

**THE ANNUAL BUDGET OF
DR RUTH SEGOMOTSI MOMPATI DISTRICT
MUNICIPALITY**



**2018/19 TO 2018/2019
MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS**

SCHEDULE A

ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF A MUNICIPALITY

Abbreviations and Acronyms

ACIP Accelerated Community Infrastructure Programme

BSC Budget Steering Committee

CAPEX Capital Budget/Expenditure

CBD Central Business District

CFO Chief Financial Officer

CPI Consumer Price Index

DBSA Development Bank of South Africa

DoRA Division of Revenue Act

DWA Department of Water Affairs

EDTA Economic Development, Tourism and Agriculture

EE Employment Equity

EEDSM Energy Efficiency Demand Side Management

EM Executive Mayor

FBS Free basic services

GAMAP Generally Accepted Municipal Accounting Practice

GDP Gross domestic product

GFS Government Financial Statistics

GRAP General Recognised Accounting Practice

HR Human Resources

IDP Integrated Development Plan

ICT Information & Communication Technology

KPA Key Performance Area

KPI Key Performance Indicator

LED Local Economic Development

MEC Member of the Executive Committee

MFMA Municipal Finance Management Act

MIG Municipal Infrastructure Grant

MM Municipal Manager

MMC Member of Mayoral Committee

MSA Municipal Systems Act

MTEF Medium-term Expenditure Framework

MTREF Medium-term Revenue and Expenditure Framework

MWIG Municipal Water Infrastructure Grant

NGO Non-Governmental organisations

NKPIs National Key Performance Indicators

NT National Treasury

OHS Occupational Health and Safety

OP Operational Plan

OPEX Operating Budget/Expenditure

DrRSM Dr Ruth Segomotsi Mompati District Municipality

PBO Public Benefit Organisations

PMS Performance Management System

PPE Property Plant and Equipment PPP Public Private Partnership

PT Provincial Treasury

RBIG Regional Bulk Infrastructure Grant

RRAMS Rural Road Asset Management System

RHIG Rural Household Infrastructure Grant

SALGA South African Local Government Association

SDBIP Service Delivery & Budget Implementation Plan

SMME Small Micro and Medium Enterprises

WSOG Water Services Operating Grant

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Part 1 – Annual Budget

1.1 Mayor’s Comments on the budget

The Executive Mayor will deliver her Budget speech together with the State of the District Address with the tabling of the final budget for approval. A copy of the speech will be included thereafter.

The draft IDP and draft SDBIP was also be approved during the Council meeting that was held on the 29 March 2018 for approval.

This is what the Executive Mayor Cllr Boitumelo Mahlangu said on the Draft Budget:

The municipality is going through a difficult time as a district in as far as the economy is concerned. The decrease in the Equitable Share also affects the municipality negatively. However, we need to ensure that the equitable share is received and spent on service delivery.

This budget accommodates the issues that were raised in the previous engagements, as well as the issues that were raised by the Provincial and National Treasuries on the previous assessments of the budget. The budget also needs to address the budget related issues raised by the A/G.

Departments need to own the budget, even the junior officials need to know what is contained in the budget. It is their budget also, so that they are able to understand what the municipality can and cannot afford. Therefore all staff members need to engage with the budget and the engagements should not only be limited to Senior Management.

The BTO must also continue to consult with the departmental heads where there are changes and anticipated changes on the budget, so that there is a common understanding of where the municipality is in terms of the budget.

Boitumelo Mahlangu
Executive Mayor
Dr Ruth S. Mompoti District Municipality

1.2 Council Resolutions

During a special council meeting which was held on the 29 March 2018 at 08H00 in the Dr Ruth S. District Municipality, the Council adopted the following resolutions:

Resolved

- a) That the Draft Operating and Capital Budget for the MTREF 2018/19 to 2020/2021 be accepted and be made public for community inputs in terms of sections 22 and 23 of the Municipal Finance Management Act, 56 of 2003.

Resolution: 178 /2017/18

1.3 Executive Summary

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure on non-core and 'nice to have' items.

The publishing of the regulation on the Standard chart of Accounts (SCOA) on 22 April 2014 will have a profound effect on the business of local government. This reform is not limited to a financial reform, but a business reform as a whole. It is the largest reform since the promulgation of the Municipal Finance Management Act in 2003, and municipalities are expected to actively start with the process for the preparation of the the implementation of this reform for which the target date is 01 July 2017. The mSCOA Regulations aim to ensure a standardised and uniform reporting of financial transactions of municipalities. The following are extracts from the preamble to the regulations:-

"Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards." "These Regulations propose segments and a classification framework for the standard chart of accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other purposes, it must obtain financial information from individual municipalities."

The regulations contain amongst others, segment and classification framework for SCOA, minimum business process and system requirements and responsibilities of municipal councils and accounting officers.

The segments classification consists of the following:

Funding segment – This segment relates to the various sources of funding available to municipalities and municipal entities for financing expenditure relating to the operation of the municipality and provides for both capital and operational spending.

Function segment - This segment provides for the classification of the transaction according to the function or service delivery objective and provides for the standardisation of functions and subfunctions across local government.

Municipal Standard Classification Segment - This segment provides for the organisational structure and functionality of an individual municipality, which is not prescribed.

Project Segment - This segment provides for the classification of capital and operating projects on the basis of whether it relates to a specific project and if so, the type of project.

Regional Indicator Segment - This segment identifies and assigns government expenditure to the lowest relevant geographical region within which the intended beneficiaries of the service or capital investment are located.

Item Segment - This segment provides for the classification of item detail in the presentation of the financial position, performance and cash flow according to the nature of the transaction either as revenue, expenditure, asset, liability or net asset.

Costing Segment - This segment provides for a classification structure for secondary cost elements with reference to departmental charges, internal billing etc. and acts as a cost collector in determining inter alia total cost of services.

National Treasury's MFMA Circulars No. 78, 79,82 and 91, was used as guidance for the compilation of the 2018/19 MTREF. Some of the main key challenges experienced during the compilation of the 2018/19 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Ever aging water, roads, sewage and electricity infrastructure;
- Lack of revenue sources and grant dependency, Dr Ruth S Mompati District Municipality is heavily dependent on grants for funding for the municipality;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities of the municipality;
- Wage increases for municipal staff that have exceeded headline consumer inflation in the past, as well as the need to restructure certain components for operational efficiencies;
- Lack of adequate and sufficient office space or office accommodation for the municipality
- Maintaining a positive cash flow.
- Support to local municipalities.

1.3.2 The Municipality's Budget Structure

A vote is one of the main segments of a budget. The structure is for reporting requirements and links the accounting performance both to the IDP and responsible officials. The high level budget structure for Dr Ruth S Mompoti District Municipality as included in the budget documentation is shown in the table below:

BUDGET VOTE	VOTE DESCRIPTION
Vote 1	Office of the Executive Mayor
Vote 2	Office of the Speaker
Vote 3	Office of the Municipal Manager
Vote 4	Internal Audit
Vote 5	Budget and Treasury Office
Vote 6	Corporate Services
Vote 7	Planning and Development
Vote 8	Community Services: Environmental Health
Vote 9	Community Services: Fire and Disaster Management
Vote 10	Engineering Services
Vote 11	Project Management Unit
Vote 12	Economic Dev. Tourism and Agriculture

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

1.4 Operating Revenue Framework

For Dr Ruth Segomotsi Mompoti District Municipality to continue improving the quality of services provided to its citizens there is a need for the municipality to generate revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that, the district municipality is not selling any services nor does it charge for any services to the communities, meaning that there is no revenue generated internally at all and therefore dependence of conditional grants is still very high.

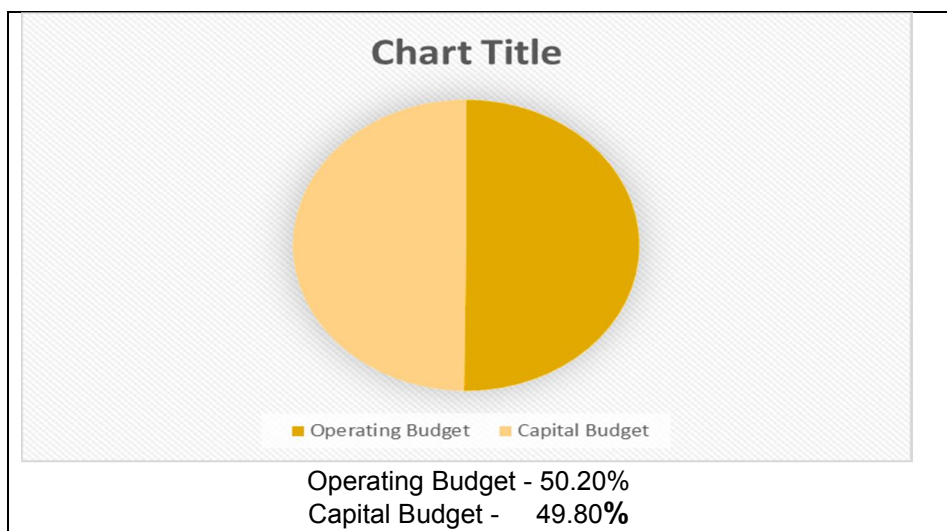
The District Municipality is faced with challenges which include amongst others, an increasing population demand for services as the populations and the demographics of the district are growing, as well as development backlogs and increasing poverty levels. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation balancing expenditures against available financial resources.

The municipality still needs to develop a revenue strategy which will be built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Identification of new possible revenue sources and the sustainability of such sources
- Increased pressure to deliver and maintain services and recover costs;

Table 1 Consolidated Overview of the 2018/2019 and the MTREF

Description	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	R'000	R'000	R'000	R'000	R'000
REVENUE					
Operating Revenue	733 044	737 390	737 273	750 259	802 154
EXPENDITURE					
Operating Expenditure	383 039	385 290	411 118	441 841	478 666
Capital Expenditure	393 844	393 844	375 340	363 246	383 487
TOTAL EXPENDITURE	776 883	779 134	786 458	805 087	862 153
NETT BALANCE	(43 839)	(41 744)	(49 185)	(54 828)	(59 998)



The total revenue for the 2018/19 as indicated in the Division of Revenue Act indicates a small percentage decrease. This is due to the reduced EPWP Grant from R4, 842m 2017/2018 to R1, 278m 2018/19. The reduced RBIG from R182, 000m 2017/18 to R149, 150m 2018/19 and lastly MIG from R140, 903 2017/18 to R135, 482m 2018/19

There is a slight indicative increase of 8% and 9% in the Equitable Share for the two outer years of 2019/20 and 2020/21 respectively. **The operating expenditure amounts to 50,2% of the total revenue whereas the total capital expenditure amounts to 49,8% of the total revenue.**

Table 2 Revenue by Source

The following table is presents the summary classification of Revenue by Source;

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
				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		Audited Outcome	Audited Outcome							
Revenue By Source										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	733	797	942	1 077	1 077	1 077	1 077	1 185	1 303	1 407
Interest earned - external investments	5 025	6 643	14 196	13 874	17 874	17 874	17 874	17 253	18 475	19 768
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	234 374	266 558	285 383	316 979	316 979	316 979	316 979	342 247	364 895	393 677
Other revenue	947	6 384	225	225	225	225	400	500	423	-
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	241 079	280 382	300 747	332 155	336 155	336 155	336 330	361 184	385 096	414 853

Table 3 Operating Transfers and Grant Receipts per Grant

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure		
				Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20
Government Grants and Subsidies									
Local Government Equitable Share	223 475	260 500	282 287	308 448	308 448	308 448	337 205	360 521	388 722
Finance Management	1 075	1 250	1 250	1 250	1 250	1 250	1 320	1 785	2 217
Municipal Systems Improvement	-	930	-	-	-	-	-	-	-
Water Services Operating Subsidy	6 666	9 737	-	-	-	-	-	-	-
EPWP Incentive	1 668	2 262	2 237	4 842	4 842	4 842	1 278	-	-
Rural Road Asset Management Grant	3 883	2 231	2 290	2 439	2 439	2 439	2 444	2 589	2 738
Municipal Infrastructure Grant (MIG)	177 217	148 575	230 717	133 858	133 858	133 858	135 482	138 393	146 444
Rural Households Infrastructure	3 947	4 500	-	-	-	-	-	-	-
Regional Bulk Infrastructure	31 819	45 127	103 523	182 000	182 000	182 000	149 150	121 693	129 660
Municipal Water Infrastructure Grant	12 806	30 000	-	-	-	-	-	-	-
Water Services Infrastructure Grant	-	-	65 793	77 986	77 986	77 986	91 557	105 000	110 775
TOTAL GRANTS AND SUBSIDIES	462 556	505 111	688 096	710 823	710 823	710 823	718 436	729 981	780 556

1.5 Operating Expenditure Framework

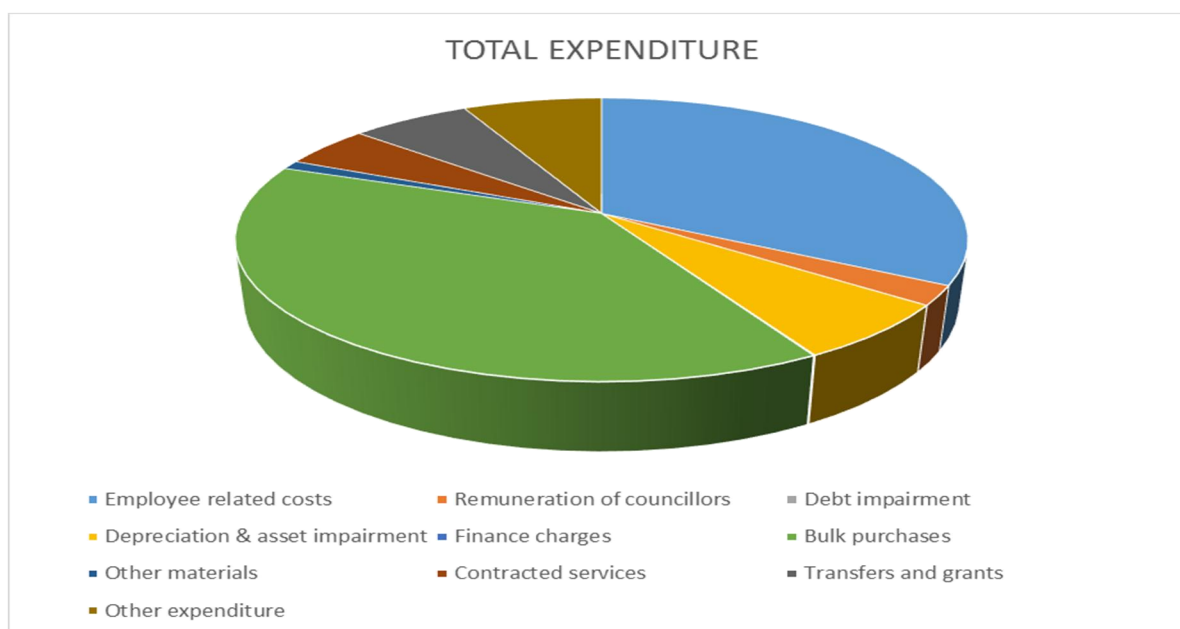
The municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- Guidance provided by National Treasury in all budget circulars issued by the National Treasury and mostly on Circular 78, 79 ,82 and 91
- Balanced budget constraint
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and core services; and

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

Table 4 Summary Operating Expenditure by standard classification item

Description R thousand	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	Budget Year +1	Budget Year +2
Expenditure By Type										
Employee related costs	96 787	105 969	111 027	131 266	122 668	122 668	122 668	144 881	154 537	165 598
Remuneration of councillors	5 875	6 177	6 400	7 455	8 160	8 160	8 160	8 602	9 006	9 585
Debt impairment	-	(310)	141	1 000	1 000	1 000	1 000	1 500	1 600	1 700
Depreciation & asset impairment	35 085	37 668	38 629	47 243	45 732	45 732	45 732	48 139	53 153	58 218
Finance charges	21 200	2 862	3 436	128	128	128	128	130	140	170
Bulk purchases	61 573	134 364	130 061	113 659	113 658	113 658	113 658	105 707	113 383	122 644
Other materials	5 740	1 710	3 141	1 335	2 161	2 161	2 161	2 060	2 235	2 180
Contracted services	20 063	32 420	22 637	20 018	26 342	25 092	25 242	27 084	26 549	28 008
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	30 153	30 534	25 861	31 256	30 226	30 226	30 226	31 540	36 662	39 218
Loss on disposal of PPE	9 657	1 384	6 726	-	-	-	-	-	-	-
Total Expenditure	286 132	352 778	348 059	353 361	350 076	348 826	348 976	369 643	397 265	427 323



Employee related costs are provided for within the threshold set by the National Treasury of a maximum of 35 – 40%. There is an increase in employee related costs. The organizational structure has been reviewed and approved by Council on the 28 February 2018. The total cost of the newly approved

structure is estimated at R174, 300m however, there was a need to budget and fill posts that are critical like in the political offices and the Budget and Treasury Office. The Total employee related costs for 2018/19 is R144, 881m

The cost associated with the remuneration of Councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The proclamation with regard to the 2018/19 increases has not been published to date. For draft budgeting purposes, the same increase of 7, 1 per cent, as for other employees has been factored into the budget.

Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R49, 185m for the 2018/19 financial year and equates to 14 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register which brings the total asset value of the municipality to R2.4 bn as audited in June 2017 which means that for the municipality to sufficiently provide for the depreciation, an amount of at least R2.4m should be included in the budget. However, sufficient provision for depreciation is totally unaffordable due to the lack of sufficient financial resources and is not necessarily in line with the Asset Management Policy of the municipality.

Bulk purchases address the bulk water and bulk sanitation services which the District Municipality is providing through the entire district. The municipality is the Water Services Provider and contracted Sedibeng Water Board to provide the service on their behalf on some of its areas. A portion of the budgeted amount on the bulk purchases goes to address the old accounts between the district municipality and the water board is directly informed by the purchase water from the water service providers. There has been a difficulty in providing sufficiently for bulk water as due to limited financial resources. The municipality was also instructed by the Minister of Water and Sanitation to take over the Bloemhof Sewer Plant which was initially not in the financial plans of the municipality, and this directive was not followed by the financial resources to support it. The municipality could only provide R105m instead of a total estimate of R218m for the total districtwide service.

Other expenditure comprises of various line items relating to the daily operations of the municipality. The following diagram is a graphical demonstration of how the revenue is divided to cover the expenses of the municipality.

1.6 Capital Expenditure

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

Table 5 2018/19 Medium-term capital budget per vote

Vote Description R thousand	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
<i>Capital Expenditure - Municipal Vote</i>										
Vote 1 - EXECUTIVE SUPPORT	-	58	787	50	50	50	50	200	50	80
Vote 2 - OFFICE OF THE SPEAKER	-	-	-	700	200	200	200	800	30	30
Vote 3 - OFFICE OF THE MUNICIPAL MANAGER	-	-	-	70	70	70	70	50	30	30
Vote 4 - INTERNAL AUDIT	-	-	-	100	100	100	100	100	30	45
Vote 5 - BUDGET AND TREASURY OFFICE	-	1 416	1 081	400	400	400	400	170	280	350
Vote 6 - CORPORATE SERVICES	828	-	892	861	900	900	900	195	170	125
Vote 7 - PLANNING AND DEVELOPMENT	-	-	15	50	50	50	50	550	420	410
Vote 8 - ENVIRONMENTAL HEALTH	-	-	14	-	300	300	300	170	100	90
Vote 9 - FIRE AND DISASTER MANAGEMENT	724	116	-	-	-	-	-	880	230	180
Vote 10 - ENGINEERING SERVICES	149 427	192 390	356 528	393 844	393 844	393 844	393 844	371 985	361 826	381 997
Vote 11 - PROJECT MANAGEMENT UNIT	-	-	-	-	-	-	-	160	30	30
Vote 12 - EDTA	-	-	-	100	100	100	100	80	50	120
Total Capital Expenditure	150 979	193 979	359 318	396 175	396 014	396 014	396 014	375 340	363 246	383 487

For 2018/19 an amount of R369, 449m has been appropriated for the development of infrastructure which represents 49.2 per cent of the total revenue. This amount is grant will be allocated for grant funded projects relating to water and sanitation infrastructure. The other R5,925, is for movable assets and will be funded internally.

1.7 Annual Budget Tables

The following pages present the nine main budget tables (Table A1- A9) as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes (Narration)*.

Table 6 MBRR Table A1 - Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2018/19	+1 2019/20	+2 2020/21
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	5 025	6 643	14 196	13 874	17 874	17 874	17 874	17 253	18 475	19 768
Transfers recognised - operational	234 374	266 558	285 383	316 979	316 979	316 979	316 979	342 247	364 895	393 677
Other own revenue	1 303	1 744	7 327	1 302	1 302	1 302	1 302	1 585	1 803	1 830
Total Revenue (excluding capital transfers and contributions)	240 702	274 945	306 906	332 155	336 155	336 155	336 155	361 084	385 173	415 275
Employee costs	96 787	105 969	111 027	131 266	122 668	122 668	122 668	144 881	154 537	165 598
Remuneration of councillors	5 875	6 177	6 400	7 455	8 160	8 160	8 160	8 602	9 006	9 585
Depreciation & asset impairment	35 085	37 668	38 629	47 243	45 732	45 732	45 732	48 139	53 153	58 218
Finance charges	21 200	2 862	3 436	128	128	128	128	130	140	170
Materials and bulk purchases	67 313	136 074	133 202	114 994	115 819	115 819	115 819	107 767	115 618	124 824
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	59 873	64 027	55 365	52 275	57 567	56 317	56 467	60 124	64 811	68 926
Total Expenditure	286 132	352 778	348 059	353 361	350 076	348 826	348 976	369 643	397 265	427 323
Surplus/(Deficit)	(45 430)	(77 833)	(41 153)	(21 206)	(13 921)	(12 671)	(12 821)	(8 559)	(12 092)	(12 047)
Transfers and subsidies - capital (monetary allocation)	240 405	251 291	402 713	400 889	400 889	400 889	400 889	376 189	365 086	386 879
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	194 975	173 458	361 560	379 683	386 968	388 218	388 068	367 630	352 994	374 832
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	194 975	173 458	361 560	379 683	386 968	388 218	388 068	367 630	352 994	374 832
Capital expenditure & funds sources										
Capital expenditure	150 979	193 979	359 331	396 175	396 014	396 014	396 014	375 180	363 216	383 457
Transfers recognised - capital	149 427	192 390	356 437	393 844	393 844	393 844	393 844	371 985	361 826	381 997
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 552	1 589	2 894	2 331	2 170	2 170	2 170	3 195	1 390	1 460
Total sources of capital funds	150 979	193 979	359 331	396 175	396 014	396 014	396 014	375 180	363 216	383 457
Financial position										
Total current assets	131 538	117 197	172 631	71 778	71 778	71 778	375 281	78 850	86 623	95 165
Total non current assets	1 824 679	1 969 351	2 232 144	2 782 798	2 782 798	2 782 798	2 246 384	2 608 456	2 972 965	3 357 880
Total current liabilities	143 048	158 575	203 428	151 241	152 240	152 240	217 302	217 857	239 643	263 607
Total non current liabilities	111 992	102 608	92 375	114 432	113 432	113 432	98 531	80 519	82 716	85 032
Community wealth/Equity	1 701 177	1 825 364	2 108 973	2 588 903	2 588 903	2 588 903	2 305 832	2 388 930	2 737 228	3 104 406
Cash flows										
Net cash from (used) operating	193 849	193 102	406 911	385 391	385 392	385 392	223 432	41 080	42 661	47 871
Net cash from (used) investing	(196 953)	(193 961)	(359 238)	(396 025)	(395 864)	(395 864)	(41 995)	(375 340)	(363 246)	(383 487)
Net cash from (used) financing	(1 200)	(7 200)	(10 835)	(10 800)	(10 800)	(10 800)	(4 503)	(11 880)	(13 068)	(14 375)
Cash/cash equivalents at the year end	53 692	45 661	82 499	50 972	51 134	51 134	259 433	(326 964)	(660 617)	(1 010 608)
Cash backing/surplus reconciliation										
Cash and investments available	53 692	45 661	82 499	30 510	30 510	30 510	288 171	33 455	36 689	40 237
Application of cash and investments	(1 537 789)	132 156	151 418	92 830	135 097	135 097	206 636	160 582	176 641	194 305
Balance - surplus (shortfall)	1 591 481	(86 495)	(68 919)	(62 320)	(104 587)	(104 587)	81 535	(127 127)	(139 953)	(154 067)
Asset management										
Asset register summary (WDV)	1 824 447	1 969 859	2 233 512	2 401 225	2 394 110	2 394 110	-	2 766 831	3 126 812	3 508 859
Depreciation	(35 097)	(35 591)	(37 243)	(47 243)	(45 732)	(45 732)	-	(48 209)	(53 228)	(58 298)
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	5 740	1 710	3 141	1 335	2 161	2 161	-	2 060	2 235	2 180
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
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 emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. No provision for any borrowing is incorporated in the net cash from financing on the Cash Flow Budget as the municipality anticipates not borrowing over the MTREF;
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that over the MTREF there is significant decline in cash levels

Table 7 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC39 Dr Ruth Segomotsi Mompati - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Governance and administration		73 297	84 801	104 082	121 197	121 684	121 684	127 568	134 970	144 232
Executive and council		22 283	23 550	28 128	39 427	39 702	39 702	45 058	46 844	49 975
Finance and administration		39 949	50 584	64 258	66 964	67 588	67 588	66 822	71 128	76 070
Internal audit		11 066	10 667	11 696	14 806	14 393	14 393	15 688	16 997	18 187
Community and public safety		15 993	25 559	31 645	37 021	33 585	33 585	41 362	45 413	48 591
Public safety		7 997	12 779	20 017	24 696	23 005	23 005	28 025	29 987	32 086
Health		7 997	12 779	11 628	12 325	10 580	10 580	13 337	15 426	16 505
Economic and environmental services		10 006	10 440	8 797	12 722	12 449	12 449	20 950	22 061	23 492
Planning and development		10 006	10 440	8 797	12 722	12 449	12 449	20 950	22 061	23 492
Trading services		234 374	264 945	549 855	546 749	553 339	553 339	525 834	524 747	561 156
Water management		234 374	264 945	549 855	546 749	553 339	553 339	525 834	524 747	561 156
Other	4	13 258	16 318	15 240	16 457	16 332	16 332	21 559	23 068	24 683
Total Revenue - Functional	2	346 929	402 062	709 619	734 146	737 389	737 389	737 273	750 259	802 154
Expenditure - Functional										
Governance and administration		88 160	90 778	102 962	117 471	122 905	122 905	126 053	134 380	143 582
Executive and council		26 182	27 747	28 128	38 477	39 352	39 352	44 008	46 734	49 845
Finance and administration		52 168	51 804	62 469	64 288	69 259	69 259	66 457	70 678	75 595
Internal audit		9 810	11 227	12 365	14 706	14 293	14 293	15 588	16 967	18 142
Community and public safety		41 278	34 310	37 185	36 921	33 085	33 085	40 312	45 083	48 321
Public safety		30 417	21 383	25 746	24 646	22 805	22 805	27 145	29 757	31 906
Health		10 861	12 926	11 438	12 275	10 280	10 280	13 167	15 326	16 415
Economic and environmental services		3 608	3 954	9 370	12 592	12 319	12 319	20 240	21 611	23 052
Planning and development		3 608	3 954	9 370	12 592	12 319	12 319	20 240	21 611	23 052
Trading services		192 612	256 127	263 884	198 719	205 153	205 153	153 849	162 921	179 160
Water management		192 612	256 127	263 884	198 719	205 153	205 153	153 849	162 921	179 160
Other	4	12 417	16 218	14 316	16 357	15 798	15 798	21 479	23 018	24 563
Total Expenditure - Functional	3	338 074	401 386	427 716	382 060	389 261	389 261	361 933	387 013	418 678
Surplus/(Deficit) for the year		8 855	676	281 903	352 086	348 128	348 128	375 340	363 246	383 477

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

DC39 Dr Ruth Segomotsi Mompoti - 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 - OFFICE OF THE EXECUTIVE MAYOR		17 900	18 673	18 543	25 194	24 474	24 474	26 924	27 442	29 358
Vote 2 - OFFICE OF THE SPEAKER		4 382	4 877	4 971	9 388	10 382	10 382	12 059	12 904	13 641
Vote 3 - OFFICE OF THE MUNICIPAL MANAGER		3 570	3 443	4 614	4 845	4 845	4 845	6 074	6 499	6 976
Vote 4 - INTERNAL AUDIT		11 066	10 667	11 696	14 806	14 393	14 393	15 688	16 997	18 187
Vote 5 - BUDGET AND TREASURY OFFICE		16 830	23 281	30 778	32 478	31 918	31 918	29 275	30 931	33 177
Vote 6 - COPORATE SERVICES		23 119	27 303	33 480	34 485	35 670	35 670	37 547	40 197	42 893
Vote 7 - PLANNING AND DEVELOPMENT		4 725	4 842	2 871	5 676	5 404	5 404	14 176	15 142	16 169
Vote 8 - ENVIRONMENTAL HEALTH		7 997	12 779	11 628	12 325	10 580	10 580	13 337	15 426	16 505
Vote 9 - FIRE AND DISASTER MANAGEMENT		32 071	20 018	20 017	24 696	23 005	23 005	28 025	29 987	32 086
Vote 10 - ENGINEERING SERVICES		341 132	375 081	549 855	546 749	553 339	553 339	525 834	524 747	561 156
Vote 11 - PROJECT MANAGEMENT UNIT		5 281	5 598	5 926	7 045	7 045	7 045	6 774	6 920	7 322
Vote 12 - ECONOMIC DEVELOPMENT, TOURISM A		13 258	17 358	15 240	16 457	16 332	16 332	21 559	23 068	24 683
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	481 331	523 920	709 619	734 146	737 389	737 389	737 273	750 259	802 154
Expenditure by Vote to be appropriated	1									
Vote 1 - OFFICE OF THE EXECUTIVE MAYOR		18 297	18 573	16 422	25 144	24 374	24 374	26 724	27 392	29 278
Vote 2 - OFFICE OF THE SPEAKER		4 398	4 857	8 029	8 538	10 182	10 182	11 259	12 874	13 611
Vote 3 - OFFICE OF THE MUNICIPAL MANAGER		3 487	3 393	3 676	4 795	4 795	4 795	6 024	6 469	6 946
Vote 4 - INTERNAL AUDIT		9 810	10 617	12 365	14 706	14 293	14 293	15 588	16 967	18 142
Vote 5 - BUDGET AND TREASURY OFFICE		26 169	25 756	24 985	31 808	34 489	34 489	29 105	30 651	32 827
Vote 6 - COPORATE SERVICES		35 656	26 353	37 484	32 485	34 770	34 770	37 352	40 027	42 768
Vote 7 - PLANNING AND DEVELOPMENT		3 608	4 782	3 330	5 626	5 354	5 354	13 626	14 722	15 759
Vote 8 - ENVIRONMENTAL HEALTH		10 861	10 559	11 438	12 275	10 280	10 280	13 167	15 326	16 415
Vote 9 - FIRE AND DISASTER MANAGEMENT		30 417	19 913	25 746	24 646	22 805	22 805	27 145	29 757	31 906
Vote 10 - ENGINEERING SERVICES		223 784	268 161	263 884	198 719	205 153	205 153	153 849	162 921	179 160
Vote 11 - PROJECT MANAGEMENT UNIT		11 005	6 736	6 040	6 965	6 995	6 995	6 614	6 890	7 292
Vote 12 - ECONOMIC DEVELOPMENT, TOURISM A		12 417	15 190	14 316	16 357	15 798	15 798	21 479	23 018	24 563
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	389 908	414 890	427 716	382 065	389 291	389 291	361 933	387 013	418 668
Surplus/(Deficit) for the year	2	91 423	109 030	281 903	352 081	348 098	348 098	375 340	363 246	383 487

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

1. Table A3 above, 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 that, it is possible to present a deficit or a surplus in a municipal vote.

Table 9 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC39 Dr Ruth Segomotsi Mompati - 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											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment		733	797	942	1 077	1 077	1 077	1 077	1 185	1 303	1 407
Interest earned - external investments		5 025	6 643	14 196	13 874	17 874	17 874	17 874	17 253	18 475	19 768
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		234 374	266 558	285 383	316 979	316 979	316 979	316 979	342 247	364 895	393 677
Other revenue	2	570	947	6 384	225	225	225	225	400	500	423
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		240 702	274 945	306 906	332 155	336 155	336 155	336 155	361 084	385 173	415 275
Expenditure By Type											
Employee related costs	2	96 787	105 969	111 027	131 266	122 668	122 668	122 668	144 881	154 537	165 598
Remuneration of councillors		5 875	6 177	6 400	7 455	8 160	8 160	8 160	8 602	9 006	9 585
Debt impairment	3	-	(310)	141	1 000	1 000	1 000	1 000	1 500	1 600	1 700
Depreciation & asset impairment	2	35 085	37 668	38 629	47 243	45 732	45 732	45 732	48 139	53 153	58 218
Finance charges		21 200	2 862	3 436	128	128	128	128	130	140	170
Bulk purchases	2	61 573	134 364	130 061	113 659	113 658	113 658	113 658	105 707	113 383	122 644
Other materials	8	5 740	1 710	3 141	1 335	2 161	2 161	2 161	2 060	2 235	2 180
Contracted services		20 063	32 420	22 637	20 018	26 342	25 092	25 242	27 084	26 549	28 008
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	30 153	30 534	25 861	31 256	30 226	30 226	30 226	31 540	36 662	39 218
Loss on disposal of PPE		9 657	1 384	6 726	-	-	-	-	-	-	-
Total Expenditure		286 132	352 778	348 059	353 361	350 076	348 826	348 976	369 643	397 265	427 323
Surplus/(Deficit)		(45 430)	(77 833)	(41 153)	(21 206)	(13 921)	(12 671)	(12 821)	(8 559)	(12 092)	(12 047)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		240 405	251 291	402 713	400 889	400 889	400 889	400 889	376 189	365 086	386 879
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		194 975	173 458	361 560	379 683	386 968	388 218	388 068	367 630	352 994	374 832
Taxation											
Surplus/(Deficit) after taxation		194 975	173 458	361 560	379 683	386 968	388 218	388 068	367 630	352 994	374 832
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		194 975	173 458	361 560	379 683	386 968	388 218	388 068	367 630	352 994	374 832
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		194 975	173 458	361 560	379 683	386 968	388 218	388 068	367 630	352 994	374 832

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

1. Total operating revenue for 2018/19 is allocated at R361, 084m and a projected increase to R385, 173m for the 2019/20, a further increase to R415, 275m the 2020/21. This indicates an inconsistent movement in the operating revenue from year to year, the two outer years are just estimated projections and these may change depending on the revised Division of Revenue Act of those relevant financial years.

Table 10 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	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 - Municipal Vote										
Single-year expenditure appropriation										
Vote 1 - EXECUTIVE SUPPORT	-	58	787	50	50	50	50	200	50	80
Vote 2 - SPEAKER'S OFFICE	-	-	-	700	200	200	200	800	30	30
Vote 3 - MUNICIPAL MANAGER	-	-	-	70	70	70	70	50	30	30
Vote 4 - INTERNAL AUDIT	-	-	-	100	100	100	100	100	30	45
Vote 5 - BUDGET AND TREASURY OFFICE	-	1 416	1 081	400	400	400	400	170	280	350
Vote 6 - CORPORATE SERVICES	828	-	892	861	900	900	900	195	170	125
Vote 7 - PLANNING AND DEVELOPMENT	-	-	15	50	50	50	50	550	420	410
Vote 8 - ENVIRONMENTAL HEALTH	-	-	14	-	300	300	300	170	100	90
Vote 9 - FIRE AND DISASTER MANAGEMENT	724	116	-	-	-	-	-	880	230	180
Vote 10 - ENGINEERING SERVICES	149 427	192 390	356 528	393 844	393 844	393 844	393 844	371 985	361 826	381 997
Vote 11 - PROJECT MANAGEMENT UNIT	-	-	-	-	-	-	-	160	30	30
Vote 12 - EDTA	-	-	-	100	100	100	100	80	50	120
Capital single-year expenditure sub-total	150 979	193 979	359 318	396 175	396 014	396 014	396 014	375 340	363 246	383 487
Total Capital Expenditure	150 979	193 979	359 318	396 175	396 014	396 014	396 014	375 340	363 246	383 487

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

1. Table A5 is a breakdown of the capital budget estimates in relation to capital expenditure by municipal vote. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations, however, only single year projections are appropriated on this table. The capital expenditure is here presented by vote, standard classification as well as the relevant funding sources that will fund it.
2. The capital expenditure presented in table A5 is 50.20 % of the total revenue. This does not mean that the service delivery requirements are limited or measured at that percentage. However, this percentage is the only amount that could be affordable at this stage given the economic conditions and the available resources. The capital budget is mainly grant funded R 369,449m for infrastructure assets and the difference of R5, 925m is internally generated funds.
3. Single-year capital expenditure has been appropriated at R375, 340m for the 2018/19 financial year and declines for 2019/20 to R363, 246m in 2020/21 there is a slight increase to R 383, 487m.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year. The budget appropriations for the two outer years are indicative allocations based on the departmental estimates 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.
5. The capital programme is funded from grants and transfers, and small portion of the operating revenue.

Table 11 MBRR Table A6 - Budgeted Financial Position

DC39 Dr Ruth Segomotsi Mompoti - 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		3 541	11 704	594	3 502	3 501	3 501	19 680	3 747	4 009	4 289
Call investment deposits	1	50 151	33 957	81 905	27 008	27 008	27 008	268 491	29 709	32 680	35 948
Consumer debtors	1	77 846	71 535	90 132	41 268	41 268	41 268	3 941	45 395	49 934	54 928
Other debtors											
Current portion of long-term receivables								83 168			
Inventory	2										
Total current assets		131 538	117 197	172 631	71 778	71 778	71 778	375 281	78 850	86 623	95 165
Non current assets											
Long-term receivables											
Investments											
Investment property		3 800	4 554	5 569	4 094	4 094	4 094	3 940	6 126	6 738	7 412
Investment in Associate											
Property, plant and equipment	3	1 819 819	1 963 832	2 225 050	2 777 358	2 777 358	2 777 358	2 240 918	2 600 389	2 963 606	3 347 093
Agricultural											
Biological											
Intangible		1 061	965	1 526	1 346	1 346	1 346	1 526	1 941	2 621	3 376
Other non-current assets											
Total non current assets		1 824 679	1 969 351	2 232 144	2 782 798	2 782 798	2 782 798	2 246 384	2 608 456	2 972 965	3 357 880
TOTAL ASSETS		1 956 217	2 086 548	2 404 776	2 854 576	2 854 576	2 854 576	2 621 665	2 687 306	3 059 588	3 453 045
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	7 286	11 072	11 037	10 800	10 800	10 800	9 000	11 880	13 068	14 375
Consumer deposits		404			513	513	513	404			
Trade and other payables	4	130 355	142 411	187 252	134 098	135 097	135 097	207 897	205 977	226 575	249 233
Provisions		5 002	5 092	5 140	5 830	5 830	5 830				
Total current liabilities		143 048	158 575	203 428	151 241	152 240	152 240	217 302	217 857	239 643	263 607
Non current liabilities											
Borrowing		76 434	65 634	54 838	69 234	68 234	68 234	53 034	32 158	30 970	29 663
Provisions		35 558	36 974	37 537	45 198	45 198	45 198	45 497	48 362	51 747	55 369
Total non current liabilities		111 992	102 608	92 375	114 432	113 432	113 432	98 531	80 519	82 716	85 032
TOTAL LIABILITIES		255 039	261 183	295 803	265 673	265 672	265 672	315 832	298 377	322 360	348 639
NET ASSETS	5	1 701 177	1 825 364	2 108 973	2 588 903	2 588 904	2 588 904	2 305 832	2 388 930	2 737 228	3 104 406
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 693 452	1 816 925	2 099 147	2 579 490	2 579 490	2 579 490	2 298 107	2 378 858	2 726 451	3 092 875
Reserves	4	7 726	8 439	9 826	9 413	9 413	9 413	7 726	10 072	10 777	11 531
TOTAL COMMUNITY WEALTH/EQUITY	5	1 701 177	1 825 364	2 108 973	2 588 903	2 588 903	2 588 903	2 305 832	2 388 930	2 737 228	3 104 406

Explanatory notes to Table A6 - Budgeted Financial Position

1. MBRR Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting”. The order of items within each group illustrates items in the order of liquidity.

3. MBRR Table A6 contains mainly the following items:
 - Consumer debtors - The district municipality does not have any consumer base and therefore there are not consumer debtors. However, the debtors reflected in table A6 is mainly the Department of Water Affairs (DWA) and other sundry debtors.

 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions noncurrent;
 - Changes in net assets, and
 - Reserves

4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitable impact on the Budgeted Financial Position. Therefore any budget assumptions are critical as they 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 by directly forecasting the statement of financial position.

5. Reserves as presented in the above table are not cash backed. These are indicative amounts by which the movements in assets occurred. The Accumulated surplus is just an accounting figure used to calculate the value of the municipality in line with GRAP 1, it does not have any financial backing attached, therefore there are no monetary cash amounting to the value attached to the accumulated surplus.

Table 12 MBRR Table A7 - Budgeted Cash Flow Statement

DC39 Dr Ruth Segomotsi Mompoti - 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											
Property rates									-	-	-
Service charges									-	-	-
Other revenue		27 927	250	2 913	1 302			416	1 585	1 803	1 830
Government - operating	1	234 374	266 558	291 994	316 979	316 979	316 979	158 966	342 247	364 895	393 677
Government - capital	1	287 846	253 261	402 322	400 889	400 889	400 889	147 996	-	-	-
Interest		5 025	6 643	14 196	13 874	13 874	13 874	11 484	17 253	18 475	19 768
Dividends									-	-	-
Payments											
Suppliers and employees		(257 473)	(277 584)	(225 459)	(316 225)	(314 922)	(314 922)	(86 540)	(319 874)	(342 372)	(367 234)
Finance charges		(74)	(2 862)		(10 928)	(10 928)	(10 928)		(130)	(140)	(170)
Transfers and Grants	1	(103 775)	(53 163)	(79 055)	(20 500)	(20 500)	(20 500)	(8 890)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		193 849	193 102	406 911	385 391	385 392	385 392	223 432	41 080	42 661	47 871
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			17	93					-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(196 953)	(193 979)	(359 331)	(396 025)	(395 864)	(395 864)	(41 995)	(375 340)	(363 246)	(383 487)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(196 953)	(193 961)	(359 238)	(396 025)	(395 864)	(395 864)	(41 995)	(375 340)	(363 246)	(383 487)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(1 200)	(7 200)	(10 835)	(10 800)	(10 800)	(10 800)	(4 503)	(11 880)	(13 068)	(14 375)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 200)	(7 200)	(10 835)	(10 800)	(10 800)	(10 800)	(4 503)	(11 880)	(13 068)	(14 375)
NET INCREASE/ (DECREASE) IN CASH HELD		(4 304)	(8 059)	36 838	(21 434)	(21 272)	(21 272)	176 934	(346 140)	(333 653)	(349 990)
Cash/cash equivalents at the year begin:	2	57 996	53 721	45 661	72 406	72 406	72 406	82 499	19 176	(326 964)	(660 617)
Cash/cash equivalents at the year end:	2	53 692	45 661	82 499	50 972	51 134	51 134	259 433	(326 964)	(660 617)	(1 010 608)

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 remain positive over the MTREF period though highly declining as compared to the prior years. The municipality is encountering a serious cash flow problem, which is also evident in the 2018/2019 budget.

4. The 2018/19 MTREF provide for a further break even in cash and cash equivalents for the year and for the two outer years. This means that it is projected that the municipality will have no cash available at the end of the financial years.

Table 13 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

DC39 Dr Ruth Segomotsi Mompoti - 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	53 692	45 661	82 499	50 972	51 134	51 134	259 433	(326 964)	(660 617)	(1 010 608)
Other current investments > 90 days		-	-	-	(20 462)	(20 624)	(20 624)	28 739	360 420	697 306	1 050 845
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		53 692	45 661	82 499	30 510	30 510	30 510	288 171	33 455	36 689	40 237
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(1 537 789)	132 156	151 418	92 830	135 097	135 097	206 636	160 582	176 641	194 305
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(1 537 789)	132 156	151 418	92 830	135 097	135 097	206 636	160 582	176 641	194 305
Surplus(shortfall)		1 591 481	(86 495)	(68 919)	(62 320)	(104 587)	(104 587)	81 535	(127 127)	(139 953)	(154 067)

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the draft 2018/2019 Budget and MTREF is not funded.

Table 14 MBRR Table A9 - Asset Management

DC39 Dr Ruth Segomotsi Mompoti - Table A9 Asset Management									
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	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE									
Total New Assets	150 979	193 979	359 331	396 025	395 793	395 793	374 520	362 836	382 977
<i>Water Supply Infrastructure</i>	149 427	192 390	356 437	393 844	393 844	393 844	369 415	358 166	379 557
Intangible Assets	8	-	803	1 059	1 059	1 059	415	680	755
Computer Equipment	-	-	-	451	640	640	820	410	510
Furniture and Office Equipment	820	1 007	1 406	422	240	240	640	390	265
Machinery and Equipment	724	116	-	-	-	-	2 600	3 600	2 400
Transport Assets	-	466	685	700	650	650	1 450	-	-
Total Capital Expenditure									
Infrastructure	149 427	192 390	356 437	393 844	393 844	393 844	369 415	358 166	379 557
Intangible Assets	8	-	803	1 059	1 059	1 059	415	680	755
Computer Equipment	-	-	-	451	640	640	820	410	510
Furniture and Office Equipment	820	1 007	1 406	422	240	240	640	390	265
Machinery and Equipment	724	116	-	-	-	-	2 600	3 600	2 400
Transport Assets	-	466	685	700	650	650	1 450	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	150 979	193 979	359 331	396 475	396 433	396 433	375 340	363 246	383 487
ASSET REGISTER SUMMARY - PPE (WDV)									
<i>Water Supply Infrastructure</i>	1 803 586	1 940 591	2 199 722	2 391 521	2 391 521	2 391 521	2 763 506	3 125 332	3 507 329
Infrastructure	1 803 586	1 940 591	2 199 722	2 391 521	2 391 521	2 391 521	2 763 506	3 125 332	3 507 329
Operational Buildings	3 800	4 554	5 569	3 826					
Housing	16 232	23 242	25 327	3 246					
Other Assets	20 032	27 795	30 896	7 072	-	-	-	-	-
Intangible Assets	8	-	803	1 059	1 059	1 059	415	680	755
Computer Equipment				451	640	640	820	410	510
Furniture and Office Equipment	820	1 007	1 406	422	240	240	640	390	265
Transport Assets		466	685	700	650	650	1 450		
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 824 447	1 969 859	2 233 512	2 401 225	2 394 110	2 394 110	2 766 831	3 126 812	3 508 859
EXPENDITURE OTHER ITEMS									
Depreciation	(35 097)	(35 591)	(37 243)	(47 243)	(45 732)	(45 732)	(48 209)	(53 228)	(58 298)
Repairs and Maintenance by Asset Class	5 740	1 710	3 141	1 335	2 161	2 161	2 060	2 235	2 180
<i>Water Supply Infrastructure</i>	5 740	1 710	3 141	1 335	2 161	2 161	2 060	2 235	2 180
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	5 740	1 710	3 141	1 335	2 161	2 161	2 060	2 235	2 180
TOTAL EXPENDITURE OTHER ITEMS	(29 357)	(33 880)	(34 102)	(45 908)	(43 571)	(43 571)	(46 149)	(50 993)	(56 118)
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading and R&M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets, no renewal of existing assets is provided for.

Part 2 SUPPORTING DOCUMENTATION

2.1 Overview of the Annual Budget Process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance. The primary aims of the Budget Steering Committee are to ensure:

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

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

2.1.2 Community Consultation on the Draft Budget

The draft 2018/19 MTREF, was tabled during a Special Council meeting dated 29th March 2018, whereby community members were present. The draft budget document is further made available on the municipal website: www.rsmompatidm.gov.za. Furthermore, a Mayoral Roadshow will be held in the month of April 2018 to seek the community inputs on the budget. Submissions received during the community consultation process and additional information regarding revenue and expenditure and capital projects will be considered by the Budget Steering Committee meeting to be held after the Mayoral Budget Road Show for the finalisation of the 2018/2019 Budget.

2.1.3 IDP and Service Delivery and Budget Implementation Plan

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

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

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

2.2 Overview of Alignment of the Annual Budget with the 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. Integrated developmental planning in the South African context is amongst others, an approach to planning

aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area.

Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities. The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2018/19 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 14 – Table 16 below presents the reconciliation of the IDP Strategic Objectives. In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above. In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years for infrastructure planning. This process is aimed at influencing the development path to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2018/19 MTREF has therefore been directly informed by the IDP revision process and the following tables MBRR Tables SA4-SA6 as outlined in Table 14 – 16 below provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly at each quarter, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks. Additional to the MFMA and the Municipal Budget and Reporting Regulations, the following policies are used to guide the budget process:-

2.4.1 Asset Management Policy

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the revenue base.

2.4.2 Budget Policy

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in 2018. The policy is continually revised to incorporate amending legislation.

2.4.4 Investment & Cash Management Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

2.5 Overview of budget assumptions

2.5.1 External factors

The effects of recession are still evident. After a protracted hike in the interest rates, this increased recently. Upwards pressure is also evident in the inflation rate and the Rand continues to weaken against leading currencies. International oil prices are rising after a significant decrease over the previous months.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2018/19 MTREF:

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

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality chiefly engages in amortisation-style loans requiring both regular principal and interest payments. Surplus cash is invested and re-invested at short intervals.

2.5.4 Growth or decline in tax base of the municipality

Lack of revenue collection sources for the district municipality being one critical concerning point. The municipality is 99% grant dependent.

2.5.5 Salary increases

Salary increases were based on the proposed increase as per the MFMA budget circular.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial

and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

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

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

2.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at 100 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2018/19 MTREF.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

Investment revenue contributes marginally to the revenue base. It needs to be noted that these allocations have been conservatively estimated. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2018/19 medium-term capital programme:

Capital grants and receipts equates to 49,2 per cent of the total funding source which represents R369,415 m million for the 2018/19 financial year.

The municipality did not raise new loans, however, the municipality is still servicing old loans from the DBSA, which arose as demarcation liabilities between the Southern and the then Bophirima District Municipalities.

2.6.3 Cash Flow Management

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

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

DC39 DrRuth Segomotsi Mompoti - 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
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges									-	-	-
Other revenue		27 927	250	2 913	1 302			416	1 585	1 803	1 830
Government - operating	1	234 374	266 558	291 994	316 979	316 979	316 979	158 966	342 247	364 895	393 677
Government - capital	1	287 846	253 261	402 322	400 889	400 889	400 889	147 996	-	-	-
Interest		5 025	6 643	14 196	13 874	13 874	13 874	11 484	17 253	18 475	19 768
Dividends									-	-	-
Payments											
Suppliers and employees		(257 473)	(277 584)	(225 459)	(316 225)	(314 922)	(314 922)	(86 540)	(319 874)	(342 372)	(367 234)
Finance charges		(74)	(2 862)		(10 928)	(10 928)	(10 928)		(130)	(140)	(170)
Transfers and Grants	1	(103 775)	(53 163)	(79 055)	(20 500)	(20 500)	(20 500)	(8 890)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		193 849	193 102	406 911	385 391	385 392	385 392	223 432	41 080	42 661	47 871
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			17	93					-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (Increase) other non-current receivables									-	-	-
Decrease (Increase) in non-current investments									-	-	-
Payments											
Capital assets		(196 953)	(193 979)	(359 331)	(396 025)	(395 864)	(395 864)	(41 995)	(375 340)	(363 246)	(383 487)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(196 953)	(193 961)	(359 238)	(396 025)	(395 864)	(395 864)	(41 995)	(375 340)	(363 246)	(383 487)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(1 200)	(7 200)	(10 835)	(10 800)	(10 800)	(10 800)	(4 503)	(11 880)	(13 068)	(14 375)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 200)	(7 200)	(10 835)	(10 800)	(10 800)	(10 800)	(4 503)	(11 880)	(13 068)	(14 375)
NET INCREASE/ (DECREASE) IN CASH HELD		(4 304)	(8 059)	36 838	(21 434)	(21 272)	(21 272)	176 934	(346 140)	(333 653)	(349 990)
Cash/cash equivalents at the year begin:	2	57 996	53 721	45 661	72 406	72 406	72 406	82 499	19 176	(326 964)	(660 617)
Cash/cash equivalents at the year end:	2	53 692	45 661	82 499	50 972	51 134	51 134	259 433	(326 964)	(660 617)	(1 010 608)

The above table shows that cash and cash equivalents of the Municipality remains positively steady for the 2018/19 and 2019/20 and 2020/21 financial year.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

DC39 Dr Ruth Segomotsi Mompoti - 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	53 692	45 661	82 499	50 972	51 134	51 134	259 433	(326 964)	(660 617)	(1 010 608)
Other current investments > 90 days		-	-	-	(20 462)	(20 624)	(20 624)	28 739	360 420	697 306	1 050 845
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		53 692	45 661	82 499	30 510	30 510	30 510	288 171	33 455	36 689	40 237
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(1 537 789)	132 156	151 418	92 830	135 097	135 097	206 636	160 582	176 641	194 305
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(1 537 789)	132 156	151 418	92 830	135 097	135 097	206 636	160 582	176 641	194 305
Surplus(shortfall)		1 591 481	(86 495)	(68 919)	(62 320)	(104 587)	(104 587)	81 535	(127 127)	(139 953)	(154 067)

Table 11 above, MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation below meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

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

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall (applications cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded' It is also important to analyse trends to understand the consequences. Small cash surpluses have been realised over the past three years, which is inevitably utilised to finance operations. No meaningful growth in cash has occurred. The working capital has to be optimally managed.

Table 15 MBRR Table SA2 Financial Performance Budget (revenue and expenditure per source and per type)

The following table SA 2, presents the financial performance Budget per revenue source and per expenditure type per vote

DC39 Dr Ruth Segomotsi Mompoti - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)																
Description	Vote 1 -	Vote 2 -	Vote 3 -	Vote 4 -	Vote 5 -	Vote 6 -	Vote 7 -	Vote 8 -	Vote 9 - FIRE	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	OFFICE OF THE EXECUTIVE	OFFICE OF THE SPEAKER	OFFICE OF THE MUNICIPAL	INTERNAL AUDIT	BUDGET AND TREASURY	COPORATE SERVICES	PLANNING AND DEVELOPME	ENVIRONME NTAL HEALTH	AND DISASTER MANAGEME	ENGINEERIN G SERVICES	PROJECT MANAGEME NT UNIT	ECONOMIC DEVELOPME NT, TOURISM	[NAME OF VOTE 13]	[NAME OF VOTE 14]	[NAME OF VOTE 15]	
Revenue By Source																
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	1 185	-	-	-	-	-	-	-	-	-	1 185
Interest earned - external investments	-	-	-	-	17 253	-	-	-	-	-	-	-	-	-	-	17 253
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	200	200	-	-	-	-	-	-	-	-	-	400
Transfers and subsidies	26 994	12 069	6 074	15 688	11 822	36 163	14 176	13 337	28 025	156 419	6 774	21 559	-	-	-	349 101
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cor	26 994	12 069	6 074	15 688	29 275	37 547	14 176	13 337	28 025	156 419	6 774	21 559	-	-	-	367 938
Expenditure By Type																
Employee related costs	18 452	4 791	5 689	13 083	16 550	20 458	6 222	12 247	23 975	5 966	6 299	11 829	-	-	-	145 561
Remuneration of councillors	3 846	4 756	-	-	-	-	-	-	-	-	-	-	-	-	-	8 602
Debt impairment	-	-	-	-	1 500	-	-	-	-	-	-	-	-	-	-	1 500
Depreciation & asset impairment	70	10	-	-	3 000	-	-	-	-	45 129	-	-	-	-	-	48 209
Finance charges	-	-	-	-	130	-	-	-	-	-	-	-	-	-	-	130
Bulk purchases	-	-	-	-	-	-	-	-	-	105 707	-	-	-	-	-	105 707
Other materials	70	30	-	-	50	510	-	-	1 400	-	-	-	-	-	-	2 060
Contracted services	-	-	-	-	5 050	2 830	6 504	350	150	12 200	-	-	-	-	-	27 084
Transfers and subsidies	750	600	-	-	-	-	-	-	500	6 000	-	7 800	-	-	-	15 650
Other expenditure	3 606	1 082	335	2 505	7 175	13 555	900	570	1 121	23 976	315	1 850	-	-	-	56 989
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	26 794	11 269	6 024	15 588	33 455	37 352	13 626	13 167	27 145	198 978	6 614	21 479	-	-	-	411 492
Surplus/(Deficit)	200	800	50	100	(4 180)	195	550	170	880	(42 559)	160	80	-	-	-	(43 554)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	369 415	-	-	-	-	-	369 415
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	200	800	50	100	(4 180)	195	550	170	880	326 856	160	80	-	-	-	325 861

Table 16 MBRR Table SA4 Reconciliation of the IDP and the Strategic Objectives (Revenue)

DC39 Dr Ruth Segomotsi Mompoti - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)										
Strategic Objective	Goal	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	Budget Year +1	Budget Year +2
R thousand										
Service Delivery and Infrastructure development	To eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	234 374	264 945	549 855	546 749	553 339	553 339	525 834	524 747	561 156
Public participation and good governance	To promote a culture of participatory and good governance.	38 630	39 814	45 948	61 279	61 141	61 141	67 520	70 761	75 484
Institutional development and transformation	To improve organisational cohesion and effectiveness	27 844	32 145	36 351	40 162	41 074	41 074	51 723	55 339	59 062
Financial Viability	To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems	16 830	23 281	30 778	32 478	31 918	31 918	29 275	30 931	33 177
Local Economic Development, Tourism and Agriculture	Create an environment that promotes the development of the local economy and facilitate job creation	13 258	16 318	15 240	16 457	16 332	16 332	21 559	23 068	24 683
Community Services and Development	Environmental Health Fire and Disaster Management Solid waste management systems	15 993	25 559	31 645	37 021	33 585	33 585	41 362	45 413	48 591
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		346 929	402 062	709 817	734 146	737 389	737 389	737 273	750 260	802 154

Table 17 MBRR Table SA5 Reconciliation of the IDP and the Strategic Objectives (Expenditure)

DC39 Dr Ruth Segomotsi Mompati - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)										
Strategic Objective	Goal	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure		
		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										
Service Delivery and Infrastructure development	To eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	192 612	256 127	263 884	198 719	205 153	205 153	153 849	162 921	179 160
Public participation and good governance (Internal Audit, Office of the Mayor, Office of the Speaker)	To promote a culture of participatory and good governance.	35 656	29 598	25 601	31 449	21 426	20 176	73 920	80 843	83 925
Institutional development and transformation (Corporate Services, PMS and IDP)	To improve organisational cohesion and effectiveness	3 608	3 954	4 958	38 111	40 124	40 124	50 978	54 749	58 527
Financial Viability	To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems	16 513	22 206	20 027	31 803	34 489	34 489	29 105	30 651	32 827
Local Economic Development, Tourism and Agriculture	Create an environment that promotes the development of the local economy and facilitate job creation	12 417	16 218	14 316	16 357	15 798	15 798	21 479	23 018	24 563
Community Services and Development	Environmental Health Fire and Disaster Management Solid waste management systems	25 328	24 676	19 274	36 921	33 085	33 085	40 312	45 083	48 321
Allocations to other priorities										
Total Expenditure		286 132	352 778	348 059	353 361	350 076	348 826	369 643	397 265	427 323

Table 18 MBRR SA6 Reconciliation of the IDP and the Strategic Objectives (Capital)

DC39 Dr Ruth Segomotsi Mompati - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)										
Strategic Objective	Goal	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										
Service Delivery and Infrastructure development	To eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	149 427	192 390	356 528	393 844	393 844	393 844	371 985	361 826	381 997
Public participation and good governance (Internal Audit, Office of the Mayor, Office of the Speaker, Planning and Dev)	To promote a culture of participatory and good governance.		58	787	670	470	470	1 835	700	850
Institutional development and transformation (Corporate Services)	To improve organisational cohesion and effectiveness	828	-	892	861	900	900	195	170	125
Financial Viability	To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems		1 416	1 081	400	400	400	195	170	125
Local Economic Development, Tourism and Agriculture	Create an environment that promotes the development of the local economy and facilitate job creation	-	-	15	100	100	100	80	50	120
Community Services and Development	Environmental Health and Disaster Management Fire and Solid waste management systems	724	116	14	300	300	300	1 050	330	270
Allocations to other priorities										
Total Capital Expenditure		150 979	193 979	359 318	396 175	396 014	396 014	375 340	363 246	383 487

Table 19 MBRR SA10 Funding Measurement

DC39 Dr Ruth Segomotsi Mompati 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	53 692	45 661	82 499	50 972	51 134	51 134	259 433	(326 964)	(660 617)	(1 010 608)
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 591 481	(86 495)	(68 919)	(62 320)	(104 587)	(104 587)	81 535	(127 127)	(139 953)	(154 067)
Cash year end/monthly employee/supplier payments	18(1)b	3	2.9	1.9	3.6	2.2	2.2	2.2	11.1	(13.6)	(25.8)	(36.8)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	194 975	173 458	361 560	379 683	386 968	388 218	388 068	367 630	352 994	374 832
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	2142.9%	14.3%	39.8%	100.0%	0.0%	0.0%	32.0%	100.0%	100.0%	100.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	130.5%	100.0%	100.0%	100.0%	100.0%	100.0%	10.6%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(8.1%)	26.0%	(54.2%)	0.0%	0.0%	111.1%	10.0%	10.0%	10.0%
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	0.3%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
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%

3.1. Capital Projects: Allocation per Municipality

3.1.1. Capital Projects for Greater Taung Local Municipality

2018/19 MTREF CAPITAL PROJECTS FOR GREATER TAUNG LOCAL MUNICIPALITY						
PROJECT DESCRIPTION	FUNDING SOURCE	Approved Budget 2017/18	Adjustment Budget Year 2017/18	Budget Year 2018/19 R'000	Budget Year +1 2019/20 R'000	Budget Year +2 2020/21 R'000
Greater Taung: Bulk Water Supply Upgrading Taung Phase 2C : Raw Water Pipeline	RBIG	0	7 650 000	0	0	0
Greater Taung: Bulk Water Supply Upgrading Taung Phase 2D : New Treatment Works	RBIG	9 259 400	24 850 000	16 100 000	0	0
Greater Taung: Bulk Water Supply Upgrading Taung Phase 2E-1 : BulkWater Supply: Bulk pump line from new WTW in Taung to new Reservoir in Morokweng	RBIG	20 740 600	31 250 000	25 000 000	15 600 000	0
Greater Taung: Bulk Water Supply Upgrading Taung Phase 2E-1 : BulkWater Supply: New pump Stations at the new WTW in Taung and New Reservoir in Morokweng	RBIG	0	0	15 450 000	12 950 000	0
Greater Taung: Bulk Water Supply Upgrading Taung Phase 2E-1 : BulkWater Supply: New Reservoir and Elevated Tower at Morokweng	RBIG	0	0	0	10 000 000	19 850 000
Greater Taung: Bulk water supply upgrading Taung: Phase 2E-2 - Bulk distribution Southern Portion	RBIG	25 000 000	19 300 000	13 450 000	75 000	
Greater Taung: Bulk water supply upgrading Taung: Phase 2E-2 - Bulk distribution Eastern Portion	RBIG	0	0	0	21 375 000	11 675 000
Greater Taung: Bulk water supply upgrading Taung: Phase 2E-2 - Bulk distribution Northern Portion	RBIG	0	0		0	18 475 000
Greater Taung: Bulk water supply to Madipelesa	WSIG	0	1 384 250	0	0	0
Greater Taung: Bulk water supply to Shaleng	WSIG	0	0	8 900 000	0	0
Greater Taung: Bulk water supply to Reivilo: Phase 1	WSIG	986 000	10 600 000	0	0	0
Greater Taung: Bulk water supply to Reivilo: Phase 2	WSIG	0	0	13 200 000	0	0
Greater Taung: Bulk & internal water supply to Lykso Phase 1	WSIG	2 100 000	4 833 650	0	0	0
Greater Taung: Bophirima Rural Water Supply Program 2016/19: Picong	WSIG	0	0	0	2 850 000	0
Greater Taung: Bophirima Rural Water Supply Program 2016/19: Matlhako 1 & 2	WSIG	0	0	0	7 000 000	7 600 000
Greater Taung: Bophirima Rural Water Supply Program 2016/19: Molelema	WSIG	0		0	0	7 200 000
Greater Taung: Upgrading of Diplankeng oxidation ponds	WSIG	1 000 000	0	0	0	0
Greater Taung: Upgrading of Pudomong Oxidation ponds	WSIG	1 000 000	0	0	500 000	9 500 000
Greater Taung: Upgrading of Reivilo Oxidation ponds	WSIG	0	0	0	0	7 500 000
Greater Taung: Bophirima Rural Sanitation Programme 2016/2019 - WSIG Funding	WSIG	15 000 000	10 000 000		0	0
Greater Taung: Bophirima Rural Sanitation Programme 2019/2022 - WSIG Funding	WSIG	0	0	0	0	10 000 000
Greater Taung: Bophirima Rural Water Supply Program 2016/19: Kameelputs	MIG	0	2 318 000	0	0	0
Greater Taung: Bophirima Rural Water Supply Program 2016/19: Karelstad	MIG	0	0	5 600 000	0	0
Greater Taung: Bophirima Rural Sanitation Programme 2016/2019 - MIG Funding	MIG	15 000 000	10 000 000	15 000 000	0	0
Greater Taung: Bophirima Rural Sanitation Programme 2019/2022 - MIG Funding	MIG	0	0	0	7 000 000	20 000 000
GRAND TOTAL GREATER TAUNG LOCAL MUNICIPALITY		90 086 000	122 185 900	112 700 000	77 350 000	111 800 000

3.1.2 Capital Projects for to Kagisano Molopo Local Municipality

2018/19 MREF CAPITAL PROJECTS FOR KAGISANO MOLOPO LOCAL MUNICIPALITY						
PROJECT DESCRIPTION	Funding Source	Approved Budget 2017/18	Adjustment Budget Year 2017/18	Budget Year 2018/19 R'000	Budget Year +1 2019/20 R'000	Budget Year +2 220/21 R'000
Kagisano Molopo: Bulk Water Implementation: Tlapeng to Eksdale Cluster	RBIG	6000	6000	0	21 693	29 660
Kagisano Molopo: Bulk Water Implementation: Bona Bona to Tseoge Cluster	RBIG	20 000	20 000	34 150	0	0
Kagisano Molopo: Dr Ruth Segomotsi Mompoti Rural Sanitation Programme 2016/2019 - WSIG Funding:	WSIG	15 000	10 000	0	0	0
Kagisano Molopo: Dr Ruth Segomotsi Mompoti Rural Sanitation Programme 2019/2022 - WSIG Funding:	WSIG		0	0	10 000	0
Kagisano Molopo: Dr Ruth Segomotsi Mompoti Rural Water Programme 2016/2019 - WSIG Funding: Piet Plessis	WSIG	0	55 500	0	0	0
Kagisano Molopo: Upgrading Bulk water to Pomfret: Phase 2	WSIG	0		3 500	0	0
Kagisano Molopo: Bophirima Rural Water Programme 2016/2019 - WSIG Funding: Louwna	WSIG	0	0	5 800	0	
Kagisano Molopo: Bophirima Rural Water Programme 2016/2019 - WSIG Funding: Maheng	WSIG	0	0			10 000
Kagisano Molopo: Bophirima Rural Water Programme 2016/2019 - WSIG Funding: Mabone	WSIG	0	0		10 000	5800000
Kagisano Molopo: Bophirima Rural Sanitation Programme 2016/2019 - MIG Funding	MIG	15 000	10 000	15 000	0	0
Kagisano Molopo: Bophirima Rural Sanitation Programme 2019/2022 - MIG Funding	MIG	0	0		7 000	20 000
Kagisano Molopo: Bophirima Rural Water Supply Program 2016/19: Konke Phase 2	MIG	0	13 682	0	0	
Kagisano Molopo: Bophirima Rural Water Supply Program 2016/19: Konke Phase 3	MIG	0	0	0	0	30 000
Kagisano Molopo: Construction of Oxidation Ponds: Bray	MIG	0	0	12 750	0	
Kagisano Molopo: Construction of Oxidation Ponds: Ganyesa	MIG	0	34 717	3 400	0	
Kagisano Molopo: Construction of Oxidation Ponds: Morokweng	MIG	0	0	4 000	0	
Kagisano Molopo: Construction of Oxidation Ponds: Tlakgameny	MIG	0	3 468	6 800	0	
Kagisano Molopo: Construction of Oxidation Ponds: Piet Plessis	MIG	0	0	0	0	6 350
Kagisano Molopo: Construction of Oxidation Ponds: Tosca	MIG	0	0	0	0	12 000
GRAND TOTALS GREATER KAGISANO MOLOPO LOCAL MUNICIPALITY		56 000	65 926	85 400	48 693	113 810

3.1.3 Capital Projects for Lekwa Teemane Local Municipality

2018/19 MTREF CAPITAL PROJECTS LEKWA - TEEMANE LOCAL MUNICIPALITY						
PRPROJECT DESCRIPTION	Funding Source	Approved Budget 2017/18 R'000	Adjustment Budget Year 2017/18 R'000	Budget Year +1 2018/19 R'000	Budget Year +2 2019/20 R'000	Budget Year +3 2012/21 R'000
Lekwa Teemane: Bulk Water Supply: New Raw Water Abstraction Works in Bloemhof	RBIG	0	8 350	0	0	
Lekwa Teemane: Upgrading of Sewer Treatment works in Bloemhof (Vandalized Portion): Phase 4	WSIG	8 500	6 200	0	0	
Lekwa Teemane: Upgrading of the WTW in Christiana	WSIG	3 000	0	5 000	28 300	30 000
Lekwa Teemane: Replacement of AC pipes in Christiana & Utlwanang & Geluksoord Ext 1	WSIG	0	0	0	5 000	
Lekwa Teemane: Water conservation and demand management (WCDM) and sewer network investigation: Bloemhof & Boitumelong Phase 1	WSIG	0	0	0	5 100	0
Lekwa Teemane: Refurbishment of Boitumelong Sewer Pumpstation	WSIG	0	2 500	0	0	0
Lekwa Teemane: Refurbishment of Hoopstad road Sewer Pumpstation	WSIG	0	0	5 250	0	0
Lekwa Teemane: Boitumelong Outfall Sewer and Pumpstation	WSIG	0	0	750	0	0
Lekwa-Teemane: Bulk Water Services for Geluksoord Ext 2 and 3 & 4- Phase 2	MIG	27 000	27 000	0	0	0
Lekwa Teemane: Bulk Water and Sanitation Services Bloemhof Ext 11	MIG	0	0	0	0	5 022
Lekwa Teemane: Bophirima Rural Sanitation Programme 2016/2019 - Bloemhof Ext 12	MIG	0	0	0	9 000	0
Lekwa Teemane: Bophirima Rural Sanitation Programme 2016/2019 - Geluksoord Ext 5	MIG	0	0	0	2 500	0
Lekwa Teemane: Bophirima Rural Water Supply Program 2016/19: Bloemhof Ext. 12	MIG	0	0	0	10 000	18 900
Lekwa Teemane: Bophirima Rural Water Supply Program 2016/19: Geluksoord Ext 5	MIG	0	0	0	6 000	7 850
Lekwa Teemane: Bulk water upgrading to Utlwanang Ext 5	MIG	0	0	0	5 000	0
GRAND TOTALS LEKWA TEEMANE LOCAL MUNICIPALITY		38 500	44 050	11 000	70 900	61 772

3.1.4 Capital Projects for Mamusa Local Municipality

2018/19 MTREF CAPITAL PROJECTS MAMUSA LOCAL MUNICIPALITY						
PRPROJECT DESCRIPTION	Funding Source	Approved Budget 2017/18 R'000	Adjustment Budget Year 2017/18 R'000	Budget Year 2018/19 R'000	Budget Year +1 2019/20 R'000	Budget Year +2 2020/21 R'000
Mamusa: Bulk Water Supply to the Greater Mamusa Area: New 12ML/Day Module at Water Purification Works & Storage facilities in Bloemhof	RBIG	64 200 000	30 000 000	15 000 000	0	0
Mamusa LM: Bulk Water Supply to the Greater Mamusa Area: New bulk water supply from Bloemhof to Schweizer Reneke: Pump Main from Bloemhof to Reservoir at Olievenfontein	RBIG	36 800 000	20 000 000	23 400 000	34 000 000	0
Mamusa LM: Bulk Water Supply to the Greater Mamusa Area: New bulk water supply from Bloemhof to Schweizer Reneke: Pump Main from Olievenfontein Reservoir to Vaalkop Reservoir	RBIG	0	0	0	0	20 000 000
Mamusa LM: Bulk Water Supply to the Greater Mamusa Area: New bulk water supply from Bloemhof to Schweizer Reneke: Gravity pipe line from Vaalkop Reservoir to Schweizer Reneke Reservoir	RBIG	0	10 000 000	0	6 000 000	30 000 000
Mamusa LM: Bulk Water Supply to the Greater Mamusa Area: New bulk water supply from Bloemhof to Schweizer Reneke: Pipejacking	RBIG			6 600 000	0	0
Mamusa: Upgrading of Ground Water supply system in Schweizer Reneke & Ipelegeng: Phase 2	WSIG	9 000 000	4 900 000	0	0	0
Mamusa: Upgrading of sewer pump station in Schweizer Reneke & Ipelegeng	WSIG	1 700 000	1 700 000	0	0	0
Mamusa: Refurbishment of Waste Water T treatment Works in Schweizer Reneke: Phase 2	WSIG	0	0	2 000 000	0	0
Mamusa: Refurbishment of Water T treatment Works in Schweizer Reneke: Phase 2	WSIG	0	0	1 500 000	0	0
Mamusa: WCDM in Schweizer Reneke & Ipelegeng Phase 1	WSIG	2 000 000	0	2 000 000	2 000 000	10 000 000
Mamusa: WCDM in Schweizer Reneke & Ipelegeng Phase 2	WSIG	0	0	0	4 000 000	0
Mamusa: Bulk water & Sewer upgrading to Mareesin Farm	WSIG	2 000 000	1 908 100	0	5 555 000	0
Mamusa: Upgrading of Water supply to Glaudina	WSIG	5 000 000	0	0	0	5 000 000
Mamusa: Upgrading of Water supply to Migdol	WSIG	5 000 000	0	0	0	5 000 000
Mamusa: Upgrading of Water supply to Nooightgedagt	WSIG	2 500 000	0	0	2 500 000	0
Mamusa: Upgrading of Water supply to Amalia	WSIG	1 000 000	0	4 000 000	0	0
Mamusa: Upgrading of Water supply to Aandster	WSIG	0	0	0	2 500 000	0
Mamusa: Replacement of AC pipes in Schweizer Reneke and Ipelegeng	WSIG	0	0	0	4 300 000	0
Mamusa LM: Construction of Oxidation Ponds: Glaudina	MIG	500 000	3 306 015	4 500 000	0	0
GRAND TOTAL FOR MAMUSA LOCAL MUNICIPALITY		129 700 000	71 814 115	59 000 000	60 855 000	70 000 000

3.1.5. Capital Projects for Naledi Local Municipality

2018/19 MTREF CAPITAL PROJECTS FOR MAMUSA LOCAL MUNICIPALITY						
PRPROJECT DESCRIPTION	Funding Source	Approved Budget 2017/18	Adjustment Budget Year 2017/18	Budget Year 2018/19 R'000	Budget Year +1 2019/20 R'000	Budget Year +2 2020/21 R'000
Naledi: Upgrading of Pudumong and Vryburg Water Purification Works - Phase 2A	RBIG	0	2 500 000	0	0	0
Naledi: Bulk Water Supply: Upgrading to Vryburg and Huhudi Phase 2B	RBIG	0	2 100 000	0	0	0
Naledi: Water conservation and demand management (WCDM) in Stella Phase 2	WSIG	0	0	0	0	0
Naledi: Water conservation and demand management (WCDM) in Stella Phase 2 (Additional funding)	WSIG	0	1 150 000	1 307 000	0	0
Naledi: Refurbishment of Stella Sewer pump station and Rising main	WSIG	1 600 000	1 600 000	0	0	0
Naledi: Water conservation and demand management (WCDM) and sewer network investigation: Phase 2 (Additional funding)	WSIG	0	9 560 000	0	0	0
Naledi: Water conservation and demand management (WCDM) and sewer network investigation: Phase 3	WSIG	0	0	12 800 000	0	0
Naledi: Water supply to Broedersput Phase 1	WSIG	0	3 000 000	0	0	0
Naledi: Replacement of small bore Sewer pipes	WSIG	3 100 000	3 100 000	4 000 000	0	0
Naledi: Replacement of AC pipes in Vryburg and Huhudi	WSIG	0	0	0	0	0
Naledi: Water supply upgrading to Geduldspan	WSIG	500 000	0	9 550 000	0	0
Naledi: Water supply upgrading to Dithakwaneng	WSIG	0	0	0	8 395 000	0
Naledi: Upgrading Bulk Water supply to Stella and Rekgarathhile (400HH)	WSIG	0	0	0	3 000 000	0
Naledi: Upgrading of Water supply to informal settlements in Huhudi & Colridge (1900HH)	WSIG	0	0	0	0	3 175 000
Naledi: Upgrading of Water supply to informal settlements in Rekgarathhile (700HH)	WSIG	0	0	0	4 000 000	0
Naledi: Bophirima Rural Sanitation Programme 2016/2019 - Informal settlement (Monoto Motshweu (700), Monoto Motshetla (800) & Phola park (500) (1XVIP for every 4x Households)	WSIG	0	0	7 000 000	0	0
Naledi: Bophirima Rural Sanitation Programme 2016/2019 - Informal settlement Rekgarathhile in stella	WSIG	0	0	5 000 000	0	0
Naledi: Vryburg - New Waste Water Treatment Plant: Phase 1	MIG	0	0	0	0	0
Naledi: Vryburg - New Waste Water Treatment Plant: Phase 2	MIG	66 000 000	66 000 000	61 657 900	69 973 350	0
Naledi: Building of New Oxidation ponds outfall Sewer for Stella and Rekgarathhile	MIG	9 000 000	0	0	15 000 000	19 000 000
GRAND TOTAL NALEDI LOCAL MUNICIPALITY		80 200 000	89 010 000	101 314 900	100 368 350	22 175 000



Municipal Manager's Quality Certificate

DR RUTH S. MOMPATI DISTRICT MUNICIPALITY

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, JERRY MONONELA, Municipal Manager of Dr Ruth S Mompoti District Municipality, hereby certify that this 2018/2019 Draft MTREF 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 2018/19 Draft MTREF Operating And Capital Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: JERRY MONONELA

Municipal Manager of Dr Ruth S Mompoti District Municipality

Signature: _____

Date: 19 April 2018