

### **3.1 CORRECTION OF SCHEDULE A OF THE CITY OF MATLOSANA MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) 2017/18-2019/2020**

#### **PURPOSE**

The purpose of this report is to correct schedule A of the Medium Term Revenue and Expenditure Framework 2017/2018 – 2019/2020 with the Municipal Budget and Reporting Regulations (MBRR) as recommended by Provincial Treasury.

#### **BACKGROUND**

The 2017/18 Annual Budget was approved by Council on 31 May 2017 and was sent to Provincial Treasury.

The Provincial Treasury after assessed the municipality's 2017/2018 Medium Term Revenue and Expenditure Framework (MTREF) budget with the related Supporting documents, their outcome of the assessment is that the municipality must correct and present to Council Schedule A of the Annual Budget report to Council in compliance with the Municipal Budget and Reporting Regulations (MBRR). (See Attached letter from Provincial Treasury).

The report of the City of Matlosana was submitted with Annexures of which the said Annexures are required to be part of the report according to Municipal Budget and Reporting Regulations (MBRR).

#### **RECOMMENDATION**

- a) That cognizance be taken of the corrected Schedule A of the City of Matlosana Medium Term Revenue and Expenditure Framework (MTREF) 2017/18-2019/2020 as recommended by Provincial Treasury.
- b) That Council approve the corrected Schedule A of the City of Matlosana Medium Term Revenue and Expenditure Framework (MTREF) 2017/18-2019/2020.

#### **SUBMITTED FOR CONSIDERATION**

# **SCHEDULE A**

## **FINAL ANNUAL BUDGET AND SUPPORTING DOCUMENTATION**

**OF**

**CITY OF MATLOSANA  
MUNICIPALITY**

**2017/18**

# **2017/2018 TO 2019/2020 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**

**Copies of this document can be viewed:**

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- **All public libraries within the municipality**
- **At [www.matlosana.gov.za](http://www.matlosana.gov.za)**

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## **Abbreviations and Acronyms**

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

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Allow me Honorable Speaker and the house at large to restate and clarify our philosophy of Matlosana Pele – Matlosana First.

Matlosana Pele – Matlosana First philosophy is a paradigm shift which implores Councilors, Council Employees, Interests Groups and Citizens of this beautiful city to put the interests and well-being of the city ahead of our selfish narrow interests.

This means that anyone must be prepared to serve this city and put its interest at the fore front.

The programmatic function of Matlosana Pele is two-fold.

Its first function is to translate Matlosana Citizens' wishes and ideas into a cohering political programme.

Secondly its function is to make clear what can be expected from the municipality in terms of political positions and policy proposals.

Honourable Speaker, our efforts to build a capable City with the capacity to transform and improve the lives of the people of Matlosana, happens in a national and international environment that is constantly changing and requires simultaneous progression from us.

Our existence in this small corner of the world, as a municipality, is closely tied to the fate of the people of South Africa, Africa and the global village broadly.

President Oliver Tambo warned that the biggest threat to a future democratic project will be complacency and failure to deliver. Speaking in 1977, he said, "**Comrades, you may think it is very difficult to wage a liberation struggle. Wait until you are in power... people will be expecting a lot of services from you. You will have to satisfy the various demands of the masses of our people.**"

When I accepted this difficult task of leading Matlosana I was very much aware of the warning Comrade Oliver Reginald Tambo made in 1977 which is 40 years ago. The ANC in the circumstances charged the leadership collective with the responsibility of ensuring that we deliver optimum services in the Year of OR Tambo.

We first agreed that as a paradigm shift we need both a short-term and long-term strategic planning approach. The short-term approach will encompass our 5 year plans called the IDP whilst the forward looking approach would deliver the Matlosana Action Plan 20167 or MAP2067 in short.

Furthermore, our short-term planning had to be broken down in 4 distinct phases which was also a departure from the normal approach. Strategic planning is taking place even today up until the close out report in phase 4.

#### PHASE 1:

- Environmental Scanning internally & externally
- Institutional Strategic Planning Session
- Delivery of the following:
  1. New Vision Statement
  2. Key Focus Areas for the Municipality
  3. High level structure
  4. Values

#### PHASE 2:

- Departmental Strategic Planning Sessions
  1. Mission Statements supporting the Vision Statement per department

promotes and improves financial transparency. The main objective of mSCOA is to improve governance, accountability, transparency and the management of public funds. In short, the intervention was made to sharpen the skills and ability of municipalities to meet their Constitutional obligation of service delivery

“With effect from 1 July 2017, all municipalities will have to capture all their financial transactions against a predefined classification framework, which will result in uniformity of line items in terms of revenue, expenditure, assets and liabilities.”

Our budget for the 2017/18 financial year is projected to show a total revenue of R2,9 billion against a total expenditure of R3,2 billion leaving the municipality with a none cash deficit of R147 million. This none cash deficit aspect of the budget is concerning and has to be addressed to broaden the municipality’s ability to raise internal funding which currently is limited and doubtful. As things stand at the moment our funding assessment paints a not so glossy picture as the municipality will be trading at a loss and will as a result report a negative closing balance in the cash flow statement. Our investments are insufficient and the situation will push us to augment our budget with a loan.

Since our 2017/18 budget reflect that Matlosana is severely under-funded which is perpetuated in the two outer years (2018/19 & 2019/20) this is threatening the financial sustainability of Matlosana and drastic steps need to be taken to redress this situation.

Honourable Speaker; additional to the above the municipality will also receive local government MTEF allocations of R536 million from National Treasury whilst the transfers from provincial department of Culture, Arts & Traditional Affairs amount to R1, 2 million.

As a municipality we need to strive to raise additional funding from other departments to meet our obligations as well as other mandates that emanate from the two spheres of government.

The Municipal Manager and all MMCs have to craft plans of sourcing additional government funding through development of Bankable Business Plans which have Expenditure Plan & Cashflow Projections; Value for Money; Relevance; Reporting & Accountability and last but not least Roll-over minimisations.

Each Minister and MEC has what we call Annual Performance Plans and MMCs Bankable Business Plans must be aligned to these APPs.

The Chief Financial Officer must put in place measurers that ensures that Matlosana Municipality has a water-tight expenditure plan and programme that eliminates roll-over requests and surrendering of conditional grants due to none-expenditure.

We have engaged communities and stakeholders in the process of developing this budget and IDP. We have noted issues that have been raised in all the platforms where we were and will be integrating all of your inputs and concerns into Matlosana Municipality’s operations. The expansive submission of Mr. Tonie Meiring needs to be emulated by many residents by taking time to interrogate our proposals and offer alternatives which are substantiated with facts and rationale.

Honourable Speaker, I believe we all agree that in the City of Matlosana we must always strive to uphold the truth and honesty about the nature of our problems. Like everywhere else in our country, the face of poverty and underdevelopment in our City remains black, township, informal settlement and mostly female.

Working with the department of health; our aim is to also improve access to healthcare for pregnant people in order to also decrease mother-to-child transmission in the case of HIV positive mothers. Already the city, working with communities, provincial and national government, we have to ensure that health services are accessible to our communities and that facilities are not in a state of disrepair.

human capital that will drive this development of our city. To produce the skills and human capital required to drive development needs that we work tirelessly to build tertiary institutions locally.

A University of Matlosana would serve as the rallying point for this work and can assist in improving the resource base of our existing colleges. Since the expression of our desire to have a University, the team has worked on this and this vision will be a reality. Discussions with top leadership of the Vaal University of Technology have already begun. As the building of Universities is a competency of the National Department of Higher Education and Training, we will as well be engaging them towards our vision as a region. We are willing to partner with DHET by making land available for the physical infrastructure of that future University.

We also embrace and assist our Colleges. They are an important platform for the training and production of the artisans that we need to maintain our infrastructure. South Africa needs to produce a growing number of artisans to take up work in our national campaign to end water leakages among other things. We as Matlosana have our own needs for these skilled artisans as we battle water leakages, declining roads and energy infrastructure among others.

In order to secure Institutional Stability in our municipality, we have made key appointments to our top structure including the Municipal Manager, the CFO and we have also advertised the 6 vacancies for Directors. These will be important appointments which will ensure that the city delivers on its service delivery mandate. We will be also signing Performance Management Agreements between the Executive Mayor and MMCs at the level of political leadership.

At administrative level, the Municipal Manager will also sign Performance Agreements with all HODs.

We have embarked upon a process of engagements with our employees and legally recognised trade unions during the strategic planning sessions for this term of office. Fundamental to the engagements held was a realization that the City is lacking in its Employee Value Proposition. We have a long way to go in ensuring that we cultivate a culture of excellence in our City. This we are doing by looking into the various challenges that have plagued the municipality over the years. Critical to these is the remuneration framework of the municipality.

The Municipal Manager will be submitting to the Municipal Council an item that deals with the salary structures of the municipality. We are bringing all the employees of the City into one salary structure as part of our quest for One City Identity. Our proposed salary structures improve the earning capacity of employees and ensures that we have a competitive edge in the Labour Market.

The ultimate goal is to ensure that we have a working City that is fully focused on the improvement of the lives of our People. This we will attain with a workforce that is motivated and inspired to be Employees of the City of Matlosana Our systems of delivery must ensure a value-for-money contract between us and our ratepayers in a convenient way that also builds confidence and trust.

The provision of water, electricity and refuse collection, among other things, as well as how these utilities are billed need to be efficient and properly managed for ease of use. This emphasises the need to build a single, integrated and optimal administrative system that overcomes the differences of the past urban systems that existed before the birth of Matlosana as a single city for the future.

The building of a Delivering City includes the need to improve our Capital Expenditure in line with the development backlogs of our communities, especially the underdeveloped townships and informal settlements.



Therefore, our plans will be rolled out in a manner that targets mostly young people who live in and around informal settlements and townships. We want to orientate our administration towards a working culture that takes very seriously the needs of our people as a whole.

Currently the units in the Mayor's office are working on plans to show commitment to empowering communities through participatory research. Our political and social research must be led by communities as a way to build effective public participation so that the outcomes truly reflect the conditions of the people.

Ours as mandated is to ensure we deliver efficiently, effectively and more importantly in a way which improves the City and the state of its people!!

I wish to relay my heartfelt thanks to all Councillors and officials who make our machinery to function at optimum levels; the Troika for careful political management; the colleagues in MAYCO for assistance and help, Team Matlosana for the helicopter view that they provide to my Office. It will be amiss if I will not convey my sincerest gratitude to the African National Congress (ANC) for bestowing this trust and opportunity for me to lead this collective.

Thanks also to my family for making few demands on me, the space and support your offer me to fully execute the duties of a public officer in Matlosana Municipality.

Last but not least the people of Matlosana for the patience and understanding of the difficult path we are navigation to make the city a citadel of prosperity, liveability and opportunities.

Thank You All

**Cllr. Maetu Kgaile – Executive Mayor of Matlosana**

- f) That Council takes cognizance of MFMA Circular 86.
- g) That budget A1 schedule version 6.1, Table SA36, be aligned to the revised IDP for 2017/18.

### **1.3 EXECUTIVE SUMMARY**

The state of the economy has an adverse effect on the consumers of the City of Matlosana in the current budget year 2016/17. As a result, the municipal revenue and cash flow are expected to remain under pressure. Furthermore, the municipality should carefully consider affordability of tariff increases, especially where it relates to domestic consumers while considering the level of services versus the associated cost. Therefore, the application of sound financial management principles for the compilation of the City of Matlosana's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The City will continue with efforts to enhance revenue and implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. As per MFMA Circular 82 cost containment measures will also be enhanced to cut expenditure cost.

National Treasury's MFMA circulars No. 51, 54, 55, 58, 66, 67, 70, 72, 75, 79, 85 & 86 were used to guide the compilation of the 2017 – 2020 MTREF.

The main challenges experienced during the compilation of the 2017 - 2020 MTREF can be summarized as follows:

- The ongoing difficulties in the international, national and most importantly the local economy;
- Securing the health of the asset base (especially the revenue generating assets) by increasing spending on repairs and maintenance and renewal of assets;
- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- The need to reprioritise projects and high expenditure rate within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Midvaal and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable – as there will be a point where services will no longer be affordable;
- A growing debtor's book as well as the remaining outstanding creditors, especially for bulk services;
- Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies with limited resources;
- The declining liquidity ratio due to budgeted deficit of financial performance from 2015/16, 2016/17 and over 2017/18 MTREF.

The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:

- The 2016/17 adjustment budget informed the preparation of the 2017/18 budget

replacement of the vehicle fleet. Provision was also made for R 10 million Council funded capital in the coming financial year.

#### **1.4 OPERATING REVENUE FRAMEWORK**

For the City of Matlosana to continue improving the quality of services to its citizens it needs to generate the required revenue. In these tough economic conditions strong revenue management is fundamental to the financial sustainability of any municipality. The reality is that we are faced with development backlogs, unemployment, poverty and old infrastructure. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The revenue base for the City for other main tariffs excluding electricity and water have increased by 6 per cent.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management which aims to ensure maximum annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act; 2004 (Act 6 of 2004) (MPRA) as amended;
- Increased ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services;
- Enforcement of the credit control and debt collection policy.

**Table 2 Summary of revenue classified by main revenue source.**

**Table Percentage growth in revenue by main revenue source**

Description	R thousand	2017/18 Medium Term Revenue & Expenditure Framework					
		Adjusted Budget	Budget Year 2017/18	%	Budget Year +1 2018/19	%	Budget Year +2 2019/20
<b>Revenue By Source</b>							
Property rates	338,663	378,837	12	400,430	6	422,854	6
Service charges - electricity revenue	802,927	838,331	4	923,111	1	974,805	6
Service charges - water revenue	492,182	639,296	30	671,510	5	709,115	6
Service charges - sanitation revenue	106,575	173,694	63	185,232	7	195,605	6
Service charges - refuse revenue	149,582	215,011	44	227,255	6	239,981	6
Service charges - other	29,408	15,000	-51	15,855	6	16,743	6
Rental of facilities and equipment	6,934	6,587	-5	6,962	6	7,352	6
Interest earned - external investments	2,108	2,500	19	2,643	6	2,790	6
Interest earned - outstanding debtors	108,765	161,884	49	171,112	6	180,694	6
Fines, penalties and forfeits	7,086	7,452	5	7,889	6	8,331	6
Licences and permits	7,701	7,529	-2	8,668	15	9,162	6
Transfers and subsidies	351,271	364,262	4	402,121	10	436,025	8
Other revenue	147,369	145,392	-1	153,697	6	162,304	6
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,550,572</b>	<b>2,955,774</b>		<b>3,176,485</b>		<b>3,365,762</b>	

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and service charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charges revenue comprise 76 % of the total revenue mix in 2017/18. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates is the third largest revenue source totaling 13 % and will increase to R 378.8 million.

The fourth largest source (besides other service charges) is transfer recognised-operational and fourth largest is 'other revenue' which consists of various items such as income received from agency fees, building plan fees, connection fees, cemetery fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totaled R 364.2 million in the 2017/2018 financial year. Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than in the past.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

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, salary and wage increases, other input costs of services provided by the municipality and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges below the 6.3% inflation forecast for 2017/2018. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment. Municipalities are required to justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target.

The percentage increase of Midvaal Water's bulk tariff is far beyond the mentioned inflation target. Bulk tariff increases are determined by external agencies such as the National Electricity Regulator of South Africa. The impact it has on the municipality's electricity tariffs is largely beyond the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must be emphasised that the consumer price index; as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items like food, petrol and medical services, whereas items such as the cost of remuneration, bulk purchases of electricity and water, and fuel inform the cost drivers of municipalities. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational gains or service level reductions. Within this framework, the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### **1.4.1 Property Rates**

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

The following stipulations in the Property Rates Policy are highlighted:

- Residential - The first R50 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll is statutorily exempted from the levying of rates as per the provisions of section 17 (1) (h) of the MPRA)  
Retired or disabled persons on residential property only who earn from R0 – R7500 will hundred per cent (100%)

The property must be categorized as residential.

### 1.4.3 Sale of Electricity and Impact on Tariff Increases

The municipality have budgeted for a proposed electricity tariff increase of between 1.88 percent on electricity consumption and 6 percent on basic charges with effect from 1 July 2017. Increases will be implemented on a sliding scale in accordance with the block tariffs for consumption. This is as per the latest available draft tariff increases from the National Electricity regulator of South Africa.

The increase of electricity tariffs is subject to the approval of bulk tariff increases. Section 42 of the MFMA requires that bulk price increases charged to municipalities by an organ of state must be tabled by 15 March if they are to be effected at 1 July of the same year, unless the Minister of Finance grants an extension. The Minister of Finance, at the request of the Minister of Public Enterprises granted an extension until 5 April 2017 for the tabling of the Eskom's bulk tariff.

The proposed increase for basic charges on electricity will be 6%, in line with the 6.1% inflation forecast from National Treasury.

The inadequate electricity bulk capacity and the impact of distribution losses remains a challenge for the municipality.

All registered indigents consumers will be granted 50 Kwh of electricity per month free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

**Table 7 Comparison between current electricity charges and increases (Domestic)**

Monthly consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R
1-50	0.86	0.88	0.02
51-350	1.10	1.12	0.02
351-600	1.46	1.48	0.02
601-1500	1.67	1.70	0.03
>1500	1.76	1.79	0.03

Table SA14 will shows the impact of the proposed increases in electricity tariffs on the electricity charges for a single dwelling-house:

### 1.4.4 Sanitation and Impact on Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2017 is proposed.

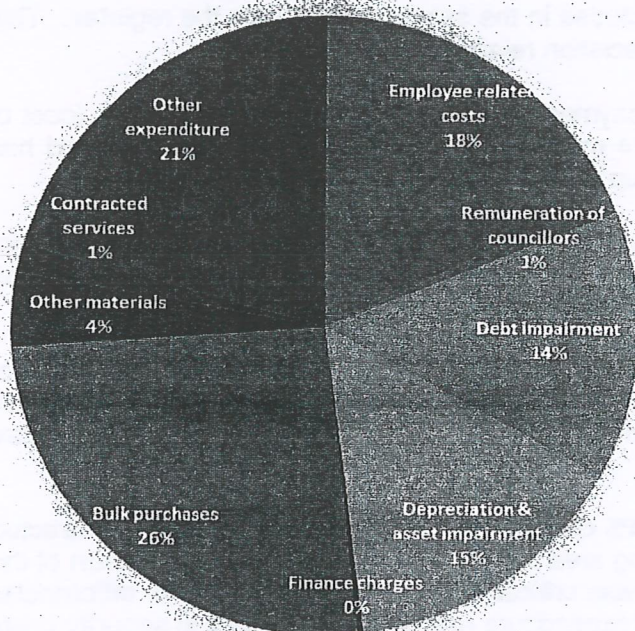
The increase in sanitation tariffs is capped at 6% for 2017/2018 financial year as per guideline from National Treasury. Due to the impact of higher electricity cost on the operation of sewer plants, the municipality will have to consider increasing sanitation tariffs with more than 6%.

**Table 9 MBRR Table SA14 – Household bills**

NW403 City Of Matlosana - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % Incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>											
<b>Rates and services charges:</b>											
Property rates								6.0%	638.63	676.95	717.56
Electricity: Basic levy								6.0%	121.17	128.44	136.15
Electricity: Consumption								1.9%	1,430.00	1,515.80	1,606.75
Water: Basic levy								9.0%	132.90	140.87	149.33
Water: Consumption								9.0%	651.40	690.48	731.91
Sanitation								6.0%	71.20	75.47	80.00
Refuse removal								6.0%	130.20	138.01	146.29
Other								6.0%	73.10	77.49	82.14
sub-total		-	-	-	-	-	-	-	3,248.60	3,443.52	3,650.13
VAT on Services									355.16	376.47	399.06
<b>Total large household bill:</b>		-	-	-	-	-	-	-	3,603.76	3,819.99	4,049.19
<b>% Increase/decrease</b>										6.0%	6.0%
<b>Monthly Account for Household - 'Affordable Range'</b>											
<b>Rates and services charges:</b>											
Property rates								6.0%	442.13	468.66	496.78
Electricity: Basic levy								6.0%	121.17	128.44	136.15
Electricity: Consumption								1.9%	602.00	638.12	676.41
Water: Basic levy								9.0%	132.90	140.87	149.33
Water: Consumption								9.0%	536.40	568.58	602.70
Sanitation								6.0%	61.30	64.98	68.88
Refuse removal								6.0%	130.20	138.01	146.29
Other								-	-	-	-
sub-total		-	-	-	-	-	-	-	2,026.10	2,147.67	2,276.53
VAT on Services									221.76	235.06	249.16
<b>Total small household bill:</b>		-	-	-	-	-	-	-	2,247.86	2,382.73	2,525.69
<b>% Increase/decrease</b>										6.0%	6.0%
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>											
<b>Rates and services charges:</b>											
Property rates									-	-	-
Electricity: Basic levy									-	-	-
Electricity: Consumption								#DIV/0!	336.00	356.16	377.53
Water: Basic levy									-	-	-
Water: Consumption								#DIV/0!	421.40	446.68	473.49
Sanitation									-	-	-
Refuse removal									-	-	-
Other									-	-	-
sub-total		-	-	-	-	-	-	-	757.40	802.84	851.01
VAT on Services									106.04	112.40	119.14
<b>Total small household bill:</b>		-	-	-	-	-	-	-	863.44	915.24	970.16
<b>% Increase/decrease</b>										6.0%	6.0%

### Expenditure by Type



The budget allocation for employee related costs (including remuneration of councillors) for the 2017/18 financial year totals R 623.7 million, which is 20 % of the total operating expenditure. Based on NT circular 78 guideline salaries will increase by 7.36% in the 2017/18 year. Employee Salaries and Allowances will overall increase by 12%, this is due to the provision to fill vacant positions and the 7.36% as per NT Circular 86. This includes a provision for the filling of the recently advertised positions and the remuneration of councillors. Employees Social Contributions will increase with 7%. This is as a result of the higher increase in medical aid costs and provision to fill vacant positions.

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). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an expected collection rate of 85% and the writing off interest on Outstanding Debtors. Adherence to the debt collection policy is monitored continuously through the year. The collection of outstanding debt and increasing the payment rate of consumers will be one of the main priorities for the 2017/18 to 2019/20 MTREF. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R 492 million for the 2017/18 financial year and equates to 16 % of the total operating expenditure. The Municipality has fully



The provision for Debt Impairment has been increased compared to the tabled budget on advice from Provincial Treasury during the budget engagement. According to Provincial Treasury the municipality has worked on an unrealistic collection rate. The debt impairment is now calculated on an 83% collection rate. The current collection rate is 82%.

#### **1.5.1 Priority given to Repairs and Maintenance.**

Aligned to the priority given to preserving and maintaining the City's current infrastructure, the 2017/18 budget MTREF provided for a significant increase in the area of asset maintenance. This is as a result of the urgent maintenance needed for some of the sewerage plants and a deteriorating water network that have resulted in the municipality losing its blue and green drop status. The maintenance of roads infrastructure is one of the focus areas for 2017/18. According to the Budget and Reporting Regulations; operational repairs and maintenance are not considered a direct expenditure driver but an outcome of certain other expenditures; such as remuneration; purchases of materials and contracted services. Repair and Maintenance at 3% of the operational budget is below the national norm of 8%. One must note that it only includes material, outsourced services, and exclude the salaries and vehicle charges associated with Repair and Maintenance. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

During the compilation of the 2017/18 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the City's infrastructure and historic deferred maintenance.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Sustainable Services	Water	A								42 187	29 610	34 712
Sustainable Services	Electricity	B								21 904	13 900	15 000
Sustainable Services	Sanitation	C								7 484	16 080	16 500
Sustainable Services	Refuse Removal	D										
Infrastructure	Roads & Stormwater	E								91 220	59 197	53 705
Infrastructure	Housing	F										
Corporate Governance	Financial Management	G								5 000		
Corporate Governance	Executive Management	H								35 000		
Economic Development	Local Economic Development	I									4 713	4 987
Safety & Security	Public Safety	J										
Social Services	Community Services	K										
Social Services	Sports & Recreation	L								10 952	11 138	14 962
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	-	-	-	-	-	-	213 747	134 636	139 867

For 2017/18, an amount of R 213.7 million is being appropriated for the development of infrastructure. R 10 million will be funded from council funds for critical operational capital needs. The balance will be grant funded. Council will also apply for a loan of R 30 million to fund the replacement of vehicles.

Total new assets represent 100 per cent or R213.7 million of the total capital budget while no provision were made for asset renewal. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, as well as operational repairs and maintenance by asset class

**Table 13 MBRR Table A1 - Budget Summary**

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	378 837	400 430	422 854
Service charges	-	-	-	-	-	-	-	1 881 332	2 022 963	2 136 250
Investment revenue	-	-	-	-	-	-	-	2 500	2 643	2 790
Transfers recognised - operational	-	-	-	-	-	-	-	364 262	402 121	436 025
Other own revenue	-	-	-	-	-	-	-	328 843	348 328	367 843
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	-	-	-	-	-	-	<b>2 955 774</b>	<b>3 176 485</b>	<b>3 385 762</b>
Employee costs	-	-	-	-	-	-	-	586 853	629 684	675 651
Remuneration of councillors	-	-	-	-	-	-	-	31 657	33 968	36 448
Depreciation & asset impairment	-	-	-	-	-	-	-	492 000	520 044	549 166
Finance charges	-	-	-	-	-	-	-	11 000	11 000	11 000
Materials and bulk purchases	-	-	-	-	-	-	-	964 355	1 019 323	1 076 405
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	1 191 152	1 243 383	1 286 150
<b>Total Expenditure</b>	-	-	-	-	-	-	-	<b>3 277 018</b>	<b>3 457 403</b>	<b>3 634 820</b>
<b>Surplus/(Deficit)</b>	-	-	-	-	-	-	-	<b>(321 243)</b>	<b>(280 917)</b>	<b>(269 058)</b>
Transfers and subsidies - capital (monetary allocation)	-	-	-	-	-	-	-	173 747	134 636	139 867
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	-	-	-	-	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 191)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	-	-	-	-	-	-	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 191)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	-	-	-	-	213 747	134 636	139 867
Transfers recognised - capital	-	-	-	-	-	-	-	173 747	134 636	139 867
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	30 000	-	-
Internally generated funds	-	-	-	-	-	-	-	10 000	-	-
<b>Total sources of capital funds</b>	-	-	-	-	-	-	-	<b>213 747</b>	<b>134 636</b>	<b>139 867</b>
<b>Financial position</b>										
Total current assets	-	-	-	-	-	-	-	374 041	319 687	304 470
Total non current assets	-	-	-	-	-	-	-	5 223 432	4 838 926	4 430 522
Total current liabilities	-	-	-	-	-	-	-	362 434	303 434	273 434
Total non current liabilities	-	-	-	-	-	-	-	407 000	405 500	404 000
Community wealth/Equity	-	-	-	-	-	-	-	4 839 269	4 470 910	4 088 768
<b>Cash flows</b>										
Net cash from (used) operating	-	-	-	-	-	-	-	212 637	140 545	150 762
Net cash from (used) investing	-	-	-	-	-	-	-	(203 589)	(124 536)	(129 762)
Net cash from (used) financing	-	-	-	-	-	-	-	10 000	(20 000)	(20 000)
<b>Cash/cash equivalents at the year end</b>	-	-	-	-	-	-	-	<b>39 993</b>	<b>36 000</b>	<b>37 000</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	-	-	-	-	-	-	-	68 665	65 672	67 672
Application of cash and investments	-	-	-	-	-	-	-	63 597	49 766	31 774
<b>Balance - surplus (shortfall)</b>	-	-	-	-	-	-	-	<b>5 068</b>	<b>15 906</b>	<b>35 898</b>
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	-	-	-	5 885 853	5 885 853	6 020 391	6 160 153
Depreciation	-	-	-	-	-	-	492 000	492 000	520 044	549 166
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	126 791	126 791	134 018	141 523
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	293 292	293 292	310 666	328 610
Revenue cost of free services provided	-	-	-	-	-	-	43 529	43 529	46 010	48 586
<b>Households below minimum service level</b>	-	-	-	-	-	-	-	-	-	-
Water:	-	-	-	-	-	-	2	2	2	2
Sanitation/sewerage:	-	-	-	-	-	-	5	5	4	4
Energy:	-	-	-	-	-	-	166	166	168	170
Refuse:	-	-	-	-	-	-	0	0	0	0

**Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		-	-	-	-	-	-	925 787	997 936	1 065 197
Executive and council		-	-	-	-	-	-	3 086	3 280	3 464
Finance and administration		-	-	-	-	-	-	922 701	994 656	1 061 733
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	115 116	121 984	130 024
Community and social services		-	-	-	-	-	-	5 848	6 216	6 564
Sport and recreation		-	-	-	-	-	-	11 415	11 628	15 480
Public safety		-	-	-	-	-	-	95 331	101 475	105 165
Housing		-	-	-	-	-	-	2 166	2 290	2 418
Health		-	-	-	-	-	-	356	376	397
<i>Economic and environmental services</i>		-	-	-	-	-	-	99 266	70 119	65 260
Planning and development		-	-	-	-	-	-	-	4 713	4 987
Road transport		-	-	-	-	-	-	99 266	65 407	60 272
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	1 967 804	2 098 305	2 221 096
Energy sources		-	-	-	-	-	-	883 590	961 707	1 017 884
Water management		-	-	-	-	-	-	684 384	704 186	747 065
Waste water management		-	-	-	-	-	-	183 579	203 847	214 782
Waste management		-	-	-	-	-	-	216 251	228 566	241 366
Other	4	-	-	-	-	-	-	21 548	22 777	24 053
<b>Total Revenue - Functional</b>	2	-	-	-	-	-	-	3 129 521	3 311 121	3 505 629
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		-	-	-	-	-	-	866 210	923 219	952 964
Executive and council		-	-	-	-	-	-	170 131	182 090	193 843
Finance and administration		-	-	-	-	-	-	696 079	741 129	759 121
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	421 059	450 131	478 683
Community and social services		-	-	-	-	-	-	106 033	113 014	120 593
Sport and recreation		-	-	-	-	-	-	87 692	92 961	98 470
Public safety		-	-	-	-	-	-	206 409	221 661	235 638
Housing		-	-	-	-	-	-	11 321	12 100	12 918
Health		-	-	-	-	-	-	9 603	10 396	11 064
<i>Economic and environmental services</i>		-	-	-	-	-	-	240 489	255 288	270 877
Planning and development		-	-	-	-	-	-	14 864	15 822	16 835
Road transport		-	-	-	-	-	-	225 625	239 465	254 042
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	1 724 210	1 802 061	1 903 892
Energy sources		-	-	-	-	-	-	859 958	909 552	960 686
Water management		-	-	-	-	-	-	540 811	549 181	578 957
Waste water management		-	-	-	-	-	-	181 287	192 175	203 636
Waste management		-	-	-	-	-	-	142 173	151 153	160 614
Other	4	-	-	-	-	-	-	25 051	26 704	28 404
<b>Total Expenditure - Functional</b>	3	-	-	-	-	-	-	3 277 018	3 457 403	3 634 821
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	(147 496)	(146 282)	(129 191)

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

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital).

**Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	378 837	400 430	422 854
Service charges - electricity revenue	2	-	-	-	-	-	-	-	838 331	923 111	974 805
Service charges - water revenue	2	-	-	-	-	-	-	-	639 298	671 510	709 115
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	173 694	185 232	195 605
Service charges - refuse revenue	2	-	-	-	-	-	-	-	215 011	227 255	239 981
Service charges - other									15 000	15 855	16 743
Rental of facilities and equipment									6 587	6 962	7 352
Interest earned - external investments									2 500	2 643	2 790
Interest earned - outstanding debtors									161 884	171 112	180 694
Dividends received									-	-	-
Fines, penalties and forfeits									7 452	7 889	8 331
Licences and permits									7 529	8 668	9 162
Agency services									-	-	-
Transfers and subsidies									364 262	402 121	436 025
Other revenue	2	-	-	-	-	-	-	-	145 392	153 697	162 304
Gains on disposal of PPE									-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	<b>2 955 774</b>	<b>3 176 485</b>	<b>3 385 762</b>
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	-	-	-	-	586 853	629 684	675 651
Remuneration of councillors									31 657	33 968	36 448
Debt impairment	3	-	-	-	-	-	-	-	462 621	470 762	471 701
Depreciation & asset impairment	2	-	-	-	-	-	-	-	492 000	520 044	549 166
Finance charges									11 000	11 000	11 000
Bulk purchases	2	-	-	-	-	-	-	-	837 563	885 304	934 881
Other materials	8	-	-	-	-	-	-	-	126 791	134 018	141 523
Contracted services									48 251	50 995	53 851
Transfers and subsidies									-	-	-
Other expenditure	4, 5	-	-	-	-	-	-	-	680 281	721 626	760 598
Loss on disposal of PPE									-	-	-
<b>Total Expenditure</b>		-	-	-	-	-	-	-	<b>3 277 018</b>	<b>3 457 403</b>	<b>3 634 820</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	(321 243)	(280 917)	(269 058)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all))	6	-	-	-	-	-	-	-	173 747	134 636	139 867
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	-	-	-	-	-	-	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 191)</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		-	-	-	-	-	-	-	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 191)</b>
Attributable to municipalities											
<b>Surplus/(Deficit) attributable to municipality</b>		-	-	-	-	-	-	-	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 191)</b>
Share of surplus/ (deficit) of associates	7	-	-	-	-	-	-	-			
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	-	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 191)</b>

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

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 53 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

### **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. Cash and cash equivalents totals R39.9 million as at the end of the 2017/18 financial year and decreases to R37 million by 2019/20.

### **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. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
6. As can be seen the budget has been modelled to progressively move from a surplus of R5 million in 2017/18 to R35.9 million by 2019/20.

Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-



EXPENDITURE OTHER ITEMS										
Depreciation	7	-	-	-	-	-	-	492 000	520 044	549 166
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	-	-	-	-	-	-	<b>126 791</b>	<b>134 018</b>	<b>141 523</b>
Roads Infrastructure		-	-	-	-	-	-	19 904	21 038	22 217
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	32 845	34 717	36 662
Water Supply Infrastructure		-	-	-	-	-	-	16 193	17 116	18 075
Sanitation Infrastructure		-	-	-	-	-	-	13 132	13 881	14 658
Solid Waste Infrastructure		-	-	-	-	-	-	5 573	5 890	6 220
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	87 647	92 643	97 631
Community Facilities		-	-	-	-	-	-	14 505	15 331	16 190
Sport and Recreation Facilities		-	-	-	-	-	-	3 014	3 186	3 365
Community Assets		-	-	-	-	-	-	17 519	18 518	19 555
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	344	363	384
Other Assets		-	-	-	-	-	-	344	363	384
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	20 842	22 030	23 263
Intangible Assets		-	-	-	-	-	-	20 842	22 030	23 263
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	439	464	490
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		-	-	-	-	-	-	<b>618 791</b>	<b>654 062</b>	<b>690 690</b>

### Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

### **Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. It is anticipated that these Free Basic Services will cost the municipality R293.2 million in 2017/18, increasing to R328.6 million in 2019/20. This is covered by the municipality's equitable share allocation from national government.
3. In addition to the Free Basic Services, the Municipality also 'gives' households R43.5 million in property rate discount in 2017/18, and it increases to R48 million in 2019/20.

## **PART 2 – SUPPORTING DOCUMENTATION**

### **2.1 Overview of the Annual Budget Process**

Section 53 of the MFMA requires the Executive Mayor to provide general political guidance in the budget process and 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 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 of the City of Matlosana consists of the Executive Mayor, MMC's, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Executive Mayor.

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

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

#### **2.1.4 Community Consultation.**

Council undertook an extensive public participation process after the tabling of 2017/18 – 2019/20 MTREF by Council on 30 March 2017. Ten consultation meetings were held around the KOSH from 18 April 2017 until 10 May 2017. As a result of the community consultations the IDP capital projects were re-prioritised to make provision for townships with no project allocation and an amendment to the indigent qualification threshold (See full report in attached documents)

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

- Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The Municipality is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is

#### **2.1.5 Engagements with NT, PT & other stakeholders**

Various amendments were made to the tabled budget on recommendation of PT who did a full assessment of the Municipality's tabled 2017/18 to 2019/20 MTREF of which the increase in Debt Impairment was the main adjustment. (See full report in attached documents)

#### **2.2 Overview of Alignment of Annual Budget with IDP**

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

The IDP provides a five-year strategic programme of action aimed at setting short; medium and long term strategic 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 Council 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 the municipality to make the best use of scarce resources and speed up service delivery.

IDP is an approach to planning aimed at involving the municipality and the community to find the best solutions towards sustainable development.

The IDP developed by Council must correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in the area. Applied to the City, 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.

**Table 23 MBRR Table SA4 – Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Sustainable Services	Water									684 384	704 188	747 065
Sustainable Services	Electricity									883 590	961 707	1 017 884
Sustainable Services	Sanitation									183 576	203 847	214 782
Sustainable Services	Refuse Removal									216 251	228 566	241 366
Infrastructure	Roads & Stormwater									99 426	65 497	60 358
Infrastructure	Housing									2 166	2 290	2 418
Corporate Governance	Financial Management									918 209	990 281	1 057 114
Corporate Governance	Executive Management									7 695	7 856	8 609
Economic Development	Local Economic Development									21 559	27 500	29 051
Safety & Security	Public Safety									95 331	101 475	105 165
Social Services	Community Services									4 150	4 387	4 328
Social Services	Sports & Recreation									13 183	13 532	17 491
Allocations to other priorities			2									
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	-	-	-	-	-	-	3 129 521	3 311 122	3 505 629

**Table 25 MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Sustainable Services	Water	A							42 187	29 610	34 712	
Sustainable Services	Electricity	B							21 904	13 900	15 000	
Sustainable Services	Sanitation	C							7 484	16 080	16 500	
Sustainable Services	Refuse Removal	D										
Infrastructure	Roads & Stormwater	E							91 220	59 197	53 705	
Infrastructure	Housing	F										
Corporate Governance	Financial Management	G							5 000			
Corporate Governance	Executive Management	H							35 000			
Economic Development	Local Economic Development	I								4 713	4 987	
Safety & Security	Public Safety	J										
Social Services	Community Services	K										
Social Services	Sports & Recreation	L							10 952	11 138	14 962	
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	-	-	-	-	-	-	213 747	134 636	139 867



#### **2.4.7 Investment & Cash Management Policy**

The policy was reviewed.

All the above policies are available on the City's website, [www.matlosana.gov.za](http://www.matlosana.gov.za), well as the following approved budget related policies.

- Budget Policy
- Asset Management Policy
- Borrowing Management Policy
- Transfer of Funds Policy
- Grants and Funding Policy
- Funding and Reserve Policy

#### **2.5 Overview of Budget Assumptions:**

##### **2.5.1 External Factors.**

Owing to the economic slowdown impact by the closure of mines in the region due to the low gold price, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

##### **2.5.2 General Inflation Outlook and its impact on the municipal activities.**

Four key factors have been taken into consideration in the compilation of the 2017 /18 – 2019/20 MTREF.

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

##### **2.5.3 Interest Rates for Borrowing and Investment of Funds.**

MFMA specifies that borrowing can only be utilized to fund capital or refinancing borrowing in certain conditions. For simplicity, the 2017/18 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges like building plan fees, licenses and permits etc.

The revenue strategy is a function of key components such as:

- Growth in the City and economic development.
- Revenue Management and Enhancement.
- Achievement of a higher annual collection rate for consumer revenue.
- National Treasury guidelines;
- Electricity tariff increases within the NERSA approval.
- Achievement of full cost recovery of specific user charges.
- Determining tariff escalation rate by establishing/calculating revenue requirements.
- The Property Rates Policy in terms of the MPRA.
- Ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers, aligned to the economic forecasts.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R2.5 million for the financial years of the 2017/18 MTREF.

The tables below provide detail investment information and investment particulars by maturity.

**Table 28 MBRR SA15 – Detail Investment Information**

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government								48 203	45 728	46 227
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)								8 462	8 944	9 445
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	56 665	54 672	55 672
<b>Entities</b>										

**Table 29 MBRR SA16 – Investment particulars by maturity**

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Ref No)	Variable or Fixed Interest rate	Interest Rate	Commission Paid (Rand)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be received	Partial / Premature Withdrawal (R)	Investment Top Up	Closing Balance
Name of Institution & Investment ID	1	Year/Months												
<b>Parent municipality</b>														
		daily	Call	Yes	Variable	0,08				6 028	301	(24 000)	60 302	48 071
		daily	Call	Yes	Variable	0,088				5 218	212		149	5 078
		Months	Collateral	Yes	Variable	0,0855				87	6			103
		Months	Policy	Yes	Variable				01 August 2018	7 304	649			7 953
		Years	Longterm	Yes	Fixed	0,05			30 June 2019	19 875	1 272			21 147
<b>Municipality sub-total</b>										41 482		(24 000)	60 482	60 444
<b>Entities</b>														
<b>Entities sub-total</b>														
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									41 482		(24 000)	60 482	60 444



**Table 32 MBRR Table SA 18 - Capital transfers and grant receipts**

<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	178 041	139 251	144 749
Municipal Infrastructure Grant (MIG)								89 041	94 251	99 749
Neighbourhood Development Partnership								75 000	35 000	35 000
Inep								14 000	10 000	10 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	-	-	-	-	-	-	178 041	139 251	144 749

### 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors 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., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table 34 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and Investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	39 993	36 000	37 000
Other current investments > 90 days		-	-	-	-	-	-	-	-	(0)	0
Non current assets - Investments	1	-	-	-	-	-	-	-	28 672	29 672	30 672
<b>Cash and Investments available:</b>									<b>68 665</b>	<b>65 672</b>	<b>67 672</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	2 000	3 000	3 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	-	-	-	-	61 597	46 766	28 774
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>									<b>63 597</b>	<b>49 766</b>	<b>31 774</b>
<b>Surplus(shortfall)</b>									<b>5 068</b>	<b>15 906</b>	<b>35 898</b>

From the above table it can be seen that the cash and investments available total R68.6 million in the 2017/18 financial year and decrease to R67.6 million by 2019/20, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

**Figure 3 Cash and cash equivalents / Cash backed reserves and accumulated funds**

**Funding compliance measurement**

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**Table 35 MBRR SA10 – Funding compliance measurement**

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	-	-	-	-	-	-	-	39 993	36 000	37 000
Cash + investments at the yr end less applications - R'000	18(1)b	2	-	-	-	-	-	-	-	5 068	15 906	35 898
Cash year end/monthly employee/supplier payments	18(1)b	3	-	-	-	-	-	-	-	0,2	0,2	0,2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	-	-	-	-	-	-	(147 496)	(146 281)	(129 191)
Service charge rev % change - macro CPDX target exclusive	18(1)a,(2)	5	N.A.	(6,0%)	(6,0%)	(6,0%)	(6,0%)	(6,0%)	(6,0%)	(6,0%)	1,2%	(0,4%)
Cash receipts % of Ratespayer & Other revenue	18(1)a,(2)	6	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	80,2%	78,3%	78,6%
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%	20,5%	19,4%	18,4%
Capital payments % of capital expenditure	18(1);19	8	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	99,9%	99,9%	99,9%
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%	75,0%	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.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	(16,9%)	(6,5%)
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)(v)	13	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,5%	2,9%	3,3%
Asset renew at % of capital budget	20(1)(v)	14	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term

**Table 36 MBRR SA19 - Expenditure on transfers and grant programmes**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	363 220	400 919	434 757
Local Government Equitable Share								354 377	393 806	427 110
Finance Management								2 145	2 400	2 660
EPWP Incentive								2 246	-	-
Other transfers/grants [insert description]								4 452	4 713	4 987
<b>Provincial Government:</b>		-	-	-	-	-	-	1 200	1 300	1 373
Sport and Recreation								1 200	1 300	1 373
Sport and Recreation										
Other transfers/grants [insert description]										
<b>District Municipality:</b> [insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> [insert description]		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants</b>		-	-	-	-	-	-	364 420	402 219	436 130
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	173 589	134 538	139 762
Municipal Infrastructure Grant (MIG)								84 589	89 538	94 762
Neighbourhood Development Partnership								75 000	35 000	35 000
lep								14 000	10 000	10 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
<b>District Municipality:</b> [insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> [insert description]		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		-	-	-	-	-	-	173 589	134 538	139 762
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	538 009	536 757	575 892

## 2.7 Councillor and employee benefits

**Table 38 MBRR SA22 - Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages								30 943	33 109	35 427
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
<b>Sub Total - Councillors</b>		-	-	-	-	-	-	30 943	33 109	35 427
<b>% Increase</b>	4		-	-	-	-	-	-	7,0%	7,0%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages								7 492	8 016	8 577
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>		-	-	-	-	-	-	7 492	8 016	8 577
<b>% Increase</b>	4		-	-	-	-	-	-	7,0%	7,0%



**Table 40 MBRR SA24 – summary of personnel numbers**

Summary of Personnel Numbers Number	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)							77		77	
Board Members of municipal entities	4						-		-	
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3						8		8	
Other Managers	7						44	44		
Professionals							53	53		
Finance							7	7		
Spatial/town planning							2	2		
Information Technology							-	-		
Roads							-	-		
Electricity							-	-		
Water							-	-		
Sanitation							-	-		
Refuse							2	2		
Other							42	42		
Technicians							181	181		
Finance							22	22		
Spatial/town planning							12	12		
Information Technology							1	1		
Roads							5	5		
Electricity							20	20		
Water							8	8		
Sanitation							10	10		
Refuse							4	4		
Other							99	99		
Clerks (Clerical and administrative)							488	488		
Service and sales workers							161	161		
Skilled agricultural and fishery workers							10	10		
Craft and related trades							142	142		
Plant and Machine Operators							171	171		
Elementary Occupations							1 191	1 191		
<b>TOTAL PERSONNEL NUMBERS</b>	9						2 524	2 439	85	
% Increase							-	-	-	
<b>Total municipal employees headcount</b>	6, 10						2 524	2 064		
Finance personnel headcount	8, 10						220	162		
Human Resources personnel headcount	8, 10						31	24		

**2.8 Monthly targets for revenue, expenditure and cash flow**

## 2.8 Monthly targets for revenue, expenditure and cash flow

### Table 41 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
<b>Revenue By Source</b>																	
Property rates		78 771	25 354	25 618	23 298	23 884	24 830	24 830	23 384	25 000	22 500	24 830	58 573	378 837	400 430	422 854	
Service charges - electricity revenue		72 420	87 787	88 807	84 874	88 495	88 884	89 730	71 020	75 000	78 000	85 000	51 404	838 331	923 111	974 805	
Service charges - water revenue		41 029	42 246	40 787	39 848	42 971	75 000	37 878	43 404	58 000	65 000	75 000	78 023	639 296	671 510	709 115	
Service charges - sanitation revenue		15 783	13 910	18 789	19 289	19 267	12 236	12 165	13 223	10 000	12 000	17 000	10 041	173 684	185 232	185 005	
Service charges - refuse revenue		18 013	18 811	18 484	17 782	18 582	19 848	17 584	18 020	17 000	16 000	18 000	19 300	215 011	227 255	239 881	
Service charges - other		738	823	913	853	850	730	775	875	885	870	780	5 787	15 000	15 855	16 743	
Rental of facilities and equipment		528	458	617	441	913	485	420	487	525	675	505	546	6 587	6 982	7 332	
Interest earned - external investments		880	850			700	780	780					(790)	2 900	2 843	2 780	
Interest earned - outstanding debtors		12 230	11 067	12 918	13 172	11 845	14 208	13 905	14 954	13 500	14 500	13 750	15 668	181 884	171 112	180 884	
Dividends received		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Fines, penalties and forfeits		550	571	424	403	617	612	720	535	650	750	885	738	7 452	7 888	8 331	
Licences and permits		751	572	888	821	892	259	652	807	545	625	475	1 132	7 529	8 668	9 182	
Agency services		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Transfers and subsidies		--	38 784	29 087	38 824	28 890	28 850	28 782	28 640	30 000	37 500	--	40 500	34 095	402 121	436 025	
Other revenue		10 171	12 280	10 327	13 689	13 505	13 827	11 154	10 612	11 500	12 250	12 375	13 582	145 382	153 687	162 384	
Gain on disposal of PPE		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>281 854</b>	<b>231 584</b>	<b>228 465</b>	<b>233 038</b>	<b>231 321</b>	<b>259 897</b>	<b>218 345</b>	<b>225 842</b>	<b>242 405</b>	<b>280 770</b>	<b>289 100</b>	<b>288 084</b>	<b>2 858 774</b>	<b>3 178 485</b>	<b>3 385 782</b>	
<b>Expenditure By Type</b>																	
Employee related costs		47 452	48 004	48 171	48 805	48 982	48 628	49 288	47 588	48 758	49 000	49 750	51 438	588 853	628 684	675 651	
Remuneration of councillors		3 108	3 801	3 084	3 124	3 108	3 108	3 108	2 108	2 108	2 108	2 108	807	31 657	33 968	36 448	
Debt impairment		--	--	40 000	--	--	58 000	--	42 000	--	63 000	--	239 621	482 821	470 782	471 701	
Depreciation & asset impairment		30 627	30 627	30 627	30 627	30 627	30 627	30 627	30 627	30 627	30 627	30 627	155 104	482 000	520 044	549 188	
Finance charges		748	847	1 879	844	635	1 905	940	915	1 250	1 500	1 325	(1 888)	11 000	11 000	11 000	
Bulk purchases		77 283	73 286	78 755	83 835	85 687	85 787	87 714	82 288	75 000	73 500	85 700	47 869	837 583	885 304	934 881	
Other materials		11 844	11 728	10 880	8 598	11 052	8 783	9 759	10 508	9 500	10 500	11 500	12 380	128 781	134 018	141 523	
Contracted services		4 411	4 418	3 593	4 712	3 188	3 917	4 438	4 181	3 488	3 800	3 780	4 327	48 251	50 995	53 851	
Transfers and subsidies		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Other expenditure		42 802	48 469	87 329	57 286	67 823	55 143	58 511	59 257	57 000	65 000	47 500	38 052	680 281	721 628	780 588	
Loss on disposal of PPE		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<b>Total Expenditure</b>		<b>218 355</b>	<b>218 980</b>	<b>305 178</b>	<b>218 841</b>	<b>231 090</b>	<b>275 858</b>	<b>222 374</b>	<b>259 489</b>	<b>227 730</b>	<b>289 034</b>	<b>282 289</b>	<b>588 022</b>	<b>3 277 018</b>	<b>3 457 403</b>	<b>3 634 820</b>	
<b>Surplus/(Deficit)</b>		<b>33 499</b>	<b>12 585</b>	<b>(78 723)</b>	<b>14 397</b>	<b>231</b>	<b>(15 859)</b>	<b>(4 029)</b>	<b>(33 647)</b>	<b>14 675</b>	<b>(8 264)</b>	<b>58 810</b>	<b>(81 938)</b>	<b>(21 243)</b>	<b>(280 917)</b>	<b>(289 038)</b>	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		10 843	12 000	27 400	11 925	10 400	21 000	10 750	11 050	30 000	9 975	9 100	8 604	173 747	134 638	139 887	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Transfers and subsidies - capital (in-kind - all)		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>44 442</b>	<b>25 195</b>	<b>(52 323)</b>	<b>28 322</b>	<b>10 631</b>	<b>5 141</b>	<b>8 721</b>	<b>(22 597)</b>	<b>44 675</b>	<b>(8 289)</b>	<b>65 910</b>	<b>(73 324)</b>	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 151)</b>	
Taxation		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Attributable to minorities		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Share of surplus/ (deficit) of associates		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>44 442</b>	<b>25 195</b>	<b>(52 323)</b>	<b>28 322</b>	<b>10 631</b>	<b>5 141</b>	<b>8 721</b>	<b>(22 597)</b>	<b>44 675</b>	<b>(8 289)</b>	<b>65 910</b>	<b>(73 324)</b>	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 151)</b>	

**Table 42 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

NW403 City Of Malosana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
<b>Revenue by Vote</b>																	
Vote 1 - Corporate Governance & Administration		93 096	71 500	79 485	78 036	69 626	48 697	62 590	69 855	58 748	73 326	75 987	144 666	925 905	998 137	1 055 723	
Vote 2 - Infrastructure		131 075	125 988	130 257	119 748	122 590	187 595	139 908	133 628	158 768	159 633	185 734	259 201	1 853 142	1 937 525	2 042 506	
Vote 3 - Economic Affairs		2 113	1 599	1 584	2 000	2 563	1 548	1 258	1 790	2 655	1 897	1 368	1 186	21 559	27 500	29 051	
Vote 4 - Community Services & Public Safety		25 589	32 379	14 125	33 258	38 542	22 155	14 590	20 570	22 215	28 914	28 013	54 586	328 915	347 659	388 349	
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue by Vote</b>		<b>251 854</b>	<b>231 556</b>	<b>225 455</b>	<b>233 038</b>	<b>231 321</b>	<b>259 997</b>	<b>218 345</b>	<b>225 842</b>	<b>242 405</b>	<b>260 770</b>	<b>289 100</b>	<b>459 639</b>	<b>3 129 521</b>	<b>3 311 121</b>	<b>3 605 629</b>	
<b>Expenditure by Vote to be appropriated</b>																	
Vote 1 - Corporate Governance & Administration		46 965	36 216	63 200	46 223	38 236	51 570	57 259	55 125	37 337	57 126	48 439	328 516	886 210	923 219	952 964	
Vote 2 - Infrastructure		132 696	135 253	188 124	133 583	142 201	170 605	110 769	152 690	157 012	185 205	149 875	150 869	1 816 883	1 902 473	2 010 239	
Vote 3 - Economic Affairs		3 458	7 255	5 632	2 598	2 652	2 570	1 570	1 549	2 155	1 549	1 983	6 984	39 915	42 526	45 238	
Vote 4 - Community Services & Public Safety		35 238	40 237	48 222	36 237	48 000	51 111	52 776	50 125	31 226	45 155	32 013	81 573	551 910	589 184	628 378	
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure by Vote</b>		<b>218 355</b>	<b>218 960</b>	<b>305 178</b>	<b>218 641</b>	<b>231 090</b>	<b>275 856</b>	<b>222 374</b>	<b>259 489</b>	<b>227 730</b>	<b>289 034</b>	<b>232 289</b>	<b>568 022</b>	<b>3 277 018</b>	<b>3 457 403</b>	<b>3 634 820</b>	
<b>Surplus/(Deficit) before assoc.</b>		<b>33 499</b>	<b>12 596</b>	<b>(79 723)</b>	<b>14 397</b>	<b>231</b>	<b>(15 859)</b>	<b>(4 029)</b>	<b>(33 647)</b>	<b>14 675</b>	<b>(38 264)</b>	<b>56 810</b>	<b>(108 183)</b>	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 191)</b>	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>33 499</b>	<b>12 596</b>	<b>(79 723)</b>	<b>14 397</b>	<b>231</b>	<b>(15 859)</b>	<b>(4 029)</b>	<b>(33 647)</b>	<b>14 675</b>	<b>(38 264)</b>	<b>56 810</b>	<b>(108 183)</b>	<b>(147 496)</b>	<b>(146 281)</b>	<b>(129 191)</b>	



**Table 44 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sep.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Corporate Governance & Administration		2 250	3 700	2 200	2 725	2 750	2 900	2 050	2 850	4 250	4 750	3 825	(33 850)	-	-	-
Vote 2 - Infrastructure		11 500	12 250	19 000	12 500	15 000	19 000	10 250	10 500	21 000	9 500	11 725	(152 225)	-	-	-
Vote 3 - Economic Affairs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services & Public Safety		443	350	2 400	425	400	2 000	700	550	3 000	475	375	(11 118)	-	-	-
Vote 5 - [NAME OF VOTE 5]														-	-	-
Vote 6 - [NAME OF VOTE 6]														-	-	-
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	14 193	16 300	23 600	15 650	18 150	23 800	13 000	13 900	28 250	14 725	15 625	(197 293)	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Corporate Governance & Administration													40 000	40 000	-	-
Vote 2 - Infrastructure													182 795	182 795	118 788	119 617
Vote 3 - Economic Affairs													-	-	4 713	4 987
Vote 4 - Community Services & Public Safety													10 882	10 882	11 138	14 982
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	213 747	213 747	134 636	139 697
<b>Total Capital Expenditure</b>	2	14 193	16 300	23 600	15 650	18 150	23 800	13 000	13 900	28 250	14 725	15 625	16 454	213 747	134 636	139 697

**Table 46 MBRR SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash Receipts By Source</b>															
Property rates	35 000	25 372	25 372	25 372	25 372	25 372	25 372	25 372	25 372	25 372	25 372	25 316	314 434	330 368	358 896
Service charges - electricity revenue	82 778	82 778	82 778	82 778	82 778	82 778	82 778	82 778	82 778	82 778	82 778	50 763	711 316	735 413	778 584
Service charges - water revenue	33 275	33 275	33 275	57 725	62 725	62 725	62 725	62 725	33 275	33 275	33 275	37 344	545 616	564 069	587 748
Service charges - sanitation revenue	12 014	12 254	12 254	12 254	12 254	12 254	12 254	12 254	12 254	12 254	12 254	9 610	144 166	155 595	168 285
Service charges - refuse revenue	14 872	15 229	15 229	15 229	15 229	15 229	15 229	15 229	15 229	15 229	15 229	11 296	178 459	190 894	203 984
Service charges - other	1 250	833	833	833	833	833	833	833	833	833	833	5 417	15 000	15 855	16 743
Rental of facilities and equipment	549	549	549	549	549	549	549	549	549	549	549	549	6 587	6 962	7 352
Interest earned - external investments	208	208	208	208	208	208	208	208	208	208	208	208	2 500	2 643	2 790
Interest earned - outstanding debtors	6 745	13 233	13 233	13 233	13 233	13 233	13 233	13 233	13 233	13 233	13 233	(58 136)	60 942	75 556	70 347
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	621	621	621	621	621	621	621	621	621	621	621	621	7 452	7 889	8 331
Licences and permits	627	572	572	572	572	572	572	572	572	572	572	1 179	7 529	8 688	9 162
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	29 897	30 343	30 343	30 343	30 343	30 343	30 343	30 343	30 343	30 343	30 343	28 538	359 966	397 506	431 143
Other revenue	12 116	12 085	12 085	12 085	12 085	12 085	12 085	12 085	12 085	12 085	12 085	12 428	145 392	153 697	162 304
<b>Cash Receipts by Source</b>	<b>230 052</b>	<b>227 353</b>	<b>207 353</b>	<b>221 603</b>	<b>216 603</b>	<b>216 603</b>	<b>216 603</b>	<b>228 603</b>	<b>247 412</b>	<b>207 753</b>	<b>227 353</b>	<b>133 131</b>	<b>2 510 361</b>	<b>2 645 113</b>	<b>2 803 750</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital			84 510			43 472			50 059			(9)	178 041	139 251	144 749
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing					30 000								30 000		
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) in non-current receivables															
Decrease (increase) in non-current investments											10 000		10 000	10 000	10 000
<b>Total Cash Receipts by Source</b>	<b>230 052</b>	<b>227 353</b>	<b>291 863</b>	<b>221 603</b>	<b>246 603</b>	<b>260 276</b>	<b>216 603</b>	<b>228 603</b>	<b>247 412</b>	<b>207 753</b>	<b>227 353</b>	<b>133 131</b>	<b>2 737 402</b>	<b>2 784 364</b>	<b>2 958 489</b>
<b>Cash Payments by Type</b>															
Employee related costs	48 893	49 165	49 165	49 165	49 165	49 165	49 165	49 165	49 165	49 165	49 165	45 977	586 719	620 549	675 506
Remuneration of councillors	2 596	2 596	2 596	2 596	2 596	2 596	2 896	2 896	2 896	2 896	2 896	1 106	31 657	33 668	36 448
Finance charges	382	382	1 500	382	382	1 500	382	382	1 500	382	382	3 444	11 000	11 000	11 000
Bulk purchases - Electricity	65 000	60 000	47 000	41 000	30 000	25 000	25 000	30 000	35 000	35 000	41 000	123 563	557 563	589 344	652 348
Bulk purchases - Water & Sewer	12 500	12 500	20 700	26 700	26 000	31 000	31 000	25 000	23 500	12 500	14 498	44 102	280 000	295 980	312 534
Other materials	10 566	10 524	10 524	10 524	10 524	10 524	10 524	10 524	10 524	10 524	10 524	10 983	128 791	134 018	161 523
Contracted services	4 021	4 021	4 021	4 021	4 021	4 021	4 021	4 021	4 021	4 021	4 021	4 021	46 251	50 995	53 651
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	56 690	56 457	56 457	56 457	56 457	56 457	56 457	56 457	56 457	56 457	56 457	39 017	680 291	721 626	760 596
<b>Cash Payments by Type</b>	<b>200 648</b>	<b>197 665</b>	<b>193 663</b>	<b>192 665</b>	<b>191 165</b>	<b>182 283</b>	<b>181 585</b>	<b>180 585</b>	<b>185 163</b>	<b>173 665</b>	<b>181 063</b>	<b>272 212</b>	<b>2 322 262</b>	<b>2 466 462</b>	<b>2 683 808</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	10 000	10 000	15 000	15 000	15 000	15 000	20 000	20 000	20 000	20 000	20 000	33 589	213 589	134 538	139 782
Repayment of borrowing	190	190	5 580	190	190	4 820	190	190	4 450	190	190	3 630	20 000	20 000	20 000
Other Cash Flows/Payments															
<b>Total Cash Payments by Type</b>	<b>210 838</b>	<b>207 855</b>	<b>214 563</b>	<b>208 055</b>	<b>196 355</b>	<b>202 103</b>	<b>201 755</b>	<b>200 755</b>	<b>209 633</b>	<b>193 255</b>	<b>201 253</b>	<b>471 933</b>	<b>2 718 353</b>	<b>2 796 357</b>	<b>2 957 489</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>19 214</b>	<b>19 498</b>	<b>77 300</b>	<b>13 748</b>	<b>50 448</b>	<b>58 172</b>	<b>15 048</b>	<b>28 048</b>	<b>37 779</b>	<b>14 498</b>	<b>26 100</b>	<b>(38 802)</b>	<b>19 048</b>	<b>(3 993)</b>	<b>1 000</b>
Cash/cash equivalents at the monthly year begin:	20 945	40 159	59 656	138 956	150 704	201 152	259 324	274 371	300 419	338 198	352 695	378 795	20 945	38 993	38 000
Cash/cash equivalents at the monthly year end:	40 159	59 656	138 956	150 704	201 152	259 324	274 371	300 419	338 198	352 695	378 795	39 993	39 993	36 000	37 000

**2.9 Capital expenditure details**

The following two tables present details of the Municipal's capital expenditure programme, firstly on new assets, and the repair and maintenance of assets.

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	162 795	118 786	119 812
Roads Infrastructure		-	-	-	-	-	-	91 220	59 197	53 600
Roads								91 220	59 197	53 600
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	21 904	13 900	15 000
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks								21 904	13 900	15 000
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	42 187	29 610	34 712
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution								42 187	29 610	34 712
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	7 484	16 080	16 500
Pump Station										
Reticulation										
Waste Water Treatment Works								7 484	16 080	16 500
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	5 000	-	-	-
Computer Equipment	-	-	-	-	-	-	5 000	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	35 000	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	35 000	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	-	-	-	-	-	-	213 747	134 636	139 762

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	87 647	92 643	97 831
Roads Infrastructure		-	-	-	-	-	-	19 904	21 038	22 217
Roads								19 904	21 038	22 217
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	32 845	34 717	36 662
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks								32 845	34 717	36 662
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	16 193	17 116	18 075
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution								16 193	17 116	18 075
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	13 132	13 881	14 658
Pump Station										
Reticulation								13 132	13 881	14 658
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	5 573	5 890	6 220
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities								5 573	5 890	6 220
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

<b>Heritage assets</b>										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
<b>Other assets</b>										
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets										
<b>Intangible Assets</b>										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>										
Computer Equipment										
<b>Furniture and Office Equipment</b>										
Furniture and Office Equipment										
<b>Machinery and Equipment</b>										
Machinery and Equipment										
<b>Transport Assets</b>										
Transport Assets										
<b>Libraries</b>										
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Total Repairs and Maintenance Expenditure</b>	1									
								126 791	134 018	141 523

**Table 50 MBRR SA36 - Detailed capital budget per municipal vote**

NW403 City Of Matlosana - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year estimates			2017/18 Medium Term Revenue & Expenditure Framework			Project Information	
									Actual Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renew	
Parent municipality: List all capital projects grouped by Municipal Vote																
	Alabama bulk water supply			Yes	Water Supply Infrastructure	Reservoirs						19 027	5 364	-		
	Water supply from Mdrad and public schemes and Joubert			Yes	Water Supply Infrastructure	Reservoirs						28 408	30 187	34 287		
	Upgrading of sewer in Alabama/Joubert			No	Sanitation Infrastructure	Sanitary Sewerage						3 251	5 837	6 000		
	Upgrading of sewer network in Khama proper			Yes	Sanitation Infrastructure	Waste Water Treatment Works						4 233	-	4 000		
	Tlopiwe and Khama paving of tar roads phase 1			Yes	Roads Infrastructure	Roads under Construction						7 571	5 837	18 000		
	Substation Alabama			Yes	Electrical Infrastructure	MV Substations						1 000	-	-		
	Paving of tarf roads & stormwater Kanana			No	Roads Infrastructure	Storm water Conveyance						9 300	9 300	-		
	Joubert tar spot area			No	Roads Infrastructure	Electrical Infrastructure						3 000	2 000	-		
	Tlopiwe High street light phase 2			Yes	Electrical Infrastructure	Electrical Infrastructure						2 255	3 000	-		
	Alabama High street light phase 2			No	Electrical Infrastructure	Electrical Infrastructure						2 000	3 000	-		
	New sports complex in Khama/Fresh produce market			No	Sport and Recreation Facilities	Electrical Infrastructure						2 000	3 000	-		
	Electrification			No	Roads Infrastructure	Public Open Space						11 103	14 103	25 000		
	Roads/Cleaning			No	Roads Infrastructure	Electrical Infrastructure						14 000	10 000	10 000		
	MISCOA			Yes	Computer Equipment	Computer Software and Applications						74 859	45 008	41 970		
	Furniture and Equipment			Yes	Furniture and Office Equipment	Computer Software and Applications						5 000	-	-		
	Vehicles			Yes	Furniture and Office Equipment	Municipal Offices						4 000	-	-		
Parent Capital expenditure												313 747	134 626	139 867		

**2.10 Legislation Compliance Status**

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

**2.10.1 In Year Reporting**

Reporting to National Treasury in electronic format was complied with on a monthly basis. Section 71 reporting to the Executive Mayor, NT & PT has been complied with, as well as the section 72 & 52 reporting.

**2.10.2 Internship Programme**

The City of Matlosana is participating in the Municipal Financial Management Internship programme, and has currently employed three interns that still undergoes training in various divisions of the Finance Directorate.

9 of the previous interns engaged since the inception of the programme have been permanently employed by the City of Matlosana.

**2.10.3 Budget and Treasury Office**

The Budget and Treasury Office have been established in accordance with the MFMA.

**2.10.4 Audit Committee**

An Audit Committee have been established and is fully functional.

**2.10.5 Municipal Public Accounts Committee**

The Municipal Public Accounts Committee have been established and is fully functional.

**2.10.6 Service Delivery and Implementation Plan**

The detailed SDBIP document is at a draft stage and will be finalised and approved.





**Table 51 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)**

<b>Transfers and grants</b>												
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Contracted services</b>												
Disconnecting/connecting services								6 121	6 469	6 832		
Debt collection: Debt collector								16 655	17 605	18 690		
Security services								25 475	26 921	28 429		
<b>sub-total</b>								<b>48 251</b>	<b>50 995</b>	<b>53 851</b>		
<b>Allocations to organs of state:</b>												
Electricity												
Water												
Sanitation												
Other												
<b>Total contracted services</b>								<b>48 251</b>	<b>50 995</b>	<b>53 851</b>		
<b>Other Expenditure By Type</b>												
Collection costs												
Contributions to 'other' provisions								13 500	8 946	8 946		
Consultant fees								560	592	625		
Audit fees								6 000	6 342	6 697		
General expenses												
ALTERNATIVE ENERGY								25 374	26 820	28 322		
COMMISSION ON PRE-PAID SALES								15 938	16 847	17 790		
CLEAN AUDIT PROJECT								15 000	15 855	16 743		
HIRE PHOTOCOPIER								12 500	13 213	13 952		
INTEREST PAID EXTERNAL LOANS								-	-	-		
VEHICLE CHARGES								43 511	45 992	48 567		
SETA TRAINING								4 000	4 228	4 465		
PRINTING AND STATIONERIES								4 196	4 436	4 684		
INDIGENT								12 803	21 914	23 141		
METER READINGS								9 600	10 147	10 715		
MATLOSANA BURSARY								2 000	2 000	2 000		
OPPENHEIMER STADIUM								1 000	1 057	1 116		
REVENUE ENHACEMENT								1 756	1 856	1 960		
TRAFFIC CONTRAVENTION SYSTEM								7 000	7 399	7 813		
HIRE SUNDRY EQUIPMENT								1 061	1 121	1 184		
GRADING SPORTSGROUNDS								4 664	4 929	5 205		
EPWP GRANT								2 246	2 000	2 000		
COMMISSION ON PRE-PAID SALES								15 938	16 847	17 790		
CONSUMABLES								2 651	2 802	2 959		
CHEMICALS								1 300	1 374	1 451		
ADVERTISING								1 906	2 014	2 127		
OTHER EXPENSES								475 776	502 695	530 343		
<b>Total 'Other' Expenditure</b>								<b>680 281</b>	<b>721 626</b>	<b>760 598</b>		
<b>Repairs and Maintenance</b>												
Employee related costs												
Other materials												
Contracted Services								126 791	134 018	141 523		
Other Expenditure												
<b>Total Repairs and Maintenance Expenditure</b>								<b>126 791</b>	<b>134 018</b>	<b>141 523</b>		

**Table 53 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits											
Other current investments								27 933	25 000	25 000	
<b>Total Call investment deposits</b>	2	-	-	-	-	-	-	27 933	25 000	25 000	
<b>Consumer debtors</b>											
Consumer debtors								2 857 187	2 794 062	2 783 946	
Less: Provision for debt impairment								(2 608 688)	(2 602 562)	(2 603 501)	
<b>Total Consumer debtors</b>	2	-	-	-	-	-	-	248 499	191 499	180 445	
<b>Debt impairment provision</b>											
Balance at the beginning of the year								(2 608 688)	(2 146 067)	(1 675 305)	
Contributions to the provision								462 621	470 762	471 701	
Bad debts written off											
<b>Balance at end of year</b>								(2 146 067)	(1 675 305)	(1 203 604)	
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)								12 313 089	12 447 627	12 587 389	
Less: Accumulated depreciation											
<b>Total Property, plant and equipment (PPE)</b>	2	-	-	-	-	-	-	7 242 854	7 762 898	8 312 084	
								5 070 235	4 684 729	4 275 325	
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities								20 000	20 000	20 000	
<b>Total Current liabilities - Borrowing</b>								20 000	20 000	20 000	
<b>Trade and other payables</b>											
Trade and other creditors								302 606	242 606	212 606	
Unspent conditional transfers								2 000	3 000	3 000	
VAT											
<b>Total Trade and other payables</b>	2	-	-	-	-	-	-	304 606	245 606	215 606	
<b>Non current liabilities - Borrowing</b>											
Borrowing								102 000	92 000	82 000	
Finance leases (including PPP asset element)											
<b>Total Non current liabilities - Borrowing</b>	4	-	-	-	-	-	-	102 000	92 000	82 000	
<b>Provisions - non-current</b>											
Retirement benefits								230 000	235 000	240 000	
List other major provision items								20 000	21 000	22 000	
Refuse landfill site rehabilitation								55 000	57 500	60 000	
Other											
<b>Total Provisions - non-current</b>								305 000	313 500	322 000	
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance								5 159 222	5 025 141	4 890 584	
GRAP adjustments											
Restated balance											
Surplus/(Deficit)								5 159 222	5 025 141	4 890 584	
Appropriations to Reserves								(147 496)	(146 281)	(129 191)	
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
<b>Accumulated Surplus/(Deficit)</b>	1	-	-	-	-	-	-	5 011 726	4 878 860	4 761 393	
<b>Reserves</b>											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
<b>Total Reserves</b>	2	-	-	-	-	-	-				
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	-	-	-	-	-	-	5 011 726	4 878 860	4 761 393	



CITY OF  
MATLOSANA

## QUALITY CERTIFICATE

I Theetsi Solomon Roger Nkhumise, Municipal Manager of City of Matlosana Municipality, hereby certify that the 2017/2018 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 budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

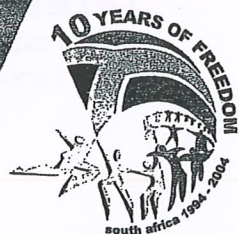
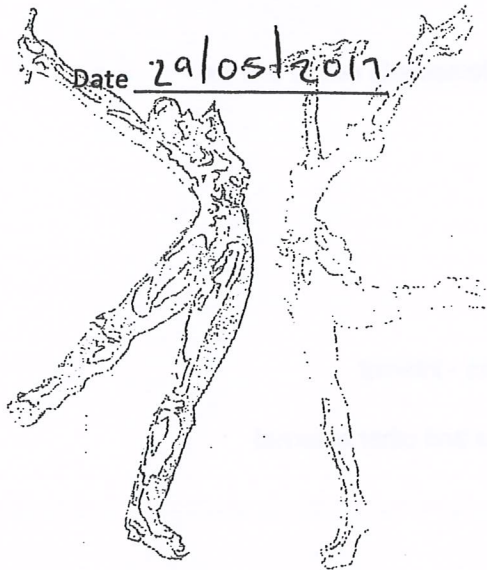
Theetsi Solomon Roger Nkhumise

Municipal Manager of City of Matlosana - NW403

Signature

Date

29/05/2017



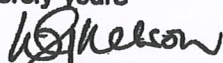
**SUBJECT: NON – COMPLIANCE WITH MUNICIPAL BUDGET AND REPORTING REGULATIONS (MBRR)**

**Municipal Manager's Quality Certification**

You are therefore required to address the non-compliance raised above and present the corrected Schedule-A (Annual Budget and Supporting Documents) to Provincial Treasury for review on or before Wednesday 03 June 2017.

The Municipality must further present the corrected Schedule-A (Annual Budget and Supporting Documents) for approval by Council on or before Friday 23 June 2017.

Sincerely yours



**Ms. W.J. NELSON**

**MEC: FINANCE, ECONOMY AND ENTERPRISE DEVELOPMENT**

Date: 05/06/2017