

AMAJUBA DISTRICT MUNICIPALITY



FINAL BUDGET 2018/19 TO 2020/21 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Copies of this document can be viewed:

- In the foyers of all municipal buildings
- All public libraries within the municipality
 - At www.amajuba.gov.za

TABLE OF CONTENTS

Part 1 – Annual Budget	PAGE NO
1.1 Mayor's Report	6
1.2 Council Resolutions	21
1.3 Executive Summary	22
1.4 Operating Revenue Framework	23
1.5 Operating Expenditure Framework	25
1.6 Capital expenditure	30
1.7 Annual Budget Tables	34
1.8 Municipal Managers Quality Certificate	112
Part 2– Annual Budget Tables	
Consolidated Overview of the 2018/19 MTREF	37
Summary of revenue classified by main revenue source	38
Percentage growth in revenue by main revenue source	39
Operating Transfers and Grant Receipts	40
Comparison of proposed rates to levied for the 2018/19 financial year	40
Proposed Water Tariffs	19
Comparison between current water charges and increases (Domestic)	22
Comparison between current sanitation charges and increases	22
Comparison between current sanitation charges and increases, single dwelling- houses	22
MBRR Table SA14 – Household bills	89
2018/19 Medium-term capital budget per vote	
MBRR Table A1 - Budget Summary	34
MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)	45
MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	46
Surplus/(Deficit) calculations for the trading services	47
MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)	48
MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source	49
MBRR Table A6 - Budgeted Financial Position	50
MBRR Table A7 - Budgeted Cash Flow Statement	51
MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	52
MBRR Table A9 - Asset Management	53
MBRR Table A10 - Basic Service Delivery Measurement	54
IDP Strategic Objectives	85
MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	86
MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure	87
MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure	88
MBRR Table SA7 - Measurable performance objectives	89

MBRR Table SA8 - Performance indicators and benchmarks	90
MBRR SA15 – Detail Investment Information	91
MBRR SA16 – Investment particulars by maturity	92
Sources of capital revenue over the MTREF	93
MBRR Table SA 18 - Capital transfers and grant receipts	94
MBRR SA10 – Funding compliance measurement	95
MBRR SA19 - Expenditure on transfers and grant programmes	96
MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds	97
MBRR SA22 - Summary of councillor and staff benefits	98
MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	99
MBRR SA24 – Summary of personnel numbers	100
MBRR SA25 - Budgeted monthly revenue and expenditure	101
MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)	102
MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)	103
MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)	104
MBRR SA29 - Budgeted monthly capital expenditure (standard classification)	105
MBRR SA30 - Budgeted monthly cash flow	106
MBRR SA 34a - Capital expenditure on new assets by asset class	107
MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class	108
MBRR SA34c - Repairs and maintenance expenditure by asset class	109
MBRR SA35 - Future financial implications of the capital budget	110
MBRR SA36 - Detailed capital budget per municipal vote	111

Abbreviations and Acronyms

AMR	Automated Meter Reading	LED	Local Economic Development
ASGISA	Accelerated and Shared Growth Initiative	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act
CBD	Central Business District		Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

Part 1 – Annual Budget

Introduction

Firstly, I wish to thank the Accounting Officer and his exceptional officials worked tirelessly to ensure that the Budget is prepared for Council to consider. With this being my maiden Budget presentation, I am honored to have such a capable team who ensured that, in spite of the fact that the majority of our Councilors are fairly new in local government, a credible budget is put together as required by legislation.

Political Guidance and Support (MFMA)

As Mayor, the MFMA (2003) requires that I provide general political guidance and support in the development of the budget. It is therefore important that, in keeping with the legislation, I present the context within which this Annual Budget is presented. This is against the background that the budget is one of the policy instruments and mechanisms by which the municipality could achieve its intended strategic objectives as enshrined in the Integrated Development Plan.

Economic Conditions

I wish to reflect on the conditions and context wherein the 2018/2019 Annual Budget is presented; i.e.:

The global and national economic financial climate which continues to have a negative and devastating effect on the financial status of our municipality and the country in general;
The effects of the historical factors emanating from the way the municipality dealt with and regarded the budgetary and financial management;
The effect of the digression from the core business of the municipality thereby expending the limited budget allocations on non-essential services;
The discrepancy in the allocations for service delivery from staff related costs; and
The causal effect of the above situation being the inability to settle invoices for services thereby exposing the municipality to litigations.

These and other salient features affecting our budget and service delivery in general should be dealt with and resolved in a very short space of time. We need to improve on the implementation of the Financial Recovery Plan and the Cost Curtailment measures as approved by Council. We need to drastically improve our revenue through measures such as the collection on water provision. Councilors and officials have come up with means to collect the money we spend on water provision.

Core mandate and revenue enhancement

The municipality will continue to provide safe and clean basic service to the community. Equally, the community should pull their weight and pay for the services they receive from the municipality. Payment for services is one guarantee that the service provided will be

sustainable. The municipality will ensure a minimal increase in the water related tariff; and that this will not be above the 6% CPI for the 2018/2019 Financial Year.

Strategic direction

It is also important that, on behalf of the leadership collective of Amajuba District Municipality, I articulate and reflect on the critical goals that this budget should seek to achieve in the 2018/2019 Financial Year. This will shed light to both our internal and stakeholders on the developmental trajectory that we are pursuing with and on their behalf.

It be noted that the budget belongs to the people of Amajuba District Municipality. Therefore, it is important for those of us who are charged with the responsibility to lead and champion the cause of development to always share with the community the manner in which their resources are managed.

Radical socio-economic change

Through the 2018/2019 Integrated Development Plan, the municipality has adopted a radically and aggressive approach to the socio-economic development of its people. Key to our approach is to focus our energy, resources and strength to the core business of the municipality; i.e. the provision of water and sanitation. This will not lead to the neglect of our important services which are part of the legislated functions of a district municipality. In conjunction with the national and provincial sector departments, the municipality has prioritized the development of young people, women and the disabled people.

Financial Recovery

Council establishment of a Budget Steering Committee (BSC) will go a long way in ensuring that the object and intentions of the Financial Recovery Plan are achieved and reported on. The pre-requisites for the realization of our plan to deal with the financial challenges facing the municipality is a commitment and dedication of both the political leadership and the administration to the course of change.

IDP/Budget alignment

We have ensured that each IDP Strategic Objective, Strategies and Indicators are directly linked with the Budget. This will ensure a seamless implementation of the developmental service delivery priorities as enshrined in the Council IDP. We have also moved and are continuing to move towards the compliance of the municipality IDP and Budget with the Municipal Standard Charts of Accounts (MSCOA); even though the municipality started very late with the process. The hands-on support of the KZN Provincial Treasury is much appreciated.

Budget in brief

We therefore wish to reflect briefly on the 2018/2019 Budget:

Total Budget	: R 317 139 202
Projected Operating Revenue	: R 189 933 202
Projected Operating Expenditure	: R 223 459 751
Capital Allocation	: R 127 206 000
Operations Allocation	: R350 665 751
Surplus/(Deficit)	: (R33 526 550)

Integrated Development Plan

The Integrated Development Planning is a process through which a Municipality, its constituencies, various service providers, interested and affected parties come together to identify development needs, outline clear objectives and strategies which serve to guide the allocation and management of resources within the Municipal's jurisdictional area. From this planning process emanates the Municipal Integrated Development Plan (IDP), whose main objective is the improvement of coordination and integration of planning, budgeting and development within a Municipal area. As a five (5) Year budgeting, decision-making, strategic planning and development tool, the IDP is used by the Municipality to fulfil its role of 'developmental local governance'. Central to this are the overarching objectives and strategies encapsulated in the plan, which guides the Municipality in the realm of:

Municipal Budgeting;

Institutional restructuring in order to realize the strategic intent of the plan;
Integrating various Sectors in the form of Infrastructure, Land Use, Agriculture with Socio-economic and Ecological dimensions; and
Performance Management System

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act, Act 32 of 2000 (MSA) also requires that:
the IDP be implemented;
the Municipality monitors the implementation of the IDP;
the Municipality evaluates its performance with regard to the IDP's implementation; and
the IDP be reviewed annually to effect improvements where necessary.

A common perception of IDP's are that they are "wish-lists" that are not linked to budgets, dependant on sector departments and are unrealistic due to them not being linked to the powers and functions allocated to the respective municipalities. These negative perceptions have resulted in the credibility of IDP's is questioned. In understanding what is a "credible" IDP one needs to look at what credible actually means with the word "credible" being derived from the Greek word for "credulous" which means "realistic". In other words, a "credible" IDP should be one that is "do-able" and implementable.

The IDP seeks to have the following impacts namely:

- Integrated and sustainable human settlement;

- Stimulating the growth of a robust local economy;
- Social cohesion and inclusion leading to nation building;
- Environmental sustainability; and
- Strengthening inter-governmental relations.

Operating and Capital Budget

The draft budget is prepared and presented to Council in line with the MFMA requirements. The MFMA requires that the Mayor must table the draft budget 90 days before the start of the financial year. After the draft budget has been tabled in Council, the Mayor must conduct a public participation process where by the public is afforded the opportunity to comment on the budget and make any recommendations to be considered during the budget process.

The draft budget as tabled, confirms the heavy dependence of Amajuba DM on grant funding to fund service delivery.

What is a budget?

A budget is a spending plan that indicates how available funds will be used to cater for community needs. It is also a financial planning tool used to project future income and expenditure which the municipality is expected to engage in.

Why do we need a Budget?

To provide a forecast of revenues and expenditure;

To enable the actual financial operations of the municipality to be measured against the forecast; and

To promote access to information by informing the residents how the municipality will utilize the resources available;

Budget Highlights

In view of the, the following table is a consolidated overview of the proposed 2018/19 Draft Medium-Term Revenue and Expenditure Framework

Table 1 and Table 2 and Table 3 provides executive summary on both revenue budget and expenditure budget.

TABLE :1

DESCRIPTION	CURRENT YEAR			MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2017/2018	2017/2018	2017/2018	2018/2019	2019/2020	2020/2021
	Original Budget	ADJ Budget Year	YTD ACTUAL	Budget Year +1	Budget Year +2	Budget Year +3
TOTAL CAPITAL AND OPERATING REVENUE BUDGET						
OPERATING REVENUE	181 004 585	179 971 294	175 263 840	189 933 202	202 696 944	218 608 396
CAPITAL REVENUE -TRANSFERS AND SUBSIDIES	119 917 000	124 917 000	47 997 448	127 206 000	131 404 000	138 574 000
TOTAL	300 921 585	304 888 294	223 261 288	317 139 202	334 100 944	357 182 396

TABLE :2

DESCRIPTION	CURRENT YEAR			MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2017/2018	2017/2018	2017/2018	2018/2019	2019/2020	2020/2021
	Original Budget	ADJ Budget Year	YTD ACTUAL	Budget Year +1	Budget Year +2	Budget Year +3
TOTAL EXPENDITURE BUDGET						
OPERATING EXPENDITURE BUDGET	181 004 585	179 971 294	175 263 840	223 459 751	234 242 033	246 233 738
CAPITAL EXPENDITURE	119 917 000	124 917 000	47 997 448	126 858 000	131 374 000	138 524 000
CAPITAL EXPENDITURE OWN REVENUE	150 000	348 070	95 497	348 000	30 000	50 000
TOTAL	301 071 585	305 236 364	223 356 784	350 665 751	365 646 033	384 807 738

TABLE :3

DESCRIPTION	CURRENT YEAR			MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2017/2018	2017/2018	2017/2018	2018/2019	2019/2020	2020/2021
	Original Budget	ADJ Budget Year	YTD ACTUAL	Budget Year +1	Budget Year +2	Budget Year +3
OPERATING REVENUE AND EXPENDITURE BUDGET						
OPERATING REVENUE	181 004 585	179 971 294	175 263 840	189 933 202	202 696 944	218 608 396
OPERATING EXPENDITURE	209 643 081	218 318 175	90 802 714	223 459 751	234 242 033	246 233 738
Surplus/(Deficit)	(28 638 496)	(38 346 881)	84 461 125	(33 526 550)	(31 545 089)	(27 625 341)

Table 1

The total revenue budget including operating and capital transfers amount to **R317 139 202 2018/19**, for **R334 100 944 2019/20** and for **R 357 182 396 2020/21**. The total revenue budget has increased by **R16 217 617** from the 2017/18 Approved budget and increased by **R12 250 908** from the 2017/18 Adjustment budget.

Table 2

The total Expenditure budget amounts to **R350 665 751** for the 2018/19 budget year and **R365 646 033** for the 2019/20 and **R384 807 738** for the 2020/21 budget years. The total expenditure budget has increased by **R49 594 166** from the 2017/18 approved budget and **R45 429 387** from adjustment budget of 2017/2018.

Table 3

The total Operating income budget amounts to **R 189 933 202** for the 2018/19FY budget year and **R202 696 944** for the 2019/20 and **R218 608 396** for the 2020/21 budget years.

The total Operating Expenditure budget amounts to **R 223 459 751** for the 2018/19FY budget year and **R234 242 033** for the 2019/20FY and **R246 233 738** for 2020/201FY .

The Municipality has incurred an Operating deficit which amounts to R R(**33 526 550**) for the **2018/2019FY** budget year and R(**31 545 089**) for the **2019/2020FY** and R (**27 625 341**) for the **2020/2021FY** budget years. Due to the financial constraints of the Municipality the budget for the **2018/2019** financial year remains in a deficit.

Tabling of funded budgets

The importance of tabling funded budgets is highlighted in MFMA Circular No. 74. This is one of the game changers in local government to ensure financial sustainability. As an initiative to support municipalities in this regard, the National and Provincial treasuries are assessing tabled budgets and assisting municipalities in effecting the required changes to ensure that they adopt funded budgets. However, some municipalities have challenges in correcting the budgets to ensure that they are funded in one financial year due to financial challenges. As a result, such municipalities must, together with their **2018/19 MTREF** budget, table a plan in a municipal council on how and by when the budget will improve from an unfunded to a funded position. The National and Provincial treasuries will assess the budget together with the plans and support the municipality accordingly.

Operational Budget

The operational revenue budget has been estimated at **R189 933 202** with the Operating expenditure budget at **R 223 459 751**

For the Amajuba District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times, strong revenue management is fundamental to the financial sustainability of every municipality. The

reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

Table 4: Consolidated Overview of the 2018/19 MTREF-Operating Revenue Budget

DESCRIPTION	CURRENT YEAR			MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2017/2018	2017/2018	2017/2018	2018/2019	2019/2020	2020/2021
	Original Budget	ADJ Budget Year	YTD ACTUAL	Budget Year +1	Budget Year +2	Budget Year +3
REVENUE PER SOURCE						
Water Sales	23 400 000	21 910 614	15 842 641	23 225 251	24 479 414	25 825 782
Sanitation Sales	4 100 000	4 943 808	3 637 058	5 240 436	5 523 420	5 827 208
Interest on Overdue Account	3 700 000	3 852 504	3 002 994	4 083 654	4 304 172	4 540 901
Sundry Income-Debtors; CONNECTION FEE;	15 000	-	-	-	-	-
Interest Earned-Ext Invest	4 000 000	4 551 860	3 150 603	4 551 860	4 797 660	5 061 532
Equitable Share-FBS Portion	137 965 000	137 965 000	137 965 000	148 705 000	160 591 000	173 889 000
Finance Management Grant; MSIG Grant;	1 500 000	1 500 000	768 120	1 570 000	2 035 000	2 467 000
Operating Grants -PPE-MIG;	-	-	59 476 157	-	-	-
EPWP -Publicworks Grant; Implementation of IGR Framework and Best Practices	1 789 000	1 822 382	3 039 569	1 620 000	-	-
Tele/Cellphone Cost Recovered	8 500	8 500	-	5 000	5 270	5 560
Tender Deposits	26 800	98 000	82 000	100 000	105 400	111 197
Sundry Income	5 785	2 530	1 265	2 000	2 108	2 224
Rental facilities-Hall Hire	258 000	235 600	199 300	250 000	263 500	277 993
Skills Development Grant ;	150 000	148 330	100 447	180 000	190 000	200 000
Shared Services Grant -DPSS Reclaimed Vat from Conditional grants and Operating Expenditure	1 300 000	-	-	400 000	400 000	400 000
Atmospheric Emmission LiceneE	-	-	12 397 195	-	-	-
Enviromental Management Penalty Late completion of Projects	120 500	120 500	-	-	-	-
Donations	1 000 000	1 000 000	-	-	-	-
	-	1 676 566	1 722 755	-	-	-
	-	135 100	135 100	-	-	-
TOTAL DIRECT OPERATING INCOME	181 004 585	179 971 294	241 520 205	189 933 202	202 696 944	218 608 396

Funding choices and management issues

The Circular clearly outlines that, as a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2018/19 MTREF budgets:

improving the effectiveness of revenue management processes and procedures; paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as was highlighted in MFMA Circular No. 91;

- ensuring value for money through the procurement process;
- the affordability of providing free basic services to all households; and
- curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation

Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges regarding water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are not fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent households); and
- Water tariffs are designed to encourage efficient and sustainable consumption.
- Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. We have taken a critical look at our water services costing. The fact of the matter is our tariffs are not yet cost-reflective as it is currently costing us on average R8.564 per kilolitre for water to be delivered to the consumer. The proposed tariffs are way below this and the difference is funded through equitable share. Over the MTREF period we will be reviewing the costing and tariff setting models with a view of making them more cost efficient and thus reducing the cost of providing water and sanitation services.
- We have undertaken a critical assessment of our capital infrastructure requirements. The assessment indicates that our current infrastructure is unlikely to sustain our long-term ability to supply water and we therefore have to source other sources of funding for infrastructure development instead of relying on grant funding. We, however, currently do not have enough buying power to raise significant capital through the capital markets.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Service / Category	2017 Excl vat	Approved 2018 Excl vat	Proposed 2017/2018 increase (Excl. vat)	Proposed 2018/2019 Tariff (Excl. vat)	% increase 2018/2019
<u>Water supply</u>					
<u>Residential/Charitable/Religious</u>					
0kl-6kl	6.73	7.16	0.43	7.59	6%
7kl-20kl	7.80	8.30	0.50	8.80	6%
21kl-40kl	9.36	9.96	0.60	10.56	6%
41kl-60kl	11.55	12.29	0.74	13.03	6%
60kl+	13.97	14.86	0.89	15.75	6%
<u>Business & Industry per KL</u>			-	-	
0kl-6kl	8.32	8.85	0.53	9.38	6%
7kl-20kl	9.85	10.48	0.63	11.11	6%
21kl-40kl	10.91	11.61	0.70	12.31	6%
41kl-60kl	11.98	12.75	0.77	13.52	6%
60kl+	13.04	13.87	0.83	14.70	6%
			-	-	
<u>Other</u>			-	-	
0kl-6kl	11.05	11.76	0.71	12.47	6%
7kl-20kl	8.55	9.10	0.55	9.65	6%
21kl-40kl	9.55	10.16	0.61	10.77	6%
41kl-60kl	11.10	11.81	0.71	12.52	6%
60kl+	12.70	13.51	0.81	14.32	6%
			-	-	
Raw water per kl					6%

	5.80	6.17	0.37	6.54	
			-	-	
<u>Sanitation</u>			-	-	
All customers per KL	4.72	5.02	0.30	5.32	6%
Emptying septic tanks per load	600.00	638.40	38.30	676.70	6%
			-	-	
<u>Availability charge</u>			-	-	
Serviced vacant land	150.00	159.60	9.58	169.18	6%
			-	-	6%
<u>Business water services fixed charge</u>	37.81	40.23	2.41	42.64	6%
-			-	-	
<u>Industrial water services fixed charge</u>	37.81	40.23	2.41	42.64	6%
			-	-	
<u>Business & Industrial sanitation services fixed charge</u>	72.35	76.98	4.62	81.60	6%
			-		
<u>Testing of meters</u>			-		
Exceeds 50mm	Cost + 10%	Cost + 10%	Cost + 10%	Cost + 10%	
			-		
<u>New connections</u>			-		
<u>Water</u>			-		
Connections 25mm and less	Cost + 10%	Cost + 10%	Cost + 10%	Cost + 10%	
Connections greater than 25mm	Cost + 10%	Cost + 10%	Cost + 10%	Cost + 10%	
<u>Sanitation</u>			-		
All connections	Cost + 10%	Cost + 10%	Cost + 10%	Cost + 10%	
			-		
<u>Deposits (New and</u>					

Reconnections)			-		
Domestic	750.00	798.00	47.88	845.88	6%
Commercial	1 400.00	1 489.60	89.38	1 578.98	6%
			-	-	
Reconnection Fee	100.00	106.40	6.38	112.78	6%
			-	-	
Disconnection Fee			-	-	
Water restricted (non-paying customers)	-	106.40	6.38	112.78	0.06
			-		
Water tank deliveries					
Water tank delivery per load	-	Cost + 10%		Cost + 10%	

MINOR TARIFFS

Service / Category	2017 Excl vat	Proposed 2018 Excl vat	R increased	% increased
Minor Tariffs				
Hall Hire				
Sports Complex Conference Hall				
Hire Fees	2 000.00	2 120.00	120.00	6.0%
Refundable Deposit	2 000.00	2 120.00	120.00	6.0%
			-	
Sports Complex Church Hall				
Hire Fees	2 000.00	2 120.00	120.00	6.0%
Refundable Deposit	2 000.00	2 120.00	120.00	6.0%
			-	
Sports Complex Ingwe Room				
Hire Fees	500.00	530.00	30.00	6.0%
Refundable Deposit	500.00	530.00	30.00	6.0%
			-	
Dannhauser 42 Community Hall				
Hire Fees				6.0%

	300.00	318.00	18.00	
Refundable Deposit	300.00	318.00	18.00	6.0%
			-	
Dannhauser Springbok Community Hall			-	
Hire Fees	300.00	318.00	18.00	6.0%
Refundable Deposit	300.00	318.00	18.00	6.0%
			-	
Dannhauser Milford Community Hall			-	
Hire Fees	300.00	318.00	18.00	6.0%
Refundable Deposit	300.00	318.00	18.00	6.0%
			-	
Dannhauser Emfundweni Community Hall			-	
Hire Fees	300.00	318.00	18.00	6.0%
Refundable Deposit	300.00	318.00	18.00	6.0%
			-	
Dannhauser Mgidazi Community Hall			-	
Hire Fees	300.00	318.00	18.00	6.0%
Refundable Deposit	300.00	318.00	18.00	6.0%
			-	
Newcastle Dick's Community Hall			-	
Hire Fees	300.00	318.00	18.00	6.0%
Refundable Deposit	300.00	318.00	18.00	6.0%
			-	
Emadlangeni Groenvlei Community Hall			-	
Hire Fees	300.00	318.00	18.00	6.0%
Refundable Deposit	300.00	318.00	18.00	6.0%

OPERATING EXPENDITURE BY TYPE

The municipality's expenditure framework for the 2018/2019 budget and MTREF is informed by the following:

Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit; The Municipality could not achieve a balanced budget due to insufficient funding sources.

Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

The capital programme is aligned to the asset renewal strategy and backlog eradication plan; Operational gains and efficiencies will be directed to funding the capital budget and other core services; and Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2018/2019 budget and MTREF (classified per main type of operating expenditure):

Table 5: OPERATING EXPENDITURE

DESCRIPTION	CURRENT YEAR			MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2017/2018	2017/2018	2017/2018	2018/2019	2019/2020	2020/2021
	Original Budget	ADJ Budget Year	YTD ACTUAL	Budget Year +1	Budget Year +2	Budget Year +3
EXPENDITURE PER CATERGORY						
Salaries , Wages & Allowances	84 846 564	81 213 766	60 407 751	86 824 590	91 513 118	96 546 339
Remuneration of Councillors	5 504 958	5 944 070	3 331 726	5 685 460	5 907 901	6 232 835
Depreciation	30 821 858	30 821 858	17 118 184	33 178 215	34 969 839	36 893 180
Repairs & Maintenance	9 631 675	9 866 416	3 998 805	11 287 533	11 897 059	12 551 398
Bulk Water Purchases	21 280 000	18 585 000	11 972 976	17 263 000	18 195 202	19 195 938
Contracted Services	13 445 400	22 270 982	15 654 584	17 013 968	17 932 723	18 919 022
Operating Grants Expenditure						
General Costs-Other	29 198 625	34 504 012	20 336 410	36 829 920	39 198 813	41 674 311
	194 729 081	203 206 105	132 820 436	208 082 686	219 614 655	232 013 023
Contributions to capital	150 000	348 070	12 759	348 000	30 000	50 000
Contributions to funds	14 000 000	14 000 000	4 401 927	14 265 065	13 833 379	13 406 714
Interest -External Loans	764 000	764 000	777 013	764 000	764 000	764 000
TOTAL DIRECT OPERATING EXPENDITURE	209 643 081	218 318 175	138 012 134	223 459 751	234 242 033	246 233 738

CAPITAL BUDGET

The capital budget is estimated at R 127 206 000 for the 2018/19 financial year and R 131 404 000 respectively for the 2019/20 and R 138 574 000 2020/21 financial years. The capital budget is funded from grants – mainly the Municipal Infrastructure Grant (MIG) Water Service Infrastructure Grant (WSIG) and Road Asset Management Grant. The municipality has made a minimum transfer of R 348 000 to fund its own capital projects. Consequently, the municipality is not able to transfer any funding to the local municipalities to fund projects.

The following table provides a breakdown of budgeted single- and multi-year capital expenditure by vote and the following projects have been provided for:

Table 6: CAPITAL PROJECTS AND CAPITAL PROGRAMME

Description		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
		2018/2019	2019/2020	2020/2021
		Budget Year +1	Budget Year +2	Budget Year +3
CAPITAL EXPENDITURE IDP-GRANT FUNDED PROJECTS				
MIG GRANT FUNDING PROJECTS				
9503/9627/9501	MIG PMU admin cost	453 000	453 000	453 000
9503/9517/9501	EMANDLANGENI SANITATION-MIG;	2 000 000	2 000 000	2 000 000
9504/9628/9501	Goede hoop bulk water and sanitation	10 000 000	10 000 000	10 000 000
9503/9575/9501	Dann Hauser Housing Development Bulk Water and Sanitation	10 000 000	10 000 000	10 000 000
9503/9523/9501	Buffalo Flats Water Supply Scheme Phase 3B	14 500 000	14 500 000	14 500 000
9503/9524/9501	Amajuba Disaster Management Centre Phase 2	3 300 000	4 086 000	6 261 000
SUB TOTAL		40 253 000	41 039 000	43 214 000
WSIG GRANT FUNDED PROJECTS				
9503/9701/9501	Emxhakeni reticulation water scheme is an extension of existing water reticulation scheme to serve 500 households	1 000 000	1 000 000	1 000 000
9503/9702/9501	Pipeline extension and infrastructure in Skobharen and Alcockspruit	35 000 000	35 000 000.00	35 000 000.00
9503/9703/9501	Construction of VIP toilets in Dannhauser	5 000 000	5 000 000.00	5 000 000.00
9503/9704/9501	Refurbishment of DNC WWTP, Tweediedale and Utrecht WTP	4 000 000.00	4 000 000.00	4 000 000.00
9503/9705/9501	Refurbishment and upgrade of Durnacol Water Treatment Works in Dannhauser	12 000 000	15 600 000.00	12 000 000.00
9503/9706/9501	Construction of Brakfontein reservoir	15 000 000	15 000 000.00	15 000 000.00
9503/9579/9501	Upgrade of Critical system	5 000 000.00	5 000 000.00	8 000 000.00
9503/9579/9501	Emergency water supply to Ramaphosa, skobharen and 2 megalitre reservoir at Hilltop - Emadlangeni LM	5 000 000.00	5 000 000.00	8 000 000.00
	Dannhauser Borehole Refurbishment Program	2 400 000.00	2 400 000.00	4 840 000.00
SUB TOTAL		84 400 000	88 000 000	92 840 000
ROAD TRANSPORT PROJECTS				
9599/9545/9501	RURAL ROAD ASSET MANAGEMENT GRANT	2 205 000	2 335 000	2 470 000
SUB TOTAL		2 205 000	2 335 000	2 470 000

TOTAL GRANT FUNDED IDP PROJECTS ENGINEERING		126 858 000	131 374 000	138 524 000
OPERATING CAPITAL -CONTRIBUTIONS FROM OWN REVENUE				
9505/9529/9501	Office Furniture & Equipment-Corporate Services	198 000		
9506/9533/9501	Office Furniture & Equipment-Financial services	150 000	30 000	50 000
SUB TOTAL		348 000	30 000	50 000
TOTAL CAPITAL EXPENDITURE		127 206 000	131 404 000	138 574 000

EXPENDITURE PER DEPARTMENT

DESCRIPTION	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2018/2019	2019/2020	2020/2021
	Budget Year +1	Budget Year +2	Budget Year +3
EXPENDITURE PER DEPARTMENT			
COUNCIL AND EXECUTIVE MAYOR	6 090 910	6 335 244	6 683 683
MUNICIPAL MANAGER	13 430 474	14 155 578	14 933 622
BUDGET AND TREASURY OFFICE	19 141 805	20 427 583	21 889 525
HUMAN RESOURCES AND CORPORATE SERVICES	34 543 495	36 200 152	38 191 160
COMMUNITY SERVICES-SOCIAL DEVELOPMENT	6 880 518	7 252 066	7 650 929
ENVIRONMENTAL HEALTH SERVICES	3 898 018	4 108 511	4 334 479
ENGINEERING AND TECHNICAL SERVICES	10 893 957	11 482 231	12 113 754
DISASTER MANAGEMENT AND PUBLIC SAFETY SERVICES	5 696 178	6 003 772	6 333 979
TOUSONG SERVICES-HALLS AND FACILITIES	856 776	903 042	952 709
ECONOMIC DEVELOPMENT AND PLANNING SERVICES	14 844 502	15 646 105	16 506 641
WATER AND SANITATION SERVICES	107 183 117	111 727 750	116 643 256
TOTAL EXPENDITURE	223 459 751	234 242 033	246 233 738

Employee related costs

In terms of the MFMA Municipal Budget Circular No 91 for the 2018/19 MTREF 08 March 2018

The SALGA leadership has mandated its negotiators to negotiate for a multi-year salary and wage collective agreement and the salary increases should be inflation-linked. Indeed, the 5.9% SALGA offered, with sweetened outer years, was recorded as the year-on-year CPI for November 2017. At the third round of negotiations, held from 05 – 06 March 2018, SALGA tabled its revised offer of 5.9% to the trade unions and this includes an improvement factor for the outer years of a multi-year agreement. This was informed by the average CPI expected for 2019 as

per the South African Reserve Bank MPC statement for January 2018

By the same token, organised labour also revised their salary and wage demand from the original 15% to 10% and the latter was further applied on the other related demands such as the minimum wage and other benefits. However, and notwithstanding the cited reviewed set of demands, SALGA views the insistence on a 10% demand by the Unions as not only unaffordable but also insensitive to the current economic environment which South Africa finds itself in, and municipalities.

The Amajuba District Municipality has provided for a 7 % salary increase based on the South African Local Government Bargaining Council Facilitators proposal on the salary and wage collective agreement dated 18 April 2018.

The Current CPI and GDP Indicators are reflected below,

Macroeconomic performance and projections, 2017 - 2020 Fiscal year	2017/18	2018/19	2019/20	2020/21
Estimate	Forecast			
Consumer Price Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%

Employee related costs plus Councillor allowances as a percentage of total operating expenditure is 40%. The norm range is 25% to 40%.

The Accounting Officer and Senior Managers' salaries have been provided for using the total remuneration package maximum payable to a Senior Managers for a category 3 municipality in terms of the Government Gazette Number No. 41173 dated 10 October 2017 Due to the current financial situation, performance bonuses have not been budgeted for senior managers. Remuneration of councillors

Due to the current financial situation of the municipality, Councillor allowances have been budgeted based on the actual costs approved in accordance with the gazette No 41335 on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances, and Benefits of different members of municipal councils published 15 December 2017. The MEC of Corporate Governance and Traditional Affairs (COGTA) has granted that Councillors remuneration be approved at 95% of the upper limits for 2017/2018.

Table 7: Summary of Councillors Remuneration and Municipal Officials Remuneration

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2017/2018	2017/2018	2018/2019	2019/2020	2020/2021
	Original Budget	ADJ Budget Year	Budget Year +1	Budget Year +2	Budget Year +3
- Executive Mayor;	859 636	867 214	823 853	868 341	916 100
Deputy Mayor;	426 841	701 929	666 833	711 321	750 443
Speaker-EXCO;	692 148	701 929	666 833	711 321	750 443
Councillors;	2 375 502	1 952 694	1 861 995	1 906 483	2 011 340
Executive Committee;	1 150 831	1 720 304	1 665 947	1 710 435	1 804 509
Subtotal	5 504 958	5 944 070	5 685 460	5 907 901	6 232 835

Table 8 : Detail Salary Budget

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2017/2018	2017/2018	2018/2019	2019/2020	2020/2021
	Original Budget	ADJ Budget Year	Budget Year +1	Budget Year +2	Budget Year +3
<u>EMPLOYEE RELATED COSTS - WAGES & SALARIES</u>					
Salaries & Allowances;	57 128 464	54 731 459	57 081 739	60 164 153	63 473 182
Standby Allowance	782 513	794 226	933 887	984 317	1 038 454
Shift Allowance	95 515	91 985	103 917	109 528	115 552
Overtime;	4 855 913	4 795 851	6 407 671	6 753 685	7 125 138
SubTotal	62 862 405	60 413 521	64 527 214	68 011 683	71 752 326
<u>EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS</u>					
Bonuses;	4 212 344	4 028 158	4 308 978	4 541 663	4 791 454
Travel Allowance;	5 109 595	4 790 824	5 184 445	5 464 405	5 764 948
Housing Allowance;	558 584	505 987	581 687	613 098	646 819
Telephone;	705 384	660 784	659 184	694 780	732 993
Medical Aid Contributions;	3 799 315	3 640 895	3 890 240	4 100 313	4 325 830
Pension Fund Contributions;	6 770 547	6 370 165	6 840 961	7 210 373	7 606 943

Group Life Contribution;	471 294	459 205	486 429	512 696	540 894
UIF Contributions;	327 494	315 447	313 338	330 258	348 422
Bargaining Council Contribut	17 603	16 781	17 714	18 671	19 698
Post Retirement Medical Expe	-	-	-	-	-
Long Service Awards Expense;	-	-	-	-	-
Clothing Allowance	12 000	12 000	14 400	15 178	16 012
SubTotal	21 984 159	20 800 245	22 297 376	23 501 434	24 794 013
-					
TOTAL	84 846 564	81 213 766	86 824 590	91 513 118	96 546 339

COUNCIL RESOLUTIONS

Private Bag 6615

NEWCASTLE

2940



Tel: (034) 329 7200

Fax: (034) 314 3785

E-mail:

info@amajuba.gov.za

Web page:

EXTRACT OF MINUTES OF COUNCIL MEETING NO C/07/2017-2018 HELD ON WEDNESDAY 28 MARCH 2018 AT 10H00 IN THE EMPHELANDABA COUNCIL CHAMBER, AMAJUBA DM OFFICES, MADADENI

10.2 DRAFT 2018/19 TO 2020/21 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

RESOLVED C118: 28/03/2018

It is recommended THAT:

1. The Operating Expenditure Budget for the 2018/19 financial year amounting to **R231 998 593** as well as the appropriations for the outer years of the MTREF period of **R 242 685 715** for the 2019/20 and **R255 614 322** for the 2020/21 financial years be approved;
1. The Operating Revenue Budget for the 2018/19 financial year amounting to **R 189 318 253** as well as the appropriations for the outer years of the MTREF period of **R202 070 389** for the 2019/20 and for the **R217 969 380** 2020/21 financial years be approved;
2. The Capital Budget allocation of **R127 206 000** to be funded mainly from Municipal Infrastructure Grant (MIG) allocation and the Municipal Water Infrastructure Systems Grant allocations (WSIG);
3. Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following amendments to the water tariff structure
4. Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following amendments to the sanitation tariff structure:
5. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following amendments to the general tariff structure:
6. All amendments to the tariff structure be effective from 01 July 2018 or the first billing cycle after the 01 July 2018;

1. Part 2 - Executive Summary

The draft budget is prepared and presented to Council in line with the MFMA requirements. The MFMA requires that the Mayor must table the draft budget 90 days before the start of the financial year. After the draft budget, has been tabled in Council, the Mayor must conduct a public participation process where by the public is afforded the opportunity to comment on the budget and make any recommendations to be considered during the budget process.

The Final Draft budget as tabled today hereby conforms to the above budget processes, confirms the heavy dependence of Amajuba DM on grant funding to fund service delivery.

Budget Parameters

Headline Inflation Forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2018/19 budgets and MTREF –

Headline inflation forecasts

Macroeconomic performance and projections, 2017 - 2020 Fiscal year	2017/18	2018/19	2019/20	2020/21
Estimate	Forecast			
Consumer Price Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%

Source: *MFMA Circular No.91*

Budget Funding

With the full compliance with the MSCOA framework the municipality's proposed final budget shows that it is a balanced budget, and funded in terms of funding sources

Salary related costs consumes almost 60% of the budgeted operational revenue.

Our core mandate of water and sanitation has been prioritised with the rest of the budgeted provided for funded programmes. These are normally funded from grants

GOVERNMENT GRANTS AND SUBSIDIES

The following table indicates the grants allocations as indicated in the Division of Revenue Bill as well as Provincial allocations as indicated:

GOVERNMENT GRANTS & SUBSIDIES - ALLOCATIONS	Current Year		Medium Term Revenue and Expenditure Framework		
	Budget Year	Adjustment Budget	Budget Year +1	Budget Year +2	Budget Year +3
	2017/18	2017/18	2018/19	2019/2020	2020/2021
	R'000	R'000	R'000	R'000	R'000
<u>National Grant Allocations</u>¹					
1. Municipal Infrastructure Grant	41 717 000	41 717 000	40 253 000	41 039 000	43 214 000
2. Municipal Systems Improvement Grant (Allocations in Kind)	1 636 000	-			
3. Financial Management Grant	1 500 000	1 500 000	1 570 000	2 035 000	2 467 000
4. Equitable Share	66 837 000	66 837 000	71 070 000	76 110 000	82 058 000
5. RSC Levies Replacement	71 128 000	71 128 000	77 635 000	84 481 000	91 831 000
6. DWA Water Operating Subsidy	-	-			
7. Municipal Water Infrastructure Grant	70 000 000	70 000 000	84 400 000	88 000 000	92 840 000
8. Expanded Public Works Programme incentive Grant	1 789 000	1 789 000	1 620 000		
9. Rural Transport and Infrastructure	2 200 000	2 200 000	2 205 000	2 335 000	2 470 000
10. Rural Households Infrastructure Grant	-	-			
11. Energy Efficiency and Demand Side Management Grant	6 000 000	6 000 000			
Sub Total - National Grant Allocations	262 807 000	261 171 000	278 753 000	294 000 000	314 880 000
<u>Provincial Grant Allocations</u>²					
12. Development Planning Shared Services	1 300 000	1 300 000	400 000	400 000	400 000
Sub Total - Provincial Grant Allocations	1 300 000	1 300 000	400 000	400 000	400 000
TOTAL GRANT ALLOCATIONS	264 107 000	262 471 000	279 153 000	294 400 000	315 280 000

Part 3 – Supporting Documentation

3.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

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

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

3.1.1 Budget Process Overview

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

With the compilation of the 2018/2019 MTREF, each department / function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2017/18 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

DATES OF KEY IDP, BUDGET AND PMS EVENTS

Table 1: IDP Activity schedule 2017/18

QUARTER ONE		
ACTIVITY	DUE DATE	DEPARTMENT RESPONSIBLE
ExCo approval of IDP Framework Plan 2018/19	23 August 2017	Planning and Development
First IDP Steering Committee meeting	15 September 2017	Planning and Development
Submission of draft Framework Plan – KZN COGTA	25 September 2017	Planning and Development
Council approval of IDP Framework Plan 2018/19	30 September 2017	Planning and Development
Advertisement of approval of Framework Plan	30 September 2017	Planning and Development
QUARTER TWO		
ACTIVITY	DUE DATE	DEPARTMENT RESPONSIBLE
IDP 2017/18 Review – Consultative process (Needs analysis)	October 2017	Office of the Speaker & Office of the Mayor
Second IDP Steering Committee meeting	05 November 2017	Planning and Development
Cross – border alignment meeting	14 November 2017	COGTA
First IDP Representative Forum meeting	16 November 2017	Planning and Development
QUARTER THREE		
ACTIVITY	DUE DATE	DEPARTMENT RESPONSIBLE
Second IDP Representative Forum meeting	15 February 2018	Planning and Development
Third IDP Steering Committee meeting	13 March 2018	Planning and Development
ExCo Approval of Draft IDP 2018/19	21 March 2018	Planning and Development
Council Approval of Draft IDP 2018/19	30 March 2018	Planning and Development
Submission of Draft IDP 2018/19 to COGTA	30 March 2018	Planning and Development
Submission of IDP's for assessments	30 March 2018	Planning and Development
QUARTER FOUR		
ACTIVITY	DUE DATE	DEPARTMENT RESPONSIBLE
Draft IDP/Budget 2018/19 – Consultative process	15 April 2018	Office of the Speaker & Office of the Mayor
Third IDP Representative Forum meeting	15 May 2018	COGTA
Draft IDP assessment feedback	29 May 2018	Planning and Development
Fourth IDP Steering Committee meeting	10 May 2018	Planning and Development
ExCo approval of Final Draft IDP 2018/19	25 May 2018	Planning and Development
Council approval of final Draft IDP 2018/19	30 May 2018	Planning and Development
Submission of Final IDP to COGTA	14 June 2018	Planning and Development

KEY BUDGET DATES – 2018/19 BUDGET COMPILATION PROCESS PLAN

Table 2: Budget review schedule

3.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 MTREF; extensive financial modelling were undertaken to ensure affordable tariffs and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the Final 2018/19 MTREF:

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

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 70 - 75 has been taken into consideration in the planning and prioritisation process.

3.1.4 Community Consultation

The Draft 2018/19 MTREF was tabled before Council by 31 March 2018; and, for community consultation will published on the municipality's website and hard copies to be made available at customer care offices, municipal notice boards and various libraries.

3.1.5 IDP/Budget Roadshows

Notice was given in terms of Chapter 4 Section 16 (1)(a)(i) of the Local Government Municipal Systems Act, Act 32 2000, that Amajuba District Municipality Council will be conducting roadshows on the 9 May 2018 and 28 April 2018 as per the schedule below.

DATE	LOCAL MUNICIPALITY	VENUE
9 May 2018	Emadlangeni	Berouw Amantungwa TAC Sports Grounds
28 April 2018	Dannhauser	Skobhareni Community Hall

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant and necessary was considered as part of the finalisation of the 2018/19 MTREF.

3.1.6 Submitting budget documentation and schedules for 2018/19 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is **Tuesday, 03 April 2018**. The deadline for submission of hard copies including council resolution is **Friday, 06 April 2018**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- the budget locking certificate; and
- schedules D specific for the entities

3.2 Overview of alignment of annual budget with IDP

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

The Draft 2018/19 MTREF has therefore to a great extent been directly informed by the IDP revision process and tables SA4 – SA6 provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

3.3 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, approve strategies and related policies: Refer to Annexure D

- 3.3.1 Credit Control and Debt Collection policy
- 3.3.2 Asset Management, Infrastructure Investment and Funding Policy
- 3.3.3 Budget Adjustment Policy
- 3.3.4 Supply Chain Management Policy
- 3.3.5 Budget and Virement Policy
- 3.3.6 Cash Management and Investment Policy
- 3.3.7 Tariff Policies
- 3.3.8 Indigent policy
- 3.3.9 Policy on Irregular Expenditure
- 3.3.10 Virement Policy
- 3.3.11 Debt Impairment Policy
- 3.3.12 Contract Management Policy
- 3.3.13 SDBIP

Most of the above policies are currently being revised and once adopted by Council they will be placed on the municipality's website

3.4 Overview of budget assumptions

The Municipal Budget and Reporting Regulations

3.4.1 The impact of VAT increase on tariffs

VAT will increase from 14 per cent to 15 per cent from April 2018. In terms of Section 7(4) of Value-Added Tax Act (No. 89 of 1991), the VAT increase takes effect on 1 April. It is a tax increase as result of tax legislation that municipalities must implement and not an increase of tariffs by the municipalities. Therefore Section 28(6) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA), is not applicable in this regard.

Whether the additional amount is recoverable from the customer or not, the supplier must account for VAT on any supplies made on or after 1 April 2018 at the increased VAT rate

3.4.1 Headline inflation forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2018/19 budgets and MTREF.

Macroeconomic performance and projections, 2017 - 2020 Fiscal year	2017/18	2018/19	2019/20	2020/21
Estimate	Forecast			
Consumer Price Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%

KEY BUDGET DATES – 2018/19 BUDGET COMPILATION PROCESS PLAN

Table 3: Budget review schedule

TIME SCHEDULE FOR IDP REVIEW PROCESS 2018/2019			
NO	ACTIVITY/TASK	RESPONSIBLE OFFICIAL	TARGET DATES
JULY 2017			
1.	Submit monthly report on the budget for period ending 30 June 2017 within 10 working days to the Executive Mayor	Manager Budget/CFO	14/07/2017
2.	Senior Management to discuss the Draft Budget Process Plan	CFO	25/07/2017
AUGUST 2017			
3.	Submit Budget Process Plan to Council for adoption	CFO	14/08/2017
4.	Submit monthly report on the budget for period ending 31 July 2017 within 10 working days to the Executive Mayor	Manager Budget/CFO	14/08/2017
5.	Table Annual Performance Report and Annual Financial Statements to Council	Accounting Officer	31/08/2017
6.	Submit the Annual Performance Report and Annual Financial Statements to the Auditor-General	Accounting Officer	31/08/2017
SEPTEMBER 2017			
7.	Advertisement of IDP/Budget Process Plan on website/local newspaper/notice boards	CFO	10/09/2017
8.	Submit monthly report on the budget for period ending 31 August 2017 within 10 working days to the Executive Mayor	Manager Budget/CFO	14/09/2017
OCTOBER 2017			
9.	Submit monthly report on the budget for period ending 30 September 2017 within 10 working days to the Executive Mayor	Manager Budget/CFO	12/10/2017
NOVEMBER 2017			
10.	Submit monthly report on the budget for period ending 31 October 2017 within 10 working days to the Executive Mayor	Manager Budget/CFO	14/11/2017
DECEMBER 2017			
11.	Submit monthly report on the budget for period ending 30 November 2017 within 10 working days to the Executive Mayor	Manager Budget/CFO	14/12/2017
JANUARY 2018			
12.	Submit monthly report on the budget for period ending 31 December 2017 within 10 working days to the Executive Mayor	Manager Budget/CFO	15/01/2018
13.	Submit Mid-Year Budget & Performance Assessment Report to Executive Mayor (Section 72)	CFO/Accounting Officer	25/01/2018
14.	Submit Mid-Year Budget and Performance Report to Council	CFO/Accounting Officer	26/01/2018
15.	Submit Mid-Year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government	Accounting Officer /CFO	31/01/2018
16.	Make public the Mid-Year Budget and Performance report	Accounting Officer /CFO	31/01/2018
17.	Submit monthly report on the budget for period ending 31 January 2018 within 10 working days to the Executive Mayor	Manager Budget/CFO	14/02/2018
FEBRUARY 2018			
18.	Council considers and adopts 2017/2018 Adjustment Budget and potential revised 2017/2018 SDBIP	Accounting Officer /CFO	28/02/2018
	Finalize and submit to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report	Accounting Officer /CFO	28/02/2018
	Notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year MFMA s 37(2)	Accounting Officer /CFO	28/02/2018
MARCH 2018			
19.	Advertise the approved 2017/2018 Adjustments Budget and submit budget and B Schedules to National Treasury and Provincial Treasury as required per legislation (within 10 working days)	Accounting Officer /CFO	14/03/2018
	Mayor tables municipality budget, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year- MFMA s 16, 22, 23, 87; MSA s 34	Mayor/Accounting Officer	31/03/2018
APRIL 2018			
20.	Submit monthly report on the budget for period ending 31 March 2018 within 10 working days to the Executive Mayor	Manager Budget/CFO	13/04/2018
	Public hearings on the budget and council debate. Council considers views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration MFMA s 23, 24; MSA Ch 4 as amended	Mayor/Accounting Officer/CFO	14-30/04/2018
MAY 2018			
21.	Submit monthly report on the budget for period ending 30 April 2018 within 10 working days to the Executive Mayor	Manager Budget	14/05/2018

	working days to the Executive Mayor		
22	Budget Steering Committee Meeting	CFO	17/05/2018
23	Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature Accounting officers of municipality publishes adopted budget and plans 31 May 2018 MFMA s 75, 8	Mayor/Accounting Officer	31/05/2018
JUNE 2018			
24	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	CFO	11/06/2018
25.	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats)	CFO	18/06/2018
26.	Submit monthly report on the budget for period ending 31 May 2018 within 10 working days to the Executive Mayor	Manager Budget	04/06/2018
27.	Draft Annual Financial Statements Year-End Plan for 2017/2018	CFO	14/06/2018

Local government conditional grants and additional allocations

Since the 2017 Medium Term Budget Policy Statement (MTBPS) reprioritisation and reductions undertaken have affected planned spending for 2018/19. Local government direct and indirect transfers absorb 18.8 per cent of the reductions. A total of R13.9 billion has been cut from direct local government conditional grant allocations for the Medium Term Expenditure Framework (MTEF) period ahead since the 2017 MTBPS was tabled. Indirect grants to local government have been reduced by an additional R2.2 billion.

The reductions did not affect all conditional grants, and not all grants were reduced by the same percentage. The infrastructure conditional grants, particularly the larger ones, were mainly affected as this was considered the most practical approach. The overall impact of reducing this funding affects capital programmes; therefore local government's share of the reductions is higher than their share of the division of revenue, given that municipalities receive a number of infrastructure grants. The average reductions over the medium term are 3.5 per cent of local government allocations.

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Allocations to the local government equitable share will continue to grow over the next three years, alongside a significant reduction in conditional grants. The total value of conditional grants directly transferred to local government increases from R43.3 billion in 2018/19 to R44.8 billion in 2019/20 and R47.8 billion in 2020/21.

Large municipalities are expected to invest more of their own resources, offsetting some of the impact of reductions to infrastructure grants, while building partnerships with the private sector for infrastructure delivery over the period ahead.

The 2018 Budget provides for R382.8 billion to be transferred directly to local government and a further R21.8 billion allocated to indirect grants for the 2018 MTREF. Direct transfers to local government over the medium-term account for 9 per cent of national government's non-interest expenditure. Total direct allocations to local government grow at an annual average rate of 7.5 per cent over the MTREF period. The total spending on local government increases to 9.5 per cent of national non-interest expenditure when adding indirect transfers

Reforms to local government fiscal framework

The most substantial reduction has been applied to the largest grant – the *municipal infrastructure grant*. However, the structure of the formula used to allocate this grant reduces the impact of reductions on smaller municipalities. Project-based grants, such as those in the electricity and water sectors, have identified projects that will be postponed as a result of the adjustments. These changes do not affect any water augmentation projects in drought-affected areas.

Reductions to the *public transport network grant* are much larger in the outer years of the MTEF. This allows for the Department of Transport and the National Treasury to review the sustainability of public transport plans and to assess whether some cities should put projects on hold while they revisit system design.

The 2017 MTBPS announced a new funding mechanism to support recovery plans for municipalities that face a financial crisis, as provided for in section 139(5) of the Constitution. A *new municipal restructuring grant* will be introduced to help municipalities in financial crisis to implement reforms to turn themselves around. The National Treasury will consult with national departments, provinces and South African Local Government Association (SALGA) on the design of the grant and its coordination with other capacity-building programmes during 2018. The grant is intended to be a short-term intervention that will fund the turnaround of struggling municipalities. It will help identified municipalities that are in financial distress, but have demonstrated a commitment to implementing the necessary reforms. If needed, the intervention powers outlined in section 139 of the Constitution may also be used as part of the broader approach to turning around these municipalities.

The municipal restructuring grant will be made available within the parameters of the existing legal framework and will not provide bailouts to municipalities. It will fund the implementation of specific outputs in support of a financial recovery plan approved by a municipal council. The council must demonstrate political buy-in by adopting such a plan, and the municipality must also commit its own resources to implementing parts of the plan.

Smaller cities face some of the same urban development challenges as major metropolitan areas. These cities will be eligible for a *new integrated urban development grant* from 2019/20. Cities will have to meet planning and performance criteria to receive the grant, which will be funded through a shift of funds from the municipal infrastructure grant. The new grant will require cities to plan for a programme of infrastructure investment, funded from grants and own revenues, rather than just standalone projects. This aligns with the policy set out in the Integrated Urban Development Framework (IUDF) approved by Cabinet in April 2016. This approach will be piloted in uMhlathuze and Polokwane local municipalities in 2018/19. Eligible municipalities will be invited to apply for the grant during 2018. The application process is set out in clause 27(5) of the 2018 Division of Revenue Bill..

3.5 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.

In terms of the MFMA Municipal Budget Circular No 91 for the 2018/19 MTREF 08 March 2018

The SALGA leadership has mandated its negotiators to negotiate for a multi-year salary and

wage collective agreement and the salary increases should be inflation-linked. Indeed, the 5.9% SALGA offered, with sweetened outer years, was recorded as the year-on-year CPI for November 2017. At the third round of negotiations, held from 05 – 06 March 2018, SALGA tabled its revised offer of 5.9% to the trade unions and this includes an improvement factor for the outer years of a multi-year agreement. This was informed by the average CPI expected for 2019 as per the South African Reserve Bank MPC statement for January 2018

By the same token, organised labour also revised their salary and wage demand from the original 15% to 10% and the latter was further applied on the other related demands such as the minimum wage and other benefits. However, and notwithstanding the cited reviewed set of demands, SALGA views the insistence on a 10% demand by the Unions as not only unaffordable but also insensitive to the current economic environment which South Africa finds itself in, and municipalities.

The Amajuba District Municipality has provided for a 7 % salary increase based on the South African Local Government Bargaining Council Facilitators proposal on the salary and wage collective agreement dated 18 April 2018

3.6 Remuneration of councillors, Senior Managers and Municipal Officials

Employee related costs plus Councillor allowances as a percentage of total operating expenditure is 46%. The norm range is 25% to 40%.

The Accounting Officer and Senior Managers' salaries have been provided for using the total remuneration package maximum payable to a Senior Managers for a category 3 municipality in terms of the Government Gazette Number No. 41173 dated 10 October 2017 Due to the current financial situation, performance bonuses have not been budgeted for senior managers.

Remuneration of councillors

Due to the current financial situation of the municipality, Councillor allowances have been budgeted based on the actual costs approved in accordance with the gazette No 41335 on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances, and Benefits of different members of municipal councils published 15 December 2017. The MEC of Corporate Governance and Traditional Affairs(COGTA) has granted that Councillors remuneration be approved at 95% of the upper limits for 2017/2018

3.7. ASSESSMENT OF DRAFT MTREF 2018/2019-21 BY PROVINCIAL TREASURY

An assessment was done by Provincial Treasury on the 10th May 2018 in which the Draft Budget for the 2018/2019FY was assessed and comments regarding the draft budget was tabled. Amajuba DM is still in the process of addressing the major queries although the most of them were resolved and included in the budget,

Refer to Annexure C

Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/2019 budget and MTREF as proposed for adoption to the Council. Each table is accompanied by *explanatory notes*

DC25 Amajuba - 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
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	17 863	24 422	26 054	27 500	26 854	26 854	26 854	28 466	30 003	31 653
Investment revenue	1 017	1 788	4 182	4 000	4 552	4 552	4 552	4 552	4 798	5 062
Transfers recognised - operational	178 506	190 395	222 877	144 190	141 287	141 287	141 287	152 295	163 026	176 756
Other own revenue	12 188	11 100	6 622	5 315	7 278	7 278	7 278	4 621	4 870	5 138
Total Revenue (excluding capital transfers and contributions)	209 574	227 706	259 735	181 005	179 971	179 971	179 971	189 933	202 697	218 608
Employee costs	72 507	81 375	80 727	84 847	81 214	81 214	81 214	86 825	91 513	96 546
Remuneration of councillors	4 320	4 346	4 717	5 505	5 944	5 944	5 944	5 685	5 908	6 233
Depreciation & asset impairment	27 006	28 791	28 862	30 822	30 822	30 822	30 822	33 178	34 970	36 893
Finance charges	-	-	937	764	764	764	764	764	764	764
Materials and bulk purchases	7 511	13 943	13 943	21 280	18 585	18 585	18 585	17 263	18 195	19 196
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	88 921	108 615	88 535	66 426	80 990	80 990	80 990	79 744	82 892	86 601
Total Expenditure	200 265	237 071	217 721	209 643	218 319	218 319	218 318	223 460	234 242	246 234
Surplus/(Deficit)	9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Share of surplus/ (deficit) of associate	-	(37 669)	(43 830)	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	9 308	(47 034)	(1 815)	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Capital expenditure & funds sources										
Capital expenditure	40 445	37 733	55 608	120 067	125 265	125 265	125 265	127 206	131 404	138 574
Transfers recognised - capital	40 445	37 733	55 608	119 917	124 917	124 917	124 917	126 858	131 374	138 524
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	150	348	348	348	348	30	50
Total sources of capital funds	40 445	37 733	55 608	120 067	125 265	125 265	125 265	127 206	131 404	138 574
Financial position										
Total current assets	34 503	43 403	53 880	41 850	49 890	49 890	49 890	76 650	67 700	57 750
Total non current assets	674 706	611 806	650 858	692 919	692 919	692 919	692 919	785 447	882 579	984 760
Total current liabilities	85 407	106 401	90 536	42 148	42 148	42 148	42 148	40 856	35 966	28 966
Total non current liabilities	8 871	8 162	12 953	12 300	12 300	12 300	12 300	13 093	12 433	12 673
Community wealth/Equity	614 931	540 645	601 249	680 321	688 361	688 361	688 361	808 149	901 880	1 000 871

Cash flows										
Net cash from (used) operating	39 752	55 419	58 036	121 372	65 909	65 909	65 909	80 312	99 602	110 660
Net cash from (used) investing	(40 445)	(37 644)	(54 593)	(120 067)	(125 265)	(125 265)	(125 265)	(127 206)	(131 404)	(138 574)
Net cash from (used) financing	509	66	(424)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	148	17 990	21 009	4 215	(38 347)	(38 347)	(38 347)	(25 886)	(57 687)	(85 602)
Cash backing/surplus reconciliation										
Cash and investments available	145	17 987	21 009	18 500	18 500	18 500	18 500	16 000	19 000	21 000
Application of cash and investments	56 379	78 029	68 660	31 864	25 008	25 008	25 008	2 724	(9 184)	(5 298)
Balance - surplus (shortfall)	(56 234)	(60 042)	(47 652)	(13 364)	(6 508)	(6 508)	(6 508)	13 276	28 184	26 298
Asset management										
Asset register summary (WDV)	311 320	319 879	348 514	400 571	400 571	400 571		127 206	131 404	138 574
Depreciation	27 006	28 791	28 862	30 822	30 822	30 822		30 822	33 178	34 970
Renewal of Existing Assets	-	-	-	-	-	-		-	-	-
Repairs and Maintenance	7 303	9 558	4 033	9 632	9 866	9 866		11 288	11 897	12 551
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	12	14	14	14	14	14	14	14	14	14
Sanitation/sewerage:	23	41	41	41	41	41	41	41	41	41
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

- a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF.
- b. Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget;

4. The Cash backing / surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and

consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.

Table 18 MBRR Table A2 – Budgeted Financial Performance

DC25 Amajuba - 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
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		75 463	79 356	88 527	65 806	64 788	64 788	73 207	77 119	81 698
Executive and council		13 901	13 346	14 023	17 369	17 369	17 369	19 521	20 491	21 617
Finance and administration		61 562	66 010	74 504	48 436	47 419	47 419	53 685	56 628	60 081
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5 804	6 607	6 672	15 658	15 771	15 771	17 331	18 267	19 272
Community and social services		128	490	240	6 548	6 661	6 661	7 737	8 155	8 604
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	5 602	5 602	5 602	5 696	6 004	6 334
Housing		-	-	-	-	-	-	-	-	-
Health		5 676	6 117	6 432	3 508	3 508	3 508	3 898	4 109	4 334
<i>Economic and environmental services</i>		1 052	56 228	3 368	26 616	25 350	25 350	25 738	27 128	28 620
Planning and development		948	-	1 871	15 222	13 922	13 922	14 845	15 646	16 507
Road transport		104	56 228	1 497	11 394	11 427	11 427	10 894	11 482	12 114
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		127 255	85 515	161 170	72 924	74 063	74 063	73 657	80 183	89 018
Energy sources		-	-	-	-	-	-	-	-	-
Water management		127 255	85 515	161 170	72 924	74 063	74 063	73 657	80 183	89 018
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	209 574	227 706	259 735	181 005	179 971	179 971	189 933	202 697	218 608
Expenditure - Functional	-									
<i>Governance and administration</i>		58 309	68 885	62 674	62 959	66 103	66 103	73 207	77 119	81 698
Executive and council		17 157	21 011	17 646	17 712	18 128	18 128	19 521	20 491	21 617
Finance and administration		41 153	47 874	45 028	45 247	47 975	47 975	53 685	56 628	60 081

Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		16 452	13 092	12 343	17 185	14 817	14 817	17 331	18 267	19 272
Community and social services		8 375	5 971	4 785	8 158	6 910	6 910	7 737	8 155	8 604
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 054	4 120	4 193	5 602	4 553	4 553	5 696	6 004	6 334
Housing		-	-	-	-	-	-	-	-	-
Health		3 023	3 001	3 364	3 424	3 353	3 353	3 898	4 109	4 334
Economic and environmental services		15 756	24 066	28 773	27 233	29 234	29 234	25 738	27 128	28 620
Planning and development		15 756	16 469	13 870	16 048	17 547	17 547	14 845	15 646	16 507
Road transport		-	7 597	14 903	11 185	11 687	11 687	10 894	11 482	12 114
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		109 748	131 027	113 932	102 267	108 164	108 164	107 183	111 728	116 643
Energy sources		-	-	-	-	-	-	-	-	-
Water management		109 748	131 027	113 932	102 267	108 164	108 164	107 183	111 728	116 643
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	200 265	237 071	217 721	209 643	218 319	218 319	223 460	234 242	246 234
Surplus/(Deficit) for the year		9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile *whole of government* reports.

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

**Table 19 MBRR Table A3 – Budgeted Financial Performance
(Revenue and expenditure by municipal vote)**

DC25 Amajuba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - Executive and council		13 801	13 336	14 021	5 494	5 494	5 494	6 091	6 335	6 684
Vote 2 - Municipal Manager, Town Secretary and Chief Executive		100	10	2	11 875	11 875	11 875	13 430	14 156	14 934
Vote 3 - Finance and administration		1 057	882	159	29 270	29 268	29 268	34 543	36 200	38 191
Vote 4 - Finance and administration		60 505	65 128	74 345	19 167	18 151	18 151	19 142	20 428	21 890
Vote 5 - Community and social services		128	490	240	6 548	6 661	6 661	7 737	8 155	8 604
Vote 6 - Public safety		-	-	-	5 602	5 602	5 602	5 696	6 004	6 334
Vote 7 - Health		5 676	6 117	6 432	3 508	3 508	3 508	3 898	4 109	4 334
Vote 8 - Planning and development		948	-	1 871	15 222	13 922	13 922	14 845	15 646	16 507
Vote 9 - Water management		127 255	85 515	161 170	72 924	74 063	74 063	73 657	80 183	89 018
Vote 10 - Road transport		104	56 228	1 497	11 394	11 427	11 427	10 894	11 482	12 114
Total Revenue by Vote	2	209 574	227 706	259 735	181 005	179 971	179 971	189 933	202 697	218 608
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and council		7 806	11 699	5 307	5 910	6 350	6 350	6 091	6 335	6 684
Vote 2 - Municipal Manager, Town Secretary and Chief Executive		9 351	9 313	12 339	11 801	11 778	11 778	13 430	14 156	14 934
Vote 3 - Finance and administration		24 763	34 649	29 580	29 412	26 799	26 799	34 543	36 200	38 191
Vote 4 - Finance and administration		16 390	13 225	15 448	15 835	21 176	21 176	19 142	20 428	21 890
Vote 5 - Community and social services		8 375	5 971	4 785	8 158	6 910	6 910	7 737	8 155	8 604
Vote 6 - Public safety		5 054	4 120	4 193	5 602	4 553	4 553	5 696	6 004	6 334
Vote 7 - Health		3 023	3 001	3 364	3 424	3 353	3 353	3 898	4 109	4 334
Vote 8 - Planning and development		15 756	16 469	13 870	16 048	17 547	17 547	14 845	15 646	16 507
Vote 9 - Water management		109 748	131 027	113 932	102 267	108 164	108 164	107 183	111 728	116 643
Vote 10 - Road transport		-	7 597	14 903	11 185	11 687	11 687	10 894	11 482	12 114
Total Expenditure by Vote	2	200 265	237 071	217 721	209 643	218 319	218 319	223 460	234 242	246 234
Surplus/(Deficit) for the year	2	9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)

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

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

MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)

DC25 Amajuba - 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 - water revenue	2	15 111	20 862	22 321	23 400	21 911	21 911	21 911	23 225	24 479	25 826
Service charges - sanitation revenue	2	2 752	3 560	3 733	4 100	4 944	4 944	4 944	5 240	5 523	5 827
Rental of facilities and equipment		287	272	274	258	236	236	236	250	264	278
Interest earned - external investments		1 017	1 788	4 182	4 000	4 552	4 552	4 552	4 552	4 798	5 062
Interest earned - outstanding debtors		1 359	2 336	3 553	3 700	3 853	3 853	3 853	4 084	4 304	4 541
Transfers and subsidies		178 506	190 395	222 877	144 190	141 287	141 287	141 287	152 295	163 026	176 756
Other revenue	2	9 115	8 492	640	1 357	3 190	3 190	3 190	287	303	319
Gains on disposal of PPE		1 426		2 155							
Total Revenue (excluding capital transfers and contributions)		209 574	227 706	259 735	181 005	179 971	179 971	179 971	189 933	202 697	218 608
Expenditure By Type											
Employee related costs	2	72 507	81 375	80 727	84 847	81 214	81 214	81 214	86 825	91 513	96 546
Remuneration of councillors		4 320	4 346	4 717	5 505	5 944	5 944	5 944	5 685	5 908	6 233
Debt impairment	3	-	15 851	10 239	13 000	13 000	13 000	13 000	13 000	12 500	12 000
Depreciation & asset impairment	2	27 006	28 791	28 862	30 822	30 822	30 822	30 822	33 178	34 970	36 893
Finance charges				937	764	764	764	764	764	764	764
Bulk purchases	2	7 511	13 943	13 943	21 280	18 585	18 585	18 585	17 263	18 195	19 196
Other materials	8										
Contracted services		15 208	19 655	19 594	13 445	22 271	22 271	22 271	17 014	17 933	18 919
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	73 714	66 037	57 942	39 981	45 719	45 719	45 719	49 731	52 459	55 682
Loss on disposal of PPE			7 072	760							

Total Expenditure		200 265	237 071	217 721	209 643	218 319	218 319	218 318	223 460	234 242	246 234
Surplus/(Deficit)		9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Taxation											
Surplus/(Deficit) after taxation		9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Share of surplus/ (deficit) of associate	7		(37 669)	(43 830)							
Surplus/(Deficit) for the year		9 308	(47 034)	(1 815)	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)

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

- Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing.
- Employee related costs, bulk purchases and depreciation are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
- Off-setting depreciation, due to the implementation of the GRAP Accounting Standards on the municipality's assets that has to be recorded directly into the Statement of Financial Performance instead of the Statement of Changes in Net Assets is skewing the picture with regard to depreciation and finance charges

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

DC25 Amajuba - 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
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager, Town Secretary and Chief Executive		-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance and administration		-	-	-	24	198	198	24	198	198	-
Vote 4 - Finance and administration		-	-	-	126	126	126	126	150	30	50
Vote 5 - Community and social services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	5 000	5 000	5 000	-	-	-
Vote 7 - Health		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Water management		40 445	37 733	55 608	119 917	119 917	119 917	119 917	126 858	131 374	138 524
Vote 10 - Road transport		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	40 445	37 733	55 608	120 067	125 241	125 241	125 067	127 206	131 602	138 574
Total Capital Expenditure - Vote		40 445	37 733	55 608	120 067	125 241	125 241	125 067	127 206	131 602	138 574
Capital Expenditure - Functional											
Governance and administration		-	-	-	150	348	348	348	348	30	50
Executive and council											
Finance and administration					150	348	348	348	348	30	50
Internal audit											
Community and public safety		-	-	-	-	5 000	5 000	5 000	-	-	-
Community and social services											
Sport and recreation											
Public safety						5 000	5 000	5 000			
Housing											
Health											
Economic and environmental services		-	-	-	-	-	-	-	-	-	-
Planning and development											
Road transport											

Environmental protection											
<i>Trading services</i>		40 445	37 733	55 608	119 917	119 917	119 917	119 917	126 858	131 374	138 524
Energy sources											
Water management		40 445	37 733	55 608	119 917	119 917	119 917	119 917	126 858	131 374	138 524
Waste water management											
Waste management											
<i>Other</i>											
Total Capital Expenditure - Functional	3	40 445	37 733	55 608	120 067	125 265	125 265	125 265	127 206	131 404	138 574
Funded by:											
National Government		40 445	37 733	55 608	119 917	119 917	119 917	119 917	126 858	131 374	138 524
Provincial Government						5 000	5 000	5 000			
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	40 445	37 733	55 608	119 917	124 917	124 917	124 917	126 858	131 374	138 524
Public contributions & donations	5										
Borrowing	6										
Internally generated funds				-	150	348	348	348	348	30	50
Total Capital Funding	7	40 445	37 733	55 608	120 067	125 265	125 265	125 265	127 206	131 404	138 574

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

- Table A5 below is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments
- Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years
- The capital budget is estimated at R 127 206 000 for the 2018/19 financial year and

and R 131 404 000 respectively for the 2019/20 and R 138 574 000 2020/21 financial years. The capital budget is funded from grants – mainly the Municipal Infrastructure Grant (MIG) Water Service Infrastructure Grant (WSIG) and Road Asset Management Grant. The municipality has made a minimum transfer of R 348 000 to fund its own capital projects. Consequently, the municipality is not able to transfer any funding to the local municipalities to fund projects.

MBRR Table A6 – Budgeted Financial Position

DC25 Amajuba - 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	655	1 123	3 500	3 500	3 500	3 500	6 000	7 000	8 000
Call investment deposits	1	139	17 331	19 886	15 000	15 000	15 000	15 000	10 000	12 000	13 000
Consumer debtors	1	14 749	11 890	16 451	14 450	14 450	14 450	14 450	41 900	29 400	16 900
Other debtors		13 816	8 043	8 880	2 400	10 440	10 440	10 440	11 000	11 000	11 000
Current portion of long-term receivables				614					750	800	850
Inventory	2	5 794	5 483	6 927	6 500	6 500	6 500	6 500	7 000	7 500	8 000
Total current assets		34 503	43 403	53 880	41 850	49 890	49 890	49 890	76 650	67 700	57 750
Non current assets											
Long-term receivables											
Investments											
Investment property		508	485								
Investment in Associate		355 636	289 848	301 775	289 848	289 848	289 848	289 848	289 848	289 848	289 848
Property, plant and equipment	3	311 320	319 879	348 429	400 571	400 571	400 571	400 571	494 599	591 231	692 912
Agricultural											
Biological											
Intangible		7 241	1 593	654	2 500	2 500	2 500	2 500	1 000	1 500	2 000
Other non-current assets											
Total non current assets		674 706	611 806	650 858	692 919	692 919	692 919	692 919	785 447	882 579	984 760
TOTAL ASSETS		709 209	655 209	704 738	734 770	742 810	742 810	742 810	862 097	950 279	1 042 510
LIABILITIES											

Current liabilities	-										
Bank overdraft	1										
Borrowing	4	1 432	1 446	914	1 547	1 547	1 547	1 547	1 547	1 547	1 547
Consumer deposits											
Trade and other payables	4	73 139	88 785	81 203	40 601	40 601	40 601	40 601	30 890	26 000	19 000
Provisions		10 835	16 171	8 419					8 419	8 419	8 419
Total current liabilities		85 407	106 401	90 536	42 148	42 148	42 148	42 148	40 856	35 966	28 966
Non current liabilities											
Borrowing		8 871	8 162	8 273	7 500	7 500	7 500	7 500	8 193	7 433	6 673
Provisions		-	-	4 679	4 800	4 800	4 800	4 800	4 900	5 000	6 000
Total non current liabilities		8 871	8 162	12 953	12 300	12 300	12 300	12 300	13 093	12 433	12 673
TOTAL LIABILITIES		94 278	114 564	103 489	54 448	54 448	54 448	54 448	53 948	48 399	41 639
NET ASSETS	5	614 931	540 645	601 249	680 321	688 361	688 361	688 361	808 149	901 880	1 000 871
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		614 931	540 645	601 249	680 321	688 361	688 361	688 361	808 149	901 880	1 000 871
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	614 931	540 645	601 249	680 321	688 361	688 361	688 361	808 149	901 880	1 000 871

Explanatory notes to Table A6 – Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors, management and other users of budget documentation of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page XX) providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the Statement of Financial Position.

Table A7 – Budgeted Cash Flow Statement

DC25 Amajuba - Table A7 Budgeted Cash Flows

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											
Service charges		9 929	18 948	15 112	15 400	19 053	19 053	19 053	17 079	29 805	31 444
Other revenue		6 865	220	2	1 615	2 329	2 329	2 329	537	566	597
Government - operating	1	-	210 421	225 494	144 190	135 850	135 850	135 850	152 295	163 026	176 756
Government - capital	1	183 869			119 917	124 917	124 917	124 917	126 858	131 374	138 524
Interest			1 788	4 182	6 072	6 624	6 624	6 624	7 002	9 073	9 572
Payments											
Suppliers and employees		(159 154)	(175 166)	(185 817)	(165 057)	(222 099)	(222 099)	(222 099)	(222 696)	(233 478)	(245 470)
Finance charges		(1 758)	(792)	(937)	(764)	(764)	(764)	(764)	(764)	(764)	(764)
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		39 752	55 419	58 036	121 372	65 909	65 909	65 909	80 312	99 602	110 660
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			89	2 641					-	-	-
Payments											
Capital assets		(40 445)	(37 733)	(57 234)	(120 067)	(125 265)	(125 265)	(125 265)	(127 206)	(131 404)	(138 574)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40 445)	(37 644)	(54 593)	(120 067)	(125 265)	(125 265)	(125 265)	(127 206)	(131 404)	(138 574)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Payments											
Repayment of borrowing		509	66	(424)					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		509	66	(424)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(184)	17 842	3 019	1 305	(59 356)	(59 356)	(59 356)	(46 894)	(31 802)	(27 914)
Cash/cash equivalents at the year begin:	2	332	148	17 990	2 909	21 009	21 009	21 009	21 009	(25 886)	(57 687)
Cash/cash equivalents at the year end:	2	148	17 990	21 009	4 215	(38 347)	(38 347)	(38 347)	(25 886)	(57 687)	(85 602)

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the municipality fell significantly over the 2014/15 to 2015/16 period owing directly to a net decrease in cash for the 2016/17 and 2017/18 financial years.
4. The 2017/2018 MTREF provide for a net increase in cash of R4.215 million (Original Budget) for the 2017/18 financial year
5. As part of the 2017/18 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations, rationalisation of spending priorities and review of the budget before the traditional February timeline.
6. In addition the municipality preparing to undertake an extensive consumer awareness and debt collection initiative which should result in increased cash receipts and a reduction in arrear debtors.
7. Regardless of the interventions the municipality still projected a deficit in cash and cash equivalents of R38.347 million
8. The 2018/2019 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. This could not be achieved due to employee related costs and a bloated organizational structure.
9. Cash and cash equivalents totals project R25 886 million deficits as at the end of the 2018/19 financial year and escalate to a projected R85 602 million deficit by 2020/2021.

MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

DC25 Amajuba - 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	148	17 990	21 009	4 215	(38 347)	(38 347)	(38 347)	(25 886)	(57 687)	(85 602)
Other current investments > 90 days		(3)	(3)	0	14 285	56 847	56 847	56 847	41 886	76 687	106 602
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		145	17 987	21 009	18 500	18 500	18 500	18 500	16 000	19 000	21 000
Application of cash and investments											
Unspent conditional transfers		6 810	18 664	7 426	4 500	4 500	4 500	4 500	5 000	6 000	4 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	49 570	59 365	61 234	27 364	20 508	20 508	20 508	(2 276)	(15 184)	(9 298)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		56 379	78 029	68 660	31 864	25 008	25 008	25 008	2 724	(9 184)	(5 298)
Surplus(shortfall)		(56 234)	(60 042)	(47 652)	(13 364)	(6 508)	(6 508)	(6 508)	13 276	28 184	26 298

Other working capital requirements

Debtors	16 760	10 756	12 543	8 737	15 593	15 593	15 593	28 166	35 184	24 298
Creditors due	66 330	70 121	73 777	36 101	36 101	36 101	36 101	25 890	20 000	15 000
Total	(49 570)	(59 365)	(61 234)	(27 364)	(20 508)	(20 508)	(20 508)	2 276	15 184	9 298

Debtors collection assumptions

Balance outstanding - debtors	28 565	19 933	25 330	16 850	24 890	24 890	24 890	52 900	40 400	27 900
Estimate of debtors collection rate	58.7%	54.0%	49.5%	51.9%	62.6%	62.6%	62.6%	53.2%	87.1%	87.1%

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

1. The cash backed reserves / accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 91 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. For the MTREF 2018/19 to 2020/21 the Municipality is striving to maintain a positive cash flow and funded budget.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

MBRR Table A9

DC25 Amajuba - Table A9 Asset Management

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										
<u>Total New Assets</u>	1	40 445	37 733	55 608	120 067	125 241	125 241	125 067	127 206	131 602
<i>Roads Infrastructure</i>		-	-	-	2 200	2 200	2 200	2 205	2 335	2 470
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	6 000	6 000	6 000	-	-	-
<i>Water Supply Infrastructure</i>		40 445	37 733	55 608	105 217	105 343	105 343	87 214	88 755	87 821
<i>Sanitation Infrastructure</i>		-	-	-	6 500	6 500	6 500	27 000	27 000	27 000
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	5 000	5 000	8 000
Infrastructure		40 445	37 733	55 608	119 917	120 043	120 043	121 419	123 090	125 291
Community Facilities		-	-	-	-	5 000	5 000	3 300	4 086	6 261
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	5 000	5 000	3 300	4 086	6 261
Heritage Assets		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	150	198	198	348	30	50
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4									
<i>Roads Infrastructure</i>		-	-	-	2 200	2 200	2 200	2 205	2 335	2 470
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	6 000	6 000	6 000	-	-	-
<i>Water Supply Infrastructure</i>		40 445	37 733	55 608	105 217	105 343	105 343	87 214	88 755	87 821
<i>Sanitation Infrastructure</i>		-	-	-	6 500	6 500	6 500	27 000	27 000	27 000
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	5 000	5 000	8 000

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Infrastructure		40 445	37 733	55 608	119 917	120 043	120 043	121 419	123 090	125 291
Community Facilities		-	-	-	-	5 000	5 000	3 300	4 086	6 261
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	5 000	5 000	3 300	4 086	6 261
Heritage Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	150	198	198	348	30	50
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		40 445	37 733	55 608	120 067	125 241	125 241	125 067	127 206	131 602
ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Roads Infrastructure</i>								2 205	2 335	2 470
<i>Storm water Infrastructure</i>										
<i>Electrical Infrastructure</i>										
<i>Water Supply Infrastructure</i>		311 320	319 879	271 729	400 571	400 571	400 571	89 353	92 953	94 793
<i>Sanitation Infrastructure</i>				31 167				27 000	27 000	27 000
<i>Solid Waste Infrastructure</i>										
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>								5 000	5 000	8 000
Infrastructure		311 320	319 879	302 896	400 571	400 571	400 571	123 558	127 288	132 263
Community Facilities								3 300	4 086	6 261
Sport and Recreation Facilities				20 504						
Community Assets		-	-	20 504	-	-	-	3 300	4 086	6 261
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings				16 817						
Housing										
Other Assets		-	-	16 817	-	-	-	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights				654						
Intangible Assets		-	-	654	-	-	-	-	-	-
Computer Equipment				40						

Furniture and Office Equipment				1 852				348	30	50
Machinery and Equipment				2 051						
Transport Assets				3 699						
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	311 320	319 879	348 514	400 571	400 571	400 571	127 206	131 404	138 574
EXPENDITURE OTHER ITEMS										
<u>Depreciation</u>	7	27 006	28 791	28 862	30 822	30 822	30 822	30 822	33 178	34 970
<u>Repairs and Maintenance by Asset Class</u>	3	7 303	9 558	4 033	9 632	9 866	9 866	11 288	11 897	12 551
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		7 303	9 558	4 033	9 000	9 235	9 235	9 534	10 049	10 602
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		7 303	9 558	4 033	9 000	9 235	9 235	9 534	10 049	10 602
Community Facilities		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	632	632	632	1 753	1 848	1 949
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		34 309	38 349	32 895	40 454	40 688	40 688	42 109	45 075	47 521
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>R&M as a % of PPE</i>		<i>2.3%</i>	<i>3.0%</i>	<i>1.2%</i>	<i>2.4%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.0%</i>	<i>1.8%</i>
<i>Renewal and upgrading and R&M as a % of PPE</i>		<i>2.0%</i>	<i>3.0%</i>	<i>1.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>9.0%</i>	<i>9.0%</i>	<i>9.0%</i>

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality cannot meet these recommendations due to a lack of financial resources and the implementation GRAP 17

3. Depreciation and asset impairment costs (off-setting depreciation included) due to the implementation of the GRAP Accounting Standards on the carrying values of componentised assets makes it virtually unaffordable to maintain the municipality's assets at depreciated replacement cost.

MBRR Table A10

DC25 Amajuba - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		47 804	47 804	47 804	66 651	66 651	66 651	66 651	66 651	66 651
Piped water inside yard (but not in dwelling)		36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415
Using public tap (at least min.service level)	2	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		97 285	97 285	97 285	116 132	116 132	116 132	116 132	116 132	116 132
Using public tap (< min.service level)	3	4 215	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135
Other water supply (< min.service level)	4	8 145	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		12 360	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676
Total number of households	5	109 645	110 961	110 961	129 808	129 808	129 808	129 808	129 808	129 808
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		53 154	51 160	51 160	70 005	70 005	70 005	70 005	70 005	70 005
Flush toilet (with septic tank)		20 145	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272
Chemical toilet		6 457	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874
Pit toilet (ventilated)		9 214	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		88 970	70 211	70 211	89 056	89 056	89 056	89 056	89 056	89 056
Bucket toilet		614	753	753	753	753	753	753	753	753

Other toilet provisions (< min.service level)		18 551	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125
No toilet provisions		3 654	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874
<i>Below Minimum Service Level sub-total</i>		22 819	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752
Total number of households	5	111 789	110 963	110 963	129 808	129 808	129 808	129 808	129 808	129 808
<u>Energy:</u>										
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs:
 - a. The minimum level of water services is available to all households – formal as well as informal areas
 - b. Sanitation services backlogs steadily increases for the 2016/17 MTREF period. These numbers will only reduce when the municipality receives funds from the housing programme for basic service infrastructure. Provincial government is slow in approving funds through the housing programme to build houses with toilets and sewerage networks.
3. The changes in the Indigent Subsidy Policy will result in less households to be registered as indigent in 2018/2019 and therefore result in less households entitled to receive Free Basic Services

Part 4 – Supporting Documentation

KEY ACTIVITIES

Below are a summary of the key activities to take place in terms of the IDP, Budget and PMS for the 2017/18 IDP Process:

CYCLE FOR THE 2017/18 IDP INCLUDING THE PMS AND BUDGET LINKAGES

MONTH	ACTIVITIES					
	IDP	PMS	BUDGET			
JULY	Finalisation of IDP Review document and submission to the COGTA for approval by the MEC. IDP Review Process Plan Drafted.	Adoption of the PMS Implementation of approved SDBIP for current financial year Final assessment of previous financial year SDBIP Signing of new performance contracts for Section 57 Managers and submission to EXCO (Section 69 of the MFMA and Section 57 of the MSA).	Mayor and Council / Entity Board	Administration - Municipality and Entity	Budget	Review
			Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53 Planning includes review of the previous years budget process and completion of the Budget Evaluation Checklist	Accounting officers and senior officials of municipality and entities begin planning for next three-year budget MFMA s 68, 77 Accounting officers and senior officials of municipality and entities review options and contracts for service delivery MSA s 76-81	Approve and announce new budget schedule and set up committees and forums. Consultation on performance and changing needs.	
AUGUST	IDP Review Process Plan tabled at EXCO and Council for approval.	Final S57 Managers' Performance Assessments	Mayor tables in Council a time schedule outlining	Accounting Officer to submit AFS to Auditor-General [Due by	Consultation on performance and	

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	<p>IDP preparation process initiated.</p> <p>Review of comments received on the previous financial year IDP Review document.</p> <p>Self-assessment to identify gaps in the IDP process.</p> <p>Integration of information from adopted Sector Plans into the IDP Review document.</p> <p>Initiation of new sector plans into the IDP.</p> <p>Review and updating of the IDP Vision, Mission and Objectives.</p> <p>Updating and review of the strategic elements of the IDP in light of the new focus of Council.</p> <p>Compilation of the SDF</p> <p>Collection of the SDF data from sector plans and population data</p>	<p>Quarterly Audit Committee meeting (for the last quarter of 05/06)</p> <p>MFMA Sect 166 & MPPR Reg. 14(3)(a)</p>	<p>key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year.</p> <p>MFMA s 21,22, 23;</p> <p>MSA s 34, Ch 4 as amended</p> <p>Mayor establishes committees and consultation forums for the budget process</p>	<p>31 August, MFMA Sec 126(1)(a)]</p>	<p>changing needs.</p> <p>Review performance and financial position.</p> <p>Review external mechanisms.</p> <p>Start Planning for next three years.</p>
SEPT	<p>Integration of information from adopted Sector Plans into the IDP Review document.</p> <p>Review of Spatial Development Framework.</p> <p>Updating and review of the strategic elements of the IDP in light of the new focus of Council.</p>	<p>Auditor General audit of performance measures</p>	<p>Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national</p>	<p>Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into</p>	<p>Update policies, priorities and objectives.</p> <p>Determine revenue projections and policies.</p>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	Collection of the SDF data from sector plans and population data		government sector and strategic plans	account strategic objectives Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)	
OCTOBER	Integration of information from adopted Sector Plans into the IDP Review document. Review of Spatial Development Framework. Updating and review of the strategic elements of the IDP in light of the new focus of Council.	Appointment of Internal Auditors (MFMA Sect 55(2)) Appointment of the Audit Committee (MPPR Reg. 14) Sect 57 Managers' quarterly assessments (for first quarter) Assessment of the SDBIP (for first quarter) First draft annual report to Auditor General		Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials MFMA s 35, 36, 42; MTBPS	Determine revenue projections and policies. Engagement with sector departments, share and evaluate plans, national policies, MTBPS. Draft initial allocations to functions. Draft initial changes to IDP.
NOVEMBER	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Identification of priority IDP projects. Project alignment between the DM and LM's.	Quarterly Audit Committee meeting (for the first quarter) MFMA Sect 166 & MPPR Reg. 14(3)(a)		Accounting officer reviews and drafts initial changes to IDP MSA s 34 Auditor-General to return audit report [Due by 30 November, MFMA 126(4)]	Draft initial changes to IDP. Consolidation of budgets and plans. Executive determines strategic choices for next three years.

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	Municipal alignment sessions under auspices of COGTA				
DECEMBER	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Project alignment between the DM and LM's. Identification of priority IDP projects. Development of Spatial strategies and mapping.	Compile annual report (MFMA Sect 121) Quarterly Audit Committee (MFMA Sect 166 & MPPR Reg. 14(3)(a))	Council finalises tariff (rates and service charges) policies for next financial year MSA s 74, 75	Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous years performance as per audited financial statements	Executive determines strategic choices for next three years. Finalise tariff policies.
JANUARY	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Identification of priority IDP projects. Development of Spatial strategies and mapping.	Mayor tables annual report (MFMA Sect 127(2)) Mid-year Sect 57 Managers' performance assessments Mid-year assessment of the SDBIP MPPR Reg. 14	Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year MFMA s 87(1)	Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) MFMA s 36	Prepare detailed budgets and plans for the next three years.
FEBRUARY	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Identification of priority IDP projects. Alignment of the draft budget and	Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 21a)	Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the	Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective	Prepare detailed budgets and plans for the next three years. Executive adopts budget and plans and changes to IDP.

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	capital investment framework with the SDF		entity MFMA s 87(2)	measures proposed as part of the oversight report for the previous years audited financial statements and annual report Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year MFMA s 37(2)	
MARCH	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Initiate preparation of Capital Investment Plan. Initiate preparation of Financial Plan. Conclusion of Sector Plans initiated for the previous financial year and integration into the IDP Review report. Finalisation of the SDF Submissions of Draft 2016/17 Reviewed IDPs to COGTA	Council to consider and adopt an oversight report [Due by 31 March MFMA Sec 129(1)] Submit annual to AG, Provincial & DTLGA (MFMA Sect 127) Set performance objectives for revenue for each budget vote (MFMA Sect 17)	Entity board of directors considers recommendations of parent municipality and submit revised budget by 22nd of month MFMA s 87(2) Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year MFMA s 16, 22, 23, 87; MSA s 34	Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed MFMA s 22 & 37; MSA Ch 4 as amended Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March MFMA s 42	Mayor tables budget, resolutions, plans and changes to IDP at least 90 days before the start of the financial year.
APRIL	Incorporation of DORA information into the IDP document.	Refinement of Municipal Strategies, Objectives,	Consultation with national and provincial treasuries	Accounting officer assists the Mayor in revising budget	Consultation with National and

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	<p>Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets.</p> <p>Identify departmental allocations from Municipality's Own Funds.</p> <p>Workshops with Portfolio Councillors to identify projects to which Own Funds will be allocated to.</p> <p>Preparation of Capital Investment Plan.</p> <p>Preparation of Financial Plan.</p> <p>Conclusion of Sector Plans initiated for the previous financial year and integration into the IDP Review report.</p> <p>Convening of decentralised IDP Assessment Forums</p>	<p>KPA's, KPI's and targets and inclusion into IDP Review report.</p> <p>Submit Annual Report to Provincial Legislature/MEC Local Government [Due mid-April MFMA Sec 132(2)]</p> <p>S57 Managers' Quarterly Performance Assessments</p> <p>Publicise Annual Report [Due mid- April MFMA Sec 129(3)]</p> <p>Quarterly Annual Report [Due mid-April MFMA Sec 129(3)]</p> <p>Budget for expenses of audit committee</p>	<p>and finalise sector plans for water, sanitation, electricity etc</p> <p>MFMA s 21</p>	<p>documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year</p>	<p>Provincial Treasuries and finalise sector plans, water and sanitation, electricity, etc.</p> <p>Public hearings on the Budget, Council Debate on Budget and Plans.</p>
MAY	<p>Public participation process launched through series of public hearings on the IDP and Budget.</p> <p>Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets.</p> <p>IDP Assessment feedback</p>	<p>Annual review of organisational KPIs (MPPR Reg. 11)</p> <p>Review annual organisational performance targets (MPPR Reg. 11)</p>	<p>Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during</p>	<p>Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature</p>	<p>Public hearings on the Budget, Council Debate on Budget and Plans.</p> <p>Council adopts budget, resolutions, capital implementation plans, objectives and changes in IDP.</p>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
			consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year. MFMA s 23, 24; MSA Ch 4 as amended Entity board of directors to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality MFMA s 87		
JUNE	IDP RF meeting to consider the amendments to the IDP. EXCO recommends adoption of the IDP to Council. Council workshop on the IDP. Adoption of the IDP by Council.	Community input into organisation KPIs and targets Quarterly Audit Committee meeting MFMA Sect 166 & MPPR Reg. 14(3)(a)	Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote	Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. MFMA s 69; MSA s 57 Accounting officers of municipality and entities	Publish budget and plans. Finalise performance contracts and delegation.

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
			before start of budget year MFMA s 16, 24, 26, 53 Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval. MFMA s 53; MSA s 38-45, 57(2) Council must finalise a system of delegations. MFMA s 59, 79, 82; MSA s 59-65	publishes adopted budget and plans MFMA s 75, 87	

3.2 Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

DC25 Amajuba - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (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
R thousand												
BASIC SERVICE DELIVERY	To ensure access to basic water and sanitation to community members within Amajuba district.			127 359	141 948	160 820	72 924	74 063	74 063	73 657	80 183	89 018
Municipal Institutional Development and Transformation	To Achieve sound governance, management, administration and equity within Amajuba district in line with organized local government guidelines			1 057	882	590	29 270	26 799	26 799	34 543	36 200	38 191
Municipal Financial Viability and Management	Manage the municipality within the budgetary and policy frameworks of the municipality			60 505	65 128	74 345	19 167	21 176	21 176	19 142	20 428	21 890
Good Governance and Public Participation	To promote public participation through stakeholder mobilization			13 901	13 346	14 181	17 369	17 369	17 369	19 521	20 491	21 617
Local Economic Development	To facilitate, encourage and support the development of an enabling environment for LED and job creation			948	-	1 871	15 222	13 922	13 922	14 845	15 646	16 507
Spatial Planning and Environmental Management	To promote the development of a safe and healthy environment in line with applicable legislation			5 676	6 117	6 432	15 658	3 508	3 508	3 898	4 109	4 334

Infrastructure Development and Service Delivery	To ensure provision of basic community infrastructure and services as per acceptable norms and standards			128	284	1 497	11 394	23 134	23 134	24 327	25 641	27 051
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	209 574	227 706	259 735	181 005	179 971	179 971	189 933	202 697	218 608

3.3 DC25 Amajuba - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

DC25 Amajuba - 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
BASIC SERVICE DELIVERY	To ensure access to basic water and sanitation to community members within Amajuba district.			111 506	138 830	113 932	102 267	107 183	113 664	107 183	111 728	116 643
Municipal Institutional Development and Transformation	To Achieve sound governance, management, administration and equity within Amajuba district in line with organized local government guidelines			24 763	34 649	29 580	29 412	26 799	26 799	34 543	36 200	38 191
Municipal Financial Viability and Management	Manage the municipality within the budgetary and policy frameworks of the municipality			16 390	13 225	15 448	15 835	21 176	21 176	19 142	20 428	21 890
Good Governance and Public Participation	To promote public participation through stakeholder mobilization			17 157	21 011	17 646	17 712	18 128	18 128	19 521	20 491	21 617

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Local Economic Development	To facilitate, encourage and support the development of an enabling environment for LED and job creation		15 756	16 469	13 870	16 048	17 547	17 547	14 845	15 646	16 507
Spatial Planning and Environmental Management	To promote the development of a safe and healthy environment in line with applicable legislation		3 023	3 001	3 364	17 185	3 353	3 353	3 898	4 109	4 334
Infrastructure Development and Service Delivery	To ensure provision of basic community infrastructure and services as per acceptable norms and standards		11 671	9 886	23 881	11 185	24 132	17 651	24 327	25 641	27 051
Allocations to other priorities											
Total Expenditure		1	200 265	237 071	217 721	209 643	218 319	218 319	223 460	234 242	246 234

DC25 Amajuba - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (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
Infrastructure Development and Service Delivery	MIG PMU admin cost	A		40 445	37 733	55 608	1 000	527	527	453	453	453
	EMANLANGENI SANITATION-MIG;	B						10 362	10 362	2 000	2 000	2 000
	Goedehoop bulk water and sanitation	C					11 000	4 437	4 437	10 000	10 000	10 000
	Danhauser Housing Development Bulk Water and Sanitation	D					2 000	1 000	1 000	10 000	10 000	10 000

Buffalo Flats Water Supply Scheme Phase 3B	E				20 617	12 409	12 409	14 500	14 500	14 500
Construction of Buffalo Flats Sanitation project	F				7 100	11 647	11 647			
Buffalo Flats Water Supply Scheme Phase 3	G					979	979			
Amajuba Disaster Management Centre Phase 2	H					356	356			
Emxhakeni reticulation water scheme is an extension of existing water reticulation scheme to serve 500 households	I				3 248	1 675	1 675	1 000	1 000	1 000
Pipeline extension and infrastructure in Skobharen and Alcockspruit	J				14 500	24 177	24 177	35 000	35 000	35 000
Construction of vip toilets in Dannhauser	K				4 500	4 500	4 500	5 000	5 000	5 000
Refurbishment of DNC WWTP, Tweediedale and Utrecht WTP	L				5 580	-	-	4 000	4 000	4 000
Refurbishment and upgrade of Durnacol Water Treatment Works in Dannhauser	M				18 000	21 614	21 614	12 000	15 600	12 000
Construction of Brakfontein reservoir	N				22 171	2 000	2 000	15 000	15 000	15 000

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

	OTHER WSIG PROJECTS - INFRASTRUCTURE	O					10 200	29 210	29 210	17 905	19 019	29 571
To provide physical infrastructure	To avail and maintain municipal buildings, plant and equipments and municipal infrastructure	P				150	348	348	348	348	30	50
Allocations to other priorities			3									
Total Capital Expenditure			1	40 445	37 733	55 608	120 067	125 241	125 241	127 206	131 602	138 574

4.1 Measurable performance objectives and indicators

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

PERFORMANCE MANAGEMENT SYSTEMS KEY DATES

Table 4: PMS Review dates

Description	Timeframe
Adoption of PMS Policy by Council	July
Mayor to approve Draft SDBIP	14 days after the approval budget approval
Council to approve Draft SDBIP	28 days after the approval budget approval
Publication of SDBIP	14 days after the approval of the SDBIP
Section 54/56 Managers signing of performance agreements	90 calendar days after assumption of duty and within One month after the beginning of the financial year
Submission of annual performance report to AG	Within 2 months after the end of the financial year
Quarterly PMS Reports on the SDBIP	30 days after end of quarter
Quarterly Section 54/56 assessments by the MM	30 days after the end of quarter
Year-end Section 54/56 assessments by the Evaluation Panel	60 days after end of quarter
Submission and tabling of the Annual Report to Council	Within 7 months after the end of a financial year (31 January)
Make public the Annual Report	Immediately after its tabled in the council
Place on website the Annual Report	Not later than 5 days after its tabling in the council or the date on which it must be made public, whichever occurs first
Submit the Annual Report to Auditor General, relevant provincial treasury and provincial department responsible for local government in the province	Immediately after its tabled in the council

Adopt the Oversight Report	By no later 2 months from the date on which the annual report was tabled in the council in terms of section 127 (31 March)
Make public the Oversight Report	Within 7 days of its adoption
Submit the Annual Report and Oversight Report to Provincial Legislature	Within 7 days after the municipal council has adopted the relevant oversight report
Submission and tabling of the Annual Report to Council	Within 7 months after the end of a financial year (31 January)

The ADM has established a Planning and Development Forum with the purpose of promoting and supporting the facilitation of intergovernmental relations and cooperative governance in the Amajuba District Municipal area by:

- Ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions
- Supporting the Technical Support Forum by ensuring that sufficient technical analysis has been conducted before making recommendations
- Coordinating activities and/or functions relevant to Planning and Development throughout the district
- Implementing decisions of the TSF as well as those of its own in a coordinated & co-operative manner

5.1 OTHER SUPPORTING SCHEDULES OTHER SUPPORTING TABLES

DC25 Amajuba - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		15 111	20 862	22 321	23 400	21 911	21 911	21 911	23 225	24 479	25 826
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>											
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		15 111	20 862	22 321	23 400	21 911	21 911	21 911	23 225	24 479	25 826
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		2 752	3 560	3 733	4 100	4 944	4 944	4 944	5 240	5 523	5 827
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>											
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		2 752	3 560	3 733	4 100	4 944	4 944	4 944	5 240	5 523	5 827
<u>Other Revenue by source</u>											
Atmospheric Emissions Licence					121	121	121	121	-	-	-
Income Other Debtors		0			15	-	-	-			
Tele/Cellphone Cost Recovered		11		43	9	9	9	9	5	5	6
Tender Deposits		23			27	98	98	98	100	105	111
Facilities -Rental		128		-	-	-	-	-	-	-	-
Skills Development Grant ;		203		-	150	148	148	148	180	190	200
Contribution - Accumulated Surplus						135	135	135			

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Vat Reclaimed -Conditional Grants		8 563	8 492			-	-	-			
Admin Recovery-MIG Grant/Envrimental Grant					1 000	1 000	1 000	1 000			
Sundry income				594	6	3	3	3	2	2	2
Donations				2		1 677	1 677	1 677			
Connention Fee	3	186			30	-	-	-			
Total 'Other' Revenue	1	9 115	8 492	640	1 357	3 190	3 190	3 190	287	303	319
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	45 995	50 406	54 715	57 128	54 731	54 731	54 731	57 082	60 164	63 473
Pension and UIF Contributions		5 880	6 102	6 618	7 242	6 686	6 686	6 686	7 154	7 541	7 955
Medical Aid Contributions		2 705	3 031	3 191	3 799	3 641	3 641	3 641	3 890	4 100	4 326
Overtime		4 668	4 650	4 114	4 856	4 796	4 796	4 796	6 408	6 754	7 125
Performance Bonus		4 031	3 727	3 963	-	-	-	-	4 309	4 542	4 791
Motor Vehicle Allowance		5 526	5 448	5 085	5 110	4 791	4 791	4 791	5 184	5 464	5 765
Cellphone Allowance				585	705	661	661	661	659	695	733
Housing Allowances		205	277	490	559	506	506	506	582	613	647
Other benefits and allowances		1 716	3 449	3 857	5 447	5 402	5 402	5 402	1 556	1 640	1 731
Payments in lieu of leave		1 781	4 286	(1 892)							
Long service awards											
Post-retirement benefit obligations	4										
<i>sub-total</i>	5	72 507	81 375	80 727	84 847	81 214	81 214	81 214	86 825	91 513	96 546
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	72 507	81 375	80 727	84 847	81 214	81 214	81 214	86 825	91 513	96 546
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment		27 006	28 791	28 862	30 822	30 822	30 822	30 822	33 178	34 970	36 893
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	27 006	28 791	28 862	30 822	30 822	30 822	30 822	33 178	34 970	36 893
<u>Bulk purchases</u>											
Electricity Bulk Purchases											
Water Bulk Purchases		7 511	13 943	13 943	21 280	18 585	18 585	18 585	17 263	18 195	19 196
Total bulk purchases	1	7 511	13 943	13 943	21 280	18 585	18 585	18 585	17 263	18 195	19 196

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted services											
<i>Security;</i>					6 245	4 000	4 000	4 000	6 114	6 444	6 799
<i>Call Centre Management</i>					1 300	1 300	1 300	1 300	1 300	1 370	1 446
<i>Water Tanker Delivery</i>		15 208	19 655	19 594	4 000	10 903	10 903	10 903	5 000	5 270	5 560
<i>VIP Desludging Costs</i>					1 000	3 026	3 026	3 026	3 000	3 162	3 336
<i>Professional & Legal Costs;</i>						-	-	-			
<i>ICT Management</i>					900	3 041	3 041	3 041	1 600	1 686	1 779
<i>Hygiene Services</i>											
sub-total	1	15 208	19 655	19 594	13 445	22 271	22 271	22 271	17 014	17 933	18 919
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		15 208	19 655	19 594	13 445	22 271	22 271	22 271	17 014	17 933	18 919
Other Expenditure By Type											
Collection costs	-	47			-						
Contributions to 'other' provisions		1 494		563	1 000	1 000	1 000	1 000	1 265	1 333	1 407
Consultant fees											
Audit fees		2 706			2 008	3 000	3 000	3 000	3 100	3 267	3 447
General expenses	3	69 467	66 037	57 379	22 241	29 419	29 419	29 419	28 693	30 286	32 289
<i>List Other Expenditure by Type</i>											
<i>Rental Office Equipment;</i>					277	120	120	120	120	126	133
<i>Telephone;</i>					1 166	700	700	700	1 209	1 274	1 344
<i>Membership Fees</i>					916	800	800	800	900	949	1 001
<i>Fuel & Oil-Offical Vehicle;</i>					2 210	2 807	2 807	2 807	3 496	3 685	3 887
<i>Training Direct Expende;</i>					40	60	60	60	200	211	222
<i>Electricity;</i>					4 435	4 959	4 959	4 959	6 983	7 360	7 765
<i>Municipal Serv -Rates & Taxe</i>					535	500	500	500	1 189	1 253	1 322
<i>Job Evaluation;</i>					86	-	-	-	40	42	44
<i>Pest Control & Hygiene Services</i>					180	108	108	108	195	206	217
<i>Occupation Health and Safety and Staff Recruitment</i>					140	0	0	-	60	64	67

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

<i>Environmental Management</i>					1 000	1 000	1 000	1 000	1 000	1 054	1 112
<i>IDP Public Participation:</i>					350	350	350	350	50	53	56
<i>PROJECT INITIATION FUND;</i>					400	400	400	400	400	422	445
<i>SPATIAL PLANNING SUPPORT;</i>					-	30	30	30			
<i>Disaster Relief Intervention</i>					150	80	80	80	100	105	111
Cleaning Materials;					21	50	50	50	50	53	56
Tools & Equipment;					500	180	180	180	300	316	334
Water analysis;					700	1	1	1	130	137	145
Protective Clothing;					265	155	155	155	250	264	278
Subsistence & Travel-Recruitment of DCS, CFO & MM					61	-	-	-			
Shared Services DPSS-Councillor Capacity					1 300	-	-	-			
Total 'Other' Expenditure	1	73 714	66 037	57 942	39 981	45 719	45 719	45 719	49 731	52 459	55 682

Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		7 303	9 558	4 033	9 632	9 866	9 866	9 866	11 288	11 897	12 551
Total Repairs and Maintenance Expenditure	9	7 303	9 558	4 033	9 632	9 866	9 866	9 866	11 288	11 897	12 551

DC25 Amajuba - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and council	Vote 2 - Municipal Manager, Town Secretary and Chief Executive	Vote 3 - Finance and administration	Vote 4 - Finance and administration	Vote 5 - Community and social services	Vote 6 - Public safety	Vote 7 - Health	Vote 8 - Planning and development	Vote 9 - Water management	Vote 10 - Road transport	Total
R thousand	1											
Revenue By Source												
Property rates												-
Service charges - electricity revenue												-
Service charges - water revenue										23 225		23 225
Service charges - sanitation revenue										5 240		5 240
Service charges - refuse revenue												-
Service charges - other												-
Rental of facilities and equipment						250						250

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Interest earned - external investments				4 552							4 552
Interest earned - outstanding debtors									4 084		4 084
Dividends received											-
Fines, penalties and forfeits											-
Licences and permits											-
Agency services											-
Other revenue			185	102							287
Transfers and subsidies	6 091	13 430	34 358	14 488	7 487	5 696	3 898	14 845	41 107	10 894	152 295
Gains on disposal of PPE											-
Total Revenue (excluding capital transfers and contributions)	6 091	13 430	34 543	19 142	7 737	5 696	3 898	14 845	73 657	10 894	189 933
Expenditure By Type											
Employee related costs		12 763	11 540	9 729	4 683	5 496	3 623	9 905	22 232	6 854	86 825
Remuneration of councillors	5 685	-									5 685
Debt impairment									13 000		13 000
Depreciation & asset impairment	85	181	1 438	283	1 833			1 336	28 021		33 178
Finance charges									764		764
Bulk purchases									17 263		17 263
Other materials											-
Contracted services			6 114					1 600	8 000	1 300	17 014
Transfers and subsidies											-
Other expenditure	320	486	15 452	9 130	1 221	200	275	2 004	17 903	2 740	49 731
Loss on disposal of PPE											-
Total Expenditure	6 091	13 430	34 543	19 142	7 737	5 696	3 898	14 845	107 183	10 894	223 460
Surplus/(Deficit)	-	-	-	-	-	-	-	-	(33 527)	-	(33 527)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)											-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	-	(33 527)	-	(33 527)

DC25 Amajuba - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits		139	17 331	19 886	15 000	15 000	15 000	15 000	10 000	12 000	13 000
Other current investments											
Total Call investment deposits	2	139	17 331	19 886	15 000	15 000	15 000	15 000	10 000	12 000	13 000
<u>Consumer debtors</u>											
Consumer debtors		20 440	33 302	48 232	41 682	41 682	41 682	41 682	54 900	41 900	28 900
<u>Less: Provision for debt impairment</u>		(5 691)	(21 412)	(31 781)	(27 232)	(27 232)	(27 232)	(27 232)	(13 000)	(12 500)	(12 000)
Total Consumer debtors	2	14 749	11 890	16 451	14 450	14 450	14 450	14 450	41 900	29 400	16 900
<u>Debt impairment provision</u>											
Balance at the beginning of the year		139	21 412	21 412	41 682	41 682	41 682	41 682	54 900	41 900	28 900
Contributions to the provision		14 749		10 370	(27 232)	(27 232)	(27 232)	(27 232)	(13 000)	(12 500)	(12 000)
Bad debts written off				-							
Balance at end of year		14 888	21 412	31 781	14 450	14 450	14 450	14 450	41 900	29 400	16 900
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		338 015	442 161	470 711	553 674	553 674	553 674	553 674	680 880	812 482	951 056
Leases recognised as PPE											
<u>Less: Accumulated depreciation</u>		26 695	122 281	122 281	153 103	153 103	153 103	153 103	186 281	221 251	258 144
Total Property, plant and equipment (PPE)	2	311 320	319 879	348 429	400 571	400 571	400 571	400 571	494 599	591 231	692 912
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		1 432	1 446	914	1 547	1 547	1 547	1 547	1 547	1 547	1 547
Total Current liabilities - Borrowing		1 432	1 446	914	1 547	1 547	1 547	1 547	1 547	1 547	1 547
<u>Trade and other payables</u>											
Trade and other creditors		66 330	70 121	73 777	36 101	36 101	36 101	36 101	25 890	20 000	15 000
Unspent conditional transfers		6 810	18 664	7 426	4 500	4 500	4 500	4 500	5 000	6 000	4 000

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

VAT											
Total Trade and other payables	2	73 139	88 785	81 203	40 601	40 601	40 601	40 601	30 890	26 000	19 000
<u>Non current liabilities - Borrowing</u>											
Borrowing	4	8 859	8 162	8 106	7 500	7 500	7 500	7 500	8 193	7 433	6 673
Finance leases (including PPP asset element)		12		167							
Total Non current liabilities - Borrowing		8 871	8 162	8 273	7 500	7 500	7 500	7 500	8 193	7 433	6 673
<u>Provisions - non-current</u>											
Retirement benefits				4 679	4 800	4 800	4 800	4 800	4 900	5 000	6 000
List other major provision items											
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		-	-	4 679	4 800	4 800	4 800	4 800	4 900	5 000	6 000
CHANGES IN NET ASSETS											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance		607 381	550 010	592 500	708 960	708 960	708 960	708 960	634 514	591 834	551 219
GRAP adjustments											
Restated balance		607 381	550 010	592 500	708 960	708 960	708 960	708 960	634 514	591 834	551 219
Surplus/(Deficit)		9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments		(1 758)	0	(33 265)	-	17 748	17 748	17 748	207 161	341 592	477 278
Accumulated Surplus/(Deficit)	1	614 931	540 645	601 249	680 321	688 361	688 361	688 361	808 149	901 880	1 000 871
<u>Reserves</u>											
Housing Development Fund	-										
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	614 931	540 645	601 249	680 321	688 361	688 361	688 361	808 149	901 880	1 000 871

DC25 Amajuba - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Censu s	2007 Survey	2011 Census	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Statistics SA (Census figures 2001& 2011)	431	468	442	513	518	500	513	513	513	513
Females aged 5 - 14		Statistics SA (Census figures 2001& 2011)	54	57	54	53	53	52	53	53	53	53
Males aged 5 - 14		Statistics SA (Census figures 2001& 2011)	56	57	53	57	56	56	57	57	57	57
Females aged 15 - 34		Statistics SA (Census figures 2001& 2011)	76	83	81	89	90	91	89	89	89	89
Males aged 15 - 34		Statistics SA (Census figures 2001& 2011)	73	78	78	100	101	102	100	100	100	100
Unemployment		Statistics SA (Census figures 2001& 2011)	31	56	60	44	42	38	44	44	44	44
Monthly household income (no. of households)												
No income	1, 12	Statistics SA (Census figures 2001& 2011)	1 973	3 447	1 840	739	338	154	338	338	338	338
R1 - R1 600		Statistics SA (Census figures 2001& 2011)	5 090	12 608	7 595	1 982	72	3	72	72	72	72
R1 601 - R3 200		Statistics SA (Census figures 2001& 2011)	17 045	20 518	23 402	16 535	15 134	13 852	15 134	15 134	15 134	15 134
R3 201 - R6 400		Statistics SA (Census figures 2001& 2011)	12 600	14 198	20 226	18 007	17 479	16 967	17 479	17 479	17 479	17 479
R6 401 - R12 800		Statistics SA (Census figures 2001& 2011)	12 998	16 117	19 220	21 124	21 156	21 168	21 156	21 156	21 156	21 156
R12 801 - R25 600		Statistics SA (Census figures 2001& 2011)	6 609	8 931	13 291	17 368	18 665	20 059	18 665	18 665	18 665	18 665
R25 601 - R51 200		Statistics SA (Census figures 2001& 2011)	4 369	4 864	8 138	11 156	11 828	12 541	11 828	11 828	11 828	11 828
R52 201 - R102 400		Statistics SA (Census figures 2001& 2011)	4 524	5 018	6 856	9 220	9 733	10 273	9 733	9 733	9 733	9 733
R102 401 - R204 800		Statistics SA (Census figures 2001& 2011)	3 842	3 773	5 555	7 520	7 992	8 494	7 992	7 992	7 992	7 992
R204 801 - R409 600		Statistics SA (Census figures 2001& 2011)	3 274	3 587	4 742	6 151	6 481	6 828	6 481	6 481	6 481	6 481
R409 601 - R819 200		Statistics SA (Census figures 2001& 2011)	2 528	3 586	4 843	6 016	6 265	6 524	6 265	6 265	6 265	6 265
> R819 200		Statistics SA (Census figures 2001& 2011)	2 171	5 516	10 210	13 989	14 795	15 665	14 795	14 795	14 795	14 795
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Household/demographics (000)												
Number of people in municipal area		Statistics SA (Census figures 2001& 2011)	431	468 040	442 264							
Number of poor people in municipal area		Statistics SA (Census figures 2001& 2011)	341			507	513	518	513	513	513	513
Number of households in municipal area		Statistics SA (Census figures 2001& 2011)	222	299 555	301 056							
Number of poor households in municipal area		Statistics SA (Census figures 2001& 2011)	265			303	295	295	295	295	295	295
Definition of poor household (R per month)		Statistics SA (Census figures 2001& 2011)	77 023	102 161	125 920							
		Statistics SA (Census figures 2001& 2011)				129	130	130	130	130	130	130
		Statistics SA (Census figures 2001& 2011)										
- Housing statistics	3											
Formal		Statistics SA (Census figures 2001& 2011)	56 321	78 868	102 764	109 603	110 993	91 174	109 603	109 603	109 603	109 603
Informal		Statistics SA (Census figures 2001& 2011)	20 702	23 293	23 156	20 205	18 944	19 789	20 205	20 205	20 205	20 205
Total number of households			77 023	102 161	125 920	129 808	129 937	110 963	129 808	129 808	129 808	129 808
Dwellings provided by municipality	4											
Dwellings provided by province/s	5											
Dwellings provided by private sector												
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						4.4%	5.9%	5.5%	6.4%	5.3%	5.3%	5.3%
Interest rate - borrowing									7.0%			
Interest rate - investment						6.0%	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%
Remuneration increases						7.0%	7.0%	7.0%	7.4%	6.3%	6.3%	6.3%
Consumption growth (electricity)												
Consumption growth (water)						6.0%	6.0%	6.0%	6.4%	6.0%	6.0%	6.0%
Collection rates	7											
Property tax/service charges						95.0%	75.0%	58.0%	65.0%	65.0%	65.0%	65.0%
Rental of facilities & equipment						95.0%	95.0%	95.0%	96.0%	96.0%	96.0%	96.0%
Interest - external investments						98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Interest - debtors						60.0%	65.0%	65.0%	58.0%	58.0%	58.0%	58.0%

Revenue from agency services																				
------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework											
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21									
		Household service targets (000)																		
		<u>Water:</u>																		
		Piped water inside dwelling	47 804	47 804	47 804	66 651	66 651	66 651	66 651	66 651	66 651	66 651	66 651	66 651	66 651	66 651	66 651	66 651	66 651	66 651
		Piped water inside yard (but not in dwelling)	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415
	8	Using public tap (at least min.service level)	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066
	10	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	97 285	97 285	97 285	116 132	116 132	116 132	116 132	116 132	116 132	116 132	116 132	116 132	116 132	116 132	116 132	116 132	116 132	116 132
	9	Using public tap (< min.service level)	4 215	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135
	10	Other water supply (< min.service level)	8 145	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541	8 541
		No water supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	12 360	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676	13 676
		Total number of households	109 645	110 961	110 961	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808
		<u>Sanitation/sewerage:</u>																		
		Flush toilet (connected to sewerage)	53 154	51 160	51 160	70 005	70 005	70 005	70 005	70 005	70 005	70 005	70 005	70 005	70 005	70 005	70 005	70 005	70 005	70 005
		Flush toilet (with septic tank)	20 145	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272
		Chemical toilet	6 457	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874	6 874
		Pit toilet (ventilated)	9 214	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905	9 905
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	88 970	70 211	70 211	89 056	89 056	89 056	89 056	89 056	89 056	89 056	89 056	89 056	89 056	89 056	89 056	89 056	89 056	89 056
		Bucket toilet	614	753	753	753	753	753	753	753	753	753	753	753	753	753	753	753	753	753
		Other toilet provisions (< min.service level)	18 551	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125	36 125
		No toilet provisions	3 654	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874
		<i>Below Minimum Service Level sub-total</i>	22 819	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752	40 752
		Total number of households	111 789	110 963	110 963	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808	129 808

		<u>Energy:</u> Electricity (at least min.service level)	-	-	-	-	-	-	-	-	
Municipal in-house services	Ref.		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling	47 804	47 804	47 804	66 651	66 651	66 651	66 651	66 651	
		Piped water inside yard (but not in dwelling)	36 415	36 415	36 415	36 415	36 415	36 415	36 415	36 415	
8		Using public tap (at least min.service level)	13 066	13 066	13 066	13 066	13 066	13 066	13 066	13 066	
10		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	97 285	97 285	97 285	116 132	116 132	116 132	116 132	116 132	
9		Using public tap (< min.service level)	4 215	5 135	5 135	5 135	5 135	5 135	5 135	5 135	
10		Other water supply (< min.service level)	8 145	8 541	8 541	8 541	8 541	8 541	8 541	8 541	
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	12 360	13 676	13 676	13 676	13 676	13 676	13 676	13 676	
		Total number of households	109 645	110 961	110 961	129 808	129 808	129 808	129 808	129 808	
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)	53 154	51 160	51 160	70 005	70 005	70 005	70 005	70 005	
		Flush toilet (with septic tank)	20 145	2 272	2 272	2 272	2 272	2 272	2 272	2 272	
		Chemical toilet	6 457	6 874	6 874	6 874	6 874	6 874	6 874	6 874	
		Pit toilet (ventilated)	9 214	9 905	9 905	9 905	9 905	9 905	9 905	9 905	
		Other toilet provisions (> min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	88 970	70 211	70 211	89 056	89 056	89 056	89 056	89 056	
		Bucket toilet	614	753	753	753	753	753	753	753	
		Other toilet provisions (< min.service level)	18 551	36 125	36 125	36 125	36 125	36 125	36 125	36 125	
		No toilet provisions	3 654	3 874	3 874	3 874	3 874	3 874	3 874	3 874	
		<i>Below Minimum Service Level sub-total</i>	22 819	40 752	40 752	40 752	40 752	40 752	40 752	40 752	
		Total number of households	111 789	110 963	110 963	129 808	129 808	129 808	129 808	129 808	
		<u>Energy:</u>									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									

		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	
		Total number of households	-	-	-	-	-	-	-	-	
		Refuse:									
		Removed at least once a week									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	
		Total number of households	-	-	-	-	-	-	-	-	
Municipal entity services			2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		<u>Household service targets (000)</u>									
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	

DC25 Amajuba Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	148	17 990	21 009	4 215	(38 347)	(38 347)	(38 347)	(25 886)	(57 687)	(85 602)
Cash + investments at the yr end less applications - R'000	18(1)b	2	(56 234)	(60 042)	(47 652)	(13 364)	(6 508)	(6 508)	(6 508)	13 276	28 184	26 298
Cash year end/monthly employee/supplier payments	18(1)b	3	0.0	1.3	1.6	0.3	(2.9)	(2.9)	(2.9)	(1.9)	(4.1)	(5.8)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	30.7%	0.7%	(0.5%)	(8.3%)	(6.0%)	(6.0%)	0.0%	(0.6%)	(0.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	58.7%	54.0%	49.5%	51.9%	62.6%	62.6%	62.6%	53.2%	87.1%	87.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	64.9%	39.3%	47.3%	48.4%	48.4%	48.4%	45.7%	41.7%	37.9%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	102.9%	100.0%	100.0%	100.0%	100.2%	100.0%	99.8%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(30.2%)	30.2%	(35.1%)	47.7%	0.0%	0.0%	115.5%	(23.2%)	(30.2%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.3%	3.0%	1.2%	2.4%	2.5%	2.5%	2.8%	2.3%	2.0%	1.8%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Supporting indicators												
% incr <i>total service charges (incl prop rates)</i>	18(1)a	-	-	36.7%	6.7%	5.5%	(2.3%)	0.0%	0.0%	6.0%	5.4%	5.5%
% incr Property Tax	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - electricity revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - water revenue	18(1)a			38.1%	7.0%	4.8%	(6.4%)	0.0%	0.0%	6.0%	5.4%	5.5%
% incr Service charges - sanitation revenue	18(1)a			29.4%	4.9%	9.8%	20.6%	0.0%	0.0%	6.0%	5.4%	5.5%
% incr Service charges - refuse revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr in Service charges - other	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	17 863	24 422	26 054	27 500	26 854	26 854	26 854	28 466	30 003	31 653	
Service charges		17 863	24 422	26 054	27 500	26 854	26 854	26 854	28 466	30 003	31 653	
Property rates		-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	
Service charges - water revenue		15 111	20 862	22 321	23 400	21 911	21 911	21 911	23 225	24 479	25 826	
Service charges - sanitation revenue		2 752	3 560	3 733	4 100	4 944	4 944	4 944	5 240	5 523	5 827	
Service charges - refuse removal		-	-	-	-	-	-	-	-	-	-	
Service charges - other		-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		287	272	274	258	236	236	236	250	264	278	
Capital expenditure excluding capital grant funding		-	-	-	150	324	324	150	348	228	50	
Cash receipts from ratepayers	18(1)a	16 795	19 168	15 114	17 015	21 382	21 382	21 382	17 616	30 371	32 041	
Ratepayer & Other revenue	18(1)a	28 625	35 522	30 520	32 815	34 132	34 132	34 132	33 086	34 873	36 791	
Change in consumer debtors (current and non-current)		(5 013)	(8 632)	6 012	(9 095)	(1 054)	(1 054)	(1 054)	36 800	(12 450)	(12 450)	
Operating and Capital Grant Revenue	18(1)a	178 506	190 395	222 877	144 190	141 287	141 287	141 287	152 295	163 026	176 756	
Capital expenditure - total	20(1)(vi)	40 445	37 733	55 608	120 067	125 241	125 241	125 067	127 206	131 602	138 574	
Capital expenditure - renewal	20(1)(vi)	-	-	-	-	-	-	-	-	-	-	
Supporting benchmarks												
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%	
Average annual collection rate (arrears inclusive)												
DoRA operating												
Trend												
Change in consumer debtors (current and non-current)		(5 013)	(8 632)	6 012	(1 054)	36 800	(12 450)	(12 450)	-	-	-	

Total Operating Revenue			209 574	227 706	259 735	181 005	179 971	179 971	179 971	189 933	202 697	218 608
Total Operating Expenditure			200 265	237 071	217 721	209 643	218 319	218 319	218 318	223 460	234 242	246 234
Operating Performance Surplus/(Deficit)			9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Cash and Cash Equivalents (30 June 2012)										(25 886)		
Revenue												
% Increase in Total Operating Revenue				8.7%	14.1%	(30.3%)	(0.6%)	0.0%	0.0%	5.5%	6.7%	7.8%
% Increase in Property Rates Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				36.7%	6.7%	5.5%	(2.3%)	0.0%	0.0%	6.0%	5.4%	5.5%
Expenditure												
% Increase in Total Operating Expenditure				18.4%	(8.2%)	(3.7%)	4.1%	0.0%	(0.0%)	2.4%	4.8%	5.1%
% Increase in Employee Costs				12.2%	(0.8%)	5.1%	(4.3%)	0.0%	0.0%	6.9%	5.4%	5.5%
% Increase in Electricity Bulk Purchases				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)					380788.2123	430693.2203				477058.1855		
Average Cost Per Councillor (Remuneration)					188697.2	203887.3402				210572.6037		
R&M % of PPE			2.3%	3.0%	1.2%	2.4%	2.5%	2.5%		2.3%	2.0%	1.8%
Asset Renewal and R&M as a % of PPE			2.0%	3.0%	1.0%	2.0%	2.0%	2.0%		9.0%	9.0%	9.0%
Debt Impairment % of Total Billable Revenue			0.0%	64.9%	39.3%	47.3%	48.4%	48.4%	48.4%	45.7%	41.7%	37.9%
Capital Revenue												
Internally Funded & Other (R'000)			-	-	-	150	348	348	348	348	30	50
Borrowing (R'000)			-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)			40 445	37 733	55 608	119 917	124 917	124 917	124 917	126 858	131 374	138 524
Internally Generated funds % of Non Grant Funding			0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			100.0%	100.0%	100.0%	99.9%	99.7%	99.7%	99.7%	99.7%	100.0%	100.0%
Capital Expenditure												
Total Capital Programme (R'000)			40 445	37 733	55 608	120 067	125 265	125 265	125 265	127 206	131 404	138 574
Asset Renewal			-	-	-	-	-	-	-	-	-	-
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			58.7%	54.0%	49.5%	51.9%	62.6%	62.6%	62.6%	53.2%	87.1%	87.1%
Cash Coverage Ratio			0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)
Borrowing												

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Credit Rating (2009/10)									0		
Capital Charges to Operating		(0.3%)	(0.0%)	0.6%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Borrowing Receipts % of Capital Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves											
Surplus/(Deficit)		(56 234)	(60 042)	(47 652)	(13 364)	(6 508)	(6 508)	(6 508)	13 276	28 184	26 298
Free Services											
Free Basic Services as a % of Equitable Share		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance											
Total Operating Revenue		209 574	227 706	259 735	181 005	179 971	179 971	179 971	189 933	202 697	218 608
Total Operating Expenditure		200 265	237 071	217 721	209 643	218 319	218 319	218 318	223 460	234 242	246 234
Surplus/(Deficit) Budgeted Operating Statement		9 308	(9 365)	42 014	(28 639)	(38 347)	(38 347)	(38 347)	(33 527)	(31 545)	(27 625)
Surplus/(Deficit) Considering Reserves and Cash Backing		(56 234)	(60 042)	(47 652)	(13 364)	(6 508)	(6 508)	(6 508)	13 276	28 184	26 298
MTREF Funded (1) / Unfunded (0)	15	0	0	0	0	0	0	0	1	1	1
MTREF Funded ✓ / Unfunded ✘	15	✘	✘	✘	✘	✘	✘	✘	✓	✓	✓

DC25 Amajuba - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Exemptions, reductions and rebates</u>									
<i>(Rands)</i>									
<i>Residential properties</i>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
<i>Other rebates or exemptions</i>	2								
<u>Water tariffs</u>									
<i>Domestic</i>									
Basic charge/ fixed fee <i>(Rands/month)</i>									
Service point - vacant land <i>(Rands/month)</i>		Residential		38					
Water usage - flat rate tariff <i>(c/kl)</i>		0 - 6 kl							
Water usage - life line tariff		7 - 20 kl	FREE	FREE	716	716	759	805	850
Water usage - Block 1 <i>(c/kl)</i>		21 - 40 kl	673	780	829	829	880	926	971
Water usage - Block 2 <i>(c/kl)</i>		41 - 60 kl	767	936	996	996	1 056	1 102	1 147
Water usage - Block 3 <i>(c/kl)</i>		Above 61 kl	793	1 155	1 229	1 229	1 303	1 349	1 394
Water usage - Block 4 <i>(c/kl)</i>		(fill in thresholds)	819	1 397	1 486	1 486	1 575	1 621	1 666
<i>Other</i>	2								
<u>Waste water tariffs</u>									
<i>Domestic</i>									
Basic charge/ fixed fee <i>(Rands/month)</i>			5	5	5	5	532	578	623
Service point - vacant land <i>(Rands/month)</i>			110	110	110	110	169	215	260

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Waste water - flat rate tariff (c/kl)			397	565	565	565	677	722	768
Volumetric charge - Block 1 (c/kl)		per kl		472	472	472	532	578	623
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
<i>Other</i>	2	Emptying Septic Tanka		565	565	565	677	722	768

DC25 Amajuba - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Water tariffs</u>									
0 - 6 kl		0 - 6 kl	FREE	673	673	716	759	805	850
7 - 20 kl		7 - 20 kl	673	780	780	829	880	926	971
21 - 40 kl		21 - 40 kl	767	936	936	996	1 056	1 102	1 147
41 - 60 kl		41 - 60 kl	793	1 155	1 155	1 229	1 303	1 349	1 394
Above 61 kl		Above 61 kl	819	1 397	1 397	1 486	1 575	1 621	1 666
		Above 61 kl (fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
<u>Waste water tariffs</u>									
All Consumers		All Consumers	5	72	72	77	532	564	596
Emptying Septic Tanka		Emptying Septic Tanka		565	565	638	677	722	768

DC25 Amajuba - Supporting Table SA14 Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Water: Basic levy		34.37	40.07	40.07	42.64	42.64	42.64	6.0%	45.20	45.20	45.20
Water: Consumption		170.92	192.05	192.05	204.34	204.34	204.34	6.0%	216.60	216.60	216.60
Sanitation		102.60	115.28	115.28	122.66	122.66	122.66	6.0%	130.02	130.02	130.02
sub-total		307.89	347.40	347.40	369.63	369.63	369.63	6.0%	391.81	391.81	391.81
VAT on Services											
Total large household bill:		307.89	347.40	347.40	369.63	369.63	369.63	6.0%	391.81	391.81	391.81
% increase/-decrease			12.8%	-	6.4%	-	-	6.0%	-	-	-
<u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u>	3										
Rates and services charges:											
Water: Basic levy		34.37	40.07	40.07	42.64	42.64	42.64	6.0%	45.20	45.20	45.20
Water: Consumption		85.50	96.07	96.07	102.22	102.22	102.22	6.0%	108.35	108.35	108.35
Sanitation		102.60	115.28	115.28	122.66	122.66	122.66	6.0%	130.02	130.02	130.02
sub-total		222.47	251.42	251.42	267.51	267.51	267.51	6.0%	283.56	283.56	283.56
VAT on Services											
Total small household bill:		222.47	251.42	251.42	267.51	267.51	267.51	6.0%	283.56	283.56	283.56
% increase/-decrease			13.0%	-	6.4%	-	-	6.0%	-	-	-

DC25 Amajuba - Supporting Table 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										
<u>Parent municipality</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		139	17 331	19 886	15 000	15 000	15 000	10 000	12 000	13 000
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	139	17 331	19 886	15 000	15 000	15 000	10 000	12 000	13 000
<u>Entities</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		139	17 331	19 886	15 000	15 000	15 000	10 000	12 000	13 000

DC25 Amajuba - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<u>Parent municipality</u>														
ABSA - 32 Days Notice		CALL ACCOUNT	CALL ACCOUNT	NO	Variable	5%	none	N/A	ON CALL					-
Absa		CALL ACCOUNT	CALL ACCOUNT	NO	Variable	5%	none	N/A	ON CALL	19 886	994	(6 030)	150	15 000
Standard		CALL ACCOUNT	CALL ACCOUNT	NO	Variable	5%	none	N/A	ON CALL					-
First National Bank		CALL ACCOUNT	CALL ACCOUNT	NO	Variable	5%	none	N/A	ON CALL					-
Investec		CALL ACCOUNT	CALL ACCOUNT											-
Municipality sub-total										19 886		(6 030)	150	15 000
<u>Entities</u>														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									19 886		(6 030)	150	15 000

DC25 Amajuba - Supporting Table SA17 Borrowing

Borrowing - Categorised 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
<u>Parent municipality</u>										
Annuity and Bullet Loans		8 871	8 162	8 273	7 500	7 500	7 500	8 193	7 433	6 673
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	8 871	8 162	8 273	7 500	7 500	7 500	8 193	7 433	6 673
Total Borrowing	1	8 871	8 162	8 273	7 500	7 500	7 500	8 193	7 433	6 673
Unspent Borrowing - Categorised by type										
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Marketable Bonds										
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

DC25 Amajuba - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		118 115	129 225	133 198	142 890	141 254	141 254	151 895	162 626	176 356
Local Government Equitable Share		55 797	60 132	63 222	66 837	66 837	66 837	71 070	76 110	82 058
RSC Levy Replacement		56 588	60 394	65 938	71 128	71 128	71 128	77 635	84 481	91 831
Finance Management		1 500	1 500	1 500	1 500	1 500	1 500	1 570	2 035	2 467
Municipal Systems Improvement		934	940	1 041	1 636					
Water Services Operating Subsidy			3 000							
EPWP Incentive		1 276	1 252	1 497	1 789	1 789	1 789	1 620		
Rural Transport Grant		2 020	2 007							
Provincial Government:		1 000	11 712	750	1 300	-	-	400	400	400
Municipal Drought Relief			10 462							
Shared Services Grant-Capacitating Councillors				350				400	400	400
Environmental Grant			1 000							
Shared Services Grant		1 000	250	400	1 300					
Rural Transport Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	119 115	140 937	133 948	144 190	141 254	141 254	152 295	163 026	176 756
<u>Capital Transfers and Grants</u>										
National Government:		64 551	63 944	91 041	119 917	119 917	119 917	126 858	131 374	138 524
Municipal Infrastructure Grant (MIG)		41 650	40 119	39 577	41 717	41 717	41 717	40 253	41 039	43 214

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Regional Bulk Infrastructure		8 482								
Rural Households Infrastructure		2 379	4 000							
Electricity Demand Side Management					6 000	6 000	6 000			
Rural Transport Services and Infrastructure				2 064	2 200	2 200	2 200	2 205	2 335	2 470
Municipal Water Infrastructure Grant (WSIG)		12 040	19 825	49 400	70 000	70 000	70 000	84 400	88 000	92 840
Provincial Government:		-	5 000	-	-	5 000	5 000	-	-	-
Disaster Management Grant			5 000			5 000	5 000			
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	64 551	68 944	91 041	119 917	124 917	124 917	126 858	131 374	138 524
TOTAL RECEIPTS OF TRANSFERS & GRANTS		183 666	209 881	224 989	264 107	266 171	266 171	279 153	294 400	315 280

DC25 Amajuba - Supporting Table SA19 Expenditure on transfers and grant programme

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									
-										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		118 115	129 225	130 660	142 890	141 287	141 287	151 895	162 626	176 356
Local Government Equitable Share		55 797	60 132	63 222	66 837	66 837	66 837	71 070	76 110	82 058
RSC Levy Replacement		56 588	60 394	65 938	71 128	71 128	71 128	77 635	84 481	91 831
Finance Management		1 500	1 500	1 500	1 500	1 500	1 500	1 570	2 035	2 467
Municipal Systems Improvement		934	940		1 636					
Water Services Operating Subsidy			3 000							
EPWP Incentive		1 276	1 252		1 789	1 822	1 822	1 620		
Rural Transport Grant		2 020	2 007							
Provincial Government:		-	-	400	1 300	1 300	1 300	400	400	400

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Municipal Drought Relief									
Shared Services Grant-Capacitating Councillors									
Environmental Grant									
Shared Services Grant			400	1 300	1 300	1 300	400	400	400
Rural Transport Grant									
District Municipality: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	118 115	129 225	131 060	144 190	142 587	142 587	152 295	163 026	176 756
Capital expenditure of Transfers and Grants									
National Government:	64 551	63 944	91 041	119 917	119 917	119 917	126 858	131 374	138 524
Municipal Infrastructure Grant (MIG)	41 650	40 119	39 577	41 717	41 717	41 717	40 253	41 039	43 214
Regional Bulk Infrastructure	8 482								
Rural Households Infrastructure	2 379	4 000							
Electricity Demand Side Management				6 000	6 000	6 000			
Rural Transport Services and Infrastructure			2 064	2 200	2 200	2 200	2 205	2 335	2 470
Municipal Water Infrastructure Grant (WSIG)	12 040	19 825	49 400	70 000	70 000	70 000	84 400	88 000	92 840
Provincial Government:	-	-	-	-	5 000	5 000	-	-	-
Disaster Management Grant					5 000	5 000			
District Municipality: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	64 551	63 944	91 041	119 917	124 917	124 917	126 858	131 374	138 524
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	182 666	193 169	222 101	264 107	267 504	267 504	279 153	294 400	315 280

DC25 Amajuba - Supporting Table SA20 Reconciliation of transfers, grant 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				-						
Current year receipts		178 506	178 683	222 877	143 290	139 537	139 537	151 895	162 626	176 356
Conditions met - transferred to revenue		178 506	178 683	222 877	143 290	139 537	139 537	151 895	162 626	176 356
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts			11 712		900	1 750	1 750	400	400	400
Conditions met - transferred to revenue		-	11 712	-	900	1 750	1 750	400	400	400
Conditions still to be met - transferred to liabilities										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		178 506	190 395	222 877	144 190	141 287	141 287	152 295	163 026	176 756
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		40 445	37 733	55 608	119 917	124 917	124 917	126 858	131 374	138 524
Conditions met - transferred to revenue		40 445	37 733	55 608	119 917	124 917	124 917	126 858	131 374	138 524
Total capital transfers and grants revenue		40 445	37 733	55 608	119 917	124 917	124 917	126 858	131 374	138 524
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		218 951	228 128	278 485	264 107	266 204	266 204	279 153	294 400	315 280
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

DC25 Amajuba - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration 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
		A	B	C	D	E	F	G	H	I
- Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4 320	4 346	4 717	5 505	5 944	5 944	5 220	5 443	5 768
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance								465	465	465
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		4 320	4 346	4 717	5 505	5 944	5 944	5 685	5 908	6 233
% increase	4		0.6%	8.5%	16.7%	8.0%	-	(4.4%)	3.9%	5.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 932	5 473	3 892	5 673	5 673	5 673	5 146	5 424	5 722
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus		742		331						
Motor Vehicle Allowance	3			2 072	141	141	141			
Cellphone Allowance	3			765	108	108	108	108	108	108
Housing Allowances	3			75	265	265	265			
Other benefits and allowances	3	694			597	597	597			
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		5 368	5 473	7 135	6 784	6 784	6 784	5 254	5 532	5 830
% increase	4		2.0%	30.4%	(4.9%)	-	-	(22.6%)	5.3%	5.4%
Other Municipal Staff										
Basic Salaries and Wages		42 063	44 933		51 456	49 059	49 059	51 936	54 741	57 751
Pension and UIF Contributions		5 880	6 102		7 098	6 686	6 686	7 154	7 541	7 955

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Medical Aid Contributions		2 705	3 031		3 799	3 641	3 641	3 890	4 100	4 326
Overtime		4 668	4 650		4 856	4 796	4 796	6 408	6 754	7 125
Performance Bonus		4 031	3 727		4 212	4 028	4 028	4 309	4 542	4 791
Motor Vehicle Allowance	3	4 784	5 448		4 969	4 650	4 650	5 184	5 464	5 765
Cellphone Allowance	3				597	553	553	551	587	625
Housing Allowances	3	205	277		294	231	231	582	613	647
Other benefits and allowances	3	1 022	3 449		782	787	787	1 556	1 640	1 731
Payments in lieu of leave		1 781	4 286							
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		67 139	75 902	-	78 063	74 429	74 429	81 571	85 982	90 716
% increase	4		13.1%	(100.0%)	-	(4.7%)	-	9.6%	5.4%	5.5%
Total Parent Municipality		76 827	85 722	11 853	90 352	87 157	87 157	92 510	97 421	102 779
			11.6%	(86.2%)	662.3%	(3.5%)	-	6.1%	5.3%	5.5%
TOTAL SALARY, ALLOWANCES & BENEFITS		76 827	85 722	11 853	90 352	87 157	87 157	92 510	97 421	102 779
% increase	4		11.6%	(86.2%)	662.3%	(3.5%)	-	6.1%	5.3%	5.5%
TOTAL MANAGERS AND STAFF	5,7	72 507	81 375	7 135	84 847	81 213	81 213	86 825	91 513	96 546

DC25 Amajuba - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Rand per annum								
Councillors	3							
Speaker	4		661 129		40 800			701 929
Executive Mayor			826 414		40 800			867 214
Deputy Executive Mayor			661 129		40 800			701 929
Executive Committee			1 597 904		122 400			1 720 304
Total for all other councillors			1 707 894		244 800			1 952 694
Total Councillors	8	-	5 454 470	-	489 600			5 944 070
Senior Managers of the Municipality	5							
Municipal Manager (MM)			985 303		18 000			1 003 303
Chief Finance Officer			906 651		18 000			924 651
Directorate-Corporate Services			813 365		18 000			831 365
Directorate-Economic Development and Planning Services			813 365		18 000			831 365
Directorate Community Services			813 635		18 000			831 635
Directorate Engineering Services			813 365		18 000			831 365
Total Senior Managers of the Municipality	8,10	-	5 145 684	-	108 000	-		5 253 684
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	10 600 154	-	597 600	-		11 197 754

DC25 Amajuba - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		628 073		38 760			666 833
Chief Whip								-
Executive Mayor			785 093		38 760			823 853
Deputy Executive Mayor			628 073		38 760			666 833
Executive Committee			1 549 667		116 280			1 665 947
Total for all other councillors			1 629 435		232 560			1 861 995
Total Councillors	8	-	5 220 340	-	465 120			5 685 460
Senior Managers of the Municipality	5							
Municipal Manager (MM)			985 303		18 000			1 003 303
Chief Finance Officer			906 651		18 000			924 651
Directorate-Corporate Services			813 365		18 000			831 365
Directorate-Economic Development and Planning Services			813 365		18 000			831 365
Directorate Community Services			813 635		18 000			831 635
Directorate Engineering Services			813 365		18 000			831 365
Total Senior Managers of the Municipality	8,10	-	5 145 684	-	108 000	-		5 253 684
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	10 366 025	-	573 120	-		10 939 145

DC25 Amajuba - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref 1,2	2016/17			Current Year 2017/18			Budget Year 2018/19		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		25		25	27		27	27		27
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6		6	6		6	6		6
Other Managers	7									
Professionals		124	116	8	107	101	5	104	99	5
Finance		28	23	5	23	17	5	22	17	5
Spatial/town planning		17	17	-	13	13	-	12	12	
Information Technology		3	2	1	2	2	-	2	2	
Roads										
Electricity										
Water		76	74	2	69	69	-	68	68	
Sanitation										
Refuse										
Other										
Technicians		82	72	10	84	80	4	72	72	-
Finance										
Other		82	72	10	84	80	4	72	72	-
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	237	188	49	224	181	42	209	171	38
% increase					(5.5%)	(3.7%)	(14.3%)	(6.7%)	(5.5%)	(9.5%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

DC25 Amajuba - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source	-															
Property rates													-	-	-	-
Service charges - electricity revenue													-	-	-	-
Service charges - water revenue		1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	23 225	24 479	25 826
Service charges - sanitation revenue		437	437	437	437	437	437	437	437	437	437	437	437	5 240	5 523	5 827
Service charges - refuse revenue													-	-	-	-
Service charges - other													-	-	-	-
Rental of facilities and equipment		21	21	21	21	21	21	21	21	21	21	21	21	250	264	278
Interest earned - external investments		379	379	379	379	379	379	379	379	379	379	379	379	4 552	4 798	5 062
Interest earned - outstanding debtors		340	340	340	340	340	340	340	340	340	340	340	340	4 084	4 304	4 541
Agency services													-	-	-	-
Transfers and subsidies		12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	152 295	163 026	176 756
Other revenue		24	24	24	24	24	24	24	24	24	24	24	24	287	303	319
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	189 933	202 697	218 608
Expenditure By Type	-															
Employee related costs		7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	86 825	91 513	96 546
Remuneration of councillors		474	474	474	474	474	474	474	474	474	474	474	474	5 685	5 908	6 233
Debt impairment		1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	13 000	12 500	12 000
Depreciation & asset impairment		2 765	2 765	2 765	2 765	2 765	2 765	2 765	2 765	2 765	2 765	2 765	2 765	33 178	34 970	36 893

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Finance charges		64	64	64	64	64	64	64	64	64	64	64	64	764	764	764
Bulk purchases		1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	17 263	18 195	19 196
Other materials														-	-	-
Contracted services		1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	17 014	17 933	18 919
Transfers and subsidies														-	-	-
Other expenditure		4 144	4 144	4 144	4 144	4 144	4 144	4 144	4 144	4 144	4 144	4 144	4 144	49 731	52 459	55 682
Loss on disposal of PPE														-	-	-
Total Expenditure		18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	223 460	234 242	246 234
Surplus/(Deficit)		(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(33 527)	(31 545)	(27 625)
Transfers and subsidies - capital (in-kind - all)														-	-	-
Surplus/(Deficit) after capital transfers & contributions		(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(33 527)	(31 545)	(27 625)
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/(deficit) of associate														-	-	-
Surplus/(Deficit)	1	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(33 527)	(31 545)	(27 625)

DC25 Amajuba - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	-															
Vote 1 - Executive and council		508	508	508	508	508	508	508	508	508	508	508	508	6 091	6 335	6 684
Vote 2 - Municipal Manager, Town Secretary and Chief Executive		1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	13 430	14 156	14 934
Vote 3 - Finance and administration		2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	34 543	36 200	38 191
Vote 4 - Finance and administration		1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	19 142	20 428	21 890
Vote 5 - Community and social services		645	645	645	645	645	645	645	645	645	645	645	645	7 737	8 155	8 604
Vote 6 - Public safety		475	475	475	475	475	475	475	475	475	475	475	475	5 696	6 004	6 334

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Vote 7 - Health		325	325	325	325	325	325	325	325	325	325	325	325	3 898	4 109	4 334
Vote 8 - Planning and development		1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	14 845	15 646	16 507
Vote 9 - Water management		6 138	6 138	6 138	6 138	6 138	6 138	6 138	6 138	6 138	6 138	6 138	6 138	73 657	80 183	89 018
Vote 10 - Road transport		908	908	908	908	908	908	908	908	908	908	908	908	10 894	11 482	12 114
Total Revenue by Vote		15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	15 828	189 933	202 697	218 608
<u>Expenditure by Vote to be appropriated</u>	-															
Vote 1 - Executive and council		508	508	508	508	508	508	508	508	508	508	508	508	6 091	6 335	6 684
Vote 2 - Municipal Manager, Town Secretary and Chief Executive		1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	13 430	14 156	14 934
Vote 3 - Finance and administration		2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	34 543	36 200	38 191
Vote 4 - Finance and administration		1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	19 142	20 428	21 890
Vote 5 - Community and social services		645	645	645	645	645	645	645	645	645	645	645	645	7 737	8 155	8 604
Vote 6 - Public safety		475	475	475	475	475	475	475	475	475	475	475	475	5 696	6 004	6 334
Vote 7 - Health		325	325	325	325	325	325	325	325	325	325	325	325	3 898	4 109	4 334
Vote 8 - Planning and development		1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	1 237	14 845	15 646	16 507
Vote 9 - Water management		8 932	8 932	8 932	8 932	8 932	8 932	8 932	8 932	8 932	8 932	8 932	8 932	107 183	111 728	116 643
Vote 10 - Road transport		908	908	908	908	908	908	908	908	908	908	908	908	10 894	11 482	12 114
Total Expenditure by Vote		18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	223 460	234 242	246 234
Surplus/(Deficit) before assoc.		(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(33 527)	(31 545)	(27 625)
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(2 794)	(33 527)	(31 545)	(27 625)

DC25 Amajuba - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and council														-	-	-
Vote 2 - Municipal Manager, Town Secretary and Chief Executive														-	-	-
Vote 3 - Finance and administration		17	17	17	17	17	17	17	17	17	17	17	17	198	198	-
Vote 4 - Finance and administration		13	13	13	13	13	13	13	13	13	13	13	13	150	30	50
Vote 9 - Water management		10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	126 858	131 374	138 524
Vote 10 - Road transport														-	-	-
Capital multi-year expenditure sub-total	2	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	127 206	131 602	138 574
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	127 206	131 602	138 574

DC25 Amajuba - Supporting Table SA29 Budgeted monthly capital expenditure (functional 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															
<i>Governance and administration</i>		29	29	29	29	29	29	29	29	29	29	29	29	348	30	50
Executive and council														-	-	-
Finance and administration		29	29	29	29	29	29	29	29	29	29	29	29	348	30	50
Environmental protection														-	-	-
<i>Trading services</i>		10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	126 858	131 374	138 524
Energy sources														-	-	-

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Water management		10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	126 858	131 374	138 524
Waste water management														-	-	-
Waste management														-	-	-
<i>Other</i>														-	-	-
Total Capital Expenditure - Functional	2	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	127 206	131 404	138 574
Funded by:																
National Government		10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	126 858	131 374	138 524
Provincial Government														-	-	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	126 858	131 374	138 524
Public contributions & donations														-	-	-
Borrowing														-	-	-
Internally generated funds		29	29	29	29	29	29	29	29	29	29	29	29	348	30	50
Total Capital Funding		10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	127 206	131 404	138 574

DC25 Amajuba - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
	R thousand	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
Cash Receipts By Source														1		
Property rates													-			
Service charges - electricity revenue													-			
Service charges - water revenue	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	13 935	24 318	25 655	
Service charges - sanitation revenue	262	262	262	262	262	262	262	262	262	262	262	262	3 144	5 487	5 789	
Service charges - refuse revenue													-			
Service charges - other													-			
Rental of facilities and equipment	21	21	21	21	21	21	21	21	21	21	21	21	250	264	278	

Amajuba District Municipality

2018/19 Final Annual Budget and MTREF

Interest earned - external investments	379	379	379	379	379	379	379	379	379	379	379	379	379	4 552	4 798	5 062
Interest earned - outstanding debtors	204	204	204	204	204	204	204	204	204	204	204	204	204	2 450	4 276	4 511
Transfer receipts - operational	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	12 691	152 295	163 026	176 756
Other revenue	24	24	24	24	24	24	24	24	24	24	24	24	24	287	303	319
Cash Receipts by Source	14 743	14 743	14 743	14 743	14 743	14 743	14 743	14 743	14 743	14 743	14 743	14 743	14 743	176 913	202 470	218 369
Other Cash Flows by Source																
Transfer receipts - capital	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	10 572	126 858	131 374	138 524
Total Cash Receipts by Source	25 314	25 314	25 314	25 314	25 314	25 314	25 314	25 314	25 314	25 314	25 314	25 314	25 314	303 771	333 844	356 893
Cash Payments by Type																
Employee related costs	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	7 235	86 825	91 513	96 546
Remuneration of councillors	474	474	474	474	474	474	474	474	474	474	474	474	474	5 685	5 908	6 233
Finance charges	64	64	64	64	64	64	64	64	64	64	64	64	64	764	764	764
Bulk purchases - Electricity														-		
Bulk purchases - Water & Sewer	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	1 439	17 263	18 195	19 196
Other materials														-		
Contracted services	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	1 418	17 014	17 933	18 919
Transfers and grants - other municipalities														-		
Transfers and grants - other														-		
Other expenditure	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	95 909	99 929	104 576
Cash Payments by Type	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	18 622	223 460	234 242	246 234
Other Cash Flows/Payments by Type																
Capital assets	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	127 206	131 404	138 574
Repayment of borrowing														-		
Other Cash Flows/Payments														-		
Total Cash Payments by Type	29 222	29 222	29 222	29 222	29 222	29 222	29 222	29 222	29 222	29 222	29 222	29 222	29 222	350 666	365 646	384 808
NET INCREASE/(DECREASE) IN CASH HELD	(3 908)	(3 908)	(3 908)	(3 908)	(3 908)	(3 908)	(3 908)	(3 908)	(3 908)	(3 908)	(3 908)	(3 908)	(3 908)	(46 894)	(31 802)	(27 914)
Cash/cash equivalents at the month/year begin:	21 009	17 101	13 193	9 285	5 377	1 469	(2 439)	(6 346)	(10 254)	(14 162)	(18 070)	(21 978)	(21 978)	21 009	(25 886)	(57 687)
Cash/cash equivalents at the month/year end:	17 101	13 193	9 285	5 377	1 469	(2 439)	(6 346)	(10 254)	(14 162)	(18 070)	(21 978)	(25 886)	(25 886)	(25 886)	(57 687)	(85 602)

DC25 Amajuba - Supporting Table 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
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
-										
Infrastructure		40 445	37 733	55 608	119 917	120 043	120 043	121 419	123 090	125 291
Roads Infrastructure		-	-	-	2 200	2 200	2 200	2 205	2 335	2 470
<i>Roads</i>					2 200	2 200	2 200	2 205	2 335	2 470
<i>Road Structures</i>										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Attenuation</i>										
Electrical Infrastructure		-	-	-	6 000	6 000	6 000	-	-	-
<i>Power Plants</i>					6 000	6 000	6 000			
Water Supply Infrastructure		40 445	37 733	55 608	105 217	105 343	105 343	87 214	88 755	87 821
<i>Dams and Weirs</i>		40 445	37 733	55 608	105 217	105 343	105 343	87 214	88 755	87 821
Sanitation Infrastructure		-	-	-	6 500	6 500	6 500	27 000	27 000	27 000
<i>Waste Water Treatment Works</i>					6 500	6 500	6 500	27 000	27 000	27 000
<i>Outfall Sewers</i>										
Information and Communication Infrastructure		-	-	-	-	-	-	5 000	5 000	8 000
<i>Data Centres</i>								5 000	5 000	8 000
Community Assets		-	-	-	-	5 000	5 000	3 300	4 086	6 261
Community Facilities		-	-	-	-	5 000	5 000	3 300	4 086	6 261
<i>Clinics/Care Centres</i>										
<i>Fire/Ambulance Stations</i>						5 000	5 000	3 300	4 086	6 261
Furniture and Office Equipment		-	-	-	150	198	198	348	30	50
Furniture and Office Equipment		-	-	-	150	198	198	348	30	50
Total Capital Expenditure on new assets	1	40 445	37 733	55 608	120 067	125 241	125 241	125 067	127 206	131 602

DC25 Amajuba - 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
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
-										
Infrastructure		7 303	9 558	4 033	9 000	9 235	9 235	9 534	10 049	10 602
Water Supply Infrastructure		7 303	9 558	4 033	9 000	9 235	9 235	9 534	10 049	10 602
<i>Dams and Weirs</i>		7 303	9 558	4 033	9 000	9 235	9 235	9 534	10 049	10 602
<i>Boreholes</i>										
<i>Reservoirs</i>										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	632	632	632	1 753	1 848	1 949
Furniture and Office Equipment					632	632	632	1 753	1 848	1 949
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 Repairs and Maintenance Expenditure	1	7 303	9 558	4 033	9 632	9 866	9 866	11 288	11 897	12 551
<i>R&M as a % of PPE</i>		2.3%	3.0%	1.2%	2.4%	2.5%	2.5%	2.8%	2.4%	2.1%
<i>R&M as % Operating Expenditure</i>		3.6%	4.0%	1.9%	4.6%	4.5%	4.5%	5.2%	5.3%	5.4%

DC25 Amajuba - 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
R thousand	1									
<u>Depreciation by Asset Class/Sub-class</u>										
-										
Infrastructure		27 006	28 791	28 862	30 822	30 822	30 822	30 822	33 178	34 970
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares										
Water Supply Infrastructure		27 006	28 791	28 862	30 822	30 822	30 822	30 822	33 178	34 970
Dams and Weirs		27 006	28 791	28 862	30 822	30 822	30 822	30 822	33 178	34 970
Boreholes										
Reservoirs										
Total Depreciation	1	27 006	28 791	28 862	30 822	30 822	30 822	30 822	33 178	34 970

DC25 Amajuba - 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								
<u>Capital expenditure</u>	1							
Vote 3 - Finance and administration		198	198	-				
Vote 4 - Finance and administration		150	30	50				
Vote 5 - Community and social services		-	-	-				
Vote 6 - Public safety		-	-	-				
Vote 7 - Health		-	-	-				
Vote 8 - Planning and development		-	-	-				
Vote 9 - Water management		126 858	131 374	138 524				
Vote 10 - Road transport		-	-	-				
Total Capital Expenditure		127 206	131 602	138 574	-	-	-	-
Net Financial Implications		127 206	131 602	138 574	-	-	-	-

DC25 Amajuba - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Ref 4	Program/Project description	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:									
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG001	MIG PMU admin cost	37 733	55 608	453	453	453	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG002	EMANDLANGENI SANITATION-MIG;			2 000	2 000	2 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG003	Goedehoop bulk water and sanitation			10 000	10 000	10 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG004	Danhauser Housing Development Bulk Water and Sanitation			10 000	10 000	10 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG005	Buffalo Flats Water Supply Scheme Phase 3B			14 500	14 500	14 500	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG006	Amajuba Disaster Management Centre Phase 2			3 300	4 086	6 261	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG007	Emxhakeni reticulation water scheme is an extension of existing water reticulation scheme to serve 500 households			1 000	1 000	1 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG008	Pipeline extension and infrastructure in Skobharen and Alcockspruit			35 000	35 000	35 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG009	Construction of VIP toilets in Dannhauser			5 000	5 000	5 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG010	Refurbishment of DNC WWTP, Tweediedale and Utrecht WTP			4 000	4 000	4 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG011	Refurbishment and upgrade of Durnacol Water Treatment Works in Dannhauser			12 000	15 600	12 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG012	Construction of Brakfontein resevoir			15 000	15 000	15 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG013	Upgrade of Critical system			5 000	5 000	8 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG014	Emergency water supply to Ramaphosa, skobharen and 2 megalitre reservoir at Hilltop - Emadlangeni LM			5 000	5 000	8 000	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)	ENG015	Dannhauser Borehole Refurbishment Program			2 400	2 400	4 840	DC25	NEW
AMAJUBA DISTRICT MUNICIPALITY (DC25)		OTHER CAPITAL PROJECTS			2 553	2 365	2 520	DC25	NEW
Parent Capital expenditure	1				127 206	131 404	138 574		
Total Capital expenditure			37 733	55 608	127 206	131 404	138 574		

Municipal manager’s quality certificate

I, SIPHO R ZWANE, Municipal Manager of Amajuba District Municipality, hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : SIPHO R ZWANE

Municipal manager of : Amajuba District Municipality (DC 25)

Signature _____

Date : _____

END OF REPORT