,302 | 23,134 | 20,365 | 13,548 | 275,364 | 278,923 | 290,497 | | | | |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | | | | |
| Capital assets | 3,861 | 4,875 | 12,050 | 4,235 | 9,870 | 7,250 | 15,750 | 3,535 | 11,228 | 2,765 | 9,087 | 7,294 | 91,799 | 105,504 | 114,593 | | | | |
| Total Cash Payments by Type | 32,652 | 27,813 | 32,746 | 32,836 | 32,476 | 31,120 | 39,640 | 28,155 | 33,530 | 25,899 | 29,452 | 20,842 | 367,163 | 384,427 | 405,090 | | | | |
| NET INCREASE/(DECREASE) IN CASH HELD | 111,851 | (25,291) | (30,604) | (30,831) | (29,843) | 84,391 | (37,455) | (25,601) | 45,022 | (23,417) | (26,939) | (18,043) | (6,760) | 2,257 | 9,817 | | | | |
| Cash/cash equivalents at the month/year begin: | 26,680 | 138,531 | 113,240 | 82,636 | 51,805 | 21,962 | 106,353 | 68,898 | 43,297 | 88,319 | 64,902 | 37,963 | 26,680 | 19,919 | 22,176 | | | | |
| Cash/cash equivalents at the month/year end: | 138,531 | 113,240 | 82,636 | 51,805 | 21,962 | 106,353 | 68,898 | 43,297 | 88,319 | 64,902 | 37,963 | 19,919 | 19,919 | 22,176 | 31,993 | | | | |

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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 150,590 | 125,889 | 148,751 | 85,592 | 86,892 | 86,892 | 77,913 | 88,304 | 98,093 |
| Roads Infrastructure | | 148,490 | 116,389 | 136,179 | 85,592 | 86,892 | 86,892 | 77,913 | 88,304 | 98,093 |
| <i>Roads</i> | | 148,490 | 116,389 | 136,179 | 85,592 | 86,892 | 86,892 | 77,913 | 88,304 | 98,093 |
| Electrical Infrastructure | | 2,100 | 7,000 | 10,144 | - | - | - | - | - | - |
| <i>LV Networks</i> | | 2,100 | 7,000 | 10,144 | - | - | - | - | - | - |
| Solid Waste Infrastructure | | - | 2,500 | 2,428 | - | - | - | - | - | - |
| <i>Waste Processing Facilities</i> | | - | 2,500 | 2,428 | - | - | - | - | - | - |
| Community Assets | | 3,700 | 3,060 | - | 4,417 | 2,787 | 2,787 | - | - | - |
| Community Facilities | | 3,700 | 3,060 | - | 4,417 | 2,787 | 2,787 | - | - | - |
| <i>Police</i> | | - | - | - | 1,217 | 1,217 | 1,217 | - | - | - |
| <i>Public Open Space</i> | | 3,700 | 3,060 | - | 3,200 | 1,570 | 1,570 | - | - | - |
| Computer Equipment | | 4,050 | 3,500 | 5,463 | 2,522 | 1,522 | 1,522 | 2,000 | 2,400 | 2,500 |
| Computer Equipment | | 4,050 | 3,500 | 5,463 | 2,522 | 1,522 | 1,522 | 2,000 | 2,400 | 2,500 |
| Furniture and Office Equipment | | - | - | - | 1,739 | 1,339 | 1,339 | 1,000 | 1,300 | 1,500 |
| Furniture and Office Equipment | | - | - | - | 1,739 | 1,339 | 1,339 | 1,000 | 1,300 | 1,500 |
| Machinery and Equipment | | - | - | - | - | - | - | - | - | - |
| Transport Assets | | 12,700 | 17,200 | 6,069 | 3,043 | 3,443 | 3,443 | 3,000 | 3,500 | 5,500 |
| Transport Assets | | 12,700 | 17,200 | 6,069 | 3,043 | 3,443 | 3,443 | 3,000 | 3,500 | 5,500 |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure on new assets | 1 | 171,040 | 149,649 | 160,282 | 97,314 | 95,984 | 95,984 | 83,913 | 95,504 | 107,593 |

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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | 1 | | | | | | | | | |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | - | 18,421 | - | 2,550 | 2,550 | 2,550 | - | - | - |
| Roads Infrastructure | | - | 18,421 | - | - | - | - | - | - | - |
| <i>Roads</i> | | - | 18,421 | - | - | - | - | - | - | - |
| Sanitation Infrastructure | | - | - | - | 2,550 | 2,550 | 2,550 | - | - | - |
| <i>Toilet Facilities</i> | | - | - | - | 2,550 | 2,550 | 2,550 | - | - | - |
| Total Capital Expenditure on renewal of existing assets | 1 | - | 18,421 | - | 2,550 | 2,550 | 2,550 | - | - | - |

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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | 1 | | | | | | | | | |
| Infrastructure | | 41,650 | 39,800 | 25,000 | 43,261 | 67,261 | 67,261 | 53,513 | 51,413 | 48,217 |
| Roads Infrastructure | | 37,550 | 36,100 | 22,000 | 15,000 | 38,000 | 38,000 | 21,739 | 17,304 | 13,043 |
| <i>Roads</i> | | | | | | | | | | |
| <i>Road Structures</i> | | 37,550 | 36,100 | 22,000 | 15,000 | 38,000 | 38,000 | 21,739 | 17,304 | 13,043 |
| Electrical Infrastructure | | 4,100 | 3,700 | 3,000 | 2,000 | 3,000 | 3,000 | 2,174 | 2,609 | 2,174 |
| <i>LV Networks</i> | | 4,100 | 3,700 | 3,000 | 2,000 | 3,000 | 3,000 | 2,174 | 2,609 | 2,174 |
| <i>Capital Spares</i> | | | | | | | | | | |
| Solid Waste Infrastructure | | - | - | - | 26,261 | 26,261 | 26,261 | 29,600 | 31,500 | 33,000 |
| <i>Landfill Sites</i> | | | | | 26,261 | 26,261 | 26,261 | 29,600 | 31,500 | 33,000 |
| Community Assets | | - | - | 2,100 | - | - | - | - | - | - |
| Sport and Recreation Facilities | | - | - | 2,100 | - | - | - | - | - | - |
| <i>Outdoor Facilities</i> | | | | 2,100 | | | | | | |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Other assets | | - | - | 6,500 | 2,500 | 1,800 | 1,800 | 3,478 | 2,174 | 2,609 |
| Operational Buildings | | - | - | 6,500 | 2,500 | 1,800 | 1,800 | 3,478 | 2,174 | 2,609 |
| <i>Municipal Offices</i> | | | | 6,500 | 2,500 | 1,800 | 1,800 | 3,478 | 2,174 | 2,609 |
| Computer Equipment | | 1,027 | 1,300 | 6,000 | 5,739 | 6,739 | 6,739 | 3,600 | 4,000 | 4,200 |
| Computer Equipment | | 1,027 | 1,300 | 6,000 | 5,739 | 6,739 | 6,739 | 3,600 | 4,000 | 4,200 |
| Furniture and Office Equipment | | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | | | | | | | | | | |
| Machinery and Equipment | | 13,612 | - | - | - | - | - | - | - | - |
| Machinery and Equipment | | 13,612 | - | - | | | | | | |
| Transport Assets | | 2,538 | 1,100 | 2,781 | 1,522 | 1,522 | 1,522 | 2,000 | 2,300 | 2,700 |
| Transport Assets | | 2,538 | 1,100 | 2,781 | 1,522 | 1,522 | 1,522 | 2,000 | 2,300 | 2,700 |
| Land | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| Total Repairs and Maintenance Expenditure | 1 | 58,828 | 42,200 | 42,381 | 53,022 | 77,322 | 77,322 | 62,591 | 59,887 | 57,726 |

Table 45 MBRR SA34d – Depreciation by Asset class

| LIM473 Makhuduthamaga - Supporting Table SA34d Depreciation by asset class | | | | | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | | | |
| Depreciation by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 10,999 | 12,536 | 15,659 | 12,212 | 13,588 | 13,588 | 14,580 | 16,767 | 19,282 |
| Roads Infrastructure | | 10,638 | 12,125 | 15,659 | 11,791 | 13,188 | 13,188 | 14,030 | 16,135 | 18,555 |
| <i>Roads</i> | | 10,638 | 12,125 | 15,659 | 11,791 | 13,188 | 13,188 | 14,030 | 16,135 | 18,555 |
| Electrical Infrastructure | | 361 | 412 | – | 421 | 400 | 400 | 550 | 633 | 727 |
| <i>LV Networks</i> | | 361 | 412 | – | 421 | 400 | 400 | 550 | 633 | 727 |
| Community Assets | | – | – | 112 | 74 | 230 | 230 | 230 | 265 | 304 |
| Community Facilities | | – | – | 112 | 74 | 230 | 230 | 230 | 265 | 304 |
| <i>Markets</i> | | | | 112 | 74 | 230 | 230 | 230 | 265 | 304 |
| Intangible Assets | | 499 | 569 | 941 | 991 | 1,437 | 1,437 | 800 | 920 | 1,058 |
| Servitudes | | | | | | | | | | |
| Licences and Rights | | 499 | 569 | 941 | 991 | 1,437 | 1,437 | 800 | 920 | 1,058 |
| <i>Computer Software and Applications</i> | | 499 | 569 | 941 | 991 | 1,437 | 1,437 | 800 | 920 | 1,058 |
| Computer Equipment | | 1,321 | 1,506 | 2,650 | 2,593 | 2,811 | 2,811 | 3,200 | 3,680 | 4,232 |
| Computer Equipment | | 1,321 | 1,506 | 2,650 | 2,593 | 2,811 | 2,811 | 3,200 | 3,680 | 4,232 |
| Furniture and Office Equipment | | 755 | 861 | 387 | 476 | 429 | 429 | 440 | 506 | 582 |
| Furniture and Office Equipment | | 755 | 861 | 387 | 476 | 429 | 429 | 440 | 506 | 582 |
| Machinery and Equipment | | 384 | 438 | 569 | 629 | 2,480 | 2,480 | 2,470 | 2,841 | 3,267 |
| Machinery and Equipment | | 384 | 438 | 569 | 629 | 2,480 | 2,480 | 2,470 | 2,841 | 3,267 |
| Transport Assets | | 1,972 | 2,247 | 4,081 | 3,213 | 4,108 | 4,108 | 4,500 | 5,175 | 5,951 |
| Transport Assets | | 1,972 | 2,247 | 4,081 | 3,213 | 4,108 | 4,108 | 4,500 | 5,175 | 5,951 |
| Land | | – | – | – | – | – | – | – | – | – |
| Land | | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| Total Depreciation | 1 | 16,616 | 18,938 | 26,108 | 22,198 | 26,511 | 26,511 | 27,720 | 31,878 | 36,660 |

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

| LIM473 Makhuduthamaga - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | 1 | | | | | | | | | |
| Capital expenditure on upgrading of existing assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | - | - | - | - | - | - | - | - | - |
| Community Assets | | - | - | - | 4,248 | 4,248 | 4,248 | - | - | - |
| Community Facilities | | - | - | - | 4,248 | 4,248 | 4,248 | - | - | - |
| Testing Stations | | | | | 4,248 | 4,248 | 4,248 | | | |
| Total Capital Expenditure on upgrading of existing assets | 1 | - | - | - | 4,248 | 4,248 | 4,248 | - | - | - |

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 | 2019/20 Medium Term Revenue & Expenditure Framework | | | Forecasts | | | Present value |
| | | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | |
| R thousand | | | | | | | | |
| Capital expenditure | 1 | | | | | | | |
| Vote 1 - Executive Support | | – | – | – | – | – | – | |
| Vote 2 - Office of the Municipal Manager | | – | – | – | – | – | – | |
| Vote 3 - Economic Development and Planning | | – | – | – | – | – | – | |
| Vote 4 - Infrastructure Development | | 77,913 | 88,304 | 98,093 | 108,000 | 116,600 | 119,000 | |
| Vote 5 - Community Services | | – | – | – | – | – | – | |
| Vote 6 - Corporate Services | | 2,000 | 2,400 | 2,500 | 3,000 | 3,200 | 3,800 | |
| Vote 7 - Budget and Treasury | | 4,000 | 4,800 | 7,000 | 5,000 | 4,800 | 8,000 | |
| <i>List entity summary if applicable</i> | | | | | | | | |
| Total Capital Expenditure | | 83,913 | 95,504 | 107,593 | 116,000 | 124,600 | 130,800 | – |
| Future operational costs by vote | 2 | | | | | | | |
| Vote 1 - Executive Support | | 65,263 | 70,183 | 74,674 | 79,528 | 84,697 | 90,202 | |
| Vote 2 - Office of the Municipal Manager | | 14,062 | 14,316 | 15,562 | 16,574 | 17,651 | 18,799 | |
| Vote 3 - Economic Development and Planning | | 13,688 | 13,262 | 14,517 | 15,461 | 16,466 | 17,536 | |
| Vote 4 - Infrastructure Development | | 43,571 | 36,765 | 33,245 | 35,406 | 37,708 | 40,159 | |
| Vote 5 - Community Services | | 57,060 | 60,623 | 64,364 | 68,547 | 73,003 | 77,748 | |
| Vote 6 - Corporate Services | | 26,945 | 29,177 | 30,878 | 32,885 | 35,022 | 37,299 | |
| Vote 7 - Budget and Treasury | | 122,400 | 132,534 | 142,881 | 149,368 | 159,077 | 169,417 | |
| Total future operational costs | | 342,990 | 356,861 | 376,121 | 397,769 | 423,623 | 451,159 | – |
| Future revenue by source | 3 | | | | | | | |
| Property rates | | 43,049 | 45,696 | 48,342 | 51,484 | 54,831 | 58,395 | |
| Rental of facilities and equipment | | | | | | | | |
| Rental of facilities and equipment | | 142 | 152 | 156 | 167 | 177 | 189 | |
| Interest earned - external investments | | 5,693 | 6,034 | 6,336 | 6,748 | 7,186 | 7,653 | |
| Interest earned - outstanding debtors | | 35,906 | 38,061 | 39,964 | 42,561 | 45,328 | 48,274 | |
| Dividends received | | | | | – | – | – | |
| Fines, penalties and forfeits | | 626 | 650 | 686 | 730 | 778 | 828 | |
| Licences and permits | | | | | – | – | – | |
| Agency services | | 6,553 | 7,011 | 7,432 | 7,915 | 8,429 | 8,977 | |
| Transfers and subsidies | | 334,693 | 354,545 | 380,590 | 405,328 | 431,675 | 459,734 | |
| Other revenue | | 544 | 461 | 368 | 392 | 418 | 445 | |
| Total future revenue | | 427,205 | 452,609 | 483,874 | 515,326 | 548,822 | 584,495 | – |
| Net Financial Implications | | (302) | (244) | (160) | (1,557) | (598) | (2,536) | – |

Table 46 MBRR SA36 - Detailed capital budget per municipal vote

| LIM473 Makhuduthamaga - Supporting Table SA36 Detailed capital budget | | | | | | | | | | |
|---|--|----------------------------|---------------|---------------|--------------|-------------------------|---|---|------------------------|------------------------|
| R thousand | | | | | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| Function | Project Description | Asset Sub-Class | Ward Location | GPS Longitude | GPS Latitude | Audited Outcome 2017/18 | Current Year 2018/19 Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Parent municipality: | | | | | | | | | | |
| <i>List all capital projects grouped by Function</i> | | | | | | | | | | |
| Vote 4 - Infrastructure Development | RD Makgwabe_Mphane10km | Roads, Pavements & Bridges | Ward 29 | -24 | 30 | 12,280 | 28,900 | 8,696 | – | – |
| Vote 4 - Infrastructure Development | Mashabela_Machacha 10km | Roads, Pavements & Bridges | Ward 25 | -24 | 30 | | 2,739 | 21,391 | 7,739 | 13,043 |
| Vote 4 - Infrastructure Development | Marishane/Phaahla_Internal streets | Roads, Pavements & Bridges | Ward 26 | -24 | 29 | | 435 | 1,200 | – | – |
| Vote 4 - Infrastructure Development | Matulaneng_Access_Bridge | Roads, Pavements & Bridges | Ward 21 | -24 | 29 | | 435 | 3,583 | – | – |
| Vote 4 - Infrastructure Development | RD Lobethal_Tisane | Roads, Pavements & Bridges | Ward 20 & 24 | -24 | 29 | | 639 | 435 | 10,870 | – |
| Vote 4 - Infrastructure Development | RD Glen Cowie_Post Office Phokoane | Roads, Pavements & Bridges | Ward 8 | -24 | 29 | | 435 | 435 | 12,043 | 3,745 |
| Vote 4 - Infrastructure Development | Bridge_Seruteng/Marishan | Roads, Pavements & Bridges | Ward 26 | -24 | 29 | | 435 | 435 | 6,522 | – |
| Vote 4 - Infrastructure Development | RD Maila Mapitsa_Magoleg | Roads, Pavements & Bridges | Ward 15 | -24 | 29 | | 435 | 870 | 5,217 | 13,043 |
| Vote 4 - Infrastructure Development | RD Phaahla _1.5km | Roads, Pavements & Bridges | Ward 24 | -24 | 29 | | 870 | 6,087 | – | – |
| Vote 4 - Infrastructure Development | RD Ga-Mampane-Phase 4 | Roads, Pavements & Bridges | Ward 31 | -24 | 29 | | 1,739 | 8,696 | 4,348 | – |
| Vote 4 - Infrastructure Development | RD Stocking Internal Streets | Roads, Pavements & Bridges | Ward 14 | -24 | 29 | | 435 | 8,696 | 8,696 | 14,783 |
| Vote 4 - Infrastructure Development | RD Mokwe_Molap/Ntw _10km | Roads, Pavements & Bridges | Ward 11 | -24 | 29 | | 2,835 | 17,391 | 17,391 | 17,391 |
| Vote 4 - Infrastructure Development | Setlaboswane_Access_Road | Roads, Pavements & Bridges | Ward 14 | -24 | 29 | | – | – | – | 7,217 |
| Vote 4 - Infrastructure Development | Cabrieve_Access_Road | Roads, Pavements & Bridges | Ward 8 | -24 | 29 | | – | – | 6,087 | 6,957 |
| Vote 4 - Infrastructure Development | Nchabeleng/Thabampshe_Bridge | Roads, Pavements & Bridges | Ward 28 | -24 | 29 | | – | – | 696 | 3,652 |
| Vote 4 - Infrastructure Development | Mathousand/Marangrang Bridge | Roads, Pavements & Bridges | Ward 29 | -24 | 29 | | – | – | – | 4,348 |
| Vote 4 - Infrastructure Development | Ga-Kgagara/Moretsele Primary_Access road | Roads, Pavements & Bridges | Ward 12 | -24 | 29 | | – | – | – | 7,826 |
| Vote 4 - Infrastructure Development | Grade A DLTC_Ga-Masemola | Roads, Pavements & Bridges | Ward 27 | -24 | 29 | | – | – | 8,696 | 6,087 |
| Vote 4 - Infrastructure Development | RD Rieth_Eensa _10.5km | Roads, Pavements & Bridges | Ward 04 | -24 | 29 | 3,134 | 14,653 | – | – | – |
| Vote 4 - Infrastructure Development | RD Thaba Cross_Tswaing | Roads, Pavements & Bridges | Ward 28 | -24 | 29 | | 1,318 | – | – | – |
| Vote 4 - Infrastructure Development | Moloi_Glen Cowie_5km access road | Roads, Pavements & Bridges | Ward 8 | -24 | 29 | 34,474 | 1,420 | – | – | – |
| Vote 4 - Infrastructure Development | Thusong Centre | Halls | Ward 28 | -24 | 29 | | 2,257 | – | – | – |
| Vote 4 - Infrastructure Development | Mohlala_Ngoanatswane_ | Roads, Pavements & Bridges | Ward 21 | -24 | 29 | 2,386 | 500 | – | – | – |
| Vote 4 - Infrastructure Development | Manganeng Bridge | Roads, Pavements & Bridges | Ward 17 | -24 | 29 | 6,052 | 590 | – | – | – |
| Vote 4 - Infrastructure Development | RD Sekhukhune Traffic St | Roads, Pavements & Bridges | Ward 14 | -24 | 29 | 2,825 | 6,957 | – | – | – |



| | | | | | | | | | | |
|--|---|------------------------------------|--------------|-----|----|----------------|----------------|---------------|---------------|----------------|
| Vote 4 - Infrastructure Development | Bridge Cabriev/Khayelic | Roads, Pavements & Bridges | Ward 8 | -24 | 29 | 1,336 | 7,950 | - | - | - |
| Vote 4 - Infrastructure Development | Refurb of water&sewage system main office & s | Roads, Pavements & Bridges | Ward 18 | -24 | 29 | | 2,550 | - | - | - |
| Vote 4 - Infrastructure Development | BLD Upgrade Sekhukhune_DLTC Phase 1 | Municipal Offices | Ward 14 | -24 | 29 | | 4,248 | - | - | - |
| Vote 4 - Infrastructure Development | SWC Rietfontein Storm Water Control | Roads, Pavements & Bridges | Ward 4 | -24 | 29 | | 6,060 | - | - | - |
| Vote 4 - Infrastructure Development | Weigh_Bridge_Madibong | Roads, Pavements & Bridges | Ward 18 | -24 | 29 | | 4,857 | - | - | - |
| Vote 4 - Infrastructure Development | Kokokotela access road | Roads, Pavements & Bridges | Ward 30 | -24 | 29 | 5,177 | - | - | - | - |
| Vote 4 - Infrastructure Development | Thabampshe Cross_Tswaing road | Roads, Pavements & Bridges | Ward 28 | -24 | 29 | 23,194 | - | - | - | - |
| Vote 4 - Infrastructure Development | R579_Mashishi road | Roads, Pavements & Bridges | Ward 21 | -24 | 29 | 8,333 | - | - | - | - |
| Vote 4 - Infrastructure Development | Maila Mapitsane Tribal Office | Roads, Pavements & Bridges | Ward 15 | -24 | 29 | 13,140 | - | - | - | - |
| Vote 4 - Infrastructure Development | Mashupsye Village access road | Roads, Pavements & Bridges | Ward 23 | -24 | 29 | 8,772 | - | - | - | - |
| Vote 4 - Infrastructure Development | Mogashoa Ditlhakaneng_Peter Nchabeleng St | Roads, Pavements & Bridges | Ward 13 | -24 | 29 | 3,090 | - | - | - | - |
| Vote 4 - Infrastructure Development | Mathibeng Tribal Office access road | Roads, Pavements & Bridges | Ward 23 & 10 | -24 | 29 | 6,549 | - | - | - | - |
| Vote 4 - Infrastructure Development | Mohlala_Madibaneng access road | Roads, Pavements & Bridges | Ward 22 | -24 | 29 | 741 | - | - | - | - |
| Vote 4 - Infrastructure Development | Electrification of households | LV Networks | Ward 10 | -24 | 29 | 13,000 | - | - | - | - |
| Vote 7 - Budget and Treasuy | Refurbishment of Municipal Building | Other | Ward 18 | -24 | 29 | 2,000 | - | - | - | - |
| Vote 7 - Budget and Treasuy | Purchases of Office Furniture and Equipment | Other | Ward 18 | -24 | 29 | 2,000 | 1,339 | 1,000 | 1,300 | 1,500 |
| Vote 7 - Budget and Treasuy | Purchases of Office Transport Assets | Other | Ward 18 | -24 | 29 | 1,000 | 3,443 | 3,000 | 3,500 | 5,500 |
| Vote 6 - Corporate Services | Acquisition of IT Infrastructure Assets | Computer Software and Applications | Ward 18 | -24 | 29 | 5,500 | 1,522 | 2,000 | 2,400 | 2,500 |
| Vote 3 - Economic Development and Planning | Acquisition of Land | Other | Ward 18 | -24 | 29 | | 1,570 | - | - | - |
| Vote 5 Community Services | Acquisition of Transport Assets | Other | Ward 18 | -24 | 29 | 5,300 | 1,217 | - | - | - |
| Parent Capital expenditure | | | | | | 160,282 | 102,782 | 83,913 | 95,504 | 107,593 |

Table 47 MBRR SA37 – Projects delayed from previous years

| LIM473 Makhuduthamaga - Supporting Table SA37 Projects delayed from previous financial year/s | | | | | | | | | | | | | | | |
|---|--------------|----------------|------|----------------------|------|--------------------------|-------------|-----------------|--|----------------------------------|----------------------|--------------------|---|------------------------|------------------------|
| R thousand | | | | | | | | | | Previous target year to complete | Current Year 2018/19 | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| Function | Project name | Project number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | | | Original Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Parent municipality: | | | | | | | | | | | | | | | |
| <i>List all capital projects grouped by Function</i> | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| Entities: | | | | | | | | | | | | | | | |
| <i>List all capital projects grouped by Entity</i> | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

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



Table 47 MBRR SA38 – Consolidated Detailed Operational Projects

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 draft SDBIP is and aligned with the 2019/20 draft budget & 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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | | | | | | | | | | |
| REVENUE ITEMS: | | | | | | | | | | | |
| Property rates | | | | | | | | | | | |
| Total Property Rates | 6 | 31,834 | 37,894 | 37,708 | 37,237 | 38,129 | 38,129 | 38,129 | 43,049 | 45,696 | 48,342 |
| Net Property Rates | | 31,834 | 37,894 | 37,708 | 37,237 | 38,129 | 38,129 | 38,129 | 43,049 | 45,696 | 48,342 |
| Other Revenue by source | | | | | | | | | | | |
| Tender Documents | | 780 | 539 | 811 | 560 | 400 | 400 | 400 | 300 | 200 | 100 |
| Other Revenue | | 200 | 74 | 140 | 122 | 222 | 222 | 222 | 244 | 261 | 268 |
| Total 'Other' Revenue | 1 | 980 | 613 | 951 | 682 | 622 | 622 | 622 | 544 | 461 | 368 |
| EXPENDITURE ITEMS: | | | | | | | | | | | |
| Employee related costs | | | | | | | | | | | |
| Basic Salaries and Wages | 2 | 28,144 | 32,507 | 29,582 | 45,065 | 40,609 | 40,609 | 40,609 | 46,950 | 50,002 | 53,252 |
| Pension and UIF Contributions | | 6,080 | 6,632 | 7,899 | 8,676 | 7,822 | 7,822 | 7,822 | 8,489 | 9,040 | 9,628 |
| Medical Aid Contributions | | 5,112 | 5,575 | 6,173 | 6,131 | 5,487 | 5,487 | 5,487 | 6,952 | 7,404 | 7,885 |
| Overtime | | - | 2,268 | 1,984 | 1,175 | 1,110 | 1,110 | 1,110 | 664 | 707 | 753 |
| Motbr Vehicle Allowance | | 6,837 | 8,517 | 8,315 | 10,509 | 9,558 | 9,558 | 9,558 | 12,102 | 12,889 | 13,727 |
| Cellphone Allowance | | 1,018 | 1,354 | 1,308 | 1,528 | 1,454 | 1,454 | 1,454 | 1,995 | 2,125 | 2,263 |
| Housing Allowances | | 2,278 | 3,056 | 3,067 | 4,244 | 3,848 | 3,848 | 3,848 | 4,435 | 4,723 | 5,030 |
| Other benefits and allowances | | 1,815 | 3,204 | 3,794 | 4,667 | 4,209 | 4,209 | 4,209 | 4,676 | 4,980 | 5,304 |
| sub-total | 5 | 51,285 | 63,112 | 62,121 | 81,996 | 74,095 | 74,095 | 74,095 | 86,263 | 91,870 | 97,842 |
| Less: Employees costs capitalised to PPE | | | | | | | | | | | |
| Total Employee related costs | 1 | 51,285 | 63,112 | 62,121 | 81,996 | 74,095 | 74,095 | 74,095 | 86,263 | 91,870 | 97,842 |
| Contributions recognised - capital | | | | | | | | | | | |
| Total Contributions recognised - capital | | - | - | - | - | - | - | - | - | - | - |
| Depreciation & asset impairment | | | | | | | | | | | |
| Depreciation of Property, Plant & Equipment | | 16,616 | 18,938 | 26,108 | 22,198 | 26,511 | 26,511 | 26,511 | 27,720 | 31,878 | 36,660 |
| Total Depreciation & asset impairment | 1 | 16,616 | 18,938 | 26,108 | 22,198 | 26,511 | 26,511 | 26,511 | 27,720 | 31,878 | 36,660 |
| Contracted services | | | | | | | | | | | |
| Repairs and Maintenance | | 45,805 | 42,617 | 40,809 | 53,022 | 77,322 | 77,322 | 77,322 | 62,591 | 59,887 | 57,726 |
| Security Services and Cleaning Services | | 12,332 | 12,893 | 14,696 | 13,672 | 13,672 | 13,672 | 13,672 | 14,350 | 15,150 | 16,050 |
| Other Contracted Services | | 690 | 856 | 25,934 | 28,505 | 35,102 | 35,102 | 35,102 | 27,768 | 27,419 | 29,516 |
| sub-total | 1 | 58,828 | 56,365 | 81,439 | 95,199 | 126,096 | 126,096 | 126,096 | 104,709 | 102,456 | 103,292 |
| Allocations to organs of state: | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Total contracted services | | 58,828 | 56,365 | 81,439 | 95,199 | 126,096 | 126,096 | 126,096 | 104,709 | 102,456 | 103,292 |
| Other Expenditure By Type | | | | | | | | | | | |
| Audit fees | | 2,400 | 2,670 | 3,196 | 2,430 | 2,430 | 2,430 | 2,430 | 3,390 | 3,690 | 3,850 |
| General expenses | 3 | 161,824 | 79,711 | 214,837 | 62,325 | 59,867 | 59,867 | 59,867 | 60,672 | 62,874 | 66,659 |
| Total 'Other' Expenditure | 1 | 164,224 | 82,381 | 218,033 | 64,755 | 62,297 | 62,297 | 62,297 | 64,062 | 66,564 | 70,509 |
| Repairs and Maintenance by Expenditure Item | | | | | | | | | | | |
| Contracted Services | 8 | 58,828 | 42,200 | 42,381 | 53,022 | 77,322 | 77,322 | 77,322 | 62,591 | 59,887 | 57,726 |
| Total Repairs and Maintenance Expenditure | 9 | 58,828 | 42,200 | 42,381 | 53,022 | 77,322 | 77,322 | 77,322 | 62,591 | 59,887 | 57,726 |

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

| LIM473 Makhuduthamaga - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.) | | | | | | | | | |
|--|-----|----------------------------|----------------------------------|-------------------------------|-------------------------------------|-----------------------------|-----------------------------|------------------------------|----------------|
| Description | Ref | Vote 1 - Executive Support | Vote 2 - Office of the Municipal | Vote 3 - Economic Development | Vote 4 - Infrastructure Development | Vote 5 - Community Services | Vote 6 - Corporate Services | Vote 7 - Budget and Treasury | Total |
| R thousand | 1 | | | | | | | | |
| Revenue By Source | | | | | | | | | |
| Property rates | | | | | | | | 43,049 | 43,049 |
| Rental of facilities and equipment | | | | | | | | 142 | 142 |
| Interest earned - external investments | | | | | | | | 5,693 | 5,693 |
| Interest earned - outstanding debtors | | | | | | | | 35,906 | 35,906 |
| Dividends received | | | | | | | | – | – |
| Fines, penalties and forfeits | | | | | | | | 626 | 626 |
| Licences and permits | | | | | | | | – | – |
| Agency services | | | | | | | | 6,553 | 6,553 |
| Other revenue | | | | | | | | 544 | 544 |
| Transfers and subsidies | | | | | | | | 272,571 | 272,571 |
| Gains on disposal of PPE | | | | | | | | – | – |
| Total Revenue (excluding capital transfers and contributions) | | – | – | – | – | – | – | 365,083 | 365,083 |
| Expenditure By Type | | | | | | | | | |
| Employee related costs | | 5,206 | 10,062 | 5,278 | 5,416 | 21,598 | 11,318 | 22,417 | 81,295 |
| Remuneration of councillors | | 24,329 | – | – | – | – | – | – | 24,329 |
| Debt impairment | | – | – | – | – | – | – | 35,906 | 35,906 |
| Depreciation & asset impairment | | – | – | – | – | – | – | 27,720 | 27,720 |
| Contracted services | | 9,328 | 4,000 | 5,050 | 27,391 | 32,800 | 4,890 | 21,250 | 104,709 |
| Transfers and subsidies | | – | – | – | – | – | – | – | – |
| Other expenditure | | 26,400 | – | 3,360 | 10,764 | 2,662 | 10,737 | 15,107 | 69,030 |
| Loss on disposal of PPE | | – | – | – | – | – | – | – | – |
| Total Expenditure | | 65,263 | 14,062 | 13,688 | 43,571 | 57,060 | 26,945 | 122,400 | 342,990 |
| Surplus/(Deficit) | | (65,263) | (14,062) | (13,688) | (43,571) | (57,060) | (26,945) | 242,683 | 22,093 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | | | | | | 62,122 | 62,122 |
| Surplus/(Deficit) after capital transfers & contributions | | (65,263) | (14,062) | (13,688) | (43,571) | (57,060) | (26,945) | 304,805 | 84,215 |

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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| <u>Call investment deposits</u> | | | | | | | | | | | |
| Total Call investment deposits | 2 | - | - | - | - | - | - | - | - | - | - |
| <u>Consumer debtors</u> | | | | | | | | | | | |
| Consumer debtors | | 19,223 | 46,113 | 26,562 | 52,844 | 22,844 | 22,844 | 22,844 | 28,032 | 37,329 | 36,697 |
| <u>Less: Provision for debt impairment</u> | | | | | | | | | | | |
| Total Consumer debtors | 2 | 19,223 | 46,113 | 26,562 | 52,844 | 22,844 | 22,844 | 22,844 | 28,032 | 37,329 | 36,697 |
| <u>Debt impairment provision</u> | | | | | | | | | | | |
| Balance at end of year | | - | - | - | - | - | - | - | - | - | - |
| <u>Property, plant and equipment (PPE)</u> | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | | 352,909 | 423,171 | 291,200 | 383,671 | 322,011 | 322,011 | 322,011 | 276,807 | 274,321 | 280,704 |
| Total Property, plant and equipment (PPE) | 2 | 352,909 | 423,171 | 291,200 | 383,671 | 322,011 | 322,011 | 322,011 | 276,807 | 274,321 | 280,704 |
| LIABILITIES | | | | | | | | | | | |
| <u>Current liabilities - Borrowing</u> | | | | | | | | | | | |
| Total Current liabilities - Borrowing | | - | - | - | - | - | - | - | - | - | - |
| <u>Trade and other payables</u> | | | | | | | | | | | |
| Trade Payables | 5 | 14,376 | 21,580 | 47,825 | 17,726 | 17,726 | 17,726 | 17,726 | 10,648 | 9,655 | 10,716 |
| Total Trade and other payables | 2 | 14,376 | 21,580 | 47,825 | 17,726 | 17,726 | 17,726 | 17,726 | 10,648 | 9,655 | 10,716 |
| <u>Non current liabilities - Borrowing</u> | | | | | | | | | | | |
| Total Non current liabilities - Borrowing | | - | - | - | - | - | - | - | - | - | - |
| <u>Provisions - non-current</u> | | | | | | | | | | | |
| Retirement benefits | | 3,744 | 4,028 | 4,504 | 4,616 | 4,616 | 4,616 | 4,616 | 4,856 | 5,119 | 5,395 |
| <i>List other major provision items</i> | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Total Provisions - non-current | | 3,744 | 4,028 | 4,504 | 4,616 | 4,616 | 4,616 | 4,616 | 4,856 | 5,119 | 5,395 |
| CHANGES IN NET ASSETS | | | | | | | | | | | |
| <u>Accumulated Surplus/(Deficit)</u> | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) - opening balance | | 448,931 | 392,403 | 355,706 | 362,120 | 299,150 | 299,150 | 299,150 | 250,986 | 235,942 | 234,750 |
| Restated balance | | 448,931 | 392,403 | 355,706 | 362,120 | 299,150 | 299,150 | 299,150 | 250,986 | 235,942 | 234,750 |
| Surplus/(Deficit) | | 37,375 | 127,691 | (67,576) | 87,798 | 62,947 | 62,947 | 62,947 | 84,215 | 95,748 | 107,753 |
| Accumulated Surplus/(Deficit) | 1 | 486,307 | 520,094 | 288,131 | 449,918 | 362,097 | 362,097 | 362,097 | 335,200 | 331,690 | 342,503 |
| <u>Reserves</u> | | | | | | | | | | | |
| Total Reserves | 2 | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 486,307 | 520,094 | 288,131 | 449,918 | 362,097 | 362,097 | 362,097 | 335,200 | 331,690 | 342,503 |

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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | | | | | Outcome | Outcome | Outcome | Original Budget | Outcome | Outcome | Outcome |
| Demographics | | | | | | | | | | | | |
| Population | | Census 2001 - Census 2007 -Census 2011 | 264 | 262 | 300 | 300 | 274 | 300 | 300 | 300 | 300 | 300 |
| Females aged 5 - 14 | | Census 2001 - Census 2007 -Census 2011 | - | - | 300 | 177 | 60 | 177 | 177 | 177 | 177 | 177 |
| Males aged 5 - 14 | | Census 2001 - Census 2007 -Census 2011 | - | - | 123 | 123 | 60 | 123 | 123 | 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 | 33 | 21 | 21 | 21 | 21 | 21 |
| Monthly household income (no. of households) | | | | | | | | | | | | |
| No income | 1, 12 | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 144,105 | 144,105 | 121,946 | 144,105 | 144,105 | 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 | 2,894 | 60,966 | 60,966 | 60,966 | 60,966 | 60,966 |
| R6 401 - R12 800 | | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 32,154 | 32,154 | 3,281 | 32,154 | 32,154 | 32,154 | 32,154 | 32,154 |
| R12 801 - R25 600 | | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 2,128 | 2,128 | 2,028 | 2,128 | 2,128 | 2,128 | 2,128 | 2,128 |
| R25 601 - R51 200 | | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 2,637 | 2,637 | 346 | 2,637 | 2,637 | 2,637 | 2,637 | 2,637 |
| R52 201 - R102 400 | | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 3,829 | 3,829 | 57 | 3,829 | 3,829 | 3,829 | 3,829 | 3,829 |
| R102 401 - R204 800 | | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 718 | 718 | 73 | 718 | 718 | 718 | 718 | 718 |
| R204 801 - R409 600 | | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 57 | 57 | 55 | 57 | 57 | 57 | 57 | 57 |
| R409 601 - R819 200 | | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| > R819 200 | | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 |
| Poverty profiles (no. of households) | | | | | | | | | | | | |
| < R2 060 per household per month | 13 | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | 247,632 | 247632.00 | 247632.00 | 247632.00 | 247632.00 | 247632.00 | 247632.00 | 247632.00 |
| | 2 | Statistics South Africa 2007 & 2011 (Community Survey) | - | - | - | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| tail of Free Basic Services (FBS) provided | | | | | | | | | | | | |
| Electricity | Ref. | <u>Location of households for each type of FBS</u> | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | |
| | | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | |
| List type of FBS service | | Formal settlements - (50 kwh per indigent household per month Rands) | 9,981 | 9,981 | 9,981 | 9,981 | 9,981 | 9,981 | 9,981 | 9,981 | 9,981 | 9,981 |
| | | Total cost of FBS - Electricity for informal settlements | - | - | - | - | - | - | - | - | - | - |

Table 53 MBRR Table SA11 – Property rates summary

| LIM473 Makhuduthamaga - Supporting Table SA11 Property rates summary | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Valuation: | 1 | | | | | | | | | |
| Date of valuation: | | 7/1/2011 | 7/1/2011 | 7/1/2011 | 7/1/2011 | | | | | |
| Financial year valuation used | | 2012/2013 | 2016/17 | 2016/17 | 2016/17 | | | 2016/17 | | |
| Municipal by-laws s6 in place? (Y/N) | 2 | Yes | Yes | Yes | Yes | | | Yes | | |
| Municipal/assistant valuer appointed? (Y/N) | | Yes | 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 |
| Total rebates, exemptns, reductns, discs (R'000) | | - | - | - | - | - | - | - | - | - |

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

| LIM473 Makhuduthamaga - Supporting Table SA12a Property rates by category (current year) | | | | | | | | | | | | | | | | | |
|--|-----|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|---------------------|---------------------------|--------------|------------------|--------------------------|----------------|-------------------|------------------------|---------------|
| Description | Ref | Resi. | Indust. | Bus. & Comm. | Farm props. | State-owned | Muni props. | Public service infra. | Private owned towns | Formal & Informal Settle. | Comm. Land | State trust land | Section 8(2)(n) (note 1) | Protect. Areas | National Monum'ts | Public benefit organs. | Mining Props. |
| Current Year 2018/19 | | | | | | | | | | | | | | | | | |
| 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 |
| Valuation reductions: | | | | | | | | | | | | | | | | | |
| Valuation reductions-public infrastructure (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-nature reserves/park (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-mineral rights (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-R15,000 threshold (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-public worship (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-other (Rm) | 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total valuation reductions: | | | | | | | | | | | | | | | | | |
| Total value used for rating (Rm) | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total land value (Rm) | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total value of improvements (Rm) | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total market value (Rm) | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rating: | | | | | | | | | | | | | | | | | |
| 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% |
| Total rebates, exemptns, reductns, 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 2019/20 | | | | | | | | | | | | | | | | | |
| Valuation: | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | |
| No. of objections by rate-payers | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| No. of appeals by rate-payers | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| No. of appeals by rate-payers finalised | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| No. of successful objections | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| No. of successful objections > 10% | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 |
| Valuation reductions: | | | | | | | | | | | | | | | | | |
| Valuation reductions-public infrastructure (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-nature reserves/park (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-mineral rights (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-R15,000 threshold (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-public worship (Rm) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-other (Rm) | 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total valuation reductions: | | | | | | | | | | | | | | | | | |
| Total value used for rating (Rm) | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total land value (Rm) | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total value of improvements (Rm) | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total market value (Rm) | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rating: | | | | | | | | | | | | | | | | | |
| 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% |
| Total rebates,exemptns,eductns,discs (R'000) | | | | | | | | | | | | | | | | | |

Table 56 MBRR Table SA13a – Service tariffs by category.

| LIM473 Makhuduthamaga - Supporting Table SA13a Service Tariffs by category | | | | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---|---------|---------|---------|----------------------|---|------------------------|------------------------|
| Description | Ref | Provide description of tariff structure where appropriate | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| | | | | | | | Property rates <i>(rate in the Rand)</i> | 1 | |
| Farm properties - used | | | 0.0200 | 0.0200 | 0.0150 | 0.0150 | 0.0150 | 0.0150 | 0.0150 |
| Farm properties - not used | | | 0.0200 | 0.0200 | 0.0150 | 0.0150 | 0.0150 | 0.0150 | 0.0150 |
| Industrial properties | | | 0.0200 | 0.0200 | 0.0150 | 0.0150 | 0.0150 | 0.0150 | 0.0150 |
| Communal land - other | | | 0.0150 | 0.0150 | 0.0150 | 0.0150 | 0.0150 | 0.0150 | 0.0150 |
| Exemptions, reductions and rebates <i>(Rands)</i> | | | | | | | | | |
| Residential properties | | | | | | | | | |
| R15 000 threshold rebate | | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Other rebates or exemptions | 2 | | | | | | | | |
| Water tariffs | | | | | | | | | |
| Domestic | | | | | | | | | |
| Other | 2 | | | | | | | | |
| Waste water tariffs | | | | | | | | | |
| Domestic | | | | | | | | | |
| Other | 2 | | | | | | | | |
| Electricity tariffs | | | | | | | | | |
| Domestic | | | | | | | | | |
| Waste management tariffs | | | | | | | | | |
| Domestic | | | | | | | | | |

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 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | | | | | | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Exemptions, reductions and rebates (Rands) | | | | | | | | | |
| <i>[Insert lines as applicable]</i> | | | | | | | | | |
| Water tariffs | | | | | | | | | |
| <i>[Insert blocks as applicable]</i> | | (fill in thresholds) | | | | | | | |
| Waste water tariffs | | | | | | | | | |
| <i>[Insert blocks as applicable]</i> | | (fill in structure) | | | | | | | |
| Electricity tariffs | | | | | | | | | |
| <i>[Insert blocks as applicable]</i> | | (fill in thresholds) | | | | | | | |

Table 58 MBRR Table SA14 – Household bills.

| LIM473 Makhuduthamaga - Supporting Table SA14 Household bills | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 % incr. | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Rand/cent | | | | | | | | | | | |
| Monthly Account for Household - 'Middle Income Range' | 1 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| sub-total | | - | - | - | - | - | - | - | - | - | - |
| VAT on Services | | | | | | | | | | | |
| Total large household bill: | | - | - | - | - | - | - | - | - | - | - |
| % increase/-decrease | | | - | - | - | - | - | - | - | - | - |
| Monthly Account for Household - 'Affordable Range' | 2 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| sub-total | | - | - | - | - | - | - | - | - | - | - |
| VAT on Services | | | | | | | | | | | |
| Total small household bill: | | - | - | - | - | - | - | - | - | - | - |
| % increase/-decrease | | | - | - | - | - | - | - | - | - | - |
| Monthly Account for Household - 'Indigent' Household receiving free basic services | 3 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Electricity: Consumption | | 5,356,942.00 | 4,309,604.00 | 4,685,022.00 | 4,200,000.00 | 4,200,000.00 | 4,200,000.00 | 7.1% | 4,500,000.00 | 4,800,000.00 | 5,000,000.00 |
| sub-total | | 5,356,942.00 | 4,309,604.00 | 4,685,022.00 | 4,200,000.00 | 4,200,000.00 | 4,200,000.00 | 7.1% | 4,500,000.00 | 4,800,000.00 | 5,000,000.00 |
| VAT on Services | | | | | | | | | | | |
| Total small household bill: | | 5,356,942.00 | 4,309,604.00 | 4,685,022.00 | 4,200,000.00 | 4,200,000.00 | 4,200,000.00 | 7.1% | 4,500,000.00 | 4,800,000.00 | 5,000,000.00 |
| % increase/-decrease | | | (19.6%) | 8.7% | (10.4%) | - | - | | 7.1% | 6.7% | 4.2% |

Table 59 MBRR Table SA15 – Investment particulars by type.

| LIM473 Makhuduthamaga - Supporting Table SA15 Investment particulars by type | | | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Investment type | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | | | | | | | | | |
| Parent municipality | | | | | | | | | | |
| Securities - National Government | | | | | | | | | | |
| Listed Corporate Bonds | | | | | | | | | | |
| Deposits - Bank | | - | - | - | - | - | - | - | - | - |
| Deposits - Public Investment Commissioners | | | | | | | | | | |
| Deposits - Corporation for Public Deposits | | | | | | | | | | |
| Bankers Acceptance Certificates | | | | | | | | | | |
| Negotiable Certificates of Deposit - Banks | | | | | | | | | | |
| Guaranteed Endowment Policies (sinking) | | | | | | | | | | |
| Repurchase Agreements - Banks | | | | | | | | | | |
| Municipal Bonds | | | | | | | | | | |
| Municipality sub-total | 1 | - | - | - | - | - | - | - | - | - |
| Entities | | | | | | | | | | |
| Securities - National Government | | | | | | | | | | |
| Listed Corporate Bonds | | | | | | | | | | |
| Deposits - Bank | | | | | | | | | | |
| Deposits - Public Investment Commissioners | | | | | | | | | | |
| Deposits - Corporation for Public Deposits | | | | | | | | | | |
| Bankers Acceptance Certificates | | | | | | | | | | |
| Negotiable Certificates of Deposit - Banks | | | | | | | | | | |
| Guaranteed Endowment Policies (sinking) | | | | | | | | | | |
| Repurchase Agreements - Banks | | | | | | | | | | |
| Entities sub-total | | - | - | - | - | - | - | - | - | - |
| Consolidated total: | | - | - | - | - | - | - | - | - | - |



Table 60 MBRR Table SA16 – Investment particulars by maturity.

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

Table 61 MBRR Table SA17 – Borrowing.

| LIM473 Makhuduthamaga - Supporting Table SA17 Borrowing | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Borrowing - Categorized by type | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Parent municipality | | | | | | | | | | |
| Other Securities | | | | | | | | | | |
| Municipality sub-total | 1 | - | - | - | - | - | - | - | - | - |
| Entities | | | | | | | | | | |
| Other Securities | | | | | | | | | | |
| Entities sub-total | 1 | - | - | - | - | - | - | - | - | - |
| Total Borrowing | 1 | - | - | - | - | - | - | - | - | - |
| Unspent Borrowing - Categorized by type | | | | | | | | | | |
| Parent municipality | | | | | | | | | | |
| Other Securities | | | | | | | | | | |
| Municipality sub-total | 1 | - | - | - | - | - | - | - | - | - |
| Entities | | | | | | | | | | |
| Other Securities | | | | | | | | | | |
| Entities sub-total | 1 | - | - | - | - | - | - | - | - | - |
| Total Unspent Borrowing | 1 | - | - | - | - | - | - | - | - | - |

2.1 Annual Budget of Municipal entities

- The municipality does not have entities.