



**THABO MOFUTSANYANA DISTRICT
MUNICIPALITY
MTREF BUDGET 2018/2019**

31 MAY 2018

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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also, includes details of the previous and current years' financial position.

Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at directorate / department level.

Part 1 –Annual Budget

1.1 Mayoral Budget Speech

The budget speech will be distributed at the meeting.

1. 2 - Council Resolutions

The Council of George Municipality at a meeting that will take place on Thursday, 31 May 2018 will approve the draft annual budget. The following draft resolutions are contained in the agenda of the Ordinary Council meeting which was held on 29 March 2018:

RECOMMENDATION

That the following draft resolutions in terms of sections 16(2) and 17(3) of the Municipal Finance Management Act, (Act 56 of 2003) be noted for final approval in May 2018.

DRAFT RESOLUTIONS (To be approved in May 2018)

That the following resolutions in terms of section 17(3)(a)(i) and section 24 of the Municipal Finance Management Act, (Act 56 of 2003) be considered for approval:

(a) that the following policies be approved:

- (1) Budget Related Policy
- (2) Fixed Asset Management Policy
- (3) Financial Management Policy
- (4) Supply Chain Management Policy
- (5) Cash Management and Investment Policy
- (6) Unauthorized, Irregular and Fruitless and Wasteful Expenditure Policy;
- (7) Travel and Subsistence Policy
- (8) Commitments Policy;
- (9) Contingent Liabilities Policy;
- (10) Subsequent Events Policy;
- (11) Related Party Transaction Policy;

(b) that the annual budget for the financial year 2018/19 and indicative outer years 2019/20 and 2020/21 be tabled as set-out:

- (1) Capital expenditure by type as contained in Table A5 of the report;
- (2) Capital funding by source as contained as contained in Table A5 of the report;
- (3) Operating revenue by source as contained in Table A4 of the report;
- (4) Operating expenditure by type as contained in Table A4 of the report;

(c) that the annual budget documentation for 2018/19– 2020/21 as outlined in the budget regulations be submitted to National and Provincial Treasury.

1.3 – Budget 2017/18 Mid-year Review and Adjustments Budget

The following table shows the original and adjustments budget for 2017/18

	Original Budget 2017/18 R	Adjusted Budget 2017/18 R	Difference R
Total Operating Expenditure	219,532,086	219,890,697	358,611
Total Capital Expenditure	241,500	241,500	0
Total income	219,773,586	220,132,197	358,611

The 2017/18 adjustments budget was considered in the preparation of the 2018/19 MTREF budget. The capital budget must be set at a level that is realistic in terms of the capacity to deliver and the ability to fund.

1.4 – Executive Summary

The Budget Committee was confronted with numerous challenges during the budget process. The following had an impact:

- The continued negative effect of the economic downturn;
- Weaker outlook as a result of lower commodity prices, higher borrowings costs, drought and diminished business and consumer confidence;
- Persistent high unemployment remains one of our most pressing challenges;
- The dependency on the grants available for funding;
- Overhead costs growing at a higher rate than income;
- The GDP growth is rate is forecasted at 1.5% in 2018, 1.8% in 2019 and 2.1% in 2020;
- The addressing of service delivery shortcomings as identified in the adjustments budget in January 2018 and its effect on the available funding;
- The continued funding constraints with regards to the low available funding for the Capital Budget and the inability to take up loans to meet the demand for upgrading and replacing of infrastructure;

The 2017/18 adjustments budget in January 2018 again proved that the ability of Council to reduce costs is limited because the fixed cost component of the operating budget exceeds the variable costs by far. The adjustments budget nonetheless defined the basis for the draft 2018/19 budget.

A continued strategy was followed as outlined within this Council’s long term financial plan with the compilation of this budget, whereby the following was done:

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- The municipality needs to focus on its core functions. During the January 2018 adjustments budget the Budget Committee, Portfolio Councillors in conjunction with the Heads of Departments, scrutinised the budget to affect all possible savings;
- A greater emphasis will be placed on improving our cash management practices, within the legal prescripts, to improve our liquidity position.
- All attempts need to be made to maximise available National and Provincial Government Grants to service part of our capital program.

MFMA Circulars

National Treasury sent out MFMA Circular No. 89 on 08 December 2017 providing guidance to municipalities on their 2018/19 budgets and Medium-Term Revenue and Expenditure Framework (MTREF). Circular No. 89 was followed up by Circular No. 91 dated 07 March 2018. Circular No. 89 & 91 reminds us of the key focus areas for the 2018/19 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78 and 79. It is essential reading material to understand the background to this budget.

National Treasury has also set out the requirements for funding the budget and producing a credible budget.

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

Under old budget formats a 'balanced' income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance (Income Statement), the Budgeted Statement of Financial Position (Balance Sheet) and the Budgeted Statement of Cash Flows must be considered

simultaneously to ensure effective financial management and sustainability and to ensure that the budget is funded.

A Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

1.5 – Budget Overview of the 2017/18 MTREF

This section provides an overview of the Municipality’s 2018/19 to 2020/21 MTREF. It includes an assessment of how the budget links with the National and Provincial government contexts along with a review of the fiscal position of Thabo Mofutsanyana Municipality.

The Municipality’s budget must be seen within the context of the policies and financial priorities of National, Provincial and district government. In essence, the spheres of government are partners in meeting the service delivery challenges faced by our municipality. TMDM alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

MFMA Circular No. 91 shows the following headline inflation forecasts underpin the 2018/19 Budget

Fiscal Year	2017/18	2018/19	2019/20	2020/21
Consumer Price Inflation	5,3%	5,3%	5,4%	5,5%

Source: 2018 Budget Review

The budget process followed the requirements of the MFMA. A table of key deadlines was tabled in Council by the Executive Mayor on 27th July 2017.

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A Budget Committee was established to examine, review and prioritise budget proposals from departments.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These “key deliverables” link the financial inputs of the budget to service delivery on the ground

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Draft Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality’s in year monitoring.

The following table is a consolidated overview of the proposed MTREF:

Table 1 – Consolidated Overview of the 2018/19 MTREF

AGGREGATE TOTAL				
DETAILS	ADJUSTMENT BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	BUDGET 2020/21
Total Revenue	122,148,797	126,301,878	132,999,960	139,865,055
Total Operating Expenditure	121,936,839	119,938,709	129,421,860	134,519,086
Surplus/(Deficit) before Capital Expenditure	211,958	6,363,169	3,578,100	5,345,969
Total Capital Expenditure	467,433	800,000	829,257	641,867
Surplus/(Deficit)	255,475	5,563,169	2,748,843	4,704,102

1.6 Operating Revenue Framework

For Thabo Mofutsanyana District Municipality to continue maintaining/improving the quality of services provided to its citizens it needs to generate the required revenue.

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

- National Treasury’s guidelines, Circular No. 89 & 91

Table 2 - Summary of Revenue Classes by Main Revenues Sources

SUMMARY OF INCOME BY SOURCE 2018/2019				
DETAILS	ADJUSTMENT BUDGET	BUDGET	BUDGET	BUDGET
	2017/18	2018/19	2019/20	2020/21
Interest on Investments	1,189,633	1,129,901	1,442,726	1,519,625
Operating Grants & Subsidies	114,213,600	120,482,400	126,615,000	133,134,000
Other Income	6,745,564	4,689,577	4,942,234	5,211,429
TOTAL INCOME	122,148,797	126,301,878	132,999,960	139,865,055

The following table gives a breakdown of the various grants allocated to TMDM over the medium term:

Table 3 - Grants Allocation

NATIONAL GRANTS	MEDIUM - TERM ESTIMATES		
	2018/19	2019/20	2020/21
	R'000	R'000	R'000
Equitable Share	107,303	114,283	120,222
Energy Efficiency & Demand Management	8,000	8,000	8,000
Local Government Financial Management Grant	1,320	1,785	2,217
Rural Roads Asset Management Systems Grant	2,405	2,547	2,695
Expanded Public Works Programme Incentive Grant	1,180	0	0
TETA Grant	274	0	0
TOTAL INCOME	120,482	126,615	133,134

1.7 – Operating Expenditure Framework

The expenditure framework for the 2018/19 budget and MTREF is informed by the National Treasury’s guidelines and 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;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;
- Strict adherences 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 summary of the 2018/19 MTREF (classified by main expenditure by category):

Table 4: Summary of operating expenditure by category

EXPENDITURE ALLOCATION BY CATEGORY 2018/19				
DETAILS	ADJUSTMENT BUDGET 2017/18	REVISED BUDGET 2018/19	BUDGET 2019/2020	BUDGET 2020/21
Employee related cost	57,914,933	63,869,472	71,899,909	75,931,945
Councillors remuneration	10,156,963	10,548,884	10,961,074	11,395,932
Depreciation	3,146,062	4,669,577	4,921,734	5,192,429
Repairs & maintenance	2,187,376	1,269,782	1,338,350	1,411,959
Contracted services	-	-	-	-
Grants & subsidies	-	-	-	-
General expenditure	48,531,505	39,580,994	40,300,792	40,586,820
Total Amount	121,936,839	119,938,079	129,421.860	134,519,086

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The operating expenditure has decreased from R121,936,839 (2nd Adjustment Budget 2017/18) to R119,738,079 in 2018/19. The decrease can be attributed to increases and decreases on several expenditure components.

Reasons for significant cost variances:

- Employee related cost remuneration of councillors: an increase is caused by the annual increment.
- Remuneration of Councillors: an increase of 4% which addresses the yearly increment.
- Depreciation: an increase of 48% due to providing for depreciation and asset impairment as informed by the municipality's asset management policy.
- Repairs and maintenance: a decrease of 42% because of limited resources.
- General expenditure: a decrease of 18%. This group of expenditure has been identified as an area in which cost savings and efficiencies can be achieved.

Table 5 – Repairs and maintenance per asset class

DC19 Thabo Mofutsanyana - Supporting Table SA34c Repairs and maintenance expenditure 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
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Community Assets		-	-	-	600	-	-	-	-	-
Community Facilities		-	-	-	600	-	-	-	-	-
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations					600	-	-	-	-	-
Unimproved Property										
Other assets		222	150	453	519	919	919	250	264	278
Operational Buildings		222	150	453	519	919	919	250	264	278
Municipal Offices		222	150	453	519	919	919	250	264	278
Pay/Enquiry Points										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		1 193	350	1 805	1 158	1 118	1 118	809	853	900
Furniture and Office Equipment		1 193	350	1 805	1 158	1 118	1 118	809	853	900
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets		280	200	-	300	150	150	211	222	234
Transport Assets		280	200	-	300	150	150	211	222	234
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	1 695	700	2 258	2 577	2 187	2 187	1 270	1 338	1 412
R&M as a % of PPE		15.4%	7.4%	23.3%	33.1%	28.0%	28.0%	16.3%	33.5%	31.8%
R&M as % Operating Expenditure		1.3%	0.6%	2.1%	1.2%	1.8%	1.8%	1.0%	1.1%	1.1%

In terms of the Municipal Budget and Reporting Regulations operational repairs and maintenance is not considered a direct expenditure driver but an economic of certain other expenditures.

Repairs and maintenance do not have the same impact as in the case of local municipalities. It is our submission that the budgeted amount will fairly cover repairs and maintenance, given our limited resources.

1.8 – Capital Budget

The capital budget increased from R241,500 (2017/18) to R800,000 in 2018/19.

The Budget Committee went through several stages of prioritising the capital budget to contain the budget within the available funding.

This capital budget has been compiled with due consideration to the direct impact that it would have on the operating budget and our cash position where projects are to be funded from either internal sources or from external borrowings.

The capital budget reflects the following budget allocation to the various Departments and reflects the strategic priorities outlined in the IDP:

Table 6 – Capital budget by GFS classification

DC19 Thabo Mofutsanyana - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	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
R thousand								
Capital expenditure	1							
Vote 1 - Executive and Council		75	79	83				
Vote 2 - Finance and Administration		650	671	475				
Vote 3 - Planning and Development		-	-	-				
Vote 4 - Community and Development		75	79	83				
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>								
Total Capital Expenditure		800	829	642	-	-	-	-

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DC19 Thabo Mofutsanyana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
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
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		3 185	-	4 690	-	-	-	-	75	79	83
Vote 2 - Finance and Administration		927	162	-	-	460	460	460	650	671	475
Vote 3 - Planning and Development		96	-	741	-	-	-	-	-	-	-
Vote 4 - Community and Development		2 150	1 400	-	242	8	8	8	75	79	83
Capital single-year expenditure sub-total		6 359	1 562	5 430	242	467	467	467	800	829	642
Total Capital Expenditure - Vote		6 359	1 562	5 430	242	467	467	467	800	829	642
Capital Expenditure - Functional											
Governance and administration		8 887	162	4 690	-	460	460	460	725	750	558
Executive and council		3 620	-	4 690	-	-	-	-	25	-	83
Finance and administration		5 267	162	-	-	460	460	460	650	750	475
Internal audit		-	-	-	-	-	-	-	50	-	-
Community and public safety		-	1 400	-	242	8	8	8	75	79	83
Community and social services		-	1 400	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	242	8	8	8	75	79	83
Economic and environmental services		-	-	741	-	-	-	-	-	-	-
Planning and development		-	-	741	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	8 887	1 562	5 430	242	467	467	467	800	829	642
Funded by:											
National Government		8 887	1 562	5 430	242	467	467	467	800	829	642
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	8 887	1 562	5 430	242	467	467	467	800	829	642
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
Total Capital Funding	7	8 887	1 562	5 430	242	467	467	467	800	829	642

1.9 – Budget Schedules

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

Narrative will only be provided at certain tables to clarify certain aspects otherwise it will be a repetition of what has already been documented.

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Table 7 – A1: Budget Summary

DC19 Thabo Mofutsanyana - Table A1 Budget Summary										
Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	2 070	1 173	1 148	1 425	1 190	1 190	1 190	1 130	1 443	1 520
Transfers recognised - operational	108 834	102 798	103 661	215 001	114 214	114 214	114 214	120 482	126 615	133 134
Other own revenue	1 573	234	181	3 347	6 746	6 746	6 746	4 690	4 942	5 211
Total Revenue (excluding capital transfers and contributions)	112 477	104 205	104 990	219 774	122 149	122 149	122 149	126 302	133 000	139 865
Employee costs	47 936	50 993	57 954	56 148	57 915	57 915	57 915	63 869	71 900	75 932
Remuneration of councillors	9 366	10 546	10 019	9 340	10 157	10 157	10 157	10 549	10 961	11 396
Depreciation & asset impairment	2 810	3 550	4 402	3 146	3 146	3 146	3 146	4 670	4 922	5 192
Finance charges	372	388	183	81	81	81	81	86	90	95
Materials and bulk purchases	1 695	2 218	2 258	2 577	2 187	2 187	2 187	1 270	1 338	1 412
Transfers and grants	18 492	1 610	2 032	-	-	-	-	-	-	-
Other expenditure	54 499	49 845	31 126	148 239	48 450	48 450	48 450	39 495	40 210	40 491
Total Expenditure	135 169	119 151	107 973	219 532	121 937	121 937	121 937	119 939	129 422	134 519
Surplus/(Deficit)	(22 692)	(14 946)	(2 984)	242	212	212	212	6 363	3 578	5 346
Transfers and subsidies - capital (monetary allocation)	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(22 692)	(14 946)	(2 984)	242	212	212	212	6 363	3 578	5 346
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(22 692)	(14 946)	(2 984)	242	212	212	212	6 363	3 578	5 346
Capital expenditure & funds sources										
Capital expenditure	8 887	1 562	5 430	242	467	467	467	800	829	642
Transfers recognised - capital	8 887	1 562	5 430	242	467	467	467	800	829	642
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	8 887	1 562	5 430	242	467	467	467	800	829	642
Financial position										
Total current assets	10 998	2 240	3 915	1 848	885	885	885	991	731	708
Total non current assets	13 929	12 413	13 992	11 609	11 639	11 639	11 639	6 236	6 805	8 414
Total current liabilities	34 189	10 799	16 398	4 402	3 902	3 902	3 902	6 287	3 562	5 627
Total non current liabilities	3 760	8 995	-	134	8 864	8 864	8 864	10 828	11 320	11 786
Community wealth/Equity	(13 023)	(5 141)	1 510	8 920	(243)	(243)	(243)	(9 888)	(7 345)	(8 292)
Cash flows										
Net cash from (used) operating	(12 765)	(16 881)	6 194	242	212	212	212	11 033	8 500	10 538
Net cash from (used) investing	(8 758)	12 553	(5 331)	(242)	(467)	(467)	(467)	(800)	(829)	(642)
Net cash from (used) financing	839	(1 451)	(1 351)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	6 516	738	249	249	(255)	(255)	(255)	10 233	17 903	27 800
Cash backing/surplus reconciliation										
Cash and investments available	6 516	738	249	1 175	212	212	212	541	304	302
Application of cash and investments	32 963	8 265	12 345	2 916	2 475	2 475	2 475	5 113	2 321	4 298
Balance - surplus (shortfall)	(26 447)	(7 527)	(12 096)	(1 741)	(2 263)	(2 263)	(2 263)	(4 573)	(2 017)	(3 996)
Asset management										
Asset register summary (WDV)	13 929	15 491	5 531	13 104	13 104	13 104		2 232	2 128	2 012
Depreciation	-	3 117	4 402	3 146	3 146	3 146		4 670	4 922	5 192
Renewal of Existing Assets	-	-	-	-	-	-		-	-	-
Repairs and Maintenance	1 695	700	2 258	2 577	2 187	2 187		1 270	1 338	1 412

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Table 8 – A2: Budgeted Financial Performance by standard classification

DC19 Thabo Mofutsanyana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional 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
Revenue - Functional	1									
Governance and administration		105 554	110 006	100 408	176 767	80 993	80 993	77 278	87 843	87 949
Executive and council		13 630	-	-	30 751	35 810	35 810	31 165	35 692	34 270
Finance and administration		91 924	110 006	100 408	143 724	42 891	42 891	43 851	49 756	51 142
Internal audit		-	-	-	2 292	2 292	2 292	2 263	2 396	2 537
Community and public safety		-	-	-	22 163	18 911	18 911	22 383	22 078	26 202
Community and social services		-	-	-	9 404	17 601	17 601	8 493	7 361	10 608
Sport and recreation		-	-	-	1 176	456	456	1 389	1 468	1 553
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	11 584	853	853	12 501	13 249	14 041
Economic and environmental services		6 993	6 121	4 582	20 844	22 501	22 501	21 077	20 330	21 009
Planning and development		6 993	6 121	-	7 031	8 379	8 379	5 846	6 159	6 492
Road transport		-	-	4 582	13 812	14 122	14 122	15 231	14 171	14 518
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	112 548	116 127	104 990	219 774	122 404	122 404	120 739	130 251	135 161
Expenditure - Functional										
Governance and administration		79 611	74 613	73 579	176 767	80 533	80 533	76 553	87 093	87 391
Executive and council		50 094	40 762	35 952	30 751	35 810	35 810	31 090	35 613	34 187
Finance and administration		29 517	33 851	37 627	143 724	42 431	42 431	43 201	49 085	50 667
Internal audit		-	-	-	2 292	2 292	2 292	2 263	2 396	2 537
Community and public safety		19 002	17 138	17 161	21 922	18 903	18 903	22 308	21 999	26 119
Community and social services		-	-	17 161	9 404	17 835	17 835	8 418	7 282	10 525
Sport and recreation		-	-	-	1 176	456	456	1 389	1 468	1 553
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		19 002	17 138	-	11 342	611	611	12 501	13 249	14 041
Economic and environmental services		37 056	22 814	17 233	20 844	22 501	22 501	21 077	20 330	21 009
Planning and development		37 056	22 814	6 057	7 031	8 379	8 379	5 846	6 159	6 492
Road transport		-	-	11 176	13 812	14 122	14 122	15 231	14 171	14 518
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	135 669	114 565	107 973	219 532	121 937	121 937	119 939	129 422	134 519
Surplus/(Deficit) for the year		(23 122)	1 562	(2 984)	242	467	467	800	829	642

Table 9 – A3: Budgeted Financial Performance 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
Revenue by Vote	1									
Vote 1 - Executive and Council		2 760	930	-	42 288	46 894	46 894	40 228	42 487	44 645
Vote 2 - Finance and Administration		118 708	110 006	100 408	134 878	34 099	34 099	37 050	41 602	43 548
Vote 3 - Planning and Development		7 109	5 191	4 582	23 665	23 814	23 814	23 124	22 447	23 242
Vote 4 - Community and Development		-	-	-	18 942	17 597	17 597	20 336	23 715	23 726
Total Revenue by Vote	2	128 577	116 127	104 990	219 774	122 404	122 404	120 739	130 251	135 161
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		30 869	40 592	35 952	42 288	46 894	46 894	40 153	42 487	44 561
Vote 2 - Finance and Administration		29 938	34 080	37 627	134 878	33 639	33 639	36 400	41 602	43 073
Vote 3 - Planning and Development		41 039	22 734	17 233	23 665	23 814	23 814	23 124	22 447	23 242
Vote 4 - Community and Development		20 372	18 721	17 161	18 942	17 590	17 590	20 261	22 886	23 643
Total Expenditure by Vote	2	122 219	116 127	107 973	219 774	121 937	121 937	119 939	129 422	134 519
Surplus/(Deficit) for the year	2	6 359	0	(2 984)	0	467	467	800	829	642

Table 10 – A4: Budgeted Financial Performance by revenue source and expenditure type

DC19 Thabo Mofutsanyana - 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
Revenue By Source											
Service charges - other						-	-	-	-	-	-
Rental of facilities and equipment						-	-	-	-	-	-
Interest earned - external investments		2 070	1 173	1 148	1 425	1 190	1 190	1 190	1 130	1 443	1 520
Interest earned - outstanding debtors						-	-	-	-	-	-
Dividends received						-	-	-	-	-	-
Fines, penalties and forfeits						-	-	-	-	-	-
Licences and permits						-	-	-	-	-	-
Agency services						-	-	-	-	-	-
Transfers and subsidies		108 834	102 798	103 661	215 001	114 214	114 214	114 214	120 482	126 615	133 134
Other revenue	2	1 573	234	181	3 347	6 746	6 746	6 746	4 690	4 942	5 211
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		112 477	104 205	104 990	219 774	122 149	122 149	122 149	126 302	133 000	139 865
Expenditure By Type											
Employee related costs	2	47 936	50 993	57 954	56 148	57 915	57 915	57 915	63 869	71 900	75 932
Remuneration of councillors		9 366	10 546	10 019	9 340	10 157	10 157	10 157	10 549	10 961	11 396
Debt impairment	3	7	91	-	-	-	-	-	-	-	-
Depreciation & asset impairment	2	2 810	3 550	4 402	3 146	3 146	3 146	3 146	4 670	4 922	5 192
Finance charges		372	388	183	81	81	81	81	86	90	95
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	1 695	2 218	2 258	2 577	2 187	2 187	2 187	1 270	1 338	1 412
Contracted services		2 676	2 068	556	-	-	-	-	-	-	-
Transfers and subsidies		18 492	1 610	2 032	-	-	-	-	-	-	-
Other expenditure	4, 5	51 815	47 687	30 570	148 239	48 450	48 450	48 450	39 495	40 210	40 491
Loss on disposal of PPE											
Total Expenditure		135 169	119 151	107 973	219 532	121 937	121 937	121 937	119 939	129 422	134 519
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)											
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(22 692)	(14 946)	(2 984)	242	212	212	212	6 363	3 578	5 346
Taxation											
Surplus/(Deficit) after taxation		(22 692)	(14 946)	(2 984)	242	212	212	212	6 363	3 578	5 346
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(22 692)	(14 946)	(2 984)	242	212	212	212	6 363	3 578	5 346
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(22 692)	(14 946)	(2 984)	242	212	212	212	6 363	3 578	5 346

Total revenue is R126,301,878 in 2018/19, escalated to R139,865,055 in 2020/21. This represents a year on year increase of 3% for 2018/19 financial year, 5% in the 2019/20 financial year and 5% for 2020/21 financial year.

Table 11 – A5: Budgeted Capital Expenditure by vote, standard classification and funding

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
R thousand	1										
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		3 185	-	4 690	-	-	-	-	75	79	83
Vote 2 - Finance and Administration		927	162	-	-	460	460	460	650	671	475
Vote 3 - Planning and Development		96	-	741	-	-	-	-	-	-	-
Vote 4 - Community and Development		2 150	1 400	-	242	8	8	8	75	79	83
Capital single-year expenditure sub-total		6 359	1 562	5 430	242	467	467	467	800	829	642
Total Capital Expenditure - Vote		6 359	1 562	5 430	242	467	467	467	800	829	642
Capital Expenditure - Functional											
Governance and administration		8 887	162	4 690	-	460	460	460	725	750	558
Executive and council		3 620	-	4 690					25	-	83
Finance and administration		5 267	162	-		460	460	460	650	750	475
Internal audit									50	-	-
Community and public safety		-	1 400	-	242	8	8	8	75	79	83
Community and social services			1 400	-							
Sport and recreation											
Public safety											
Housing											
Health					242	8	8	8	75	79	83
Economic and environmental services		-	-	741	-	-	-	-	-	-	-
Planning and development				741							
Road transport											
Environmental protection											
Other											
Total Capital Expenditure - Functional	3	8 887	1 562	5 430	242	467	467	467	800	829	642
Funded by:											
National Government		8 887	1 562	5 430	242	467	467	467	800	829	642
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	8 887	1 562	5 430	242	467	467	467	800	829	642
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
Total Capital Funding	7	8 887	1 562	5 430	242	467	467	467	800	829	642

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Table 12 – A6: Budgeted Financial Position

DC19 Thabo Mofutsanyana - 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
ASSETS											
Current assets											
Cash		6 516	738	249	502	87	87	87	260	178	152
Call investment deposits	1	-	-	-	673	125	125	125	280	126	150
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		4 481	1 502	3 666	673	673	673	673	450	428	406
Current portion of long-term receivables											
Inventory	2										
Total current assets		10 998	2 240	3 915	1 848	885	885	885	991	731	708
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	10 990	9 469	9 670	7 781	7 810	7 810	7 810	3 995	4 443	5 921
Agricultural											
Biological											
Intangible		2 939	2 944	4 322	3 828	3 828	3 828	3 828	2 241	2 362	2 492
Other non-current assets											
Total non current assets		13 929	12 413	13 992	11 609	11 639	11 639	11 639	6 236	6 805	8 414
TOTAL ASSETS		24 926	14 652	17 908	13 457	12 523	12 523	12 523	7 226	7 536	9 122
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	1 064	1 168	387	813	813	813	813	723	813	923
Consumer deposits											
Trade and other payables	4	33 125	9 631	16 011	3 589	3 089	3 089	3 089	5 563	2 749	4 704
Provisions											
Total current liabilities		34 189	10 799	16 398	4 402	3 902	3 902	3 902	6 287	3 562	5 627
Non current liabilities											
Borrowing		1 554	387	-	134	259	259	259	259	305	305
Provisions		2 206	8 608	-	-	8 605	8 605	8 605	10 568	11 014	11 481
Total non current liabilities		3 760	8 995	-	134	8 864	8 864	8 864	10 828	11 320	11 786
TOTAL LIABILITIES		37 949	19 793	16 398	4 537	12 767	12 767	12 767	17 114	14 882	17 414
NET ASSETS	5	(13 023)	(5 141)	1 510	8 920	(243)	(243)	(243)	(9 888)	(7 345)	(8 292)
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		(13 023)	(5 141)	1 510	8 920	(243)	(243)	(243)	(9 888)	(7 345)	(8 292)
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	(13 023)	(5 141)	1 510	8 920	(243)	(243)	(243)	(9 888)	(7 345)	(8 292)

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Table 13 – A7: Budgeted Cash Flow

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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		57	213	181	3 347	6 155	6 155	6 155	4 690	4 942	5 211
Government - operating	1	108 372	103 704	103 027	215 001	115 079	115 079	115 079	120 482	126 615	133 134
Government - capital	1	-	-	-	-	-	-	-	-	-	-
Interest		2 070	1 173	1 148	1 425	1 190	1 190	1 190	1 130	1 443	1 520
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(122 892)	(121 582)	(97 979)	(219 451)	(122 130)	(122 130)	(122 130)	(115 183)	(124 410)	(129 231)
Finance charges		(372)	(388)	(183)	(81)	(81)	(81)	(81)	(86)	(90)	(95)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(12 765)	(16 881)	6 194	242	212	212	212	11 033	8 500	10 538
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		129	15 286	99					-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables				(2 222)					-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(8 887)	(2 733)	(3 208)	(242)	(467)	(467)	(467)	(800)	(829)	(642)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 758)	12 553	(5 331)	(242)	(467)	(467)	(467)	(800)	(829)	(642)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		839	(1 451)	(1 351)					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		839	(1 451)	(1 351)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(20 683)	(5 779)	(488)	-	(255)	(255)	(255)	10 233	7 671	9 897
Cash/cash equivalents at the year begin:	2	27 199	6 516	738	249				-	10 233	17 903
Cash/cash equivalents at the year end:	2	6 516	738	249	249	(255)	(255)	(255)	10 233	17 903	27 800

Table 14 – A8: Cash backed reserves/accumulated surplus reconciliation

DC19 Thabo Mofutsanyana - 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
Cash and investments available											
Cash/cash equivalents at the year end	1	6 516	738	249	249	(255)	(255)	(255)	10 233	17 903	27 800
Other current investments > 90 days		0	0	0	925	467	467	467	(9 692)	(17 600)	(27 498)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		6 516	738	249	1 175	212	212	212	541	304	302
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	32 963	8 265	12 345	2 916	2 475	2 475	2 475	5 113	2 321	4 298
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		32 963	8 265	12 345	2 916	2 475	2 475	2 475	5 113	2 321	4 298
Surplus(shortfall)		(26 447)	(7 527)	(12 096)	(1 741)	(2 263)	(2 263)	(2 263)	(4 573)	(2 017)	(3 996)

Table 15 – A9: Asset Management

Thabo Mofutsanyana District Municipality – MTREF Budget 2018/2019

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										
CAPITAL EXPENDITURE										
Total New Assets	1	8 887	1 562	5 430	467	467	467	800	829	642
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	741	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	741	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		2 334	-	2 222	-	-	-	-	-	-
Intangible Assets		2 334	-	2 222	-	-	-	-	-	-
Computer Equipment		282	-	-	-	-	-	-	-	-
Furniture and Office Equipment		950	162	2 441	467	467	467	800	829	642
Machinery and Equipment		5 321	1 400	27	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	741	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	741	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		2 334	-	2 222	-	-	-	-	-	-
Intangible Assets		2 334	-	2 222	-	-	-	-	-	-
Computer Equipment		282	-	-	-	-	-	-	-	-
Furniture and Office Equipment		950	162	2 441	467	467	467	800	829	642
Machinery and Equipment		5 321	1 400	27	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		8 887	1 562	5 430	467	467	467	800	829	642
ASSET REGISTER SUMMARY - PPE (WDV)										
Roads Infrastructure	5									
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure								200	-	-
Infrastructure								200	-	-
Community Facilities										
Sport and Recreation Facilities										
Community Assets										
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties										
Operational Buildings		10 990	12 552	3 191						
Housing										
Other Assets		10 990	12 552	3 191						
Biological or Cultivated Assets										
Servitudes										
Licences and Rights		2 939	2 939	2 339	3 828	3 828	3 828	1 232	1 299	1 370
Intangible Assets		2 939	2 939	2 339	3 828	3 828	3 828	1 232	1 299	1 370
Computer Equipment					4 541	4 541	4 541			
Furniture and Office Equipment					2 048	2 048	2 048	800	829	642
Machinery and Equipment					1 892	1 892	1 892			
Transport Assets					795	795	795			
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	13 929	15 491	5 531	13 104	13 104	13 104	2 232	2 128	2 012
EXPENDITURE OTHER ITEMS										
Depreciation	7		3 117	4 402	3 146	3 146	3 146	4 670	4 922	5 192
Repairs and Maintenance by Asset Class	3	1 695	700	2 258	2 577	2 187	2 187	1 270	1 338	1 412
Roads Infrastructure										
Storm water Infrastructure										
Infrastructure										
Community Facilities					600					
Sport and Recreation Facilities										
Community Assets					600					
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties										
Operational Buildings		222	150	453	519	919	919	250	264	278
Housing										
Other Assets		222	150	453	519	919	919	250	264	278
Intangible Assets										
Computer Equipment										
Furniture and Office Equipment		1 193	350	1 805	1 158	1 118	1 118	809	853	900
Machinery and Equipment										
Transport Assets		280	200		300	150	150	211	222	234
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL EXPENDITURE OTHER ITEMS		1 695	3 817	6 660	5 723	5 333	5 333	5 939	6 260	6 604

Part 2 – Supporting documentation

2.1 - Disclosure on implementation of the MFMA & other applicable legislation

Municipal Finance Management Act – No 56 of 2003

The MFMA became effective on 1st July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. George has been designated as a high capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

2.2 – The budget preparation process

2.2.1 – Overview

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment costs.

The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

2.2.2 – Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

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 a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.

Thabo Mofutsanyana District Municipality – MTREF Budget 2018/2019

Table 16 – Schedule of Key Deadlines relating to the budget process

THABO MOFUTSANYANA DISTRICT MUNICIPALITY				
2017 - 18 IDP/ BUDGET CYCLE & 2018 - 2020 IDP/BUDGET CYCLE				
Date	Activity	Responsible	Deliverables	Phases
25-Aug-17	Tabling of process plan to Council	Executive Mayor, Speaker	Tabling of the final process plan to Council.Sec 21,22,&23 MFMA, Sec 34 of MSA	PLANNING AND TABLING
31-Aug-17	IDP Steering Committee Meeting	Executive Mayor, MAYCO, Municipal Manager, Senior Management, IDP/PMS & Budget Office	Internal Consultation: Presentation of KPAs, IDP and budget process plan. Distribution of budget input forms for operational budget.	STRATEGY AND PLANNING
27-Sep-17	District IDP Committee Meeting	IDP Officials & IDP MMC in TMDM	Presentations by all LM's on their IDP progress and their challenges.	
5-Oct-17	IDP Phumelela	IDP/PMS & Budget Office	Engage Phumelela LM with budget related matters and facilitate IDP steering committee.	
6-Oct-17	IDP Setsoto, Dihlabeng and Maluti A Phofung	IDP/PMS & Budget Office	Engage Setsoto, Dihlabeng and Maluti A Phofung LM with budget related matters and facilitate IDP steering committee.	
10-Oct-17	IDP Nketoana	IDP/PMS and Budget office	Engage Nketoana LM with budget related matters and facilitate IDP steering committee.	
12-Oct-17	IDP Mantsopa	IDP/PMS and Budget office	Engage Mantsopa LM with budget related matters and facilitate IDP steering committee.	
19-Oct-17	Consultation with clusters and stakeholders through IDP Representative Forum	Executive Mayor, MAYCO, Municipal Manager, Senior Management, IDP/PMS, Budget Office Stakeholders & Community.	Progress on 2017/18 IDP Budget. Presentations on 2018/19 budget KPAs. Compilation of 2018/19 needs analysis & key priorities. Discuss alignment with government departments and Local Municipalities. Presentations by sector departments , SOE and Private Sector.	STRATEGY AND PLANNING
24-Oct-17	IDP steering Committee	Executive Mayor, MAYCO, Municipal Manager, Senior Management, PIMSS & Budget Office	Developing objectives strategies, Mission and Vision.	

Thabo Mofutsanyana District Municipality – MTREF Budget 2018/2019

THABO MOFUTSANYANA DISTRICT MUNICIPALITY				
2017 - 18 IDP/ BUDGET CYCLE & 2018 - 2020 IDP/BUDGET CYCLE				
Date	Activity	Responsible	Deliverables	Phases
7-Nov-17	IDP Representative Forum Chapter 4 MSA	Executive Mayor, MAYCO, Municipal Manager, Senior Management, IDP/PMS & Budget Office	Finalise strategies & objectives & identify key projects for 2018/19. invite all sector depts & SOE to present budget.	STRATEGY AND PLANNING
29-Nov-17	IDP Steering Committee Meeting	Executive Mayor, MAYCO, Municipal Manager, Senior Management, IDP/PMS & Budget Office	Submission of budget input forms to the departments for budget review. Prioritisation of projects for 2018/19 and submission of budget input forms. Identification of policies and Sector plans to be reviewed.	
12-Dec-17	IDP Representative Forum Chapter 4 MSA	Executive Mayor, MAYCO, Municipal Manager, Senior Management, IDP/PMS, Budget Office Stakeholders & Community.	Finalisation of projects identification process and alignment with Sector Departments and LMs in TMDM.	
25-Jan-18	Council	Council, Executive Mayor and Municipal Manager	Hearing and tabling of the 2017/18 IDP/ Budget review to the Council and Public. Tabling 2018/19 projects and budget. The first 2018/19 draft budget & MTEF to the Rep forum. Annual Report 2015/16	STRATEGY AND PLANNING

Thabo Mofutsanyana District Municipality – MTREF Budget 2018/2019

THABO MOFUTSANYANA DISTRICT MUNICIPALITY				
2017 - 18 IDP/ BUDGET CYCLE & 2018 - 2020 IDP/BUDGET CYCLE				
Date	Activity	Responsible	Deliverables	Phases
7-Feb-18	IDP Representative Forum Chap 4 MSA and Sec 130 (1) MFMA	Executive Mayor, MAYCO, Municipal Manager, Senior Management, IDP/PMS, Budget Office Stakeholders & Community.	Consulting stakeholders & the public with regard to the draft IDP & 2018/19 draft budget. Public comments & presentations by clusters. Tabling of the draft 5year IDP/ Budget Plan Mid term Expenditure framework. Tabling of 2016/17 Annual Report.	TABLING
13-Feb-18	IDP Steering Committee Meeting	Executive Mayor, MAYCO, Municipal Manager, Senior Management, IDP/PMS & Budget Office	Presentation of the IDP and MTEF	
22-Mar-18	Tabling of the IDP Review 2018/19 Sec 16 (2) MFMA	Municipal Manager and Executive Mayor	Tabling to Council the IDP Review, 2018/19 IDP & the first 2018/19draft budget & two outer years, including budget related policies.	
27-Mar-18	Publication of the 2013/09 draft budget. Sec 22 (a) & (b) MFMA and Chap 4 MSA	Executive Mayor & Municipal Manager	Publication of tabled budget & invitation to local community and stakeholders for comments and inputs.	
3-Apr-18	IDP/Budget Roadshows	Executive Mayor	Consulting members of the community and ward committees	

Thabo Mofutsanyana District Municipality – MTREF Budget 2018/2019

2017 - 18 IDP/ BUDGET CYCLE & 2018 - 2020 IDP/BUDGET CYCLE				
Date	Activity	Responsible	Deliverables	Phases
1-May-18	IDP Representative Forum- Chap 4 MSA	Executive Mayor, MAYCO, Municipal Manager, Senior Management, PIMSS, Budget Office Stakeholders & Community.	Budget conference (Final budget public hearing)Budget performance for 2016/17 and IDP/ Budget 2018/19 and Elaborated IDP for 2018/2020	TABLING DRAFTS
8-May-18	Adjustments and balancing (alignment) of the budget in line with IDP	PIMSS and Budget office	Taking public comments and inputs into consideration and make necessary adjustments to the budget.Public & Sector departments inputs and draft Sector Plans.	
31-May-18	Tabling of the final budget to council 24 (1) MFMA	Council,Executive Mayor & Municipal Manager	Council to approve 2018/19 budget and reviewed IDP	
5-Jun-18	Submission of draft 2018/19 SDBIP and annual performance agreements	Executive Mayor & Municipal Manager	Municipal Manager submits of draft 2018/19 SDBIP and annual performance agreements to the Executive Mayor for consideration.	
15-Jun-18	Approval of 2017/18 SDBIP and annula performance agreements	Executive Mayor & Municipal Manager	Executive Mayor approves draft 2018/19 SDBIP and annual performance agreements for Municipal Manager and Senior Managers.	APPROVAL
21-Jun-18	IDP Steering committee and Rep Forum	Executive Mayor ,Mayco & Municipal Manager, Senior Management , IDP/PMS, Budget Office Stakeholders & community.	IDP/ Budget Annual review for 2017/2018	
END OF THE IDP BUDGET CYCLE				

2.2.3 – Tabling of the draft budget

The initial draft budget must be tabled by the mayor before council for review by 29 March 2018.

Once tabled at council, the municipal manager must make public the appropriate budget documentation and submit it to both the national and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

The municipal budget was tabled before Council on 29 March 2018.

2.2.4 – Consultation with the community and key stakeholders

When the draft budget is tabled, council must consider the views of the local community, the national and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The consultation with National and Provincial Treasuries regarding the MTREF 2018/19 took place at Dihlabeng Local Municipality (Bethlehem) on 15th April 2018.

An extensive public participation process will be conducted as part of the IDP and Budget Road shows and will commence during April 2018. The overall objective of this road show is to ensure an authentic and inclusive public participation process for the IDP and budget. The planning of this road shows was be driven by a steering committee constituted by politicians and officials from all Directorates.

2.3 – Service Delivery and Budget Implementation Plan (SDBIP)

The municipal manager must within fourteen days after the approval of the annual budget submit to the mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of

these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

2.4 – Alignment of Annual Budget with IDP

Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities.

The IDP strategic objectives and goals are set out in the IDP document.

The 2017/18 MTREF has therefore been directly informed by the IDP and the following tables provide reconciliation between the IDP strategic objectives and goals.

Table 17 – SA4: Reconciliation between IDP strategic objectives and budgeted operating 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
To improve economic growth of the District	10% increase of emerging farmers with pertinent skills and tools of trade						1 200	1 245	1 245	500	527	556
To contribute to Tourism Development and Marketing	100% Marketing and Promotion of the district tourism attraction areas			350		350	370	240	240	-	-	-
To improve economic growth of the district	20 SMME Assisted with the Tools of trade Development			740		740	780	500	500	100	105	111
To promote accessibility, mobility and safe integrated road infrastructure network	100 % expenditure on the RRAMS Grant			2 307		2 307	2 400	2 400	2 400	2 405	2 547	2 695
To improve economic growth of the District	10 SMMEs transported to exhibition their products (expo Exhibition)			-		-	230	26	26	20	21	22
To improve the capacity of our SMMEs with products that are tourism oriented	20 SMMEs Trained						101	44	44	-	-	-
To promote cultural and socio economic development of our community	Number of jobs creation through the municipality's EPWP			2 470		2 470	2 142	2 142	2 142	1 080	-	-
Proper Contingency Plans for Disasters at local municipal level and district level are in place	Purchasing Disaster Equipment			1 775		1 775	2 242	-	-	-	-	-
To increase access by local municipalities to electricity service and promote energy saving in four local municipalities	100% Feasibility in our local municipalities on street lights which are not compatible to energy saving			-		-	6 000	6 000	6 000	6 000	6 000	6 000
To promote public participation of women and people with disabilities in our district	Gender and disability Meetings			60		60	353	263	263	110	116	122
To develop, coordinate and implement a coordinated and coherent Health, HIV/AIDS program in line with National and Provincial imperatives in our district	HIV/ AIDS campaigns			50		50	243	85	85	190	200	211
To ensure that Proper Contingency Plans for Disasters at local municipal level and district level are in place	Disaster and fire reporting software			-		-	33	58	58	-	-	-
Facilitate provision of sufficient bulk food supply to all municipalities	Sampling of food			355		355	500	208	208	250	450	400
Provide a variety of sport and recreation facilities for staff and communities	Participating in OR Tambo games			395		395	405	436	436	415	415	415
To ensure proper spatial use that is compliant with SPLUMA Act by all local municipalities	To convene 4 B2B meetings by 2017/2018			200		200	148	7	7	-	-	-
To create an efficient, effective and accountable administration	Credible IDP			500		500	428	206	206	-	-	-
To create an efficient, effective and accountable administration	Annual Report printing			288		288	135	20	20	117	123	130
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	9 489	-	9 489	17 708	13 881	13 881	11 187	10 505	10 663

Table 18 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure

DC19 Thabo Mofutsanyana - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (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	
R thousand													
To improve economic growth of the District	10% increase of emerging farmers with pertinent skills and tools of trade						1 200	1 245	1 245	500	527	556	
To contribute to Tourism Development and Marketing	100% Marketing and Promotion of the district tourism attraction areas					350	370	240	240	-	-	-	
To improve economic growth of the district	20 SMME Assisted with the Tools of trade Development					740	780	500	500	100	105	111	
To promote accessibility , mobility and safe integrated road infrastructure network	100 % expenditure on the RRAMS Grant					2 307	2 400	2 400	2 400	2 405	2 547	2 695	
To improve economic growth of the District	10 SMMEs transported to exhibition their products (expo Exhibition)					-	230	26	26	20	21	22	
To improve the capacity of our SMMEs with products that are tourism oriented	20 SMMEs Trained						101	44	44	-	-	-	
To promote cultural and socio economic development of our community	Number of jobs creation through the municipality's EPWP					2 470	2 142	2 142	2 142	1 080	-	-	
Proper Contingency Plans for Disasters at local municipal level and district level are in	Purchasing Disaster Equipment					1 775	242	-	-	-	-	-	
To increase access by local municipalities to electricity service and promote energy	100% Feasibility in our local municipalities to electricity which are not compatible to					-	6 000	6 000	6 000	6 000	6 000	6 000	
To promote public participation of women and people with disabilities in our district	Gender and disability Meetings					60	353	263	263	110	116	122	
To develop, coordinate and implement a coordinated and coherent Health, HIV/AIDS	HIV/ AIDS campaigns					50	243	85	85	190	200	211	
To ensure that Proper Contingency Plans for Disasters at local municipal	Disaster and fire reporting software					-	33	58	58	-	-	-	
Facilitate provision of sufficient bulk food supply to all municipalities	Sampling of food					355	500	208	208	250	450	400	
Provide a variety of sport and recreation facilities for staff and communities	Participating in OR Tambo games					395	405	436	436	415	415	415	
To ensure proper spatial use that is compliant with SPLUMA Act by all local	To convene 4 B2B meetings by 2017/2018					200	148	7	7	-	-	-	
To create an efficient, effective and accountable administration	Credible IDP					500	428	206	206	-	-	-	
To create an efficient, effective and accountable administration	Annual Report printing					288	135	20	20	117	123	130	
Allocations to other priorities													
Total Expenditure				1	-	-	9 489	15 708	13 881	13 881	11 187	10 505	10 663

Table 19 – SA6: Reconciliation between IDP strategic objectives and budgeted capital 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
To improve economic growth of the District	10% increase of emerging farmers with pertinent skills and tools of trade	A					1 200	1 245	1 245	500	527	556
To contribute to Tourism Development and Marketing	100% Marketing and Promotion of the district tourism attraction areas	B			350		370	240	240	-	-	-
To improve economic growth of the district	20 SMME Assisted with the Tools of trade Development	C			740		780	500	500	100	105	111
To promote accessibility, mobility and safe integrated road infrastructure network	100 % expenditure on the RRAMS Grant	D			2 307		2 400	2 400	2 400	2 405	2 547	2 695
To improve economic growth of the District	10 SMMEs transported to exhibition their products (expo Exhibition)	E			-		230	26	26	20	21	22
To improve the capacity of our SMMEs with products that are tourism oriented	20 SMMES Trained	F					101	44	44	-	-	-
To promote cultural and socio economic development of our community	Number of jobs creation through the municipality's EPWP	G			2 470		2 142	2 142	2 142	1 080	-	-
Proper Contingency Plans for Disasters at local municipal level and district level are in place	Purchasing Disaster Equipment	H			1 775		242	-	-	-	-	-
To increase access by local municipalities to electricity service and promote energy	100% Feasibility in our local municipalities on street lights which are not compatible to	I			-		6 000	6 000	6 000	6 000	6 000	6 000
To promote public participation of women and people with disabilities in our district	Gender and disability Meetings	J			60		353	263	263	110	116	122
To develop, coordinate and implement a coordinated and coherent Health, HIV/AIDS	HIV/ AIDS campaigns	K			50		243	85	85	190	200	211
To ensure that Proper Contingency Plans for Disasters at local municipal level are in place	Disaster and fire reporting software	L			-		33	58	58	-	-	-
Facilitate provision of sufficient bulk food supply to all municipalities	Sampling of food	M			355		500	208	208	250	450	400
Provide a variety of sport and recreation facilities for staff and communities	Participating in OR Tambo games	N			395		405	436	436	415	415	415
To ensure proper spatial use that is compliant with SPLUMA Act by all local municipalities	To convene 4 B2B meetings by 2017/2018	O			200		148	7	7	-	-	-
To create an efficient, effective and accountable administration	Credible IDP	P			500		428	206	206	-	-	-
To create an efficient, effective and accountable administration	Annual Report printing		3			288	135	20	20	117	123	130
Total Capital Expenditure			1	-	-	9 489	15 708	13 881	13 881	11 187	10 505	10 663

2.5 – Financial indicators and benchmarks

The key financial indicators and ratios are expressed in the table below:

Tables 20 – SA8: Financial Indicators and benchmarks

Description of financial indicator	Basis of calculation	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
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-0.3%	1.5%	1.4%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	-12.8%	130.8%	115.5%	1.7%	1.0%	1.0%	1.0%	1.5%	1.4%	1.4%
Borrowed funding of 'own n' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.3	0.2	0.2	0.4	0.2	0.2	0.2	0.2	0.2	0.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.3	0.2	0.2	0.4	0.2	0.2	0.2	0.2	0.2	0.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.1	0.0	0.3	0.1	0.1	0.1	0.1	0.1	0.1
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	4.0%	1.4%	3.5%	0.3%	0.6%	0.6%	0.6%	0.4%	0.3%	0.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		508.3%	1305.2%	6418.7%	1438.7%	-1209.1%	-1209.1%	-1209.1%	54.4%	15.4%	16.9%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
Employee costs	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	42.6%	48.9%	55.2%	25.5%	47.4%	47.4%	47.4%	50.6%	54.1%	54.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	49.0%	54.9%	59.5%	29.8%	55.7%	55.7%		58.9%	62.3%	62.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.5%	0.7%	2.2%	1.2%	1.8%	1.8%		1.0%	1.0%	1.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	2.8%	3.8%	4.4%	1.5%	2.6%	2.6%	2.6%	3.8%	3.8%	3.8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	1.4	0.6	0.9	4.0	4.0	4.0	7.0	4.0	4.2	4.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.9	0.1	0.0	0.0	(0.0)	(0.0)	(0.0)	1.4	2.2	3.2

2.6 – Overview of budget related policies

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

Section 17 (3) (e) of the Municipal Finance Management Act, (Act No 56 of 2003) prescribes that the Municipality must review the budget related policies annually. Herewith follows suggested changes to Council’s budget related policies.

The Budget Committee has indicated that the finalization of the draft policy changes will be finalized after the budget consultation process is completed. The draft policies are contained in the budget documentation and will be placed on the municipal website for public comment.

2.7 – Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

2.7.1 – National Treasury MFMA Circular No. 89 & 91

These Circulars was issued on 08 December 2017 and 07 March 2018 respectively, and it provides further guidance to municipalities for the preparation of the 2018/19 budget and MTREF. The circulars were used in preparing this budget.

2.7.2 – Inflation Outlook

In MFMA Circular No. 91, inflation forecasts are estimated at 5.3%, 5.4% and 5.5% respectively for the years 2018/19 to 2020/21.

2.7.3 – Industrial relations climate, reorganisation and capacity building

The ability of the Municipality to deliver quality services is virtually entirely dependent on its staff. Failure by the Municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by TMDM will ultimately mean a failure to deliver services.

The Municipality has made the following amounts available for training over the MTREF period.

	2018/19	2019/20	2020/21
Training Budget	R360,800	R327,583	R345,600

2.8 – Other Supporting documents

2.8.1 Investment Particulars by Type

Table 21 – SA15: Investment Particulars by Type

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										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		24 608	2 127	249	-	-	-	280	300	285
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	24 608	2 127	249	-	-	-	280	300	285
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		24 608	2 127	249	-	-	-	280	300	285

2.8.2 Borrowings

Table 22 – SA17: Borrowing

Borrowing - Categorized by type R thousand	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
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		979	1 168	387	1 382	988	988	987	1 041	1 098
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	979	1 168	387	1 382	988	988	987	1 041	1 098
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	979	1 168	387	1 382	988	988	987	1 041	1 098
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

2.8.3 Grants and subsidies

Table 23 – SA18: Transfers and grants 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									
Operating Transfers and Grants										
National Government:		92 297	102 591	102 401	113 701	113 701	113 701	120 208	126 615	133 134
Local Government Equitable Share		86 946	96 978	97 724	101 909	101 909	101 909	107 303	114 283	120 222
Finance Management		1 250	1 250	1 250	1 250	1 250	1 250	1 320	1 785	2 217
Municipal Systems Improvement		934	930	-	-	-	-	-	-	-
EPWP Incentive		1 282	1 208	1 120	2 142	2 142	2 142	1 180	-	-
Energy Efficiency and Demand Management					6 000	6 000	6 000	8 000	8 000	8 000
Rural Roads and asset management		1 885	2 225	2 307	2 400	2 400	2 400	2 405	2 547	2 695
Provincial Government:		-	-	-	-	513	513	274	-	-
Transport Education Training Authority						513	513	274	-	-
Construction Education and Training Authority						-	-	-	-	-
Rural Roads and asset management										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		3 942	1 758	747	-	-	-	-	-	-
Teta Grant			747	747						
Services Sita Grant		3 942	1 011	-						
Total Operating Transfers and Grants	5	96 239	104 349	103 148	113 701	114 214	114 214	120 482	126 615	133 134
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
Teta Grant										
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		96 239	104 349	103 148	113 701	114 214	114 214	120 482	126 615	133 134

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Table 24 – SA19: Expenditure on transfers and grant

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
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		92 297	102 591	102 401	113 701	113 701	113 701	120 208	126 615	133 134
Local Government Equitable Share		86 946	96 978	97 724	101 909	101 909	101 909	107 303	114 283	120 222
Finance Management		1 250	1 250	1 250	1 250	1 250	1 250	1 320	1 785	2 217
Municipal Systems Improvement		934	930	-	-	-	-	-	-	-
EPWP Incentive		1 282	1 208	1 120	2 142	2 142	2 142	1 180	-	-
Energy Efficiency and Demand Management					6 000	6 000	6 000	8 000	8 000	8 000
Rural Roads and asset management		1 885	2 225	2 307	2 400	2 400	2 400	2 405	2 547	2 695
Provincial Government:		-	-	-	-	513	513	274	-	-
Transport Education Training Authority					-	513	513	274	-	-
Construction Education and Training Authority					-	-	-	-	-	-
Rural Roads and asset management										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		3 942	1 758	747	-	-	-	-	-	-
Teta Grant			747	747						
Service Sita Grant		3 942	1 011							
Total operating expenditure of Transfers and Grants		96 239	104 349	103 148	113 701	114 214	114 214	120 482	126 615	133 134
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
Teta Grant										
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		96 239	104 349	103 148	113 701	114 214	114 214	120 482	126 615	133 134

Table 25 – SA20: Reconciliation of transfers, grants receipts and unspent funds

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										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			215		113 701	-	-	-		
Current year receipts			102 591	102 534		-	-	120 208	126 615	133 134
Conditions met - transferred to revenue		-	102 806	102 534	101 909	-	-	120 208	126 615	133 134
Conditions still to be met - transferred to liabilities					11 792	-	-			
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts			747			-	-			
Conditions met - transferred to revenue		-	747	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts			1 011							
Conditions met - transferred to revenue		-	1 011	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	104 564	102 534	101 909	-	-	120 208	126 615	133 134
Total operating transfers and grants - CTBM	2	-	-	-	11 792	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	104 564	102 534	101 909	-	-	120 208	126 615	133 134
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	11 792	-	-	-	-	-

2.8.4 Councillors and employee benefits

The total remuneration (councillors remuneration and employee benefits) has increased from R68,071,896 to R74,418,356, an increase of R6,345,460.

Employee related costs increased from R68,071,896 to R74,418,356 can be contributed to:

- The South African Local Government Bargaining Council three-year Salary and Wage Collective Agreement has ended on 30 June 2018. Currently, the negotiations have not been finalized, as a result management took a decision to project an increase of 7% for 2018/19 employee related costs.

Councillors remuneration costs increased from R10,156,963 to R10,548,884, projected increase of 4%.

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Table 25 – SA22: Summary of councillor 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		
		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		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		5 226	5 855	5 585	6 108	6 091	6 091	6 637	7 002	7 388
Pension and UIF Contributions		677	832	759	426	455	455	454	479	506
Medical Aid Contributions		216	253	219	15	477	477	403	425	448
Motor Vehicle Allowance		1 809	2 128	2 203	2 213	2 335	2 335	2 255	2 255	2 255
Cellphone Allowance		417	465	440	487	799	799	799	799	799
Housing Allowances		96	91	45	90	0	0	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		8 441	9 625	9 252	9 340	10 157	10 157	10 549	10 961	11 396
% increase	4		14.0%	(3.9%)	0.9%	8.8%	-	3.9%	3.9%	4.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 210	3 701	3 611	3 611	3 250	3 250	3 516	3 516	3 516
Pension and UIF Contributions		168	-	7	5	-	-	119	119	119
Medical Aid Contributions		97	41	-	54	36	36	101	101	101
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		540	541	630	636	436	436	638	646	675
Motor Vehicle Allowance		770	804	818	818	807	807	770	770	770
Cellphone Allowance	3	61	61	61	56	61	61	47	47	47
Housing Allowances	3	72	-	-	-	-	-	60	60	60
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 919	5 149	5 127	5 181	4 591	4 591	5 251	5 259	5 288
% increase	4		4.7%	(0.4%)	1.1%	(11.4%)	-	14.4%	0.1%	0.5%
Other Municipal Staff										
Basic Salaries and Wages		29 141	30 449	34 072	33 941	33 957	33 957	39 493	45 816	48 948
Pension and UIF Contributions		3 597	3 266	5 433	5 809	5 948	5 948	6 175	7 230	7 651
Medical Aid Contributions		3 434	3 304	3 211	3 216	3 826	3 826	3 889	4 161	4 410
Overtime		137	238	-	-	291	291	507	535	564
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	3 823	4 085	4 709	4 512	5 030	5 030	4 897	5 111	5 111
Cellphone Allowance	3	368	329	347	390	402	402	392	421	421
Housing Allowances	3	191	196	267	260	282	282	230	230	230
Other benefits and allowances	3	7	158	10	2 840	3 097	3 097	1 386	1 399	1 476
Payments in lieu of leave		1 048	452	-	-	491	491	1 648	1 738	1 833
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		41 748	42 478	48 049	50 968	53 324	53 324	58 618	66 641	70 644
% increase	4		1.7%	13.1%	6.1%	4.6%	-	9.9%	13.7%	6.0%
Total Parent Municipality		55 108	57 252	62 427	65 488	68 072	68 072	74 418	82 861	87 328
% increase			3.9%	9.0%	4.9%	3.9%	-	9.3%	11.3%	5.4%
Board Members of Entities										
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		55 108	57 252	62 427	65 488	68 072	68 072	74 418	82 861	87 328
% increase	4		3.9%	9.0%	4.9%	3.9%	-	9.3%	11.3%	5.4%
TOTAL MANAGERS AND STAFF	5,7	46 667	47 627	53 175	56 148	57 915	57 915	63 869	71 900	75 932

Table 26 – SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		444 651	78 468	209 682			732 801
Chief Whip			458 024	32 401	199 353			689 778
Executive Mayor			630 479	23 421	251 004			904 904
Deputy Executive Mayor								-
Executive Committee								-
Total for all other councillors			5 104 206	2 964 916	152 280			8 221 402
Total Councillors	8	-	6 637 360	3 099 206	812 319			10 548 884
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 066 704	-	268 668	179 167		1 514 539
Chief Finance Officer			664 493	220 346	207 797	152 969		1 245 605
Corporate Service Director			892 636	-	200 000	152 969		1 245 605
Community Service Director			892 636	-	200 000	152 969		1 245 605
								-
								-
Total Senior Managers of the Municipality	8,10	-	3 516 469	220 346	876 465	638 074		5 251 354
A Heading for Each Entity	6,7							
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	10 153 829	3 319 552	1 688 784	638 074		15 800 238

2.8.5 Monthly targets for revenue, expenditure and cash flow

Table 27 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type

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
Revenue By Source																
Rental of facilities and equipment		94	94	94	94	94	94	94	94	94	94	94	94	1 130	1 443	1 520
Interest earned - external investments														-	-	-
Interest earned - outstanding debtors														-	-	-
Agency services														-	-	-
Transfers and subsidies		43 463	4 315	-	-	3 000	34 969	-	3 784	30 677	-	-	274	120 482	126 615	133 134
Other revenue		-	10	-	10	-	-	-	-	-	-	4 670	-	4 690	4 942	5 211
Gains on disposal of PPE														-	-	-
Total Revenue (excluding capital transfers and contributions)		43 557	4 419	94	104	3 094	35 063	94	3 878	30 771	94	4 764	369	126 302	133 000	139 865
Expenditure By Type																
Employee related costs		5 679	4 679	4 679	5 679	5 679	5 679	4 679	6 679	5 779	5 679	4 679	4 300	63 869	71 900	75 932
Remuneration of councillors		878	778	778	778	778	678	978	878	878	878	878	1 388	10 549	10 961	11 396
Debt impairment													-	-	-	-
Depreciation & asset impairment													4 670	4 670	4 922	5 192
Finance charges		8	8	8	9	8	7	6	7	7	7	7	6	86	90	95
Bulk purchases													-	-	-	-
Other materials		215	215	215	215	-	215	15	215	215	215	215	(678)	1 270	1 338	1 412
Contracted services													-	-	-	-
Transfers and subsidies													-	-	-	-
Other expenditure		4 805	4 907	3 348	3 907	3 907	2 864	1 750	4 450	3 907	4 907	3 907	(3 165)	39 495	40 210	40 491
Loss on disposal of PPE													-	-	-	-
Total Expenditure		11 585	10 587	9 028	10 588	10 372	9 443	7 428	12 229	10 786	11 686	9 686	6 520	119 939	129 422	134 519
Surplus/(Deficit)		31 972	(6 168)	(8 934)	(10 484)	(7 278)	25 620	(7 334)	(8 351)	19 985	(11 592)	(4 922)	(6 151)	6 363	3 578	5 346
Surplus/(Deficit) after capital transfers & contributions		31 972	(6 168)	(8 934)	(10 484)	(7 278)	25 620	(7 334)	(8 351)	19 985	(11 592)	(4 922)	(6 151)	6 363	3 578	5 346
Taxation													-	-	-	-
Surplus/(Deficit)	1	31 972	(6 168)	(8 934)	(10 484)	(7 278)	25 620	(7 334)	(8 351)	19 985	(11 592)	(4 922)	(6 151)	6 363	3 578	5 346

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Table 28 - SA26: Budgeted monthly revenue and expenditure by 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
Revenue by Vote																
Vote 1 - Executive and Council		4 514	3 514	2 514	2 514	4 514	3 514	2 514	3 514	5 514	2 514	1 514	3 575	40 228	42 487	44 645
Vote 2 - Finance and Administration		4 157	2 157	3 157	2 157	3 157	4 157	3 157	3 157	3 157	3 157	4 157	1 322	37 050	41 602	43 548
Vote 3 - Planning and Development		2 992	1 992	1 092	1 992	1 992	992	1 292	1 992	2 092	1 192	1 992	3 517	23 124	22 447	23 242
Vote 4 - Community and Development		1 798	1 798	1 798	1 798	1 798	1 798	1 798	1 798	1 798	1 798	1 798	558	20 336	23 715	23 726
Total Revenue by Vote		13 461	9 461	8 561	8 461	11 461	10 461	8 761	10 461	12 561	8 661	9 461	8 972	120 739	130 251	135 161
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		4 514	3 514	2 514	2 514	4 514	3 514	2 514	3 514	5 514	2 514	1 514	3 500	40 153	42 487	44 561
Vote 2 - Finance and Administration		4 157	2 157	3 157	2 157	3 157	4 157	3 157	3 157	3 157	3 157	4 157	672	36 400	41 602	43 073
Vote 3 - Planning and Development		2 992	1 992	1 092	1 992	1 992	992	1 292	1 992	2 092	1 192	1 992	3 517	23 124	22 447	23 242
Vote 4 - Community and Development		1 798	1 798	1 798	1 798	1 798	1 798	1 798	1 798	1 798	1 798	1 798	483	20 261	22 886	23 643
Total Expenditure by Vote		13 461	9 461	8 561	8 461	11 461	10 461	8 761	10 461	12 561	8 661	9 461	8 172	119 939	129 422	134 519
Surplus/(Deficit) before assoc.		-	-	-	-	-	-	-	-	-	-	-	800	800	829	642
Taxation													-	-	-	-
Surplus/(Deficit)	1	-	-	-	-	-	-	-	-	-	-	-	800	800	829	642

Thabo Mofutsanyana District Municipality – MTREF Budget 2018/2019

Table 29 – SA27: Budgeted monthly revenue and expenditure by standard 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	
Revenue - Functional																	
Governance and administration		5 671	6 683	6 780	5 651	5 701	4 351	5 531	7 661	4 971	5 683	6 671	11 923	77 278	87 843	87 949	
Executive and council		2 759	2 759	2 759	2 759	1 759	1 559	1 659	2 759	1 959	2 859	2 759	4 819	31 165	35 692	34 270	
Finance and administration		2 724	3 724	3 824	2 724	3 724	2 624	3 724	4 724	2 824	2 724	3 724	6 789	43 851	49 756	51 142	
Internal audit		189	201	198	169	219	169	149	179	189	101	189	316	2 263	2 396	2 537	
Community and public safety		974	1 174	974	1 004	1 174	944	904	994	994	974	814	11 456	22 383	22 078	26 202	
Community and social services		859	959	759	829	959	859	829	869	759	859	759	(801)	8 493	7 361	10 608	
Sport and recreation		116	216	216	176	216	86	76	126	236	116	56	(244)	1 389	1 468	1 553	
Public safety																	
Housing																	
Health													12 501	12 501	13 249	14 041	
Economic and environmental services		1 573	3 373	1 303	1 573	1 773	2 073	1 122	1 773	664	1 773	1 773	2 299	21 077	20 330	21 009	
Planning and development		422	222	52	522	422	622	522	522	522	522	522	974	5 846	6 159	6 492	
Road transport		1 151	3 151	1 251	1 051	1 351	1 451	600	1 251	142	1 251	1 251	1 326	15 231	14 171	14 518	
Environmental protection																	
Total Revenue - Functional		8 219	11 231	9 058	8 229	8 649	7 369	7 558	10 429	6 630	8 431	9 259	25 678	120 739	130 251	135 161	
Expenditure - Functional																	
Governance and administration		5 671	6 683	6 780	5 651	5 701	4 351	5 531	7 661	4 971	5 683	6 671	11 198	76 553	87 093	87 391	
Executive and council		2 759	2 759	2 759	2 759	1 759	1 559	1 659	2 759	1 959	2 859	2 759	4 744	31 090	35 613	34 187	
Finance and administration		2 724	3 724	3 824	2 724	3 724	2 624	3 724	4 724	2 824	2 724	3 724	6 139	43 201	49 085	50 667	
Internal audit		189	201	198	169	219	169	149	179	189	101	189	316	2 263	2 396	2 537	
Community and public safety		974	1 174	974	1 004	1 174	944	904	994	994	974	814	11 381	22 308	21 999	26 119	
Community and social services		859	959	759	829	959	859	829	869	759	859	759	(876)	8 418	7 282	10 525	
Sport and recreation		116	216	216	176	216	86	76	126	236	116	56	(244)	1 389	1 468	1 553	
Public safety																	
Housing																	
Health													12 501	12 501	13 249	14 041	
Economic and environmental services		1 573	3 373	1 303	1 573	1 773	2 073	1 122	1 773	664	1 773	1 773	2 299	21 077	20 330	21 009	
Planning and development		422	222	52	522	422	622	522	522	522	522	522	974	5 846	6 159	6 492	
Road transport		1 151	3 151	1 251	1 051	1 351	1 451	600	1 251	142	1 251	1 251	1 326	15 231	14 171	14 518	
Environmental protection																	
Other																	
Total Expenditure - Functional		8 219	11 231	9 058	8 229	8 649	7 369	7 558	10 429	6 630	8 431	9 259	24 678	119 939	129 422	134 519	
Surplus/(Deficit) before assoc.		-	-	-	-	-	-	-	-	-	-	-	800	800	829	642	
Share of surplus/ (deficit) of associate																	
Surplus/(Deficit)	1	-	-	-	-	-	-	-	-	-	-	-	800	800	829	642	

Table 30 – 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
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		50						25						75	79	83
Vote 2 - Finance and Administration		200				50		50		50			300	650	671	475
Vote 3 - Planning and Development																
Vote 4 - Community and Development		25				25		25						75	79	83
Capital single-year expenditure sub-total	2	275	-	-	-	75	-	100	-	50	-	-	300	800	829	642
Total Capital Expenditure	2	275	-	-	-	75	-	100	-	50	-	-	300	800	829	642

Table 31 – SA29: Budgeted monthly capital expenditure (standard classification)

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
Capital Expenditure - Functional	1															
Governance and administration		225	-	-	-	50	-	50	-	50	-	-	350	725	750	558
Executive and council		25	-	-	-	-	-	-	-	-	-	-	-	25	-	83
Finance and administration		200	-	-	-	50	-	50	-	50	-	-	300	650	750	475
Internal audit		-	-	-	-	-	-	-	-	-	-	-	50	50	-	-
Community and public safety		25	-	-	-	25	-	25	-	-	-	-	-	75	79	83
Health		25	-	-	-	25	-	25	-	-	-	-	-	75	79	83
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	250	-	-	-	75	-	75	-	50	-	-	350	800	829	642
Funded by:																
National Government		275				75		100		50			300	800	829	642
Provincial Government																
District Municipality																
Other transfers and grants																
Transfers recognised - capital		275	-	-	-	75	-	100	-	50	-	-	300	800	829	642
Public contributions & donations																
Borrowing																
Internally generated funds																
Total Capital Funding		275	-	-	-	75	-	100	-	50	-	-	300	800	829	642

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Table 32 – SA30: Budgeted monthly cash

MONTHLY CASH FLOWS	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
R thousand															
Cash Receipts By Source															
Interest earned - external investments	94	94	94	94	94	94	94	94	94	94	94	94	1	1 130	1 520
Interest earned - outstanding debtors															
Dividends received															
Fines, penalties and forfeits															
Licences and permits															
Agency services															
Transfer receipts - operational	43 463	4 315	-	-	3 000	34 969	-	3 784	30 677	-	-	274	120 482	126 615	133 134
Other revenue	-	10	-	10	-	-	-	-	-	-	-	4 670	4 690	4 942	5 211
Cash Receipts by Source	43 557	4 419	94	104	3 094	35 063	94	3 878	30 771	94	94	5 038	126 302	133 000	139 865
Total Cash Receipts by Source	43 557	4 419	94	104	3 094	35 063	94	3 878	30 771	94	94	5 038	126 302	133 000	139 865
Cash Payments by Type															
Employee related costs	5 679	4 679	4 679	5 679	5 679	5 679	4 679	6 679	5 779	5 679	4 679	4 300	63 869	71 900	75 932
Remuneration of councillors	878	628	878	778	678	728	978	878	1 178	1 078	878	988	10 549	10 961	11 396
Finance charges	8	8	8	9	8	7	6	7	7	7	7	6	86	90	95
Bulk purchases - Electricity															
Bulk purchases - Water & Sewer															
Other materials	100	92	61	-	-	123	78	215	114	158	215	114	1 270	1 338	1 412
Contracted services															
Transfers and grants - other municipalities															
Transfers and grants - other															
Other expenditure	1 805	2 190	2 348	3 907	3 907	2 864	3 210	4 450	3 907	4 900	3 010	2 996	39 495	40 210	40 491
Cash Payments by Type	8 470	7 597	7 975	10 373	10 272	9 401	8 951	12 229	10 985	11 822	8 789	8 403	115 269	124 500	129 327
Other Cash Flows/Payments by Type															
Capital assets	575	-	-	-	75	-	100	-	50	-	-	-	800	829	642
Repayment of borrowing															
Other Cash Flows/Payments															
Total Cash Payments by Type	9 045	7 597	7 975	10 373	10 347	9 401	9 051	12 229	11 035	11 822	8 789	8 403	116 069	125 329	129 969
NET INCREASE/(DECREASE) IN CASH HELD	34 512	(3 178)	(7 880)	(10 269)	(7 253)	25 662	(8 957)	(8 351)	19 736	(11 728)	(8 695)	(3 365)	10 233	7 671	9 897
Cash/cash equivalents at the month/year begin:		34 512	31 334	23 453	13 184	5 931	31 593	22 636	14 285	34 021	22 293	13 598	-	10 233	17 903
Cash/cash equivalents at the month/year end:	34 512	31 334	23 453	13 184	5 931	31 593	22 636	14 285	34 021	22 293	13 598	10 233	10 233	17 903	27 800

2.8.6 External mechanisms

Table 33 – SA32: List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand

2.8.7 Contracts having future budgetary implications

The municipality does not have any contracts that are beyond three years and defined in terms of section 33 of the MFMA.

2.8.8 Capital expenditure details

The following three tables present details of the Municipality’s capital expenditure programme

Table 34 – SA34a: Capital Expenditure on new assets 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
Capital expenditure on new assets by Asset Class/Sub-class										
Other assets		-	-	741	-	-	-	-	-	-
Operational Buildings		-	-	741	-	-	-	-	-	-
Municipal Offices				741						
Intangible Assets		2 334	-	2 222	-	-	-	-	-	-
Servitudes										
Licences and Rights		2 334	-	2 222	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		2 334		2 222						
Load Settlement Software Applications										
Unspecified										
Computer Equipment		282	-	-	-	-	-	-	-	-
Computer Equipment		282								
Furniture and Office Equipment		950	162	2 441	467	467	467	800	829	642
Furniture and Office Equipment		950	162	2 441	467	467	467	800	829	642
Machinery and Equipment		5 321	1 400	27	-	-	-	-	-	-
Machinery and Equipment		5 321	1 400	27						
Transport Assets		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	8 887	1 562	5 430	467	467	467	800	829	642

Table 35 – SA34b: Capital Expenditure – renewal of assets 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
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Capital Spares										
Housing		-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets										
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing	1	-	-	-	-	-	-	-	-	-

Table 36 – SA34c: Repairs and maintenance expenditure 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
Repairs and maintenance expenditure by Asset Class/Sub-class	1									
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Community Assets		-	-	-	600	-	-	-	-	-
Community Facilities		-	-	-	600	-	-	-	-	-
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations					600	-	-	-	-	-
Unimproved Property										
Other assets		222	150	453	519	919	919	250	264	278
Operational Buildings		222	150	453	519	919	919	250	264	278
Municipal Offices		222	150	453	519	919	919	250	264	278
Pay/Enquiry Points										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		1 193	350	1 805	1 158	1 118	1 118	809	853	900
Furniture and Office Equipment		1 193	350	1 805	1 158	1 118	1 118	809	853	900
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets		280	200	-	300	150	150	211	222	234
Transport Assets		280	200	-	300	150	150	211	222	234
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	1 695	700	2 258	2 577	2 187	2 187	1 270	1 338	1 412

Table 37 – SA34d: Depreciation by asset class

DC19 Thabo Mofutsanyana - Supporting 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
Depreciation by Asset Class/Sub-class										
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices										
Pay/Enquiry Points										
Intangible Assets		-	-	1 167	-	-	-	1 041	1 098	1 158
Servitudes										
Licences and Rights		-	-	1 167	-	-	-	1 041	1 098	1 158
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications			-	1 167	-	-	-	1 041	1 098	1 158
Load Settlement Software Applications										
Unspecified										
Computer Equipment		-	13	-	1	1	1	4	4	4
Computer Equipment			13	-	1	1	1	4	4	4
Furniture and Office Equipment		-	1 915	3 236	1 990	1 990	1 990	2 472	2 606	2 749
Furniture and Office Equipment			1 915	3 236	1 990	1 990	1 990	2 472	2 606	2 749
Machinery and Equipment		-	691	-	689	689	689	687	725	764
Machinery and Equipment			691	-	689	689	689	687	725	764
Transport Assets		-	497	-	465	465	465	465	490	517
Transport Assets			497	-	465	465	465	465	490	517
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	-	3 117	4 402	3 146	3 146	3 146	4 670	4 922	5 192

2.8.9 Detailed capital budget per municipal vote

Table 38 – SA36: Detailed capital budget per municipal vote

Municipal Vote/Capital project R thousand	Ref	Program/Project description	Project number	IDP Goal code	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	Ward location	New or renewal
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Parent Capital expenditure																
1																
Entities:																
<i>List all capital projects grouped by Entity</i>																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure																
-																
Total Capital expenditure																
-																

2.8.10 Supporting detail to A4 (Budgeted Financial Performance) and A6 (Budgeted Financial Position)

Table 39 – SA1: Supporting detail to Statement of 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	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		92 297	102 591	102 401	113 701	113 701	113 701	120 208	126 615	133 134
Local Government Equitable Share		86 946	96 978	97 724	101 909	101 909	101 909	107 303	114 283	120 222
Finance Management		1 250	1 250	1 250	1 250	1 250	1 250	1 320	1 785	2 217
Municipal Systems Improvement		934	930	-	-	-	-	-	-	-
EPWP Incentive		1 282	1 208	1 120	2 142	2 142	2 142	1 180	-	-
Energy Efficiency and Demand Management					6 000	6 000	6 000	8 000	8 000	8 000
Rural Roads and asset management		1 885	2 225	2 307	2 400	2 400	2 400	2 405	2 547	2 695
Provincial Government:		-	-	-	-	513	513	274	-	-
Transport Education Training Authority						513	513	274	-	-
Construction Education and Training Authority						-	-	-	-	-
Rural Roads and asset management						-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		3 942	1 758	747	-	-	-	-	-	-
Teta Grant			747	747						
Services Sita Grant		3 942	1 011	-						
Total Operating Transfers and Grants	5	96 239	104 349	103 148	113 701	114 214	114 214	120 482	126 615	133 134
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert desc]</i>										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
Teta Grant										
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		96 239	104 349	103 148	113 701	114 214	114 214	120 482	126 615	133 134

Thabo Mofutsanyana District Municipality – MTREF Budget 2018/2019

Table 40 – SA3: Supporting detail to Statement of 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											
ASSETS											
Call investment deposits											
Call deposits											
Other current investments				673	125	125	125	280	126	150	
Total Call investment deposits	2	-	-	-	673	125	125	125	280	126	150
Consumer debtors											
Consumer debtors											
Less: Provision for debt impairment											
Total Consumer debtors	2	-	-	-	-	-	-	-	-	-	-
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (ex cl. finance leases)		10 990	9 469	9 670	7 438	7 467	7 467	7 467	4 649	5 579	6 695
Leases recognised as PPE					1 892	1 892	1 892	1 892	851	450	900
Less: Accumulated depreciation					1 549	1 549	1 549	1 549	1 505	1 586	1 674
Total Property, plant and equipment (PPE)	2	10 990	9 469	9 670	7 781	7 810	7 810	7 810	3 995	4 443	5 921
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		1 064	1 168	387	813	813	813	813	723	813	923
Total Current liabilities - Borrowing		1 064	1 168	387	813	813	813	813	723	813	923
Trade and other payables											
Trade and other creditors		33 125	9 631	16 011	3 589	3 089	3 089	3 089	5 563	2 749	4 704
Unspent conditional transfers											
VAT											
Total Trade and other payables	2	33 125	9 631	16 011	3 589	3 089	3 089	3 089	5 563	2 749	4 704
Non current liabilities - Borrowing											
Borrowing											
Finance leases (including PPP asset element)		1 554	387	-	134	259	259	259	259	305	305
Total Non current liabilities - Borrowing	4	1 554	387	-	134	259	259	259	259	305	305
Provisions - non-current											
Retirement benefits											
List other major provision items									8 920	9 277	9 648
Refuse landfill site rehabilitation											
Other		2 206	8 608	-		8 605	8 605	8 605	1 648	1 738	1 833
Total Provisions - non-current		2 206	8 608	-	-	8 605	8 605	8 605	10 568	11 014	11 481
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		9 968	986	(12 752)	(5 141)	(5 141)	(5 141)	(5 141)	(7 421)	(1 358)	2 220
GRAP adjustments											
Restated balance		9 968	986	(12 752)	(5 141)	(5 141)	(5 141)	(5 141)	(7 421)	(1 358)	2 220
Surplus/(Deficit)		(22 692)	(14 946)	(2 984)	242	212	212	212	6 363	3 578	5 346
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	(12 724)	(13 960)	(15 736)	(4 900)	(4 929)	(4 929)	(4 929)	(1 058)	2 220	7 566
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(12 724)	(13 960)	(15 736)	(4 900)	(4 929)	(4 929)	(4 929)	(1 058)	2 220	7 566

Total capital expenditure includes expenditure on nationally significant priorities:

2.9 Municipal Manager's Quality Certificate

I, T.P.M. Lebenya, the Municipal Manager of Thabo Mofutsanyana District Municipality hereby certify that the annual budget and supporting documentation for the 2018/2019 financial year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan.

Print Name: _____

Municipal Manager of: Thabo Mofutsanyana District Municipality (DC19)

Signature: _____

Date: _____

