

ANNUAL BUDGET OF

# ELUNDINI LOCAL MUNICIPALITY



2018/2019 TO 2020/2021

## MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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- In the municipal buildings
- All public libraries within the municipality
- At [www.elundini.co.za](http://www.elundini.co.za)

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## Abbreviations and Acronyms

AMR	Automated Meter Reading	GAMAP	Generally Accepted Municipal Accounting Practice
ASGISA	Accelerated and Shared Growth Initiative	GDP	Gross domestic product
BPC	Budget Planning Committee	GDS	Gauteng Growth and Development Strategy
CBD	Central Business District	GFS	Government Financial Statistics
CFO	Chief Financial Officer	GRAP	General Recognised Accounting Practice
CM	City Manager	HR	Human Resources
CPI	Consumer Price Index	HSRC	Human Science Research Council
CRRF	Capital Replacement Reserve Fund	IDP	Integrated Development Strategy
DBSA	Development Bank of South Africa	IT	Information Technology
DoRA	Division of Revenue Act	kℓ	kilolitre
DWA	Department of Water Affairs	km	kilometre
EE	Employment Equity	KPA	Key Performance Area
EEDSM	Energy Efficiency Demand Side Management	KPI	Key Performance Indicator
EM	Executive Mayor	kWh	kilowatt
FBS	Free basic services		

ℓ	litre	OHS	Occupational Health and Safety
LED	Local Economic Development	OP	Operational Plan
MEC	Member of the Executive Committee	PBO	Public Benefit Organisations
MFMA	Municipal Financial Management Act Programme	PHC	Provincial Health Care
MIG	Municipal Infrastructure Grant	PMS	Performance Management System
MMC	Member of Mayoral Committee	PPE	Property Plant and Equipment
MPRA	Municipal Properties Rates Act	PPP	Public Private Partnership
MSA	Municipal Systems Act	PTIS	Public Transport Infrastructure System
MTEF	Medium-term Expenditure Framework	RG	Restructuring Grant
MTREF	Medium-term Revenue and Expenditure Framework	RSC	Regional Services Council
NERSA	National Electricity Regulator South Africa	SALGA	South African Local Government Association
NGO	Non-Governmental organisations	SAPS	South African Police Service
NKPIs	National Key Performance Indicators	SDBIP	Service Delivery Budget Implementation Plan
		SMME	Small Micro and Medium Enterprises

# Part 1 – Annual Budget

## 1.1 Mayor's Report

In his Budget Speech to Parliament on 21 February 2018, the Minister of Finance said: We are once again at the crossroads. Tough choices have to be made to achieve the developmental outcomes we seek.

- Free higher education and training for poor and working class students will be funded
- Vat increase by 1%
- Economic growth is too slow, unemployment is far too high and many businesses and families are under stress.
- We face an uncertain and complex global environment.
- At the same time we face immense transformation challenges – we must overcome the inequalities and divisions of our society. All South Africans must share in a more prosperous future.
- Change is difficult, and often contested. In these tough times we draw strength from the resilience and the diverse capabilities of our people, our business sector, our unions and our social formations.
- Therefore Elundini municipality is not immune to what has been said above, within our limited resources as Elundini municipality we must strive to achieve excellence in changing people's lives.

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

The Municipality reaffirms its commitment to the achievement of the goals enshrined within the Integrated Development Plan, namely:

- Accelerate service delivery and infrastructure development
- Promote economic growth, environmental sustainability and creation of decent jobs
- To improve the effectiveness of governance administrative and financial systems

In the year ahead, the Municipality will further strengthen its capacity to implement the adopted Budget, so as to positively impact on the lives of residents.

The Council of Elundini is fully aware of service delivery backlog that has confronted our people over the years. The slow rate of economic growth, coupled with other competing demands has put additional strain to the national fiscus. Rural municipalities that rely on government grants are likely to suffer the most due to reductions in allocations from the national fiscus.

This budget has prioritized service delivery and is thus, responsive to the needs of our communities. Our communities has entrusted us with improving their lives over the next 5 year and our intention is to deliver to the best of our abilities. The following key priorities are highlighted:

- Our internal roads are an integral part of our economic development initiatives. R67.7 million has been appropriated towards roads infrastructure for the budget year. This allocation is R182.5 million over the MTREF;
- R38.2 million has been allocated through division of revenue for infrastructure projects;
- R29 million has been allocated through division of revenue for the development of Mt Fletcher and the grant is from Premiers office.
- R3.3 million has also been appropriated towards electrification of some of our communities
- and this budget is likely to increase by R10.4 million over the MTREF. This is over and above the R30.6 million (R126.5 million over the MTREF) included in our operating budget that we have received from the Department of Energy in order to provide access to electricity in the rural villages
- R6.5 million has been allocated towards Free Basic Services in respect of electricity and refuse removal. Our municipal area is confronted with high levels of unemployment.

We continue to engage our stakeholders such as Human settlement, Health, Public Works and Education with the view to accelerated service delivery.

One of the biggest reform introduced by the National Treasury is the Municipal Standard Chart of Accounts (m-SCOA). This reform has changed the way we plan as municipalities. It is hoped that this reform will deliver on its intended objectives of stream-lining financial management and enhance planning and accountability.

I would also like to thank the community for their involvement during this budget process. My executive committee was also my pillar of strength throughout this process. Last, but not least, my gratitude goes to the Municipal Manager and his team for the undying support gave to us, the political leadership.

**COUNCILLOR N.LENGS**

**JUNE 2018**

## 1.2 Council Resolution

On 22<sup>th</sup> June 2018 the Mayor of Elundini Municipality will table the final budget for 2018/2019, 2019/2020 and 2020/2021 financial year. The following resolutions will be taken:

1. The Council of Elundini Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2018/19 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table A6
    - 1.2.2. Budgeted Cash Flows as contained in Table A7
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
    - 1.2.4. Asset management as contained in Table A9
    - 1.2.5. Basic service delivery measurement as contained in Table A10
2. The Council of Elundini Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018:
  - 2.1. the tariffs for property rates, electricity and solid waste – as set out on the tariff list attached.
  - 2.2. The budget related policies being Property rates policy, Virement policy, Cash & Investment policy, Budget monitoring policy and Tariff policy
3. The Council of Elundini Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018 the tariffs for other services, as set out in the tariff list attached.

### 1.3 Executive Summary

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing revenue enhancement strategy to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 91 was used to guide the compilation of the 2019/21 MTREF.

The main challenges experienced during the compilation of the 2019/21 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Inadequate resources to reduce roads and electricity infrastructure backlogs;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Salary budget increases for municipal staff due to a critical need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the MTREF:

- The 2017/18 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2018/19 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- 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;



- There's also a budget allocation set for the following items:
  - Special Projects;
  - Consultant Fees;
  - Furniture and office equipment;
  - Special Events;
  - Refreshments and entertainment;
  - Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed Medium-term Revenue and Expenditure Framework:

**Table A1 Consolidated Overview of the 2018/19 MTREF**

<b>R thousand</b>	<b>Adjustments Budget 2017/18</b>	<b>Budget Year 2018/19</b>	<b>Budget Year 2019/20</b>	<b>Budget Year 2020/21</b>
Total Operating Revenue	326.4m	277.1	290.2	306.1
Total Operating Expenditure	229.5m	333.8	351.8	371.2
(Surplus)/Deficit	88.1m	(56.7)	(61.6)	(65.1)
Total Capital Expenditure	88.1m	86.8	70.0	68.0

Total operating revenue has decreased by 15 per cent or R49.3 million for this financial year when compared to the previous financial year budgeted revenue. For the two outer years, operational revenue increased by 4 per cent and 5 per cent..

Total operating expenditure grown by 31% or R104.3 for this financial year when compared to previous financial year budgeted expenditure. For two outer years, operating expenditure increased by 5 per cent and 5 per cent. Operating expenditure has been appropriated at R333.8 million and translates into a budgeted deficit of (R56.7) million. The operating deficit for the two outer years steadily increases to (R61.6) million and then (R65.1) million. The deficit is in relation to the non-cash expenditure items namely Depreciation and Debt impairment. The municipality should develop a revenue enhancement strategy to address the deficit within the MTREF.

The capital programme is positioned to R86.8 million and R70.0 and 68.0 million in the outer years. A substantial portion of the capital budget will be funded from government grants from National and Provincial Treasury over the MTREF. The balance will be funded from internally generated funds.

## **1.4 Operating Revenue Framework**

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

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

- National Treasury’s guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality’s Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality’s Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2019/2021 MTREF (classified by main revenue source):

**Table A4 Summary of revenue classified by main revenue source**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>											
Property rates	2	13 681	14 583	17 218	18 804	18 804	18 804	20 545	28 255	29 780	31 418
Service charges - electricity revenue	2	16 807	16 395	19 233	24 320	24 177	24 177	14 475	25 983	27 386	28 892
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2 173	4 413	4 759	2 744	2 744	2 744	3 906	2 926	3 084	3 253
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 448	1 552	1 575	1 501	8 617	8 617	1 055	9 048	9 536	10 061
Interest earned - external investments		2 101	3 652	4 539	1 596	1 596	1 596	2 050	2 441	2 573	2 714
Interest earned - outstanding debtors		1 166	1 400	1 804	1 899	1 899	1 899	1 305	1 301	1 371	1 446
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		335	941	472	109	363	363	136	385	406	428
Licences and permits		1 973	1 865	2 371	2 418	2 471	2 471	672	2 631	2 773	2 925
Agency services		1 414	-	-	-	-	-	-	-	-	-
Transfers and subsidies		118 378	157 496	152 226	169 215	169 215	169 215	149 033	173 745	198 603	211 590
Other revenue	2	5 865	1 289	1 308	123 982	119 113	119 113	4 083	29 978	14 248	12 968
Gains on disposal of PPE		-	-	-	335	404	404	-	426	449	473
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>165 341</b>	<b>203 585</b>	<b>205 505</b>	<b>346 923</b>	<b>349 404</b>	<b>349 404</b>	<b>197 260</b>	<b>277 117</b>	<b>290 209</b>	<b>306 170</b>
<b>Expenditure By Type</b>											
Employee related costs	2	61 676	70 803	70 480	91 241	91 241	91 241	67 026	98 540	103 861	109 574
Remuneration of councillors		9 814	10 792	10 229	10 589	11 548	11 548	9 770	12 398	13 067	13 786
Debt impairment	3	3 234	6 133	9 185	9 000	9 000	9 000	-	7 811	8 233	8 686
Depreciation & asset impairment	2	30 834	26 843	26 956	48 663	48 663	48 663	-	48 898	51 538	54 373
Finance charges		814	907	1 203	53	53	53	1 517	53	56	59
Bulk purchases	2	15 059	19 065	21 295	24 785	24 785	24 785	19 448	26 599	28 035	29 577
Other materials	8	5 524	5 168	9 619	21 076	0	0	-	3 188	8 233	8 686
Contracted services		2 109	2 731	2 727	13 836	90 588	90 588	46 920	82 705	87 171	91 966
Transfers and subsidies		-	23 392	20 206	-	-	-	-	-	-	-
Other expenditure	4, 5	48 315	39 835	52 389	109 724	54 685	54 685	63 403	53 633	51 656	54 497
Loss on disposal of PPE		450	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>177 829</b>	<b>205 669</b>	<b>224 290</b>	<b>328 967</b>	<b>330 564</b>	<b>330 534</b>	<b>208 084</b>	<b>333 826</b>	<b>351 852</b>	<b>371 204</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(12 487)	(2 084)	(18 785)	17 956	18 840	18 870	(10 824)	(56 708)	(61 643)	(65 034)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all))	6	40 841	33 234	41 386	70 222	70 222	70 222	-	67 795	59 253	55 518
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 390)</b>	<b>(9 516)</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 390)</b>	<b>(9 516)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 390)</b>	<b>(9 516)</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 390)</b>	<b>(9 516)</b>

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.

Our total revenue mix comprises of revenue generated from rates and services charges which are Electricity and solid waste and other revenue derived from rentals, plant income investment income and others.

### 1.4.1 Property rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

Revenue generated from Property Rates totals to R28.2 million for 2018/2019 financial year and has increased by 5.3% when compared with 2017/2018 original budget and it increases to R29.7 million and R31.4 million for the two outer years.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

## 1.4.2 Revenue from Services

### Electricity

Electricity and Solid waste services are the main revenue sources for the municipality.

Revenue generated from **Electricity** totals to R25.9 million for the budget year and increases to R27.3 million and R28.8 million for outer years. NERSA has announced the revised bulk electricity pricing structure. A 6.84 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2018.

Considering the Eskom increases, the consumer tariff had to be increased by 7.32 per cent to offset the additional bulk purchase cost from 1 July 2018. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

Currently Electricity is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of Electricity function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

### Solid Waste

Revenue generated from **Solid waste** totals to R2.9 million for this financial year and increases to R3 million and R3.2 million for the two outer years. An increase of 6% has been applied as this service is operating at a deficit. It must also be noted that an amount of free basic refuse has been reduced from the total revenue expected from refuse removal.

These services are operating at a loss, the revenue derived from these services is unable to cover expenditure in relation to these services. It is important that the municipality should consider come up with a cost recovery strategy to ensure that they are cost reflective. Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case.

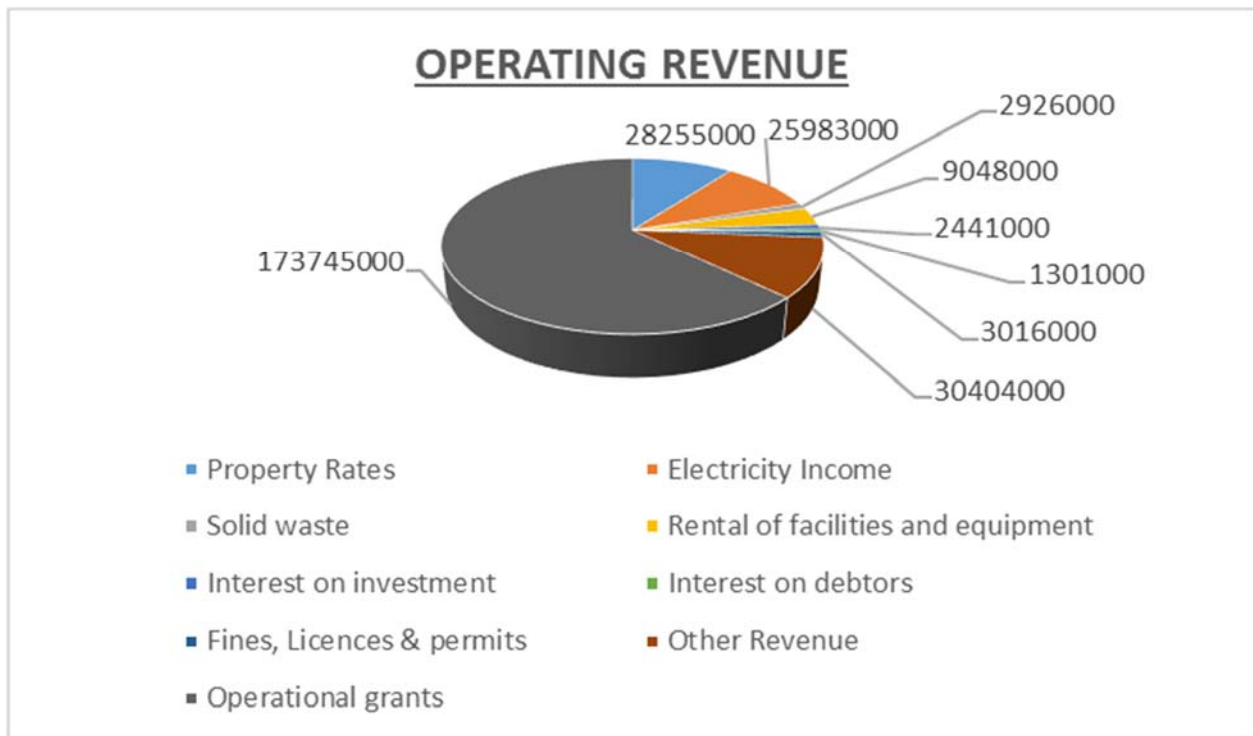
The Municipality will have to implement a revenue enhancement strategy to ensure that this service can be rendered in a more sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration as well as to some extent lack of billing of commercial businesses in terms of the recognized Polluter Pays Principle as outline in the National Waste Management Strategy of 2008. Considering the deficit, it is recommended that a comprehensive investigation into the possibility of reviewing our approach to billing in terms of the existing tariff structure as approved by Council.

### 1.4.3 Other Revenue

Other sources of revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, vat income, investment income and interest from debtors. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

### 1.4.5 Operating Grants

Operating grants and transfers totals R173.7 million in the 2018/19 financial year and steadily increases to R198.6 million by 2019/20 and R211.5 million by 2020/21. Note that the year-on-year growth for the 2018/19 financial year is 9 per cent and 12% per cent and 18 per cent for the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:



**Table SA18 Operating Transfers and Grant Receipts**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		87 066	135 908	147 673	168 465	168 465	168 465	172 495	197 765	210 706
Local Government Equitable Share		84 626	132 110	129 070	134 116	134 116	134 116	138 382	149 117	160 009
Finance Management		1 550	1 600	1 625	1 700	1 700	1 700	1 700	1 700	1 700
Municipal Systems Improvement		890	930	930	-	-	-	-	-	-
EPWP Incentive			1 268	1 548	2 649	2 649	2 649	1 777	-	-
Integrated National Electrification Programme				14 500	30 000	30 000	30 000	25 636	38 948	40 997
Energy Efficiency and Demand Management								5 000	8 000	8 000
Other transfers/grants [insert description]										
Provincial Government:		656	656	750	750	750	750	1 250	838	884
Sport and Recreation		656	656	750	750	750	750	750	838	884
Sport and Recreation								500	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	87 722	136 564	148 423	169 215	169 215	169 215	173 745	198 603	211 590
<b>Capital Transfers and Grants</b>										
National Government:		32 992	32 992	37 250	39 587	39 587	39 587	38 207	38 948	40 997
Municipal Infrastructure Grant (MIG)		32 992	32 992	37 250	39 587	39 587	39 587	38 207	38 948	40 997
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	30 635	30 635	30 635	29 588	20 305	14 521
Other capital transfers/grants [insert description]					30 635	30 635	30 635	29 588	20 305	14 521
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	32 992	32 992	37 250	70 222	70 222	70 222	67 795	59 253	55 518
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		120 714	169 556	185 673	239 437	239 437	239 437	241 540	257 856	267 108

### 1.4.6 Tariff-Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The table below indicates the tariffs increases as per circular No. 91 and Nersa guidelines in tariff determination.

<b>Category</b>	<b>2017/2018 Budget Year</b>	<b>2018/2019 Budget Year</b>	<b>2019/2020 Budget Year</b>	<b>2020/2021 Budget Year</b>
<b>Property Rates</b>	6.4%	5.3%	5.4%	5.5%
<b>Electricity</b>	1.88%	6.84%	5.4%	5.5%
<b>Solid waste</b>	6.4%	6.00%	5.4%	5.5%

The following table compares **Solid Waste's** current and proposed amounts payable from 1 July 2019 with previous year's tariffs:

<b>Refuse Removal - Per Month</b>	<b>2017/2018</b>	<b>2018/2019</b>
Households	R112.57	R 119.32
Business	R223.44	R 236.84
Townships	R46.38	R 49.16
Loads per removal Business & Refuse garden	R340.20	R 360.61
Building Rubble per Load	R629.99	R 667.78
Use of refuse site where the public off load refuse - Price is per cubic meter( Prepaid Coupon)	R30.62	R 32.45
Illegal Dumping- Fine	R4082.36	R 4327.30

Electricity's current and proposed amounts that will be payable from 1 July 2018 are detailed on the tariff list which will be approved as the budget related document.

### 1.4.7 Overall impact of tariff increases on households

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



## 1.5 Operating Expenditure Framework

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

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

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

### **Table A4 Summary of operating expenditure by standard classification item**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>											
Property rates	2	13 681	14 583	17 218	18 804	18 804	18 804	20 545	28 255	29 780	31 418
Service charges - electricity revenue	2	16 807	16 395	19 233	24 320	24 177	24 177	14 475	25 983	27 386	28 892
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2 173	4 413	4 759	2 744	2 744	2 744	3 906	2 926	3 084	3 253
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 448	1 552	1 575	1 501	8 617	8 617	1 055	9 048	9 536	10 061
Interest earned - external investments		2 101	3 652	4 539	1 596	1 596	1 596	2 050	2 441	2 573	2 714
Interest earned - outstanding debtors		1 166	1 400	1 804	1 899	1 899	1 899	1 305	1 301	1 371	1 446
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		335	941	472	109	363	363	136	385	406	428
Licences and permits		1 973	1 865	2 371	2 418	2 471	2 471	672	2 631	2 773	2 925
Agency services		1 414	-	-	-	-	-	-	-	-	-
Transfers and subsidies		118 378	157 496	152 226	169 215	169 215	169 215	149 033	173 745	198 603	211 590
Other revenue	2	5 865	1 289	1 308	123 982	119 113	119 113	4 083	29 978	14 248	12 968
Gains on disposal of PPE		-	-	-	335	404	404	-	426	449	473
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>165 341</b>	<b>203 585</b>	<b>205 505</b>	<b>346 923</b>	<b>349 404</b>	<b>349 404</b>	<b>197 260</b>	<b>277 117</b>	<b>290 209</b>	<b>306 170</b>
<b>Expenditure By Type</b>											
Employee related costs	2	61 676	70 803	70 480	91 241	91 241	91 241	67 026	98 540	103 861	109 574
Remuneration of councillors		9 814	10 792	10 229	10 589	11 548	11 548	9 770	12 398	13 067	13 786
Debt impairment	3	3 234	6 133	9 185	9 000	9 000	9 000	-	7 811	8 233	8 686
Depreciation & asset impairment	2	30 834	26 843	26 956	48 663	48 663	48 663	-	48 898	51 538	54 373
Finance charges		814	907	1 203	53	53	53	1 517	53	56	59
Bulk purchases	2	15 059	19 065	21 295	24 785	24 785	24 785	19 448	26 599	28 035	29 577
Other materials	8	5 524	5 168	9 619	21 076	0	0	-	3 188	8 233	8 686
Contracted services		2 109	2 731	2 727	13 836	90 588	90 588	46 920	82 705	87 171	91 966
Transfers and subsidies		-	23 392	20 206	-	-	-	-	-	-	-
Other expenditure	4, 5	48 315	39 835	52 389	109 724	54 685	54 685	63 403	53 633	51 656	54 497
Loss on disposal of PPE		450	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>177 829</b>	<b>205 669</b>	<b>224 290</b>	<b>328 967</b>	<b>330 564</b>	<b>330 534</b>	<b>208 084</b>	<b>333 826</b>	<b>351 852</b>	<b>371 204</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(12 487)	(2 084)	(18 785)	17 956	18 840	18 870	(10 824)	(56 708)	(61 643)	(65 034)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all))	6	40 841	33 234	41 386	70 222	70 222	70 222	-	67 795	59 253	55 518
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 390)</b>	<b>(9 516)</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 390)</b>	<b>(9 516)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 390)</b>	<b>(9 516)</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 390)</b>	<b>(9 516)</b>

### 1.5.1 Employee Related Costs

The budgeted allocation for employee related costs for the 2018/19 financial year totals R98.5 million, which equals 30 per cent of the total operating expenditure. A three year collective SALGBC agreement, salary increases has come to an end and at this stage there is no guideline in terms of salary increase therefore a CPI increase of 7.36 % (last year's increase) has been factored into the budget.

As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized upwards. As part of the planning assumptions and interventions no new vacancies have been provided in this budget except positions that were identified and funded in the previous financial year and were not filled for various reasons. The municipality has budgeted for a deficit therefore it is impossible to increase expenditure,

### **1.5.2 Remuneration of Councilors**

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Budget appropriation in this regard totals to R12.3 million and equates to 4 percent of the total operating expenditure.

### **1.5.3 Debt impairment Provision**

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the budget year this amount equates to R7.8 million and equates to 2% of the total operating expenditure and escalates to R8.2 and R8.7 million for the two outer years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

### **1.5.4 Depreciation Provision**

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation in this regard refers to the systematic write off of assets over their useful lives. Budget appropriations in this regard total R48.9 million for the budget year financial and equates to 15 per cent of the total operating expenditure.

### **1.5.5 Bulk purchases**

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Budget appropriations in this regard total to R26.5 million for the budget year and equates to 8 percent of the total operating budget. The expenditure includes distribution losses.

### **1.5.6 Other Material**

Since the implementation of mSCOA repairs and maintenance are no longer budgeted as the line item on the budget but as the project. Therefore we do not have an amount for Repairs and maintenance on A-schedule.

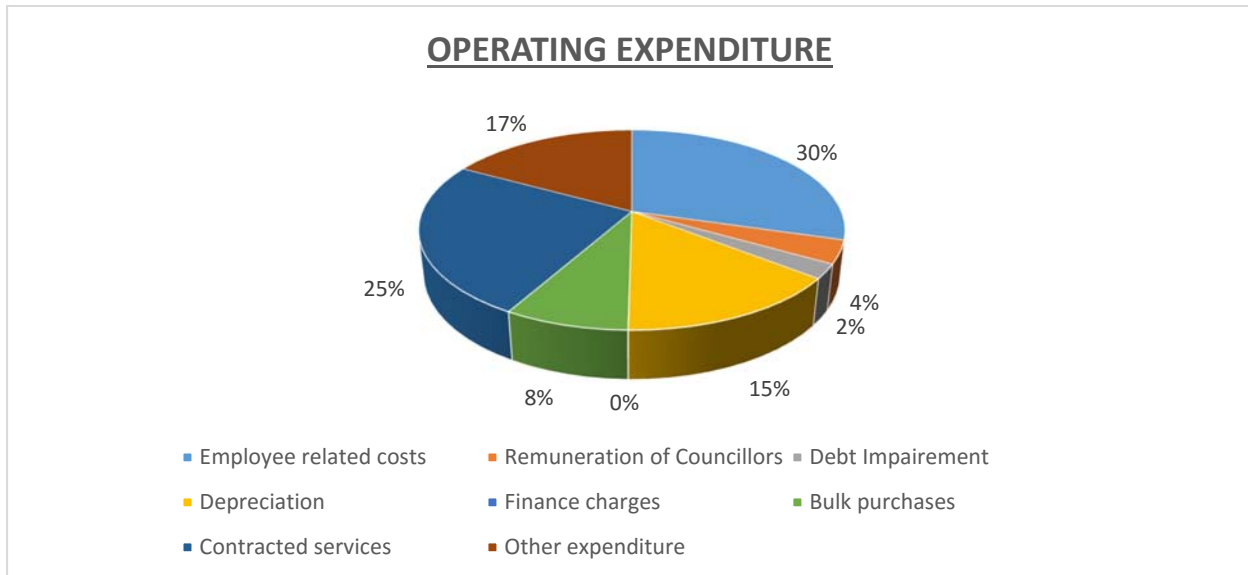
### **1.5.7 Contracted Services**

In the 2018/19 financial year, this group of expenditure totals R82.7 million and equates to 25% of the total operating budget.

### 1.5.8 Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budget appropriations in this regard totals to R57.9 million and equates to 17 percent.

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



### **Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 10 000 or more indigent households during the 2018/19 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table SA21.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. In this budget year the municipality made a provision of R6.5 million for free basic services.

### **1.5.11 Expenditure by major type**

1. Bulk purchases have increased over the 2018/2019 to 2020/20/21 period escalating from R26 million, R27 million and R29 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

## **1.6 Capital expenditure**

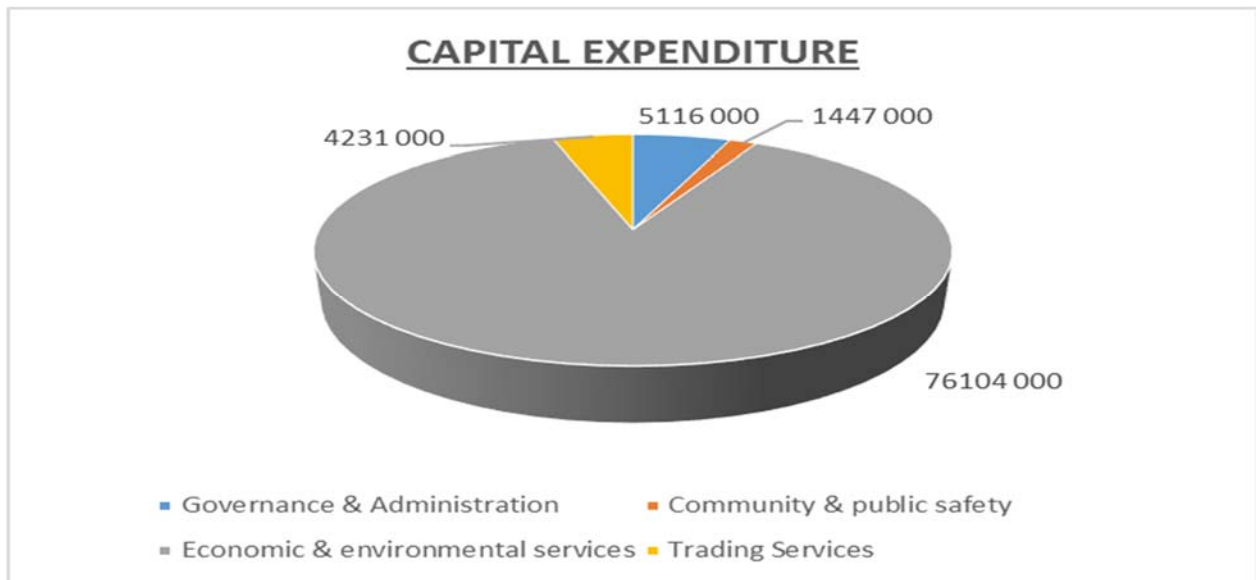
The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 2 2017/18 Medium-term capital budget per vote**

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - [NAME OF VOTE 1]		-	197	1 626	309	309	309	70	96	101	106
Vote 2 - [NAME OF VOTE 2]		2 372	11 944	10 521	3 673	3 673	3 673	384	2 830	2 983	3 147
Vote 3 - [NAME OF VOTE 3]		85	1 059	1 352	2 190	2 190	2 190	-	2 190	2 308	2 435
Vote 4 - [NAME OF VOTE 4]		17 494	1 573	1 473	1 812	1 812	1 812	766	2 377	2 505	2 643
Vote 5 - [NAME OF VOTE 5]		350	303	262	31 735	1 100	1 100	106	1 600	1 686	1 779
Vote 6 - [NAME OF VOTE 6]		27 283	28 809	40 831	48 459	79 978	79 978	21 495	77 805	60 453	57 932
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		47 584	43 884	56 065	88 178	89 062	89 062	22 821	86 897	70 037	68 043
<b>Total Capital Expenditure - Vote</b>		47 584	43 884	56 065	88 178	89 062	89 062	22 821	86 897	70 037	68 043
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>		2 457	13 200	13 499	6 172	6 172	6 172	454	5 116	5 392	5 689
Executive and council		-	197	1 626	309	309	309	70	96	101	106
Finance and administration		2 457	13 003	11 873	5 863	5 863	5 863	384	5 020	5 291	5 582
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		17 494	713	586	1 012	1 012	1 012	455	1 447	1 525	1 609
Community and social services		17 494	88	116	119	119	119	11	147	155	163
Sport and recreation		-	590	115	100	100	100	132	400	422	445
Public safety		-	36	355	793	793	793	311	900	949	1 001
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26 032	28 569	37 631	75 694	74 056	74 056	19 494	76 210	58 773	56 159
Planning and development		350	303	262	31 735	1 100	1 100	106	1 600	1 686	1 779
Road transport		25 682	28 266	37 370	43 959	72 956	72 956	19 388	74 610	57 086	54 380
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 601	1 401	4 349	5 300	7 822	7 822	2 418	4 125	4 347	4 586
Energy sources		1 601	542	3 461	4 500	7 022	7 022	2 107	3 195	3 367	3 552
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	859	887	800	800	800	311	930	980	1 034
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	47 584	43 884	56 065	88 178	89 062	89 062	22 821	86 897	70 037	68 043
<b>Funded by:</b>											
National Government		24 141	27 787	31 964	39 587	39 587	39 587	19 327	38 207	38 948	40 997
Provincial Government		-	-	-	30 635	30 635	30 635	-	29 588	20 305	14 521
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	24 141	27 787	31 964	70 222	70 222	70 222	19 327	67 795	59 253	55 518
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		23 443	16 097	24 101	17 956	17 956	17 956	3 494	19 102	8 043	9 634
<b>Total Capital Funding</b>	7	47 584	43 884	56 065	88 178	89 062	89 062	22 821	86 897	70 037	68 043

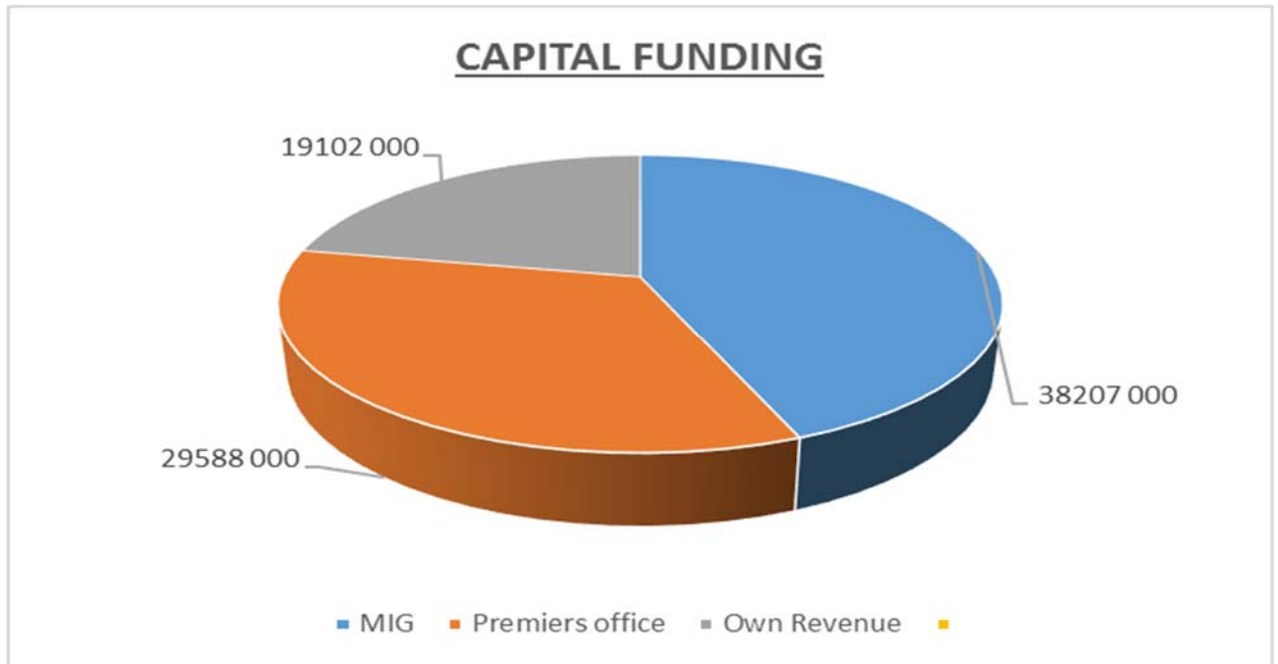
For this budget year an amount of R86.8 million has been appropriated for the development of infrastructure which represents 20 per cent of the total expenditure budget. The amount totals to R70.0 million and R68.0 million for the outer years.

The following graph gives a breakdown of the Capital expenditure by vote for the 2018/19 financial year.



### 1.6.1 FUNDING OF THE CAPITAL BUDGET

1. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. Capital transfers totals to R67.7 million and escalates to R59.2 million and R55.5 million for the two outer years.
2. The graph below illustrate the funding sources for Capital Expenditure



## 1.7 Annual Budget Tables - Elundini Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

### Table A1 - Budget Summary





## **Explanatory notes to Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognized is reflected on the Financial Performance Budget;
    - ii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation indicates that the municipality is paying much attention in managing of its finances mainly building of internal reserves that can be cash-backed to fund the budget.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue - Functional</b>	1									
<i>Governance and administration</i>		139 768	124 367	156 460	224 674	226 633	226 633	190 546	200 836	211 882
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		139 768	124 367	156 460	224 674	226 633	226 633	190 546	200 836	211 882
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 279	2 813	2 888	5 891	5 980	5 980	5 707	4 142	4 370
Community and social services		88	38	175	3 426	3 515	3 515	3 112	1 407	1 484
Sport and recreation		13	-	11	20	20	20	20	21	23
Public safety		2 178	2 588	2 702	2 445	2 445	2 445	2 575	2 714	2 863
Housing		-	187	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		37 254	33 305	45 498	124 384	124 384	124 384	15 530	16 369	17 269
Planning and development		83	68	80	32 737	2 102	2 102	2 040	2 151	2 269
Road transport		37 171	33 237	45 419	91 647	122 282	122 282	13 490	14 218	15 000
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		26 881	76 335	42 045	62 196	62 629	62 629	65 333	68 862	72 649
Energy sources		22 462	71 922	36 769	57 071	57 505	57 505	59 559	62 775	66 227
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 419	4 413	5 276	5 125	5 124	5 124	5 775	6 087	6 422
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	206 182	236 821	246 892	417 145	419 626	419 626	277 116	290 208	306 169
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		106 319	60 244	113 196	140 258	142 217	142 217	140 474	148 059	156 202
Executive and council		29 988	22 166	29 857	45 337	46 296	46 296	46 241	48 738	51 419
Finance and administration		76 331	38 078	83 340	94 921	95 921	95 921	94 233	99 321	104 784
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15 568	13 929	17 292	24 097	24 185	24 185	24 222	25 530	26 934
Community and social services		3 786	1 852	2 528	6 252	6 340	6 340	5 949	6 271	6 615
Sport and recreation		4 653	4 585	6 470	7 876	7 876	7 876	7 135	7 520	7 934
Public safety		4 345	6 704	7 525	9 969	9 969	9 969	11 138	11 739	12 385
Housing		2 784	789	769	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		27 783	81 239	42 583	73 277	73 277	73 277	75 651	79 736	84 121
Planning and development		7 413	6 965	8 594	13 346	13 346	13 346	14 171	14 936	15 757
Road transport		20 370	74 274	33 989	59 931	59 931	59 931	61 480	64 800	68 364
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		28 158	50 258	51 216	91 335	90 885	90 885	93 480	98 528	103 947
Energy sources		20 533	40 030	33 347	73 303	72 853	72 853	74 498	78 521	82 840
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 625	10 228	17 869	18 032	18 032	18 032	18 982	20 007	21 107
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	177 828	205 670	224 288	328 967	330 564	330 564	333 826	351 852	371 204
<b>Surplus/(Deficit) for the year</b>		28 354	31 151	22 603	88 178	89 062	89 062	(56 709)	(61 645)	(65 035)

## Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity and Waste management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue and Equitable share.

### Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		139 768	124 367	156 460	224 674	226 633	226 633	190 546	200 836	211 882
Vote 3 - Corporate services		-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		6 698	7 226	8 164	11 101	11 188	11 188	11 482	10 229	10 791
Vote 5 - Strategic Planning & Development		83	68	80	30 748	123	123	130	137	145
Vote 6 - Infrastructure Development & Planning		59 633	105 159	82 188	150 622	181 682	181 682	74 959	79 006	83 352
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	206 182	236 820	246 891	417 145	419 626	419 626	277 116	290 208	306 169
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive & Council		29 988	22 166	29 857	45 337	46 296	46 296	46 241	48 738	51 419
Vote 2 - Budget & Treasury		56 590	23 659	63 601	58 613	59 613	59 613	56 262	59 301	62 562
Vote 3 - Corporate services		19 742	14 419	19 739	36 308	36 308	36 308	37 970	40 021	42 222
Vote 4 - Community Services		23 192	24 157	35 162	43 274	43 362	43 362	44 386	35 043	36 971
Vote 5 - Strategic Planning & Development		7 413	6 965	8 594	10 301	10 301	10 301	11 132	11 734	12 379
Vote 6 - Infrastructure Development & Planning		40 903	114 304	67 336	135 134	134 684	134 684	137 834	157 016	165 651
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	177 828	205 670	224 288	328 967	330 564	330 564	333 826	351 852	371 203
<b>Surplus/(Deficit) for the year</b>	2	28 354	31 150	22 603	88 178	89 062	89 062	(56 709)	(61 645)	(65 034)

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

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

### Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>											
Property rates	2	13 681	14 583	17 218	18 804	18 804	18 804	20 545	28 255	29 780	31 418
Service charges - electricity revenue	2	16 807	16 395	19 233	24 320	24 177	24 177	14 475	25 983	27 386	28 892
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2 173	4 413	4 759	2 744	2 744	2 744	3 906	2 926	3 084	3 253
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 448	1 552	1 575	1 501	8 617	8 617	1 055	9 048	9 536	10 061
Interest earned - external investments		2 101	3 652	4 539	1 596	1 596	1 596	2 050	2 441	2 573	2 714
Interest earned - outstanding debtors		1 166	1 400	1 804	1 899	1 899	1 899	1 305	1 301	1 371	1 446
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		335	941	472	109	363	363	136	385	406	428
Licences and permits		1 973	1 865	2 371	2 418	2 471	2 471	672	2 631	2 773	2 925
Agency services		1 414	-	-	-	-	-	-	-	-	-
Transfers and subsidies		118 378	157 496	152 226	169 215	169 215	169 215	149 033	173 745	198 603	211 590
Other revenue	2	5 865	1 289	1 308	123 982	119 113	119 113	4 083	29 978	14 248	12 968
Gains on disposal of PPE		-	-	-	335	404	404	-	426	449	473
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>165 341</b>	<b>203 585</b>	<b>205 505</b>	<b>346 923</b>	<b>349 404</b>	<b>349 404</b>	<b>197 260</b>	<b>277 117</b>	<b>290 209</b>	<b>306 170</b>
<b>Expenditure By Type</b>											
Employee related costs	2	61 676	70 803	70 480	91 241	91 241	91 241	67 026	98 540	103 861	109 574
Remuneration of councillors		9 814	10 792	10 229	10 589	11 548	11 548	9 770	12 398	13 067	13 786
Debt impairment	3	3 234	6 133	9 185	9 000	9 000	9 000	-	7 811	8 233	8 686
Depreciation & asset impairment	2	30 834	26 843	26 956	48 663	48 663	48 663	-	48 898	51 538	54 373
Finance charges		814	907	1 203	53	53	53	1 517	53	56	59
Bulk purchases	2	15 059	19 065	21 295	24 785	24 785	24 785	19 448	26 599	28 035	29 577
Other materials	8	5 524	5 168	9 619	21 076	0	0	-	-	-	-
Contracted services		2 109	2 731	2 727	13 836	90 588	90 588	46 920	82 705	87 171	91 966
Transfers and subsidies		-	23 392	20 206	-	-	-	-	-	-	-
Other expenditure	4, 5	48 315	39 835	52 389	109 724	54 685	54 685	63 403	56 821	59 890	63 184
Loss on disposal of PPE		450	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>177 829</b>	<b>205 669</b>	<b>224 290</b>	<b>328 967</b>	<b>330 564</b>	<b>330 534</b>	<b>208 084</b>	<b>333 826</b>	<b>351 852</b>	<b>371 204</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(12 487)	(2 084)	(18 785)	17 956	18 840	18 870	(10 824)	(56 708)	(61 644)	(65 034)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)		40 841	33 234	41 386	70 222	70 222	70 222	-	67 795	59 253	55 518
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 391)</b>	<b>(9 516)</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 391)</b>	<b>(9 516)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 391)</b>	<b>(9 516)</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>28 354</b>	<b>31 150</b>	<b>22 602</b>	<b>88 178</b>	<b>89 062</b>	<b>89 092</b>	<b>(10 824)</b>	<b>11 087</b>	<b>(2 391)</b>	<b>(9 516)</b>



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

3. Total revenue is R277.1 million in the budget year and escalates to R290.2 million and R306.1 for the outer years.
4. Revenue to be generated from property rates is R20.7 million in the budget year and increases to R21.8 million and R23 million in the outer years. The property Rates represents 5.7 per cent of the operating revenue base of the municipality and clearly shows that the municipality is grant depended it cannot sustain itself should the grants be taken away.
5. Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R28.9 million in the budget year and increasing to R30.4 million and R32.1 million for the outer years. For the budget year services charges amount to 8 per cent of the total revenue base and grows by 9 per cent per annum over the medium-term.
6. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing over the MTREF.

**Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - [NAME OF VOTE 1]		-	197	1 626	309	309	309	70	96	101	106
Vote 2 - [NAME OF VOTE 2]		2 372	11 944	10 521	3 673	3 673	3 673	384	2 830	2 983	3 147
Vote 3 - [NAME OF VOTE 3]		85	1 059	1 352	2 190	2 190	2 190	-	2 190	2 308	2 435
Vote 4 - [NAME OF VOTE 4]		17 494	1 573	1 473	1 812	1 812	1 812	766	2 377	2 505	2 643
Vote 5 - [NAME OF VOTE 5]		350	303	262	31 735	1 100	1 100	106	1 600	1 686	1 779
Vote 6 - [NAME OF VOTE 6]		27 283	28 809	40 831	48 459	79 978	79 978	21 495	77 805	60 453	57 932
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		47 584	43 884	56 065	88 178	89 062	89 062	22 821	86 897	70 037	68 043
<b>Total Capital Expenditure - Vote</b>		47 584	43 884	56 065	88 178	89 062	89 062	22 821	86 897	70 037	68 043
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>		2 457	13 200	13 499	6 172	6 172	6 172	454	5 116	5 392	5 689
Executive and council		-	197	1 626	309	309	309	70	96	101	106
Finance and administration		2 457	13 003	11 873	5 863	5 863	5 863	384	5 020	5 291	5 582
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		17 494	713	586	1 012	1 012	1 012	455	1 447	1 525	1 609
Community and social services		17 494	88	116	119	119	119	11	147	155	163
Sport and recreation		-	590	115	100	100	100	132	400	422	445
Public safety		-	36	355	793	793	793	311	900	949	1 001
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26 032	28 569	37 631	75 694	74 056	74 056	19 494	76 210	58 773	56 159
Planning and development		350	303	262	31 735	1 100	1 100	106	1 600	1 686	1 779
Road transport		25 682	28 266	37 370	43 959	72 956	72 956	19 388	74 610	57 086	54 380
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 601	1 401	4 349	5 300	7 822	7 822	2 418	4 125	4 347	4 586
Energy sources		1 601	542	3 461	4 500	7 022	7 022	2 107	3 195	3 367	3 552
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	859	887	800	800	800	311	930	980	1 034
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	47 584	43 884	56 065	88 178	89 062	89 062	22 821	86 897	70 037	68 043
<b>Funded by:</b>											
National Government		24 141	27 787	31 964	39 587	39 587	39 587	19 327	38 207	38 948	40 997
Provincial Government		-	-	-	30 635	30 635	30 635	-	29 588	20 305	14 521
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	24 141	27 787	31 964	70 222	70 222	70 222	19 327	67 795	59 253	55 518
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		23 443	16 097	24 101	17 956	17 956	17 956	3 494	19 102	8 043	9 634
<b>Total Capital Funding</b>	7	47 584	43 884	56 065	88 178	89 062	89 062	22 821	86 897	70 037	68 043





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

3. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
4. Single-year capital expenditure has been appropriated at R84.3 million for the budget year and R67.2 million and R65.1 million for the two outer years.
5. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

**Table A6 - Budgeted Financial Position**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		753	6 104	5 383	5 454	9 781	9 781	7 800	1 334	1 406	1 484
Call investment deposits	1	33 052	45 612	36 549	90 043	84 651	84 651	108 557	106 576	112 331	118 509
Consumer debtors	1	2 777	3 544	2 782	6 252	6 252	6 252	7 444	47 617	50 188	52 949
Other debtors		9 735	7 209	12 079	5 789	5 789	5 789	4 542	11 734	12 367	13 048
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	551	365	263	275	276	276	299	265	279	295
<b>Total current assets</b>		<b>46 868</b>	<b>62 834</b>	<b>57 055</b>	<b>107 813</b>	<b>106 749</b>	<b>106 749</b>	<b>128 642</b>	<b>167 525</b>	<b>176 572</b>	<b>186 283</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property		35 046	36 237	36 160	34 969	34 969	34 969	36 199	36 199	38 154	40 252
Investment in Associate											
Property, plant and equipment	3	324 063	339 180	367 982	338 961	338 961	338 961	397 643	378 257	398 682	420 610
Agricultural											
Biological											
Intangible		287	227	0	227	227	227	-	-	-	-
Other non-current assets											
<b>Total non current assets</b>		<b>359 396</b>	<b>375 644</b>	<b>404 142</b>	<b>374 157</b>	<b>374 157</b>	<b>374 157</b>	<b>433 842</b>	<b>414 456</b>	<b>436 836</b>	<b>460 862</b>
<b>TOTAL ASSETS</b>		<b>406 265</b>	<b>438 478</b>	<b>461 197</b>	<b>481 970</b>	<b>480 906</b>	<b>480 906</b>	<b>562 484</b>	<b>581 981</b>	<b>613 408</b>	<b>647 146</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1								-	-	-
Borrowing	4	69	308	182	-	-	-	-	367	387	408
Consumer deposits		362	388	402	239	239	239	81	643	677	715
Trade and other payables	4	30 620	25 081	28 708	47 281	47 281	47 281	34 718	37 587	39 617	41 796
Provisions		8 216	10 400	6 867	6 338	6 338	6 338	-	6 857	7 227	7 624
<b>Total current liabilities</b>		<b>39 266</b>	<b>36 177</b>	<b>36 159</b>	<b>53 858</b>	<b>53 858</b>	<b>53 858</b>	<b>34 799</b>	<b>45 454</b>	<b>47 908</b>	<b>50 543</b>
<b>Non current liabilities</b>											
Borrowing		-	702	335	956	956	956	-	335	353	372
Provisions		12 994	15 176	15 679	11 156	11 156	11 156	-	15 679	16 526	17 435
<b>Total non current liabilities</b>		<b>12 994</b>	<b>15 878</b>	<b>16 014</b>	<b>12 112</b>	<b>12 112</b>	<b>12 112</b>	<b>-</b>	<b>16 014</b>	<b>16 879</b>	<b>17 807</b>
<b>TOTAL LIABILITIES</b>		<b>52 260</b>	<b>52 055</b>	<b>52 172</b>	<b>65 970</b>	<b>65 970</b>	<b>65 970</b>	<b>34 799</b>	<b>61 467</b>	<b>64 787</b>	<b>68 350</b>
<b>NET ASSETS</b>	5	<b>354 004</b>	<b>386 423</b>	<b>409 025</b>	<b>416 000</b>	<b>414 936</b>	<b>414 936</b>	<b>527 685</b>	<b>520 514</b>	<b>548 621</b>	<b>578 796</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)	4	354 004	386 423	409 025	416 000	414 936	414 936	527 685	520 514	548 621	578 796
Reserves		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>354 004</b>	<b>386 423</b>	<b>409 025</b>	<b>416 000</b>	<b>414 936</b>	<b>414 936</b>	<b>527 685</b>	<b>520 514</b>	<b>548 621</b>	<b>578 796</b>

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6s supported by an extensive table of notes (SA3 ) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions noncurrent;
  - Changes in net assets; and
  - Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

## BREAKDOWN OF CAPITAL PROJECTS

Municipal Vote/Capital project  R thousand	R e f  4	Program/Project description	Asset Class  3	Asset Sub- Class  3	2018/19 Medium Term Revenue & Expenditure Framework		
					Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality:  <i>List all capital projects grouped by Municipal Vote</i>							
<b>IP&amp;D</b>							
Upgrading of Sonwabile to Old Location Roads & Stormwater		Roads & Stormwater	<i>Roads Infrastructure</i>	<i>Roads</i>	4 055 743	4 275	4 510
Construction of Ilisolomzi Community Hall		Community Hall	<i>Community Facilities</i>	<i>Halls</i>	2 000 000	2 108	2 224
Upgrading of Sithole Streets & Stormwater		Streets	<i>Roads Infrastructure</i>	<i>Roads</i>	5 000 000	5 270	5 560
Emjikelweni Access Road		Roads	<i>Roads Infrastructure</i>	<i>Roads</i>	990 374	1 044	1 101
Hopedale Sportsfield		Sportfield	<i>Sport and Recreation Facilities</i>	<i>Outdoor Facilities</i>	1 000 000	1 054	1 112
Mount Fletcher Sportsfield		Sportfield	<i>Sport and Recreation Facilities</i>	<i>Outdoor Facilities</i>	1 196 570	1 261	1 331
Mohoabatsane Access Road		Roads	<i>Roads Infrastructure</i>	<i>Roads</i>	1 000 000	1 054	1 112
Upgrading of Vincent Streets & Stormwater		Streets	<i>Roads Infrastructure</i>	<i>Roads</i>	3 928 964	4 141	4 369
Lower Tsitsana Community Centre		Community centre	<i>Community Facilities</i>	<i>Centres</i>	4 500 000	4 743	5 004
Construction of Ugie Sports Field		Sportfield	<i>Sport and Recreation Facilities</i>	<i>Outdoor Facilities</i>	7 201 354	7 590	8 008
Construction of Liphofung Access Road		Roads	<i>Roads Infrastructure</i>	<i>Roads</i>	2 423 646	2 555	2 695
Construction of Ntabayikhonjwa Access Road		Roads	<i>Roads Infrastructure</i>	<i>Roads</i>	3 000 000	3 162	3 336
Ncele bridge					5 800 000	-	-
Hopedale Sportsfield					2 500 000	-	-

Hillgate road	Roads	Roads Infrastructure	Roads	29 588	20 305	14 521
Municipal road	Roads	Roads Infrastructure	Roads			
Road 1	Roads	Roads Infrastructure	Roads			
Road 2	Roads	Roads Infrastructure	Roads			
Road 3	Roads	Roads Infrastructure	Roads			
Mount Fletcher Taxi rank	Taxi rank	Community Facilities	Taxi Ranks/Buses Terminals			
Elundini testing station	Testing station	Community Facilities	Testing Stations			
Treatment Plant	Treatment plant		Taxi Ranks/Buses Terminals			
Thembeni housing	Thembeni housing					
<b>ELECTRICITY</b>						
Network upgrading	Network upgrading	Electrical Infrastructure		1 140	1 201	1 201
Installation of high musts	Installation of high musts	Electrical Infrastructure		2 055	2 166	2 166
BTO					-	-
Municipal buildings	Municipal buildings	Operational Buildings		2 360	2 487	2 487
Motor Vehicle	Motor Vehicle	Transport Assets		300	316	316
<b>STRATEGIC</b>						
Tourism	Tourism	Community Facilities		1 000	1 054	1 054
<b>COPORATE SERVICES</b>						
edms	edms	Operational Buildings		600	632	632
Access control	Access control	Operational Buildings		900	949	949
Capital spares	Capital spares			490	516	516
<b>COMMUNITY SERVICES</b>						
Street sweeper	Street sweeper	Community Facilities		750	791	834
Motor Vehicle	Motor Vehicle	Transport Assets		800	843	890
Computer equipment & office equipment	Computer equipment & office equipment			2 318	519	2 116

Parent Capital expenditure	1				86 897	70 036	68 043

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head for Finance.

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

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

#### 2.1.1 Budget Process Overview

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 September 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 September 2017. Key dates applicable to the process were:

- **September 2017** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2011/12 MTREF;
- **July/Aug 2017** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **August 2017** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2018** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **January 2018** - Council considers the 2017/18 Mid-year Review and Adjustments Budget;
-



- **March 2018** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2017/18 MTREF is revised accordingly;
- **29 March 2018** - Tabling in Council of the draft 2017/22 IDP and 2019/20 MTREF for public consultation;
- **May 2018** – Public consultation;
- **April 2018** - Closing date for written comments;
- **June 2018** – finalization of the 2019/23 IDP and 2018/19 to 2020/21 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **June 2018** - Approval of the 2017/18 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

This is the fourth review of the IDP as adopted by Council in June 2018. It started in September 2017 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2018/19 MTREF in September.

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

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

The IDP has been taken into a business and financial planning process leading up to the 2018/19 MTREF, based on the approved 2017/18 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

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

### **2.1.3 Financial Modelling and Key Planning Drivers**

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

- 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 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 85 and 86 has been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The final 2018/19 MTREF as tabled before Council on 15 March 2018 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. In addition a further development of this year's consultation process included the launch of E-based consultation. E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the Municipality's website, and the Municipality's call centre was engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 23 to 29 May 2018, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 5000 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where

relevant considered as part of the finalisation of the 2017/18 MTREF. Feedback and responses to the submissions received are available on request.

## **2.2 Overview of alignment of annual budget with IDP**

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

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

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

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

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

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

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

- Accelerated and Shared Growth Initiative (ASGISA);
- National 2019 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2017/18 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 3 IDP Strategic Objectives**

2017/18 Financial Year		2018/19 MTREF	
1.	Accelerate service delivery and infrastructure development	1.	Accelerate service delivery and infrastructure development
2.	Promote economic growth, environment sustainability and creation of decent jobs	2.	Promote economic growth, environmental sustainability and creation of decent jobs
3.	To improve the effectiveness of governance administrative and financial systems	3.	To improve the effectiveness of governance administrative and financial systems

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 electricity;
  - Provide waste removal;
  - Provide roads and storm water;
  - 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 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 provide primary health care services;
  - Extending waste removal services and ensuring effective city cleansing;

- Ensuring all waste water treatment works are operating optimally;
  - 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 with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimizing effective community participation in the ward committee system; and
  - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance 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 renewal 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;

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

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;

- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2018/19 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 SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Enhance organisational performance and management of municipal resources	Goal(s) 3: To improve the effectiveness of governance administrative and financial systems	3		-	-	-	-	-	-	-	-	-
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Goal(s) 1: Accelerate service delivery and infrastructure development	1	64 085	-	132 228	154 610	192 870	192 870	190 546	200 836	211 882	
To promote environmental health and safety of local communities	Goal(s) 1: Accelerate service delivery and infrastructure development	1						-				
Promote creation of employment opportunities and decent jobs	Goal(s) 2: Promote Sustainable economic growth and creation of decent jobs	2		-	116	32 738	123	123	130	137	145	
Increase quantum of households receiving free basic services	Goal(s) 3: To improve the effectiveness of governance administrative and financial systems	3		-	199 707	224 674	226 633	226 633	86 440	89 235	94 143	
Improve public participation and oversight to enhance accountability	Goal(s) 3: To improve the effectiveness of governance administrative and financial systems	3		-	-	5 123	-	-	-	-	-	
						-		-				
Allocations to other priorities		2						-				
<b>Total Revenue (excluding capital transfers and contributions)</b>		1	64 085	-	332 051	417 145	419 626	419 626	277 116	290 208	306 169	

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

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Enhance organisational performance and management of municipal resources	Goal(s) 3: To improve the effectiveness of governance administrative and financial systems	3		19 700	–	29 513	36 309	36 308	36 308	37 970	40 021	42 222
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Goal(s) 1: Accelerate service delivery and infrastructure development	1		63 707	–	153 627	175 362	178 046	178 046	182 220	192 060	202 622
To promote environmental health and safety of local communities	Goal(s) 1: Accelerate service delivery and infrastructure development	1		7 414	–	10 743	13 346	10 301	10 301	11 132	11 734	12 379
Promote creation of employment opportunities and decent jobs	Goal(s) 2: Promote Sustainable economic growth and creation of decent jobs	2		56 583	–	46 100	58 613	59 613	59 613	56 262	59 301	62 562
Increase quantum of households receiving free basic services	Goal(s) 3: To improve the effectiveness of governance administrative and financial systems	3		29 979	–	38 696	45 337	46 296	46 296	46 241	48 738	51 419
Improve public participation and oversight to enhance accountability	Goal(s) 3: To improve the effectiveness of governance administrative and financial systems	3										
Allocations to other priorities												
<b>Total Expenditure</b>			<b>1</b>	<b>177 383</b>	<b>–</b>	<b>278 679</b>	<b>328 967</b>	<b>330 564</b>	<b>330 564</b>	<b>333 826</b>	<b>351 852</b>	<b>371 203</b>



**Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital e**

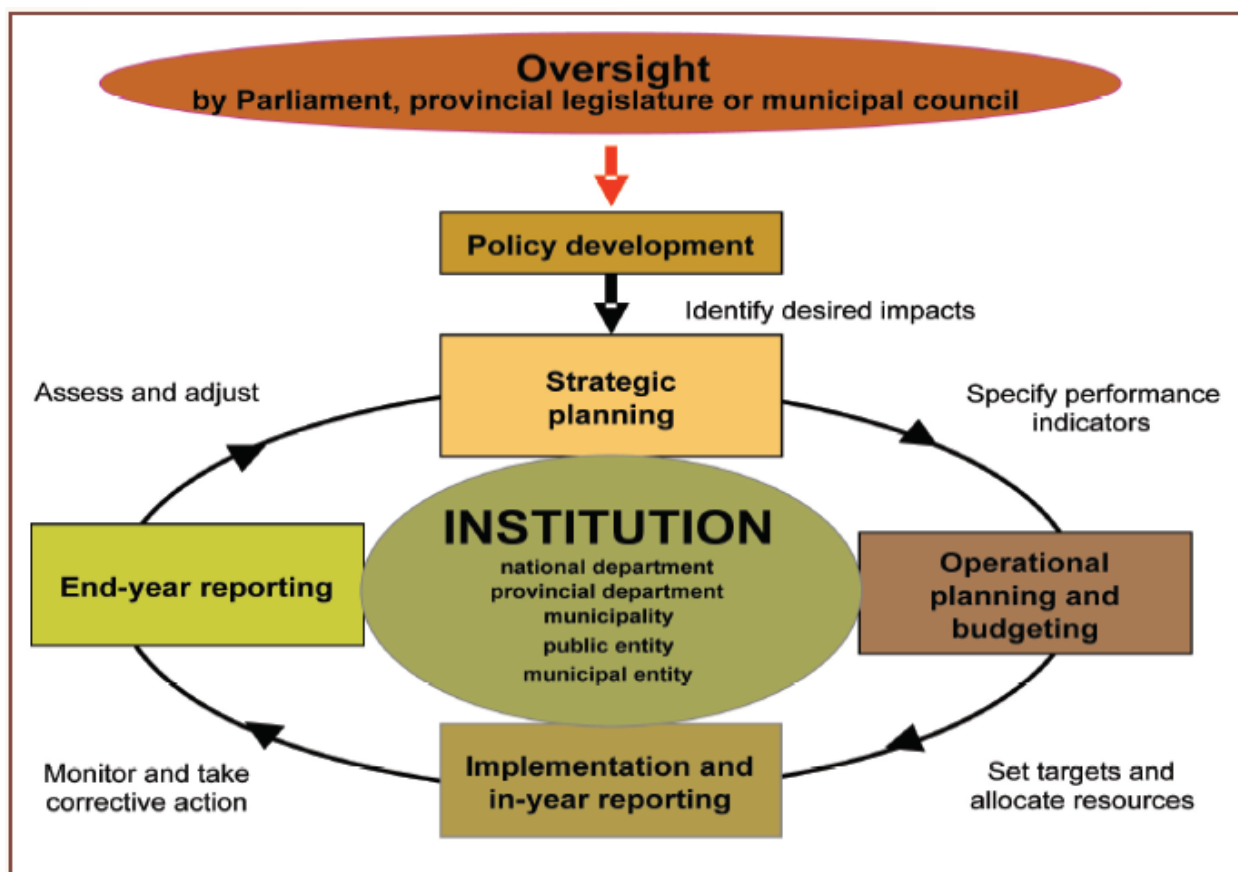
Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Enhance organisational performance and management of municipal resources	Goal(s) 3: To improve the effectiveness of governance administrative and financial systems	3		-	-	1 337	2 190	2 190	2 190	2 190	2 308	2 435
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Goal(s) 1: Accelerate service delivery and infrastructure development	1		43 144	-	48 745	50 271	81 790	81 790	80 182	62 958	60 575
To promote environmental health and safety of local communities	Goal(s) 1: Accelerate service delivery and infrastructure development	1		-	-	694	31 735	1 100	1 100	1 600	1 686	1 779
Promote creation of employment opportunities and decent jobs	Goal(s) 2: Promote Sustainable economic growth and creation of decent jobs	2		3 163	-	451	3 673	3 673	3 673	2 830	2 983	3 147
Increase quantum of households receiving free basic services	Goal(s) 3: To improve the effectiveness of governance administrative and financial systems	3		1 277	-	2 145	309	309	309	96	101	106
Improve public participation and oversight to enhance accountability	Goal(s) 3: To improve the effectiveness of governance administrative and financial systems	3										
Allocations to other priorities		3										
<b>Total Capital Expenditure</b>		1		<b>47 584</b>	<b>-</b>	<b>53 372</b>	<b>88 178</b>	<b>89 062</b>	<b>89 062</b>	<b>86 897</b>	<b>70 037</b>	<b>68 043</b>

### 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing

Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

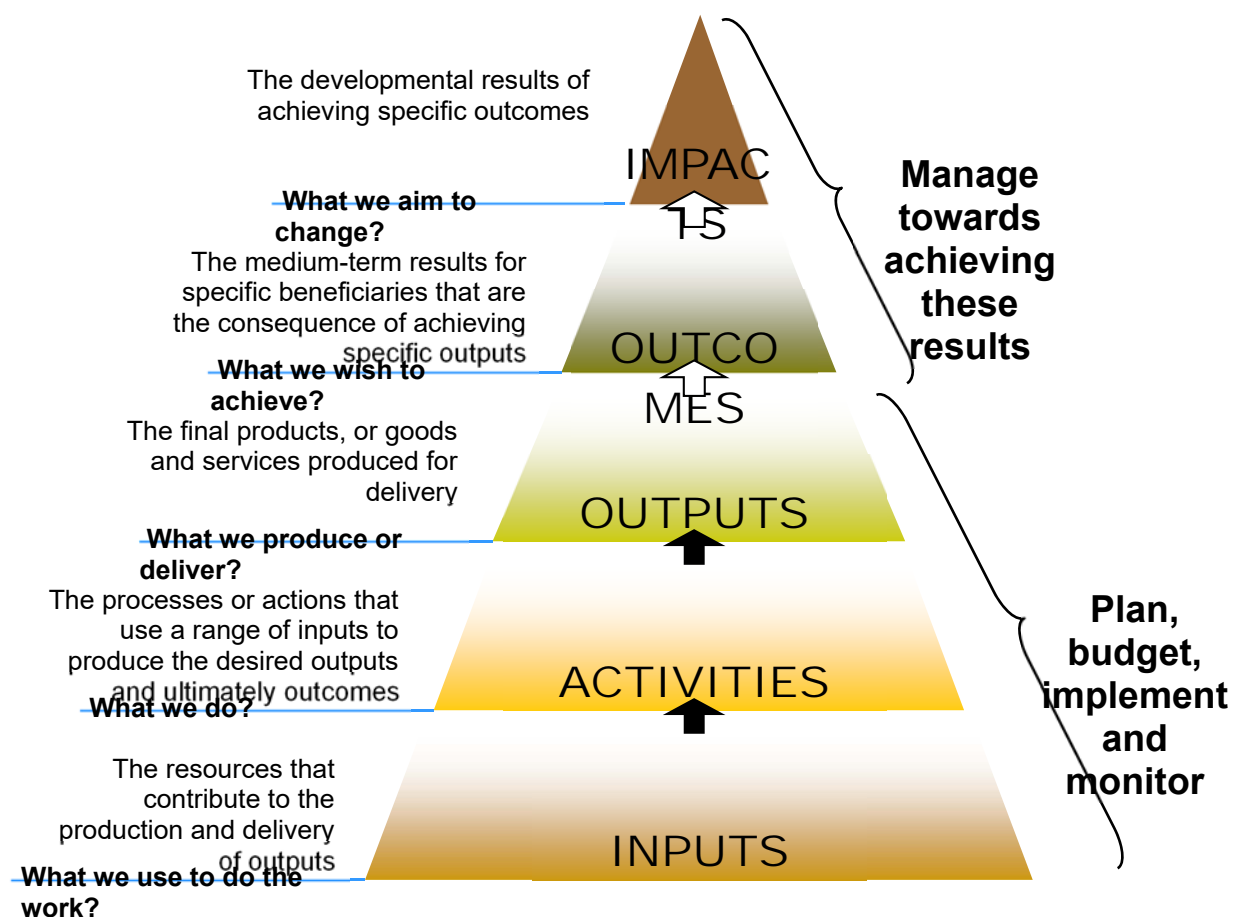


**Figure 1 Planning, budgeting and reporting cycle**

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:



**Figure 2 Definition of performance information concepts**

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

**Table SA7 - Measurable performance objectives**

The following table sets out the municipalities the municipality's performance objectives for the 2017/18 MTREF.

Table SA7





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

**Table SA8 - Performance indicators and benchmarks**





## 2.3.1 Performance indicators and benchmarks

### 2.3.1.1 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 1.5:1 as per national treasury norm. For the 2017/18 MTREF the current ratio is 2:1 and remains 2:1 for the two outer years of the MTREF. 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 extinguish or retire its current liabilities immediately. 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 1.5:1 as per national treasury norm. 1. Anything below 1.5 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the Municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

### 2.3.1.2 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented 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, credit control and debt collection.
- Debtors turnover rate is 30 days.

### 2.3.1.3 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. 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.

### 2.3.1.4 Other Indicators

- The electricity distribution losses have been managed downwards from 23 per cent in the 2016/17 financial year, the plan is to reduce them to 10 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
-



- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the City's strategy to ensure the management of its asset base.

### **2.3.2 Free Basic Services: basic social services package for indigent households**

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

For the 2016/17 financial year 9556 registered indigents have been provided for in the budget with this figured increasing to R10 000 by 2018/19. In terms of the Municipality's indigent policy registered households are entitled, 50 KWH of electricity and free waste removal, as well as a discount on their property rates.

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 SA21.

## **2.4 Overview of budget related-policies**

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

### **2.4.1 Review of Indigent Policy**

The emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also

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seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

#### **2.4.2 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in September 2017. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

#### **2.4.3 Budget and Virement Policy**

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in August 2009 and was amended on February 2018 in respect of both Operating and Capital Budget Fund Transfers.

#### **2.4.4 Cash Management and Investment Policy**

The municipality's Cash Management and Investment Policy was amended by Council in February 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 introduces time frames to achieve certain benchmarks.

#### **2.4.5 Petty Cash Policy**

The old Petty Cash Management Policy did not cater for all municipal departments, which results into the petty cash being replenished every week. In the new policy all departments have been catered for which is believed will improve day to day transacting on the petty cash.

#### **2.4.6 Tariff Policy**

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

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

- Property Rates Policy;
- Credit control Policy;
- Supply chain management Policy
- Budget Policy
- Virement Policy
- Investment Policy
- Indigent Policy
- Tariff Policy

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

It must be noted that Elundini municipality is predominantly rural, therefore there are limited job opportunities within the municipal area. Be that as it may the municipality has managed to give jobs to many households through Expanded Public Works Programme. The municipality has set aside from its own reserves an amount of R2 million for the expansion of the EPWP programme in order to give more jobs to the community.

Financial resources are limited due to the non-payment of debtors, most households are indigent they cannot afford to pay municipal accounts. The municipality is forced to implement Indigent policy and write off debts for the qualifying debtors.

### **2.5.2 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 2018/19 MTREF:

- National Government macro economic targets;
  - The general inflationary outlook and the impact on municipality's residents and businesses;
-

- The impact of municipal cost drivers;
- The increase in prices for bulk electricity
- The increase in the cost of remuneration. Employee related costs comprise 27.7 per cent of total operating expenditure in the 2018/19 MTREF.

### **2.5.3 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate of 5.3%. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 80 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.5.4 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2019. The salary increase that has been applied is 7.36 percent for the 2018/2019 budget year.

### **2.5.5 Impact of national, provincial and local policies**

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

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

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

## 2.5.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2018/19 MTREF of which performance has been factored into the cash flow budget.

## 2.5.7 Consolidated Investment Register for each and every grant received

ELUNDINI INVESTMENT REPORT							
01 APRIL 2018 TO 30 APRIL 2018							
NAME OF INVESTMENT	PURPOSE	ACCOUNT NO	BALANCE AS AT 01/04/2018	INTEREST RECEIVED	WITHDRAWALS	DEPOSIT	TOAL AS AT 30/04/2018
ELUNDINI EXPAND PUBLIC WORKS	EX PUBLIC WORKS PROGR	388497173-001	R 2 681 302.84	R 10 357.91			R 2 691 660.75
ELUNDINI VOTER STATION	INFRASTRUCTURE GRANT	388497165-001	R 18 536.69	R 39.61			R 18 576.30
EQUITABLE SHARE FNB	SUBSIDY FOR POOR	62189194170	R 23 420 256.45	109 333.56	5 356 331.91		R 18 173 258.10
FINANCE MANAGEMENT GRANT	CONDITIONAL GRANT	388493410-002	R 1 764 267.98	R 6 815.39			R 1 771 083.37
MAYOR'S SOCIAL INVESTMENT		62378875226	R 529 411.55	R 1 684.69			R 531 096.24
MACLEAR GREENFIELDS	CONDITIONAL GRANT	388493003-001	R 1 295.51	R 2.24			R 1 297.75
MIG	CONDITIONAL GRANT	62189180111	R 29 736 351.13	R 145 623.80	1 035 426.59		R 28 846 548.34
NER	ELECTRICITY UPGRADING	388490810-001	R 14 046 495.83	R 57 148.07			R 14 103 643.90
WORKING CAPITAL RESERVE	RESEVERS	62284785121	R 31 121 827.49	126 615.48		3 926 344.56	R 35 174 787.53
JOE GOABI	WATER AND SANITAION	62557779322	R 5 237 736.88	R 25 829.94			R 5 263 566.82
<b>TOTAL</b>			<b>R 108 557 482.35</b>	<b>R 483 450.69</b>	<b>R 6 391 758.50</b>	<b>R 3 926 344.56</b>	<b>R 106 575 519.10</b>

## 2.5.8 Grants receipts and Expenditure

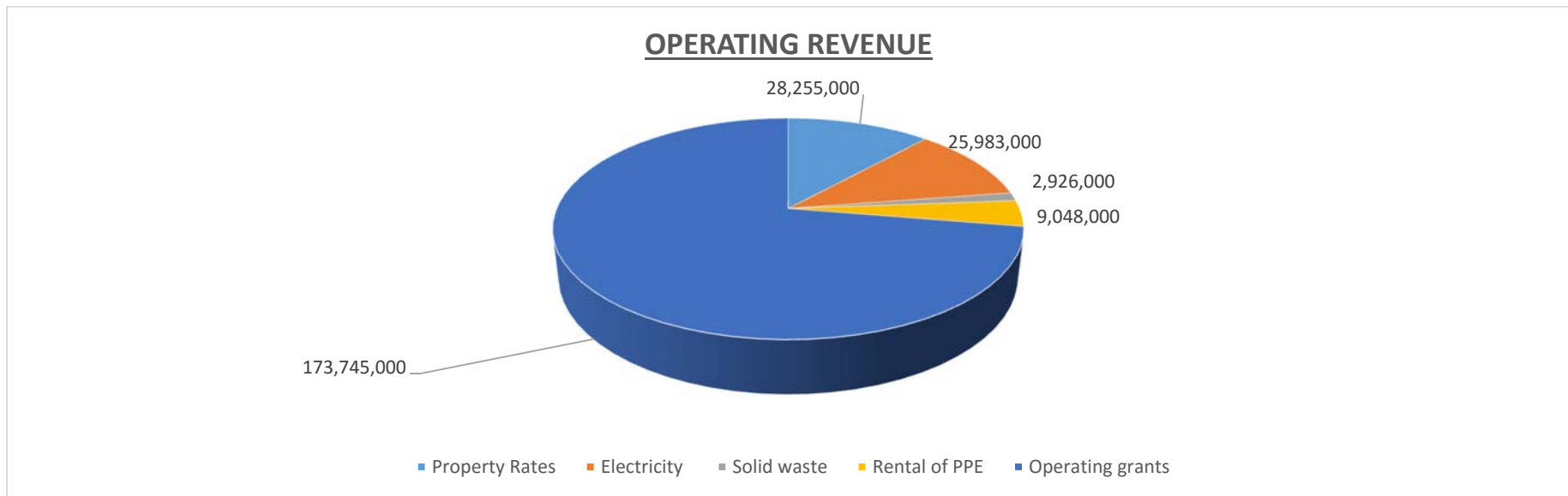


<b>EC-141 ELUNDINI MUNICIPALITY ACTUALS VERSUS BUDGET</b>									
<b>ACTUAL EXPENDED</b>									
<b>Operational grants</b>									
	<b>2018 Budget</b>	<b>2018 Actuals</b>	<b>%</b>	<b>2017 Budget</b>	<b>2017 Actuals</b>	<b>%</b>	<b>2016 Budget</b>	<b>2016 Actuals</b>	<b>%</b>
Equitable Share	134 116 000	116 713 998	87.02	129 070 000	129 070 000	100	132 110 000	132 110 000	100
Financial Management grant	1 700 000	1 358 768	79.93	1 625 000	1 625 000	100	1 600 000	1 600 000	100
Expanded public Works programme	2 649 000	1 535 233	57.96	1 862 500	1 862 500	100	1 258 000	1 258 000	100
Inep	30 000 000	24 686 228	82.29	17 500 000	17 500 000	100	20 000 000	20 000 000	100
Libraries	750 000	713 626	95.15	750 000	750 000	100	656 000	656 000	100
Municipal Systems improvement Grant							930 000	930 000	100
<b>Capital grants</b>									
Municipal Infrastructure grant	39 587 000	22 013 665	55.61	42 250 000	42 250 000	100	32 992 000	32 992 000	100
Premiers office grant	30 035 000	22 038 534	73.4						
<b>ACTUAL RECEIVED</b>									
<b>Operational grants</b>									
	<b>2018 Budget</b>	<b>2018 Actuals</b>	<b>%</b>	<b>2017 Budget</b>	<b>2017 Actuals</b>	<b>%</b>	<b>2016 Budget</b>	<b>2016 Actuals</b>	<b>%</b>
Equitable Share	134 116 000	134 116 000	100	129 070 000	129 070 000	100	132 110 000	132 110 000	100
Financial Management grant	1 700 000	1 700 000	100	1 625 000	1 625 000	100	1 600 000	1 600 000	100
Expanded public Works programme	2 649 000	2 649 000	100	1 862 500	1 862 500	100	1 258 000	1 258 000	100
Inep	30 000 000	30 000 000	100	17 500 000	17 500 000	100	20 000 000	20 000 000	100
Libraries	750 000	750 000	100	750 000	750 000	100	656 000	656 000	100
Municipal Systems improvement Grant							930 000	930 000	100
<b>Capital grants</b>									
Municipal Infrastructure grant	39 587 000	39 587 000	100	42 250 000	42 250 000	100	32992000	32992000	100
Premiers office grant	30 035 000	22 038 534	73.4						

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

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





**Household billing Table SA14**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
Rates and services charges:											
Property rates		366.55	384.36	409.50	62.56	62.56	62.56		458.80	483.58	510.17
Electricity : Basic levy		67.00	113.00	121.63	129.46	129.46	129.46		133.85	141.08	148.84
Electricity : Consumption		1 211.00	1 213.00	1 329.46	-	-	-		1 447.12	1 525.26	1 609.15
Water: Basic levy					-	-	-			-	-
Water: Consumption					-	-	-			-	-
Sanitation					-	-	-			-	-
Refuse removal		94.70	99.25	105.80	112.56	112.56	112.56		118.54	124.94	131.81
Other					-	-	-			-	-
sub-total		1 739.25	1 809.61	1 966.39	304.58	304.58	304.58	608.6%	2 158.31	2 274.86	2 399.98
VAT on Services		192.18	199.54	217.96	33.88	33.88	33.88		254.93		
Total large household bill:		1 931.42	2 009.15	2 184.35	338.46	338.46	338.46	613.0%	2 413.24	2 274.86	2 399.98
% increase/-decrease			4.0%	8.7%	(84.5%)	-	-		613.0%	(5.7%)	5.5%
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
Rates and services charges:											
Property rates		261.82	274.55	292.50	62.56	62.56	62.56	19.0%	327.71	345.41	364.40
Electricity : Basic levy		67.00	113.00	121.63	129.46	129.46	129.46	97.0%	133.85	141.08	148.84
Electricity : Consumption		505.00	533.00	584.16	-	-	-		635.87	670.21	707.07
Water: Basic levy					-	-	-			-	-
Water: Consumption					-	-	-			-	-
Sanitation					-	-	-			-	-
Refuse removal		94.70	99.25	105.80	112.56	112.56	112.56	0.9%	118.54	124.94	131.81
Other					-	-	-			-	-
sub-total		928.52	1 019.80	1 104.09	304.58	304.58	304.58	299.2%	1 215.97	1 281.63	1 352.12
VAT on Services		39.06	41.99	113.62	33.88	33.88	33.88	25.0%	133.24		
Total small household bill:		967.58	1 061.79	1 217.71	338.46	338.46	338.46	298.6%	1 349.21	1 281.63	1 352.12
% increase/-decrease			9.7%	14.7%	(72.2%)	-	-		298.6%	(5.0%)	5.5%
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
Rates and services charges:											
Property rates					62.56	62.56	62.56	29.0%	196.63	207.25	218.65
Electricity : Basic levy					129.46	129.46	129.46	92.0%	140.11	147.68	155.80
Electricity : Consumption					-	-	-	#DIV/0!	538.20	567.26	598.46
Water: Basic levy					-	-	-			-	-
Water: Consumption					-	-	-			-	-

## SA15 – Detail Investment Information

Investment type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		-	45 605	41 932	95 497	84 651	84 651	106 576	112 331	118 509
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	-	45 605	41 932	95 497	84 651	84 651	106 576	112 331	118 509
<b>Entities</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		-	45 605	41 932	95 497	84 651	84 651	106 576	112 331	118 509

**Table SA16 – Investment particulars by maturity**

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<b>Parent municipality</b>														
FNB										90 046	409	(6 392)	3 926	87 989
STD Bank										18 512	74	-	-	18 586
														-
														-
														-
Municipality sub-total										108 557		(6 392)	3 926	106 576
<b>Entities</b>														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>1</b>									<b>108 557</b>		<b>(6 392)</b>	<b>3 926</b>	<b>106 576</b>

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R88.1 million, R93.2 million and R98.4 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

**2.6.2 Medium-term outlook: capital revenue**

The following table is a breakdown of the funding composition of the 2017/18 medium-term capital programme:

**Table A5 Sources of capital revenue over the MTREF**

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21

Funded by:											
National Government		24 141	27 787	31 964	39 587	39 587	39 587	19 327	38 207	38 948	40 997
Provincial Government					30 635	30 635	30 635		29 588	20 305	14 521
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	24 141	27 787	31 964	70 222	70 222	70 222	19 327	67 795	59 253	55 518
Public contributions & donations	5	-	-								
Borrowing	6										
Internally generated funds		23 443	16 097	24 101	17 956	17 956	17 956	3 494	19 102	8 043	9 634
<b>Total Capital Funding</b>	<b>7</b>	<b>47 584</b>	<b>43 884</b>	<b>56 065</b>	<b>88 178</b>	<b>89 062</b>	<b>89 062</b>	<b>22 821</b>	<b>86 897</b>	<b>70 037</b>	<b>68 043</b>

Capital grants and receipts equates to 28 per cent of the total funding source which represents R67.7 million for 2018/2019 and R59.2 and R55.5 million for the outer years. Decrease relating to grant receipts is 3.4 %, and 12.6 and 6.3% per cent for the two outer years.

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R17 million in 2017/18, R19 million in 2018/19 and R8million and R9.6 million for the two outer years.

EC141 Elundini - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		87 066	908 135	673 147	168 465	168 465	168 465	172 495	197 765	210 706
Local Government Equitable Share		84 626	110 132	070 129	134 116	134 116	134 116	138 382	149 117	160 009
Finance Management		1 550	1 600	1 625	1 700	1 700	1 700	1 700	1 700	1 700
Municipal Systems Improvement		890	930	930						
EPWP Incentive			1 268	1 548	2 649	2 649	2 649	1 777		
Integrated National Electrification Programme				14 500	30 000	30 000	30 000	25 636	38 948	40 997
Energy Efficiency and Demand Management								5 000	8 000	8 000
Other transfers/grants [insert description]										
Provincial Government:		656	656	750	750	750	750	1 250	838	884
Sport and Recreation		656	656	750	750	750	750	750	838	884
Sport and Recreation								500		
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	87 722	564 136	423 148	169 215	169 215	169 215	173 745	198 603	211 590
<u>Capital Transfers and Grants</u>										
National Government:		32 992	32 992	37 250	39 587	39 587	39 587	38 207	38 948	40 997
Municipal Infrastructure Grant (MIG)		32 992	32 992	37 250	39 587	39 587	39 587	38 207	38 948	40 997

Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	30 635	30 635	30 635	29 588	20 305	14 521
Other capital transfers/grants [insert description]					30 635	30 635	30 635	29 588	20 305	14 521
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	32 992	32 992	37 250	70 222	70 222	70 222	67 795	59 253	55 518
TOTAL RECEIPTS OF TRANSFERS & GRANTS		120 714	169 556	185 673	239 437	239 437	239 437	241 540	257 856	267 108

### 2.6.3 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 understandability for councillors and management. 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.

## 2.6.4 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).

**Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>											
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	33 806	51 716	41 932	115 737	(17 996)	(17 996)	126 756	107 911	82 497	57 616
Other current investments > 90 days		(0)	(0)	(1)	(20 240)	112 428	112 428	(10 399)	(1)	31 240	62 377
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>33 806</b>	<b>51 716</b>	<b>41 932</b>	<b>95 497</b>	<b>94 432</b>	<b>94 432</b>	<b>116 357</b>	<b>107 910</b>	<b>113 737</b>	<b>119 992</b>
<u>Application of cash and investments</u>											
Unspent conditional transfers		-	-	-	22 609	22 609	22 609	-	557	557	557
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2								(2 216)	(2 227)	(2 734)
Other working capital requirements	3	19 789	15 838	18 514	18 925	21 497	21 497	22 016	(5 815)	(15 089)	(17 222)
Other provisions									6 867	7 226	7 624
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5								5 815	15 089	17 222
<b>Total Application of cash and investments:</b>		<b>19 789</b>	<b>15 838</b>	<b>18 514</b>	<b>41 534</b>	<b>44 106</b>	<b>44 106</b>	<b>22 016</b>	<b>5 208</b>	<b>5 556</b>	<b>5 447</b>
<b>Surplus(shortfall)</b>		<b>14 017</b>	<b>35 878</b>	<b>23 418</b>	<b>53 963</b>	<b>50 326</b>	<b>50 326</b>	<b>94 342</b>	<b>102 702</b>	<b>108 181</b>	<b>114 546</b>



## 2.6.5 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. Each of the measures is discussed below.

**Table SA10 – Funding compliance measurement**

**Table SA10 Funding measurement**

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Funding measures</b>	–	–										
Cash/cash equivalents at the year end - R'000	18(1)b	1	33 806	51 716	41 932	115 737	210 168	210 168	126 756	102 541	79 763	57 661
Cash + investments at the yr end less applications - R'000	18(1)b	2	14 017	35 878	23 418	53 963	53 090	53 090	94 342	113 726	128 826	137 215
Cash year end/monthly employee/supplier payments	18(1)b	3	3.6 28	4.1 31	3.1 22	6.9 88	10.1 89	10.1 89	8.9 (10)	4.9 11	3.6 (2)	2.5 (9)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	354	150	602	178	062	092	824)	086	392)	517)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	2.4%	10.4%	5.3%	(6.3%)	(6.0%)	(20.9%)	11.9%	(0.6%)	(0.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	86.6%	86.0%	68.6%	47.7%	49.3%	49.3%	106.0%	73.1%	87.5%	89.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	9.9%	17.3%	22.3%	19.6%	19.7%	19.7%	0.0%	14.5%	14.5%	14.5%
Capital payments % of capital expenditure	18(1)c;19	8	94.0%	93.9%	100.0%	79.6%	78.8%	78.8%	153.9%	100.0%	132.0%	143.8%
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.	(14.1%)	38.2%	(19.0%)	0.0%	0.0%	(0.5%)	392.9%	5.4%	5.5%





Total operating expenditure of Transfers and Grants:	87 722	136 564	148 423	169 215	169 215	169 215	173 745	198 603	211 590
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	32 992	32 992	37 250	39 587	39 587	39 587	38 207	38 948	40 997
Municipal Infrastructure Grant (MIG)	32 992	32 992	37 250	39 587	39 587	39 587	38 207	38 948	40 997
Other capital transfers/grants [insert desc]									
Provincial Government:	-	-	-	30 635	30 635	30 635	29 588	20 305	14 521
Other capital transfers/grants [insert description]				30 635	30 635	30 635	29 588	20 305	14 521
District Municipality: [insert description]	-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	32 992	32 992	37 250	70 222	70 222	70 222	67 795	59 253	55 518
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	120 714	169 556	185 673	239 437	239 437	239 437	241 540	257 856	267 108

## 2.8 Councilors and employee benefits

**Table SA22 - Summary of councilors and staff benefits**

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework
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R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		7 228		7 646	7 402	8 362	8 362	8 978	9 462	9 983
Pension and UIF Contributions		-						-	-	-
Medical Aid Contributions		-						-	-	-
Motor Vehicle Allowance		2 062		3 013	2 289	2 292	2 292	2 461	2 594	2 736
Cellphone Allowance		1 347		882	775	893	893	959	1 011	1 066
Housing Allowances		-						-	-	-
Other benefits and allowances		92			122	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>10 729</b>	<b>-</b>	<b>11 541</b>	<b>10 589</b>	<b>11 548</b>	<b>11 548</b>	<b>12 398</b>	<b>13 067</b>	<b>13 786</b>
% increase	4		(100.0%)	-	(8.2%)	9.1%	-	7.4%	5.4%	5.5%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages				4 705	3 823	3 823	3 823	4 104	4 325	4 563
Pension and UIF Contributions				193	549	549	549	589	621	655
Medical Aid Contributions				188	124	124	124	133	140	148
Overtime				-	-	-	-	-	-	-
Performance Bonus				652	1 222	1 222	1 222	1 311	1 382	1 458
Motor Vehicle Allowance	3			1 321	1 202	1 202	1 202	1 291	1 361	1 435
Cellphone Allowance	3			-	-	-	-	-	-	-
Housing Allowances	3			-	170	170	170	183	193	203
Other benefits and allowances	3			571	263	263	263	242	255	269
Payments in lieu of leave					-	-	-	-	-	-
Long service awards					-	-	-	-	-	-
Post-retirement benefit obligations	6				-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>-</b>	<b>-</b>	<b>7 630</b>	<b>7 353</b>	<b>7 353</b>	<b>7 353</b>	<b>7 853</b>	<b>8 277</b>	<b>8 732</b>
% increase	4		-	-	(3.6%)	-	-	6.8%	5.4%	5.5%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		38 366		45 068	59 395	59 395	59 395	63 766	67 210	70 906
Pension and UIF Contributions		5 989		9 445	10 904	10 904	10 904	10 904	11 493	12 125
Medical Aid Contributions		3 327		7 529	3 754	3 754	3 754	3 754	3 957	4 174
Overtime		1 851		1 703	-	-	-	-	-	-
Performance Bonus		37		1 455	1 579	1 579	1 579	1 579	1 664	1 755
Motor Vehicle Allowance	3	15 432		7 785	2 736	2 736	2 736	2 736	2 884	3 042
Cellphone Allowance	3	118		763	-	-	-	-	-	-
Housing Allowances	3	1 764		357	131	131	131	131	138	146
Other benefits and allowances	3	1 518		2 727	5 389	5 389	5 389	7 816	8 238	8 692



% increase	4		-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		79 280	-	96 313	101 830	102 789	102 789	110 938	116 928	123 359
% increase	4		(100.0%)	-	5.7%	0.9%	-	7.9%	5.4%	5.5%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	68 551	-	84 772	91 242	91 242	91 242	98 540	103 861	109 574

**Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		540 159		151 103			691 262
Chief Whip			252 968		112 666			365 634
Executive Mayor			670 367		231 793			902 160









EC141 Elundini - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>																
Property rates		998 000	10 379	7 880	750	661	451	800	775	961	891	1 805	1 904	28 255	29 780	31 418
Service charges - electricity revenue		2 165 251	2 165	2 165	2 165	2 165	2 165	2 165	2 165	2 165	2 165	2 165	2 165	25 983	27 386	28 892
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		243 823	244	244	244	244	244	244	244	244	244	244	244	2 926	3 084	3 253
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		753 959	754	754	754	754	754	754	754	754	754	754	754	9 048	9 536	10 061
Interest earned - external investments		203 417	203	203	203	203	203	203	203	203	203	203	203	2 441	2 573	2 714
Interest earned - outstanding debtors		108 404	108	108	108	108	108	108	108	108	108	108	108	1 301	1 371	1 446
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		32 065	32	32	32	32	32	32	32	32	32	32	32	385	406	428
Licences and permits		189 200	171	153	147	206	188	165	106	255	290	357	403	2 631	2 773	2 925
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		57 915 000	-	-	-	57 915	-	-	-	57 915	-	-	-	173 745	198 603	211 590
Other revenue		7 500 000	3 300	2 563	1 256	1 254	1 015	1 100	2 412	2 350	5 600	6 600	(4 972)	29 978	14 248	12 968
Gains on disposal of PPE		-	-	107	-	-	229	-	-	-	-	-	91	426	449	473
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>70 109</b>	<b>17 357</b>	<b>14 209</b>	<b>5 660</b>	<b>63 542</b>	<b>5 390</b>	<b>5 572</b>	<b>6 800</b>	<b>64 988</b>	<b>10 288</b>	<b>12 269</b>	<b>933</b>	<b>277 117</b>	<b>290 209</b>	<b>306 170</b>
<b>Expenditure By Type</b>																
Employee related costs		8 211 667	8 212	8 212	8 212	8 212	8 212	8 212	8 212	8 212	8 212	8 212	8 212	98 540	103 861	109 574
Remuneration of councillors		1 033 167	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	12 398	13 067	13 786
Debt impairment		650 916	651	651	651	651	651	651	651	651	651	651	651	7 811	8 233	8 686
Depreciation & asset impairment		3 338 000	2 561	1 258	4 561	3 008	2 561	1 964	2 777	4 561	5 861	6 000	10 448	48 898	51 538	54 373
Finance charges		4 433	4	4	4	4	4	4	4	4	4	4	4	53	56	59
Bulk purchases		2 216 590	2 217	2 217	2 217	2 217	2 217	2 217	2 217	2 217	2 217	2 217	2 217	26 599	28 035	29 577
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		6 800 000	7 100	6 355	5 598	6 428	7 504	6 900	5 416	7 600	8 514	8 698	5 792	82 705	87 171	91 966
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		3 600 000	3 100	4 010	5 500	3 265	3 000	2 500	5 500	6 850	6 850	6 501	6 145	56 821	59 890	63 184
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>25 855</b>	<b>24 878</b>	<b>23 740</b>	<b>27 776</b>	<b>24 818</b>	<b>25 182</b>	<b>23 481</b>	<b>25 810</b>	<b>31 128</b>	<b>33 342</b>	<b>33 316</b>	<b>34 502</b>	<b>333 826</b>	<b>351 852</b>	<b>371 204</b>
<b>Surplus/(Deficit)</b>		<b>44 254</b>	<b>(7 521)</b>	<b>(9 530)</b>	<b>(22 116)</b>	<b>38 724</b>	<b>(17 792)</b>	<b>(17 909)</b>	<b>(19 010)</b>	<b>33 860</b>	<b>(23 054)</b>	<b>(21 046)</b>	<b>(33 569)</b>	<b>(56 708)</b>	<b>(61 644)</b>	<b>(65 034)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		3 561 000	2 854	5 504	6 856	6 300	2 541	3 366	4 001	6 215	8 251	9 561	8 785	67 795	59 253	55 518
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>47 815</b>	<b>(4 667)</b>	<b>(4 026)</b>	<b>(15 260)</b>	<b>45 024</b>	<b>(17 251)</b>	<b>(14 543)</b>	<b>(15 009)</b>	<b>40 075</b>	<b>(14 803)</b>	<b>(11 485)</b>	<b>(24 784)</b>	<b>11 087</b>	<b>(2 391)</b>	<b>(9 516)</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>47 815</b>	<b>(4 667)</b>	<b>(4 026)</b>	<b>(15 260)</b>	<b>45 024</b>	<b>(17 251)</b>	<b>(14 543)</b>	<b>(15 009)</b>	<b>40 075</b>	<b>(14 803)</b>	<b>(11 485)</b>	<b>(24 784)</b>	<b>11 087</b>	<b>(2 391)</b>	<b>(9 516)</b>

EC141 Elundini - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>																
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		47 500	7 900	6 512	7 452	48 650	7 852	8 521	7 700	38 560	5 211	3 561	1 127	190 546	200 836	211 882
Vote 3 - Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		351	1 255	651	1 012	468	366	420	520	654	721	850	4 214	11 482	10 229	10 791
Vote 5 - Strategic Planning & Development		-	-	33	-	-	33	-	-	33	-	-	32	130	137	145
Vote 6 - Infrastructure Development & Planning		14 800	1 500	2 500	1 999	17 851	2 548	3 185	1 542	17 452	3 512	3 562	4 508	74 959	79 006	83 352
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>62 651</b>	<b>10 655</b>	<b>9 696</b>	<b>10 463</b>	<b>66 969</b>	<b>10 799</b>	<b>12 126</b>	<b>9 762</b>	<b>56 699</b>	<b>9 444</b>	<b>7 973</b>	<b>9 881</b>	<b>277 116</b>	<b>290 208</b>	<b>306 169</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive & Council		2 584	3 684	4 564	3 999	3 854	3 872	3 864	3 554	3 564	3 975	3 854	4 873	46 241	48 738	51 419
Vote 2 - Budget & Treasury		4 689	4 521	4 521	3 854	2 854	5 921	6 587	6 500	5 851	3 745	4 785	2 435	56 262	59 301	62 562
Vote 3 - Corporate services		3 164	3 164	3 164	3 164	3 164	3 164	3 164	3 164	3 164	3 164	3 164	3 164	37 970	40 021	42 222
Vote 4 - Community Services		3 966	3 888	3 854	3 145	2 975	3 010	4 510	4 851	3 002	2 800	3 564	4 821	44 386	35 043	36 971
Vote 5 - Strategic Planning & Development		655	558	602	741	1 608	555	635	613	1 562	713	852	2 039	11 132	11 734	12 379
Vote 6 - Infrastructure Development & Planning		9 889	10 151	9 854	13 655	10 522	13 500	10 655	11 252	12 645	9 856	15 422	10 433	137 834	157 016	165 651
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>24 947</b>	<b>25 966</b>	<b>26 559</b>	<b>28 558</b>	<b>24 977</b>	<b>30 022</b>	<b>29 416</b>	<b>29 934</b>	<b>29 788</b>	<b>24 253</b>	<b>31 641</b>	<b>27 764</b>	<b>333 826</b>	<b>351 852</b>	<b>371 203</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>37 704</b>	<b>(15 311)</b>	<b>(16 863)</b>	<b>(18 095)</b>	<b>41 992</b>	<b>(19 224)</b>	<b>(17 290)</b>	<b>(20 172)</b>	<b>26 910</b>	<b>(14 809)</b>	<b>(23 668)</b>	<b>(17 883)</b>	<b>(56 709)</b>	<b>(61 645)</b>	<b>(65 034)</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>37 704</b>	<b>(15 311)</b>	<b>(16 863)</b>	<b>(18 095)</b>	<b>41 992</b>	<b>(19 224)</b>	<b>(17 290)</b>	<b>(20 172)</b>	<b>26 910</b>	<b>(14 809)</b>	<b>(23 668)</b>	<b>(17 883)</b>	<b>(56 709)</b>	<b>(61 645)</b>	<b>(65 034)</b>

EC141 Elundini - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>R thousand</b>																	
<b>Revenue - Functional</b>																	
<i>Governance and administration</i>		48 562	5 562	6 852	7 400	51 200	3 562	3 854	49 200	3 541	2 555	2 555	5 703	190 546	200 836	211 882	
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance and administration		48 562	5 562	6 852	7 400	51 200	3 562	3 854	49 200	3 541	2 555	2 555	5 703	190 546	200 836	211 882	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		476	561	420	447	511	449	415	369	516	417	509	617	5 707	4 142	4 370	
Community and social services		259	259	259	259	259	259	259	259	259	259	259	259	3 112	1 407	1 484	
Sport and recreation		2	2	2	2	2	2	2	2	2	2	2	2	20	21	23	
Public safety		215	300	159	186	250	188	154	108	255	156	248	356	2 575	2 714	2 863	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		1 170	1 195	1 270	1 168	1 078	670	857	1 824	2 035	1 179	1 179	1 906	15 530	16 369	17 269	
Planning and development		170	170	170	170	170	170	170	170	170	170	170	170	2 040	2 151	2 269	
Road transport		1 000	1 025	1 100	998	908	500	687	1 654	1 865	1 009	1 009	1 736	13 490	14 218	15 000	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		5 042	3 132	4 342	3 833	5 166	7 459	5 150	7 134	4 533	6 047	7 333	6 161	65 333	68 862	72 649	
Energy sources		4 561	2 651	3 861	3 352	4 685	6 978	4 669	6 652	4 052	5 566	6 851	5 680	59 559	62 775	66 227	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		481	481	481	481	481	481	481	481	481	481	481	481	5 775	6 087	6 422	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue - Functional</b>		55 250	10 450	12 884	12 848	57 955	12 140	10 277	58 527	10 625	10 198	11 575	14 387	277 116	290 208	306 169	
<b>Expenditure - Functional</b>																	
<i>Governance and administration</i>		10 713	8 741	10 125	10 737	12 562	9 391	14 688	12 714	12 180	12 478	12 443	13 700	140 474	148 059	156 202	
Executive and council		2 851	1 889	1 259	3 885	4 001	2 866	4 888	5 862	3 616	4 874	4 874	5 376	46 241	48 738	51 419	
Finance and administration		7 862	6 852	8 866	6 852	8 561	6 525	9 800	6 852	8 564	7 604	7 569	8 325	94 233	99 321	104 784	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		1 969	2 085	1 611	1 866	1 710	2 011	2 103	1 556	2 101	2 524	1 776	2 910	24 222	25 530	26 934	
Community and social services		471	322	488	457	356	601	456	452	456	499	505	887	5 949	6 271	6 615	
Sport and recreation		599	800	369	854	355	409	640	451	800	425	466	967	7 135	7 520	7 934	
Public safety		899	963	754	555	999	1 001	1 007	652	845	1 600	805	1 056	11 138	11 739	12 385	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		3 562	4 141	3 398	9 035	3 769	7 549	6 520	5 915	6 174	7 413	7 858	10 317	75 651	79 736	84 121	
Planning and development		998	1 100	886	985	1 205	1 865	1 564	1 420	1 010	998	967	1 173	14 171	14 936	15 757	
Road transport		2 564	3 041	2 512	8 050	2 564	5 684	4 956	4 495	5 164	6 415	6 891	9 144	61 480	64 800	68 364	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		6 400	5 661	6 116	5 999	4 800	7 010	7 001	7 178	9 668	12 116	10 588	10 944	93 480	98 528	103 947	
Energy sources		5 200	4 561	4 862	5 000	3 999	5 999	5 999	6 015	7 104	8 552	8 000	9 207	74 498	78 521	82 840	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		1 200	1 100	1 254	999	801	1 011	1 002	1 163	2 564	3 564	2 588	1 737	18 982	20 007	21 107	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure - Functional</b>		22 644	20 627	21 249	27 637	22 842	25 961	30 312	27 363	30 123	34 531	32 665	37 872	333 826	351 852	371 204	
Surplus/(Deficit) before assoc.		32 606	(10 177)	(8 365)	(14 789)	35 113	(13 821)	(20 035)	31 164	(19 497)	(24 334)	(21 090)	(23 485)	(56 709)	(61 645)	(65 035)	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	1	32 606	(10 177)	(8 365)	(14 789)	35 113	(13 821)	(20 035)	31 164	(19 497)	(24 334)	(21 090)	(23 485)	(56 709)	(61 645)	(65 035)	







Description	Ref	Budget Year 2018/19											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>																
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		48 562	5 562	6 852	7 400	51 200	3 562	3 854	49 200	3 541	2 555	2 555	5 703	190 546	200 836	211 882
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		48 562	5 562	6 852	7 400	51 200	3 562	3 854	49 200	3 541	2 555	2 555	5 703	190 546	200 836	211 882
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		476	561	420	447	511	449	415	369	516	417	509	617	5 707	4 142	4 370
Community and social services		259	259	259	259	259	259	259	259	259	259	259	259	3 112	1 407	1 484
Sport and recreation		2	2	2	2	2	2	2	2	2	2	2	2	20	21	23
Public safety		215	300	159	186	250	188	154	108	255	156	248	356	2 575	2 714	2 863
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 170	1 195	1 270	1 168	1 078	670	857	1 824	2 035	1 179	1 179	1 906	15 530	16 369	17 269
Planning and development		170	170	170	170	170	170	170	170	170	170	170	170	2 040	2 151	2 269
Road transport		1 000	1 025	1 100	998	908	500	687	1 654	1 865	1 009	1 009	1 736	13 490	14 218	15 000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		5 042	3 132	4 342	3 833	5 166	7 459	5 150	7 134	4 533	6 047	7 333	6 161	65 333	68 862	72 649
Energy sources		4 561	2 651	3 861	3 352	4 685	6 978	4 669	6 652	4 052	5 566	6 851	5 680	59 559	62 775	66 227
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		481	481	481	481	481	481	481	481	481	481	481	481	5 775	6 087	6 422
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		55 250	10 450	12 884	12 848	57 955	12 140	10 277	58 527	10 625	10 198	11 575	14 387	277 116	290 208	306 169
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		10 713	8 741	10 125	10 737	12 562	9 391	14 688	12 714	12 180	12 478	12 443	13 700	140 474	148 059	156 202
Executive and council		2 851	1 889	1 259	3 885	4 001	2 866	4 888	5 862	3 616	4 874	4 874	5 376	46 241	48 738	51 419
Finance and administration		7 862	6 852	8 866	6 852	8 561	6 525	9 800	6 852	8 564	7 604	7 569	8 325	94 233	99 321	104 784
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 969	2 085	1 611	1 866	1 710	2 011	2 103	1 556	2 101	2 524	1 776	2 910	24 222	25 530	26 934
Community and social services		471	322	488	457	356	601	456	452	456	499	505	887	5 949	6 271	6 615
Sport and recreation		599	800	369	854	355	409	640	451	800	425	466	967	7 135	7 520	7 934
Public safety		899	963	754	555	999	1 001	1 007	652	845	1 600	805	1 056	11 138	11 739	12 385
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3 562	4 141	3 398	9 035	3 769	7 549	6 520	5 915	6 174	7 413	7 858	10 317	75 651	79 736	84 121
Planning and development		998	1 100	886	985	1 205	1 865	1 564	1 420	1 010	998	967	1 173	14 171	14 936	15 757
Road transport		2 564	3 041	2 512	8 050	2 564	5 684	4 956	4 495	5 164	6 415	6 891	9 144	61 480	64 800	68 364
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		6 400	5 661	6 116	5 999	4 800	7 010	7 001	7 178	9 668	12 116	10 588	10 944	93 480	98 528	103 947
Energy sources		5 200	4 561	4 862	5 000	3 999	5 999	5 999	6 015	7 104	8 552	8 000	9 207	74 498	78 521	82 840
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		1 200	1 100	1 254	999	801	1 011	1 002	1 163	2 564	3 564	2 588	1 737	18 982	20 007	21 107
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>		22 644	20 627	21 249	27 637	22 842	25 961	30 312	27 363	30 123	34 531	32 665	37 872	333 826	351 852	371 204
<b>Surplus/(Deficit) before assoc.</b>		32 606	(10 177)	(8 365)	(14 789)	35 113	(13 821)	(20 035)	31 164	(19 497)	(24 334)	(21 090)	(23 485)	(56 709)	(61 645)	(65 035)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	32 606	(10 177)	(8 365)	(14 789)	35 113	(13 821)	(20 035)	31 164	(19 497)	(24 334)	(21 090)	(23 485)	(56 709)	(61 645)	(65 035)

EC141 Elundini - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>Multi-year expenditure to be appropriated</b>	1																
Vote 1 - [NAME OF VOTE 1]														-	-	-	-
Vote 2 - [NAME OF VOTE 2]														-	-	-	-
Vote 3 - [NAME OF VOTE 3]														-	-	-	-
Vote 4 - [NAME OF VOTE 4]														-	-	-	-
Vote 5 - [NAME OF VOTE 5]														-	-	-	-
Vote 6 - [NAME OF VOTE 6]														-	-	-	-
Vote 7 - [NAME OF VOTE 7]														-	-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																	
Vote 1 - [NAME OF VOTE 1]		7 980.00	8	8	8	8	8	8	8	8	8	8	8	8	96	101	106
Vote 2 - [NAME OF VOTE 2]		235 853.33	236	236	200	201	155	600	158	250	200	188	170	2 830	2 983	3 147	
Vote 3 - [NAME OF VOTE 3]		182 480.58	182	182	182	182	182	182	182	182	182	182	182	2 190	2 308	2 435	
Vote 4 - [NAME OF VOTE 4]		198 059.17	198	198	198	198	198	198	198	198	198	198	198	2 377	2 505	2 643	
Vote 5 - [NAME OF VOTE 5]		133 333.33	-	-	400	-	500	-	-	567	-	-	(0)	1 600	1 686	1 779	
Vote 6 - [NAME OF VOTE 6]		#####	5 800	4 012	3 999	4 512	6 851	7 710	6 851	6 451	8 850	7 841	10 727	77 805	60 453	57 932	
Vote 7 - [NAME OF VOTE 7]														-	-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	4 958	6 424	4 636	4 988	5 102	7 895	8 699	7 398	7 657	9 438	8 418	11 286	86 897	70 037	68 043	
<b>Total Capital Expenditure</b>	2	4 958	6 424	4 636	4 988	5 102	7 895	8 699	7 398	7 657	9 438	8 418	11 286	86 897	70 037	68 043	

EC141 Elundini - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21		
<b>Capital Expenditure - Functional</b>	1																
<i>Governance and administration</i>		216	166	214	170	188	324	299	1 300	1 274	200	322	443	5 116	5 392	5 689	
Executive and council		-	-	24	-	-	24	-	-	24	-	-	24	96	101	106	
Finance and administration		215 600.00	166	190	170	188	300	299	1 300	1 250	200	322	420	5 020	5 291	5 582	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		108	108	144	108	108	144	108	108	144	108	108	147	1 447	1 525	1 609	
Community and social services		-	-	36	-	-	36	-	-	36	-	-	39	147	155	163	
Sport and recreation		33 333.33	33	33	33	33	33	33	33	33	33	33	33	400	422	445	
Public safety		75 000.00	75	75	75	75	75	75	75	75	75	75	75	900	949	1 001	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		2 674	6 974	7 904	6 933	8 937	7 948	6 448	5 643	4 984	4 133	4 643	8 879	76 104	58 660	56 041	
Planning and development		133 333.33	133	133	133	133	133	133	133	133	133	133	133	1 600	1 686	1 779	
Road transport		2 541 000	6 841	7 771	6 800	8 804	7 815	6 315	5 510	4 851	4 000	4 510	8 746	74 504	56 974	54 262	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		188	200	291	201	302	328	356	1 031	210	232	531	362	4 231	4 460	4 705	
Energy sources		188 000.00	200	291	201	302	198	356	231	210	232	531	362	3 301	3 479	3 671	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		-	-	-	-	-	130	-	800	-	-	-	-	930	980	1 034	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure - Functional</b>	2	3 186	7 449	8 553	7 412	9 535	8 745	7 212	8 083	6 612	4 673	5 605	9 832	86 897	70 037	68 043	
<b>Funded by:</b>																	
National Government		#####	12 734	-	-	12 734	-	-	9 555	-	-	-	0	38 207	38 948	40 997	
Provincial Government			9 863			9 863			9 863				0	29 588	20 305	14 521	
District Municipality													-	-	-	-	
Other transfers and grants													-	-	-	-	
Transfers recognised - capital		3 184	22 597	-	-	22 597	-	-	19 418	-	-	-	0	67 795	59 253	55 518	
Public contributions & donations													-	-	-	-	
Borrowing													-	-	-	-	
Internally generated funds		#####	994	1 008	885	756	655	558	1 845	2 863	2 265	1 862	3 819	19 102	8 043	9 634	
<b>Total Capital Funding</b>		4 776	23 590	1 008	885	23 352	655	558	21 263	2 863	2 265	1 862	3 819	86 897	67 296	65 152	





Table SA34d Depreciation by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
<u>Depreciation by Asset Class/Sub-class</u>										
- <u>Infrastructure</u>		26 021	-	18 796	38 767	38 767	38 767	38 478	43 027	43 393











<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
Transport Assets										
<u>Libraries</u>		-	-	-	-	-	-	-	-	-
Libraries										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Depreciation</b>	<b>1</b>	<b>32 019</b>	<b>-</b>	<b>26 956</b>	<b>48 663</b>	<b>48 663</b>	<b>48 663</b>	<b>48 898</b>	<b>54 009</b>	<b>54 980</b>





Vote 9 - [NAME OF VOTE 9]							
Vote 10 - [NAME OF VOTE 10]							
Vote 11 - [NAME OF VOTE 11]							
Vote 12 - [NAME OF VOTE 12]							
Vote 13 - [NAME OF VOTE 13]							
Vote 14 - [NAME OF VOTE 14]							
Vote 15 - [NAME OF VOTE 15]							
<i>List entity summary if applicable</i>							
<b>Total future operational costs</b>		-	-	-	-	-	-
<b><u>Future revenue by source</u></b>	3						
Property rates							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
<i>List other revenues sources if applicable</i>							
<i>List entity summary if applicable</i>							
<b>Total future revenue</b>		-	-	-	-	-	-
<b>Net Financial Implications</b>		86 897	70 037	68 043	-	-	-



## **2.9 Annual budgets and SDBIPs – internal departments**

### **2.10 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.

### **2.11 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.

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### Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
<b>Capital expenditure</b>	1							
Vote 1 - [NAME OF VOTE 1]		96	101	106				
Vote 2 - [NAME OF VOTE 2]		2 830	2 983	3 147				
Vote 3 - [NAME OF VOTE 3]		2 190	2 308	2 435				
Vote 4 - [NAME OF VOTE 4]		2 377	2 505	2 643				
Vote 5 - [NAME OF VOTE 5]		1 600	1 686	1 779				
Vote 6 - [NAME OF VOTE 6]		77 805	60 453	57 932				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		86 897	70 037	68 043	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - [NAME OF VOTE 1]								
Vote 2 - [NAME OF VOTE 2]								
Vote 3 - [NAME OF VOTE 3]								
Vote 4 - [NAME OF VOTE 4]								
Vote 5 - [NAME OF VOTE 5]								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		86 897	70 037	68 043	-	-	-	-



**Table SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
<b>IP&amp;D</b>																
Upgrading of Sonwabile to Old Location		Roads & Stormwater			No	Roads Infrastructure	Roads					4 055 743	4 275	4 510		New
Construction of Iisalomzi Community Hall		Community Hall			No	Community Facilities	Halls					2 000 000	2 108	2 224		New
Upgrading of Sithole Streets & Stormwater		Streets			No	Roads Infrastructure	Roads					5 000 000	5 270	5 560		New
Emjikelweni Access Road		Roads			No	Roads Infrastructure	Roads					990 374	1 044	1 101		New
Hopedale Sportsfield		Sportfield			No	Sport and Recreation Facilities	Outdoor Facilities					1 000 000	1 054	1 112		New
Mount Fletcher Sportsfield		Sportfield			No	Sport and Recreation Facilities	Outdoor Facilities					1 196 570	1 261	1 331		New
Mohoabatsane Access Road		Roads			No	Roads Infrastructure	Roads					1 000 000	1 054	1 112		New
Upgrading of Vincent Streets & Stormwater		Streets			No	Roads Infrastructure	Roads					3 928 964	4 141	4 369		New
Lower Tsilana Community Centre		Community centre			No	Community Facilities	Centres					4 500 000	4 743	5 004		New
Construction of Ugie Sports Field		Sportfield			No	Sport and Recreation Facilities	Outdoor Facilities					7 201 354	7 590	8 008		New
Construction of Liphofung Access Road		Roads			No	Roads Infrastructure	Roads					2 423 646	2 555	2 695		New
Construction of Nlabayikhonjwa Access Road		Roads			No	Roads Infrastructure	Roads					3 000 000	3 162	3 336		New
Ncele bridge												5 800 000	-	-		
Hopedale Sportsfield												2 500 000	-	-		
Hillgate road		Roads			No	Roads Infrastructure	Roads	30041'22" S 28029'47" E				29 588	20 305	14 521		
Municipal road		Roads			No	Roads Infrastructure	Roads	30041'42" S 28030'30" E								
Road 1		Roads			No	Roads Infrastructure	Roads	30041'33" S 28030'23" E								
Road 2		Roads			No	Roads Infrastructure	Roads	30041'30" S 28030'18" E								
Road 3		Roads			No	Roads Infrastructure	Roads	30041'42" S 28030'30" E								
Mount Fletcher Taxi rank		Taxi rank			No	Community Facilities	Taxi Ranks/Bus Terminals	30041'33" S 28030'27" E								
Elundini testing station		Testing station			No	Community Facilities	Testing Stations	30041'28" S 28'29'47" E								
Treatment Plant		Treatment plant			No		Taxi Ranks/Bus Terminals	30041'07" S 28031'23" E								
Thembeni housing		Thembeni housing			No			30041'36" S 28031'13" E								
ELECTRICITY					No											
Network upgrading		Network upgrading			No	Electrical Infrastructure						1 140	1 201	1 201		
Installation of high musts		Installation of high musts			No	Electrical Infrastructure						2 055	2 166	2 166		
BTO					No											
Municipal buildings		Municipal buildings			No	Operational Buildings						2 360	2 487	2 487		
Motor Vehicle		Motor Vehicle			No	Transport Assets						300	316	316		
STRATEGIC					No											
Tourism		Tourism			No	Community Facilities						1 000	1 054	1 054		
COPORATE SERVICES					No											
edms		edms			No	Operational Buildings						600	632	632		
Access control		Access control			No	Operational Buildings						900	949	949		
Capital spares		Capital spares			No							490	516	516		
COMMUNITY SERVICES					No											
Street sweeper		Street sweeper			No	Community Facilities						750	791	834		
Motor Vehicle		Motor Vehicle			No	Transport Assets						800	843	890		
Computer equipment & office equipment		Computer equipment & office equipment			No							2 318	519	2 116		3
Parent Capital expenditure	1											86 897	70 036	68 043		

**Table SA37: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>												
				<i>Examples</i>	<i>Examples</i>							
Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
R thousand												
Parent municipality: <i>List all capital projects grouped by</i>												
				<i>Examples</i>	<i>Examples</i>							
		Upgrade of Sonwabile Roads and Upgrade of Vincent streets and storm water Upgrade of Sithole streets and storm water Liphofung access road Construction of Ntabayikhonjwa				31°04'18" S 31°04'58" S 31°04'25" S 30°41'59" S 30°31'52" S		R 6 037 076.51 R 1 971 064.13 R 2 639 739.52 R 10 125 000.00 R 4 500 000.00		R 9 633 607.64 R 6 928 964.00 R 4 800 000.00 R 4 616 909.50 R 3 164 968.86		R 7 123 028.93 R 3 892 017.69 R 5 508 090.50 R 1 335 031.14

**Table SA38: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand	4				6			5							
Parent municipality: <i>List all operational projects grouped by Municipal Vote</i>															
Community services		EPWP programme			No	Electrical Infrastructure	MV Networks	0		1 777		-	-	-	0
BTO		Internship programme			No	Electrical Infrastructure	MV Networks	0		1 700		1 700	-	-	
Community services		Libraries			No	Electrical Infrastructure	MV Networks	0		750		750	800	800	
Solid waste		Greenest town			No	Electrical Infrastructure	MV Networks	0		500		500	-	-	
Infrastructure development		INEP projects-			No	Electrical Infrastructure	MV Networks								
Infrastructure development		176 connections and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3004735°S 2803238°E				3 696	3 896	4 110	
Infrastructure development		210 connections and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3004739°S 2803243°E				4 410	4 648	4 904	
Infrastructure development		160 connections and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3004613°S 2803108°E				3 360	3 541	3 736	
Infrastructure development		111 connections and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3003334°S 2802058°E				2 331	2 457	2 592	
Infrastructure development		35 connections and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3004500°S 2802636°E				735	775	817	
Infrastructure development		167 connections and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3002559°S 2802530°E				3 507	3 696	3 900	
Infrastructure development		7km of FOX link line to be constructed			No	Electrical Infrastructure	MV Networks	0				1 750	1 845	1 946	
Infrastructure development		11km of FOX link line to be constructed			No	Electrical Infrastructure	MV Networks	0				2 750	2 899	3 058	
Infrastructure development		Survey and Designing			No	Electrical Infrastructure	MV Networks	0				1 500	1 581	1 668	
Infrastructure development		Surcharge for split meters and pad locks			No	Electrical Infrastructure	MV Networks	0				1 597	1 683	1 776	
Infrastructure development		Energy efficiency			No	Electrical Infrastructure	MV Networks					-	5 270	5 560	
Infrastructure development		Lighting retrofit of Municipal Building in Maclear			No	Electrical Infrastructure	MV Networks	3100405°S 2802052°E				-	1 750 000		
Infrastructure development		Maclear Community Hall			No	Electrical Infrastructure	MV Networks	3100403°S 2802047°E				-	539 000		
Infrastructure development		Maclear Library			No	Electrical Infrastructure	MV Networks	3004116°S 2802953°E				-	523 750		
Infrastructure development		Mount Fletcher Library			No	Electrical Infrastructure	MV Networks	3004133°S 2803015°E				-	R 791 000		
Infrastructure development		Mount Fletcher Municipal Building			No	Electrical Infrastructure	MV Networks	3004133°S 2803015°E				-	389 000		
Infrastructure development		Mount Fletcher Community Hall			No	Electrical Infrastructure	MV Networks					-	557 250		
Infrastructure development		Capacity Building & Training			No	Electrical Infrastructure	MV Networks	0				-	50 000		
Infrastructure development		Energy Efficiency Awareness			No	Electrical Infrastructure	MV Networks	0				-	50 000		
Infrastructure development		Energy Efficiency Planning			No	Electrical Infrastructure	MV Networks	0				-	350 000		
Parent operational expenditure	1											32 795	33 090	34 866	

## 2.12 Legislation compliance status

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

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns one has been appointed permanently from Jan 2018. The remaining three, their contracts are still valid, and extension for one year has been granted by National Treasury. Since the introduction of the Internship programme the Municipality has successfully employed and trained 14 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.

Budget Steering committee has been established and it's fully functional, its purpose is to look at budget and IDP, and indigent and free basic services matters.

mSCOA steering committee and implementation committee has been established and it is fully functional

4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalized after approval of the 2018/19 MTREF in June 2017 directly aligned and informed by the 2018/19 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's internal centre and training is ongoing.
8. Policies  
Budget related policies are reviewed on yearly basis.

**2.13 Other supporting documents**

**Table SA1 - Supporting detail to budgeted financial performance**

EC141 Elundini - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6	13 681	14 583	17 218	21 924	21 924	21 924	20 545	30 373	32 014	33 774
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>					3 120	3 120	3 120	-	2 119	2 233	2 356
Net Property Rates		13 681	14 583	17 218	18 804	18 804	18 804	20 545	28 255	29 780	31 418
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6	16 807	16 395	19 233	27 071	26 928	26 928	14 475	28 923	30 484	32 161
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>											
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		-	-	-	2 751	2 751	2 751		2 940	3 098	3 269
Net Service charges - electricity revenue		16 807	16 395	19 233	24 320	24 177	24 177	14 475	25 983	27 386	28 892
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6										
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>											
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		-	-	-	-	-	-		-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue											
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>											
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		-	-	-	-	-	-		-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6	2 173	4 413	4 759	4 975	4 975	4 975	3 906	5 275	5 560	5 866
Total landfill revenue											
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>											
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		-	-	-	2 231	2 231	2 231		2 349	2 476	2 612
Net Service charges - refuse revenue		2 173	4 413	4 759	2 744	2 744	2 744	3 906	2 926	3 084	3 253
<b>Other Revenue by source</b>											
Fuel Levy		5 865	1 289	1 308	123 982	119 113	119 113	4 083	29 978	14 248	12 968
Other Revenue											
<b>Total 'Other' Revenue</b>	3	5 865	1 289	1 308	123 982	119 113	119 113	4 083	29 978	14 248	12 968
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	61 676	70 803	70 480	91 241	91 241	91 241	67 026	98 540	103 861	109 574
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance											
Cellphone Allowance											
Housing Allowances											
Other benefits and allowances											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations	4										
<i>sub-total</i>	5	61 676	70 803	70 480	91 241	91 241	91 241	67 026	98 540	103 861	109 574
<i>Less: Employees costs capitalised to PPE</i>											
Total Employee related costs	1	61 676	70 803	70 480	91 241	91 241	91 241	67 026	98 540	103 861	109 574
<b>Contributions recognised - capital</b>											
<i>List contributions by contract</i>											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		30 834	26 843	26 956	48 663	48 663	48 663		48 898	51 538	54 373
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	30 834	26 843	26 956	48 663	48 663	48 663	-	48 898	51 538	54 373
<b>Bulk purchases</b>											
Electricity Bulk Purchases		15 059	19 065	21 295	24 785	24 785	24 785	19 448	26 599	28 035	29 577
Water Bulk Purchases											
Total bulk purchases	1	15 059	19 065	21 295	24 785	24 785	24 785	19 448	26 599	28 035	29 577
<b>Transfers and grants</b>											
Cash transfers and grants			23 392	20 206							
Non-cash transfers and grants											
Total transfers and grants	1		23 392	20 206							
<b>Contracted services</b>											
<i>List services provided by contract</i>					13 836	90 558	90 558	46 920	82 705	87 171	91 966



**Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Ref	Vote 1 - Executive & Council	Vote 2 - Budget & Treasury	Vote 3 - Corporate services	Vote 4 - Community Services	Vote 5 - Strategic Planning & Development	Vote 6 - Infrastructure & Development	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
<b>R thousand</b>	1.																
<b>Revenue By Source</b>																	
Property rates		-	20 758	-	-	-	-										20 758
Service charges - electricity revenue		-	-	-	-	-	25 983										25 983
Service charges - water revenue		-	-	-	-	-	-										-
Service charges - sanitation revenue		-	-	-	-	-	-										-
Service charges - refuse revenue		-	-	-	2 926	-	-										2 926
Service charges - other		-	-	-	-	-	-										-
Rental of facilities and equipment		-	1 558	-	-	-	7 490										9 048
Interest earned - external investments		-	2 441	-	-	-	-										2 441
Interest earned - outstanding debtors		-	1 301	-	-	-	-										1 301
Dividends received		-	-	-	-	-	-										-
Fines, penalties and forfeits		-	115	-	117	-	153										385
Licences and permits		-	56	-	2 486	-	-										2 542
Agency services		-	-	-	-	-	-										-
Other revenue		-	23 808	-	2 426	130	41 333										67 697
Transfers and subsidies		-	140 082	-	3 527	-	-										143 609
Gains on disposal of PPE		-	426	-	-	-	-										426
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	190 546	-	11 482	130	74 959	-	-	-	-	-	-	-	-	-	277 117
<b>Expenditure By Type</b>																	
Employee related costs		14 861	14 093	18 801	28 386	6 119	16 279										98 540
Remuneration of councillors		12 398	-	-	-	-	-										12 398
Debt impairment		-	6 844	-	447	-	2 186										9 477
Depreciation & asset impairment		-	10 420	-	-	-	40 822										51 242
Finance charges		-	56	-	-	-	26 098										26 154
Bulk purchases		-	-	-	-	-	-										-
Other materials		-	-	-	-	-	-										-
Contracted services		10 981	14 848	9 517	8 033	5 013	34 812										83 204
Transfers and subsidies		-	-	-	-	-	-										-
Other expenditure		8 000	10 000	9 652	7 520	-	17 638										52 810
Loss on disposal of PPE		-	-	-	-	-	-										-
<b>Total Expenditure</b>		46 241	56 262	37 970	44 386	11 132	137 834	-	-	-	-	-	-	-	-	-	333 825
<b>Surplus/(Deficit)</b>		(46 241)	134 284	(37 970)	(32 904)	(11 002)	(62 876)	-	-	-	-	-	-	-	-	-	(56 709)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)																	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	-
Transfers and subsidies - capital (in-kind - all)																	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(46 241)	134 284	(37 970)	(32 904)	(11 002)	(62 876)	-	-	-	-	-	-	-	-	-	(56 709)

Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<b>ASSETS</b>											
<u>Call investment deposits</u>											
Call deposits		33 052	45 612	36 549	90 043	84 651	84 651	108 557	106 576	112 331	118 509
Other current investments											
Total Call investment deposits	2	33 052	45 612	36 549	90 043	84 651	84 651	108 557	106 576	112 331	118 509
<u>Consumer debtors</u>											
Consumer debtors		2 777	3 544	2 782	6 252	6 252	6 252	7 444	47 617	50 188	52 949
Less: Provision for debt impairment											
Total Consumer debtors	2	2 777	3 544	2 782	6 252	6 252	6 252	7 444	47 617	50 188	52 949
<u>Debt impairment provision</u>											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		324 063	339 180	367 982	338 961	338 961	338 961	397 643	378 257	398 682	420 610
Leases recognised as PPE	3										
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	324 063	339 180	367 982	338 961	338 961	338 961	397 643	378 257	398 682	420 610
<b>LIABILITIES</b>											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		69	308	182					367	387	408
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		69	308	182					367	387	408
<u>Trade and other payables</u>											
Trade and other creditors		30 620	25 081	28 708	24 672	24 672	24 672	34 718	37 587	39 617	41 796
Unspent conditional transfers					22 609	22 609	22 609				
VAT											
Total Trade and other payables	2	30 620	25 081	28 708	47 281	47 281	47 281	34 718	37 587	39 617	41 796
<u>Non current liabilities - Borrowing</u>											
Borrowing	4	-	702	335	956	956	956		335	353	372
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		-	702	335	956	956	956		335	353	372
<u>Provisions - non-current</u>											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other		12 994	15 176	15 679	11 156	11 156	11 156		15 679	16 526	17 435
Total Provisions - non-current		12 994	15 176	15 679	11 156	11 156	11 156		15 679	16 526	17 435
<b>CHANGES IN NET ASSETS</b>											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance											
GRAP adjustments											
Restated balance		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		28 354	31 150	22 602	88 178	89 062	89 092	(10 824)	11 086	(2 392)	(9 517)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	28 354	31 150	22 602	88 178	89 062	89 092	(10 824)	11 086	(2 392)	(9 517)
<u>Reserves</u>											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	28 354	31 150	22 602	88 178	89 062	89 092	(10 824)	11 086	(2 392)	(9 517)
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											









## 2.14 Municipal manager's quality certificate

I Khayaletu Gashi, municipal manager of Elundini Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name   K Gashi  

Municipal Manager of Elundini Municipality (EC141)

Signature \_\_\_\_\_

Date \_\_\_\_\_