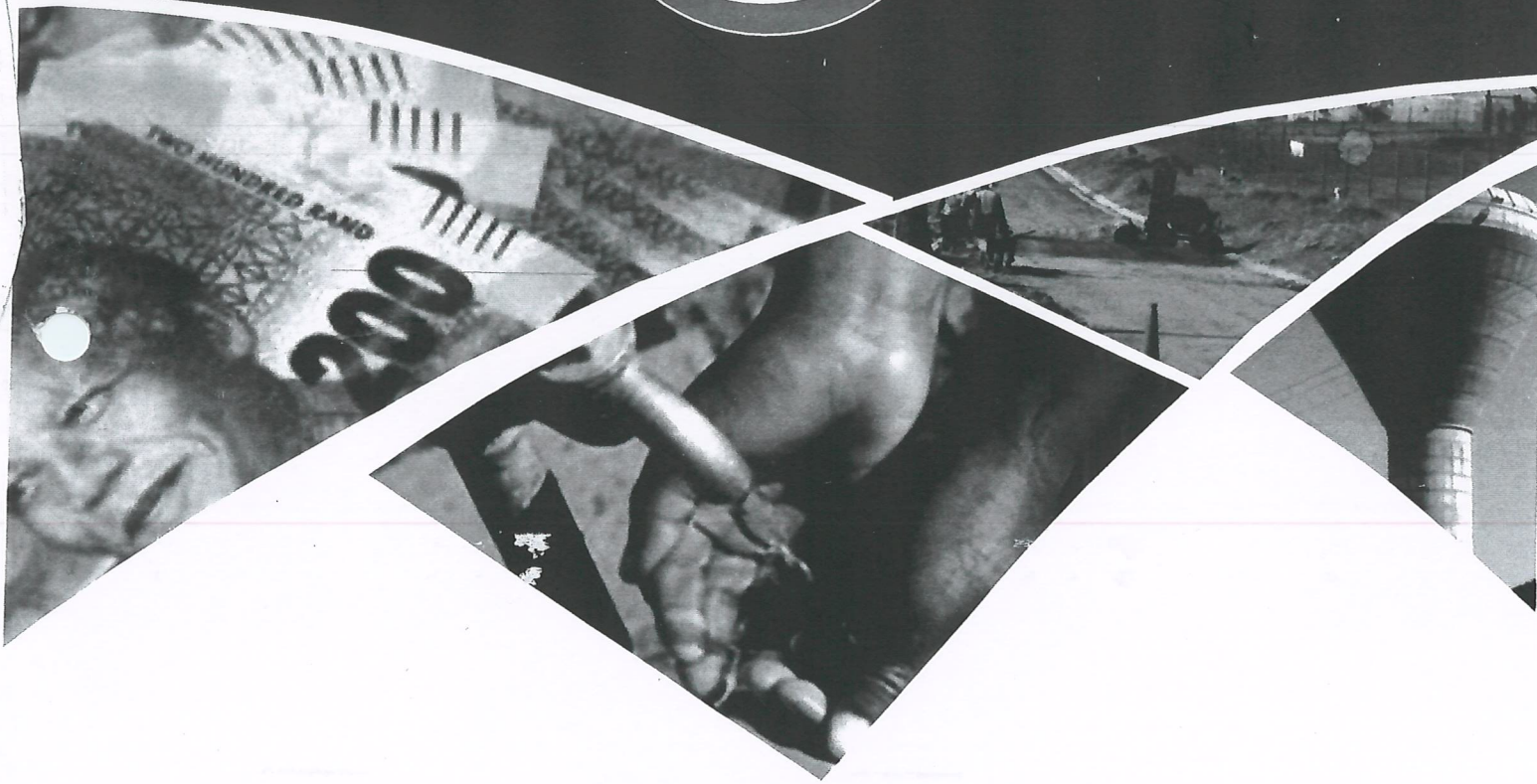


city of people ON THE MOVE



2018/2019 - 2020/2021

MTREF BUDGET

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SCHEDULE A

FINAL ANNUAL MTREF BUDGET AND SUPPORTING DOCUMENTATION

OF

**CITY OF MATLOSANA
MUNICIPALITY**

2018/19 - 2020/21

**ANNUAL BUDGET
OF
CITY OF
MATLOSANA
MUNICIPALITY
(NW403)**

2018/2019 TO 2020/2021 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

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Abbreviations and Acronyms

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

PART 1 – ANNUAL BUDGET

1.1 INTRODUCTION (Executive Mayor)

To be submitted in Council

1.2 COUNCIL RECOMMENDATIONS/ RESOLUTION

TABLING OF THE CITY OF MATLOSANA MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) 2018/2019 – 2020/2021

RESOLVED

- a) That the Budget as set-out in the document for the financial year 2018/19 and indicative allocations for the two outer years 2019/20 and 2020/21 be **TABLED** in accordance with section 24 of the Municipal Finance Management Act 56 of 2003 as amended:
- b) That Council approved the tariffs for 2018/19 tariffs for the main trading services listed below, as set out in the budget document
- the tariffs for electricity
 - the tariffs for the supply of water
 - the tariffs for sanitation services
 - the tariffs for property rates
 - the tariffs for solid waste removal
- The increase in electricity tariffs is subject NERSA approval.
- c) That Council approved the tariffs for 2018/19, as set out in the budget document.
- d) That Council approved the amendments to the following budget related policies for 2018/19 financial year:
- CUSTOMER CARE, CREDIT CONTROL & DEBT COLLECTION POLICY
 - PROVISION FOR DEBT IMPAIRMENT POLICY
 - INVESTMENT & CASH MANAGEMENT POLICY
 - IRRECOVERABLE BAD DEBT POLICY
 - RATES POLICY
 - TARIFF POLICY
 - INDIGENT RELIEF POLICY
 - SUPPLY CHAIN MANAGEMENT POLICY & SCM POLICY FOR INFRASTRUCTURE, PROCUREMENT AND DELIVERY MANAGEMENT
 - BUDGET POLICY
 - TRANSFER OF FUNDS POLICY
 - INSURANCE POLICY AND PROCUDERES
 - OVERTIME POLICY
- e) That the following budget related policies, as approved during previous financial years, remain in force for the 2018/2019 financial year.
- ASSET MANAGEMENT POLICY
 - BORROWING POLICY
 - FUNDING & RESERVE POLICY
 - GRANT POLICY
- f) That Council takes cognizance of the revenue enhancement plan and water loss strategy contained in the MTREF budget document
-

1.3 EXECUTIVE SUMMARY

The state of the economy will continue to have an adverse effect on the consumers of the City of Matlosana in the 2018/19 financial year. 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, 89 & 91 were used to guide the compilation of the 2018 – 2021 MTREF.

The main challenges experienced during the compilation of the 2018/19 – 2020/21 MTREF can be summarized as follows:

- The ongoing difficulties in the international, national and most importantly the local economy. Although there are signs of improvement nationally and internationally. The local economy is still in distress as a result of the declining mining sector.
- 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 meet 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, 2017/18 and over 2018/19 MTREF.

The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:

- The 2017/18 budget informed the preparation of the 2018/19 budget.
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, currently forecast at 5.3%. Price increases in the inputs of services that are beyond the control of Council are for instance the cost of bulk water

and electricity. Furthermore, tariffs need to remain or move towards being cost reflective; and should take into account the need to address infrastructure backlogs.

- The cost containment measures that was implemented to eliminate wasteful expenditure, reprioritise spending and ensure savings on six focus areas namely;
 - Consultancy fees;
 - No credit cards;
 - Travel and related costs;
 - Advertising;
 - Catering and event;
 - As well as the costs for accommodation.

The Municipality took notice of the cost containment measures as approved by Cabinet and tabled in Council with the approval of the 2016/17 MTREF.

There will be no additional budget allocated by national and provincial government for funds, unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the Division of Revenue Act.

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

Table 1 Consolidated Overview of the 2018/19 to 2020/21 MTREF

	Budget Year 2017/2018	Budget Year 2018/2019	Budget Year +1 2019/2020	Budget Year+2 2020/2021
	R '000	R '000	R '000	R '000
Total Operating Revenue	-2 955 774	-2 720 640	-2 884 490	-3 068 124
Total Operating Expenditure	3 277 018	3 119 078	3 143 161	3 301 964
Total Capital	173 747	168 890	165 073	156 508
Surplus/(Deficit) for the year after Capital contribution	(147 497)	(229 549)	(93 599)	(77 332)

Total operating revenue will decrease by R 235.1 million for the 2018/19 financial year when compared to the 2017/18 Budget. For the two outer years, operational revenue will increase by 6 and 6.3 per cent respectively.

Total operating expenditure for the 2018/19 financial year has been appropriated at R 3.1 billion and translates into a deficit budget after capital transfers of R 229.5 million. When compared to the 2017/18 budget, operational expenditure reduced by R 157.9 million. The operating deficit for the two outer years steadily increase to R 93.5 million and then R 77.3 million.

The capital budget of R 168.88 million for 2018/19 is less than the R 173.7 million for 2017/18. The bulk of the capital programs will be funded from Government grants and transfers. Provision was also made for R 21.5 million Council funded capital in the coming financial year and a R 30 million loan for the purchase of refuse trucks.

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. During the 2017/18 financial year the challenges with the financial system impacted negatively on the municipality's revenue collection. 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 on average by 5.3 percent.

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.

NW403 City Of Matlosana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2017	2018/19 Medium Term Revenue & Expenditure Framework		
		Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1				
Revenue By Source					
Property rates	2	378 837	413 697	438 875	465 520
Service charges - electricity revenue	2	838 331	804 516	852 936	904 509
Service charges - water revenue	2	639 296	591 844	627 457	665 323
Service charges - sanitation revenue	2	173 694	119 074	126 347	134 268
Service charges - refuse revenue	2	215 011	185 156	188 848	199 234
Service charges - other		15 000			
Rental of facilities and equipment		6 587	6 793	7 160	7 554
Interest earned - external investments		2 500	4 039	4 257	4 492
Interest earned - outstanding debtors		161 884	132 829	140 002	147 702
Dividends received		-			
Fines, penalties and forfeits		7 452	8 640	9 107	9 608
Licences and permits		7 529	1 279	1 348	1 423
Agency services		-	7 055	7 436	7 845
Transfers and subsidies		364 262	409 108	438 656	476 495
Other revenue	2	145 392	36 610	42 060	44 153
Gains on disposal of PPE		-	-	-	-
Total Revenue (excluding capital transfers and contributions)		2 955 774	2 720 640	2 884 490	3 068 124

Chart Title

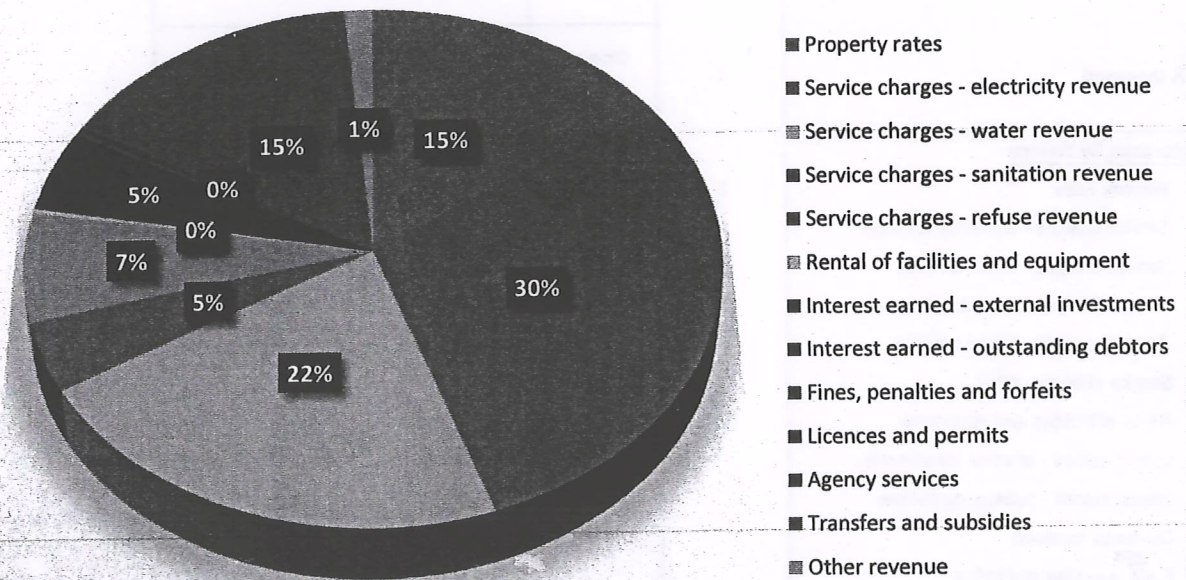


Table 3 Percentage growth in revenue by main revenue source

Description	Ref	2016/17	Current Year 2017/18	Percentage % Increase 17/18	2018/19 Medium Term Revenue &	Percentage % Increase 18/19
R thousand	1	Adjustment Budget	Original Budget	Percentage % Increase	Budget Year 2018/19	Percentage % Increase
Revenue By Source						
Property rates	2	338 663	378 837	12%	413 697	9%
Service charges - electricity revenue	2	802 927	838 331	4%	804 516	-4%
Service charges - water revenue	2	549 182	639 296	16%	591 844	-7%
Service charges - sanitation revenue	2	106 675	173 694	63%	119 074	-31%
Service charges - refuse revenue	2	149 582	215 011	44%	185 156	-14%
Service charges - other		29 402	15 000	-49%		0%
Rental of facilities and equipment		6 934	6 587	-5%	6 793	3%
Interest earned - external investments		2 108	2 500	19%	4 039	-28%
Interest earned - outstanding debtors		108 765	161 884	49%	132 829	-18%
Dividends received			-	0%		0%
Fines, penalties and forfeits		7 086	7 452	5%	8 640	16%
Licences and permits		7 701	7 529	2%	1 279	-83%
Agency services		-	-	0%	7 055	0%
Transfers and subsidies		351 271	364 262	4%	409 108	12%
Other revenue	2	147 369	145 392	1%	36 610	
Gains on disposal of PPE		-	-	0%	-	
Total Revenue (excluding capital transfers and contributions)		2 607 665	2 955 774	13%	2 720 640	-8%

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 63 % of the total revenue mix in 2018/19. 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 15 % and will increase to R 413.6 million.

The fourth largest source (besides other service charges) is transfer recognised-operational. 'Other revenue' which consists of various items such as income received from agency fees, building plan fees, connection fees, cemetery fees and advertisement fees accounts for 2% of the operational revenue. 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 409.1 million in the 2018/19 financial year.

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

Table 4 Operating Transfers and Grant Receipts.

NW403 City Of Matlosana - Supporting Table SA18 Transfers and grant receipts

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand			
RECEIPTS:			
Operating Transfers and Grants			
National Government:	404 108	433 082	470 672
Local Government Equitable Share	392 856	428 402	465 560
Local Finance Management Grant	2 215	2 680	3 112
EPWP	2 037	-	-
Energy Efficiency and Demand-side [Schedule 5B]	7 000	2 000	2 000
MSIG			
Provincial Government:	716	-	-
Sport ,Arts ,Culcural and Library	716		
Museum Grant	716	-	-
Other grant providers:	-	-	-
Total Operating Transfers and Grants	404 824	433 082	470 672
Capital Transfers and Grants			
National Government:	173 174	169 447	161 131
Municipal Infrastructure Grant (MIG)	85 689	87 489	92 468
Neighbourhood Development Partnership	48 485	56 475	40 000
Integrated National Electrification Programme	22 000	25 483	28 663
Water Services infrastructure Grant	17 000	-	-
Other grant providers:	-	-	-
Total Capital Transfers and Grants	173 174	169 447	161 131
TOTAL RECEIPTS OF TRANSFERS & GRANTS	577 998	602 529	631 803

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 5.3% inflation forecast for 2018/19. 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 at 9% for 2018/19. 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 – R 3 380 will be hundred per cent (100%) exempted

The property must be categorized as residential.

Table 5 Comparison of proposed rates to levied for the 2018/19 financial year

Category	Current Tariff (1 July 2017)	Proposed tariff (from 1 July 2018)
	R	R
Residential properties	0.01179	0.01241
State owned properties	0.01179	0.01241
Business & Commercial	0.02808	0.02960
Agricultural	0.01179	0.01241
Vacant land	0.02808	0.02960
Industrial	0.02808	0.02960
Public benefit organization properties	0.01179	0.01241

1.4.2 Sale of Water and Impact on Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. The City of Matlosana is facing the same dilemma as any municipality in the Country. Consequently, National Treasury urges municipalities to review the level and structure of their water tariffs carefully, with a view to ensure:

- That water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants and water networks; and the cost associated with reticulation expansion;
- That water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- That water tariffs are designed to encourage efficient and sustainable consumption (e.g. through increasing block tariffs).

As water distribution losses impact on the municipality's ability to provide affordable water to its consumers, one of the main focus areas in the 2018/19 MTREF need to be the curbing of water distribution losses. In this regard the municipality is currently busy developing a policy for water distribution losses.

Midvaal Water Company will increase its bulk tariffs by 9 percent. The tariff structure is designed to charge higher levels of consumption at a higher rate. All registered indigents will again be granted 6 kl water free of charge.

Table 1 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2017/18	PROPOSED TARIFFS 2018/19
	Rand per kl	Rand per kl
RESIDENTIAL		
For the first 6kl, per kl: 1-6	R 18,20	R 19,66
For the following 14 kl, per kl: 7 - 20	R 22,30	R 24,08
For the following 30 kl, per kl: 21 - 50	R 23,00	R 24,84
For the following 50 kl, per kl: 51 - 100	R 23,80	R 25,70
For the following 100 kl, per kl: 101 - 200	R 25,10	R 27,11
For the following 100 kl, per kl: 201 - 300	R 26,60	R 28,73

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

1.4.3 Sale of Electricity and Impact on Tariff Increases

The municipality have budgeted for a proposed electricity tariff increase of between 6.84 percent on electricity consumption and 5.3 percent on basic charges with effect from 1 July 2018. 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 electricity bulk tariff increases by Nersa.

The proposed increase for basic charges on electricity will be 5.3%, in line with the 5.3% inflation forecast from National Treasury.

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

All registered indigent 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	0.8731	0.9194	0.04
51-350	1.1107	1.1696	0.06
351-600	1.4800	1.5584	0.08
601-1500	1.7000	1.7901	0.09
>1500	1.7900	1.8849	0.09

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 5.3 per cent for sanitation from 1 July 2018 is proposed.

The increase in sanitation tariffs is capped at 5.3% for 2018/19 financial year as per guideline from National Treasury. The impact of higher electricity cost on the operation of sewer plants impacts on the profitability of sewer services.

Table SA14 will shows the impact of the proposed increases in sanitation tariffs on the sanitation charges

1.4.5 Waste Removal and Impact on Tariff Increase

A 5.3% increase in the waste removal tariffs is proposed from 1 July 2018 to keep the service sustainable. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2018:

Table 8 Proposed waste removal Tariffs

CATEGORY	CURRENT TARIFFS 2017/18	PROPOSED TARIFFS 2018/19
	Rand per ℓ	Rand per ℓ
RESIDENTIAL		
Per 85 and 240L container once a week	R 130.23	R 137.10
Per 85 and 240L container twice a week	R 168.58	R 177.54

Table SA14 will shows the impact of the proposed increases in waste removal tariffs.

1.4.6 Overall impact of tariff increases on households.

The table SA14 in Schedule A shows the overall expected impact of the tariff increases on a large and small household, as well as indigent household receiving free basic services.

Table 9 MBRR Table SA14 – Household bills

NW403 City Of Matlosana - Supporting Table SA14 Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % Incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		637,18	0,06	0,06	0,06		0,06		672,21	708,51	747,48
Electricity: Basic levy		100,00	0,12	0,08	0,06		0,06		145,25	153,09	161,51
Electricity: Consumption		731,76	0,12	0,08	0,02		0,02		1 100,62	1 160,05	1 223,86
Water: Basic levy		100,00	0,15	0,06	0,09		0,09		155,12	163,50	172,49
Water: Consumption		341,76	0,10	0,10	0,09		0,09		801,96	845,27	891,76
Sanitation		61,60	0,06	0,06	0,06		0,06		85,47	90,09	95,04
Refuse removal		109,65	0,06	0,06	0,06		0,06		156,29	164,73	173,79
Other		60,00		0,06	0,06		0,06		87,75	92,49	97,58
sub-total		2 141,95	0,66	0,54	0,50	-	0,50	642 375,9%	3 204,67	3 377,72	3 563,50
VAT on Services											
Total large household bill:		2 141,95	0,66	0,54	0,50	-	0,50	642 375,9%	3 204,67	3 377,72	3 563,50
% Increase/-decrease			(100,0%)	(18,4%)	(7,6%)	(100,0%)	-		642 375,9%	5,4%	5,5%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		380,05	611,92	0,06	0,06		0,06		465,38	490,51	517,49
Electricity: Basic levy		100,00	112,20	0,06	0,06		0,06		145,25	153,09	161,51
Electricity: Consumption		500,00	545,50	0,08	0,02		0,02		718,90	757,72	799,40
Water: Basic levy		100,00	115,00	0,06	0,09		0,09		155,12	163,50	172,49
Water: Consumption		701,89	412,72	0,10	0,09		0,09		660,38	696,04	734,32
Sanitation		51,70	128,40	0,06	0,06		0,06		85,47	90,09	95,04
Refuse removal		109,65	115,79	0,06	0,06		0,06		156,29	164,73	173,79
Other					-				87,75	92,49	97,58
sub-total		1 943,29	2 041,53	0,48	0,44	-	0,44	563 833,5%	2 474,54	2 608,17	2 751,61
VAT on Services											
Total small household bill:		1 943,29	2 041,53	0,48	0,44	-	0,44	563 833,5%	2 474,54	2 608,17	2 751,61
% Increase/-decrease			5,1%	(100,0%)	(8,6%)	(100,0%)	-		563 833,5%	5,4%	5,5%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		100,00	206,88	0,06	-		-				
Electricity: Basic levy		383,80	-	0,06	-		-				
Electricity: Consumption		-	298,80	0,08	336,00		336,00	19,0%	400,00	421,60	444,79
Water: Basic levy		111,40	-	0,06	-		-				
Water: Consumption		-	242,30	0,10	421,40		421,40	(8,8%)	384,32	405,07	427,35
Sanitation		-		0,06							
Refuse removal		-		0,06							
Other		-									
sub-total		595,20	747,98	0,48	757,40	-	757,40	3,6%	784,32	826,67	872,14
VAT on Services											
Total small household bill:		595,20	747,98	0,48	757,40	-	757,40	3,6%	784,32	826,67	872,14
% Increase/-decrease			25,7%	(99,9%)	157 891,7%	(100,0%)	-		3,6%	5,4%	5,5%

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the proposed 2018/19 budget MTREF, is informed by the following factors:

- The approval of a non-cash deficit adjustment budget (operating expenditure exceed operating revenue) due to the high provision for non-cash items like provision for Bad Debt and Depreciation.
- The repairs and maintenance backlogs.
- Funding of the budget over the medium-term as informed by section 18 and 19 of MFMA.
- Operational gains and efficiencies will be directed to avoid a deficit.
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

- The process of implementing the new Standard Chart of Accounts in municipalities with effect 1 July 2017. (City of Matlosana, 1 July 2018)

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

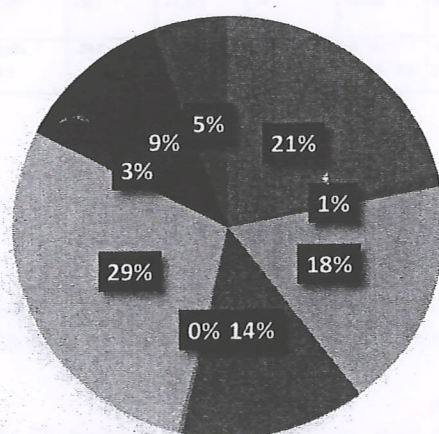
Table 10 Summary of operating expenditure by standard classification item

NW403 City Of Matlosana - Table A4 Budgeted Financial Performance (revenue and expenditure)

NW403 City Of Matosana
Table A4 Budgeted Financial Performance (Revenue and Expenditure)

Description	Ref	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
		Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1				
Expenditure By Type					
Employee related costs	2	586 853	652 668	688 262	726 762
Remuneration of councillors		31 657	33 907	35 738	37 704
Debt impairment	3	462 621	551 000	506 470	535 349
Depreciation & asset impairment	2	492 000	428 189	435 168	439 561
Finance charges		11 000	11 000	11 000	11 000
Bulk purchases	2	837 563	897 900	947 905	1 004 548
Other materials	8	126 791	99 002	33 478	98 619
Contracted services		48 251	269 505	240 183	253 274
Transfers and subsidies		-	-	-	-
Other expenditure	4, 5	680 281	175 909	184 956	195 147
Loss on disposal of PPE		-	-	-	-
Total Expenditure		3 277 018	3 119 078	3 143 161	3 301 964

Chart Title



- Employee related costs
- Remuneration of councillors
- Debt impairment
- Depreciation & asset impairment
- Finance charges
- Bulk purchases
- Other materials
- Contracted services
- Other expenditure

The budget allocation for employee related costs (including remuneration of councillors) for the 2018/19 financial year totals R 686.5 million, which is 22 % of the total operating expenditure. Employee Salaries and Allowances will overall increase by 11%, this is due to the provision to fill vacant positions. This includes a provision for the filling of the recently advertised positions and the remuneration of councilors. Employees' Social Contributions will increase with 5.3%. 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 councilors 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 75% and the writing off of 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 once again be one of the main priorities for the 2018/19 budget year. 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 428 million for the 2018/19 financial year and equates to 14 % of the total operating expenditure. The Municipality has fully implemented GRAP 17. This has resulted in a significant increase in depreciation relative to previous years. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges amounts to R11 million.

Bulk purchases are directly informed by the purchases of electricity from Eskom and water from Midvaal. The cost incurred to provide those services have been factored into the budget appropriations and directly inform the revenue provisions.

Contracted Services have increased due to the mSCOA re-classification. As part of the compilation of the 2018/19 MTREF, this group of expenditure was critically evaluated and operational efficiencies were enforced. Further details relating to contracted services can be seen in MBRR SA1.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Other Expenditure will reduce overall. Several of the other expenditure votes have not been increased as per decision of Top Management not to increase the whole budget with the 6% inflation increase to curb cost on expenditure.

Bulk Purchases increase with more than 5.3% due to the increases by Eskom to the municipality for electricity and 9% by Midvaal Water for water.

Expenditure will furthermore increase to make provision for the urgent challenges that the water and sewer sections face regarding maintenance of the infrastructure. Additional provision is made for the repair and maintenance of the road infrastructure as well.

The provision for Debt Impairment has been increased compared to the 2017/18 budget as a result of the lower than expected collection rate. The debt impairment is now calculated on a 75% collection rate.

1.5.1 Priority given to Repairs and Maintenance.

Aligned to the priority given to preserving and maintaining the City's current infrastructure, the 2018/19 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 2018/19. 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 2018/20 19 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:
Table 11 Repairs and maintenance per asset class

NW403 City Of Matlosana - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		41 375	26 410	25 748	87 647	-	87 647	82 504	68 266	72 021
Roads Infrastructure		8 992	7 779	14 086	19 904	-	19 904	24 636	15 706	16 569
Roads		8 992	7 779	14 086	19 904	-	19 904	22 929	13 907	14 671
Road Structures										
Road Furniture		-	-	-	-	-	-	1 707	1 799	1 898
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		10 706	9 416	-	32 845	-	32 845	36 949	31 566	33 302
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations		10 706	9 416	-	32 845	-	32 845	527	555	585
MV Switching Stations		-	-	-	-	-	-	2 633	2 775	2 927
MV Networks										
LV Networks		-	-	-	-	-	-	33 790	28 237	29 790
Capital Spares										
Water Supply Infrastructure		8 294	5 198	6 490	16 193	-	16 193	17 231	17 107	18 048
Dams and Weirs										
Boreholes										
Reservoirs		-	-	-	-	-	-	3 896	4 106	4 332
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		8 294	5 198	6 490	16 193	-	16 193	13 335	13 001	13 716
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		8 836	4 016	5 172	13 132	-	13 132	3 688	3 887	4 101
Pump Station										
Reticulation		8 836	4 016	5 172	13 132	-	13 132	3 242	3 417	3 605
Waste Water Treatment Works		-	-	-	-	-	-	446	471	496
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		4 546	-	-	5 573	-	5 573	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities		4 546			5 573		5 573			
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										

Community Assets	8 995	1 121	8 538	17 519	-	17 519	12 701	12 622	12 521
Community Facilities	8 995	24	4 579	14 505	-	14 505	4 171	3 632	4 042
Halls	445			731		731			
Centres									
Crèches									
Clinics/Care Centres	5		10	49		49			
Fire/Ambulance Stations	880			1 584		1 584			
Testing Stations				491		491			
Museums	42	16	358	177	-	177	177	186	197
Galleries									
Theatres									
Libraries	164	8	116	538	-	538	1 264	979	1 032
Cemeteries/Crematoria	285	-	-	3 664	-	3 664	408	430	454
Police				3 579		3 579			
Parks	2 421		2 045						
Public Open Space	-	-	-		-		40	42	44
Nature Reserves	2 948	-	-	134	-	134	1 081	928	979
Public Ablution Facilities									
Markets	1 805	-	2 050	3 557	-	3 557	1 201	1 266	1 336
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities		1 096	3 959	3 014	-	3 014	8 529	8 990	9 484
Indoor Facilities	-	620	3 777	3 014	-	3 014	3 686	3 885	4 098
Outdoor Facilities	-	477	182	-	-	-	4 844	5 105	5 386
Capital Spares									
Heritage assets	-	-	-	-	-	-	262	276	291
Monuments									
Historic Buildings									
Works of Art	-	-	-	-	-	-	43	45	48
Conservation Areas	-	-	-	-	-	-	219	231	244
Other Heritage									
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating									
Improved Property									
Unimproved Property									
Non-revenue Generating									
Improved Property									
Unimproved Property									
Other assets	6 103	3 921	33 954	344	-	344	5 945	6 463	6 818
Operational Buildings	6 103	3 921	33 954	-	-	-	5 945	6 463	6 818
Municipal Offices	6 103	3 123	33 954	-	-	-	5 585	6 083	6 417
Pay/Enquiry Points									
Building Plan Offices									
Workshops	-	798	-	-	-	-	337	355	375
Yards									
Stores	-	-	-	-	-	-	24	25	26
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	344	-	344	-	-	-
Staff Housing									
Social Housing				344		344			
Capital Spares									

Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	20 842	-	20 842	10 763	11 213	11 830
Servitudes										
Licences and Rights		-	-	-	20 842	-	20 842	10 763	11 213	11 830
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		-	-	-	-	-	-	10 763	11 213	11 830
Load Settlement Software Applications										
Unspecified					20 842		20 842			
Computer Equipment		-	-	-	-	-	-	3 315	3 495	3 687
Computer Equipment		-	-	-	-	-	-	3 315	3 495	3 687
Furniture and Office Equipment		-	2 638	-	439	-	439	2 351	2 556	2 696
Furniture and Office Equipment		-	2 638	-	439	-	439	2 351	2 556	2 696
Machinery and Equipment		-	1 575	-	-	-	-	12 565	13 086	13 805
Machinery and Equipment		-	1 575	-	-	-	-	12 565	13 086	13 805
Transport Assets		-	14 937	-	-	-	-	23 408	24 616	25 970
Transport Assets		-	14 937	-	-	-	-	23 408	24 616	25 970
Libraries		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	56 473	50 601	68 240	126 791	-	126 791	153 815	142 792	150 645

For the 2018/19 financial year, R 153.8 million of total repairs and maintenance will be spent on infrastructure assets.

1.5.2 Free Basic Services: Basic Social Services Package.

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive the free services, the households are required to register in terms of the City's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in MBRR A10 (Basic Service Delivery Measurement)

The cost of the social package of the registered indigent households is financed by national government through the local government equitable share grant received in terms of the annual Division of Revenue Act.

1.6 Capital Expenditure

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

Table 12 2018/19 Medium-term capital budget per vote

NW403 City Of Matlosana - Table A5 Budgetary Control Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 03 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		-	-	-	-	-	-	-	12 000	10 000	16 970
Vote 05 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 06 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	8 597	10 597
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-
Vote 09 - Environmental Protection		-	-	-	-	-	-	-	24 400	28 043	33 463
Vote 10 - Electricity		-	-	-	-	-	-	-	45 822	45 450	30 845
Vote 11 - Water Management		-	-	-	-	-	-	-	15 921	16 823	17 187
Vote 12 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 13 - Waste Management		-	-	-	-	-	-	-	722	6 007	19 939
Vote 14 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	98 865	114 920	129 000
Single-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		5 690	19 019	7 278	35 000	-	35 000	-	38 900	10 000	10 000
Vote 02 - Budget & Treasury Office		370	7 137	3 394	5 000	-	5 000	-	5 600	-	-
Vote 03 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		9 597	445	24 491	10 952	-	10 952	-	-	-	-
Vote 05 - Public Safety		136	2 379	29	-	-	-	-	-	-	-
Vote 06 - Housing		-	-	-	-	-	-	-	4 000	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-
Vote 09 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		2 384	10 428	37 956	21 904	-	21 904	-	20 421	18 743	6 687
Vote 11 - Water Management		23 108	18 813	23 991	42 187	-	42 187	-	16 848	5 000	-
Vote 12 - Waste Water Management		24 244	25 061	17 757	7 484	-	7 484	-	17 541	9 000	6 000
Vote 13 - Waste Management		-	-	3 394	-	-	-	-	-	10 000	7 410
Vote 14 - Road Transport		35 000	44 571	49 113	91 220	-	91 220	-	18 216	7 410	7 410
Vote 15 - Other		-	-	3 484	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		101 128	127 853	170 886	213 747	-	213 747	-	121 525	60 153	37 507
Total Capital Expenditure - Vote		101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508
Capital Expenditure - Functional											
Governance and administration		5 690	26 156	10 871	40 000	-	40 000	-	44 500	10 000	10 000
Executive and council		690	19 019	7 278	35 000	-	35 000	-	38 900	10 000	10 000
Finance and administration		5 000	7 137	3 394	5 000	-	5 000	-	5 600	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		10 103	2 824	24 520	10 952	-	10 952	-	16 000	10 000	16 970
Community and social services		370	445	24 491	-	-	-	-	-	-	-
Sport and recreation		9 597	2 379	29	10 952	-	10 952	-	12 000	10 000	16 970
Public safety		136	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	4 000	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		35 600	44 571	49 113	91 220	-	91 220	-	18 938	13 417	27 349
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		35 600	44 571	49 113	91 220	-	91 220	-	18 938	13 417	27 349
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		49 736	54 303	83 097	71 576	-	71 576	-	140 952	133 059	101 593
Energy sources		2 384	10 428	37 956	21 904	-	21 904	-	44 821	46 786	40 150
Water management		23 108	18 813	23 991	42 187	-	42 187	-	62 669	50 450	30 845
Waste water management		24 244	25 061	17 757	7 484	-	7 484	-	33 461	25 823	23 187
Waste management		-	-	3 394	-	-	-	-	-	10 000	7 410
Other		-	-	3 484	-	-	-	-	-	8 597	10 597
Total Capital Expenditure - Functional	3	101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508
Funded by:											
National Government		92 823	101 691	167 202	173 747	-	173 747	-	168 890	165 073	156 508
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	92 823	101 691	167 202	173 747	-	173 747	-	168 890	165 073	156 508
Public contributions & donations	5	5 000	-	-	30 000	-	30 000	-	30 000	-	-
Borrowing	6	3 306	26 162	3 684	10 000	-	10 000	-	21 500	10 000	10 000
Internally generated funds		-	-	-	-	-	-	-	-	-	-
Total Capital Funding	7	101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508

For 2018/19, an amount of R 168.8 million is being appropriated for the development of infrastructure. R 21.5 million will be funded from council funds for critical operational capital needs. The balance will be grant funded. The municipality intend to take up a loan for the purchase of vehicles to the amount of R 30 million.

Total new assets represent 100 per cent or R 168.8 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 program relating to new asset construction, as well as operational repairs and maintenance by asset class

1.7 Annual Budget Tables.

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

NW403 City Of Matlosana - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	247 297	272 707	265 941	378 837	-	378 837	-	413 697	438 875	465 520
Service charges	1 061 159	1 311 585	1 389 127	1 881 332	-	1 881 332	-	1 700 589	1 795 589	1 903 334
Investment revenue	3 920	6 912	8 358	2 500	-	2 500	-	4 039	4 257	4 492
Transfers recognised - operational	414 575	346 443	477 693	364 262	-	364 262	-	409 108	438 656	476 495
Other own revenue	156 680	228 614	261 421	328 843	-	328 843	-	193 206	207 113	218 284
Total Revenue (excluding capital transfers and contributions)	1 883 630	2 166 261	2 402 541	2 955 774	-	2 955 774	-	2 720 640	2 884 490	3 068 124
Employee costs	478 415	489 415	530 451	586 853	-	586 853	-	652 668	688 262	726 762
Remuneration of councillors	22 243	23 982	28 398	31 657	-	31 657	-	33 907	35 738	37 704
Depreciation & asset impairment	436 912	427 744	410 556	492 000	-	492 000	-	428 189	435 168	439 561
Finance charges	44 366	33 863	43 955	11 000	-	11 000	-	11 000	11 000	11 000
Materials and bulk purchases	717 323	809 946	843 460	964 355	-	964 355	-	996 901	1 041 383	1 103 167
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	516 724	735 718	852 981	1 191 153	-	1 191 153	-	996 413	931 610	983 770
Total Expenditure	2 215 983	2 520 667	2 709 801	3 277 018	-	3 277 018	-	3 119 078	3 143 161	3 301 964
Surplus/(Deficit)	(332 352)	(354 406)	(307 260)	(321 244)	-	(321 244)	-	(398 438)	(258 672)	(233 840)
Transfers and subsidies - capital (monetary alloc	830	100 131	-	173 747	-	173 747	-	168 890	165 073	156 508
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(331 522)	(254 275)	(307 260)	(147 497)	-	(147 497)	-	(229 549)	(93 599)	(77 332)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(331 522)	(254 275)	(307 260)	(147 497)	-	(147 497)	-	(229 549)	(93 599)	(77 332)
Capital expenditure & funds sources										
Capital expenditure	101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508
Transfers recognised - capital	92 823	101 691	167 202	173 747	-	173 747	-	168 890	165 073	156 508
Public contributions & donations	5 000	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	30 000	-	30 000	-	30 000	-	-
Internally generated funds	3 306	26 162	3 684	10 000	-	10 000	-	21 500	10 000	10 000
Total sources of capital funds	101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508
Financial position										
Total current assets	275 551	357 054	473 933	374 041	-	374 041	-	470 000	487 000	505 000
Total non current assets	6 025 843	5 826 340	5 551 418	5 223 432	-	5 223 432	-	5 133 701	4 807 803	4 443 961
Total current liabilities	596 822	610 587	781 726	362 434	-	362 434	-	732 746	532 448	279 938
Total non current liabilities	383 322	356 357	334 436	407 000	-	407 000	-	104 000	89 000	73 000
Community wealth/Equity	5 321 251	5 216 449	4 909 188	4 828 039	-	4 828 039	-	4 766 955	4 673 355	4 596 023
Cash flows										
Net cash from (used) operating	122 184	93 740	233 145	212 637	-	212 637	-	232 229	194 073	185 508
Net cash from (used) investing	(92 804)	(91 939)	146 496	(203 589)	-	(203 589)	-	(220 390)	(175 073)	(166 508)
Net cash from (used) financing	(48 537)	(6 731)	14 579	10 000	-	10 000	-	13 000	(19 000)	(19 000)
Cash/cash equivalents at the year end	30 500	25 569	419 788	19 048	-	19 048	-	110 000	110 000	110 000
Cash backing/surplus reconciliation										
Cash and investments available	30 500	25 569	90 532	68 665	-	68 665	-	110 000	110 000	110 000
Application of cash and investments	427 254	369 740	513 017	63 597	-	63 597	-	556 455	572 795	601 066
Balance - surplus (shortfall)	(396 754)	(344 171)	(422 485)	5 068	-	5 068	-	(446 455)	(462 795)	(491 066)
Asset management										
Asset register summary (WDV)	6 035 935	5 780 945	5 504 648	5 885 853	-	5 885 853	-	5 133 701	4 803 150	4 494 635
Depreciation	436 912	427 744	410 556	492 000	-	492 000	-	428 189	435 168	439 561
Renewal of Existing Assets	48 927	-	-	-	-	-	-	22 000	25 483	28 663
Repairs and Maintenance	56 473	50 601	68 240	126 791	-	126 791	-	153 815	142 792	150 645
Free services										
Cost of Free Basic Services provided	-	-	-	218 340	25 374	225 125	368 398	368 398	390 005	412 144
Revenue cost of free services provided	-	-	-	118 480	-	118 480	59 317	59 317	62 521	65 959
Households below minimum service level										
Water:	2	2	2	2	-	-	2	2	2	2
Sanitation/sewerage:	5	5	5	5	-	-	5	5	5	5
Energy:	166	166	166	166	-	-	168	168	170	171
Refuse:	-	-	0	0	-	0	0	0	0	0

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative due to non-cash item – (provision for bad debts and depreciation).
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from our investments. The amount is incorporated in the Net Cash from Investing on the Cash Flow Budget.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor.

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

NW403 City Of Matlosana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		718 614	767 923	829 000	925 787	-	925 787	843 414	907 108	992 997
Executive and council		3 357	6 991	490	3 086	-	3 086	4 625	8 348	30 925
Finance and administration		715 257	760 932	828 510	922 701	-	922 701	838 788	898 760	962 072
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		17 997	83 894	30 560	115 116	-	115 116	25 017	42 213	28 359
Community and social services		8 336	2 799	4 681	5 848	-	5 848	3 112	3 725	3 864
Sport and recreation		335	1 409	216	11 415	-	11 415	12 526	28 602	14 066
Public safety		6 832	77 690	23 312	95 331	-	95 331	9 379	9 886	10 429
Housing		2 495	1 937	2 254	2 166	-	2 166	-	-	-
Health		-	59	97	356	-	356	-	-	-
<i>Economic and environmental services</i>		79 488	100 295	132 304	99 266	-	99 266	40 976	46 130	54 895
Planning and development		-	1	360	-	-	-	9 326	9 522	10 054
Road transport		79 488	100 295	131 737	99 266	-	99 266	31 322	36 263	44 476
Environmental protection		-	-	208	-	-	-	328	346	365
<i>Trading services</i>		1 061 159	1 313 224	1 391 822	1 967 804	-	1 967 804	1 948 683	2 015 098	2 122 979
Energy sources		594 194	661 226	701 068	883 590	-	883 590	879 480	1 167 171	1 225 536
Water management		309 364	437 869	465 737	684 384	-	684 384	699 907	324 045	515 740
Waste water management		68 005	91 579	98 735	183 579	-	183 579	155 937	315 848	162 228
Waste management		89 596	122 551	126 282	216 251	-	216 251	213 359	208 034	219 476
<i>Other</i>	4	7 203	1 055	18 854	21 548	-	21 548	31 439	39 013	25 400
Total Revenue - Functional	2	1 884 461	2 266 392	2 402 541	3 129 521	-	3 129 521	2 889 530	3 049 562	3 224 632
Expenditure - Functional										
<i>Governance and administration</i>		499 304	764 056	810 779	866 210	-	866 210	580 732	581 820	611 204
Executive and council		82 689	64 870	96 387	170 131	-	170 131	288 745	292 436	306 014
Finance and administration		416 616	699 186	714 392	696 079	-	696 079	287 337	284 485	300 024
Internal audit		-	-	-	-	-	-	4 650	4 899	5 167
<i>Community and public safety</i>		186 693	252 440	385 015	421 059	-	421 059	232 884	245 533	258 603
Community and social services		78 724	59 649	122 587	106 033	-	106 033	67 234	69 131	71 580
Sport and recreation		51 392	54 971	36 954	87 692	-	87 692	93 899	99 923	106 263
Public safety		43 963	120 141	172 883	206 409	-	206 409	71 455	76 168	80 431
Housing		8 264	12 889	41 532	11 321	-	11 321	-	-	-
Health		4 351	4 788	11 060	9 603	-	9 603	296	312	329
<i>Economic and environmental services</i>		313 805	260 243	184 264	240 489	-	240 489	313 308	315 354	326 712
Planning and development		20 899	5 986	3 101	14 864	-	14 864	72 871	77 257	81 377
Road transport		292 906	254 257	180 108	225 625	-	225 625	236 185	233 619	240 615
Environmental protection		-	-	1 055	-	-	-	4 251	4 478	4 721
<i>Trading services</i>		1 199 547	1 230 457	1 299 482	1 724 210	-	1 724 210	1 967 889	1 975 850	2 079 261
Energy sources		625 408	639 291	720 264	859 958	-	859 958	1 029 708	1 025 005	1 081 977
Water management		364 455	385 097	392 679	540 811	-	540 811	635 593	655 800	689 280
Waste water management		105 350	105 491	116 900	181 267	-	181 267	138 536	137 936	142 685
Waste management		104 334	100 577	69 639	142 173	-	142 173	164 052	157 109	165 319
<i>Other</i>	4	16 633	13 471	30 260	25 051	-	25 051	24 266	24 605	26 184
Total Expenditure - Functional	3	2 215 983	2 520 667	2 709 801	3 277 018	-	3 277 018	3 119 078	3 143 161	3 301 964
Surplus/(Deficit) for the year		(331 522)	(254 275)	(307 260)	(147 497)	-	(147 497)	(229 549)	(93 599)	(77 332)

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

NW403 City Of Matlosana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote		1									
Vote 01 - Executive & Council			4 184	8 699	677	7 695	-	7 695	4 419	8 131	8 359
Vote 02 - Budget & Treasury Office			712 307	759 224	828 323	918 210	-	918 210	838 788	898 760	962 072
Vote 03 - Community & Social Services			8 336	-	4 244	4 150	-	4 150	4 370	4 606	27 197
Vote 04 - Sport And Recreation			335	4 208	860	13 183	-	13 183	11 803	28 285	13 665
Vote 05 - Public Safety			4 853	77 690	23 312	95 331	-	95 331	17 836	18 800	19 834
Vote 06 - Housing			2 495	1 937	2 254	2 166	-	2 166	3 587	3 780	3 988
Vote 07 - Health			-	59	97	-	-	-	-	-	-
Vote 08 - Planning And Development			7 203	-	19 214	21 559	-	21 559	37 442	45 031	31 758
Vote 09 - Environmental Protection			-	-	-	-	-	-	-	-	-
Vote 10 - Electricity			596 422	661 226	701 068	883 590	-	883 590	879 480	638 658	816 219
Vote 11 - Water Management			310 028	-	465 737	684 384	-	684 384	699 907	852 558	925 057
Vote 12 - Waste Water Management			68 063	91 579	98 735	183 576	-	183 576	155 937	315 848	162 228
Vote 13 - Waste Management			89 600	122 551	126 282	216 251	-	216 251	213 096	207 757	219 183
Vote 14 - Road Transport			80 637	100 295	131 737	99 426	-	99 426	22 864	27 349	35 072
Vote 15 - Other			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	1 884 461	1 827 467	2 402 541	3 129 521	-	3 129 521	2 889 530	3 049 562	3 224 632
Expenditure by Vote to be appropriated		1									
Vote 01 - Executive & Council			117 958	113 024	154 769	232 874	-	232 874	216 007	223 832	235 693
Vote 02 - Budget & Treasury Office			397 979	651 033	656 010	633 336	-	633 336	268 544	267 911	282 558
Vote 03 - Community & Social Services			78 726	-	88 070	79 408	-	79 408	114 015	118 968	123 871
Vote 04 - Sport And Recreation			51 392	114 621	72 088	114 317	-	114 317	87 694	91 099	95 483
Vote 05 - Public Safety			148 231	120 141	173 321	206 409	-	206 409	173 756	173 809	183 170
Vote 06 - Housing			8 264	-	41 532	11 321	-	11 321	13 888	14 547	15 256
Vote 07 - Health			4 351	4 788	11 060	9 603	-	9 603	10 858	11 313	11 878
Vote 08 - Planning And Development			1 165 646	5 986	33 361	39 915	-	39 915	86 070	90 289	95 442
Vote 09 - Environmental Protection			-	-	-	-	-	-	-	-	-
Vote 10 - Electricity			28 986	639 291	720 264	859 958	-	859 958	1 029 708	1 025 005	1 081 977
Vote 11 - Water Management			54 427	-	392 679	540 811	-	540 811	635 593	655 600	689 280
Vote 12 - Waste Water Management			37 288	105 491	116 900	181 267	-	181 267	138 514	137 913	142 660
Vote 13 - Waste Management			14 734	100 577	69 639	142 173	-	142 173	155 138	147 714	155 410
Vote 14 - Road Transport			108 003	254 257	180 108	225 625	-	225 625	189 293	184 961	189 286
Vote 15 - Other			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	2 215 983	2 109 209	2 709 801	3 277 018	-	3 277 018	3 119 078	3 143 161	3 301 964
Surplus/(Deficit) for the year		2	(331 522)	(281 742)	(307 260)	(147 497)	-	(147 497)	(229 549)	(93 599)	(77 332)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality.

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

NW403 City Of Matlosana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	247 297	272 707	265 941	378 837	-	378 837	-	413 697	438 875	465 520
Service charges - electricity revenue	2	594 194	660 703	699 088	838 331	-	838 331	-	804 516	852 936	904 509
Service charges - water revenue	2	309 364	436 843	465 049	639 296	-	639 296	-	591 844	627 457	665 323
Service charges - sanitation revenue	2	68 005	91 496	98 707	173 694	-	173 694	-	119 074	126 347	134 288
Service charges - refuse revenue	2	89 596	122 543	126 282	215 011	-	215 011	-	185 156	188 848	199 234
Service charges - other		-	-	-	15 000	-	15 000	-	-	-	-
Rental of facilities and equipment		5 233	4 875	5 411	6 587	-	6 587	-	6 793	7 160	7 554
Interest earned - external investments		3 920	6 912	8 358	2 500	-	2 500	-	4 039	4 257	4 492
Interest earned - outstanding debtors		87 282	131 569	162 109	161 884	-	161 884	-	132 829	140 002	147 702
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5 387	13 573	10 505	7 452	-	7 452	-	8 640	9 107	9 608
Licences and permits		6 773	5 717	7 107	7 529	-	7 529	-	1 279	1 348	1 423
Agency services		-	-	-	-	-	-	-	7 055	7 436	7 845
Transfers and subsidies		414 575	346 443	477 693	364 262	-	364 262	-	409 108	438 656	476 495
Other revenue	2	52 004	72 880	76 288	145 392	-	145 392	-	36 610	42 060	44 153
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 883 630	2 166 261	2 402 541	2 955 774	-	2 955 774	-	2 720 640	2 884 490	3 068 124
Expenditure By Type											
Employee related costs	2	478 415	489 415	530 451	586 853	-	586 853	-	652 668	686 262	726 762
Remuneration of councillors		22 243	23 982	28 398	31 657	-	31 657	-	33 907	35 738	37 704
Debt impairment	3	268 834	480 063	543 459	462 621	-	462 621	-	551 000	506 470	535 349
Depreciation & asset impairment	2	436 912	427 744	410 556	492 000	-	492 000	-	428 189	435 168	439 581
Finance charges		44 366	33 863	43 955	11 000	-	11 000	-	11 000	11 000	11 000
Bulk purchases	2	660 850	775 345	775 219	837 563	-	837 563	-	897 900	947 905	1 004 548
Other materials	8	56 473	50 601	68 240	126 791	-	126 791	-	99 002	93 478	98 619
Contracted services		28 705	32 055	35 802	48 251	-	48 251	-	269 500	240 183	253 274
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	219 185	223 599	273 720	680 281	-	680 281	-	175 909	184 956	195 147
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		2 215 983	2 520 667	2 709 801	3 277 018	-	3 277 018	-	3 119 078	3 143 161	3 301 964
Surplus/(Deficit)		(332 352)	(354 406)	(307 260)	(321 244)	-	(321 244)	-	(398 438)	(258 672)	(233 840)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		830	100 131	-	173 747	-	173 747	-	168 890	165 073	156 508
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	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(331 522)	(254 275)	(307 260)	(147 497)	-	(147 497)	-	(229 549)	(93 599)	(77 332)
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(331 522)	(254 275)	(307 260)	(147 497)	-	(147 497)	-	(229 549)	(93 599)	(77 332)
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(331 522)	(254 275)	(307 260)	(147 497)	-	(147 497)	-	(229 549)	(93 599)	(77 332)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(331 522)	(254 275)	(307 260)	(147 497)	-	(147 497)	-	(229 549)	(93 599)	(77 332)

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

1. Total revenue is R2.72 billion in 2018/19 and escalates to R3 billion by 2020/21.
2. Revenue to be generated from property rates is R413 million in the 2018/19 financial year and increases to R465 million by 2020/21.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R1.7 billion for the 2019/20 financial year and increasing to R1.9 billion by 2020/21.

Expenditure by major type

4. Bulk purchases have significantly increased over the 2013/14 to 2018/19 period escalating from R647 million to R 897 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Midvaal Water.
5. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains.
6. Other expenditure is broken down on Table SA 1 for financial transparency.
7. The municipality's remuneration of councilors was reviewed.

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

NW403 City Of Matlosana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 03 - Community & Social Services		-	-	-	-	-	-	-	12 000	10 000	16 970
Vote 04 - Sport And Recreation		-	-	-	-	-	-	-	-	-	-
Vote 05 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 06 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	8 597	10 597
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-
Vote 09 - Environmental Protection		-	-	-	-	-	-	-	24 400	28 043	33 463
Vote 10 - Electricity		-	-	-	-	-	-	-	45 822	45 450	30 845
Vote 11 - Water Management		-	-	-	-	-	-	-	15 921	16 823	17 187
Vote 12 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 13 - Waste Management		-	-	-	-	-	-	-	722	6 007	19 939
Vote 14 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	98 865	114 920	129 000
Single-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		5 690	19 019	7 278	35 000	-	35 000	-	38 900	10 000	10 000
Vote 02 - Budget & Treasury Office		370	7 137	3 394	5 000	-	5 000	-	5 600	-	-
Vote 03 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		9 597	445	24 491	10 952	-	10 952	-	-	-	-
Vote 05 - Public Safety		136	2 379	29	-	-	-	-	-	-	-
Vote 06 - Housing		-	-	-	-	-	-	-	4 000	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-
Vote 09 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		2 384	10 428	37 956	21 904	-	21 904	-	20 421	18 743	6 681
Vote 11 - Water Management		23 108	18 813	23 991	42 187	-	42 187	-	16 848	5 000	-
Vote 12 - Waste Water Management		24 244	25 061	17 757	7 484	-	7 484	-	17 541	9 000	6 000
Vote 13 - Waste Management		-	-	3 394	-	-	-	-	-	10 000	7 410
Vote 14 - Road Transport		35 600	44 571	49 113	91 220	-	91 220	-	18 216	7 410	7 410
Vote 15 - Other		-	-	3 484	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		101 128	127 853	170 886	213 747	-	213 747	-	121 525	60 153	37 507
Total Capital Expenditure - Vote		101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508
Capital Expenditure - Functional											
Governance and administration		5 690	26 156	10 671	40 000	-	40 000	-	44 500	10 000	10 000
Executive and council		690	19 019	7 278	35 000	-	35 000	-	38 900	10 000	10 000
Finance and administration		5 000	7 137	3 394	5 000	-	5 000	-	5 600	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		10 103	2 824	24 520	10 952	-	10 952	-	16 000	10 000	16 970
Community and social services		370	445	24 491	-	-	-	-	-	-	-
Sport and recreation		9 597	2 379	29	10 952	-	10 952	-	12 000	10 000	16 970
Public safety		136	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	4 000	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		35 600	44 571	49 113	91 220	-	91 220	-	18 938	13 417	27 349
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		35 600	44 571	49 113	91 220	-	91 220	-	18 938	13 417	27 349
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		49 736	54 303	83 097	71 576	-	71 576	-	140 952	133 059	101 593
Energy sources		2 384	10 428	37 956	21 904	-	21 904	-	44 821	46 786	40 150
Water management		23 108	18 813	23 991	42 187	-	42 187	-	62 669	50 450	30 845
Waste water management		24 244	25 061	17 757	7 484	-	7 484	-	33 461	25 823	23 187
Waste management		-	-	3 394	-	-	-	-	-	10 000	7 410
Other		-	-	3 484	-	-	-	-	-	8 597	10 597
Total Capital Expenditure - Functional	3	101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508
Funded by:											
National Government		92 823	101 691	167 202	173 747	-	173 747	-	168 890	165 073	156 508
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	92 823	101 691	167 202	173 747	-	173 747	-	168 890	165 073	156 508
Public contributions & donations	5	5 000	-	-	-	-	-	-	30 000	-	-
Borrowing	6	-	-	-	30 000	-	30 000	-	-	-	-
Internally generated funds	6	3 306	26 162	3 684	10 000	-	10 000	-	21 500	10 000	10 000
Total Capital Funding	7	101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national departments.
2. Single-year capital expenditure has been appropriated at R168 million for the 2018/19 financial year and remains relatively constant over the MTREF at levels of R165 million and R 156.5 million respectively for the two outer years.
3. The capital programme is funded from national grants, borrowing and internally generated funds. For 2018/19, capital transfers totals R173.7 million and escalates to R139.8 million by 2020/21. Internally generated funding for the 2018/19 year amounting to R 21.5 million.

Table 18 MBRR Table A6 - Budgeted Financial Position

NW403 City Of Matlosana - Table A6 Budgeted Financial Position

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS												
Current assets												
Cash			69	69	69	12 000	-	12 000	-	20 000	20 000	20 000
Call investment deposits	1		30 432	25 500	90 464	27 993	-	27 993	-	90 000	90 000	90 000
Consumer debtors	1		118 662	249 390	285 321	240 113	-	248 499	-	207 905	207 362	206 023
Other debtors			52 784	46 795	59 997	50 268	-	50 268	-	112 095	127 638	143 977
Current portion of long-term receivables			-	25	25	-	-	-	-	-	-	-
Inventory	2		73 604	35 275	38 057	35 280	-	35 280	-	40 000	42 000	45 000
Total current assets			275 551	357 054	473 933	374 041	-	374 041	-	470 000	487 000	505 000
Non current assets												
Long-term receivables					15 112	1 806	-	1 806	-	-	-	-
Investments						28 672	-	28 672	-	-	-	-
Investment property			46 279	105 306	98 248	89 761	-	89 761	-	100 000	105 000	110 000
Investment in Associate												
Property, plant and equipment	3		5 940 063	5 659 598	5 390 359	5 070 235	-	5 070 235	-	5 029 201	4 697 803	4 328 961
Agricultural												
Biological					1 599	2 554	-	2 554	-	-	-	-
Intangible			763	4 579	-	4 579	-	4 579	-	4 500	5 000	5 000
Other non-current assets			38 738	56 857	46 100	25 825	-	25 825	-	-	-	-
Total non current assets			6 025 843	5 826 340	5 551 418	5 223 432	-	5 223 432	-	5 133 701	4 807 803	4 443 961
TOTAL ASSETS			6 301 394	6 183 393	6 025 351	5 597 473	-	5 597 473	-	5 603 701	5 294 803	4 948 961
LIABILITIES												
Current liabilities												
Bank overdraft	1											
Borrowing	4		13 110	13 110	13 110	20 000	-	20 000	-	15 000	16 000	17 000
Consumer deposits			22 947	29 309	24 125	25 282	-	25 282	-	30 000	32 000	35 000
Trade and other payables	4		548 319	555 622	731 159	304 606	-	304 606	-	677 746	474 448	217 938
Provisions			12 446	12 547	13 332	12 547	-	12 547	-	10 000	10 000	10 000
Total current liabilities			596 822	610 587	781 726	362 434	-	362 434	-	732 746	532 448	279 938
Non current liabilities												
Borrowing			115 830	102 720	88 159	102 000	-	102 000	-	104 000	89 000	73 000
Provisions			267 492	253 637	246 278	305 000	-	305 000	-	-	-	-
Total non current liabilities			383 322	356 357	334 436	407 000	-	407 000	-	104 000	89 000	73 000
TOTAL LIABILITIES			980 143	966 944	1 116 162	769 434	-	769 434	-	836 746	621 448	352 938
NET ASSETS			5 321 251	5 216 449	4 909 188	4 828 039	-	4 828 039	-	4 766 955	4 673 355	4 596 023
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			5 321 251	5 216 449	4 909 188	4 828 039	-	4 828 039	-	4 766 955	4 673 355	4 596 023
Reserves	4		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY			5 321 251	5 216 449	4 909 188	4 828 039	-	4 828 039	-	4 766 955	4 673 355	4 596 023

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves clarity 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.

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement

NW403 City Of Matlosana - Table A7 Budgeted Cash Flows

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			247 297	297 474	183 828	314 434		314 434		372 327	392 433	414 017
Service charges			727 377	776 457	891 851	1 594 557		1 594 557		1 339 556	1 343 543	1 417 438
Other revenue			59 915	63 832	84 229	166 959		166 959		60 378	67 111	70 582
Government - operating		1	413 120	353 762	381 370	359 968		359 968		409 108	436 656	474 495
Government - capital		1	830	89 493	94 162	178 041		178 041		168 890	165 073	156 508
Interest			91 202	138 481	170 467	83 442		83 442		40 271	37 258	39 390
Dividends										-	-	-
Payments												
Suppliers and employees			(1 373 779)	(1 591 896)	(1 528 806)	(2 473 764)		(2 473 764)		(2 147 301)	(2 237 001)	(2 375 922)
Finance charges			(43 779)	(33 863)	(43 955)	(11 000)		(11 000)		(11 000)	(11 000)	(11 000)
Transfers and Grants		1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES			122 184	93 740	233 145	212 637	-	212 637	-	232 229	194 073	185 508
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			5 105	17 831	3 997					-	-	-
Decrease (increase) in non-current debtors			-		(5 184)					-	-	-
Decrease (increase) other non-current receivables			(1 781)	(15 000)	(0)					-	-	-
Decrease (increase) in non-current investments			-	(1 895)	(2 367)	10 000		10 000		-	-	-
Payments												
Capital assets			(96 128)	(92 875)	150 049	(213 589)		(213 589)		(220 390)	(175 073)	(166 508)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(92 804)	(91 939)	146 496	(203 589)	-	(203 589)	-	(220 390)	(175 073)	(166 508)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										-	-	-
Borrowing long term/refinancing			(40 100)			30 000		30 000		30 000	-	-
Increase (decrease) in consumer deposits			6 269	6 362						3 000	2 000	3 000
Payments												
Repayment of borrowing			(14 706)	(13 093)	14 579	(20 000)		(20 000)		(20 000)	(21 000)	(22 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(48 537)	(6 731)	14 579	10 000	-	10 000	-	13 000	(19 000)	(19 000)
NET INCREASE/ (DECREASE) IN CASH HELD			(19 158)	(4 931)	394 219	19 048	-	19 048	-	24 839	-	-
Cash/cash equivalents at the year begin:		2	49 658	30 500	25 569					85 161	110 000	110 000
Cash/cash equivalents at the year end:		2	30 500	25 569	419 788	19 048	-	19 048	-	110 000	110 000	110 000

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 R 110 million as at the end of the 2018/19 financial year and decreases to R 110 million by 2020/21.

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NW403 City Of Matlosana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	30 500	25 569	419 788	19 048	-	19 048	-	110 000	110 000	110 000
Other current investments > 90 days		-	-	(329 256)	20 945	-	20 945	-	-	-	-
Non current assets - Investments	1	-	-	-	28 672	-	28 672	-	-	-	-
Cash and investments available:		30 500	25 569	90 532	68 665	-	68 665	-	110 000	110 000	110 000
Application of cash and investments											
Unspent conditional transfers		14 067	-	8 587	2 000	-	2 000	-	10 000	10 000	10 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	413 187	369 740	504 431	61 597	-	61 597	-	546 455	562 795	591 066
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		427 254	369 740	513 017	63 597	-	63 597	-	556 455	572 795	601 066
Surplus(shortfall)		(396 754)	(344 171)	(422 485)	5 068	-	5 068	-	(446 455)	(462 795)	(491 066)

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 2018/19 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 21 MBRR Table A9 - Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	101 128	127 853	170 886	213 747	-	213 747	181 390	140 993	127 248
Roads Infrastructure		35 570	44 546	48 852	91 220	-	91 220	18 938	13 417	27 349
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 384	10 428	37 233	21 904	-	21 904	19 821	21 303	11 487
Water Supply Infrastructure		23 108	18 813	23 991	42 187	-	42 187	62 669	50 450	30 845
Sanitation Infrastructure		24 244	25 061	17 757	7 484	-	7 484	16 461	25 823	23 187
Solid Waste Infrastructure		-	-	-	-	-	-	-	10 000	7 410
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		65 306	98 848	127 833	162 795	-	162 795	117 890	120 993	100 278
Community Facilities		14 272	-	4 664	-	-	-	-	-	-
Sport and Recreation Facilities		-	439	8 567	10 952	-	10 952	12 000	10 000	16 970
Community Assets		14 272	439	13 231	10 952	-	10 952	12 000	10 000	16 970
Heritage Assets		-	6	-	-	-	-	-	-	-
Revenue Generating		-	15 276	225	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	15 276	225	-	-	-	-	-	-
Operational Buildings		-	-	27 110	-	-	-	1 500	-	-
Housing		-	-	-	-	-	-	4 000	10 000	10 000
Other Assets		-	-	27 110	-	-	-	5 500	10 000	10 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	3 815	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	3 815	-	-	-	-	-	-	-
Computer Equipment		-	-	-	5 000	-	5 000	5 000	-	-
Furniture and Office Equipment		1 550	4 145	1 487	35 000	-	35 000	1 000	-	-
Machinery and Equipment		-	-	-	-	-	-	4 000	-	-
Transport Assets		-	5 323	1 000	-	-	-	36 000	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	48 927	-	-	-	-	-	22 000	25 483	28 663
Roads Infrastructure		22 183	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		9 248	-	-	-	-	-	22 000	25 483	28 663
Water Supply Infrastructure		8 124	-	-	-	-	-	-	-	-
Sanitation Infrastructure		5 155	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		44 710	-	-	-	-	-	22 000	25 483	28 663
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		4 217	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	-	-	-	-	-	-	17 000	8 597	10 597
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	17 000	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	17 000	-	-	-
Community Facilities		-	-	-	-	-	-	8 597	10 597	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	8 597	10 597	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Roads Infrastructure		57 754	44 546	48 852	91 220	-	91 220	18 938	13 417	27 349
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		11 632	10 428	37 233	21 904	-	21 904	41 821	46 786	40 150
Water Supply Infrastructure		31 231	18 813	23 991	42 187	-	42 187	62 669	50 450	30 845
Sanitation Infrastructure		29 399	25 061	17 757	7 484	-	7 484	33 461	25 823	23 187
Solid Waste Infrastructure		-	-	-	-	-	-	-	10 000	7 410
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		130 076	98 848	127 833	162 795	-	162 795	156 890	146 476	128 941
Community Facilities		14 272	-	4 664	-	-	-	-	8 597	10 597
Sport and Recreation Facilities		-	439	8 567	10 952	-	10 952	12 000	10 000	16 970
Community Assets		14 272	439	13 231	10 952	-	10 952	12 000	18 597	27 561
Heritage Assets		-	6	-	-	-	-	-	-	-
Revenue Generating		-	15 276	225	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	15 276	225	-	-	-	-	-	-
Operational Buildings		-	-	27 110	-	-	-	1 500	-	-
Housing		-	-	-	-	-	-	4 000	10 000	10 000
Other Assets		-	-	27 110	-	-	-	5 500	10 000	10 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	3 815	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	3 815	-	-	-	-	-	-	-
Computer Equipment		-	-	-	5 000	-	5 000	5 000	-	-
Furniture and Office Equipment		5 767	4 145	1 487	35 000	-	35 000	1 000	-	-
Machinery and Equipment		-	-	-	-	-	-	4 000	-	-
Transport Assets		-	5 323	1 000	-	-	-	36 000	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		150 055	127 853	170 886	213 747	-	213 747	220 390	175 073	166 508
ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	-	-	-	-	-
Roads Infrastructure		1 827 832	1 685 629	1 612 597	1 621 052	-	1 621 052	656 249	598 342	573 968
Storm water Infrastructure		1 033 249	941 475	-	157 867	-	157 867	80 000	70 105	60 110
Electrical Infrastructure		1 125 837	1 031 216	983 576	974 447	-	974 447	1 531 821	1 468 625	1 407 354
Water Supply Infrastructure		871 923	921 471	940 798	1 069 956	-	1 069 956	1 082 669	990 664	894 806
Sanitation Infrastructure		-	35 004	853 752	854 084	-	854 084	933 461	855 974	782 785
Solid Waste Infrastructure		-	-	-	-	-	-	6 000	15 593	12 591
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	3 000	2 593	2 181
Infrastructure		4 858 841	4 614 795	4 390 723	4 677 407	-	4 677 407	4 273 201	4 001 895	3 733 795
Community Facilities		613 072	445 671	434 587	427 512	-	427 819	35 000	34 127	33 245
Sport and Recreation Facilities		-	146 187	127 386	164 170	-	164 170	613 500	572 031	533 965
Community Assets		613 072	591 858	561 973	591 989	-	591 989	648 500	606 158	567 210
Heritage Assets		5 995	-	-	-	-	-	-	-	-
Revenue Generating		46 279	11 462	11 462	198 523	-	198 523	100 000	105 000	110 000
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		46 279	11 462	11 462	198 523	-	198 523	100 000	105 000	110 000
Operational Buildings		510 986	497 403	498 616	295 062	-	295 062	-	-	-
Housing		-	-	-	17 780	-	17 780	36 000	28 836	27 660
Other Assets		510 986	497 403	498 616	312 842	-	312 842	36 000	28 836	27 660
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		763	4 579	-	4 579	-	4 579	4 500	5 000	5 000
Intangible Assets		763	4 579	-	4 579	-	4 579	4 500	5 000	5 000
Computer Equipment		-	-	-	8 351	-	8 351	15 000	8 836	7 660
Furniture and Office Equipment		-	14 657	11 731	44 825	-	44 825	11 000	9 418	8 830
Machinery and Equipment		-	3 760	-	3 951	-	3 951	44 000	36 508	32 980
Transport Assets		-	42 432	30 143	43 386	-	43 386	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	1 500	1 500	1 500
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	6 035 935	5 780 945	5 504 648	5 885 853	-	5 885 853	5 133 701	4 803 150	4 494 635

EXPENDITURE OTHER ITEMS										
Depreciation	7	436 912	427 744	410 556	492 000	-	492 000	428 189	435 168	439 561
Repairs and Maintenance by Asset Class	3	56 473	50 601	68 240	126 791	-	126 791	153 815	142 792	150 645
Roads Infrastructure		8 992	7 779	14 086	19 904	-	19 904	24 636	15 706	16 569
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		10 706	9 416	-	32 845	-	32 845	36 949	31 566	33 302
Water Supply Infrastructure		8 294	5 198	6 490	16 193	-	16 193	17 231	17 107	18 048
Sanitation Infrastructure		8 836	4 016	5 172	13 132	-	13 132	3 688	3 887	4 101
Solid Waste Infrastructure		4 546	-	-	5 573	-	5 573	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		41 375	26 410	25 748	87 647	-	87 647	82 504	68 266	72 021
Community Facilities		8 995	24	4 579	14 505	-	14 505	4 171	3 832	4 042
Sport and Recreation Facilities		-	1 096	3 959	3 014	-	3 014	8 529	8 990	9 484
Community Assets		8 995	1 121	8 538	17 519	-	17 519	12 701	12 822	13 527
Heritage Assets		-	-	-	-	-	-	262	276	291
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		6 103	3 921	33 954	-	-	-	5 945	6 463	6 818
Housing		-	-	-	344	-	344	-	-	-
Other Assets		6 103	3 921	33 954	344	-	344	5 945	6 463	6 818
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	20 842	-	20 842	10 763	11 213	11 830
Intangible Assets		-	-	-	20 842	-	20 842	10 763	11 213	11 830
Computer Equipment		-	-	-	-	-	-	3 315	3 495	3 687
Furniture and Office Equipment		-	2 638	-	439	-	439	2 351	2 556	2 696
Machinery and Equipment		-	1 575	-	-	-	-	12 565	13 086	13 805
Transport Assets		-	14 937	-	-	-	-	23 408	24 616	25 970
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		493 385	478 345	478 796	618 791	-	618 791	582 004	577 960	590 206
Renewal and upgrading of Existing Assets as % of total capex		32,6%	0,0%	0,0%	0,0%	0,0%	0,0%	17,7%	19,5%	23,6%
Renewal and upgrading of Existing Assets as % of deprecn		11,2%	0,0%	0,0%	0,0%	0,0%	0,0%	9,1%	7,8%	8,9%
R&M as a % of PPE		1,0%	0,9%	1,3%	2,5%	0,0%	2,5%	3,1%	3,0%	3,5%
Renewal and upgrading and R&M as a % of PPE		2,0%	1,0%	1,0%	2,0%	0,0%	2,0%	4,0%	4,0%	4,0%

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.

Table 22 MBRR Table A10 - Basic Service Delivery Measurement

NW403 City Of Matlosana - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		144 877	144 949	144 949	144 949	-	144 949	146 398	147 862	149 341
Piped water inside yard (but not in dwelling)		30 576	30 591	30 591	30 591	-	30 591	30 897	31 206	31 518
Using public tap (at least min. service level)	2	2 089	2 090	2 090	2 090	-	2 090	2 111	2 132	2 153
Other water supply (at least min. service level)	4	2 089	2 090	2 090	2 090	-	2 090	2 111	2 132	2 153
<i>Minimum Service Level and Above sub-total</i>		179 630	179 719	179 719	179 719	-	179 719	181 517	183 332	185 165
Using public tap (< min. service level)	3	2 089	2 089	2 089	2 089	-	2 089	2 110	2 131	2 152
Other water supply (< min. service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2 089	2 089	2 089	2 089	-	2 089	2 110	2 131	2 152
Total number of households	5	181 718	181 808	181 808	181 808	-	181 808	183 628	185 462	187 317
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		156 240	125 993	125 993	125 993	-	125 993	127 253	128 526	129 811
Flush toilet (with septic tank)		2 120	216	216	216	-	216	218	221	223
Chemical toilet		-	616	616	616	-	616	622	628	635
Pit toilet (ventilated)		2 575	2 779	2 779	2 779	-	2 779	2 807	2 835	2 863
Other toilet provisions (> min. service level)		-	1 149	1 149	1 149	-	1 149	1 161	1 172	1 184
<i>Minimum Service Level and Above sub-total</i>		160 935	130 754	130 754	130 754	-	130 754	132 061	133 382	134 716
Bucket toilet		1 127	1 000	1 000	1 000	-	1 000	1 010	1 020	1 030
Other toilet provisions (< min. service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		3 851	3 581	3 581	3 581	-	3 581	3 617	3 653	3 690
<i>Below Minimum Service Level sub-total</i>		4 978	4 581	4 581	4 581	-	4 581	4 627	4 673	4 720
Total number of households	5	165 913	135 335	135 335	135 335	-	135 335	136 688	138 055	139 436
Energy:										
Electricity (at least min. service level)		142 534	142 819	142 819	142 819	-	142 819	144 247	145 689	147 146
Electricity - prepaid (min. service level)		23 373	23 420	23 420	23 420	-	23 420	23 654	23 891	24 130
<i>Minimum Service Level and Above sub-total</i>		165 907	166 239	166 239	166 239	-	166 239	167 901	169 580	171 276
Electricity (< min. service level)		142 534	142 819	142 819	142 819	-	142 819	144 247	145 689	147 146
Electricity - prepaid (< min. service level)		23 373	23 420	23 420	23 420	-	23 420	23 654	23 891	24 130
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		165 907	166 239	166 239	166 239	-	166 239	167 901	169 580	171 276
Total number of households	5	331 814	332 478	332 478	332 478	-	332 478	335 803	339 161	342 552
Refuse:										
Removed at least once a week		168 941	169 279	169 279	169 279	-	169 279	144 247	145 689	147 146
<i>Minimum Service Level and Above sub-total</i>		168 941	169 279	169 279	169 279	-	169 279	144 247	145 689	147 146
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	2	2	-	2	2	2	2
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	2	2	-	2	2	2	2
Total number of households	5	168 941	169 279	169 281	169 281	-	169 281	144 249	145 691	147 148
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	35 000	22 873	23 500	25 380	26 903	28 517
Sanitation (free minimum level service)		-	-	-	-	22 873	23 500	25 380	26 903	28 517
Electricity/other energy (50kwh per household per month)		-	-	-	-	22 873	23 500	25 380	26 903	28 517
Refuse (removed at least once a week)		-	-	-	-	22 873	23 500	25 380	26 903	28 517
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	102 996	-	102 996	102 996	109 073	115 399
Sanitation (free sanitation service to indigent households)		-	-	-	60 649	-	60 649	64 227	67 952	71 690
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	74 966	79 314	83 676
Refuse (removed once a week for indigent households)		-	-	-	54 695	-	54 695	57 922	61 282	64 652
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)						25 374	6 785	68 287	72 384	76 727
Total cost of FBS provided		-	-	-	218 340	25 374	225 125	368 398	390 005	412 144
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (Impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and Impermissible values in excess of section 17 of MPRA		-	-	-	43 529	-	43 529	59 317	62 521	65 959
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	74 951	-	74 951	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	118 480	-	118 480	59 317	62 521	65 959

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.

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.

2.1.1 Budget Process Review

In terms of section, 24 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year, August 2017, a time schedule that sets out the process to revise the IDP and prepare the budget.

The required IDP and budget time schedule were tabled on 30 August 2017.

Key dates applicable to the process were:

- 20 April 2018 – Tabling of the 2018/19 – 2020/21 MTREF budget to Council.
- 7 May 2018 to – 14 May 2018 Public Participation.
- 16 May 2018 – Policy/Tariff Workshop.
- 31 May 2018 – Council Approves the Final 2018/19 – 2018/20 MTREF budget.
- 14 June 2018 – Submit Final 2018/19 – 2020/21 MTREF budget documents to National Treasury and Provincial Treasury.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework rolled out into objectives, key performance indicators and targets for implementation, which directly inform the Service Delivery and Budget Implementation Plan.

The process plan included the following key IDP processes and deliverables:

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

2.1.3 Financial Modelling and Key Planning Drivers

The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Growth of the City.
- National and Provincial priorities;
- Policy priorities and strategic objectives.
- Asset maintenance.
- Economic climate and trends.
- Performance trends.
- Cash Flow Management Strategy.
- Debtor Payment Levels and collection.
- Loan and Investment possibilities.
- The need for tariff increases versus the ability of the community to pay for services.
- Improved and sustainable service delivery.

Furthermore, the strategic guidance given in National Treasury's MFMA Circular 89 & 91 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation.

Council had undertaken an extensive public participation process after the tabling of 2018/19 - 2020/21 MTREF by Council on 20 April 2018. Nine consultation meetings as planned around the KOSH area from 7 May 2018 until 14 May 2018.

All documents in the appropriate format (electronic and printed) will be 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 the constitutional imperative to progressively improve basic services in undeveloped areas is met.

2.1.5 Engagements with NT, PT & other stakeholders

The municipality did once again engaged with the NT, PT after they did a full assessment of the Municipality's tabled 2018/19 to 2020/21 MTREF.

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.

The national and provincial priorities: policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009.
- Government Programme of Action.
- Development Facilitation Act of 1995.
- Provincial Growth and Development Strategy (GGDS).
- National and Provincial spatial development perspectives.

- Relevant sector plans such as transportation; legislation and policy.
- National Key Performance Indicators (NKPis)
- The National and Provincial Priority Outcome.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

2.3 Measurable Performance Objectives and Indicators

Performance Management is a system intended to manage and monitor service delivery progress against identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by National Framework for Managing Programme Performance Information, the City has developed and implemented a performance management system, which is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assesses and reviews organisational performance, which is currently not directly linked to individual employees' performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

The 2018/19 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

NW403 City Of Matlosana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

NW403 City Of Matlosana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
Finance And Admin				716 491	760 932	828 323	918 209	-	918 209	838 788	898 760	962 072	
Planning & Dev				469 094	630 798	718 061	1 086 443	-	1 086 443	52 526	49 882	67 005	
Refuse				89 600	122 551	126 282	216 251	-	216 251	203 096	217 757	226 593	
Electricity				596 422	661 226	701 068	883 590	-	883 590	929 674	1 218 092	1 252 599	
Water				-	-	-	-	-	-	660 514	316 529	502 750	
Sport & Recreation				335	1 409	860	13 183	-	13 183	30 650	17 345	19 378	
Comm & Social Services				8 336	82 485	27 456	4 150	-	4 150	39 747	32 406	41 193	
Exec & Council				4 184	6 991	490	7 695	-	7 695	4 419	8 131	8 358	
Allocations to other priorities				2	-	-	-	-	-	130 114	290 660	144 683	
Total Revenue (excluding capital transfers and contributions)				1	1 884 461	2 266 392	2 402 541	3 129 521	-	3 129 521	2 889 530	3 049 562	3 224 631

Table 24 MBRR Table SA5 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NW403 City Of Matlosana - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

NW403 City Of Matlosana - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
Finance And Admin				712 307	699 186	656 011	633 335	-	633 335	268 544	267 911	282 558	
Planning & Dev				679 002	764 302	834 023	1 214 952	-	1 214 952	289 252	289 797	299 984	
Refuse				89 600	100 577	69 639	142 173	-	142 173	155 138	147 714	155 410	
Electricity				596 422	639 291	720 264	859 958	-	859 958	1 029 708	1 025 005	1 081 977	
Water				-	-	-	-	-	-	635 593	655 800	689 280	
Sport & Recreation				51 392	54 971	72 088	114 317	-	114 317	87 694	91 099	95 483	
Comm & Social Services				83 077	197 469	261 391	79 408	-	79 408	298 629	304 089	318 919	
Exec & Council				4 184	64 870	96 387	232 874	-	232 874	216 007	223 832	235 693	
Allocations to other priorities				-	-	-	-	-	-	138 514	137 913	142 660	
Total Expenditure				1	2 215 983	2 520 667	2 709 801	3 277 018	-	3 277 018	3 119 078	3 143 161	3 301 964

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

NW403 City Of Matlosana - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
Finance And Admin				690	7 137	3 394	5 000	-	5 000	5 600	-	-	
Planning & Dev				83 088	63 384	94 345	133 407	-	133 407	18 938	22 014	37 945	
Refuse				-	-	3 394	7 484	-	7 484	-	10 000	7 410	
Electricity				2 384	10 428	37 956	21 904	-	21 904	44 821	46 786	40 150	
Water				-	-	-	-	-	-	62 669	50 450	30 845	
Housing										4 000			
Sport & Recreation				9 597	445	24 491	10 952	-	10 952	12 700	10 000	16 970	
Comm & Social Services				370	27 440	28	-	-	-	-	-	-	
Exec & Council				5 000	19 019	7 278	35 000	-	35 000	38 900	10 000	10 000	
Allocations to other priorities				3	-	-	-	-	-	33 461	25 823	23 187	
Total Capital Expenditure				1	101 128	127 853	170 886	213 747	-	213 747	220 390	175 073	166 508

2.3 Measurable performance objective and indicators

Performance Management is intended to manage and monitor service delivery against the identified strategic objective and priorities in accordance with the legislative requirements and good business practices as informed by the National Framework for managing programme performance information.

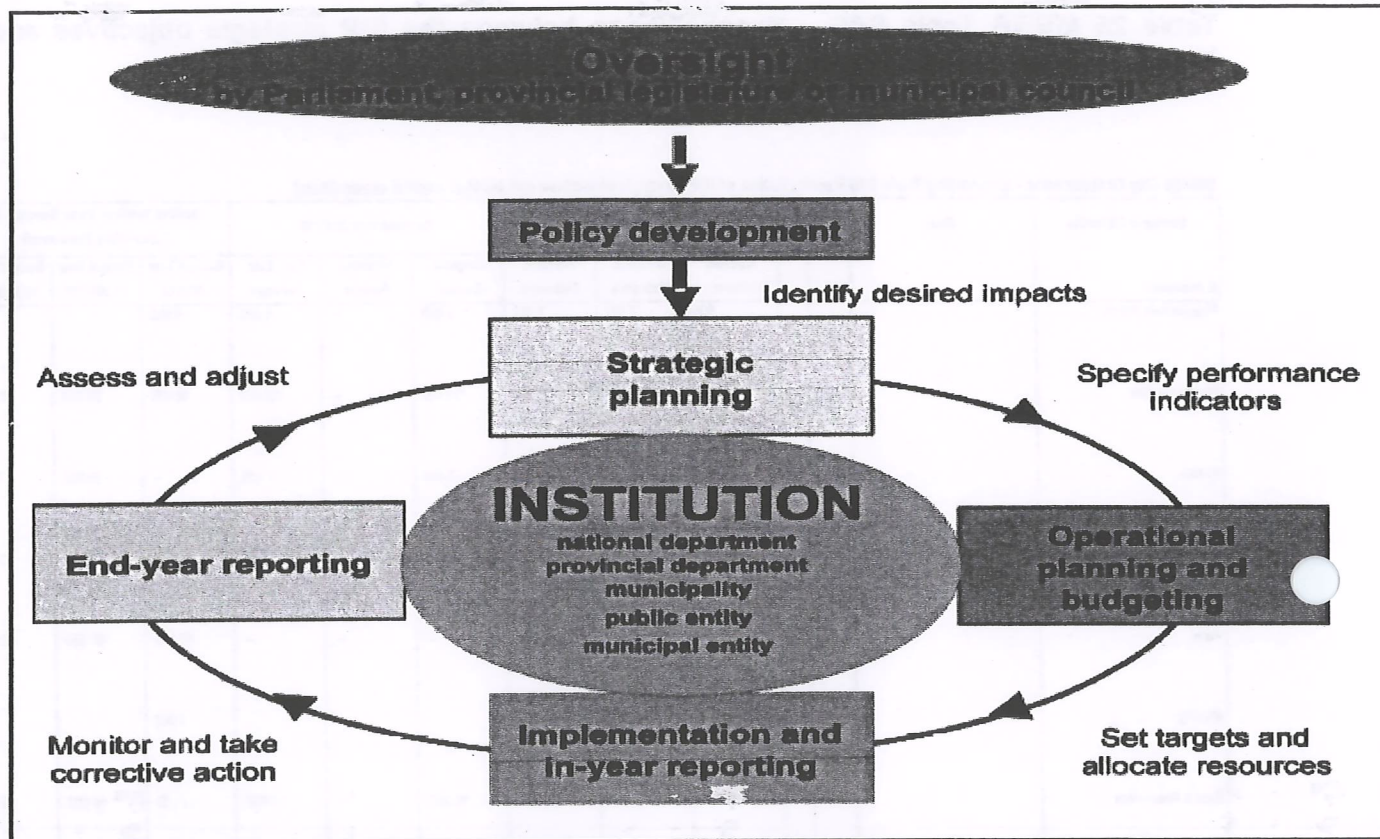


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

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

Table 26 MBRR Table SA7 - Measurable performance objectives

NW403 City Of Matlosana - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Municipal Operating Expenditure										
Trading Services	Rand							559 580	591 252	624 742
Water										
Sustainable Services										
Electricity										
Sustainable Services	Rand							878 408	928 254	980 616
Sanitation										
Sustainable Services								181 441	191 560	202 667
Trading Services										
Refuse Removal	Rand							141 789	149 871	158 264
Sustainable Services										
Finance Management										
Sustainable Services	Rand							421 709	445 746	470 708
<i>Insert measure's description</i>										
Municipal Capital Expenditure										
Trading Services	Rand									
Water										
Sustainable Services								42 187	29 610	34 712
Electricity										
Sustainable Services	Rand							21 904	13 900	15 000
Sanitation										
Sustainable Services	Rand							7 484	16 080	16 500
Trading Services										
Refuse Removal	Rand							-	-	-
Sustainable Services										
Finance Management										
Sustainable Services	Rand							5 000	-	-

The following table sets out the municipality's main performance objectives and benchmarks for the 2018/19 MTREF.

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

NW403 City Of Matlosana - Supporting Table SA8 Performance Indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2,7%	1,9%	1,1%	0,9%	0,0%	0,9%	0,0%	1,0%	1,0%	1,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4,0%	2,6%	1,5%	1,2%	0,0%	1,2%	0,0%	1,3%	1,3%	1,3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-1213,0%	0,0%	0,0%	75,0%	0,0%	75,0%	0,0%	58,3%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	0,5	0,6	0,6	1,0	–	1,0	–	0,6	0,9	1,8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,5	0,6	0,6	1,0	–	1,0	–	0,6	0,9	1,8
Liquidity Ratio	Monetary Assets/Current Liabilities	0,1	0,0	0,1	0,1	–	0,1	–	0,2	0,2	0,4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		74,4%	66,8%	64,7%	84,5%	0,0%	84,5%	0,0%	81,0%	77,7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		74,5%	67,8%	65,0%	84,5%	0,0%	84,5%	0,0%	81,0%	77,7%	77,3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	9,1%	13,7%	15,0%	10,2%	0,0%	10,2%	0,0%	11,8%	11,6%	11,4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		1751,6%	2173,0%	172,1%	1588,6%	0,0%	1588,6%	0,0%	720,2%	736,5%	771,3%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kt)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	25,4%	22,6%	22,1%	19,9%	0,0%	19,9%	0,0%	24,0%	23,9%	23,7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27,0%	24,2%	23,7%	21,2%	0,0%	21,2%		25,2%	25,1%	24,9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,0%	2,3%	2,8%	4,3%	0,0%	4,3%		5,7%	5,0%	4,9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	25,6%	21,3%	18,9%	17,0%	0,0%	17,0%	0,0%	16,1%	15,5%	14,7%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	9,7	11,7	18,6	–	–	–	–	39,7	39,8	42,2
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	13,1%	18,6%	20,8%	13,2%	0,0%	13,2%	0,0%	15,1%	14,9%	14,7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,2	0,2	2,4	0,1	–	0,1	–	0,5	0,5	0,5

Performance indicators and benchmarks

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2018/19 MTREF:

- Capital charges to operating expenditure measures what portion of total operating expenditure is used to service the existing loans. The municipality did not have a large dependency on loans in the past and therefore this ratio is on the low side. This also indicates the possible under usage of loans to deliver on projects or to renew its asset base.
- Capital charges to operating revenue is due to the nature of the municipalities business in line with the previous ratio. The same findings can be made as mentioned.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality has identified the need to utilize loans as to ensure that it can fulfill its service delivery commitments in the future and will do so prudently.

Analysing the municipality's debt profile thus clearly shows the underutilization of financing infrastructure. Notwithstanding this fact the municipality will diligently evaluate the feasibility of financing to ensure that while service delivery is ensured the municipality will also be able to service the future financing cost as well as repayment. In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

- *Current ratio* is a measure of the current assets divided by the current liabilities. The goal of the municipality is to achieve a ratio of more than 1:1 as would be the norm. The generation of net cash inflows is of high importance and plans already put in place as well of further focus on expenditure control, revenue enhancement and loss control should have the desired effect to improve the current ratio.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. As indicated in the previous paragraph the municipality believe that it is on track to achieve this ratio with the current plans in place.
- Due to cash flow constraints the municipality have to manage the payment of its creditors. Special arrangements were made with ESKOM and MIDVAAL. All other creditors are serviced in an equitable manner in order to create a stable environment for the municipality to acquire services and goods. The municipality will strive to pay all creditors within 30 days but do acknowledge that this will only be achieved over a period.

Other Indicators

- The electricity distribution losses remain a challenge as it is higher than the norm. The municipality need to urgently address the matter in the 2018/19 budget as it impacts on the municipality's ability to have a funded sustainable budget.
- The water distribution losses for the 2016/17 year over 30% is too high. Continued focus on leaks and illegal connections and other proposed actions should bear fruit and this should have a positive impact on the future cash flows of the municipality.
- Employee costs as a percentage of revenue is constant over the MTREF. This can be attributed mainly to inflation linked drivers on both sides of the equation.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also stable.

2.4 Overview of Budget related-policies.

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

2.4.1 Review of Customer Care; Credit Control and Debt Collection Policies.

This policy was reviewed; among others, in order to achieve a higher collection rate.

2.4.2 Review of Indigent Relief Policy.

The indigent relief policy was reviewed and amendments were made to the indigent qualifying threshold.

2.4.3 Review of Rates Policy

The Rates policy was reviewed to bring it in line with amendments in the property rates act.

2.4.4 Supply Chain Management Policy

The Tariff policy was reviewed to make it more effective.

2.4.5 SCM & Infrastructure Procurement and Delivery Management Policy

This policy was reviewed and the Procurement and Delivery Management guidelines have been added as per the MFMA circular.

2.4.5 Irrecoverable Bad Debt Policy

The Irrecoverable Bad Debt Policy was reviewed.

2.4.6 Tariff Policy

The Tariff Policy was reviewed.

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

2.4.7 Investment & Cash Management Policy

The policy was reviewed.

2.4.8 The Budget Policy

The policy was reviewed.

2.4.9 The Virement Policy

The policy was reviewed.

2.4.10 The Insurance Policy & Procedures

This is a new policy.

2.4.11 The Overtime Policy

This is a new policy.

All the above policies are available on the City's website, 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 2018 /19 – 2020/21 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.

2.5.4 Collection Rate for Revenue Services.

The base assumption is that tariff and rates increases will increase at a rate slightly higher than CPI over long term. It is assumed that current economic conditions and relatively controlled inflationary conditions will continue for the forecasted term. On the longer term, consumer inflation is expected to increase to 5.5% by 2020/21.

2.5.5 Growth or Decline in Tax Base of the Municipality.

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth of the City, household formation growth rate and the poor household change rate. The current consumer data cleansing exercise undertaken by the municipality had a positive impact on the consumer revenue base of the municipality.

2.5.6 Salary Increases

The current collective agreement expires at 30 June 2018. As the salary negotiations for the 2018/19 to 2020/21 cycle has not yet been concluded, the municipality made provision for a 7% increase as well as the filling of some vacant positions.

2.5.7 Impact of National, Provincial and Local Policies.

Integration of service delivery between national; provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs; provincial and national strategies around priority spatial interventions.

In this regard, the following national priorities form the basis of all integration initiatives:

- Creating Jobs.
- Enhancing Education and Skills Development.
- Improving Health Services.
- Rural Development and Agriculture.
- Fighting Crime and Corruption.
- Infrastructure development.

The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 Ability of the Municipality to Spend and Deliver on Programmes

Due to cash flow constraints it is estimated that the spending rate will be lower on operational expenditure. All grant-funded capital must be spent by the end of the financial year to avoid any fund being withheld by the National Treasury.

2.6 Overview of Budget Funding

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation 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 R4 million for the financial years of the 2018/19 MTREF.

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

Table 28 MBRR SA15 – Detail Investment Information

NW403 City Of Matlosana - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand											
Parent municipality	1										
Securities - National Government											
Listed Corporate Bonds											
Deposits - Bank		50 925	70 782	79 137	83 094		83 094	90 000	90 000	90 000	
Deposits - Public Investment Commissioners											
Deposits - Corporation for Public Deposits											
Bankers Acceptance Certificates											
Negotiable Certificates of Deposit - Banks											
Guaranteed Endowment Policies (sinking)		7 304	7 575	8 362	8 780		8 780				
Repurchase Agreements - Banks											
Municipal Bonds											
Municipality sub-total			58 229	78 336	87 499	91 874	-	91 874	90 000	90 000	90 000
Entities											
Securities - National Government											
Listed Corporate Bonds											
Deposits - Bank											
Deposits - Public Investment Commissioners											
Deposits - Corporation for Public Deposits											
Bankers Acceptance Certificates											
Negotiable Certificates of Deposit - Banks											
Guaranteed Endowment Policies (sinking)											
Repurchase Agreements - Banks											
Entities sub-total		-	-	-	-	-	-	-	-	-	
Consolidated total:		58 229	78 336	87 499	91 874	-	91 874	90 000	90 000	90 000	

Table 29 MBRR SA16 – Investment particulars by maturity

NW403 City Of Matlosana - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (Q)	Investment Top Up	Closing Balance
Name of Institution & Investment ID	1	Yrs/Months												
Parent municipality														
Municipality sub-total										83 915	4 039	(10 000)	12 046	90 000
Entities														
N/A														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									83 915	4 039	(10 000)	12 046	90 000

2.6.2 Medium-term outlook: capital revenue

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

Table 30 Sources of capital revenue over the MTREF

Funded by:												
National Government		92 823	101 691	167 202	173 747	-	173 747	-	168 890	165 073	156 508	
Provincial Government												
District Municipality												
Other transfers and grants												
Transfers recognised - capital	4	92 823	101 691	167 202	173 747	-	173 747	-	168 890	165 073	156 508	
Public contributions & donations	5	5 000										
Borrowing	6		-	-	30 000	-	30 000	-	30 000	-	-	
Internally generated funds		3 306	26 162	3 684	10 000	-	10 000	-	21 500	10 000	10 000	
Total Capital Funding	7	101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508	

Figure 2 Sources of capital revenue for the 2018/19 financial year

Capital grants and receipts equates to R 168.8 million for the 2018/19 financial year and decrease to R156.5 million by 2020/21.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 31 MBRR Table SA 17 - Detail of borrowings

NW403 City Of Matlosana - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)			102 720	334 436	102 000		102 000	104 000	89 000	73 000
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	102 720	334 436	102 000	-	102 000	104 000	89 000	73 000
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	102 720	334 436	102 000	-	102 000	104 000	89 000	73 000

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

Funded by:											
National Government		92 823	101 691	167 202	173 747	-	173 747	-	168 880	165 073	156 508
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	92 823	101 691	167 202	173 747	-	173 747	-	168 880	165 073	156 508
Public contributions & donations	5	5 000									
Borrowing	6		-	-	30 000	-	30 000	-	30 000	-	-
Internally generated funds		3 306	26 162	3 684	10 000	-	10 000	-	21 500	10 000	10 000
Total Capital Funding	7	101 129	127 853	170 886	213 747	-	213 747	-	220 380	175 073	166 508

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 provided 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 33 MBRR Table A7 - Budget cash flow statement

NW403 City Of Matlosana - Table A7 Budgeted Cash Flows

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			247 297	297 474	183 828	314 434		314 434		372 327	392 433	414 017
Service charges			727 377	776 457	891 851	1 594 557		1 594 557		1 339 556	1 343 543	1 417 438
Other revenue			59 915	63 832	84 229	166 959		166 959		60 378	67 111	70 582
Government - operating		1	413 120	353 762	381 370	359 968		359 968		409 108	436 656	474 495
Government - capital		1	830	89 493	94 162	178 041		178 041		168 890	165 073	156 508
Interest			91 202	138 481	170 467	83 442		83 442		40 271	37 258	39 390
Dividends										-	-	-
Payments												
Suppliers and employees			(1 373 779)	(1 591 896)	(1 528 806)	(2 473 764)		(2 473 764)		(2 147 301)	(2 237 001)	(2 375 922)
Finance charges			(43 779)	(33 863)	(43 955)	(11 000)		(11 000)		(11 000)	(11 000)	(11 000)
Transfers and Grants		1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES			122 184	93 740	233 145	212 637	-	212 637	-	232 229	194 073	185 508
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			5 105	17 831	3 997					-	-	-
Decrease (increase) in non-current debtors			-		(5 184)					-	-	-
Decrease (increase) other non-current receivables			(1 781)	(15 000)	(0)					-	-	-
Decrease (increase) in non-current investments			-	(1 895)	(2 367)	10 000		10 000		-	-	-
Payments												
Capital assets			(96 128)	(92 875)	150 049	(213 589)		(213 589)		(220 390)	(175 073)	(166 508)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(92 804)	(91 939)	146 496	(203 589)	-	(203 589)	-	(220 390)	(175 073)	(166 508)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										-	-	-
Borrowing long term/refinancing			(40 100)			30 000		30 000		30 000	-	-
Increase (decrease) in consumer deposits			6 269	6 362						3 000	2 000	3 000
Payments												
Repayment of borrowing			(14 706)	(13 093)	14 579	(20 000)		(20 000)		(20 000)	(21 000)	(22 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(48 537)	(6 731)	14 579	10 000	-	10 000	-	13 000	(19 000)	(19 000)
NET INCREASE/ (DECREASE) IN CASH HELD			(19 158)	(4 931)	394 219	19 048	-	19 048	-	24 839	-	-
Cash/cash equivalents at the year begin:		2	49 658	30 500	25 569					85 161	110 000	110 000
Cash/cash equivalents at the year end:		2	30 500	25 569	419 788	19 048	-	19 048	-	110 000	110 000	110 000

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?

- How are those funds used?
- What are the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

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

NW403 City Of Matlosana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	30 500	25 569	419 788	19 048	-	19 048	-	110 000	110 000	110 000
Other current investments > 90 days		-	-	(329 256)	20 945	-	20 945	-	-	-	-
Non current assets - Investments	1	-	-	-	28 672	-	28 672	-	-	-	-
Cash and investments available:		30 500	25 569	90 532	68 665	-	68 665	-	110 000	110 000	110 000
Application of cash and investments											
Unspent conditional transfers		14 067	-	8 587	2 000	-	2 000	-	10 000	10 000	10 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	413 187	369 740	504 431	61 597	-	61 597	-	546 455	562 795	591 066
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		427 254	369 740	513 017	63 597	-	63 597	-	556 455	572 795	601 066
Surplus(shortfall)		(396 754)	(344 171)	(422 485)	5 068	-	5 068	-	(446 455)	(462 795)	(491 066)

From the above table it can be seen that the cash and investments available total R110 million in the 2018/19 financial year and decrease to R110 million by 2020/21, 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

NW403 City Of Matlosana Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	30 500	25 569	419 788	19 048	-	19 048	-	110 000	110 000	110 000
Cash + investments at the yr end less applications - R'000	18(1)b	2	(396 754)	(344 171)	(422 485)	5 068	-	5 068	-	(446 455)	(462 795)	(491 066)
Cash year end/monthly employee/supplier payments	18(1)b	3	0,2	0,2	2,4	0,1	-	0,1	-	0,5	0,5	0,5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(331 522)	(254 275)	(307 260)	(147 497)	-	(147 497)	-	(229 549)	(93 599)	(77 332)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	15,1%	(1,5%)	30,6%	(106,0%)	(6,0%)	(106,0%)	(6,0%)	(0,3%)	0,0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	70,6%	62,8%	60,5%	80,2%	0,0%	80,2%	0,0%	76,8%	73,8%	73,5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	20,5%	30,3%	32,8%	20,5%	0,0%	20,5%	0,0%	26,1%	22,7%	22,6%
Capital payments % of capital expenditure	18(1)c; 19	8	95,1%	72,6%	(87,8%)	99,9%	0,0%	99,9%	0,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(482,8%)	0,0%	0,0%	75,0%	0,0%	75,0%	0,0%	58,3%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	72,8%	16,6%	(13,5%)	(100,0%)	0,0%	(100,0%)	0,0%	4,7%	4,5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	(88,0%)	(100,0%)	0,0%	(100,0%)	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1,0%	0,9%	1,3%	2,5%	0,0%	2,5%	0,0%	3,1%	3,0%	3,5%
Asset renewal % of capital budget	20(1)(vi)	14	48,4%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	10,0%	14,6%	17,2%

Supporting indicators											
% Incr total service charges (incl prop rates)	18(1)a		21,1%	4,5%	38,6%	(100,0%)	0,0%	(100,0%)	0,0%	5,7%	6,0%
% Incr Property Tax	18(1)a		10,3%	(2,5%)	42,5%	(100,0%)	0,0%	(100,0%)	0,0%	6,1%	6,1%
% Incr Service charges - electricity revenue	18(1)a		11,2%	5,8%	19,9%	(100,0%)	0,0%	(100,0%)	0,0%	6,0%	6,0%
% Incr Service charges - water revenue	18(1)a		41,2%	6,5%	37,5%	(100,0%)	0,0%	(100,0%)	0,0%	6,0%	6,0%
% Incr Service charges - sanitation revenue	18(1)a		34,5%	7,9%	76,0%	(100,0%)	0,0%	(100,0%)	0,0%	6,1%	6,3%
% Incr Service charges - refuse revenue	18(1)a		36,8%	3,1%	70,3%	(100,0%)	0,0%	(100,0%)	0,0%	2,0%	5,5%
% Incr in Service charges - other	18(1)a		0,0%	0,0%	0,0%	(100,0%)	0,0%	(100,0%)	0,0%	0,0%	0,0%
Total billable revenue	18(1)a	1 308 456	1 584 292	1 655 068	2 260 169	-	2 260 169	-	2 114 286	2 234 464	2 368 854
Service charges		1 308 456	1 584 292	1 655 068	2 260 169	-	2 260 169	-	2 114 286	2 234 464	2 368 854
Property rates		247 297	272 707	265 941	378 837	-	378 837	-	413 697	438 875	465 520
Service charges - electricity revenue		594 194	660 703	699 088	838 331	-	838 331	-	804 516	852 936	904 509
Service charges - water revenue		309 364	436 843	465 049	639 296	-	639 296	-	591 844	627 457	665 323
Service charges - sanitation revenue		68 005	91 496	98 707	173 694	-	173 694	-	119 074	126 347	134 268
Service charges - refuse removal		89 596	122 543	126 282	215 011	-	215 011	-	185 156	188 848	199 234
Service charges - other		-	-	-	15 000	-	15 000	-	-	-	-
Rental of facilities and equipment		5 233	4 875	5 411	6 587	-	6 587	-	6 793	7 160	7 554
Capital expenditure excluding capital grant funding		8 306	26 162	3 684	40 000	-	40 000	-	51 500	10 000	10 000
Cash receipts from ratepayers	18(1)a	1 034 589	1 137 762	1 159 908	2 075 951	-	2 075 951	-	1 772 261	1 803 087	1 902 037
Ratepayer & Other revenue	18(1)a	1 465 136	1 812 906	1 916 490	2 589 012	-	2 589 012	-	2 307 493	2 441 578	2 587 137
Change in consumer debtors (current and non-current)		185 460	124 763	64 247	(59 882)	(360 456)	(59 882)	(360 456)	19 426	15 000	15 000
Operating and Capital Grant Revenue	18(1)a	415 405	446 574	477 693	538 009	-	538 009	-	577 998	603 729	633 003
Capital expenditure - total	20(1)(vi)	101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508
Capital expenditure - renewal	20(1)(vi)	48 927	-	-	-	-	-	-	22 000	25 483	28 663
Supporting benchmarks											
Growth guideline maximum		6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline		4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY									409 108	438 656	476 495
DoRA capital grants total MFY									168 890	165 073	156 508
Provincial operating grants									-	-	-
Provincial capital grants									-	-	-
District Municipality grants									-	-	-
Total gazetted/advised national, provincial and district grants									577 998	603 729	633 003
Average annual collection rate (arrears inclusive)											

Total Operating Revenue		1 883 630	2 166 261	2 402 541	2 955 774	-	-	-	2 720 640	2 884 490	3 068 124
Total Operating Expenditure		2 215 983	2 520 667	2 709 801	3 277 018	-	-	-	3 119 078	3 143 161	3 301 964
Operating Performance Surplus/(Deficit)		(332 352)	(354 406)	(307 260)	(321 244)	-	-	-	(398 438)	(258 672)	(233 840)
Cash and Cash Equivalents (30 June 2012)									110 000		
Revenue											
% Increase in Total Operating Revenue			15,0%	10,9%	23,0%	(100,0%)	0,0%	(100,0%)	0,0%	6,0%	6,4%
% Increase in Property Rates Revenue			10,3%	(2,5%)	42,5%	(100,0%)	0,0%	(100,0%)	0,0%	6,1%	6,1%
% Increase in Electricity Revenue			11,2%	5,8%	19,9%	(100,0%)	0,0%	(100,0%)	0,0%	6,0%	6,0%
% Increase in Property Rates & Services Charges			21,1%	4,5%	36,6%	(100,0%)	0,0%	(100,0%)	0,0%	5,7%	6,0%
Expenditure											
% Increase in Total Operating Expenditure			13,7%	7,5%	20,9%	(100,0%)	0,0%	(100,0%)	0,0%	0,8%	5,1%
% Increase in Employee Costs			2,3%	8,4%	10,6%	(100,0%)	0,0%	(100,0%)	0,0%	5,5%	5,6%
% Increase in Electricity Bulk Purchases			16,5%	1,1%	5,2%	(100,0%)	0,0%	(100,0%)	0,0%	4,6%	6,0%
Average Cost Per Budgeted Employee Position (Remuneration)				219921,8134	239625,6052				262115,5739		
Average Cost Per Councillor (Remuneration)				368806,1818	411136,2208				440353,974		
R&M % of PPE		1,0%	0,9%	1,3%	2,5%	0,0%	2,5%		3,1%	3,0%	3,5%
Asset Renewal and R&M as a % of PPE		2,0%	1,0%	1,0%	2,0%	0,0%	2,0%		4,0%	4,0%	4,0%
Debt Impairment % of Total Billable Revenue		20,5%	30,3%	32,8%	20,5%	0,0%	20,5%	0,0%	26,1%	22,7%	22,6%
Capital Revenue											
Internally Funded & Other (R'000)		8 306	26 162	3 684	10 000	-	10 000	-	21 500	10 000	10 000
Borrowing (R'000)		-	-	-	30 000	-	30 000	-	30 000	-	-
Grant Funding and Other (R'000)		92 823	101 691	167 202	173 747	-	173 747	-	168 890	165 073	158 508
Internally Generated funds % of Non Grant Funding		100,0%	100,0%	100,0%	25,0%	0,0%	25,0%	0,0%	41,7%	100,0%	100,0%
Borrowing % of Non Grant Funding		0,0%	0,0%	0,0%	75,0%	0,0%	75,0%	0,0%	58,3%	0,0%	0,0%
Grant Funding % of Total Funding		91,8%	79,5%	97,8%	81,3%	0,0%	81,3%	0,0%	76,6%	94,3%	94,0%
Capital Expenditure											
Total Capital Programme (R'000)		101 128	127 853	170 886	213 747	-	213 747	-	220 390	175 073	166 508
Asset Renewal		48 927	-	-	-	-	-	-	22 000	25 483	28 663
Asset Renewal % of Total Capital Expenditure		48,4%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	10,0%	14,6%	17,2%
Cash											
Cash Receipts % of Rate Pay & Other		70,6%	62,8%	60,5%	80,2%	0,0%	80,2%	0,0%	76,8%	73,8%	73,5%
Cash Coverage Ratio		0	0	0	0	-	0	-	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		2,7%	1,9%	1,1%	0,9%	0,0%	0,9%	0,0%	1,0%	1,0%	1,0%
Borrowing Receipts % of Capital Expenditure		(482,8%)	0,0%	0,0%	75,0%	0,0%	75,0%	0,0%	58,3%	0,0%	0,0%
Reserves											
Surplus/(Deficit)		(396 754)	(344 171)	(422 485)	5 068	-	5 068	-	(446 455)	(462 795)	(491 066)
Free Services											
Free Basic Services as a % of Equitable Share		0,0%	0,0%	0,0%	61,6%	0,0%	63,5%		93,3%	91,0%	88,5%
Free Services as a % of Operating Revenue (excl operational transfers)		0,0%	0,0%	0,0%	4,6%	0,0%	4,6%		2,6%	2,6%	2,5%
High Level Outcome of Funding Compliance											
Total Operating Revenue		1 883 630	2 166 261	2 402 541	2 955 774	-	2 955 774	-	2 720 640	2 884 490	3 068 124
Total Operating Expenditure		2 215 983	2 520 667	2 709 801	3 277 018	-	3 277 018	-	3 119 078	3 143 161	3 301 964
Surplus/(Deficit) Budgeted Operating Statement		(332 352)	(354 406)	(307 260)	(321 244)	-	(321 244)	-	(398 438)	(258 672)	(233 840)
Surplus/(Deficit) Considering Reserves and Cash Backing		(396 754)	(344 171)	(422 485)	5 068	-	5 068	-	(446 455)	(462 795)	(491 066)
MTREF Funded (1) / Unfunded (0)	15	0	0	0	1	1	1	1	0	0	0
MTREF Funded ✓ / Unfunded ✗	15	✗	✗	✗	✓	✓	✓	✓	✗	✗	✗

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 debt at the end of the financial year.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. For the 2018/19 MTREF the indicative outcome is reducing slightly to a deficit of R 229.5 million, R 93.5. million and R 77.3 million.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 76.8%, 73.8% and 73.5% for each of the respective financial years.

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) had to be increased to offset under-collection of billed revenues. The provision has been appropriated at 26.1%, 22.7% and 22.6% over the MTREF.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing of 2018/19 is 58.3% of own funded capital.

Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

Table 36 MBRR SA19 - Expenditure on transfers and grant programs

NW403 City Of Matlosana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		-	344 800	344 508	358 768	-	358 768	408 392	433 082	470 672
Local Government Equitable Share			339 737	342 855	354 377		354 377	392 856	428 402	465 560
Local Finance Management Grant			1 674	-	2 145	-	2 145	2 215	2 680	3 112
EPWP Incentive			3 389	1 653	2 246	-	2 246	2 037	-	-
Energy Efficiency and Demand-side [Schedule 5B]			-	-	-	-	-	7 000	2 000	2 000
MSIG			935	1 805						
Performance Management Unit (PMU)								4 284	4 374	4 623
Provincial Government:		-	608	951	1 200	-	1 200	716	-	-
Sport, Arts, Cultural and Library			608	951	1 200	-	1 200	716	-	-
Museum Grant			100	250				-	-	-
								-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		-	345 408	345 459	359 968	-	359 968	409 108	433 082	470 672
Capital expenditure of Transfers and Grants										
National Government:		-	100 131	130 179	178 041	-	178 041	168 890	165 073	156 508
Municipal Infrastructure Grant		-	100 131	130 179	89 041	-	89 041	81 405	83 115	87 845
Neighbourhood Development Partnership Grant		-	-	-	75 000	-	75 000	48 485	56 475	40 000
Water Services Infrastructure Grant		-						17 000		
Integrated National Electrification Programme		-			14 000		14 000	22 000	25 483	28 663
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	445 539	475 638	538 009	-	538 009	577 998	598 155	627 180

Table 37 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

NW403 City Of Matlosana - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		48 054								
Current year receipts		89 365			-		-	408 392	433 082	470 672
Conditions met - transferred to revenue		112 196	-	-	(363 062)	-	(363 062)	408 392	433 082	470 672
Conditions still to be met - transferred to liabilities		25 222			363 062		363 062			
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts								716		
Conditions met - transferred to revenue		(1 266)	-	-	(1 200)	-	(1 200)	716	-	-
Conditions still to be met - transferred to liabilities		1 266			1 200		1 200			
District Municipality:										
Balance unspent at beginning of the year		3 565								
Current year receipts		1 217								
Conditions met - transferred to revenue		(213)	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		4 994								
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		110 717	-	-	(364 262)	-	(364 262)	409 108	433 082	470 672
Total operating transfers and grants - CTBM	2	31 483	-	-	364 262	-	364 262	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		3 690								
Current year receipts		1 913						168 890	165 073	156 508
Conditions met - transferred to revenue		830	-	-	(173 747)	-	(173 747)	168 890	165 073	156 508
Conditions still to be met - transferred to liabilities		4 773			173 747		173 747			
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		(213)	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		213								
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		617	-	-	(173 747)	-	(173 747)	168 890	165 073	156 508
Total capital transfers and grants - CTBM	2	4 986	-	-	173 747	-	173 747	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		111 334	-	-	(538 009)	-	(538 009)	577 998	598 155	627 180
TOTAL TRANSFERS AND GRANTS - CTBM		36 469	-	-	538 009	-	538 009	-	-	-

2.7 Councilor and employee benefits

Table 38 MBRR SA22 - Summary of councilor and staff benefits

NW403 City Of Matlosana - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councilor remuneration R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		20 458	23 982	28 398	30 943	-	30 943	19 953	21 031	22 188
Pension and UIF Contributions		-	-	-	-	-	-	2 354	2 481	2 618
Medical Aid Contributions		-	-	-	-	-	-	115	121	128
Motor Vehicle Allowance		-	-	-	-	-	-	3 324	3 504	3 696
Cellphone Allowance		-	-	-	-	-	-	8 161	8 601	9 074
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		20 458	23 982	28 398	30 943	-	30 943	33 907	35 738	37 704
% increase	4		17,2%	18,4%	9,0%	(100,0%)	-	9,8%	5,4%	5,5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		10 206	10 895	9 799	7 492	-	7 492	6 746	7 108	7 496
Pension and UIF Contributions		-	-	-	-	-	-	11	12	13
Medical Aid Contributions		-	-	-	-	-	-	39	41	43
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	1 037	1 093	1 153
Cellphone Allowance	3	-	-	-	-	-	-	95	100	106
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 206	10 895	9 799	7 492	-	7 492	7 928	8 354	8 810
% increase	4		6,8%	(10,1%)	(23,3%)	(100,0%)	-	5,8%	5,4%	5,5%
Other Municipal Staff										
Basic Salaries and Wages		478 415	314 475	332 623	382 921	-	382 921	421 650	445 078	470 224
Pension and UIF Contributions		-	65 581	68 419	80 458	-	80 458	96 556	101 686	107 248
Medical Aid Contributions		-	27 356	42 199	35 552	-	35 552	46 057	48 584	51 291
Overtime		-	31 115	31 423	23 823	-	23 823	25 723	26 675	28 142
Performance Bonus		-	-	25 542	-	-	-	28 998	30 564	32 245
Motor Vehicle Allowance	3	-	8 136	8 693	8 008	-	8 008	-	-	-
Cellphone Allowance	3	-	601	601	737	-	737	749	790	833
Housing Allowances	3	-	2 056	2 162	2 843	-	2 843	4 074	4 294	4 530
Other benefits and allowances	3	-	36 262	15 774	35 105	-	35 105	16 331	17 389	18 324
Payments in lieu of leave		-	3 832	3 015	4 407	-	4 407	4 600	4 849	5 115
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	13 000	-	13 000	-	-	-
Sub Total - Other Municipal Staff		478 415	489 415	530 451	586 853	-	586 853	644 740	679 908	717 951
% increase	4		2,3%	8,4%	10,6%	(100,0%)	-	9,9%	5,5%	5,6%
Total Parent Municipality		509 078	524 292	568 649	625 288	-	625 288	686 575	724 000	764 466
			3,0%	8,5%	10,0%	(100,0%)	-	9,8%	5,5%	5,6%
TOTAL SALARY, ALLOWANCES & BENEFITS		509 078	524 292	568 649	625 288	-	625 288	686 575	724 000	764 466
% increase	4		3,0%	8,5%	10,0%	(100,0%)	-	9,8%	5,5%	5,6%
TOTAL MANAGERS AND STAFF	5,7	488 620	500 310	540 251	594 345	-	594 345	652 668	688 262	726 762

NW403 City Of Matlosana - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

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Table 40 MBRR SA24 – summary of personnel numbers

NW403 City Of Matlosana - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			77		77	77		77	77	-	77
Board Members of municipal entities	4					-	-	-		-	-
Municipal employees	5										
Municipal Manager and Senior Managers	3		8		8	8		8	8	-	8
Other Managers	7		44	44		44	44		44	44	-
Professionals			53	53	-	53	53	-	58	58	-
Finance			7	7		7	7		7	7	-
Spatial/Town planning			2	2		2	2		2	2	-
Information Technology						-	-	-	1	1	-
Roads						-	-	-	1	1	-
Electricity						-	-	-	1	1	-
Water						-	-	-	1	1	-
Sanitation						-	-	-	1	1	-
Refuse			2	2		2	2	-	2	2	-
Other			42	42		42	42	-	42	42	-
Technicians			181	181	-	181	181	-	186	186	-
Finance			22	22		22	22	-	25	25	-
Spatial/Town planning			12	12		12	12	-	12	12	-
Information Technology			1	1		1	1	-	1	1	-
Roads			5	5		5	5	-	5	5	-
Electricity			20	20		20	20	-	20	20	-
Water			8	8		8	8	-	10	10	-
Sanitation			10	10		10	10	-	10	10	-
Refuse			4	4		4	4	-	4	4	-
Other			99	99		99	99	-	99	99	-
Clerks (Clerical and administrative)			380	452		486	486	-	490	490	-
Service and sales workers			161	161		161	161	-	161	161	-
Skilled agricultural and fishery workers			10	10		10	10	-	10	10	-
Craft and related trades			142	142		142	142	-	142	142	-
Plant and Machine Operators			171	171		171	171	-	171	171	-
Elementary Occupations			1 190	1 190		1 191	1 191	-	1 220	1 220	-
TOTAL PERSONNEL NUMBERS		9	2 417	2 404	85	2 524	2 439	85	2 567	2 482	85
% Increase						4,4%	1,5%	-	1,7%	1,8%	-
Total municipal employees headcount		6, 10	2 482	2 114		2 524	2 439		2 566	2 566	
Finance personnel headcount		8, 10	220	167		220	162		220	170	
Human Resources personnel headcount		8, 10	31	26		31	24		31	28	

2.8 Monthly targets for revenue, expenditure and cash flow

Table 41 MBRR SA25 - Budgeted monthly revenue and expenditure

NW403 City Of Matlosana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source																
Property rates		34 856	34 056	34 125	34 890	34 475	34 123	34 563	34 587	34 521	34 712	34 156	34 633	413 697	438 875	465 520
Service charges - electricity revenue		65 521	65 999	66 001	67 523	68 547	67 321	67 554	67 151	67 258	67 043	67 389	67 209	804 516	852 936	904 509
Service charges - water revenue		49 512	49 632	49 785	49 114	49 320	49 658	49 024	48 963	49 552	48 787	49 121	49 375	591 844	627 457	665 323
Service charges - sanitation revenue		9 900	9 555	9 941	9 989	10 100	10 122	9 864	9 654	9 990	9 999	9 912	10 048	119 074	126 347	134 268
Service charges - refuse revenue		15 478	15 032	15 625	15 147	15 450	15 430	15 632	15 678	15 235	15 625	15 244	15 580	185 156	188 848	199 234
Service charges - other																
Rental of facilities and equipment		589	524	566	578	524	568	599	564	582	532	588	579	6 793	7 160	7 554
Interest earned - external investments		337	373	335	362	339	311	302	309	333	345	359	335	4 257	4 267	4 492
Interest earned - outstanding debtors		11 111	11 585	11 069	10 564	11 016	10 648	11 232	11 330	10 987	10 999	11 105	11 183	132 829	140 002	147 702
Dividends received																
Fines, penalties and forfeits		755	786	701	725	711	709	700	695	678	713	735	732	8 640	9 107	9 608
Licences and permits		110	105	122	98	95	107	107	103	116	105	103	109	1 279	1 348	1 423
Agency services		580	564	572	592	565	593	575	602	610	625	590	587	7 055	7 436	7 845
Transfers and subsidies		34 102	34 562	33 000	34 200	34 092	33 952	34 215	34 156	34 322	34 095	34 654	33 758	409 108	438 656	476 495
Other revenue		3 201	3 221	3 012	2 299	3 121	3 099	3 245	3 025	3 155	3 065	3 087	3 080	36 610	42 060	44 153
Gains on disposal of PPE																
Total Revenue (excluding capital transfers and contributions)		226 052	225 994	224 854	226 081	228 355	228 641	227 612	226 817	227 339	226 645	227 043	227 208	2 720 640	2 884 480	3 068 124
Expenditure By Type																
Employee related costs		54 299	54 312	54 389	54 222	54 109	54 099	54 686	54 999	54 255	54 087	54 566	54 645	652 668	688 262	726 762
Remuneration of councillors		2 899	2 800	2 765	2 515	2 732	2 965	2 988	2 826	2 516	2 911	2 999	2 992	33 907	35 738	37 704
Debt impairment		45 917	46 005	45 212	45 820	46 133	45 904	46 000	45 820	45 980	46 176	45 921	46 112	551 000	506 470	535 349
Depreciation & asset impairment		35 501	35 781	35 684	35 454	35 682	35 489	35 987	35 500	35 214	35 698	35 682	36 516	428 189	435 168	439 561
Finance charges		900	911	917	920	923	918	922	915	902	930	922	920	11 000	11 000	11 000
Bulk purchases		74 800	75 423	73 915	73 965	74 890	74 747	74 852	75 014	74 900	75 244	74 965	75 185	897 900	947 905	1 004 548
Other materials		8 295	8 231	8 154	8 296	8 255	8 250	8 245	8 222	8 287	8 300	8 149	8 317	99 002	93 478	98 619
Contracted services		22 459	22 459	22 459	22 459	22 459	22 459	22 459	22 459	22 459	22 459	22 459	22 459	289 505	240 183	253 274
Transfers and subsidies																
Other expenditure		14 659	14 700	14 258	14 599	14 756	14 555	14 851	14 633	14 798	14 520	14 803	14 777	175 909	184 956	195 147
Loss on disposal of PPE																
Total Expenditure		259 728	260 622	257 752	258 250	259 939	259 386	260 990	260 387	259 311	260 325	260 466	261 923	3 119 078	3 143 161	3 301 964
Surplus/(Deficit)		(33 677)	(34 628)	(32 898)	(32 169)	(31 584)	(32 745)	(33 378)	(33 570)	(31 972)	(33 680)	(33 423)	(34 715)	(398 438)	(258 672)	(233 840)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		18 546	15 687	15 379	12 263	14 666	15 228	12 964	13 222	13 834	12 574	12 273	12 253	168 890	165 073	156 508
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 (n-kind - all)																
Surplus/(Deficit) after capital transfers & contributions		(15 131)	(18 941)	(17 519)	(19 906)	(16 918)	(17 517)	(20 414)	(20 348)	(18 138)	(21 106)	(21 150)	(22 462)	(229 549)	(93 599)	(77 332)
Taxation																
Attributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	(15 131)	(18 941)	(17 519)	(19 906)	(16 918)	(17 517)	(20 414)	(20 348)	(18 138)	(21 106)	(21 150)	(22 462)	(229 549)	(93 599)	(77 332)

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

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

Budget Year 2018/19														Medium Term Revenue and Expenditure Framework			
Description		Ref	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																	
Revenue by Vote																	
Vote 01 - Executive & Council		226	367	357	452	215	368	452	487	476	368	298	353	4 419	8 131	8 358	
Vote 02 - Budget & Treasury Office		69 899	75 500	88 803	69 899	65 000	73 214	57 489	62 145	67 245	72 580	70 321	66 693	838 788	898 760	962 072	
Vote 03 - Community & Social Services		202	364	355	421	389	346	498	300	399	401	320	375	4 370	4 606	27 197	
Vote 04 - Sport And Recreation		949	1 051	978	1 001	963	995	999	900	978	966	975	1 047	11 803	28 285	13 665	
Vote 05 - Public Safety		1 500	1 400	1 650	1 486	1 099	1 555	1 248	1 854	1 499	1 547	1 587	1 401	17 836	18 800	19 834	
Vote 06 - Housing		222	289	300	271	365	309	285	331	319	272	345	279	3 587	3 780	3 988	
Vote 07 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 08 - Planning And Development		2 514	3 014	3 299	3 355	3 074	3 120	3 015	3 366	3 501	3 001	2 990	3 192	37 442	45 031	31 758	
Vote 09 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 - Electricity		72 015	65 054	51 975	73 475	86 797	78 371	82 242	79 726	69 603	60 533	73 771	85 916	879 480	638 658	816 219	
Vote 11 - Water Management		58 458	55 875	58 562	57 851	51 089	54 800	59 870	61 048	65 874	69 845	56 515	50 120	699 907	852 558	925 057	
Vote 12 - Waste Water Management		12 478	15 486	12 354	11 478	15 984	11 475	12 354	12 987	13 487	12 120	13 099	12 635	155 937	315 848	162 228	
Vote 13 - Waste Management		17 788	18 452	17 542	17 985	17 024	17 642	17 758	16 852	17 989	17 154	17 758	19 152	213 096	207 757	219 183	
Vote 14 - Road Transport		1 921	1 905	1 945	1 823	1 874	1 900	1 899	1 935	1 905	1 962	1 825	1 970	22 864	27 349	35 072	
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote			238 172	238 758	238 121	239 498	243 873	244 095	238 109	241 931	243 276	240 749	239 814	243 133	2 889 530	3 049 562	3 224 632
Expenditure by Vote to be appropriated																	
Vote 01 - Executive & Council		18 456	18 790	17 990	18 056	18 325	18 098	18 114	18 001	17 999	17 845	17 633	16 800	216 007	223 832	235 693	
Vote 02 - Budget & Treasury Office		22 000	22 562	22 379	22 125	22 632	22 314	22 147	23 010	22 379	22 405	22 132	22 460	268 544	267 911	282 558	
Vote 03 - Community & Social Services		9 510	9 425	9 600	9 566	9 785	9 021	9 534	9 547	9 258	9 501	9 754	9 513	114 015	118 968	123 871	
Vote 04 - Sport And Recreation		7 428	7 312	7 654	7 214	7 135	7 248	7 298	7 252	7 265	7 308	7 389	7 191	87 694	91 099	95 483	
Vote 05 - Public Safety		14 520	14 852	14 365	14 480	14 498	14 652	14 325	14 254	14 057	14 352	14 678	14 723	173 756	173 809	183 170	
Vote 06 - Housing		1 159	1 654	1 024	1 036	1 089	1 078	1 035	1 123	1 178	1 065	1 201	1 246	13 888	14 547	15 256	
Vote 07 - Health		945	902	895	975	879	897	865	899	877	922	871	931	10 858	11 313	11 878	
Vote 08 - Planning And Development		7 245	7 122	7 112	7 546	7 131	7 021	7 011	6 985	7 173	7 214	7 298	7 213	86 070	90 289	95 442	
Vote 09 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 - Electricity		84 322	83 510	87 747	85 208	85 082	86 744	86 829	85 142	85 976	85 170	84 350	89 629	1 029 708	1 025 005	1 081 977	
Vote 11 - Water Management		53 485	53 652	52 489	52 984	52 554	52 735	52 158	53 015	53 658	52 987	52 966	52 760	635 593	655 800	689 280	
Vote 12 - Waste Water Management		11 652	11 528	11 534	11 985	11 511	11 047	11 254	11 685	11 478	11 353	11 865	11 622	138 514	137 913	142 660	
Vote 13 - Waste Management		12 958	13 645	12 331	12 852	12 963	12 785	12 654	12 928	12 945	12 998	12 999	13 080	155 138	147 714	155 410	
Vote 14 - Road Transport		15 785	15 325	15 774	14 998	15 633	15 988	15 999	16 015	15 945	15 988	15 901	15 942	189 293	184 961	189 286	
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote			259 465	260 279	260 894	259 025	259 317	259 678	259 223	259 856	260 087	259 108	259 037	263 111	3 119 078	3 143 161	3 301 964
Surplus/(Deficit) before assoc.			(21 293)	(21 521)	(22 773)	(19 527)	(15 443)	(15 583)	(21 114)	(17 925)	(16 811)	(18 359)	(19 223)	(19 978)	(229 549)	(93 599)	(77 332)
Taxation															-	-	-
Attributable to minorities															-	-	-
Share of surplus/ (deficit) of associate															-	-	-
Surplus/(Deficit)		1	(21 293)	(21 521)	(22 773)	(19 527)	(15 443)	(15 583)	(21 114)	(17 925)	(16 811)	(18 359)	(19 223)	(19 978)	(229 549)	(93 599)	(77 332)

Table 43 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NW403 City Of Matlosana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description		Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July		August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Revenue - Functional																	
Governance and administration			69 313	69 851	70 289	71 053	70 635	70 994	70 819	69 472	69 754	70 373	70 358	70 502	843 414	907 108	992 997
Executive and council			355	380	390	395	421	362	374	348	433	385	387	395	4 625	8 348	30 925
Finance and administration			68 958	69 471	69 899	70 658	70 214	70 632	70 445	69 124	69 321	69 988	69 971	70 107	838 788	898 760	962 072
Internal audit															-	-	-
Community and public safety			2 148	2 170	1 992	2 054	2 033	2 057	2 088	2 305	2 050	2 104	2 011	2 026	25 017	42 213	28 359
Community and social services			250	271	255	248	259	262	257	268	263	247	262	270	3 112	3 725	3 864
Sport and recreation			1 100	1 120	972	1 044	983	995	1 065	1 254	997	1 075	952	969	12 526	28 602	14 066
Public safety			798	779	765	762	791	800	746	783	790	782	797	787	9 379	9 886	10 429
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health															-	-	-
Economic and environmental services			3 442	3 358	3 430	3 488	3 275	3 435	3 334	3 401	3 443	3 503	3 422	3 444	40 976	46 130	54 895
Planning and development			780	785	766	777	804	723	750	798	801	768	782	792	9 326	9 522	10 054
Road transport			2 633	2 545	2 637	2 685	2 444	2 687	2 565	2 578	2 613	2 711	2 610	2 623	31 322	36 263	44 476
Environmental protection			29	28	27	26	27	25	29	25	29	24	30	29	328	346	365
Trading services			160 648	160 831	159 775	160 353	165 304	164 911	159 341	164 290	165 352	162 104	161 282	164 493	1 948 683	2 015 098	2 122 979
Energy sources			73 654	73 258	73 150	72 145	72 651	73 852	73 148	72 984	73 958	73 648	73 290	73 742	879 480	1 167 171	1 225 536
Water management			56 214	56 314	56 515	57 111	62 010	60 258	56 874	60 352	60 478	57 456	57 357	59 968	699 907	324 045	515 740
Waste water management			13 000	13 259	12 258	12 995	13 121	13 265	12 863	13 100	13 085	13 220	12 745	13 026	155 937	315 848	162 228
Waste management			17 780	18 000	17 852	18 102	17 522	17 536	17 456	17 854	17 831	17 780	17 890	17 756	213 359	208 034	219 476
Other			2 821	2 548	2 635	2 550	2 626	2 698	2 547	2 463	2 677	2 665	2 741	2 668	31 439	39 013	25 400
Total Revenue - Functional			238 172	238 758	238 121	239 488	243 873	244 095	238 109	241 931	243 276	240 749	239 814	243 133	2 889 530	3 049 562	3 224 632
Expenditure - Functional																	
Governance and administration			47 778	48 428	49 616	48 551	49 172	48 057	47 193	47 860	48 836	48 184	47 379	49 680	580 732	581 820	611 204
Executive and council			24 123	24 456	24 587	24 165	24 189	23 987	23 658	23 450	23 789	24 089	23 852	24 400	288 745	292 436	306 014
Finance and administration			23 258	23 587	24 651	23 985	24 578	23 675	23 147	23 999	24 656	23 741	23 158	24 902	287 337	284 485	300 024
Internal audit			395	385	378	401	405	395	388	411	391	354	369	379	4 650	4 899	5 167
Community and public safety			19 313	19 441	19 045	19 189	18 948	19 568	19 486	19 539	19 583	19 418	19 615	19 741	232 884	245 533	258 603
Community and social services			5 600	5 644	5 763	5 590	5 348	5 656	5 418	5 675	5 603	5 698	5 578	5 661	67 234	69 131	71 580
Sport and recreation			7 788	7 895	7 468	7 918	7 563	7 852	7 856	7 830	7 956	7 854	7 989	7 930	93 899	99 923	106 263
Public safety			5 900	5 878	5 788	5 655	6 012	6 035	6 189	6 011	5 999	5 842	6 022	6 124	71 455	76 168	80 431
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			25	24	26	26	25	23	23	23	25	24	26	26	295	312	329
Economic and environmental services			28 120	28 131	25 980	26 180	26 378	26 415	26 812	25 317	25 871	25 587	26 058	26 482	313 308	315 354	328 712
Planning and development			6 100	6 125	6 000	6 159	6 250	6 073	5 945	5 921	5 983	5 990	6 123	6 203	72 871	77 257	81 377
Road transport			19 655	19 648	19 635	19 668	19 785	19 999	20 522	19 011	19 564	19 241	19 570	19 889	236 185	233 619	240 615
Environmental protection			365	358	345	365	341	343	345	385	324	356	365	369	4 251	4 478	4 721
Trading services			164 231	164 246	164 095	163 525	162 784	163 495	163 634	165 065	163 752	163 920	163 963	165 189	1 967 889	1 975 850	2 079 261
Energy sources			85 875	85 584	85 624	85 963	85 456	85 911	85 654	85 947	85 963	85 809	85 955	85 967	1 029 708	1 025 005	1 081 977
Water management			53 000	53 878	52 885	52 485	52 332	52 488	52 656	53 785	52 966	52 888	52 999	53 231	635 593	655 800	689 280
Waste water management			11 658	11 236	11 688	11 852	11 452	11 222	11 425	11 545	11 578	11 665	11 598	11 617	138 536	137 936	142 685
Waste management			13 698	13 548	13 898	13 225	13 544	13 874	13 889	13 778	13 245	13 558	13 411	14 374	164 052	157 109	165 319
Other			2 025	2 033	2 158	1 580	2 037	2 145	2 098	2 085	2 045	1 999	2 022	2 039	24 266	24 605	28 184
Total Expenditure - Functional			259 465	260 279	260 894	259 025	259 317	259 678	259 223	259 550	260 087	259 108	259 037	263 111	3 119 078	3 143 181	3 301 964
Surplus/(Deficit) before assoc.			(21 293)	(21 521)	(22 773)	(19 527)	(15 443)	(15 583)	(21 114)	(17 625)	(16 811)	(18 359)	(19 223)	(19 978)	(229 549)	(93 599)	(77 332)
Share of surplus/ (deficit) of associate															-	-	-
Surplus/(Deficit)		1	(21 293)	(21 521)	(22 773)	(19 527)	(15 443)	(15 583)	(21 114)	(17 625)	(16 811)	(18 359)	(19 223)	(19 978)	(229 549)	(93 599)	(77 332)

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

NW403 City Of Matlosana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Multi-year expenditure to be appropriated	1															
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Community & Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		-	1 000	2 000	500	1 200	500	2 000	1 000	250	1 500	500	1 550	12 000	10 000	16 970
Vote 05 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-	-	-	-	8 597	10 597
Vote 09 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		1 798	2 200	2 100	-	2 800	1 300	1 700	2 030	1 100	3 500	2 500	3 372	24 400	28 043	33 463
Vote 11 - Water Management		3 600	3 800	2 400	5 400	2 200	2 200	3 600	3 800	5 400	4 600	5 100	3 717	45 822	45 450	30 84
Vote 12 - Waste Water Management		2 300	1 000	1 500	1 200	1 300	1 000	1 200	1 800	1 000	1 000	1 000	1 621	15 921	16 823	17 187
Vote 13 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Road Transport		50	-	-	200	100	-	200	-	100	100	500	(528)	722	6 007	19 939
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	7 748	8 000	8 000	7 300	7 800	5 000	8 700	8 630	7 850	10 700	9 800	9 732	98 865	114 920	129 000
Single-year expenditure to be appropriated																
Vote 01 - Executive & Council		1 600	3 500	6 800	7 500	2 000	3 500	1 500	1 500	2 000	3 500	3 500	2 000	38 900	10 000	10 000
Vote 02 - Budget & Treasury Office		400	650	250	320	110	500	350	250	350	650	700	1 070	5 600	-	-
Vote 03 - Community & Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Housing		1 300	-	1 000	-	-	500	400	300	100	-	-	400	4 000	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		1 702	1 000	1 200	3 500	1 700	2 000	1 100	1 670	2 500	1 300	2 000	749	20 421	18 743	6 687
Vote 11 - Water Management		1 400	1 400	1 100	1 400	1 300	1 400	1 300	1 400	1 400	1 400	1 400	1 948	16 848	5 000	-
Vote 12 - Waste Water Management		1 200	1 000	1 000	2 300	1 200	1 200	1 500	1 100	1 800	2 000	2 000	1 241	17 541	9 000	6 000
Vote 13 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	10 000	7 410
Vote 14 - Road Transport		1 450	1 800	2 000	1 200	1 000	1 100	1 300	1 500	1 500	1 100	1 300	2 966	18 216	7 410	7 410
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	9 052	9 350	13 350	16 220	7 310	10 200	7 450	7 720	9 650	9 950	10 900	10 373	121 525	60 153	37 507
Total Capital Expenditure	2	16 800	17 350	21 350	23 520	14 910	15 200	16 150	16 350	17 500	20 650	20 500	20 105	220 390	175 073	166 508

Table 45 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NW403 City Of Matlosana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		2 000	4 150	7 050	7 820	2 110	4 000	1 850	1 750	2 350	4 150	4 200	3 070	44 500	10 000	10 000
Executive and council		1 600	3 500	6 800	7 500	2 000	3 500	1 500	1 500	2 000	3 500	3 500	2 000	38 900	10 000	10 000
Finance and administration		400	650	250	320	110	500	350	250	350	650	700	1 070	5 600	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 300	1 000	3 000	500	1 200	1 000	2 400	1 300	350	1 500	500	1 950	16 000	10 000	16 970
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	1 000	2 000	500	1 200	500	2 000	1 000	250	1 500	500	1 550	12 000	10 000	16 970
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		1 300	-	1 000	-	-	500	400	300	100	-	-	400	4 000	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 500	1 800	2 000	1 400	1 100	1 100	1 500	1 500	1 600	1 200	1 800	2 438	18 938	13 417	27 349
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		1 500	1 800	2 000	1 400	1 100	1 100	1 500	1 500	1 600	1 200	1 800	2 438	18 938	13 417	27 349
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12 000	10 400	9 300	13 800	10 500	9 100	10 400	11 800	13 200	13 800	14 000	12 652	140 952	133 059	101 593
Energy sources		3 500	3 200	3 300	3 500	4 500	3 300	2 800	3 700	3 600	4 800	4 500	4 121	44 821	46 786	40 150
Water management		5 000	5 200	3 500	6 800	3 500	3 600	4 900	5 200	6 800	6 000	6 500	5 669	62 669	50 450	30 845
Waste water management		3 500	2 000	2 500	3 500	2 500	2 200	2 700	2 900	2 800	3 000	3 000	2 861	33 461	25 823	23 187
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	10 000	7 410
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	8 597	10 597
Total Capital Expenditure - Functional	2	16 800	17 350	21 350	23 520	14 910	15 200	16 150	16 350	17 500	20 650	20 500	20 110	220 390	175 073	166 508
Funded by:																
National Government		15 400	13 450	16 950	18 720	9 910	9 100	11 150	14 750	16 100	10 750	19 100	13 510	168 890	165 073	156 508
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		15 400	13 450	16 950	18 720	9 910	9 100	11 150	14 750	16 100	10 750	19 100	13 510	168 890	165 073	156 508
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	2 500	3 200	3 200	2 500	2 500	3 500	-	-	8 000	-	4 600	30 000	-	-
Internally generated funds		1 400	1 400	1 200	1 600	2 500	3 600	1 500	1 600	1 400	1 900	1 400	2 000	21 500	10 000	10 000
Total Capital Funding		16 800	17 350	21 350	23 520	14 910	15 200	16 150	16 350	17 500	20 650	20 500	20 110	220 390	175 073	166 508

Table 46 MBRR SA30 - Budgeted monthly cash flow

NW403 City Of Matlosana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	SepL	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source													1		
Property rates	86 500	27 372	27 500	25 300	26 000	25 500	26 100	27 000	26 450	26 000	25 372	23 234	372 327	392 433	414 017
Service charges - electricity revenue	65 900	60 000	60 500	53 100	58 800	62 580	51 000	52 450	53 950	56 778	54 000	55 245	684 303	686 847	724 624
Service charges - water revenue	31 450	32 275	32 000	33 500	41 250	45 150	43 850	41 380	41 222	38 440	30 975	29 056	440 527	436 662	460 679
Service charges - sanitation revenue	6 480	4 254	5 500	6 700	8 956	6 254	7 200	8 254	8 054	7 954	9 864	6 263	85 733	87 853	92 685
Service charges - refuse revenue	8 970	10 200	15 000	9 829	8 000	10 150	9 229	10 029	7 229	15 229	13 000	12 126	128 992	132 181	139 451
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	389	410	450	591	750	800	580	610	710	720	400	383	6 793	7 160	7 554
Interest earned - external investments	850	430	380	550	300	250	400	280	345	138	116	0	4 039	4 257	4 492
Interest earned - outstanding debtors	1 086	1 836	3 934	3 380	2 969	3 856	2 000	4 669	3 892	4 589	2 689	1 152	36 232	33 001	34 899
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	660	621	695	640	792	951	775	687	790	768	694	587	8 640	9 107	9 608
Licences and permits	107	86	-	74	50	57	-	180	164	256	282	46	1 279	1 348	1 423
Agency services	588	500	690	680	510	610	550	670	498	690	479	590	7 055	7 436	7 845
Transfer receipts - operational	175 000	750	690	15 000	110 076	-	-	-	107 592	-	-	-	409 108	438 656	474 495
Other revenue	3 145	4 205	2 150	2 111	1 596	2 800	1 280	3 085	3 895	4 700	3 950	3 693	36 610	42 060	44 153
Cash Receipts by Source	381 125	142 938	149 489	151 435	280 048	158 958	142 964	149 454	254 791	156 262	141 821	132 355	2 221 640	2 277 002	2 415 922
Other Cash Flows by Source															
Transfer receipts - capital	65 000	-	-	-	57 000	-	-	-	46 890	-	-	(0)	168 890	165 073	156 508
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/leasing	-	-	-	-	30 000	-	-	-	-	-	-	-	30 000	-	-
Increase (decrease) in consumer deposits	252	146	339	150	270	288	282	253	260	360	270	150	3 000	2 000	3 000
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	446 377	143 084	149 828	151 585	347 319	159 226	143 246	149 707	301 941	156 622	142 091	132 505	2 423 530	2 444 074	2 575 430
Cash Payments by Type															
Employee related costs	54 321	55 000	54 890	56 000	55 900	55 000	53 001	52 000	55 790	53 151	57 000	50 615	652 668	688 282	726 762
Remuneration of councillors	2 796	2 796	2 796	2 796	2 796	2 796	2 896	2 899	2 899	2 899	2 899	2 843	33 907	35 738	37 704
Finance charges	982	850	1 500	650	670	1 500	882	780	900	702	749	835	11 000	11 000	11 000
Bulk purchases - Electricity	95 000	65 000	47 000	41 000	90 000	25 000	30 000	30 000	95 000	31 000	41 000	27 700	617 700	642 220	686 308
Bulk purchases - Water & Sewer	12 500	12 500	20 700	26 700	26 000	31 000	31 000	25 000	23 500	12 500	14 488	79 302	315 200	332 668	362 608
Other materials	5 580	5 524	6 600	7 524	8 000	12 980	9 580	10 524	12 260	11 400	10 524	7 704	108 181	112 974	118 119
Contracted services	19 037	24 021	22 021	19 450	19 021	24 021	28 021	22 001	28 021	21 500	19 500	(3 877)	243 736	240 183	253 274
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	14 611	19 457	15 850	7 457	17 457	15 000	11 260	10 250	15 420	10 457	18 500	20 188	175 909	184 956	191 147
Cash Payments by Type	204 827	185 148	171 357	161 577	219 844	167 277	166 639	153 454	234 790	143 609	164 670	185 109	2 158 301	2 248 001	2 386 922
Other Cash Flows/Payments by Type															
Capital assets	-	10 000	15 000	18 000	47 560	39 200	13 500	20 000	15 000	18 000	17 000	7 130	220 390	175 073	166 508
Repayment of borrowing	390	390	5 580	390	390	4 820	390	390	4 450	390	390	2 030	20 000	21 000	22 000
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	205 217	195 538	191 937	179 967	267 794	211 297	180 529	173 844	254 240	161 999	182 060	194 269	2 398 691	2 444 074	2 575 430
NET INCREASE/(DECREASE) IN CASH HELD	241 159	(52 454)	(42 109)	(28 382)	79 525	(52 071)	(37 263)	(24 137)	47 701	(5 377)	(39 969)	(61 764)	24 839	-	-
Cash/cash equivalents at the month/year begin:	85 161	326 320	273 866	231 757	203 375	282 900	230 829	193 546	169 409	217 110	211 733	171 764	85 161	110 000	110 000
Cash/cash equivalents at the month/year end:	326 320	273 866	231 757	203 375	282 900	230 829	193 546	169 409	217 110	211 733	171 764	110 000	110 000	110 000	110 000

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.

Table 47 MBRR SA 34a - Capital expenditure on new assets by asset class

NW403 City Of Matlosana - Supplement Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			85 306	98 848	127 833	162 795	-	162 795	117 890	120 993	100 278
Roads Infrastructure			35 570	44 546	48 852	91 220	-	91 220	18 938	13 417	27 349
Roads			35 570	44 546	48 852	91 220	-	91 220	18 938	13 417	27 349
Road Structures											
Road Furniture											
Capital Spares											
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Drainage Collection											
Storm water Conveyance											
Attenuation											
Electrical Infrastructure			2 384	10 428	37 233	21 904	-	21 904	19 821	21 303	11 487
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors											
MV Substations			2 384								
MV Switching Stations											
MV Networks			-	-	-	21 904	-	21 904	15 199	10 815	-
LV Networks			-	10 428	37 233	-	-	-	4 622	10 487	11 487
Capital Spares											
Water Supply Infrastructure			23 108	18 813	23 991	42 187	-	42 187	62 669	50 450	30 845
Dams and Weirs											
Boreholes											
Reservoirs											
Pump Stations											
Water Treatment Works											
Bulk Mains			-	-	-	-	-	-	32 046	15 815	-
Distribution			23 108	18 813	23 991	42 187	-	42 187	30 623	34 635	30 845
Distribution Points											
PRV Stations											
Capital Spares											
Sanitation Infrastructure			24 244	25 061	17 757	7 484	-	7 484	16 461	25 823	23 187
Pump Station			-	-	-	-	-	-	-	4 000	-
Reticulation			24 244	25 061	17 757	-	-	-	16 461	21 823	17 187
Waste Water Treatment Works						7 484		7 484			
Outfall Sewers			-	-	-	-	-	-	-	-	6 000
Toilet Facilities											
Capital Spares											
Solid Waste Infrastructure			-	-	-	-	-	-	-	10 000	7 410
Landfill Sites											
Waste Transfer Stations			-	-	-	-	-	-	-	10 000	7 410
Waste Processing Facilities											
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											

Community Assets	14 272	439	12 711	10 952	-	10 952	12 000	10 000	16 970
Community Facilities	14 272	-	4 664	-	-	-	-	-	-
Halls	12 633	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	685	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	359	-	494	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	1 279	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	400	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	3 084	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	439	8 567	10 952	-	10 952	12 000	10 000	16 970
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	439	8 567	10 952	-	10 952	12 000	10 000	16 970
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	6	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	6	-	-	-	-	-	-	-
Investment properties	-	15 276	225	-	-	-	-	-	-
Revenue Generating	-	15 276	225	-	-	-	-	-	-
Improved Property	-	15 276	225	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	-	-	27 110	-	-	-	5 500	10 000	10 000
Operational Buildings	-	-	27 110	-	-	-	1 500	-	-
Municipal Offices	-	-	26 388	-	-	-	1 500	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	723	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	4 000	10 000	10 000
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	4 000	10 000	10 000
Capital Spares	-	-	-	-	-	-	-	-	-

Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	3 815	-	-	-	-	-	-	-
Servitudes			3 815							
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications										
Unspecified										
Computer Equipment		-	-	-	5 000	-	5 000	5 000	-	-
Computer Equipment		-	-	-	5 000	-	5 000	5 000	-	-
Furniture and Office Equipment		1 550	4 145	1 487	35 000	-	35 000	1 000	-	-
Furniture and Office Equipment		1 550	4 145	1 487	35 000	-	35 000	1 000	-	-
Machinery and Equipment		-	-	-	-	-	-	4 000	-	-
Machinery and Equipment		-	-	-	-	-	-	4 000	-	-
Transport Assets		-	5 323	1 000	-	-	-	36 000	-	-
Transport Assets		-	5 323	1 000	-	-	-	36 000	-	-
Libraries		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	101 128	127 853	170 886	213 747	-	213 747	181 390	140 993	127 248

Table 48 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		41 375	26 410	25 748	87 647	-	87 647	82 504	68 266	72 021
Roads Infrastructure		8 992	7 779	14 086	19 904	-	19 904	24 636	15 706	16 569
Roads		8 992	7 779	14 086	19 904	-	19 904	22 929	13 907	14 671
Road Structures										
Road Furniture		-	-	-	-	-	-	1 707	1 799	1 898
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		10 706	9 416	-	32 845	-	32 845	36 949	31 566	33 302
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations		10 706	9 416	-	32 845	-	32 845	527	555	585
MV Switching Stations		-	-	-	-	-	-	2 633	2 775	2 927
MV Networks										
LV Networks		-	-	-	-	-	-	33 790	28 237	29 790
Capital Spares										

Water Supply Infrastructure	8 294	5 198	6 490	16 193	-	16 193	17 231	17 107	18 048
Dams and Weirs									
Boreholes									
Reservoirs	-	-	-	-	-	-	3 896	4 106	4 332
Pump Stations									
Water Treatment Works									
Bulk Mains									
Distribution	8 294	5 198	6 490	16 193	-	16 193	13 335	13 001	13 716
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure	8 836	4 016	5 172	13 132	-	13 132	3 688	3 887	4 101
Pump Station									
Reticulation	8 836	4 016	5 172	13 132	-	13 132	3 242	3 417	3 605
Waste Water Treatment Works	-	-	-	-	-	-	446	471	496
Outfall Sewers									
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure	4 546	-	-	5 573	-	5 573	-	-	-
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities	4 546			5 573		5 573			
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Community Assets	8 995	1 121	8 538	17 519	-	17 519	12 701	12 822	13 527
Community Facilities	8 995	24	4 579	14 505	-	14 505	4 171	3 832	4 042
Halls	445			731		731			
Centres									
Crèches									
Clinics/Care Centres	5		10	49		49			
Fire/Ambulance Stations	880			1 584		1 584			
Testing Stations				491		491			
Museums	42	16	358	177	-	177	177	186	197
Galleries									
Theatres									
Libraries	164	8	116	538	-	538	1 264	979	1 032
Cemeteries/Crematoria	285	-	-	3 664	-	3 664	408	430	454
Police				3 579		3 579			
Parks	2 421		2 045						
Public Open Space	-	-	-		-		40	42	44
Nature Reserves	2 948	-	-	134	-	134	1 081	928	979
Public Ablution Facilities									
Markets	1 805	-	2 050	3 557	-	3 557	1 201	1 266	1 336
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	1 096	3 959	3 014	-	3 014	8 529	8 990	9 484
Indoor Facilities	-	620	3 777	3 014	-	3 014	3 686	3 885	4 098
Outdoor Facilities	-	477	182	-	-	-	4 844	5 105	5 386
Capital Spares									
Heritage assets	-	-	-	-	-	-	262	276	291
Monuments									
Historic Buildings									
Works of Art	-	-	-	-	-	-	43	45	48
Conservation Areas	-	-	-	-	-	-	219	231	244
Other Heritage									
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									

Other assets		6 103	3 921	33 954	344	-	344	5 945	6 463	6 818
Operational Buildings		6 103	3 921	33 954	-	-	-	5 945	6 463	6 818
Municipal Offices		6 103	3 123	33 954	-	-	-	5 585	6 083	6 417
Pay/Enquiry Points										
Building Plan Offices										
Workshops		-	798	-	-	-	-	337	355	375
Yards										
Stores		-	-	-	-	-	-	24	25	26
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		-	-	-	344	-	344	-	-	-
Staff Housing										
Social Housing					344		344			
Capital Spares										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	20 842	-	20 842	10 763	11 213	11 830
Servitudes										
Licences and Rights		-	-	-	20 842	-	20 842	10 763	11 213	11 830
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		-	-	-	-	-	-	10 763	11 213	11 830
Load Settlement Software Applications										
Unspecified					20 842		20 842			
Computer Equipment		-	-	-	-	-	-	3 315	3 495	3 687
Computer Equipment		-	-	-	-	-	-	3 315	3 495	3 687
Furniture and Office Equipment		-	2 638	-	439	-	439	2 351	2 556	2 696
Furniture and Office Equipment		-	2 638	-	439	-	439	2 351	2 556	2 696
Machinery and Equipment		-	1 575	-	-	-	-	12 565	13 086	13 805
Machinery and Equipment		-	1 575	-	-	-	-	12 565	13 086	13 805
Transport Assets		-	14 937	-	-	-	-	23 408	24 616	25 970
Transport Assets		-	14 937	-	-	-	-	23 408	24 616	25 970
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	56 473	50 601	68 240	126 791	-	126 791	153 815	142 792	150 645
R&M as a % of PPE		1,0%	0,9%	1,3%	2,5%	0,0%	2,5%	0,0%	2,8%	3,2%
R&M as % Operating Expenditure		2,5%	2,0%	2,5%	3,9%	0,0%	3,9%	0,0%	4,6%	4,8%

Table 49 MBRR SA35 - Future financial implications of the capital budget
NW403 City Of Matlosana - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
Capital expenditure	1							
Vote 01 - Executive & Council		38 900	10 000	10 000	10 600	11 236	11 910	12 625
Vote 02 - Budget & Treasury Office		5 600	-	-	-	-	-	-
Vote 03 - Community & Social Services		-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		12 000	10 000	16 970	17 988	19 067	20 211	21 424
Vote 05 - Public Safety		-	-	-	-	-	-	-
Vote 06 - Housing		4 000	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-
Vote 08 - Planning And Development		-	8 597	10 597	11 232	11 906	12 621	13 378
Vote 09 - Environmental Protection		-	-	-	-	-	-	-
Vote 10 - Electricity		44 821	46 786	40 150	42 559	45 113	47 819	50 689
Vote 11 - Water Management		62 669	50 450	30 845	32 696	34 658	36 737	38 942
Vote 12 - Waste Water Management		33 461	25 823	23 187	24 578	26 053	27 616	29 273
Vote 13 - Waste Management		-	10 000	7 410	7 855	8 326	8 825	9 355
Vote 14 - Road Transport		18 938	13 417	27 349	28 990	30 729	32 573	34 527
Vote 15 - Other		-	-	-	-	-	-	-
List entity summary if applicable								
Total Capital Expenditure		220 390	175 073	166 508	176 498	187 088	198 313	210 212
Future operational costs by vote	2							
Vote 01 - Executive & Council								
Vote 02 - Budget & Treasury Office								
Vote 03 - Community & Social Services								
Vote 04 - Sport And Recreation								
Vote 05 - Public Safety								
Vote 06 - Housing								
Vote 07 - Health								
Vote 08 - Planning And Development								
Vote 09 - Environmental Protection								
Vote 10 - Electricity								
Vote 11 - Water Management								
Vote 12 - Waste Water Management								
Vote 13 - Waste Management								
Vote 14 - Road Transport								
Vote 15 - Other								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates		413 697	436 037	460 019	487 620	516 877	547 890	580 763
Service charges - electricity revenue		804 516	1 104 501	1 165 249	1 235 164	1 309 274	1 387 830	1 471 100
Service charges - water revenue		591 844	799 204	843 160	893 749	947 374	1 004 217	1 064 470
Service charges - sanitation revenue		119 074	279 024	132 407	140 351	148 772	157 699	167 161
Service charges - refuse revenue		185 156	188 848	199 234	211 188	223 859	237 291	251 528
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		6 793	7 160	7 554	8 007	8 487	8 996	9 536
List other revenues sources if applicable		4 039	4 257	4 492	4 761	5 047	5 350	5 671
List entity summary if applicable								
Total future revenue		2 125 118	2 819 031	2 812 113	2 980 840	3 159 691	3 349 272	3 550 228
Net Financial Implications		(1 904 729)	(2 643 958)	(2 645 606)	(2 804 342)	(2 972 603)	(3 150 959)	(3 340 016)

Table 50 MBRR SA36 - Detailed capital budget per municipal vote

NW403 City Of Matlosana - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project Information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality:																
List of capital projects grouped by Municipal Vote																
Budget & Treasury Office	1	Capital Non-Infrastructure: New: Computer Equipment				Computer Equipment	Computer Equipment		-	-	-	5 000	-	-		NEW
Budget & Treasury Office		Capital Non-Infrastructure: New: Intangible Assets: Computer Software And Applications				Licences And Rights	Computer Software And Applications		-	-	-	-	-	-		NEW
Budget & Treasury Office		Capital Non-Infrastructure: New: Other Assets: Operational Buildings: Municipal Offices				Operational Buildings	Municipal Offices		-	-	-	-	-	-		NEW
Community & Social Services		Capital Non-Infrastructure: New: Community Assets: Community Facilities: Cemeteries/Crematoria				Community Facilities	Cemeteries/Crematoria		-	-	-	800	-	-		NEW
Community & Social Services		Capital Non-Infrastructure: New: Community Assets: Community Facilities: Centres				Community Facilities	Centres		-	-	-	-	-	-		NEW
Electricity		Capital Infrastructure: Existing: Renewal: Electrical Infrastructure: Hv Substations				Electrical Infrastructure	Hv Substations		-	-	-	22 000	25 483	28 663		RENEWAL
Electricity		Capital Infrastructure: New: Electrical Infrastructure: Lv Networks				Electrical Infrastructure	Lv Networks		-	-	-	4 622	10 487	11 487		NEW
Electricity		Capital Infrastructure: New: Electrical Infrastructure: Mv Networks				Electrical Infrastructure	Mv Networks		-	-	-	15 198	10 815	-		NEW
Electricity		Capital Non-Infrastructure: New: Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	-	3 000	-	-		NEW
Executive & Council		Capital Non-Infrastructure: New: Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	-	-	1 000	-	-		NEW
Executive & Council		Capital Non-Infrastructure: New: Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	-	1 000	-	-		NEW
Executive & Council		Capital Non-Infrastructure: New: Other Assets: Operational Buildings: Municipal Offices				Operational Buildings	Municipal Offices		-	-	-	900	-	-		NEW
Executive & Council		Capital Non-Infrastructure: New: Transport Assets				Transport Assets	Transport Assets		-	-	-	36 000	10 000	10 000		NEW
Housing		Capital Non-Infrastructure: New: Community Assets: Community Facilities: Public Open Space				Community Facilities	Public Open Space		-	-	-	4 000	-	-		NEW
Planning And Development		Capital Non-Infrastructure: Existing: Upgrading: Community Assets: Community Facilities: Markets				Community Facilities	Markets		-	-	-	-	8 587	10 587		UPGRADING
Planning And Development		Capital Non-Infrastructure: New: Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	-	-	-	-	-		NEW
Planning And Development		Capital Non-Infrastructure: New: Intangible Assets: Computer Software And Applications				Licences And Rights	Computer Software And Applications		-	-	-	-	-	-		NEW
Planning And Development		Capital Non-Infrastructure: New: Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	-	-	-	-		NEW
Public Safety		Capital Non-Infrastructure: New: Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	-	-	-	-	-		NEW
Public Safety		Capital Non-Infrastructure: New: Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	-	-	-	-		NEW
Road Transport		Capital Infrastructure: New: Roads Infrastructure: Roads				Roads Infrastructure	Roads		-	-	-	18 938	13 417	27 348		NEW
Sport And Recreation		Capital Non-Infrastructure: New: Community Assets: Sport And Recreation Facilities: Indoor Facilities				Sport And Recreation Facilities	Indoor Facilities		-	-	-	-	-	-		NEW
Sport And Recreation		Capital Non-Infrastructure: New: Community Assets: Sport And Recreation Facilities: Outdoor Facilities				Sport And Recreation Facilities	Outdoor Facilities		-	-	-	12 000	10 000	16 970	HESSEQUIA_W_10	NEW
Waste Management		Capital Infrastructure: New: Solid Waste Infrastructure: Waste Transfer Stations				Solid Waste Infrastructure	Waste Transfer Stations		-	-	-	-	10 000	7 410		NEW
Waste Water Management		Capital Infrastructure: New: Sanitation Infrastructure: Outfall Sewers				Sanitation Infrastructure	Outfall Sewers		-	-	-	-	-	6 000		NEW
Waste Water Management		Capital Infrastructure: New: Sanitation Infrastructure: Pump Station				Sanitation Infrastructure	Pump Station		-	-	-	-	4 000	-		NEW
Waste Water Management		Capital Infrastructure: New: Sanitation Infrastructure: Retention				Sanitation Infrastructure	Retention		-	-	-	18 461	21 623	17 167		NEW
Waste Water Management		Capital Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Waste Water Treatment Works				Sanitation Infrastructure	Waste Water Treatment Works		-	-	-	17 000	-	-		UPGRADING
Water Management		Capital Infrastructure: New: Water Supply Infrastructure: Bulk Mains				Water Supply Infrastructure	Bulk Mains		5 500	-	-	32 046	15 815	-	HESSEQUIA_W_10	NEW
Water Management		Capital Infrastructure: New: Water Supply Infrastructure: Distribution				Water Supply Infrastructure	Distribution		-	-	-	30 623	34 635	30 645		NEW
Parent Capital expenditure	1											220 390	175 073	186 508		
Entities:																
List of capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure										-	-	-	-	-		
Total Capital expenditure										-	-	220 390	175 073	186 508		

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 not complied with on a monthly basis, due to the challenges with the mSCOA implementation. 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 five interns that still undergo training in various divisions of Finance and Internal Audit.

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 is 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.

2.10.7 Annual Report

The Annual Report have been compiled in terms of the MFMA and National Treasury requirements. The Municipal Public Accounts Committee engaged with the community and officials and had tabled their oversight report for the 2016/17 annual report in Council on 27 March 2018. A section 32 Committee have been established.

2.11 Other supporting documents

Table 51 MBRR Table SA1 - Supporting detail to budgeted financial performance

NW403 City Of Matlosana - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

NW405 City of Maitland - Supporting Table 0A: Supporting Detail to Budgeted Financial Performance											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		247 297	272 707	265 941	422 365		422 365		473 015	501 395	531 479
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	43 529	-	43 529	-	59 317	62 521	65 959
Net Property Rates		247 297	272 707	265 941	378 837	-	378 837	-	413 697	438 875	465 520
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		594 194	660 703	699 088	913 282		913 282		879 481	932 250	988 185
less Revenue Foregone (in excess of 50 kwh per indigent household per month)					74 951		74 951				
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	74 966	79 314	83 676
Net Service charges - electricity revenue		594 194	660 703	699 088	838 331	-	838 331	-	804 516	852 936	904 509
Service charges - water revenue	6										
Total Service charges - water revenue		309 364	436 843	465 049	742 292		742 292		694 840	736 530	780 722
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	102 996	-	102 996	-	102 996	109 073	115 399
Net Service charges - water revenue		309 364	436 843	465 049	639 296	-	639 296	-	591 844	627 457	665 323
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		68 005	91 496	98 707	234 343		234 343		183 301	194 299	205 957
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)					60 649	-	60 649	-	64 227	67 952	71 690
Net Service charges - sanitation revenue		68 005	91 496	98 707	173 694	-	173 694	-	119 074	126 347	134 268
Service charges - refuse revenue	6										
Total refuse removal revenue		89 596	122 543	126 282	269 706	-	269 706	-	243 078	250 130	263 886
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	54 695	-	54 695	-	57 922	61 282	64 652
Net Service charges - refuse revenue		89 596	122 543	126 282	215 011	-	215 011	-	185 156	188 848	199 234
Other Revenue by source											
Fuel Levy											
Sale Of Goods & Services		-	-	-	-	-	-	-	9 708	10 232	10 795
ADMINISTRATIVE HANDLING FEES									70	74	78
COLLECTION CHARGES									59	62	65
COMMISSION: INSURANCE									610	643	679
COMMISSION: TRANSACTION HANDLIN									20 187	21 277	22 447
DISCOUNTS & EARLY SETTLEMENTS									111	117	123
REQ INFO - ACCIDENT REPORTS									12	12	13
REQ INFO - MUNICIPAL INFOR & ST									172	181	191
REQ INFO - PLAN PRINTING & DUPL									874	921	972
SALE OF PROPERTY									2 756	2 905	3 064
SKILLS DEVELOPMENT LEVY REFUND									500	4 000	4 000
Other Revenue		52 004	72 880	76 288	145 392	-	145 392	-	1 551	1 634	1 724
Total 'Other' Revenue	1	52 004	72 880	76 288	145 392	-	145 392	-	36 610	42 060	44 153

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

Table 51 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)									
Line Item	Description	2019	2020	2021	2022	2023	2024	2025	2026
1000	Salaries and wages	1000	1000	1000	1000	1000	1000	1000	1000
1001	Salaries	1001	1001	1001	1001	1001	1001	1001	1001
1002	Wages	1002	1002	1002	1002	1002	1002	1002	1002
1003	Benefits	1003	1003	1003	1003	1003	1003	1003	1003
1004	Retirement	1004	1004	1004	1004	1004	1004	1004	1004
1005	Health Insurance	1005	1005	1005	1005	1005	1005	1005	1005
1006	Dental Insurance	1006	1006	1006	1006	1006	1006	1006	1006
1007	Vision Insurance	1007	1007	1007	1007	1007	1007	1007	1007
1008	Life Insurance	1008	1008	1008	1008	1008	1008	1008	1008
1009	Disability Insurance	1009	1009	1009	1009	1009	1009	1009	1009
1010	Unemployment Insurance	1010	1010	1010	1010	1010	1010	1010	1010
1011	Workers Compensation	1011	1011	1011	1011	1011	1011	1011	1011
1012	Professional Fees	1012	1012	1012	1012	1012	1012	1012	1012
1013	Consulting Fees	1013	1013	1013	1013	1013	1013	1013	1013
1014	Legal Fees	1014	1014	1014	1014	1014	1014	1014	1014
1015	Accounting Fees	1015	1015	1015	1015	1015	1015	1015	1015
1016	Insurance	1016	1016	1016	1016	1016	1016	1016	1016
1017	Property Insurance	1017	1017	1017	1017	1017	1017	1017	1017
1018	Liability Insurance	1018	1018	1018	1018	1018	1018	1018	1018
1019	Auto Insurance	1019	1019	1019	1019	1019	1019	1019	1019
1020	Travel	1020	1020	1020	1020	1020	1020	1020	1020
1021	Hotel	1021	1021	1021	1021	1021	1021	1021	1021
1022	Transportation	1022	1022	1022	1022	1022	1022	1022	1022
1023	Meals	1023	1023	1023	1023	1023	1023	1023	1023
1024	Entertainment	1024	1024	1024	1024	1024	1024	1024	1024
1025	Gifts	1025	1025	1025	1025	1025	1025	1025	1025
1026	Charitable Contributions	1026	1026	1026	1026	1026	1026	1026	1026
1027	Research and Development	1027	1027	1027	1027	1027	1027	1027	1027
1028	Marketing	1028	1028	1028	1028	1028	1028	1028	1028
1029	Advertising	1029	1029	1029	1029	1029	1029	1029	1029
1030	Public Relations	1030	1030	1030	1030	1030	1030	1030	1030
1031	Training	1031	1031	1031	1031	1031	1031	1031	1031
1032	Education	1032	1032	1032	1032	1032	1032	1032	1032
1033	Professional Development	1033	1033	1033	1033	1033	1033	1033	1033
1034	Conference	1034	1034	1034	1034	1034	1034	1034	1034
1035	Workshop	1035	1035	1035	1035	1035	1035	1035	1035
1036	Seminar	1036	1036	1036	1036	1036	1036	1036	1036
1037	Webinar	1037	1037	1037	1037	1037	1037	1037	1037
1038	Online Course	1038	1038	1038	1038	1038	1038	1038	1038
1039	Software	1039	1039	1039	1039	1039	1039	1039	1039
1040	Hardware	1040	1040	1040	1040	1040	1040	1040	1040
1041	Equipment	1041	1041	1041	1041	1041	1041	1041	1041
1042	Furniture	1042	1042	1042	1042	1042	1042	1042	1042
1043	Office Supplies	1043	1043	1043	1043	1043	1043	1043	1043
1044	Printing	1044	1044	1044	1044	1044	1044	1044	1044
1045	Postage	1045	1045	1045	1045	1045	1045	1045	1045
1046	Telecommunications	1046	1046	1046	1046	1046	1046	1046	1046
1047	Internet	1047	1047	1047	1047	1047	1047	1047	1047
1048	Cloud Services	1048	1048	1048	1048	1048	1048	1048	1048
1049	Security	1049	1049	1049	1049	1049	1049	1049	1049
1050	Facilities	1050	1050	1050	1050	1050	1050	1050	1050
1051	Utilities	1051	1051	1051	1051	1051	1051	1051	1051
1052	Energy	1052	1052	1052	1052	1052	1052	1052	1052
1053	Water	1053	1053	1053	1053	1053	1053	1053	1053
1054	Sewer	1054	1054	1054	1054	1054	1054	1054	1054
1055	Gas	1055	1055	1055	1055	1055	1055	1055	1055
1056	Electricity	1056	1056	1056	1056	1056	1056	1056	1056
1057	Heating	1057	1057	1057	1057	1057	1057	1057	1057
1058	Cooling	1058	1058	1058	1058	1058	1058	1058	1058
1059	Lighting	1059	1059	1059	1059	1059	1059	1059	1059
1060	Security Systems	1060	1060	1060	1060	1060	1060	1060	1060
1061	Fire Alarms	1061	1061	1061	1061	1061	1061	1061	1061
1062	Access Control	1062	1062	1062	1062	1062	1062	1062	1062
1063	Video Surveillance	1063	1063	1063	1063	1063	1063	1063	1063
1064	Perimeter Protection	1064	1064	1064	1064	1064	1064	1064	1064
1065	Emergency Services	1065	1065	1065	1065	1065	1065	1065	1065
1066	Police	1066	1066	1066	1066	1066	1066	1066	1066
1067	Fire Department	1067	1067	1067	1067	1067	1067	1067	1067
1068	Emergency Medical Services	1068	1068	1068	1068	1068	1068	1068	1068
1069	Disaster Preparedness	1069	1069	1069	1069	1069	1069	1069	1069
1070	Business Continuity	1070	1070	1070	1070	1070	1070	1070	1070
1071	IT Security	1071	1071	1071	1071	1071	1071	1071	1071
1072	Network Security	1072	1072	1072	1072	1072	1072	1072	1072
1073	Endpoint Security	1073	1073	1073	1073	1073	1073	1073	1073
1074	Cloud Security	1074	1074	1074	1074	1074	1074	1074	1074
1075	Mobile Security	1075	1075	1075	1075	1075	1075	1075	1075
1076	Security Audits	1076	1076	1076	1076	1076	1076	1076	1076
1077	Penetration Testing	1077	1077	1077	1077	1077	1077	1077	1077
1078	Vulnerability Assessments	1078	1078	1078	1078	1078	1078	1078	1078
1079	Incident Response	1079	1079	1079	1079	1079	1079	1079	1079
1080	Disaster Recovery	1080	1080	1080	1080	1080	1080	1080	1080
1081	Business Continuity Planning	1081	1081	1081	1081	1081	1081	1081	1081
1082	IT Governance	1082	1082	1082	1082	1082	1082	1082	1082
1083	IT Service Management	1083	1083	1083	1083	1083	1083	1083	1083
1084	IT Asset Management	1084	1084	1084	1084	1084	1084	1084	1084
1085	IT Risk Management	1085	1085	1085	1085	1085	1085	1085	1085
1086	IT Compliance	1086	1086	1086	1086	1086	1086	1086	1086
1087	IT Policy	1087	1087	1087	1087	1087	1087	1087	1087
1088	IT Standards	1088	1088	1088	1088	1088	1088	1088	1088
1089	IT Best Practices	1089	1089	1089	1089	1089	1089	1089	1089
1090	IT Innovation	1090	1090	1090	1090	1090	1090	1090	1090
1091	IT Research	1091	1091	1091	1091	1091	1091	1091	1091
1092	IT Development	1092	1092	1092	1092	1092	1092	1092	1092
1093	IT Testing	1093	1093	1093	1093	1093	1093	1093	1093
1094	IT Deployment	1094	1094	1094	1094	1094	1094	1094	1094
1095	IT Support	1095	1095	1095	1095	1095	1095	1095	1095
1096	IT Helpdesk	1096	1096	1096	1096	1096	1096	1096	1096
1097	IT Training	1097	1097	1097	1097	1097	1097	1097	1097
1098	IT Certification	1098	1098	1098	1098	1098	1098	1098	1098
1099	IT Security Awareness	1099	1099	1099	1099	1099	1099	1099	1099
1100	IT Incident Response	1100	1100	1100	1100	1100	1100	1100	1100
1101	IT Disaster Recovery	1101	1101	1101	1101	1101	1101	1101	1101
1102	IT Business Continuity	1102	1102	1102	1102	1102	1102	1102	1102
1103	IT Risk Assessment	1103	1103	1103	1103	1103	1103	1103	1103
1104	IT Compliance Audits	1104	1104	1104	1104	1104	1104	1104	1104
1105	IT Policy Reviews	1105	1105	1105	1105	1105	1105	1105	1105
1106	IT Standards Updates	1106	1106	1106	1106	1106	1106	1106	1106
1107	IT Best Practices Updates	1107	1107	1107	1107	1107	1107	1107	1107
1108	IT Innovation Projects	1108	1108	1108	1108	1108	1108	1108	1108
1109	IT Research Projects	1109	1109	1109	1109	1109	1109	1109	1109
1110	IT Development Projects	1110	1110	1110	1110	1110	1110	1110	1110
1111	IT Testing Projects	1111	1111	1111	1111	1111	1111	1111	1111
1112	IT Deployment Projects	1112	1112	1112	1112	1112	1112	1112	1112
1113	IT Support Projects	1113	1113	1113	1113	1113	1113	1113	1113
1114	IT Helpdesk Projects	1114	1114	1114	1114	1114	1114	1114	1114
1115	IT Training Projects	1115	1115	1115	1115	1115	1115	1115	1115
1116	IT Certification Projects	1116	1116	1116	1116	1116	1116	1116	1116
1117	IT Security Awareness Projects	1117	1117	1117	1117	1117	1117	1117	1117
1118	IT Incident Response Projects	1118	1118	1118	1118	1118	1118	1118	1118
1119	IT Disaster Recovery Projects	1119	1119	1119	1119	1119	1119	1119	1119
1120	IT Business Continuity Projects	1120	1120	1120	1120	1120	1120	1120	1120
1121	IT Risk Assessment Projects	1121	1121	1121	1121	1121	1121	1121	1121
1122	IT Compliance Audits Projects	1122	1122	1122	1122	1122	1122	1122	1122
1123	IT Policy Reviews Projects	1123	1123	1123	1123	1123	1123	1123	1123
1124	IT Standards Updates Projects	1124	1124	1124	1124	1124	1124	1124	1124
1125	IT Best Practices Updates Projects	1125	1125	1125	1125	1125	1125	1125	1125
1126	IT Innovation Projects	1126	1126	1126	1126	1126	1126	1126	1126
1127	IT Research Projects	1127	1127	1127	1127	1127	1127	1127	1127
1128	IT Development Projects	1128	1128	1128	1128	1128	1128	1128	1128
1129	IT Testing Projects	1129	1129	1129	1129	1129	1129	1129	1129
1130	IT Deployment Projects	1130	1130	1130	1130	1130	1130	1130	1130
1131	IT Support Projects	1131	1131	1131	1131	1131	1131	1131	1131
1132	IT Helpdesk Projects	1132	1132	1132	1132	1			

EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	478 415	314 475	332 623	382 921	-	382 921	-	428 397	452 186	477 720
Pension and UIF Contributions		-	65 581	68 419	80 458	-	80 458	-	96 588	101 698	107 261
Medical Aid Contributions		-	27 356	42 199	35 552	-	35 552	-	46 096	48 624	51 334
Overtime		-	31 115	31 423	23 823	-	23 823	-	25 723	26 675	28 142
Performance Bonus		-	-	25 542	-	-	-	-	28 998	30 564	32 245
Motor Vehicle Allowance		-	8 136	8 893	8 008	-	8 008	-	1 037	1 093	1 153
Cellphone Allowance		-	601	601	737	-	737	-	844	890	939
Housing Allowances		-	2 056	2 162	2 843	-	2 843	-	4 074	4 294	4 530
Other benefits and allowances		-	36 262	15 774	35 105	-	35 105	-	16 331	17 389	18 324
Payments in lieu of leave		-	3 832	3 015	4 407	-	4 407	-	4 600	4 849	5 115
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	-	-	-	13 000	-	13 000	-	-	-	-
sub-total	5	478 415	489 415	530 451	586 853	-	586 853	-	652 668	688 262	726 762
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	478 415	489 415	530 451	586 853	-	586 853	-	652 668	688 262	726 762
Contributions recognised - capital											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		436 912	427 744	410 556	492 000	-	492 000	-	428 189	435 168	439 561
Lease amortisation		-	-	-	-	-	-	-	-	-	-
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	10	-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	436 912	427 744	410 556	492 000	-	492 000	-	428 189	435 168	439 561
Bulk purchases											
Electricity Bulk Purchases		449 624	524 019	529 967	557 563	-	557 563	-	597 700	625 237	662 540
Water Bulk Purchases		211 226	235 325	245 252	280 000	-	280 000	-	300 200	322 668	342 008
Total bulk purchases	1	660 850	759 345	775 219	837 563	-	837 563	-	897 900	947 905	1 004 548
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted services											
Contractors		-	-	-	6 121	-	6 121	-	-	-	-
Outsourced Services		28 705	32 055	35 802	16 655	-	16 655	-	-	-	-
Consultants & Professionals		-	-	-	25 475	-	25 475	-	-	-	-
OS: BURIAL SERVICES											
OS: B&A COMMISSIONS & COMMITTEE		-	-	-	-	-	-	-	287	228	240
OS: B&A COMMUNICATIONS		-	-	-	-	-	-	-	363	1 176	1 241
OS: B&A OCCUPATIONAL HEALTH & S		-	-	-	-	-	-	-	211	222	234
OS: B&A QUALIFICATION VERIFICAT		-	-	-	-	-	-	-	133	140	148
OS: B&A QUALITY CONTROL		-	-	-	-	-	-	-	105	111	117
OS: B&A VALUER		-	-	-	-	-	-	-	742	783	826
OS: CLEARING & GRASS CUTTING SE		-	-	-	-	-	-	-	3 059	3 224	3 401
OS: LITTER PICKING & STREET CLE		-	-	-	-	-	-	-	374	394	416
OS: MEDICAL WASTE REMOVAL		-	-	-	-	-	-	-	527	555	585
OS: METER MANAGEMENT		-	-	-	-	-	-	-	7	8	8
OS: CONNECT/DIS-CONNECTION OF SERVICES		-	-	-	-	-	-	-	17 309	12 865	13 461
OS: REFUSE REMOVAL		-	-	-	-	-	-	-	8 972	9 457	9 977
OS: SECURITY SERVICES		-	-	-	-	-	-	-	20 007	21 087	22 247
OS: TRAFFIC FINES MANAGEMENT		-	-	-	-	-	-	-	35 500	28 274	29 829
OS: VETERINARY SERVICES		-	-	-	-	-	-	-	1 117	1 178	1 242
OS: WATER TANKERS		-	-	-	-	-	-	-	37	40	42
CONSULTANTS AND PROFESSIONAL SE											
C&PS: LEGAL COST ADVICE & UTIG		-	-	-	-	-	-	-	211	222	234
C&PS: B&A AUDIT COMMITTEE		-	-	-	-	-	-	-	49 911	36 217	38 760
C&PS: B&A BUSINESS & FIN MANAGE		-	-	-	-	-	-	-	271	285	301
C&PS: B&A COMMISSIONS & COMMITT		-	-	-	-	-	-	-	10 876	11 462	12 091
C&PS: B&A COMMUNICATIONS		-	-	-	-	-	-	-	590	622	656
C&PS: B&A MEDICAL EXAMINATIONS		-	-	-	-	-	-	-	105	111	117
C&PS: B&A OCCUPATIONAL HEALTH &		-	-	-	-	-	-	-	171	181	191
C&PS: B&A RESEARCH & ADVISORY		-	-	-	-	-	-	-	268	282	298
C&PS: I&P ENGINEERING MECHANICA		-	-	-	-	-	-	-	1 685	1 776	1 873
C&PS: LAB SERV MEDICAL		-	-	-	-	-	-	-	105	111	117
C&PS: LAB SERV WATER		-	-	-	-	-	-	-	124	131	138
CONTRACTORS											
SERVICES		-	-	-	-	-	-	-	211	222	234
CONTR: ELECTRICAL		-	-	-	-	-	-	-	5 629	6 247	6 037
CONTR: EVENT PROMOTERS		-	-	-	-	-	-	-	13 485	8 835	7 211
CONTR: GRADING OF SPORT FIELDS		-	-	-	-	-	-	-	2 136	2 251	2 375
CONTR: MAINT OF BUILDINGS & FA		-	-	-	-	-	-	-	1 580	1 665	1 756
CONTR: MAINTENANCE OF EQUIPMENT		-	-	-	-	-	-	-	10 443	10 917	11 517
CONTR: MAINTENANCE OF EQUIPMENT		-	-	-	-	-	-	-	6 425	6 692	7 060
CONTR: MAINTENANCE OF UNSPECIFI		-	-	-	-	-	-	-	18 907	19 766	20 853
CONTR: PREPAID ELECTRICITY VEND		-	-	-	-	-	-	-	36 645	32 234	34 004
CONTR: SPORTS & RECREATION		-	-	-	-	-	-	-	16 102	16 971	17 905
CONTR: TRANSPORTATION CONTRACTO		-	-	-	-	-	-	-	4 919	5 185	5 470
sub-total	1	28 705	32 055	35 802	48 251	-	48 251	-	269 505	240 183	253 274

All: ... to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services	28 705	32 055	35 802	48 251	-	48 251	-	269 505	240 183	253 274	
Other Expenditure By Type											
Collection costs				13 500		13 500					
Contributions to 'other' provisions											
Consultant fees				560		560					
Audit fees	210 244			6 000		6 000					
Indigent relief								26 719	28 161	29 710	
WET FUEL								21 913	23 072	24 341	
HIRE CHARGES								33 812	35 638	37 598	
COMM - PHONE FAX TELEGRAPH								5 073	5 347	5 641	
COMM - POSTAGE/STAMPS/FRANK								4 512	4 639	4 894	
COMM - LICENCES (RADIO & TE								3 595	3 789	3 998	
BC/FAC/C FEES - BANK ACCOUN								4 787	4 054	4 277	
BC/FAC/C FEES - THRD PARTI								2 106	2 220	2 342	
BURSARIES (EMPLOYEES)								2 095	2 209	2 330	
CASH DISCOUNT								1 260	1 328	1 401	
ADV/PUB/MARK - CORP & MUN A								1 569	598	630	
ADV/PUB/MARK - STAFF RECRUI								1 338	1 410	1 488	
AUDIT COST: EXTERNAL								6 318	6 659	7 025	
INSUR UNDER - PREMIUMS								9 833	10 391	10 984	
LEARNERSHIPS & INTERNSHIPS								5 998	6 326	6 674	
MUNICIPAL SERVICES								7 840	8 263	8 718	
REMUNERATION TO WARD COMMIT								7 371	7 769	8 196	
PROFESSIONAL BODIES M/SHIP								5 997	6 320	6 668	
SKILLS DEVELOPMENT FUND LEV								4 731	4 986	5 260	
PRINTING & PUBLICATIONS								5 260	5 257	5 546	
General expenses	3	8 941	223 599	273 720	660 221	-	660 221	-	13 783	16 519	17 425
Total 'Other' Expenditure	1	219 185	223 599	273 720	680 281	-	680 281	-	175 909	184 956	195 147
Repairs and Maintenance											
Employee related costs	8										
Other materials		56 473	50 601	68 240	126 791	-	126 791	-	74 424	73 105	77 126
Contracted Services		-	-	-	-	-	-	-	79 391	69 686	73 519
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	56 473	50 601	68 240	126 791	-	126 791	-	153 815	142 792	150 645

Table 52 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

NW403 City Of Matlosana - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 01 - Executive & Council	Vote 02 - Budget & Treasury Office	Vote 03 - Community & Social Services	Vote 04 - Sport And Recreation	Vote 05 - Public Safety	Vote 06 - Housing	Vote 07 - Health	Vote 08 - Planning And Development	Vote 09 - Environmental Protection	Vote 10 - Electricity	Vote 11 - Water Management	Vote 12 - Waste Water Management	Vote 13 - Waste Management	Vote 14 - Road Transport	Vote 15 - Other	Total
R thousand	1																
Revenue By Source																	
Properly rates		-	413 697	-	-	-	-	-	-	-	-	-	-	-	-	-	413 697
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	804 516	-	-	-	-	-	804 516
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	591 844	-	-	-	-	591 844
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	119 074	-	-	-	119 074
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	185 156	-	-	185 156
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		931	524	440	689	420	650	-	3 139	-	-	-	-	-	-	-	6 793
Interest earned - external investments		-	3 964	-	-	-	-	-	75	-	-	-	-	-	-	-	4 039
Interest earned - outstanding debtors		-	22 427	-	-	-	-	-	-	-	45 541	35 881	11 040	17 940	-	-	132 829
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	234	-	23	7 268	-	-	-	-	1 115	-	-	-	-	-	8 640
Licences and permits		-	-	-	-	1 190	-	-	90	-	-	-	-	-	-	-	1 279
Agency services		-	-	-	-	7 055	-	-	-	-	-	-	-	-	-	-	7 055
Other revenue		3 488	2 871	3 930	374	1 903	2 937	-	21 099	-	8	-	-	-	-	-	36 610
Transfers and subsidies		-	395 071	-	716	-	-	-	4 284	-	7 000	-	-	-	2 037	-	409 108
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		4 419	838 788	4 370	1 803	17 836	3 587	-	28 687	-	856 178	627 724	130 114	203 086	2 037	-	2 725 640
Expenditure By Type																	
Employee related costs		72 056	72 999	60 813	42 357	113 804	10 706	5 665	52 217	-	48 274	31 220	37 847	67 339	37 351	-	652 668
Remuneration of councillors		33 907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33 907
Debt impairment		-	92 392	-	-	-	-	-	-	-	227 623	158 010	24 730	48 244	-	-	551 000
Depreciation & asset impairment		2 885	6 536	32 158	26 234	6 388	1 618	987	5 091	-	57 154	114 170	57 388	644	116 934	-	428 189
Finance charges		4 664	77	165	-	138	23	26	553	-	2 784	1 026	758	86	702	-	11 000
Bulk purchases		-	-	-	-	-	-	-	-	-	597 700	300 200	-	-	-	-	897 900
Other materials		4 886	4 622	3 258	3 983	5 475	916	93	5 022	-	27 634	10 370	11 717	6 802	14 221	-	89 002
Contracted services		34 150	67 054	9 130	11 278	42 010	-	412	14 424	-	27 278	18 336	3 296	26 351	15 784	-	289 505
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		63 458	24 864	8 491	3 842	5 941	625	3 654	8 764	-	41 261	2 258	2 779	5 072	4 301	-	175 908
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		216 007	268 544	114 015	87 684	173 796	13 888	10 858	86 070	-	1 029 708	635 583	138 514	155 138	189 293	-	3 119 078
Surplus/(Deficit)		(211 587)	570 244	(109 645)	(85 881)	(155 960)	(10 301)	(10 858)	(57 383)	-	(171 530)	(7 869)	(8 400)	47 958	(187 256)	-	(398 438)
Transfers and subsidies - capital (grants and allocations) (National / Provincial and District)		-	-	-	12 000	-	-	-	-	-	42 062	62 910	33 702	-	18 216	-	168 890
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)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(211 587)	570 244	(109 645)	(73 881)	(155 920)	(10 301)	(10 858)	(57 383)	-	(129 468)	55 042	25 302	47 958	(169 040)	-	(229 548)

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

NW403 City Of Matlosana - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Call investment deposits											
Call deposits		30 432	25 500	90 464	27 993	-	27 993	-	90 000	90 000	90 000
Other current investments		-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	30 432	25 500	90 464	27 993	-	27 993	-	90 000	90 000	90 000
Consumer debtors											
Consumer debtors		118 662	249 390	285 321	2 857 187	-	2 857 187	-	3 719 105	4 284 973	4 881 121
Less: Provision for debt impairment		-	-	-	(2 608 688)	-	(2 608 688)	-	(3 511 200)	(4 077 611)	(4 675 097)
Total Consumer debtors	2	118 662	249 390	285 321	248 499	-	248 499	-	207 905	207 362	206 023
Debt impairment provision											
Balance at the beginning of the year		-	-	-	(2 608 688)	-	(2 608 688)	-	(3 511 200)	(4 077 611)	(4 675 097)
Contributions to the provision		-	-	-	462 621	-	462 621	-	-	-	-
Bad debts written off		-	-	-	-	-	-	-	-	-	-
Balance at end of year		-	-	-	(2 146 067)	-	(2 146 067)	-	(3 511 200)	(4 077 611)	(4 675 097)
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		5 940 063	5 659 598	5 390 359	12 313 089	-	12 313 089	-	11 898 201	11 961 975	12 052 321
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	-	-	7 242 854	-	7 242 854	-	6 869 000	7 268 826	7 672 687
Total Property, plant and equipment (PPE)	2	5 940 063	5 659 598	5 390 359	5 070 235	-	5 070 235	-	5 029 201	4 693 150	4 379 635
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		13 110	13 110	13 110	20 000	-	20 000	-	15 000	16 000	17 000
Current portion of long-term liabilities		-	-	-	-	-	-	-	-	-	-
Total Current liabilities - Borrowing		13 110	13 110	13 110	20 000	-	20 000	-	15 000	16 000	17 000
Trade and other payables											
Trade and other creditors		534 252	555 622	722 573	302 606	-	302 606	-	792 230	810 190	848 382
Unspent conditional transfers		14 067	-	8 587	2 000	-	2 000	-	10 000	10 000	10 000
VAT		-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	2	548 319	555 622	731 159	304 606	-	304 606	-	802 230	820 190	858 382
Non current liabilities - Borrowing											
Borrowing		115 830	102 720	88 159	102 000	-	102 000	-	104 000	89 000	73 000
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing	4	115 830	102 720	88 159	102 000	-	102 000	-	104 000	89 000	73 000
Provisions - non-current											
Retirement benefits		-	-	-	230 000	-	230 000	-	-	-	-
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	253 637	246 278	20 000	-	20 000	-	-	-	-
Other		267 492	-	-	55 000	-	55 000	-	-	-	-
Total Provisions - non-current		267 492	253 637	246 278	305 000	-	305 000	-	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		5 652 773	5 470 724	5 216 449	4 975 536	-	4 975 536	-	4 996 503	4 766 955	4 673 355
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		5 652 773	5 470 724	5 216 449	4 975 536	-	4 975 536	-	4 996 503	4 766 955	4 673 355
Surplus/(Deficit)		(331 522)	(254 275)	(307 260)	(147 497)	-	(147 497)	-	(229 549)	(93 599)	(77 332)
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	5 321 251	5 216 449	4 909 188	4 828 039	-	4 828 039	-	4 766 955	4 673 356	4 596 023
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	5 321 251	5 216 449	4 909 188	4 828 039	-	4 828 039	-	4 766 955	4 673 356	4 596 023

Table 54 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

NW403 City Of Matlosana - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		SSA				380395	380395	380395	380395	380395	380395	380395
Females aged 5 - 14		SSA				63400	63400	63400	63400	63400	63400	63400
Males aged 5 - 14		SSA				31700	31700	31700	31700	31700	31700	31700
Females aged 15 - 34		SSA				40576	40576	40576	40576	40576	40576	40576
Males aged 15 - 34		SSA				81152	81152	81152	81152	81152	81152	81152
Unemployment		SSA				152539	152539	152539	152539	152539	152539	152539
Monthly household income (no. of households)	1, 12											
No income		SSA				80 579	80 579	80 579	80 579	80 579	80 579	80 579
R1 - R1 600		SSA										
R1 601 - R3 200		SSA				12 893	12 893	12 893	12 893	12 893	12 893	12 893
R3 201 - R6 400		SSA				13 966	13 966	13 966	13 966	13 966	13 966	13 966
R6 401 - R12 800		SSA										
R12 801 - R25 600		SSA										
R25 601 - R51 200		SSA										
R52 201 - R102 400		SSA										
R102 401 - R204 800		SSA										
R204 801 - R409 600		SSA										
R409 601 - R819 200		SSA										
> R819 200		SSA										
Poverty profiles (no. of households)	13											
< R2 060 per household per month	2					42000,00	43260,00	22000,00	22000,00	22000,00	22000,00	22000,00
Insert description												
Household demographics (000)												
Number of people in municipal area		SSA				380395	380,00	380395	380395	380395	380395	380395
Number of poor people in municipal area		SSA				152539	152,00	152539	152539	152539	152539	152539
Number of households in municipal area		SSA				107 438	107	107 438	107 438	107 438	107 438	107 438
Number of poor households in municipal area		SSA				80 579	42	80 579	80 579	80 579	80 579	80 579
Definition of poor household (R per month)		SSA				2	2	2	2	2	2	2
Housing statistics	3											
Formal						90 396	90 396	90 396	90 396	90 396	90 396	90 396
Informal						17 042	17 042	17 042	17 042	17 042	17 042	17 042
Total number of households						107 438	107 438	107 438	107 438	107 438	107 438	107 438
Dwellings provided by municipality	4					N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dwellings provided by province/s						N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dwellings provided by private sector	5					N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total new housing dwellings												
Economic	6											
Inflation outlook (CPI)						5,6%	5,6%	6,0%	6,1%	5,3%	5,4%	5,5%
Interest rate - borrowing						8,0%	8,0%	9,0%	9,0%	9,0%	9,0%	9,0%
Interest rate - investment						5,0%	5,0%	6,0%	6,0%	6,0%	6,0%	6,0%
Remuneration increases						6,6%	6,6%	7,0%	7,1%	7,0%	7,0%	7,0%
Consumption growth (electricity)						0,0%	0,0%	0,0%	1,0%	1,0%	1,0%	1,0%
Consumption growth (water)						0,0%	0,0%	0,0%	1,0%	1,0%	1,0%	1,0%
Collection rates	7											
Property tax/service charges						92,0%	92,0%	92,0%	90,0%	75,0%	75,0%	75,0%
Rental of facilities & equipment						95,0%	95,0%	95,0%	100,0%	75,0%	75,0%	75,0%
Interest - external investments						100,0%	100,0%	100,0%	100,0%	75,0%	75,0%	75,0%
Interest - debtors						80,0%	80,0%	80,0%	80,0%	75,0%	75,0%	75,0%
Revenue from agency services						100,0%	100,0%	100,0%	100,0%	75,0%	75,0%	75,0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	144 877	144 949	144 949	144 949	-	144 949	146 398	147 862	149 341
		Piped water inside yard (but not in dwelling)	30 576	30 591	30 591	30 591	-	30 591	30 897	31 206	31 518
	8	Using public tap (at least min.service level)	2 089	2 090	2 090	2 090	-	2 090	2 111	2 132	2 153
	10	Other water supply (at least min.service level)	2 089	2 090	2 090	2 090	-	2 090	2 111	2 132	2 153
		<i>Minimum Service Level and Above sub-total</i>	179 630	179 719	179 719	179 719	-	179 719	181 517	183 332	185 165
	9	Using public tap (< min.service level)	2 089	2 089	2 089	2 089	-	2 089	2 110	2 131	2 152
	10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	2 089	2 089	2 089	2 089	-	2 089	2 110	2 131	2 152
		Total number of households	181 718	181 808	181 808	181 808	-	181 808	183 626	185 462	187 317
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	156 240	125 993	125 993	125 993	-	125 993	127 253	128 526	129 811
		Flush toilet (with septic tank)	2 120	216	216	216	-	216	218	221	223
		Chemical toilet	-	616	616	616	-	616	622	628	635
		Pit toilet (ventilated)	2 575	2 779	2 779	2 779	-	2 779	2 807	2 835	2 863
		Other toilet provisions (> min.service level)	-	1 149	1 149	1 149	-	1 149	1 161	1 172	1 184
		<i>Minimum Service Level and Above sub-total</i>	160 935	130 754	130 754	130 754	-	130 754	132 061	133 382	134 716
		Bucket toilet	1 127	1 000	1 000	1 000	-	1 000	1 010	1 020	1 030
		Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
		No toilet provisions	3 851	3 581	3 581	3 581	-	3 581	3 617	3 653	3 690
		<i>Below Minimum Service Level sub-total</i>	4 978	4 581	4 581	4 581	-	4 581	4 627	4 673	4 720
		Total number of households	165 913	135 335	135 335	135 335	-	135 335	136 688	138 055	139 436
		Energy:									
		Electricity (at least min.service level)	142 534	142 819	142 819	142 819	-	142 819	144 247	145 689	147 146
		Electricity - prepaid (min.service level)	23 373	23 420	23 420	23 420	-	23 420	23 654	23 891	24 130
		<i>Minimum Service Level and Above sub-total</i>	165 907	166 239	166 239	166 239	-	166 239	167 901	169 580	171 276
		Electricity (< min.service level)	142 534	142 819	142 819	142 819	-	142 819	144 247	145 689	147 146
		Electricity - prepaid (< min. service level)	23 373	23 420	23 420	23 420	-	23 420	23 654	23 891	24 130
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	165 907	166 239	166 239	166 239	-	166 239	167 901	169 580	171 276
		Total number of households	331 814	332 478	332 478	332 478	-	332 478	335 803	339 161	342 552
		Refuse:									
		Removed at least once a week	168 941	169 279	169 279	169 279	-	169 279	144 247	145 689	147 146
		<i>Minimum Service Level and Above sub-total</i>	168 941	169 279	169 279	169 279	-	169 279	144 247	145 689	147 146
		Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
		Using communal refuse dump	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	2	2	-	2	2	2	2
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	2	2	-	2	2	2	2
		Total number of households	168 941	169 279	169 281	169 281	-	169 281	144 249	145 691	147 148
Municipal in-house services		Household service targets (000)									
		Water:									
		Piped water inside dwelling	144 877	144 949	144 949	144 949	-	144 949	146 398	147 862	149 341
		Piped water inside yard (but not in dwelling)	30 576	30 591	30 591	30 591	-	30 591	30 897	31 206	31 518
	8	Using public tap (at least min.service level)	2 089	2 090	2 090	2 090	-	2 090	2 111	2 132	2 153
	10	Other water supply (at least min.service level)	2 089	2 090	2 090	2 090	-	2 090	2 111	2 132	2 153
		<i>Minimum Service Level and Above sub-total</i>	179 630	179 719	179 719	179 719	-	179 719	181 517	183 332	185 165
	9	Using public tap (< min.service level)	2 089	2 089	2 089	2 089	-	2 089	2 110	2 131	2 152
	10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	2 089	2 089	2 089	2 089	-	2 089	2 110	2 131	2 152
		Total number of households	181 718	181 808	181 808	181 808	-	181 808	183 626	185 462	187 317
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	156 240	125 993	125 993	125 993	-	125 993	127 253	128 526	129 811
		Flush toilet (with septic tank)	2 120	216	216	216	-	216	218	221	223
		Chemical toilet	-	616	616	616	-	616	622	628	635
		Pit toilet (ventilated)	2 575	2 779	2 779	2 779	-	2 779	2 807	2 835	2 863
		Other toilet provisions (> min.service level)	-	1 149	1 149	1 149	-	1 149	1 161	1 172	1 184
		<i>Minimum Service Level and Above sub-total</i>	160 935	130 754	130 754	130 754	-	130 754	132 061	133 382	134 716
		Bucket toilet	1 127	1 000	1 000	1 000	-	1 000	1 010	1 020	1 030
		Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
		No toilet provisions	3 851	3 581	3 581	3 581	-	3 581	3 617	3 653	3 690
		<i>Below Minimum Service Level sub-total</i>	4 978	4 581	4 581	4 581	-	4 581	4 627	4 673	4 720
		Total number of households	165 913	135 335	135 335	135 335	-	135 335	136 688	138 055	139 436
		Energy:									
		Electricity (at least min.service level)	142 534	142 819	142 819	142 819	-	142 819	144 247	145 689	147 146
		Electricity - prepaid (min.service level)	23 373	23 420	23 420	23 420	-	23 420	23 654	23 891	24 130
		<i>Minimum Service Level and Above sub-total</i>	165 907	166 239	166 239	166 239	-	166 239	167 901	169 580	171 276
		Electricity (< min.service level)	142 534	142 819	142 819	142 819	-	142 819	144 247	145 689	147 146
		Electricity - prepaid (< min. service level)	23 373	23 420	23 420	23 420	-	23 420	23 654	23 891	24 130
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	165 907	166 239	166 239	166 239	-	166 239	167 901	169 580	171 276
		Total number of households	331 814	332 478	332 478	332 478	-	332 478	335 803	339 161	342 552
		Refuse:									
		Removed at least once a week	168 941	169 279	169 279	169 279	-	169 279	144 247	145 689	147 146
		<i>Minimum Service Level and Above sub-total</i>	168 941	169 279	169 279	169 279	-	169 279	144 247	145 689	147 146
		Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
		Using communal refuse dump	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	2	2	-	2	2	2	2
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	2	2	-	2	2	2	2
		Total number of households	168 941	169 279	169 281	169 281	-	169 281	144 249	145 691	147 148

Detail of Free Basic Services (FBS) provided		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Electricity	Ref.									
List type of FBS service	Location of households for each type of FBS									
	Formal settlements - (50 kwh per indigent household per month Rands)				74 951 448	70 789 199	63 228 690	79 373 583	83 977 251	89 015 886
	Number of HH receiving this type of FBS					22 873	23 500	25 380	26 903	28 517
	Informal settlements (Rands)									
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)									
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)					25 373 815	6 784 868	68 286 986	72 384 205	76 727 257
	Number of HH receiving this type of FBS					5 199	5 199	25 380	26 903	28 517
	Total cost of FBS - Electricity for informal settlements	-	-	-	-	25 373 815	6 784 868	68 286 986	72 384 205	76 727 257
Water	Ref.									
List type of FBS service	Location of households for each type of FBS									
	Formal settlements - (8 kilolitre per indigent household per month Rands)			102 995 844	102 995 844	84 157 910	41 345 910	109 072 599	115 398 810	122 322 739
	Number of HH receiving this type of FBS				35 000	22 873	23 500	25 380	26 903	28 517
	Informal settlements (Rands)									
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)									
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)									
	Number of HH receiving this type of FBS									
	Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-	-
Sanitation	Ref.									
List type of FBS service	Location of households for each type of FBS									
	Formal settlements - (free sanitation service to indigent households)			60 648 882	60 648 882	60 648 882	66 063 101	64 227 166	67 952 342	72 029 483
	Number of HH receiving this type of FBS					22 873	23 500	25 380	26 903	28 517
	Informal settlements (Rands)									
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)									
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)									
	Number of HH receiving this type of FBS									
	Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-	-
Refuse Removal	Ref.									
List type of FBS service	Location of households for each type of FBS									
	Formal settlements - (removed once a week to indigent households)			54 695 399	54 695 399	54 695 399	36 407 162	57 992 427	61 281 928	64 958 844
	Number of HH receiving this type of FBS					22 873	23 500	25 380	26 903	28 517
	Informal settlements (Rands)									
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)									
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)									
	Number of HH receiving this type of FBS									
	Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-

Table 55 MBRR SA32 – List of external mechanisms

NW403 City Of Matlosana - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
DREAMFINDER TRADING AND PROJECTS 115	Mths	36	SUPPLY, INSTALLATION AND MONTHLY MAINTENANCE AND RENTAL		8 998
1. ZIMPHOZA TRADING, 2. DITSIBI DIKOPANE CO 1. HENOWS PROJECTS 2. E K CONSTRUCTION AND ALL GENERAL TRADING 3. DREAMFINDERS TRADING AND PROJECTS 115 4. MORIBO WA AFRICA TRADING ENTERPRISE 68 1. HENOWS PROJECTS 2. E K CONSTRUCTION AND ALL GENERAL TRADING 3. DREAMFINDERS TRADING AND PROJECTS 115 4. MORIBO WA AFRICA TRADING ENTERPRISE 68 1. HENOWS PROJECTS, 2. E K CONSTRUCTION AND ALL GENERAL TRADING, 3. DREAMFINDERS TRADING AND PROJECTS 115, 4. MORIBO WA AFRICA TRADING ENTERPRISE 68	Mths	36	SUPPLY & DELIVERY OF BITUMINIOUS ROAD BINDING MATERIAL		
N/A	N/A	N/A	SUPPLY AND DELIVERY OF COLD WATER METERS	N/A	2 650

Table 56 NW403 City Of Matlosana - Supporting Table SA37 Projects delayed from previous financial year/s

NW403 City Of Matlosana - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
							Year	Original Budget	Full Year Forecast	Budget Year 2018/19	+1 2019/20	+2 2020/21
R thousand												
Parent municipality: List all capital projects grouped by Municipal Vote				Examples	Examples							
NDPG		Upgrading and beautify Jabulani street								28		
EPWP										3		
Entities: List all capital projects grouped by Municipal Entity												
Entity Name												
Project name												

Table 57 NW403 City Of Matlosana - Supporting Table SA38 Consolidated detailed operational projects

HW403 City Of Edmonton Supporting Table B433 Consolidated detailed operational projects

Municipal Value/Operational project Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	OPS co-ordination	Total Project Estimate	Prior year outcome		2019/20 Medium Term Revenue & Expenditure Framework			Project Information
									Amended Outcome 2019/20	Current Year 2017/18 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2019/20	Budget Year +2 2020/21	
Parent municipality:	List all operational projects grouped by Municipal Value													
Budget & Treasury Office	0_Tw_Financial Mngt_Sust_Accr'd Outcomes										348	363	381	
Budget & Treasury Office	Two Financial Management Grant/Financial Statements										500	520	561	
Budget & Treasury Office	0_Tw_Financial Mngt Grant/Financial Systems										850	863	717	
Budget & Treasury Office	Two Financial Management Grant/Financial Systems Comparison										551	570	607	
Budget & Treasury Office	0_Tw_Financial Mngt Grant/Training Minimum Competency										108	176	185	
Budget & Treasury Office	0_Mat_HM_On_Pt_Computer Equipment										2 644	2 808	3 183	
Budget & Treasury Office	0_Municipal Running Cost	U123		No	Computer Equipment	Computer Equipment	100000	100			252 681	251 333	265 980	Whole of Municipality
Budget & Treasury Office	0_Mat_HM_On_Pt_Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment					11	86	94	
Budget & Treasury Office	0_Mat_HM_On_Pt_Licenses & Rights_Computer Software And Applications				Licenses And Rights	Computer Software And Applications					15 564	12 079	10 654	
Budget & Treasury Office	0_Mat_HM_On_Pt_Machinery And Equipment				Machinery And Equipment	Machinery And Equipment					568	620	664	
Budget & Treasury Office	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Buildings				Operational Buildings	Municipal Offices					286	303	286	
Budget & Treasury Office	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Civil Structures				Operational Buildings	Municipal Offices					42	44	47	
Budget & Treasury Office	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Electrical Equipment				Operational Buildings	Municipal Offices					32	33	36	
Budget & Treasury Office	0_Mat_HM_On_Pt_Ops_Bldg's Stores_Buildings				Operational Buildings	Stores					6	6	7	
Budget & Treasury Office	0_Mat_HM_On_Pt_Ops_Bldg's Stores_Civil Structures				Operational Buildings	Stores					6	6	7	
Budget & Treasury Office	0_Mat_HM_On_Pt_Ops_Bldg's Stores_Electrical Equipment				Operational Buildings	Stores					12	12	13	
Budget & Treasury Office	0_Mat_HM_On_Pt_Ops_Bldg's Stores_Electrical Equipment				Transport Assets	Transport Assets					6	6	7	
Community & Social Services	0_Tw_Parks Programs				Community Facilities	Commodities/Commodities					375	385	417	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Comm/Commodities_Land				Community Facilities	Commodities/Commodities					25	26	28	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Comm/Commodities_Buildings				Community Facilities	Commodities/Commodities					6	7	7	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Comm/Commodities_Civil Structures				Community Facilities	Commodities/Commodities					6	7	7	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Comm/Commodities_Electrical Equipment				Community Facilities	Commodities/Commodities					1 032	877	935	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Matons Reserves_Buildings				Community Facilities	Matons Reserves					44	46	48	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Matons Reserves_Civil Structures				Community Facilities	Matons Reserves					2	3	3	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Matons Reserves_Electrical Equipment				Community Facilities	Matons Reserves					6	7	7	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Public Open Space_Land				Community Facilities	Public Open Space					15	16	17	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Public Open Space_Buildings				Community Facilities	Public Open Space					12	13	14	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Public Open Space_Civil Structures				Community Facilities	Public Open Space					6	7	7	
Community & Social Services	0_Mat_HM_On_Pt_Ca_Comm_Fac_Public Open Space_Electrical Equipment				Community Facilities	Public Open Space					108 544	113 465	118 054	Whole of Municipality
Community & Social Services	0_Municipal Running Cost	U123		No	Furniture And Office Equipment	Furniture And Office Equipment	100000	100			214	225	238	
Community & Social Services	0_Mat_HM_On_Pt_Furniture And Office Equipment				Machinery And Equipment	Machinery And Equipment					13	13	14	
Community & Social Services	0_Mat_HM_On_Pt_Machinery And Equipment				Operational Buildings	Municipal Offices					26	26	28	
Community & Social Services	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Buildings				Operational Buildings	Municipal Offices					18	19	20	
Community & Social Services	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Civil Structures				Operational Buildings	Municipal Offices					3 537	3 738	3 833	Whole of Municipality
Community & Social Services	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Electrical Equipment				Transport Assets	Transport Assets					13 414	6 781	7 133	
Electricity	0_Mat_HM_On_Pt_ELEV Waterworks_Public Lighting				Electrical Infrastructure	Le Networks					19 186	20 199	21 310	
Electricity	0_Mat_HM_On_Pt_ELEV Waterworks_Municipal Service Connections				Electrical Infrastructure	Le Networks					1 211	1 278	1 347	
Electricity	0_Mat_HM_On_Pt_ELEV Waterworks_Electrical Motors				Electrical Infrastructure	Le Networks					527	565	585	
Electricity	0_Mat_HM_On_Pt_ELEV Substations_Land				Electrical Infrastructure	Mr Substations					2 633	2 775	2 827	
Electricity	0_Mat_HM_On_Pt_ELEV Substations_Buildings_Land				Electrical Infrastructure	Mr Substations					867 517	987 814	1 042 546	Whole of Municipality
Electricity	0_Municipal Running Cost	U123		No	Furniture And Office Equipment	Furniture And Office Equipment	100000	100			1 488	1 488	1 716	
Electricity	0_Mat_HM_On_Pt_Furniture And Office Equipment				Licenses And Rights	Computer Software And Applications					158	166	176	
Electricity	0_Mat_HM_On_Pt_Licenses & Rights_Computer Software And Applications				Machinery And Equipment	Machinery And Equipment					548	578	610	
Electricity	0_Mat_HM_On_Pt_Machinery And Equipment				Operational Buildings	Municipal Offices					2	2	2	
Electricity	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Buildings				Operational Buildings	Municipal Offices					38	38	37	
Electricity	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Civil Structures				Operational Buildings	Municipal Offices					3	3	3	
Electricity	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Electrical Equipment				Operational Buildings	Municipal Offices					570	601	634	
Electricity	0_Mat_HM_On_Pt_Ops_Bldg's Workshops_Buildings				Operational Buildings	Workshops					158	166	176	
Electricity	0_Mat_HM_On_Pt_Ops_Bldg's Workshops_Civil Structures				Operational Buildings	Workshops					21	22	23	
Electricity	0_Mat_HM_On_Pt_Ops_Bldg's Workshops_Electrical Equipment				Operational Buildings	Workshops					158	166	176	
Electricity	0_Mat_HM_On_Pt_Roads Infrastructure_Road Furniture_Traffic Signs				Transport Assets	Transport Assets					63	67	70	
Electricity	0_Mat_HM_On_Pt_Roads Infrastructure				Transport Assets	Transport Assets					1 918	2 021	2 132	Whole of Municipality
Executive & Council	0_Tw_Capacity Build Train & Dev_Capacity Building Councilors				Transport Assets	Transport Assets					527	565	585	
Executive & Council	0_Tw_Communic & Public Participation_Public Participation Meeting										221	221	222	
Executive & Council	0_Tw_C4_Community Initiatives										2 106	2 220	2 342	
Executive & Council	0_Tw_C4_Senior Development										258	272	287	
Executive & Council	0_Tw_C4_Youth Projects_Youth Development										105	111	117	Whole of Municipality
Executive & Council	0_Tw_Fundations And Events_Competition Awards										411	423	437	
Executive & Council	0_Tw_Fundations And Events_Special Events And Functions										2 403	2 322	2 469	
Executive & Council	0_Tw_Local Economic Development_Public Participation										21	22	23	
Executive & Council	0_Tw_Sport Development_Marathon, Sport And Recreation										223	236	245	
Executive & Council	0_Tw_Sm&D_Risk Management										10 530	11 080	11 709	
Executive & Council	0_Tw_Sm&D_Strategic Planning_Labels										147	144	152	
Executive & Council	0_Mat_HM_On_Pt_Computer Equipment	U123		No	Computer Equipment	Computer Equipment	100000	100			187 480	204 338	215 235	Whole of Municipality
Executive & Council	0_Municipal Running Cost				Furniture And Office Equipment	Furniture And Office Equipment					403	424	448	
Executive & Council	0_Mat_HM_On_Pt_Furniture And Office Equipment				Operational Buildings	Municipal Offices					83	86	92	
Executive & Council	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Buildings				Operational Buildings	Municipal Offices					856	880	738	
Executive & Council	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Civil Structures				Operational Buildings	Municipal Offices					6	6	6	
Executive & Council	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Electrical Equipment				Operational Buildings	Municipal Offices					4	4	4	
Executive & Council	0_Mat_HM_On_Pt_Ops_Bldg's Transport Assets				Transport Assets	Transport Assets					388	410	433	Whole of Municipality
Health	0_Mat_HM_On_Pt_Computer Equipment	U123		No	Computer Equipment	Computer Equipment	100000	100			16 811	11 263	11 826	Whole of Municipality
Health	0_Municipal Running Cost				Licenses And Rights	Computer Software And Applications					7	8	8	
Health	0_Mat_HM_On_Pt_Licenses & Rights_Computer Software And Applications				Operational Buildings	Municipal Offices					9	9	10	
Health	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Buildings				Operational Buildings	Municipal Offices					5	6	6	
Health	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Civil Structures				Operational Buildings	Municipal Offices					59	59	62	
Health	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Electrical Equipment				Transport Assets	Transport Assets					13	13	14	Whole of Municipality
Health	0_Mat_HM_On_Pt_Ops_Bldg's Transport Assets				Transport Assets	Transport Assets					106	177	186	Whole of Municipality
Housing	0_Tw_C4_Housing Projects										316	333	351	Whole of Municipality
Housing	0_Tw_Fundations And Events_Special Events And Functions										4 628	4 772	5 005	
Housing	0_Municipal Running Cost	U123		No	Operational Buildings	Municipal Offices	100000	100			236	254	273	
Housing	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Buildings				Transport Assets	Transport Assets					26	28	29	Whole of Municipality
Housing	0_Mat_HM_On_Pt_Ops_Bldg's Transport Assets										527	565	585	
Planning And Development	0_Tw_Sm&D_Strategic Planning_Promotional And Marketing										32	33	35	
Planning And Development	0_Tw_Fundations And Events_Special Events And Functions										67	71	75	
Planning And Development	0_Tw_Traffic_Insulation Development				Community Facilities	Markets					842	868	837	
Planning And Development	0_Mat_HM_On_Pt_Ca_Comm_Fac_Markets_Land				Community Facilities	Markets					134	141	148	
Planning And Development	0_Mat_HM_On_Pt_Ca_Comm_Fac_Markets_Buildings				Community Facilities	Markets					158	168	176	
Planning And Development	0_Mat_HM_On_Pt_Ca_Comm_Fac_Markets_Civil Structures				Community Facilities	Markets					304	316	329	
Planning And Development	0_Mat_HM_On_Pt_Ca_Comm_Fac_Markets_Electrical Equipment				Community Facilities	Markets					75 504	79 047	83 581	Whole of Municipality
Planning And Development	0_Mat_HM_On_Pt_Computer Equipment	U123		No	Computer Equipment	Computer Equipment	100000	100			120	127	133	
Planning And Development	0_Municipal Running Cost				Licenses And Rights	Computer Software And Applications					1 000	833	873	
Planning And Development	0_Mat_HM_On_Pt_Furniture And Office Equipment				Machinery And Equipment	Machinery And Equipment					911	981	1 014	
Planning And Development	0_Mat_HM_On_Pt_Licenses & Rights_Computer Software And Applications				Operational Buildings	Municipal Offices					1 206	1 085	1 198	
Planning And Development	0_Mat_HM_On_Pt_Machinery And Equipment				Operational Buildings	Municipal Offices					7	8	8	
Planning And Development	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Buildings				Operational Buildings	Municipal Offices					7	8	8	
Planning And Development	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Civil Structures				Operational Buildings	Municipal Offices					7	8	8	
Planning And Development	0_Mat_HM_On_Pt_Ops_Bldg's Municipal Offices_Electrical Equipment				Operational Buildings	Municipal Offices					7	8	8	

TABLE 58 BUDGET NARRATIONS

NW403 City Of Matlosana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		Reason for deviation more than 10%
	Original Budget	%	Budget Year 2018/19	%	
R thousand					
Revenue By Source					
Property rates	378 837	12	413 697	9	N/A
Service charges - electricity revenue	838 331	4	804 516	-4	N/A
Service charges - water revenue	639 296	30	591 844	-7	N/A
Service charges - sanitation revenue	173 694	63	119 074	-31	N/A
Service charges - refuse revenue	215 011	44	185 156	-14	mSCOA reclassification Free Basic Services
Service charges - other	15 000	-51		0	N/A
Rental of facilities and equipment	6 587	-5	6 793	3	N/A
Interest earned - external investments	2 500	19	4 039	62	Interest Grand Investments
Interest earned - outstanding debtors	161 884	49	132 829	-18	Adjustment of projection
Fines, penalties and forfeits	7 452	5	8 640	16	mSCOA re-classification
Licences and permits	7 529	-2	1 279	-83	mSCOA re-classification
Agency services	-	0	7 055	0	N/A
Transfers and subsidies	364 262	4	409 108	12	Increase in Equatibliable share
Other revenue	145 392	-1	40 110	-72	
Expenditure By Type					
Employee related costs	586 853	0	652 668	11	7% plus vacant position
Remuneration of councillors	31 657	0	33 907	7	N/A
Debt impairment	462 621	0	551 000	19	Increase based on 75% collection rate
Depreciation & asset impairment	492 000	0	428 189	-13	Adjusted according to 2017/18 AFS.
Finance charges	11 000	0	11 000	0	N/A
Bulk purchases	837 563	0	897 900	7	N/A
Other materials	126 791	0	99 002	-22	mSCOA re-classification
Contracted services	48 251	0	269 505	59	mSCOA re-classification
Transfers and subsidies	-	0		0	N/A
Other expenditure	680 281	0	175 909	-74	N/A

BUDGET PUBLIC CONSULTATION 2018/2019

KHUMA		07 May 2018
Only two public members present. On request of the Chief Financial Officer the meeting was cancelled due to poor attendance.		
STILFONTEIN		19 April 2017
QUESTIONS	ANSWERS	
There is nothing for Stilfontein in the budget	There is something for Stilfontein on the maintenance budget i.e. Patching of roads (potholes) and cutting of grass.	
Has the leak on the water tower been repaired (sinkhole)	The report on the problem has been submitted to Sanral and we will check with our technical team and do something about it.	
Road signs and road marking are not in order	MMC: Public Safety took note and the problem will be attended to.	
Why is the municipality constructing new sport field in Khuma, instead of serious needs such as housing, while it can't even take care of existing sport facilities	Sport fields is a request from the community in the IDP.	
Provision for bad debts – what is the municipality doing to collect this money	There will be a new debt collector appointed soon to help with collection.	
Why is Stilfontein being charged more than Khuma for sewer and why is Alabama being charged more than Jouberton	Tariffs are the same for different areas.	
ALABAMA		08 May 2018
Only two public members present. On request of the Municipal Manager the meeting was adjourned and postponed for 14 May 2018.		
JOUBERTON		08 May 2018
Khonzile Lawrance Highmast lights needed at Ext 9 There is also a need for a sewer system upgrade We need a youth multi-purpose centre	Comments, noted.	

<p>Ponto – Ward 11 The existing highmast lights should be fixed and there's a need for a highmast light at Diphetogo Primary School</p> <p>What is the progress of the new sport field in Jouberton</p>	<p>The suggestion to fix the current highmast lights will be considered and a new highmast light will be installed at the said primary school.</p> <p>The Executive Mayor will request a submission of the progress report for the stadium.</p>
<p>Mr Motlhabaki – Ext 10 There are no tarred roads in ext 10 except main road from Tshepong Hospital</p>	<p>Comments, noted.</p>
<p>Ntsikelelo Ntoi Paving of roads must be allocated to critical wards and the process should be monitored</p> <p>There is no moni</p>	<p>Comments, noted.</p>
<p>Ms Masoso Radebe There is no need to budget for taxi rank</p> <p>Let this budget prioritise service delivery to the community instead of spending R5m on furniture</p> <p>Why is the Ext 9 Sports complex not completed</p>	<p>Comments, noted.</p> <p>Comments, noted.</p> <p>Comments, noted.</p>
<p>ORKNEY 09 May 2018</p>	
<p>Ward 28/29 Orkney residents don't get services for sewer and refuse</p> <p>Tariff increase of 5.3% is too high</p> <p>Vehicle budget is not enough for service delivery</p> <p>Sewer pipes must also be budgeted for Orkney</p> <p>Indigent register in not regularly updated</p>	<p>MM responded.</p> <p>Inputs, noted for finalization of the budget.</p> <p>Comments noted, top management did discuss the possibility of additional funding.</p> <p>Comments, noted.</p> <p>MMC Finance responded on how the process works..</p>
<p>Mariam Orkney CBD is very dirty, municipality should organise the cleaning of town</p> <p>Community services must assist with grass cutting</p>	<p>MM responded that cleaning the streets must be part of job creation.</p> <p>Service providers must appoint youth (local) of Orkney for the Grass Cutting Project</p>

Ms Manite, ward 28 There are no sport facilities in Orkney Water is not billed correctly	Noted. MMC Finance explained the challenges with the billing and that the municipality is in the process of correcting the matter.
Simon Can a hospital be built in Khuma because Tshepong/Kleksdorp hospitals are too far	A written request should be made to the Department of Health

KANANA

09 May 2018

QUESTIONS

ANSWERS

Ward 23 and 36

No water, sanitation and roads

Why is it important to budget for municipal systems and maintenance

Amount budgeted for fencing of municipal buildings is too much

Comments notes.

Vusumzi

There is no difference between the previous budget and this one

Where are the projects for Kanana and how much where they budgeted for

Comments noted

HARTBEESFONTEIN

10 May 2018

Only one member of public present, the meeting was called off because of lack of attendance.

TIGANE

10 May 2018

Mr Phori

There has been an informal settlement for 20 years. RDP houses needed

MMC Irene – will take the Housing issue to Human Settlement department

Senze

There is no sewer network and there's a housing need

Consult with your ward councillor to check if it was approved or not and why

Patrick

There is a greater need for another high school

To engage with the relevant Provincial department

Nomvula, ward 2

Councillor Moeng does not serve his

Noted and to be reported to the Speaker

Peter , ward 1 Sport complex to be considered for Tigane	To be considered
Mr Matile , ward 1 Implementation of big bins on sites to eradicate illegal dumping	Good suggestion and will be forwarded to the cleansing section
IDP REP FORUM and KLERKSDORP 11 May 2018	
Are the sector department's projects in the presentation	Sector departments submitted apologies and did not attend the meetings.
Maintenance of assets needed to eliminate water losses. Water tariff is too high	There is a plan to install valves from the reservoir to eliminate pipe bursts due to water pressure. Water tariff will be discussed with Top Management.
Indigent threshold of R7 500 is too high the municipality cannot afford it	It will be discussed in the policy workshop.
The public would like to see transparency on reports, by using local newspapers and local radio stations	There are public consultations meetings organised but the community usually doesn't attend.
How much is the salary of councillors	Councillors' salaries are determined by the minister.
Why did you budget so much money for vehicles	Those vehicles will be used for service delivery.
We need feedback on the Jacaranda-Ratanang informal settlement issue	The squatter camp is located on a privately owned land. Residents will be relocated to Alabama Ext 4.
High Tension electricity feeder cables running around Doringkruin should be fixed	Noted, must be add to IDP.
There is a need for taxi ranks in Doringkruin and La Hoff	Comments noted.
Sewer pipes needs to be replaced	Comments noted.
Mayoral Imbizos are never held in Klerksdorp, Orkney and Stilfontein	Comments noted.

CITY OF MATLOSANA

MINUTES OF THE BUDGET CONSULTATION MEETING HELD ON WEDNESDAY, 09 MAY 2018 AT 16:00 IN ORKNEY LIBRARY

PRESENT

See attached attendance register

1. OPENING AND WELCOME

The Municipal Manager, Mr TSR Nkhumise welcomed everybody present and declared the meeting officially opened.

2. INTRODUCTION

The Municipal Manager, Mr TSR Nkhumise introduced all Council officials present in the meeting and apologized for the Executive Mayor, Cllr ME Kgaile who was absent due other commitments.

3. PRESENTATION OF THE BUDGET

The Assistant Director: Budget and Treasury Office presented the budget through a slide show to the members of the community in Orkney.

4. INPUTS OR CHALLENGES RAISED BY COMMUNITY MEMBERS

Emanating from the presentation of the budget by the Assistant Director: Budget and Treasury Office the following inputs were raised:

- Indigent register is not updated
- Deliver basis services in order for community to pay for services
- The budget for vehicles is less and needs to be increased
- Sewerage spillages is a challenge
- Asbestos pipes must be replaced
- Thorn trees be removed and grass be cut
- Orkney town is very dirty, where are the health inspectors
- People living in Orkney especially youth be considered for employment in projects
- Write off debts which are irrecoverable
- Ward committees submit reports regarding clean water losses and it took long for the matter to be responded to
- Water and lights accounts are very high

- Water meters leaking or not working
- An article be placed in the newspaper on the progress of service delivery issues achieved
- Most people don't receive accounts even on emails
- No sport facilities in Orkney

All the above inputs were responded to by the Municipal Manager, MMC: Infrastructure, Cllr MF Nthaba and MMC: Finance, Cllr F Tagaree

5. VOTE OF THANKS

Councillor CJ Bester thanked everybody for their contributions and also for attended a very successful meeting.

6. CLOSURE

The meeting was closed with a prayer

CITY OF MATLOSANA

MINUTES OF THE BUDGET CONSULTATION MEETING HELD ON MONDAY, 07 MAY 2018 AT 16:00 IN STILFONTEIN, PEOPLES HALL

PRESENT

See attached attendance register

1. OPENING AND WELCOME

The Acting Director: LED, Mr MA Khuzwayo welcomed everybody present and declared the meeting officially opened.

2. INTRODUCTION

MMC: Public Safety, Cllr SJ Daemane introduced all Council officials present in the meeting and apologized for the Executive Mayor, Cllr ME Kgaile who was absent due other commitments.

3. PRESENTATION OF THE BUDGET

The Assistant Director: Budget and Treasury Office presented the budget through a slide show to the members of the community in Stilfontein.

4. INPUTS OR CHALLENGES RAISED BY COMMUNITY MEMBERS

Emanating from the presentation of the budget by the Assistant Director: Budget and Treasury Office the following inputs were raised:

- Where are the minutes of the previous meeting held in 2017
- Why are the proposed basic tariff increase not the same as per the documents distributed
- Where are the employees of Council patching the potholes
- Are the leaks from the water tower in Stilfontein been repaired
- When is the municipality cutting the grass
- Is the sinkhole attended to
- Who will be held responsible when an accident occur on the roads due to poor road markings
- Why is there a budget for the Sport complex in Khuma while there is no maintenance in the existing sport complexes in Matlosana
- Why is the provision of bad debt doubled this financial year
- Why is the budget for salaries of Councillors so high

- There is a need for speed humps at Colly Street
- Residents of Stilfontein not receiving water and lights accounts
- Ward Councillors are not calling Ward meetings

All the above inputs were responded to by the Municipal Manager and further promised residents that from 1 June 2018 he will be occupying an Office in Stilfontein Civic Centre in order for residents to have access to his office.

5. VOTE OF THANKS

Councillor A Meiring thanked everybody who attended the meeting.

6. CLOSURE

The meeting was closed with a prayer

CITY OF MATLOSANA

MINUTES OF THE BUDGET CONSULTATION MEETING HELD ON MONDAY, 10 MAY 2018 AT 16:00 IN TIGANE, TIGANE HALL

PRESENT

See attached attendance register

1. OPENING AND WELCOME

The Community Development Facilitator, Mr S Masibi welcomed everybody present and requested Mr M Matlawe to open the meeting with a prayer.

2. INTRODUCTION

MMC: Transversal Issues, Mrs NI Matetoane introduced all Council officials present in the meeting and apologized for the Executive Mayor, Cllr ME Kgaile who was absent due other commitments.

3. PRESENTATION OF THE BUDGET

The Assistant Director: Budget and Treasury Office presented the budget through a slide show to the members of the community in Tigane.

4. INPUTS OR CHALLENGES RAISED BY COMMUNITY MEMBERS

Emanating from the presentation of the budget by the Assistant Director: Budget and Treasury Office the following inputs were raised:

- Why is the housing subsidies, RDP housing allocated to people who applied late, were as resident who lived in clay houses (makwete) were not qualify for such subsidies.
- Why are the illegal dwellers not provided with RDP Housing and no services are provided, it's over 10 years until to date.
- When is the Sewer lines, going to be repaired within the township
- When is the municipality cutting the grass
- When will another High School be build, as three primary school are over flocking one High School.
- Who will be held responsible when an incident of fire or veld fires occurs, as the Hartbeesfontein Fire Station has been closed.
- Why is the stadium no accessible to the community, and were as the football team in Tigane qualified for second Division League.

- o Ward Councillors are not calling Ward Meetings

All the above inputs were responded to by the Deputy Director Budget Office, and further the community was informed that answers will also be referred to relevant Departments (Basic Education).

5. VOTE OF THANKS

Councillor NI Matetoane thanked everybody who attended the meeting.

6. CLOSURE

The meeting was closed with a prayer

CITY OF MATLOSANA

MINUTES OF THE BUDGET CONSULTATION MEETING HELD ON TUESDAY, 08 MAY 2018 AT 16:00 IN JOUBERTON COMMUNITY HALL.

PRESENT

Note: Attendance registers are available at Budget Office

1. OPENING AND WELCOME

- a) The Community Development Facilitator, Mr BS Masibi opened the meeting with a prayer, thereafter provided the purpose of the meeting which is to outline the 2018/19 budget as well as the IDP of the Council.
- b) The Ward Cllr, MI Mangesi welcomed everybody in the meeting, thereafter, the Executive Mayor addressed the community on the following issues:
 - Strongly condemned the violence and looting of shops of foreigners in the recent strike.
 - Indicated that budget consultation is part of addressing some concerns raised by the communities through ward committee meetings and Star FM.

2. PRESENTATION OF THE BUDGET

The Assistant Director: Budget and Treasury Office presented the budget through a slide show to the members of the community in Jouberton.

3. INPUTS OR CHALLENGES RAISED BY COMMUNITY MEMBERS

Emanating from the presentation of the budget by the Assistant Director: Budget and Treasury Office the following inputs were raised:

- o Request explanation of Property Rates
- o Processes of acquiring Indigent subsidy.
- o Installation of High mast lights in hot sports.
- o Instead of paving taxi routes, building of roads especially in Ext 10 as well as tarring old Jouberton area roads should be considered.
- o Provision of free basic services to the indigents.
- o Budget to purchase new office furniture be utilized to address community needs
- o Introduce women and youth related projects
- o Attend to the completion of Extension 9 Sports stadium

- Renovate and maintain Brazil and Matlosana Stadia.
- Explanation on how to calculate figures on service statements.
- Health issues: Tsholofelo clinic under-staffed.

All the above inputs were responded to by the Chief Financial Officer and the Executive Mayor.

4. VOTE OF THANKS

Executive Mayor and Councillor Ml Mangesi thanked everybody who attended the meeting.

5. CLOSURE

Mr Masibi closed the meeting was closed with a prayer



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Department:
Finance
North West Provincial Government
Republic of South Africa



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2018/19

MTREF BUDGET ASSESSMENT

MATLOSANA (NW403)

LOCAL MUNICIPALITY

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Together moving Bokone Bophirima forward.

SECTION 1: INTRODUCTION AND PURPOSE OF THE TABLED BUDGET ASSESSMENT

The Municipal Finance Management Act (section 22) requires the Accounting Officer (Municipal Manager) submit the budget to, amongst others, the Provincial Treasury immediately after tabling the budget in Council. In turn, the Provincial Treasury must provide views and comments on the budget and any budget-related policies and documentation, which must then be considered by Council when approving the budget.

In preparing this report, the Provincial Government has developed a framework for considering the municipal 2018/19 MTREF Budgets. This assessment report of the tabled budget is mainly focused on the following key areas:

- Performance Assessment of the previous and current budget based on the Annual Report, SDBIP and the Mid-year report;
- Assessment of the draft IDP and Budget
- A test on the Credibility, Relevance and Sustainability of the budget which aims to determine whether the municipality can execute and deliver on this budget and if it is a realistic budget.

The Provincial Treasury is using the Municipal Budget and Reporting Regulations (MBRR) A-Schedules and the budget documentation submitted by the municipality as the primary source for the analysis and information contained in the assessment report and accordingly the quality of the report depends on the credibility of the information contained in the documents submitted by the municipalities.

SECTION 2

COMPLIANCE ASSESSMENT

Compliance Checklist	
	Compliant/Not
Tabling Date	20-April-18
A1 Schedule Correct Version	Yes
Council Resolution	Yes
Quality Certificate	Yes
Draft IDP	Yes
Draft SDBIP	Yes
Budget Narrations	Yes
Budget Related Policies	Yes
Alignment to DoRA	No

DETAILED ASSESSMENT

1. STATEMENT OF FINANCIAL PERFORMANCE

1.1 OPERATING REVENUE

NW403 - City Of Matlosana		Table A4 Budgeted Financial Performance (revenue and expenditure)		CURRENT YEAR			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK						ASSUMPTIONS & CALCULATIONS				
Description		2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2017/18	2018/19	2018/19	2019/20	2020/21
R thousand		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	% Change	Budget Assump	% Change	% Change	% Change
Revenue By Source																	
Property rates		272 707	265 941	378 837	378 837	378 837	413 697	413 697	436 037	436 037	460 019	460 019	42,5%	5,3%	9,2%	5,4%	5,5%
Service charges - electricity revenue		660 703	699 088	838 331	838 331	838 331	804 516	804 516	847 959	847 959	894 597	894 597	19,9%	6,8%	-4,0%	5,4%	5,5%
Service charges - water revenue		436 843	465 049	639 296	639 296	639 296	591 844	591 844	623 804	623 804	658 113	658 113	37,5%	8,0%	-7,4%	5,4%	5,5%
Service charges - sanitation revenue		91 496	98 707	173 694	173 694	173 694	119 074	119 074	125 504	125 504	132 407	132 407	76,0%	5,3%	-31,4%	5,4%	5,5%
Service charges - refuse revenue		122 543	126 282	215 011	215 011	215 011	179 156	179 156	188 830	188 830	199 215	199 215	70,3%	5,3%	-16,7%	5,4%	5,5%
Service charges - other				15 000	15 000	15 000		-		-		-			-100,0%		
Rental of facilities and equipment		4 875	5 411	6 587	6 587	6 587	6 793	6 793	7 160	7 160	7 554	7 554	21,7%		3,1%	5,4%	5,5%
Interest earned - external investments		6 912	8 358	2 500	2 500	2 500	4 038	4 038	4 257	4 257	4 492	4 492	-70,1%		61,6%	5,4%	5,5%
Interest earned - outstanding debtors		131 569	162 109	161 884	161 884	161 884	132 629	132 629	140 002	140 002	147 702	147 702	-0,1%		-17,9%	5,4%	5,5%
Dividends received				-	-	-		-		-		-			-		
Fines, penalties and forfeits		13 573	10 505	7 452	7 452	7 452	8 640	8 640	9 107	9 107	9 608	9 608	-29,1%		16,0%	5,4%	5,5%
Licences and permits		5 717	7 107	7 529	7 529	7 529	1 279	1 279	1 348	1 348	1 423	1 423	5,9%		-83,0%	5,4%	5,5%
Agency services		-	-	-	-	-	7 055	7 055	7 436	7 436	7 845	7 845	-		-	5,4%	5,5%
Transfers and subsidies		346 443	477 693	364 262	364 262	364 262	402 592	402 592	436 656	436 656	474 495	474 495	-23,7%		10,5%	8,5%	8,7%
Other revenue		72 880	76 288	145 392	145 392	145 392	40 110	40 110	42 060	42 060	44 153	44 153	90,6%		-72,4%	4,9%	5,0%
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-			-	-	-
Total Revenue (excluding capital transfers and contributions)		2 166 261	2 402 541	2 955 774	2 955 774	2 955 774	2 711 624	2 711 624	2 870 160	2 870 160	3 041 621	3 041 621	23,0%		-8,3%	5,6%	6,0%

The municipality's operating revenue projected an decrease of 8,3 per cent from 2017/18 budget. It further estimated an average increase of 6 per cent for the two outer years. Municipality's own revenue accounts for 85% of the total operating revenue, this suggests that the municipality has a potential of raising revenue, however revenue collection still remains a challenge and that threatens municipality's financial sustainability.

Audited Collection Rate Calculation (Circular 71) Rates & Service Charges - Circular 71 Calculation			
ITEM DESCRIPTION	2014/15	2015/16	2016/17
GROSS Debtors Opening Balance	1 580 750 369	1 914 532 249	2 382 189 872
Billing	1 308 456 004	1 584 292 166	1 559 594 280
Written Off			
GROSS Debtors Closing Balance	1 914 532 249	2 381 189 872	2 877 453 028
Actual Collection	974 674 124	1 117 634 543	1 064 331 124
Collection Rate	74,5%	70,5%	68,2%
Balance Calculation	1 914 532 249	2 381 189 872	2 877 453 028

The above table reflects municipality's collection rate on property rates and service charges which has declined from 2014/15 financial year and performed below the recommended norm of 95 per cent. Municipality's inability to collect on billed revenue threatens sustainability of the institution. A decline on the collection rate questions the effectiveness of the current credit control policy. Revenue collection strategies should therefore be enhanced to recover all monies due to the municipality so as to improve prevailing financial situation. Average collection rate amount to 70 per cent based on the above calculation.

Property Rates

Property rates revenue projected an increase of 9,9 per cent for 2018/19 financial year with an average growth of 5,5 per cent over the MTREF period. This item has increased by 42 per cent when compared to 2016/17 audited year's and budget narrations are silent on determinants of growth on property rates, i.e. change in property values (Valuation Roll), new development that gives effect to assessment rate's revenue, etc.

From the above, there could be an overstatement of revenue; therefore the municipality is advised to review the projection and similarly reduce expenditure attached to property rates revenue.

Electricity

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Electricity tariff projected a sliding scale increase of between 5,3 per cent and 6.8 per cent in line with proposed NERSA guideline on circular 91. Revenue anticipated from electricity service

charge has decreased by 4 per cent from the 2017/18 budget and further increase by 5.5. Projected revenue is not aligned to the tariff increase.

Water

Service charges from water will decrease by 7 per cent in 2018/19 and increase by an average of 5 per cent in the two outer years. Water tariffs are not cost reflective as suggested on the budget narrations, the budget reflects a shortfall of R47 million for 2018/19 financial year with no improvement over the MTREF. This means that the municipality does yield positive returns of providing the service. The high shortfall could be attributed to distribution losses as reflected on 2016/17 audited financial statement.

NB According to 2016/17 audited financial statements, the municipality incurred water and electricity losses of 24 and 35 per cent of total units purchased. The registered losses in electricity exceed the acceptable norm of 7-10 per cent for electricity respectively.

Sanitation and Refuse

Anticipated revenue from sanitation and refuse projected a drastic decrease of 31 and 16 per cent respectively. The growth on both service charges recorded an average of 70 per cent when compared to the audit outcome therefore it is an overstatement.

Interest on external investment

Interest on external investment projected an increase of 60 per cent when compared to 2017/18 original budget. Supporting tables SA15 and SA16 needs to be accurately completed so disclose details of this projection

Agency fees

The municipality is projecting R7 million on this item, when compared to the audited result, no budget has been allocated to Agency fees. Budget narrations are silent on whether the municipality has established a new revenue stream.

From the above, there could be an overstatement of revenue; therefore the municipality is advised to review the projection and similarly reduce expenditure attached to Agency fees.

Transfers and Subsidies

Operating grants are not accurately disclosed as per DoRA, they have been understated by R7 million.

Other Revenue

Other revenue is decreased by 72 per cent when compared to 2017/18 budget. This could be understated when compared to the audited results.

1.2 OPERATING EXPENDITURE

NW403 - City Of Matlosana		Table A4 Budgeted Financial	CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					ASSUMPTIONS & CALCULATIONS			
Description	2016/17 Audited Outcome	2017/18 Original Budget	2017/18 Adjusted Budget	2017/18 Treasury Calculation	2018/19 Budget Year +0	2018/19 Treasury Calculation	2019/20 Budget Year +1	2019/20 Treasury Calculation	2020/21 Budget Year +2	2020/21 Treasury Calculation	% Change 2017/18	2018/19 Budget et	% Change 2018/19	% Change 2019/20	% Change 2020/21
R thousand															
Expenditure By Type		530 451	580 853	580 853	651 852	651 852	754 834	754 834	797 359	797 359	10,6%		11,1%	15,8%	5,6%
Employee related costs		28 368	31 657	31 657	33 907	33 907	35 738	35 738	37 704	37 704	11,5%		7,1%	5,4%	5,5%
Remuneration of councillors		543 459	462 621	462 621	776 704	691 496	593 158	728 774	625 699	766 790	-14,9%		21,7%	5,4%	5,5%
Debt impairment		410 556	492 000	492 000	428 189	428 189	435 168	435 168	439 561	439 561	19,8%		-13,0%	1,6%	1,0%
Depreciation & asset impairment		43 955	11 000	11 000	11 000	11 000	11 000	11 000	11 000	11 000	-75,0%		0,0%	0,0%	0,0%
Finance charges		775 219	837 563	837 563	902 900	902 900	973 505	973 505	1 045 148	1 045 148	8,0%		7,8%	7,8%	7,4%
Bulk purchases		68 241	126 791	126 791	88 756	88 756	93 549	93 549	98 694	98 694	85,8%		-30,0%	5,4%	5,5%
Other materials		35 802	48 251	48 251	228 449	228 449	236 569	236 569	249 581	249 581	34,8%		373,5%	3,6%	5,5%
Contracted services		-	-	-	-	-	-	-	-	-	-		-	-	-
Transfers and subsidies		273 720	680 281	680 281	175 335	175 335	184 831	184 831	195 018	195 018	148,5%		-74,2%	5,4%	5,5%
Other expenditure		-	-	-	-	-	-	-	-	-	-		-	-	-
Loss on disposal of PE		-	-	-	-	-	-	-	-	-	-		-	-	-
Total Expenditure		2 709 901	3 277 018	3 277 018	3 591 101	3 083 389	3 211 887	3 318 353	3 453 970	3 499 764	20,9%		-5,9%	7,6%	5,5%
Surplus/(Deficit)		(307 261)	(321 244)	(321 244)	(635 326)	(371 765)	(500 263)	(448 193)	(593 910)	(458 143)	4,6%		15,7%	20,6%	2,2%

Employee Related Costs

Salaries' budget depicts a growth of 11 per cent which is mainly due to increases on benefits. Table SA24 on personnel numbers remained unchanged from 2016/17 financial year. Employee related cost constitute 22 per cent of the total operating expenditure budget of R3 billion, projection is within the norm of 25-40 per cent.

The municipality is advised to accordingly adjust its salary budget after finalization of salary and wage collective agreement to avoid unauthorized expenditure.

Contracted Services

Contracted service is growing by more than 100 per cent when compared to the audited results. Increase on this item is articulated to new Mscoa classification however it could not be linked to a decrease on other expenditure item. There is no further breakdown on Table SA1 to determine which new contracts have been added. This item constitutes 7 per cent of the total operating expenditure which is above the norm of between 2-5 per cent. The municipality is advised to review this expenditure item and ensure that cost containment measures are implemented by reducing reliance on consultants and build capacity internally

Bulk Purchases

Water purchases projected an increase of 8 per cent whereas electricity anticipated a growth 7 per cent. Total bulk purchases estimated an average increase of 4 per cent over the MTREF period. Considering the proposed increase from Midvaal water of 9%, the projection has been understated therefore it must be adjusted accordingly to reflect a true financial performance and avoid unauthorized expenditure.

Finance Cost

Considering the audited outcome of 2016/17(2016:R33.m; 2017:R43m), projected expenditure of R11 million on finance costs has been understated, thereby understating operating expenditure. This expenditure emanates from a long term borrowing disclosed on the audited and current financial position.

Depreciation

Depreciation projected a decrease of 13 per cent and average growth of 1 per cent over the MTREF, this projection is not consistent with the expected growth of Property Plant & Equipment on the Statement of financial position.

Debt impairment

Debt impairment projection has been understated based on the collection rate of 75 per cent used. Collection rate on Property rates and service charges have recorded a decline since 2014/15 audit years. An average collection rate of three audited years amount to 70 per cent.

Other Expenditure

Other expenditure is projecting a decline of 74 per cent when compared to the audited years; this could be linked to Mscoa reclassification of items. Municipality is advised to unbundle these expenditure on supporting table SA1 in order to measure implementation of cost containment policy.

Basic Service Delivery Measurement

NW403 City Of Matlosana - Table A10 Basic service delivery measurement

Description	Ref	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Households receiving Free Basic Service	7							
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8							
Water (6 kilolitres per indigent household per month)		-	-	-	-	102 996	109 073	115 399
Sanitation (free sanitation service to indigent households)		-	-	-	-	64 227	67 952	71 690
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	74 966	79 314	83 676
Refuse (removed once a week for indigent households)		-	-	-	-	57 922	61 282	64 652
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	300 111	317 621	335 417

Information contained on Table A10 lacks credibility; households receiving free basic services is not disclosed. The cost of providing FBS is less than the Equitable share allocation and is not disclosed as assistance to indigent on SA21.

2.3 TRADING SERVICES

NW403 City of Matlosana - Table A2 Budgeted Financial Performance (revenue (A4) and expenditure (A2))									
R thousand	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19c Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2019/20
Total	(138 388)	81 129	89 645	142 122	-	(31 849)	(257 896)	(302 671)	(326 499)
Electricity	(31 214)	21 412	(21 175)	(21 628)	-	(15 118)	(211 193)	(230 360)	(246 410)
Water	(55 091)	51 746	72 370	98 485	-	(10 354)	(47 750)	(70 984)	(81 136)
Waste water management	(37 345)	(13 995)	(18 193)	(7 574)	-	(1 109)	(19 462)	(17 794)	(16 371)
Waste management	(14 738)	21 966	56 643	72 838	-	(5 268)	20 507	16 468	17 418

The above table reflects all services except refuse have been trading at a loss since 2014/15 financial year with no improvement over MTREF. This raises a concern as trading services should operate at a surplus or at least break-even. Surpluses or deficits on trading services should not be viewed in isolation; it must be analysed in the context of distribution losses and unaccounted for losses to determine the 'real' profit or loss.

According 2016/17 audited financial statement, distribution losses for electricity and water amounts to 24 per cent and 35 per cent respectively. It is therefore vital for the municipality to investigate the shortfall and put measures in place to address the situation.

2. CAPITAL EXPENDITURE AND FUNDING

NW403 - City Of Matlosana	Table A5 Budgeted Capital Expenditure by vote, standard classification and funding			CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
Vote Description	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +0	Budget Year +1	Budget Year +2
R thousand										
Capital Expenditure - Functional										
Governance and administration	5 690	26 156	10 671	40 000	40 000	40 000	40 000	21 500	-	22 338
Executive and council	690	19 019	7 278	35 000	35 000	35 000	35 000	16 500	-	22 338
Finance and administration	5 000	7 137	3 394	5 000	5 000	5 000	5 000	5 000	-	-
Internal audit										
Community and public safety	10 103	2 824	24 520	10 952	10 952	10 952	10 952	10 000	25 939	11 257
Community and social services	370	445	24 491							
Sport and recreation	9 597	2 379	29	10 952	10 952	10 952	10 952	10 000	25 939	11 257
Public safety	136									
Housing										
Health										
Economic and environmental services	35 600	44 571	49 113	91 220	91 220	91 220	91 220	20 985	27 349	35 072
Planning and development	-	-	-	-	-	-	-	158	-	-
Road transport	35 600	44 571	49 113	91 220	91 220	91 220	91 220	20 827	27 349	35 072
Environmental protection										
Trading services	49 736	54 303	83 097	71 576	71 576	71 576	71 576	107 576	52 210	65 944
Energy sources	2 384	10 428	37 956	21 904	21 904	21 904	21 904	21 303	11 487	6 400
Water management	23 108	18 813	23 991	42 187	42 187	42 187	42 187	50 450	15 536	41 999
Waste water management	24 244	25 061	17 757	7 484	7 484	7 484	7 484	25 823	25 187	17 544
Waste management	-	-	3 394	-	-	-	-	10 000	-	-
Other	-	-	3 484	-	-	-	-	8 597	14 937	-
Total Capital Expenditure - Functional	101 128	127 853	170 886	213 747	213 747	213 747	213 747	168 658	120 435	134 610
Funded by:										
National Government	92 823	101 691	167 202	173 747	173 747	173 747	173 747	147 158	120 435	134 610
Provincial Government										
District Municipality										
Other transfers and grants										
Transfers recognised - capital	92 823	101 691	167 202	173 747	173 747	173 747	173 747	147 158	120 435	134 610
Public contributions & donations	5 000									
Borrowing		-		30 000	30 000	30 000	30 000	-	-	-
Internally generated funds	3 306	26 162	3 684	10 000	10 000	10 000	10 000	21 500	-	-
Total Capital Funding	101 128	127 853	170 886	213 747	213 747	213 747	213 747	168 658	120 435	134 610

Capital Expenditure and Funding Mix

Capital budget projected R168 million for 2018/19 financial year which is funded from National grant and own funds. It is further noted that trading services hold R107 million or 64 per cent of the total capital budget whereas roads transport and sports and recreation account for 11 and 6 per cent respectively.

Capital grants have been understated by R21, 7 million. Due to financial constraints at the municipality, no projects could be funded internally, it is however noted with concern that current year's budget was increased to R21.5 million funded internally, this is in contravention with section 19 of the MFMA which clearly states that any money committed for capital projects must be readily available and not committed for any other purposes

Assets Management

NW403 City Of Matlosana - Table A9 Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Renewal and upgrading of Existing Assets as % of total capex		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	5,1%	12,4%	0,0%
Renewal and upgrading of Existing Assets as % of deprecn		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,0%	3,5%	0,0%
R&M as a % of PPE		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,8%	3,2%	3,6%
Renewal and upgrading and R&M as a % of PPE		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	3,0%	3,0%	3,0%

The above table suggests that 5 per cent of the budget has been allocated to renewal and upgrading of existing assets, this is a concern as the municipality's trading services are running at a shortfall for the entire seven years horizon budget, indicating that assets are not maintained as required. (Distribution losses)

Ratio for repairs and maintenance as a percentage of property plant and equipment (2.8%) is way below the norm (8%) as its intention is to augment renewal and upgrading of existing assets. The municipality is advised to provide balanced budgeting between new and existing assets by developing measures/plan to curb distribution losses experienced as potential revenue is lost in the process.

3. STATEMENT OF FINANCIAL POSITION

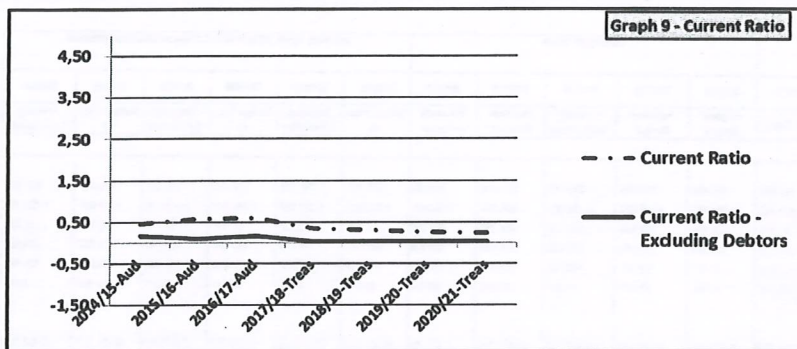
NW403 - City Of Matlosana		Table A6 Budgeted Financial Position		CURRENT YEAR					MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
Vote Description	R thousand	2016/17	2016/17	2017/18	2017/18	2017/18	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21
		Audited Outcome	AFS Totals	Original Budget	Adjusted Budget	Treasury Calculation	Full Year Forecast	Pre-audit outcome	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
ASSETS														
Current assets														
Cash	69	69	12 000	12 000	-	12 000	12 000	20 000	-	20 000	-	20 000	-	-
Call investment deposits	90 464	90 464	27 993	27 993	-	27 993	27 993	80 000	-	80 000	-	80 000	-	-
Consumer debtors	285 321	285 321	248 499	248 499	285 321	248 499	248 499	305 000	285 321	320 000	285 321	335 000	285 321	285 321
Other debtors	59 997	60 022	50 268	50 268	16 875	50 268	50 268	15 000	16 875	15 000	16 875	15 000	16 875	16 875
Current portion of long-term receivables	25	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	38 057	38 057	35 280	35 280	38 057	35 280	35 280	40 000	38 057	42 000	38 057	45 000	38 057	38 057
Total current assets	473 933	473 933	374 041	374 041	340 254	374 041	374 041	460 000	340 254	477 000	340 254	495 000	340 254	340 254
Non current assets														
Long-term receivables	15 112	-	1 806	1 806	-	1 806	1 806	-	-	-	-	-	-	-
Investments	-	-	28 672	28 672	-	28 672	28 672	-	-	-	-	-	-	-
Investment property	98 248	98 248	89 761	89 761	98 248	89 761	89 761	100 000	98 248	105 000	98 248	110 000	98 248	98 248
Investment in Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	5 390 359	5 390 359	5 070 235	5 070 235	5 112 106	5 070 235	5 070 235	4 842 811	4 852 574	4 528 077	4 537 841	4 223 127	4 232 890	4 232 890
Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological	1 599	-	2 554	2 554	-	2 554	2 554	-	-	-	-	-	-	-
Intangible	-	4 579	4 579	4 579	4 579	4 579	4 579	4 500	4 579	5 000	4 579	5 000	4 579	4 579
Other non-current assets	46 100	58 233	25 825	25 825	58 233	25 825	25 825	10 000	58 233	10 000	58 233	10 000	58 233	58 233
Total non current assets	5 551 418	5 551 418	5 223 432	5 223 432	5 273 165	5 223 432	5 223 432	4 957 311	5 013 634	4 648 077	4 699 900	4 348 127	4 393 950	4 393 950
TOTAL ASSETS	6 025 351	6 025 351	5 597 473	5 597 473	5 613 419	5 597 473	5 597 473	5 417 311	5 353 887	5 125 078	5 039 154	4 843 127	4 734 203	4 734 203

Assets

- After taking into accounts all misstatements on the cash flow budget, municipality's cash position has changed to be unfavourable.
- Other debtors have not been disclosed correctly, resulting into overstatement of current assets.

- Statement of financial position reflects a reduction on PPE value with no movement on statement of financial performance to show that assets were disposed. Ideally, PPE value must be increased by annual acquisition from the Table A5 and reduced by an accurate rate of depreciation.

Financial Ratio



Based on Provincial Treasury calculations, the above table highlights that municipality's current liabilities exceed current assets and the trend continues over the MTREF; this is a clear indication that the municipality is experiencing serious financial challenges and likely liquidity problems i.e. there is no sufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities

Liabilities

LIABILITIES													
Current liabilities													
Bank overdraft					341 995				595 210		786 368		986 150
Borrowing	13 110	13 110	20 000	20 000		20 000	20 000	15 000		16 000		17 000	
Consumer deposits	24 125	24 125	25 282	25 282	24 125	25 282	25 282	30 000	27 125	32 000	29 125	35 000	32 125
Trade and other payables	731 159	731 159	304 606	304 606	588 793	304 606	304 606	593 230	450 866	605 690	453 327	638 382	461 626
Provisions	13 332	13 332	12 547	12 547	13 332	12 547	12 547	10 000	13 332	10 000	13 332	10 000	13 332
Total current liabilities	781 726	781 726	362 434	362 434	948 245	362 434	362 434	648 230	1 086 533	663 690	1 282 152	700 382	1 493 232
Non current liabilities													
Borrowing	88 159	88 159	102 000	102 000	88 159	102 000	102 000	104 000	88 159	89 000	88 159	73 000	88 159
Provisions	246 278	246 278	305 000	305 000	246 278	305 000	305 000	209 000	246 278	214 500	246 278	220 000	246 278
Total non current liabilities	334 436	334 436	407 000	407 000	334 436	407 000	407 000	313 000	334 436	303 500	334 436	293 000	334 436
TOTAL LIABILITIES	1 116 162	1 116 162	769 434	769 434	1 282 681	769 434	769 434	961 230	1 420 969	967 190	1 616 588	993 382	1 827 669
NET ASSETS													
	4 909 188	4 909 188	4 828 039	4 828 039	4 330 737	4 828 039	4 828 039	4 456 081	3 932 918	4 157 888	3 422 565	3 849 745	2 906 534
COMMUNITY WEALTH/EQUITY													
Accumulated Surplus/(Deficit)	(307 261)	4 909 188	4 828 039	4 828 039	4 330 737	4 828 039	4 828 039	4 384 581	3 932 918	4 128 323	3 422 565	3 834 356	2 906 534
Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Minorities' interests	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	(307 261)	4 909 188	4 828 039	4 828 039	4 330 737	4 828 039	4 828 039	4 384 581	3 932 918	4 128 323	3 422 565	3 834 356	2 906 534

- The projected consumer deposit of R3m is expected from the cash flow budget. It is also noted that the municipality did not indicate any new developments or connections that could be linked to this increase.
- Considering audited performance, both current and non-current provisions have been understated, accordingly with total liabilities. Current provisions must be cash backed.
- After taking into account all the above, community wealth has reduced to R3.9 billion.

4. CASH FLOW BUDGET

NW403 - City Of Matlosana	Table A7 Budgeted Cash Flows									MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
	CURRENT YEAR			CURRENT YEAR			CURRENT YEAR			2018/19		2019/20		2020/21	
	2014/15	2016/17	2016/17	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21
Description	Audited Outcome	Audited Outcome	AFS Totals	Original Budget	Adjusted Budget	Treasury Calculation	Full Year Forecast	Pre-audit outcome	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	Treasury Calculation
R thousand															
CASH FLOW FROM OPERATING ACTIVITIES															
Receipts															
Property rates	247 297	183 828	285 941	314 434	314 434	285 186	314 434	314 434	372 327	289 588	382 433	305 226	414 017	322 013	
Service charges	727 377	891 851	809 737	1 594 557	1 594 557	1 430 251	1 594 557	1 594 557	1 339 556	1 279 193	1 343 543	1 348 269	1 417 438	1 422 424	
Other revenue	59 915	84 229	84 229	166 959	166 959	132 822	166 959	166 959	63 878	50 238	67 111	52 778	70 582	55 505	
Government - operating	413 120	381 370	344 108	359 968	359 968	364 282	359 968	359 968	402 592	402 592	436 656	436 656	474 495	474 495	
Government - capital	830	94 182	131 425	178 041	178 041	173 747	178 041	178 041	147 158	147 158	150 000	120 435	150 000	134 610	
Interest	91 202	170 467	170 467	83 442	83 442	2 500	83 442	83 442	40 271	4 039	37 258	4 257	39 360	4 482	
Dividends															
Payments															
Suppliers and employees	(1 373 779)	(1 528 806)	(1 528 806)	(2 473 764)	(2 473 764)	(2 473 764)	(2 473 764)	2 473 764	(2 180 624)	(2 189 127)	(2 276 566)	(2 276 566)	(2 401 312)	(2 415 209)	
Finance charges	(43 779)	(43 955)	(43 955)	(11 000)	(11 000)	(11 000)	(11 000)	11 000	(11 000)	(11 000)	(11 000)	(11 000)	(11 000)	(11 000)	
Transfers and Grants															
NET CASH FROM/(USED) OPERATING ACTIVITIES	122 184	233 145	233 145	212 637	212 637	(115 996)	212 637	212 637	174 158	(37 319)	139 435	(19 945)	153 610	(12 686)	
CASH FLOWS FROM INVESTING ACTIVITIES															
Receipts															
Proceeds on disposal of PPE	5 105	3 997	3 997												
Decrease (increase) in non-current debtors		(5 184)	(0)			43 147									
Decrease (increase) other non-current receivables	(1 781)	(0)													
Decrease (increase) in non-current investments		(2 367)	(2 367)	10 000	10 000		10 000	10 000							
Payments															
Capital assets	(96 128)	150 049	(150 049)	(213 589)	(213 589)	(213 747)	(213 589)	(213 589)	(187 158)	(168 658)	(120 435)	(120 435)	(134 610)	(134 610)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(92 804)	146 495	(148 419)	(203 589)	(203 589)	(170 600)	(203 589)	203 589	(187 158)	(168 658)	(120 435)	(120 435)	(134 610)	(134 610)	
CASH FLOWS FROM FINANCING ACTIVITIES															
Receipts															
Short term loans															
Borrowing long term/refinancing	(40 100)			30 000	30 000		30 000	30 000	30 000	3 000	2 000	2 000	3 000	3 000	
Increase (decrease) in consumer deposits	6 289		(5 184)												
Payments															
Repayment of borrowing	(14 705)	14 579	(14 578)	(20 000)	(20 000)	(13 110)	(20 000)	(20 000)	(20 000)		(21 000)		(22 000)		
NET CASH FROM/(USED) FINANCING ACTIVITIES	(48 537)	14 579	(19 763)	10 000	10 000	(13 110)	10 000	10 000	13 000	3 000	(19 000)	2 000	(19 000)	3 000	
NET INCREASE/(DECREASE) IN CASH HELD	(19 158)	394 219	64 963	19 048	19 048	(289 705)	19 048	19 048	0	(202 977)	0	(138 380)	0	(144 277)	
Cash/cash equivalents at the year begin:	49 658	25 589	25 589	300 419	300 419	90 532	300 419	300 419	85 161	(209 173)	85 161	(412 150)	85 162	(550 530)	
Cash/cash equivalents at the year end:	30 500	419 788	90 532	319 467	319 467	(209 173)	319 467	319 467	85 161	(412 150)	85 162	(550 530)	85 162	(594 806)	

This schedule illustrates the expected cash in-flows versus cash out-flow that are likely to result from the implementation of the municipality's budget. It is important to note that a municipality can only spend cash; therefore this schedule is critical in assessing whether the budget is funded or not. The following has been noted from the cash flow budget;

Cash and cash equivalents has not been correctly reflected from the audited year 2016/17, and amount of R419 million was captured instead of R90 million therefore this distorted the financial position throughout the years.

Anticipated cash from property rates and service charges has been overstated, 75 per cent collection rate has been used. As suggested by audited financial statements, a more realistic collection rate is 70 per cent (average). Low collection on services will further exacerbate projected shortfalls on trading services.

Other revenue projected a collection of 100 per cent of the projections on financial performance, audited financial statements for the past three years reflect an average collection rate of 70 per cent therefore this has been overstated.

Interest on outstanding debtors must be accurately projected using a realistic collection rate of at least 70 per cent.

Capital and Operating grants have been understated by R7 million and R21 million respectively.

Cash flow from investing activities has been overstated by borrowing amounting to R30 million. Municipality was advised not to budget for this borrowing in the previous budget year however this has been budgeted for in 2018/19.

Consumer deposit might also be an overstatement due to the fact that the budget narrations are silent on whether there will be new developments which will result in consumer deposit

After taking into account the above misstatements, cash flow statement reflects an unfavourable balance of R412 million, suggesting that municipality's projected expenditure exceeds anticipated revenue. A projected cash and cash equivalents will be carried over to Tabled A8 to calculate cash backed reserves/accumulated surplus reconciliation

Municipality's cash flow status does not show any improvement over the MTREF period, indicating that the municipality will be seriously faced by financial distress for the entire MTREF period.

5. ACCUMULATED SURPLUS RECONCILIATION

NW403 - City Of Matlosana	Table A8 Cash backed reserves/accumulated surplus reconciliation			CURRENT YEAR					MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
				2017/18	2017/18	2017/18	2017/18	2017/18	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
				Original Budget	Adjusted Budget	Treasury Calculation	Full Year Forecast	Pre-audit outcome	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
Description	Audited Outcome	Audited Outcome	Audited Outcome											
R thousand														
Cash and Investments available														
Cash/cash equivalents at the year end	30 500	25 569	419 788	319 467	319 467	(209 173)	319 467	319 467	65 161	(412 150)	65 162	(550 530)	65 162	(594 805)
Other current investments > 90 days	-	-	(329 256)	(279 474)	(279 474)	-	(279 474)	279 474	14 839	-	14 839	-	14 839	-
Non current assets - Investments	-	-	-	28 672	28 672	-	28 672	28 672	-	-	-	-	-	-
Cash and Investments available:	30 500	25 569	90 532	68 665	68 665	(209 173)	68 665	68 665	100 000	(412 150)	100 000	(550 530)	100 000	(594 805)
Application of cash and Investments														
Unspent conditional transfers	14 067	-	8 587	2 000	2 000	8 587	2 000	2 000	10 000	8 587	10 000	8 587	10 000	8 587
Unspent borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	(5 440)	-	-	-	(3 889)	-	(3 841)	-	(4 141)
Other working capital requirements	413 187	369 740	504 431	61 597	61 597	342 716	61 597	61 597	336 703	224 942	347 039	227 404	368 605	235 703
Other provisions	-	-	-	-	-	13 332	-	-	-	13 332	-	-	-	13 332
Long term investments committed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and Investments:	427 254	369 740	513 017	63 597	63 597	359 195	63 597	63 597	346 703	242 871	357 039	245 693	378 605	253 491
Surplus(shortfall)	(396 754)	(344 171)	(422 485)	5 008	5 068	(508 359)	5 068	5 068	(246 703)	(655 121)	(257 039)	(796 212)	(278 605)	(848 287)

This schedule compares the cash position to the financial obligations of the municipality taking into account unspent conditional grants, working capital and reserves. A surplus is indicative of compliance with the MFMA requirement that the municipality's budget must be "funded"

Due to unfavorable cash and cash equivalents on the cash flow budget and misstatements on the statement of financial position, there will be no cash to cover applications.

Statutory requirement (VAT) has been omitted, thereby understating applications.

The tables above shows unfavorable working capital throughout the MTREF, indicating that municipality's collectable debtors are not sufficient to cover outstanding creditors.

Current provisions amounting to R13 million was omitted thereby understating applications

After taking into account all the misstatements, municipality's shortfall reflects a significant increase for the budget year. The increase on the shortfall is mainly due to overstatement of revenue, understatement of expenditure, low collection rate and municipality's inability to pay its creditors within the prescribed time frames.

CONCLUSION

Credibility

After consideration of all the misstatements, the following has been established;

- Municipality do not have sufficient cash to cover its operations, the projected shortfall on the cash flow is expected to increase throughout the MTREF period. It is therefore strongly recommended that the municipality exercise caution on utilization of available funds and further develop, adopt, implement and monitor cost containment policy to curb non-priority spending and address shortfall on the budget.

- Revenue anticipated from Property rates and service charges have been overstated due to inflated collection rate resulting into an overstatement of R143 million
- Anticipated revenue from other revenue has been overstated by R13,6 million, projection is based on 100 per cent collection.
- Understatement of capital and operational grants by R7m and R21 m respectively
- The schedule is not fully completed and figures contained still lacks credibility
- Misalignment of figures between schedules distorted financial position of the municipality (e.g. Overstatement of cash and cash equivalents,
-

Relevance

The supporting schedules linking to the IDP are fully completed and aligned to municipality's capital and operating revenue and expenditure.

Sustainability

The following threatens the municipality's sustainability;

- Increasing shortfall on accumulated surplus reconciliation
- Municipality's inability to collect revenue on both current and arrear accounts
- Inability to service creditors
- Rapidly increasing shortfall on trading service
- Insufficient provision for renewal and upgrading of existing assets and repairs and maintenance

The Provincial Treasury has considered the assessment results of the municipality's budget and based on the list of key findings the budget is **not funded and not sustainable** over the MTREF in terms of Sec 18 of the MFMA.

RECOMMENDATIONS

- The municipality must exercise caution on utilization of available funds and implement and strictly monitor cost containment policy to curb non-priority spending and address shortfalls on the budget.
- Adopt a conservative approach on revenue projection; collection rate must be revised to a realistic achievable rate.

- Enhance revenue collection strategies in order to reduce debtor's book balance and pay creditors to avoid fruitless and wasteful expenditure.
- Accurately projects Grants aligned to DoRA
- Adopt a surplus budget so as to build reserves to cater for assets' repairs and maintenance and provide for provisions
- Sufficiently provide for renewal and upgrading of existing assets and repairs and maintenance to curb loss distribution losses and potential loss of revenue
- Balances on the Statement of Financial Position must be revised and restated to reflect an accurate financial position of the municipality (cash and cash equivalents, consumer deposit etc.)
- Accurately complete all schedules as required by MBRR
- Adhere to Schedule of keydeadline/process plan as tabled in Council
- Fast track submission of outstanding section 71 reports