

**SCHEDULE A**  
**AN ANNUAL BUDGET AND**  
**SUPPORTING DOCUMENTATION**

**DRAFT ANNUAL BUDGET OF**  
**MBHASHE LOCAL**  
**MUNICIPALITY**

**2019/20 TO 2021/22**  
**MEDIUM TERM REVENUE AND**  
**EXPENDITURE FORECASTS (MTREF)**

# Part 1 – Annual Budget

## 1.1 Mayor's Report

In his State of the Province Address on the 15<sup>th</sup> February 2019, Premier Phumulo Masualle echoed that we should honour 30 day payment period to our SMMEs and other businesses as this will help grow these business and other economic activities within the province.

In this IDP and Budget I want to emphasize that, we cannot expect to do the same old things and expect different results. We need to improve the way we do things for the betterment of our communities. We need to utilize our limited resources efficiently and prioritize properly. We are now entering our 4<sup>th</sup> year of the five year IDP that was approved in 2016/17 to end in 2022. The preparation of this budget has taken into account the guidance of Circular 93 and 94. We have observed that the municipality is struggling in terms of generating revenue from its own revenue sources. The key focus areas for the 2019/20 budget process have been the grants allocations, continued compliance with the Municipal Standard Charts of Accounts (mSCOA) and training of municipal officials on the mSCOA. The municipality has now fully implemented mSCOA starting from budgeting up to reporting.

In the past couple of years the world economy has gone through its deepest recession with the country being downgraded in junk status by the rating agencies. Economists have already cautioned of a recession, but of course that is still under speculation. Mbhashe Local Municipality is no way immune to the harsh economic realities associated with the recession and the downgrading. Therefore we must be very conservative in utilizing our resources. The municipality is undergoing some very tough economic conditions Among the impacts are the serious cash flow challenges currently being experienced by the municipality due to among other things declining collection rates; historic expenditure patterns and a general lack of doing business smarter and accelerating service delivery.

Central to the NDP, is the commitment to reduce poverty and unemployment. Mbhashe Local Municipality is one of the areas with high unemployment and illiteracy rate. There is also a high infrastructure back log. This means out of our total budget of more than R366m for 2019/20 and R370m, R375m for 2020/21 and 2021/22 respectively we must create an environment for job opportunities and partner with businesses.

Premier of the Eastern Cape said in his State of the Province address, "Our success moving into the new term of government will be determined by the active participation and involvement of citizens of this Province in the programs of government. We cannot be spectators in the struggle for our own emancipation".

Portfolio heads in this cluster which is service delivery are full time and should make sure that there will be no roll overs. It is no secret that in the last two years we have not done well in service delivery which is our core function, but to say the least there was great improvement during the 2018/19 financial year, but there is still room for more improvement.

As way of creating sustainable jobs the municipality is in the process of filling all vacancies that exist in our organogram in the next three years. For personnel cost we have budgeted an amount of R146m for the 2019/20 financial year. Portfolio head for HR and Administration should lead in making sure that working conditions are improved.

We have budgeted more than R13m under good governance in order to improve oversight and accountability. We have oversight committees that are doing well like Audit Committee,

Performance Audit Committee and Municipal Public Accounts Committee. These committees should always be objections and provide advices to Council and not does a witch hunt.

One of our strength in Mbhashe is on agriculture and farming. Hence we intend to review our LED strategy in order to be able to coordinate all the resources in reducing poverty and unemployment.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Mbhashe Municipality.

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

I thank you

## 1.2 Budget Resolutions

On the 27 March 2019 the Mayor tabled a draft budget to the Council of Mbhashe Local Municipality to consider the draft annual budget of the municipality for the financial year 2019/20. The Council approved and adopted the following resolutions:

1. The Council of Mbhashe Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification)
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type)
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position
    - 1.2.2. Budgeted Cash Flows
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation
    - 1.2.4. Asset management
    - 1.2.5. Basic service delivery measurement
2. The Council of Mbhashe Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considers the draft tariffs for 2019/20.

### 1.3 Executive Summary

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

Mbhashe 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 expenditures on noncore and 'nice to have' items as outline in circular 70.

The municipality has embarked on the implementation of data cleansing report which include management of municipal leases, writing off of long outstanding and untraceable balances and implement credit control and debt collection policy. The municipality has reviewed its revenue enhancement strategy with the aim of give rise to additional sources of revenue and to grow its own revenue base.

National Treasury's MFMA Circular No. 54, 55, 58, 59, 64, 66, 67, 70, 72, 85, 86, 89, 91, 93 and 94 were used to guide the compilation of the 2018/19 to 2019/20 MTREF.

The main challenges experienced during the compilation of the 2019/20 MTREF can be summarised as follows:

- The ongoing difficulties in the economy;
- Reduction in equitable share and other conditional grants;
- Reduction in proceeds generated from the plant machinery;
- Aging and poorly maintained infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Increase in debtors book as a result of non-payment by rate payers;
- Discrepancies between the General Valuation roll and billing system;
- Lack of resources to fund infrastructure backlog
- mSCOA implementation and challenges within the budgeting module;
- Cutting down own revenue sources due to poor performance in the current year 2018/19
- Ensuring that the municipality does not approve an unfunded budget for 2019/20 financial year
- Unfunded mandates

The following budget principles and guidelines directly informed the compilation of the 2019/20 MTREF:

- As per MFMA circular 85, when determining an annual tariff need to consider the input costs of trading services, the financial sustainability considering that 90% of the budget is from grants, local economic conditions and affordability including the municipal indigent policy.
- Considered the level of services versus the associated cost (affordability).
- Revised spending plans and reprioritizes funds to ensure key objectives are achieved and well-performing programs are supported.
- Ensured that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritization of expenditure relating to core infrastructure continue to inform the planning framework of all municipalities as indicated in circular 72.

**Table 1 Overview of the 2019/20 MTREF**

<b>DESCRIPTION</b>	<b>BUDGET YEAR 2019-20</b>	<b>BUDGET YEAR 2020-21</b>	<b>BUDGET YEAR 2019-20</b>
GRANT REVENUE	331,937,000.00	343,930,000.00	362,446,000.00
OWN REVENUE	35,000,000.00	36,750,000.00	38,036,250.00
<b>TOTAL REVENUE</b>	<b>366,937,000.00</b>	<b>380,680,000.00</b>	<b>400,482,250.00</b>

The total revenue is made up of grants and subsidies which is 90% and 10% own revenue which is made up of income derived from our tariffs. Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of Mbhashe Municipality.

The expenditure on the tables below is fully funded from the above mentioned sources of revenue.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).



EC121 Mbathe - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		214,514	226,652	242,518	251,726	256,726	256,726	278,764	288,614	305,505
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		214,514	226,652	242,518	251,726	256,726	256,726	278,764	288,614	305,505
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		3,700	4,864	4,274	4,000	3,500	3,500	3,000	3,150	3,308
Community and social services		490	350	483	1,000	1,500	1,500	1,000	1,050	1,103
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3,210	4,514	3,791	3,000	2,000	2,000	2,000	2,100	2,205
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		97,755	153,823	72,470	76,192	76,192	76,192	67,592	71,291	75,914
Planning and development		1,007	-	443	1,000	1,000	1,000	1,100	1,155	662
Road transport		96,747	153,823	72,027	75,192	75,192	75,192	66,492	70,136	75,252
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1,409	475	4,909	10,246	10,246	10,246	16,081	16,050	14,103
Energy sources		-	-	-	8,946	8,946	8,946	15,081	15,000	13,000
Water management		-	-	-	-	-	-	-	-	-
Waste water management		86	-	-	-	-	-	-	-	-
Waste management		1,323	475	4,909	1,300	1,300	1,300	1,000	1,050	1,103
<b>Other</b>	<b>4</b>	-	-	-	3,000	1,000	1,000	1,500	1,575	1,654
<b>Total Revenue - Functional</b>	<b>2</b>	<b>317,379</b>	<b>385,813</b>	<b>324,172</b>	<b>345,164</b>	<b>347,664</b>	<b>347,664</b>	<b>366,937</b>	<b>380,680</b>	<b>400,482</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		101,287	131,392	131,720	282,500	290,709	290,859	146,808	256,916	141,669
Executive and council		44,410	49,770	55,984	58,036	59,215	59,215	50,754	54,375	55,930
Finance and administration		56,877	81,622	75,736	221,781	228,721	228,871	92,084	198,295	81,280
Internal audit		-	-	-	2,682	2,772	2,772	3,969	4,246	4,459
<b>Community and public safety</b>		30,629	49,616	34,602	91,034	90,166	90,166	73,250	69,103	79,380
Community and social services		6,146	10,531	33,275	75,963	76,065	76,065	61,989	66,515	68,462
Sport and recreation		-	-	-	12,095	12,095	12,095	8,656	1,192	9,527
Public safety		21,436	30,377	1,327	2,676	1,706	1,706	1,950	788	788
Housing		3,048	8,709	-	300	300	300	405	346	327
Health		-	-	-	-	-	-	250	263	276
<b>Economic and environmental services</b>		106,410	160,331	117,243	45,186	40,166	40,166	69,906	136,917	74,351
Planning and development		14,402	16,890	19,273	28,956	24,935	24,935	19,901	22,504	21,036
Road transport		91,078	141,224	97,971	11,536	12,368	12,368	49,625	113,856	52,940
Environmental protection		930	2,216	-	4,695	2,863	2,863	380	557	375
<b>Trading services</b>		92,857	55,579	40,438	4,576	4,576	4,576	10,848	10,548	11,027
Energy sources		-	-	-	1,000	1,000	1,000	2,898	2,100	2,205
Water management		-	-	-	150	150	150	-	-	-
Waste water management		1,689	3,303	-	-	-	-	-	-	-
Waste management		91,168	52,275	40,438	3,426	3,426	3,426	7,950	8,448	8,822
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>331,184</b>	<b>396,918</b>	<b>324,003</b>	<b>423,297</b>	<b>425,616</b>	<b>425,766</b>	<b>300,811</b>	<b>473,483</b>	<b>306,428</b>
<b>Surplus/(Deficit) for the year</b>		<b>(13,806)</b>	<b>(11,105)</b>	<b>169</b>	<b>(78,133)</b>	<b>(77,952)</b>	<b>(78,102)</b>	<b>66,126</b>	<b>(92,803)</b>	<b>94,055</b>



**EC121 Mbashe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		213,363	224,757	242,518	251,726	256,726	256,726	278,764	-	305,505
Vote 3 - Planning and Development		1,007	-	443	1,000	1,000	1,000	1,100	1,155	662
Vote 4 - Community and Social services		490	350	483	1,000	1,500	1,500	1,000	1,050	1,103
Vote 5 - Road Transport		101,108	160,231	72,027	75,192	75,192	75,192	67,992	71,711	76,906
Vote 6 - Energy Sources		-	-	-	17,892	17,892	17,892	30,162	30,000	26,000
Vote 7 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Housing		-	-	-	-	-	-	-	-	-
Vote 10 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	6,000	2,000	2,000	3,000	3,150	3,308
Vote 12 - Public Safety		-	-	3,791	3,000	2,000	2,000	2,000	2,100	2,205
Vote 13 - Sports and Recreation		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Management		1,323	475	-	1,300	1,300	1,300	1,000	1,050	1,103
Vote 15 - Waste Water Management		86	-	4,909	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>317,379</b>	<b>385,813</b>	<b>324,172</b>	<b>357,110</b>	<b>357,610</b>	<b>357,610</b>	<b>385,018</b>	<b>110,216</b>	<b>416,790</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		44,410	49,770	55,984	85,019	87,280	87,280	77,505	83,065	86,064
Vote 2 - Finance and Administration		56,877	81,622	75,736	228,536	236,356	236,566	97,291	204,121	85,332
Vote 3 - Planning and Development		14,402	16,890	19,273	28,956	24,935	24,935	19,991	22,504	21,036
Vote 4 - Community and Social services		6,146	10,531	33,275	71,803	71,413	71,413	62,723	67,087	69,448
Vote 5 - Road Transport		111,435	171,601	97,971	12,048	12,820	12,820	49,775	114,013	53,098
Vote 6 - Energy Sources		1,079	-	-	1,000	1,000	1,000	3,795	2,100	2,205
Vote 7 - Environmental Protection		930	2,216	-	4,725	2,893	2,893	430	607	430
Vote 8 - Health		-	-	-	-	-	-	350	368	386
Vote 9 - Housing		3,048	8,709	-	600	600	600	810	691	654
Vote 10 - Internal Audit		-	-	-	5,365	5,545	5,545	7,939	8,492	8,918
Vote 11 - Other		-	-	-	-	-	-	-	-	-
Vote 12 - Public Safety		-	-	1,327	3,328	2,008	2,008	1,800	630	630
Vote 13 - Sports and Recreation		-	-	-	24,189	24,189	24,189	17,312	2,385	19,055
Vote 14 - Waste Management		91,168	52,275	40,438	4,353	4,353	4,353	7,950	8,448	8,822
Vote 15 - Waste Water Management		1,689	3,303	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>331,184</b>	<b>396,918</b>	<b>324,003</b>	<b>469,921</b>	<b>473,392</b>	<b>473,602</b>	<b>347,671</b>	<b>514,510</b>	<b>356,078</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(13,806)</b>	<b>(11,105)</b>	<b>169</b>	<b>(112,811)</b>	<b>(115,782)</b>	<b>(115,992)</b>	<b>37,347</b>	<b>(404,294)</b>	<b>60,712</b>

EC121 Mbashe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue By Source</b>											
Property rates	2	7,701	4,032	9,694	5,700	5,700	5,700	5,700	7,000	7,350	7,718
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1,323	475	673	1,300	1,300	1,300	1,300	1,000	1,050	1,103
Rental of facilities and equipment		1,560	1,895	3,313	-	-	-	-	-	-	-
Interest earned - external investments		9,004	5,112	2,486	3,000	3,000	3,000	3,000	3,000	3,150	3,308
Interest earned - outstanding debtors		-	83	2,622	1,000	1,000	1,000	1,000	1,500	1,575	1,654
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,209	3,098	2,498	67,000	69,000	69,000	71,000	3,500	3,675	1,654
Licences and permits		732	1,415	1,293	3,000	2,000	2,000	2,000	2,000	2,100	2,205
Agency services		-	-	-	-	-	-	-	1,500	1,575	1,654
Transfers and subsidies		197,686	214,241	224,311	232,176	232,176	232,176	232,176	256,864	265,619	281,360
Other revenue	2	4,852	72,717	2,474	11,250	16,250	16,250	16,250	10,500	11,025	12,128
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>225,067</b>	<b>303,068</b>	<b>249,364</b>	<b>324,426</b>	<b>330,426</b>	<b>330,426</b>	<b>332,426</b>	<b>286,864</b>	<b>297,119</b>	<b>312,781</b>
<b>Expenditure By Type</b>											
Employee related costs	2	79,491	120,918	121,884	107,640	107,640	107,640	107,640	117,626	125,860	134,670
Remuneration of councillors		23,984	23,320	25,089	24,668	24,668	24,668	24,668	25,068	26,823	28,700
Debt impairment	3	2,085	458	3,387	1,010	1,010	1,010	1,010	-	-	-
Depreciation & asset impairment	2	69,117	68,998	57,442	70,000	70,000	70,000	70,000	5,000	5,250	-
Finance charges		15,294	9,122	1,920	-	-	-	-	-	-	-
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	-	-	-	-	-	140	147	-
Contracted services		-	-	-	100,497	101,566	101,566	101,566	97,756	262,207	98,952
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	138,696	174,103	114,281	49,481	50,733	50,733	50,733	50,221	47,947	44,105
Loss on disposal of PPE		2,517	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>331,184</b>	<b>396,918</b>	<b>324,003</b>	<b>353,297</b>	<b>355,616</b>	<b>355,616</b>	<b>355,616</b>	<b>295,811</b>	<b>468,233</b>	<b>306,428</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		92,312	82,745	74,808	79,138	79,138	79,138	79,138	75,073	78,311	81,086
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(13,806)</b>	<b>(11,105)</b>	<b>169</b>	<b>50,267</b>	<b>53,948</b>	<b>53,948</b>	<b>55,948</b>	<b>66,126</b>	<b>(92,803)</b>	<b>87,440</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(13,806)</b>	<b>(11,105)</b>	<b>169</b>	<b>50,267</b>	<b>53,948</b>	<b>53,948</b>	<b>55,948</b>	<b>66,126</b>	<b>(92,803)</b>	<b>87,440</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(13,806)</b>	<b>(11,105)</b>	<b>169</b>	<b>50,267</b>	<b>53,948</b>	<b>53,948</b>	<b>55,948</b>	<b>66,126</b>	<b>(92,803)</b>	<b>87,440</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>(13,806)</b>	<b>(11,105)</b>	<b>169</b>	<b>50,267</b>	<b>53,948</b>	<b>53,948</b>	<b>55,948</b>	<b>66,126</b>	<b>(92,803)</b>	<b>87,440</b>

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure - to be appropriated</b>	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	1,340	640	640	640	-	-	-
Vote 3 - Planning and Development		-	-	-	90	40	40	40	-	-	-
Vote 4 - Community and Social services		-	-	-	4,609	4,609	4,609	4,609	-	-	-
Vote 5 - Road Transport		-	-	-	26,059	26,059	26,059	26,059	-	-	-
Vote 6 - Energy Sources		-	-	-	22,192	22,122	22,122	22,122	-	-	-
Vote 7 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-
Vote 9 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 10 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 13 - Sports and Recreation		-	-	-	32,667	32,667	32,667	32,667	-	-	-
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	<b>86,957</b>	<b>86,137</b>	<b>86,137</b>	<b>86,137</b>	-	-	-
<b>Single-year expenditure - to be appropriated</b>	2										
Vote 1 - Executive and Council		413	399	61	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		2,614	4,211	1,620	1,340	640	640	640	2,136	1,425	1,473
Vote 3 - Planning and Development		121	100	197	90	40	40	40	140	147	147
Vote 4 - Community and Social services		100	13,581	7,827	-	-	-	-	-	-	-
Vote 5 - Road Transport		108,519	107,503	42,787	26,059	26,059	26,059	26,059	32,976	23,056	25,679
Vote 6 - Energy Sources		-	-	-	22,192	22,122	22,122	22,122	36,195	36,320	34,246
Vote 7 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-
Vote 9 - Housing		33	-	-	-	-	-	-	-	-	-
Vote 10 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - Public Safety		-	-	460	-	-	-	-	-	-	-
Vote 13 - Sports and Recreation		500	-	-	32,667	32,667	32,667	32,667	5,537	5,929	6,105
Vote 14 - Waste Management		8,837	63	-	-	-	-	-	-	-	-
Vote 15 - Waste Water Management		127	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>121,263</b>	<b>125,857</b>	<b>52,952</b>	<b>82,348</b>	<b>81,528</b>	<b>81,528</b>	<b>81,528</b>	<b>76,983</b>	<b>66,877</b>	<b>67,650</b>
<b>Total Capital Expenditure - Vote</b>		<b>121,263</b>	<b>125,857</b>	<b>52,952</b>	<b>169,306</b>	<b>167,666</b>	<b>167,666</b>	<b>167,666</b>	<b>76,983</b>	<b>66,877</b>	<b>67,650</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>3,026</b>	<b>4,610</b>	<b>1,681</b>	-	-	-	-	-	-	-
Executive and council		413	399	61	-	-	-	-	-	-	-
Finance and administration		2,614	4,211	1,620	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>634</b>	<b>13,581</b>	<b>8,287</b>	<b>22,143</b>	<b>23,143</b>	<b>23,143</b>	<b>23,143</b>	<b>5,412</b>	<b>5,740</b>	<b>3,273</b>
Community and social services		100	13,581	7,827	5,809	6,809	6,809	6,809	2,643	2,775	221
Sport and recreation		-	-	-	16,333	16,333	16,333	16,333	2,769	2,965	3,052
Public safety		500	-	460	-	-	-	-	-	-	-
Housing		33	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>108,639</b>	<b>107,603</b>	<b>42,984</b>	<b>26,149</b>	<b>26,099</b>	<b>26,099</b>	<b>26,099</b>	<b>33,116</b>	<b>23,203</b>	<b>25,826</b>
Planning and development		121	100	197	90	40	40	40	140	147	147
Road transport		108,519	107,503	42,787	26,059	26,059	26,059	26,059	32,976	23,056	25,679
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>8,963</b>	<b>63</b>	<b>-</b>	<b>13,246</b>	<b>13,176</b>	<b>13,176</b>	<b>13,176</b>	<b>21,114</b>	<b>20,485</b>	<b>17,619</b>
Energy sources		-	-	-	13,246	13,176	13,176	13,176	21,114	20,485	17,619
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		127	-	-	-	-	-	-	-	-	-
Waste management		8,837	63	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>121,263</b>	<b>125,857</b>	<b>52,952</b>	<b>61,538</b>	<b>62,418</b>	<b>62,418</b>	<b>62,418</b>	<b>59,641</b>	<b>49,428</b>	<b>46,718</b>
<b>Funded by:</b>											
National Government		121,263	125,857	52,952	79,138	79,138	79,138	79,138	75,073	78,311	81,086
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>121,263</b>	<b>125,857</b>	<b>52,952</b>	<b>79,138</b>	<b>79,138</b>	<b>79,138</b>	<b>79,138</b>	<b>75,073</b>	<b>78,311</b>	<b>81,086</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>	7	<b>121,263</b>	<b>125,857</b>	<b>52,952</b>	<b>79,138</b>	<b>79,138</b>	<b>79,138</b>	<b>79,138</b>	<b>75,073</b>	<b>78,311</b>	<b>81,086</b>

EC121 Mbashe - Table A6 Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		66,777	13,635	6,223	21,575	21,575	21,575	13,981	15	-	-
Call investment deposits	1	-	-	-	83,676	83,676	83,676	83,676	-	-	-
Consumer debtors	1	2,852	2,487	4,298	6,223	6,223	6,223	6,223	-	-	-
Other debtors		15,957	9,926	4,233	-	-	-	17,262	127	134	141
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	-	-	-	390	-	-
<b>Total current assets</b>		<b>85,586</b>	<b>26,048</b>	<b>14,755</b>	<b>111,474</b>	<b>111,474</b>	<b>111,474</b>	<b>121,142</b>	<b>532</b>	<b>134</b>	<b>141</b>
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		47,080	47,080	33,512	49,434	49,434	49,434	47,080	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	524,570	557,276	553,520	133,888	63,058	205,079	205,079	70,309	50,550	104,242
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		675	2,269	1,730	-	-	-	2,793	285	299	314
Other non-current assets		0	0	0	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>571,650</b>	<b>604,356</b>	<b>587,708</b>	<b>185,591</b>	<b>114,222</b>	<b>254,513</b>	<b>252,159</b>	<b>70,309</b>	<b>53,343</b>	<b>104,527</b>
<b>TOTAL ASSETS</b>		<b>657,237</b>	<b>630,405</b>	<b>602,462</b>	<b>297,065</b>	<b>225,696</b>	<b>365,986</b>	<b>373,300</b>	<b>70,841</b>	<b>53,477</b>	<b>104,667</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	25,981	-	-	36,960	-	36,960	36,960	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	18,594	31,562	29,887	(15,750)	-	15,750	15,750	-	-	-
Provisions		650	11,769	497	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>45,226</b>	<b>43,331</b>	<b>30,383</b>	<b>21,210</b>	<b>-</b>	<b>52,710</b>	<b>52,710</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non current liabilities</b>											
Borrowing		13,285	-	-	-	-	-	-	-	-	-
Provisions		9,747	10,794	12,244	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>23,032</b>	<b>10,794</b>	<b>12,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>68,258</b>	<b>54,124</b>	<b>42,627</b>	<b>21,210</b>	<b>-</b>	<b>52,710</b>	<b>52,710</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>	5	<b>588,979</b>	<b>576,280</b>	<b>559,835</b>	<b>275,855</b>	<b>225,696</b>	<b>313,276</b>	<b>320,590</b>	<b>70,841</b>	<b>53,477</b>	<b>104,667</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		588,979	576,280	559,835	(108,198)	(231,918)	(231,918)	-	-	128,402	-
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>588,979</b>	<b>576,280</b>	<b>559,835</b>	<b>(108,198)</b>	<b>(231,918)</b>	<b>(231,918)</b>	<b>-</b>	<b>-</b>	<b>128,402</b>	<b>-</b>

EC121 Mbashe - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		7,701	4,032	8,481	5,700	5,700	7,000	7,000	-	-	-
Service charges		1,323	475	169	1,650	1,650	1,350	1,350	-	-	-
Other revenue		9,331	17,382	235,498	23,400	25,400	21,450	21,450	-	-	-
Government - operating	1	197,686	230,241		232,176	232,176	256,864	256,864	-	-	-
Government - capital	1	92,312	65,745	72,027	79,138	79,138	75,073	75,073	-	-	-
Interest		9,004	5,195	4,971	3,000	3,000	3,000	3,000	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(267,776)	(311,598)	(273,686)	(282,286)	(284,606)	(290,811)	(290,811)	-	-	-
Finance charges		(15,294)	(9,122)	(1,920)	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>34,285</b>	<b>2,350</b>	<b>45,540</b>	<b>62,778</b>	<b>62,458</b>	<b>73,926</b>	<b>73,926</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	1,431	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(121,629)	(56,923)	(52,952)	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(121,629)</b>	<b>(55,492)</b>	<b>(52,952)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		9,087	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>9,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(78,257)</b>	<b>(53,142)</b>	<b>(7,412)</b>	<b>62,778</b>	<b>62,458</b>	<b>73,926</b>	<b>73,926</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash/cash equivalents at the year begin:	2	145,034	66,777	13,635	-	-	-	-	-	-	-
Cash/cash equivalents at the year end:	2	<b>66,777</b>	<b>13,635</b>	<b>6,223</b>	<b>62,778</b>	<b>62,458</b>	<b>73,926</b>	<b>73,926</b>	<b>-</b>	<b>-</b>	<b>-</b>