

# **CAPE AGULHAS MUNICIPALITY**

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



KAAP AGULHAS MUNISIPALITEIT  
CAPE AGULHAS MUNICIPALITY  
U MASIPALA WASECAPE AGULHAS

**ANNUAL BUDGET OF**  
**CAPE AGULHAS**  
**MUNICIPALITY**

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

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# Part 1 – Annual Budget

## 1.1 Vision & Mission

### Our Vision

Together for excellence

Saam vir uitnemendheid

Sisonke siyagqwesa

### Our Mission

To render excellent services through good governance, public ownership and partnership in order to create a safer environment that will promote socio-economic growth and ensure future financial sustainability in a prosperous southernmost community

This will be achieved through:

- Fairness
- Integrity
- Accountability and responsibility
- Transparency
- Innovativeness
- Responsiveness
- Empathy

## 1.2 Mayor's Report

In terms Section 152 of the Constitution of the Republic of South Africa, the objectives of local government are as follows:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of Local Government.

A municipality must strive, within its financial and administrative capacity, to achieve these objective set out in Section 152.

As Mayor and Council we are committed to the following major focus areas:

- Youth Development
- Development and upgrading of Recreational Facilities
- Social Development and related projects
- Local Economic Development (LED)
- Beautification of Communities
- Sport Development
- Uplift and support elderlies
- Safety and Security of the Community

In order to achieve or goals in the focus areas identified, it is imperative that we:

- Spend at least 95% of our budget allocations;
- Tighten our oversight responsibility in each and every department (Financial monitoring and reporting);
- Be open minded, responsive and caring;
- Work closer as a collective and respect one another's job and responsibility; and
- Employ capable officials who can contribute to service delivery.
- Ensure sustained financial viability for maximum development support;
- Sound financial administration;
- Ensure internal control over municipality's financial activities;
- Maximise Revenue potential through effective debt collection and credit control practices;
- Effective and efficient management of the municipality's assets and motor vehicle fleet to optimise the economic benefit over the useful life of the asset;
- Develop and implement ICT Governance to realise the following benefits:
  - o Integrates and institutionalise good practices to ensure that the ICT component supports the business objectives
  - o The organisation will use ICT Governance Framework to drive the Stakeholders' values.
  - o The organisation will also understand and manage the associated IT risks.
- Provide an effective and efficient financial management service to external and internal stakeholders in respect of council's assets, liabilities, revenue and expenditure in a sustained manner;

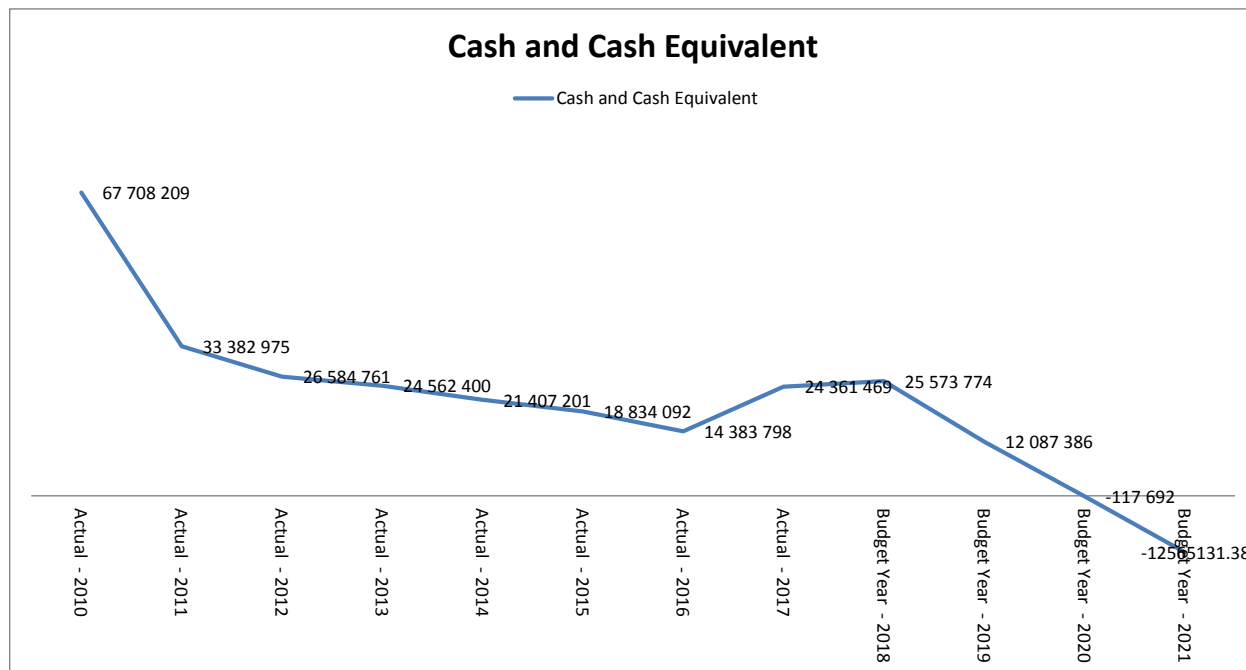
Cape Agulhas Local Municipality, like so many other municipalities in South Africa, is faced with various challenges when balancing quality basic services and support to the financial and administrative capabilities of the municipalities. These challenges include, but is not limited to the following:

- Ageing Infrastructure as one of the biggest threats to sustainable service delivery;
- Population growth putting strain on the municipal infrastructure to keep track of service delivery demands;
- Housing backlogs;
- Poverty in the municipal area and the ability to pay for basic services; and
- Depletion of Cash Reserves (as highlighted below)

This balancing act is further complicated by the unlimited needs of the citizens in the municipal area as discussed later in this report.

Financial sustainability is largely influenced by the ability of the municipality to preserve, or even increase, cash resources. Municipalities should as far possible approve budgets that are within

their financial constraints. In other words, projected capital and operating expenditure should be financed from projected future revenue streams, thus eliminating the need to utilise accumulated funds from previous years. Currently, although still a funded budget during 2018/19, the proposed budget will have a negative impact on the projected cash position of the municipality as indicated below (with cash surpluses totally depleted during 2019/20):



(It should be emphasised that the projections above is based on the fact that we recover revenue in line with historical actual trends and that we **fully utilise** all allocations made towards capital and operating programs.

It is expected that the cash resources of the municipality will decrease by R 13,486 million during 2018/2019 and by R 12,205 million and R 12,447 million during 2019/2020 and 2020/2021 respectively. This significant downward trend can mainly be attributed to the inability of the municipal budget to produce adequate cash resources to meet the proposed capital and operating program of the municipality, which includes between R 11 million to R14,5 million capital from own revenue sources during each of the financial years during the MTREF. The downward trend is best described by the following table, illustrating the inability of the municipality to fund its proposed capital program from loans raised as well as cash generated during the financial year:

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
NET CASH FROM/(USED) OPERATING ACTIVITIES	22 845	12 218	23 219	23 174
LOANS RAISED	5 473	5 379	8 139	6 508
<b>TOTAL FUNDING AVAILABLE</b>	28 318	17 597	31 358	29 682
PROPOSED CAPITAL PROGRAM	(27 460)	(30 504)	(41 349)	(38 839)
<b>SURPLUS/(SHORTFALL)</b>	858	(12 908)	(9 991)	(9 156)

This will result in accumulated cash reserves being utilized until being depleted, which should be avoided at all cost.

## **The South African economy and inflation targets**

The 2018 Budget Review emphasised that, although global risk factors remain elevated, the world economy continues to provide a supportive platform for South Africa to expand trade and investment. The world economic growth is at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient. Growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.

The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis in the Western Cape and other provinces will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In addition, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

To address these concerns, the following strategic goals and objectives (aligned to both the National KPA's and the departments within the municipality) are contained in the IDP of Cape Agulhas Municipality:

National KPA	Municipal KPA	Strategic goal	Strategic objective	Department					
KPA1: Good Governance and Public Participation	MKPA1: Good Governance and Public Participation	SG1: To ensure good governance and institutional sustainability	SO1: To create a culture of good governance	Administrative Support Services					
				Council General Expenses					
				Internal Audit					
				Municipal Manager					
				Office of the Municipal Manager					
			Risk Management						
			Strategic Planning and IDP						
			SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	Client Services					
				Council General Expenses					
				KPA2: Municipal Institutional Development and Transformation	MKPA2: Municipal Institutional Development and Transformation	SG2: To ensure institutional sustainability	SO3: To create an administration capable of delivering on service excellence.	Administrative Support Services	
Beaches & Public Amenities									
Buildings and Commonage									
Corporate Services									
Human Resources									
Information Technology									
Parks and Sports Facilities									
KPA3: Local Economic Development	MKPA3: Local Economic Development and Tourism	SG3: To promote local economic development in the Cape Agulhas Municipal Area	SO4: To create an enabling environment for economic growth and development					Administration	
								Human Resources	
								Parks and Sports Facilities	
				Social Development					
				Strategic Planning and IDP					
		SO5: To promote tourism in the Municipal Area	Council General Expenses						
			Tourism						
			KPA4: Municipal Financial Viability and Management	MKPA4: Municipal Financial Viability and Management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	SO6: To provide effective financial, asset and procurement management	Budget and Treasury Office		
							Expenditure Management		
							Finance		
Revenue Management									
Supply Chain Management									
KPA5: Basic Service Delivery	MKPA5: Basic Service Delivery	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens					SO10: Development of sustainable vibrant human settlements	Building Control	
								Housing	
								Town Planning	
								SO7: Provision of equitable quality basic services to all households	Council General Expenses
									SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.
		Electricity							
		Sewerage & Sanitation							
		Solid Waste							
		Streets & Stormwater							
		Water							
Workshop									
Air Quality									
SO9: To provide community facilities and services	Cemetery								
	Library								
	Public Services								
	KPA6: Social and youth development	MKPA6: Social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	SO10: Development of sustainable vibrant human settlements	Housing				
					SO11: To promote social and youth development	Administration			
Council General Expenses									
Social Development									
SO12: To create and maintain a safe and healthy environment						Environmental Services			
			Protection Services						
			Solid Waste						
			Traffic						
			Vehicle Testing Station						



The Integrated Development Plan (IDP) is a 5 year strategic developmental plan, setting strategic and budget priorities as required in terms of the Municipal Systems Act of 2000. It is a plan to help us set our budget priorities, so in essence it indicates how Cape Agulhas Municipality will spend its money for the next five years. The IDP should be aligned with the development plans of provincial and national government, and is agreed upon between Cape Agulhas Municipality and the residents during the public participation process. Therefore the IDP enables Cape Agulhas Municipality to make the best use of scarce resources and it also enables the councillors to make decisions based on the needs and priorities of their communities.

With the IDP, Cape Agulhas Municipality can:

- Develop a clear vision
- Identify its key development priorities
- Formulate appropriate strategies
- Develop the appropriate organisational structure and systems
- Align resources with development priorities

In view of the aforementioned, the following allocations are allocated to the strategic objectives and goals in the MTREF under review:

### Operating Expenditure per Strategic Objective

Strategic Objective	Goal	Goal Code	2017/18	2018/19 Medium Term Revenue & Expenditure Framework			
				Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>							
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	20 591	22 807	23 856	25 167	
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	480	505	530	557	
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	29 067	29 264	31 714	33 929	
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	886	507	534	563	
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	1 573	1 432	1 498	1 566	
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	42 147	45 008	47 592	50 050	
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	-	-	-	-	
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	146 535	162 298	169 729	178 339	
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	7 135	9 452	8 753	9 262	
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	37 550	42 019	58 301	56 700	
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG6/SO10	-	-	-	-	
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	8 378	8 910	9 096	8 496	
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	26 123	31 203	32 179	34 111	
<b>Total Expenditure</b>			<b>320 464</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>	

## Capital Expenditure per Strategic Objective

Strategic Objective	Goal	Goal Code	2017/18 Full Year Forecast	2018/19 Medium Term Revenue & Expenditure Framework			
				Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>R thousand</b>							
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	31	562	5	5	
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	294	3	-	-	
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	3 606	7 044	9 062	6 645	
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	-	-	-	-	
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	-	-	-	-	
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	1 161	1 028	-	-	
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	-	-	-	-	
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	19 346	21 398	31 071	31 958	
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	381	221	122	180	
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	-	34	90	50	
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG6/SO10	-	-	-	-	
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	22	31	-	-	
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	2 620	183	1 000	-	
<b>Total Capital Expenditure</b>			<b>27 460</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>	

### 1.3 Draft Council Resolutions

It is recommended that the Council approves and adopts the following resolutions for the annual budget:

The Council of Cape Agulhas Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget of the municipality for the financial year 2018/19 and the multi-year and single-year capital appropriations as set out in the following tables in part 1.8 of this report
  - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
  - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
  - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
  - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables in part 1.8 of this report:
  - 1.2.1. Budgeted Financial Position as contained in Table A6;
  - 1.2.2. Budgeted Cash Flows as contained in Table A7;
  - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;

- 1.2.4. Asset management as contained in Table A9; and
  - 1.2.5. Basic service delivery measurement as contained in Table A10.
2. The Council of Cape Agulhas Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018:
    - 2.1. the tariffs for property rates – as set out in Annexure A,
    - 2.2. the tariffs for electricity – as set out in Annexure A
    - 2.3. the tariffs for the supply of water – as set out in Annexure A
    - 2.4. the tariffs for sanitation services – as set out in Annexure A
    - 2.5. the tariffs for solid waste services – as set out in Annexure A
  3. The Council of Cape Agulhas Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018 the tariffs for other services, as set out in Annexure A.
  4. Council takes note of the cash shortfall in the 2019/20 and 2020/21 financial year.

## 1.4 Executive Summary

1 July 2017 marked the beginning of a new era in the municipal environment with the implementation of mSCOA. As municipality we are committed to the overcome all the challenges to ensure that we maintain the audit benchmark set in previous financial years. .

It should also be noted that the implementation of mSCOA has a significant effect on how we classify transactions when compared to previous financial year. Comparative information is not addressed in this report. The information is however available in the budget tables submitted to National and Provincial Treasury.

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

### Consolidated Overview of the 2018/19 MTREF (R'000)

R thousand	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Total Operating Revenue	304 606	334 902	367 620	387 156
Total Operating Ex penditure	(320 464)	(353 405)	(383 781)	(398 739)
<i>Surplus/(Deficit) before capital transfers</i>	(15 859)	(18 503)	(16 161)	(11 583)
Transferred Recognised Capital	12 938	13 781	20 692	17 953
<i>Surplus/(Deficit) for the year</i>	(2 921)	(4 722)	4 531	6 369

As can be seen from the above, the municipality will operate at an operating deficit throughout the MTREF. An operating deficit is an indication that the municipality is not generating sufficient revenue to sustain its operating expenditure, let alone the fact that the operating budget is not contributing any revenue at all towards the capital program. It should also be noted that the operating budget also includes items such as depreciation and debt impairment which are not

considered to be a “cash” expense. These item will not result in an immediate cash outflow. It should however be noted that non-cash items will eventually translate into cash outflow when for example the fully depreciated asset needs to be replaced. Municipalities are advised as a minimum to prepare or strive towards a balanced budget (ie revenue equals expenditure). Although a balanced budget is not necessarily considered a funded budget, it will definitely contribute to the “funded budget principle” over long run.

The budget presented is aligned to the following vote structure:

<i>Executive and Council</i>	<i>Financial Services &amp; ICT</i>	<i>Corporate Services</i>	<i>Management Services</i>	<i>Engineering Services</i>
<i>Council Administration</i>	<i>Budget &amp; Treasury</i>	<i>Administrative Support Services</i>	<i>Director: Management Services</i>	<i>Director: Engineering Services</i>
<i>Internal Audit</i>	<i>Expenditure Management</i>	<i>Building Control</i>	<i>Beaches &amp; Holiday Resorts</i>	<i>Sewerage Services</i>
<i>Municipal Manager</i>	<i>Director: Financial Services &amp; ICT</i>	<i>Client Services</i>	<i>Buildings and Commonage</i>	<i>Refuse Removal Services</i>
<i>Council Support</i>	<i>Revenue Management</i>	<i>Corporate Services</i>	<i>Cemetery</i>	<i>Streets &amp; Stormwater</i>
<i>Shared Services</i>	<i>Supply Chain Management</i>	<i>Human Resources</i>	<i>Environmental Services</i>	<i>Water</i>
<i>Strategic Services</i>	<i>Workshop</i>	<i>Information Technology</i>	<i>Human Settlements</i>	<i>Workshop</i>
<i>Town Planning</i>	<i>Information Systems</i>	<i>Town Planning</i>	<i>Library Services</i>	<i>Building Control</i>
<i>Socio &amp; Economic Development</i>			<i>Parks and Sports Facilities</i>	<i>Electricity Services</i>
<i>Administration</i>			<i>Protective Services</i>	<i>PMU Unit</i>
<i>Human Resources &amp; Organisational Development</i>			<i>Public Services</i>	<i>Air Quality</i>
<i>Tourism</i>			<i>Social Development</i>	
			<i>Traffic &amp; Law Enforcement</i>	
			<i>Traffic Licencing &amp; Vehicle Testing Station</i>	

The following 2 departments were added in the current MTREF to ensure more focused approach to the benefit of the municipal area in the areas concerned:

Executive and Council – Tourism  
Engineering Services – Air Quality

No changes were made to the Municipal Vote Structure as a whole.

In line with the municipal structure, the following revenue and expenditure is appropriated to each vote:

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>									
Vote 1 - Executive and Council	14 829	13 680	15 054	28 496	27 796	27 796	30 521	34 019	35 640
Vote 2 - Financial Services & ICT	48 012	60 456	66 814	66 723	68 373	68 373	73 366	79 255	83 064
Vote 3 - Corporate Services	955	2 241	2 490	-	-	-	-	-	-
Vote 4 - Management Services	41 824	20 664	21 919	45 214	54 214	54 214	60 771	76 595	76 395
Vote 5 - Engineering Services	132 324	149 013	164 150	166 301	167 161	167 161	184 024	198 443	210 009
<b>Total Revenue by Vote</b>	<b>237 944</b>	<b>246 054</b>	<b>270 427</b>	<b>306 734</b>	<b>317 544</b>	<b>317 544</b>	<b>348 683</b>	<b>388 313</b>	<b>405 108</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Executive and Council	21 144	20 567	23 029	41 823	41 562	41 562	43 109	46 137	47 702
Vote 2 - Financial Services & ICT	32 547	42 083	45 262	47 136	47 669	47 669	51 708	55 218	58 266
Vote 3 - Corporate Services	14 659	14 490	15 784	-	-	-	-	-	-
Vote 4 - Management Services	50 454	34 557	39 437	63 866	73 347	73 347	85 084	100 787	102 215
Vote 5 - Engineering Services	114 531	130 248	144 192	156 097	157 886	157 886	173 504	181 640	190 556
<b>Total Expenditure by Vote</b>	<b>233 335</b>	<b>241 944</b>	<b>267 704</b>	<b>308 922</b>	<b>320 464</b>	<b>320 464</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>
<b>Surplus/(Deficit) for the year</b>	<b>4 608</b>	<b>4 110</b>	<b>2 723</b>	<b>(2 187)</b>	<b>(2 921)</b>	<b>(2 921)</b>	<b>(4 722)</b>	<b>4 531</b>	<b>6 369</b>

## Community Needs Analysis

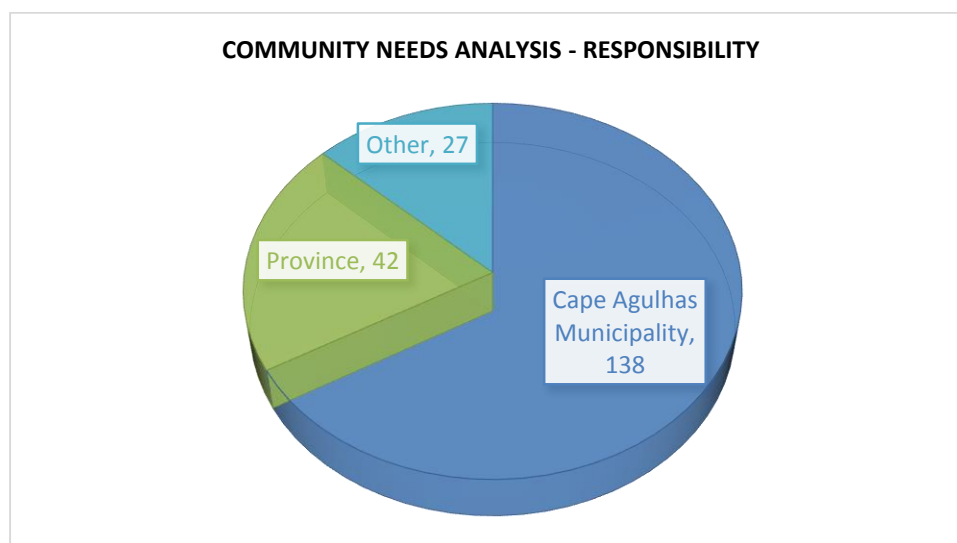
The community needs analysis assesses current and future community needs so that future planning is targeted at meeting local priorities in the most equitable, effective and efficient way within the parameters of the Municipality's mandate and resources.

The assessment focused on all needs of the community and not just those that fall within the functional mandate of the Municipality. For this reason community needs identified in the IDP are often perceived as a wish list and Municipalities are often seen as misleading the communities by allowing them to list their needs and or concerns as it creates expectations. It is however important to list all these needs as they also inform District, Provincial and National Planning. Furthermore, it is very often a requirement from potential donors that a need be included in the Municipal IDP before it will be considered.

Needs were classified as Municipal, Provincial, and other. The bulk of the other are needs identified by the Elim Community which is a private town managed by the Moravian Church of South Africa. The development of a sustainable service delivery model to this community is a critical issue which the Municipality needs to resolve and a MOU has already been concluded that identifies specific areas of co-operation.

Of the 207 needs on the analysis, 69 do not fall within the functional mandate of the Municipality. This attests to a huge facilitation role on the part of the Municipality if we are going to deliver on what is needed. The following graph shows the classification of the needs according to responsibility.

**FIGURE - COMMUNITY NEEDS ANALYSIS -RESPONSIBILITY**

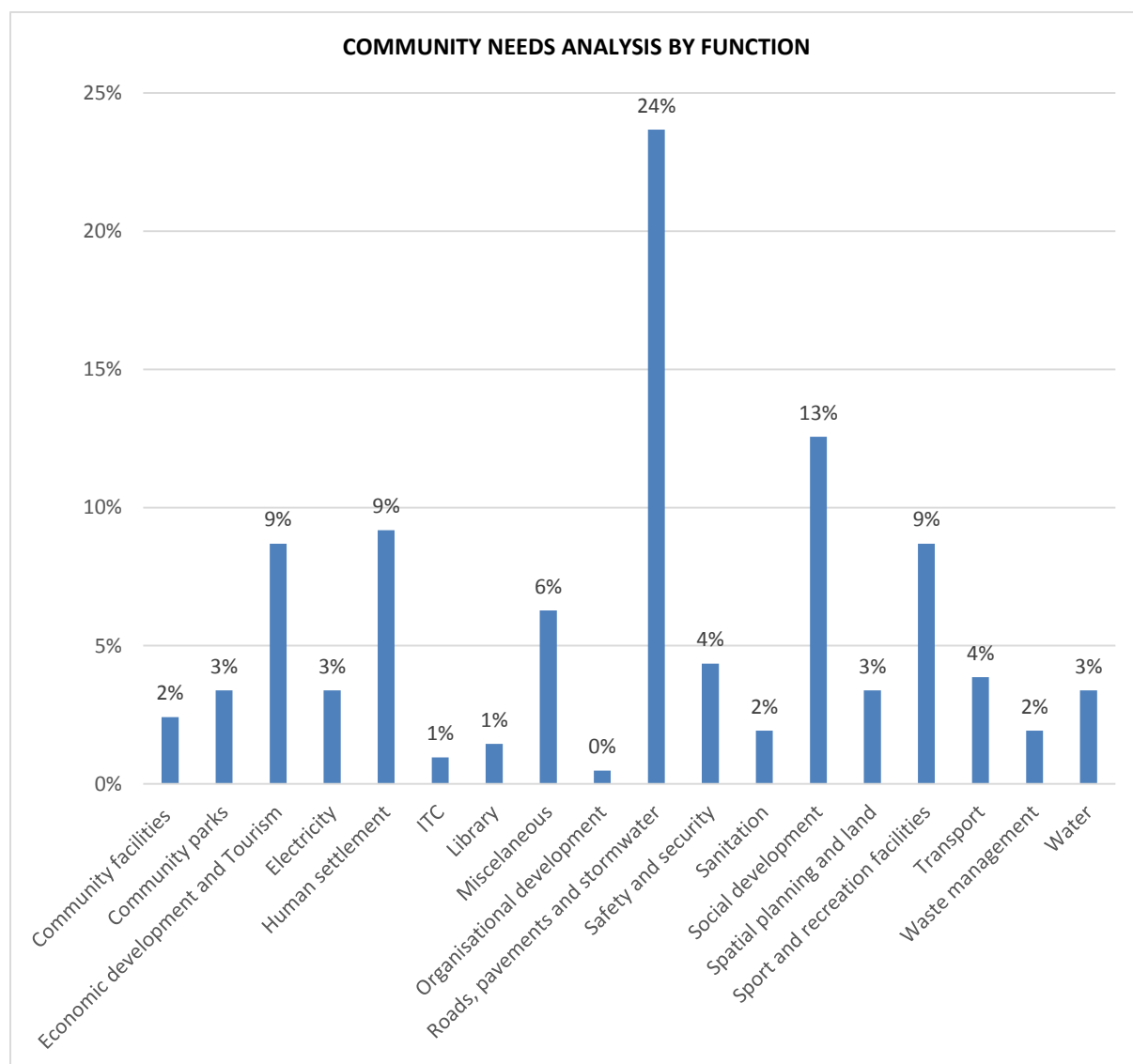


It was very apparent during the public and ward committee meetings that the strategic agenda of the Municipality needs to focus on socio economic development. Safety and security, social

development, Economic development /Job creation and Public transport featured on the top of every wards list and is therefore a cross cutting priority. There is an interrelatedness between these and collectively these needs to a large extent informed many of the other needs. These needs accounted for 30% of the needs but were also the driver behind the majority of the other needs. Libraries, community parks and sport and recreation needs were seen as solutions to keep the youth busy. The attractiveness of towns and main streets and pavements were seen as contributors to economic development and mobility.

The following graph shows the needs classified per function. By far the greatest need from the community in terms of infrastructure is for improved roads, pavements and storm water. This includes Provincial roads. A limitation to this analysis in terms of infrastructure is that the community do not have insight into the capacity of the Municipality’s bulk infrastructure in terms of water, sanitation and electricity and do therefore not see it as that much of a need, whereas roads, streets and pavements are very visible.

**FIGURE - COMMUNITY NEEDS ANALYSIS BY FUNCTION**



The needs identified above draw awareness to the diversity of the community. CAM must take cognisance that it is governing a diverse society, socially and economically and therefore its policies must aim to satisfy this diversity.

## Financial Viability

As previously mentioned, financial viability is imperative to ensure that high quality services are delivered to the community on a sustainable manner. In order to achieve financial viability, the municipal budget is guided by the approved long term financial plan of the municipality.

The municipality further assesses their viability on the model jointly developed by Swartland Municipality and the Western Cape Provincial Treasury. This model assesses 10 key ratios that is considered the most important indicators when assessing the long term viability of the municipality. A weighting is attached to each indicator that will eventually provide the municipality with a viability score out of 100. The municipality should always strive for the maximum score of 100. Any score below 100 will be indicative of “sustainability cracks” that could eventually negatively impact on service delivery in the municipal area.

The 10 indicators, along with the proposed benchmark and weight are included in the following table:

ITEM	Benchmark	Viability Weight	Standard 1	Score 1	Standard 2	Score 2	Standard 3	Score 3	Standard 4	Score 4	Standard 5	Score 5
Asset Test Ratio	200%	10	200%	10	150%	8	100%	5	50%	2	0%	0
Payment Level (Excluding write-off of bad debts)	> 95%	15	95%	15	90%	11	85%	6	80%	3	75%	0
Cash Generated from Operations as % of Revenue	> 20%	8	20%	8	15%	6	10%	4	5%	2	0%	0
Purchase of PPE as % of Cash Generated	< 100%	8	100%	8	110%	6	120%	4	135%	2	150%	0
Cost Coverage (Excluding Unspent Grants)	4	15	4	15	4	10	3	5	2	2	1	0
Debtors Turnover (days) (Before impairment)	< 45 days	2	75	2	90	1	110	0	130	0	150	0
Longterm debt as % of Revenue	< 40%	5	40%	5	50%	4	75%	3	95%	2	100%	0
Debt servicing cost to Revenue	< 5%	8	5%	8	7.50%	6	10%	4	12.50%	2	15%	0
Short-term debt as % of Cash	< 100%	4	50%	4	70%	3	80%	2	100%	1	125%	0
Cash Funded Budget over MTREF	> R0	25	Yes	25	No	0	0	0	0	0	0	0

The 10 indicators provide the municipality with an assessment of the following major areas:

- Revenue Management
- Expenditure Management
- Debtor and Creditor Management
- Cash Management
- Asset Management
- Funding and Reserve Strategy

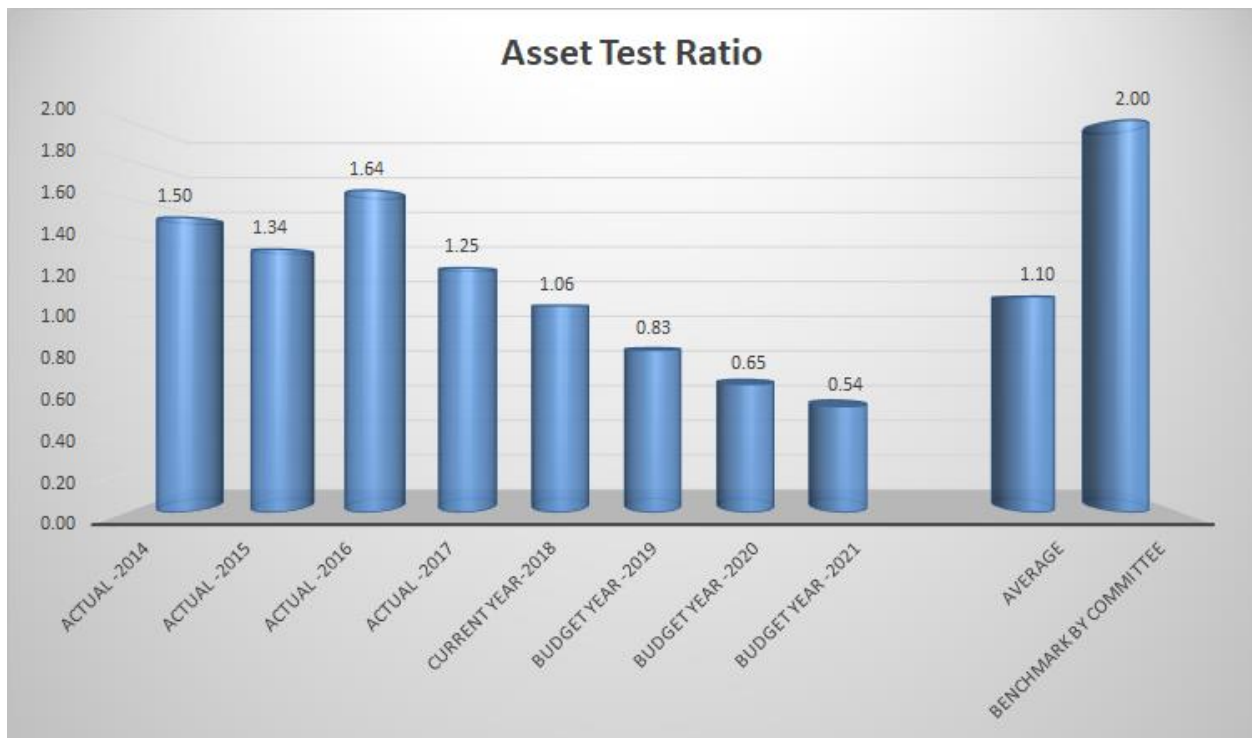
All the indicators will be discussed below. It should again be noted that these ratios are based on the full implementation of the proposed capital and operating program and that revenue realise in line with the most recent actual audited results.

### 1.4.1.1 Asset Test Ratio

The asset test ratio provides with an indication of the municipality's ability to settle commitments if and when they become due. It is calculated as follows ratio between current assets (excluding inventory) and current liabilities:

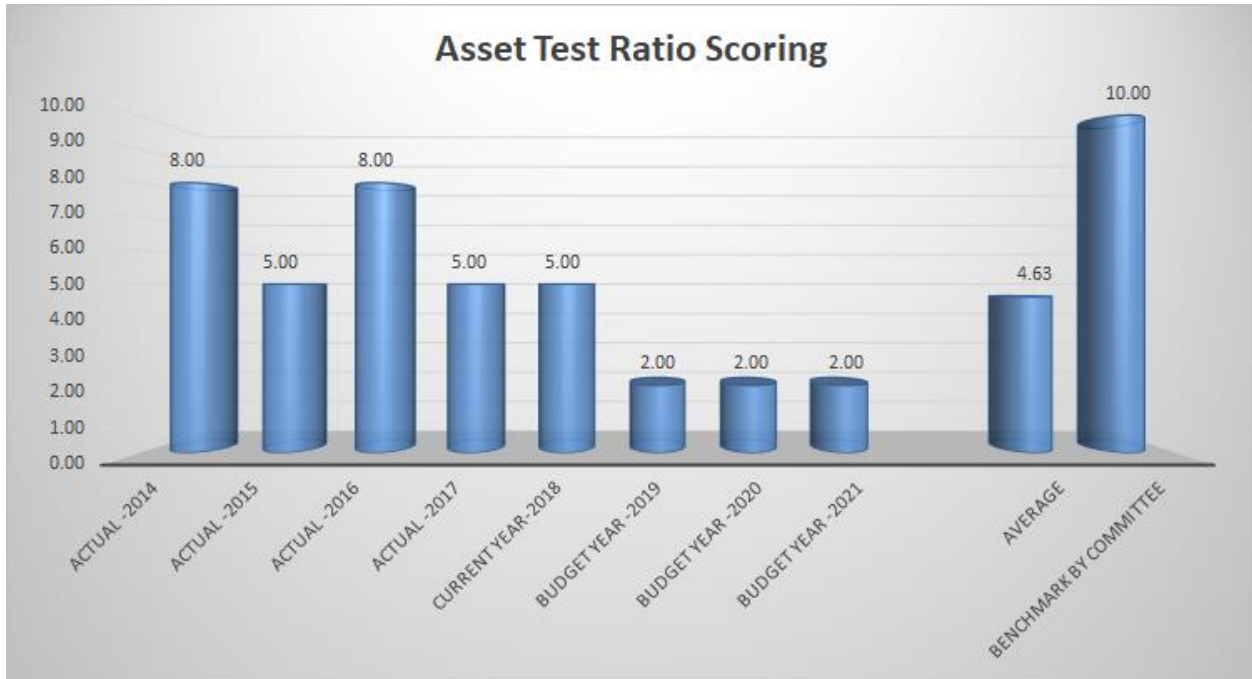
A ratio of 2:1 is considered to be appropriate.

This ratio has already slipped below the acceptable level of 2:1 during 2013/2014. It is not expected that the level of 2:1 will be reached over the MTREF, as this ratio is very dependent on adequate cash resources. As discussed earlier, the implementation of the proposed budget will negatively impact on the cash position of the municipality. This negative impact is directly aligned to the downward trend identified below:



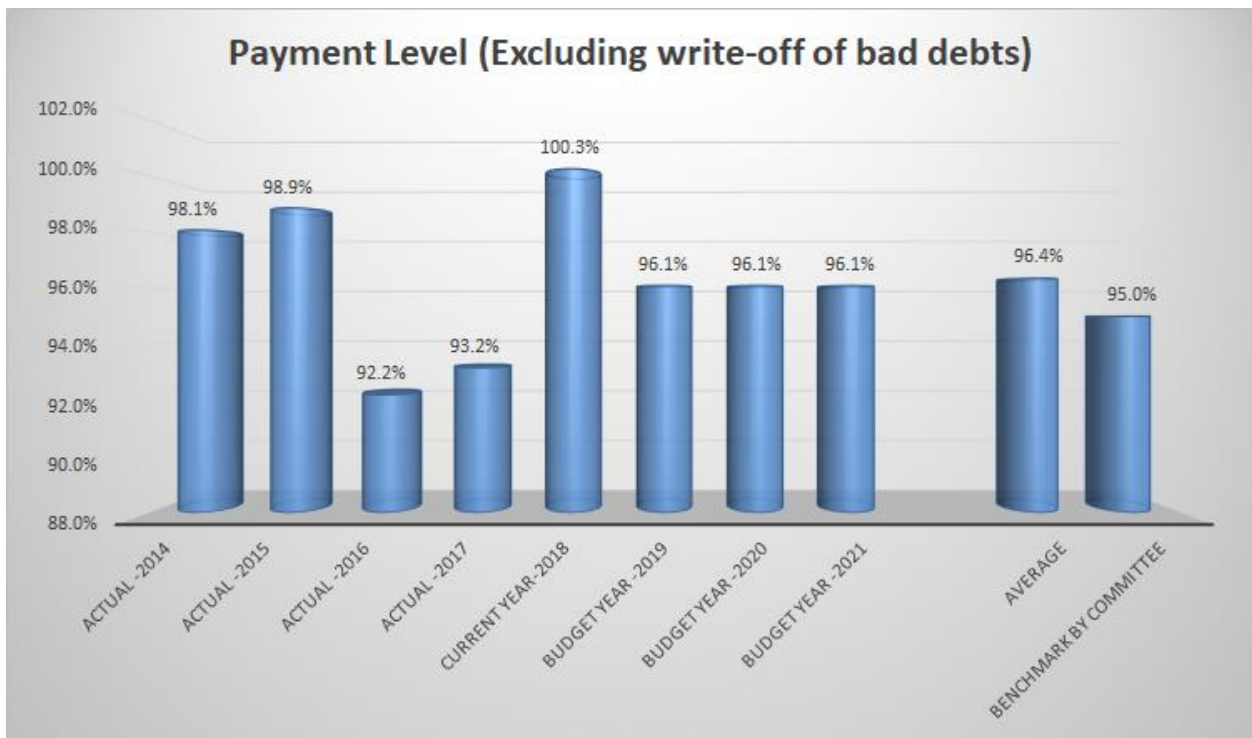
From a viability scoring out of 10 for this indicator, the following is allocated for this indicator:



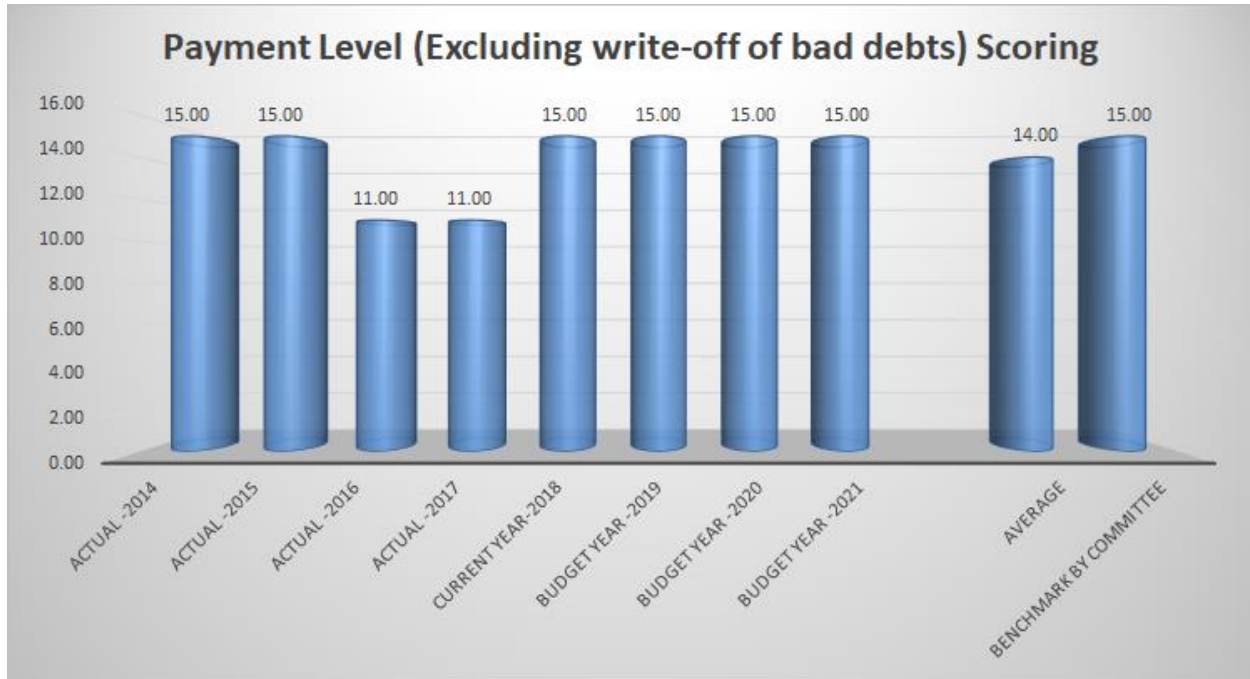


#### 1.4.1.2 Payment Level

Historically, the municipality has always been able to apply strict measures when it comes to revenue collection and this trend is set to continue. A revenue collection rate in excess of 95% is considered to be exceptional in the current economic environment.



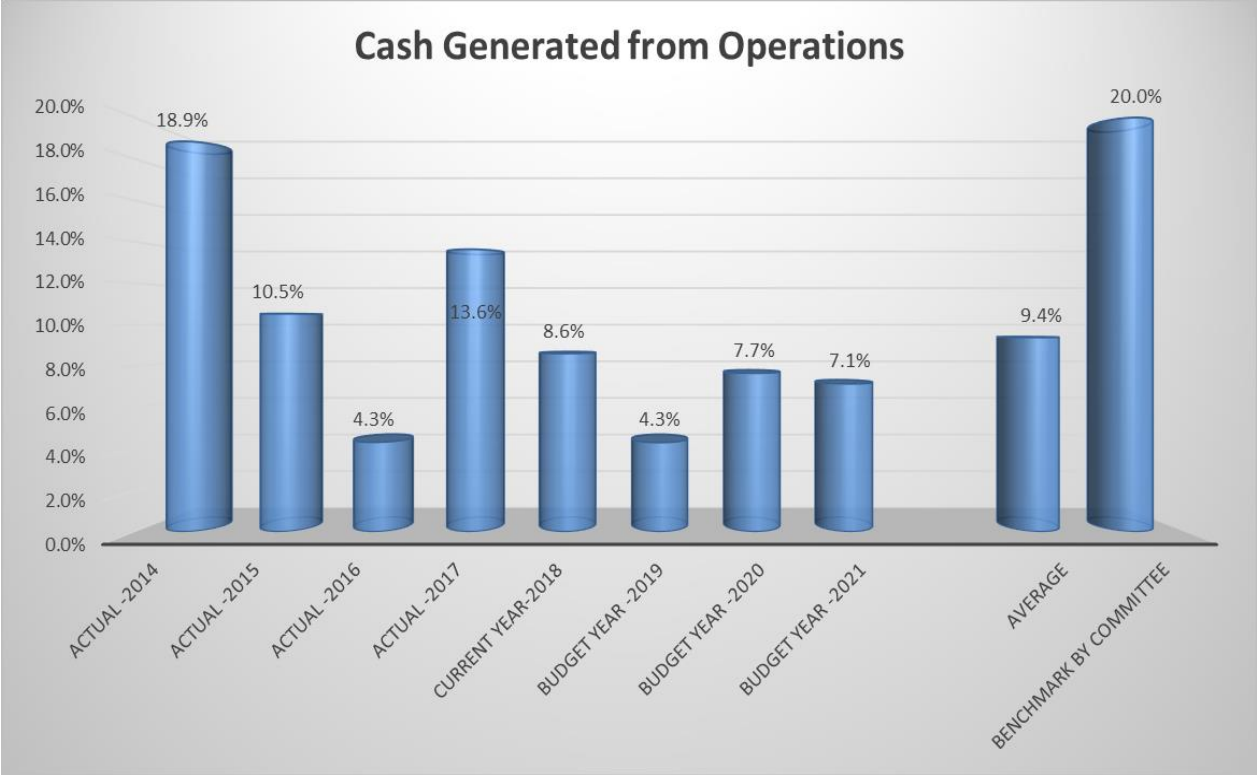
A following score is allocated to this indicator:



### 1.4.1.3 Cash Generated from Operations as % of Revenue

This indicator provides the municipality with a measure of the municipality's ability to translate the operating budget into cash. The downward trend as identified in the graph below is an indication of the inability of the municipality to pass the increases in major cost drivers to the consumer/rate payer in the form of service charges and taxes. The municipality should explore relevant areas where non-essential expenditure can be reduced in order to improve this indicator. Any improvement in this indicator will significantly contribute to the availability of cash resources for capital purposes. A ratio of 20% (Cash generated by operations vs Revenue) is deemed to be appropriate.

It is quite evident that the municipality is not generating appropriate levels of cash that will enable the municipality to contribute to the capital program of the municipality. With collection rates already established to be very good, cost cutting measures is considered the only possible short term remedy to correct this indicator.



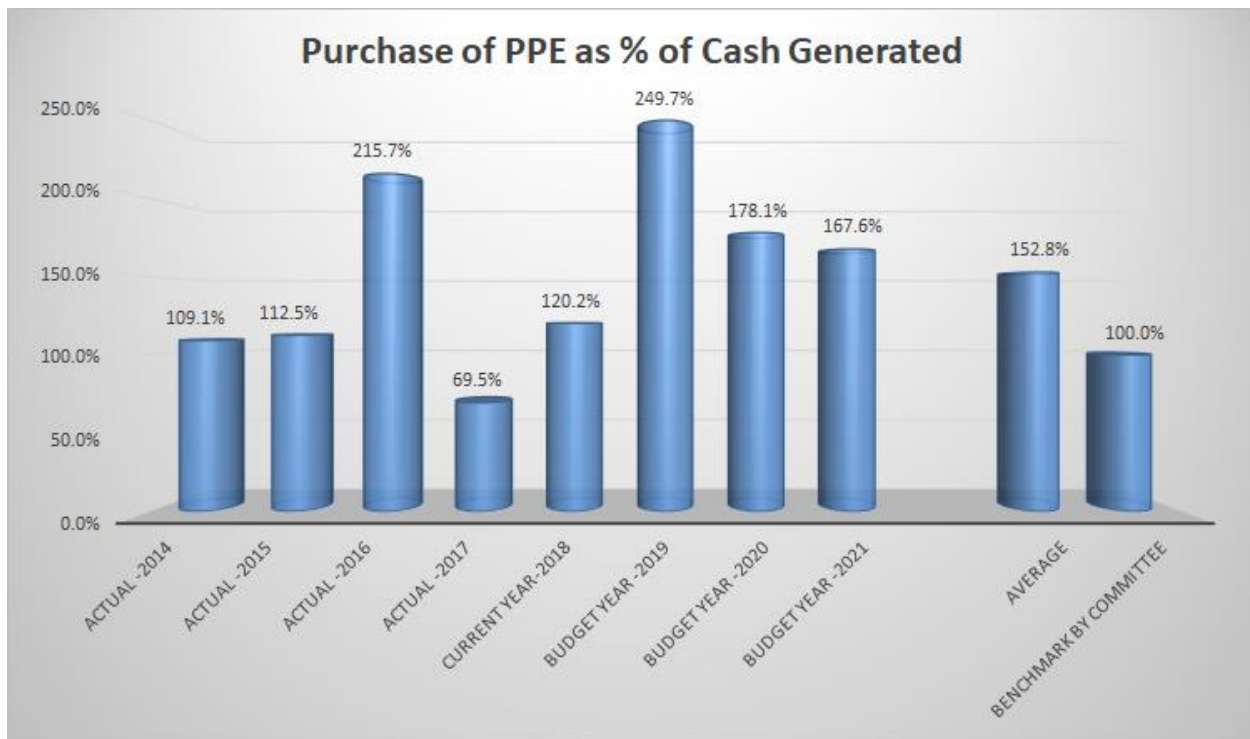
From a possible score of 8, the municipality will score limited points over the MTREF.



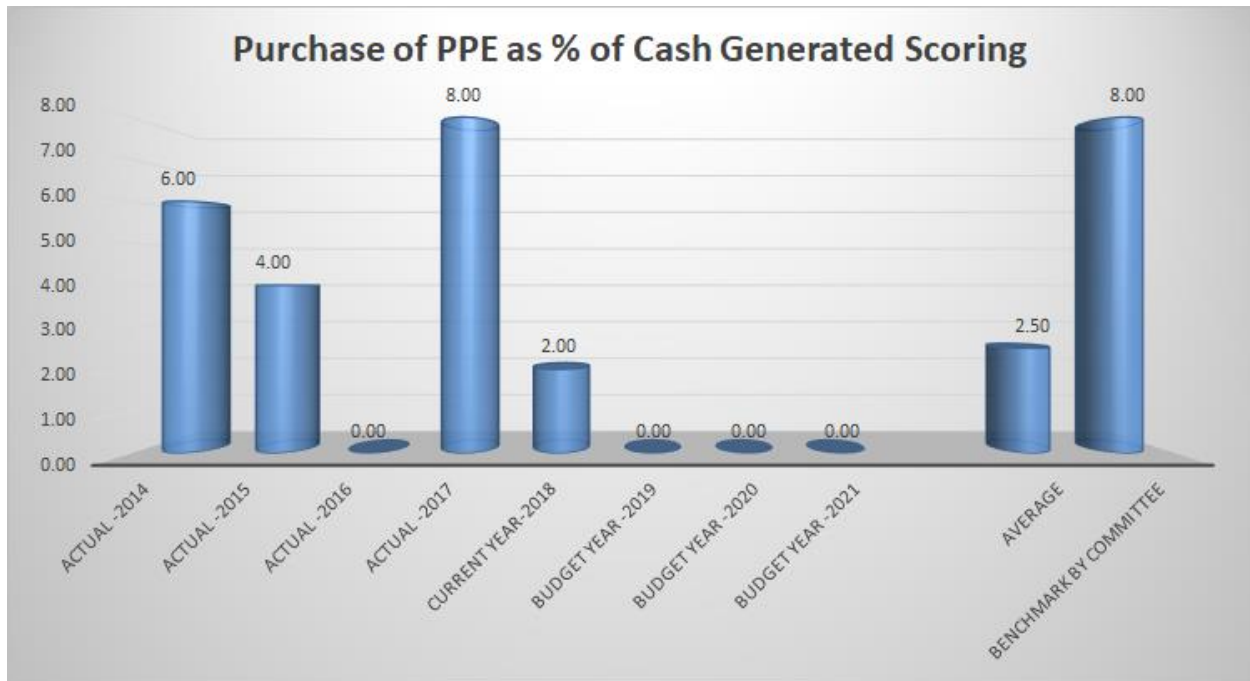
### 1.4.1.4 Purchase of PPE as % of Cash Generated

This indicator measures the ability of the municipality to finance the capital program from cash generated in the same financial period. Any indicator above 100% is indicative of a shortfall in cash which increases the need to utilise accumulated cash resources from prior years. Alternatively in order to preserve cash resources, the municipality will need to raise external loans. An external loan is an excellent instrument to promote the principle of “user pays” (Interest and redemption charges are factored into the cost of providing the service. Thus, the user of the specific asset will pay for the asset over the period when benefits are derived from the asset). It is also very useful to fast track much needed infrastructure projects where the municipality is not in a position to finance a specific project from own resources. The municipality should however be mindful of the affordability factor specifically relating to loans that will be discussed in more detail in section 1.4.1.7 and 1.4.1.8.

It is expected that the municipality will not generate significant resources to finance its capital program, thus increasing the need to raise further external funding.

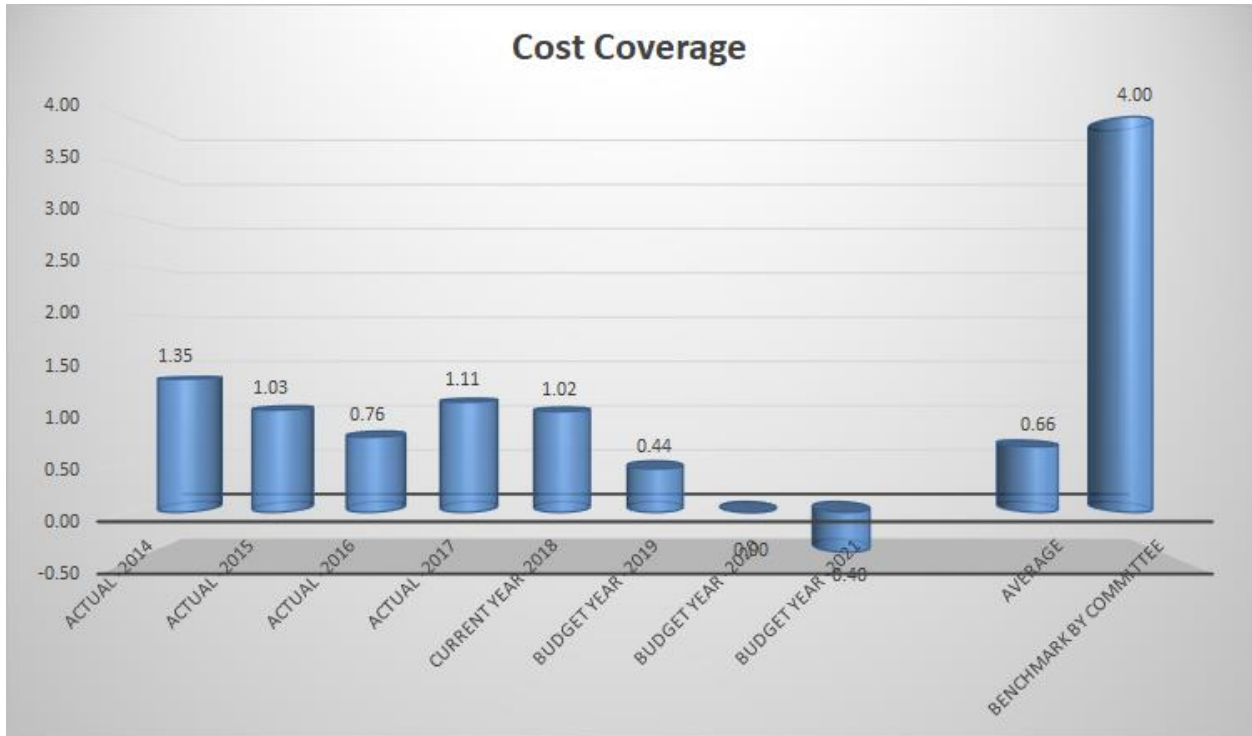


Similar to the indicator discussed in 1.4.1.3, the municipality will need to cut back on operating and/or capital expenditure to ensure that this indicator becomes more favorable than the current possible score out of 8.

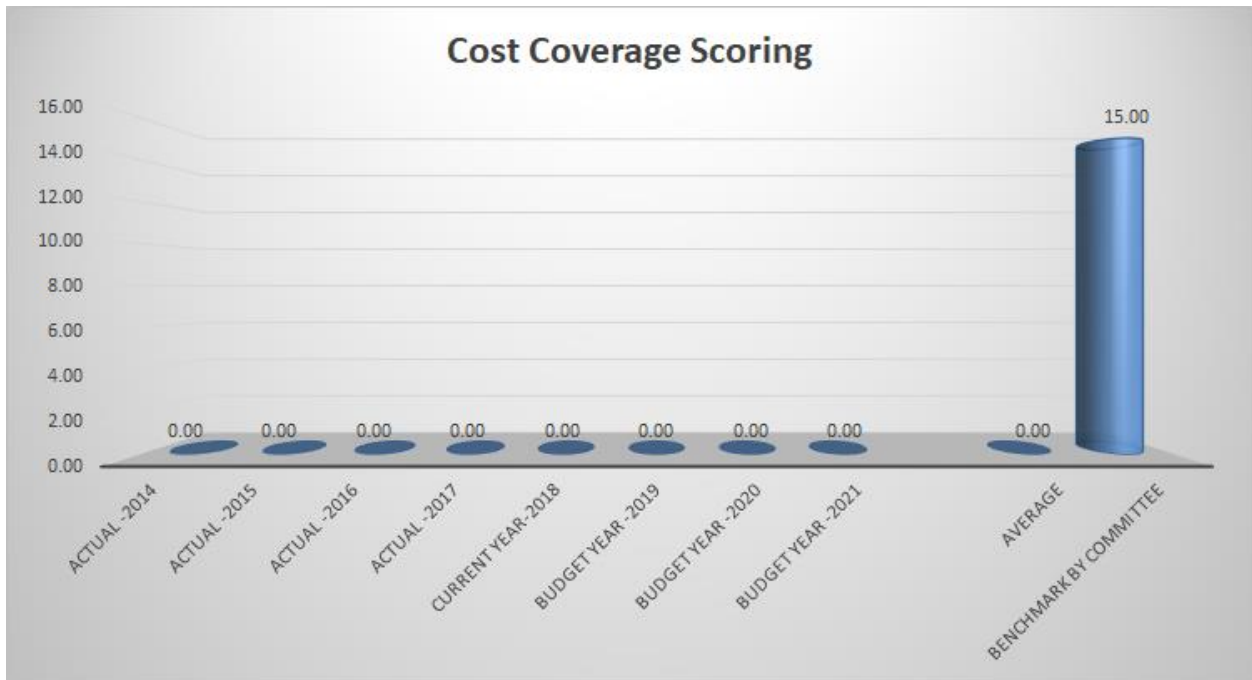


### 1.4.1.5 Cost Coverage

This ratio measures the amount of months' operating expenditure for which cash is available. This indicator will also provide a good indication of how the municipality will be able to react to financial "shock/setbacks" that is beyond the control of the municipality (for example - National Treasury delays the payments of grants or a sudden drop in payment levels from consumers/rate payers). The guidelines provided by National Treasury indicate that a level of 1 to 3 months is considered to be acceptable. A level of 4 months, which is in line with other municipalities that are considered to be financially sound, is considered to be an acceptable level.

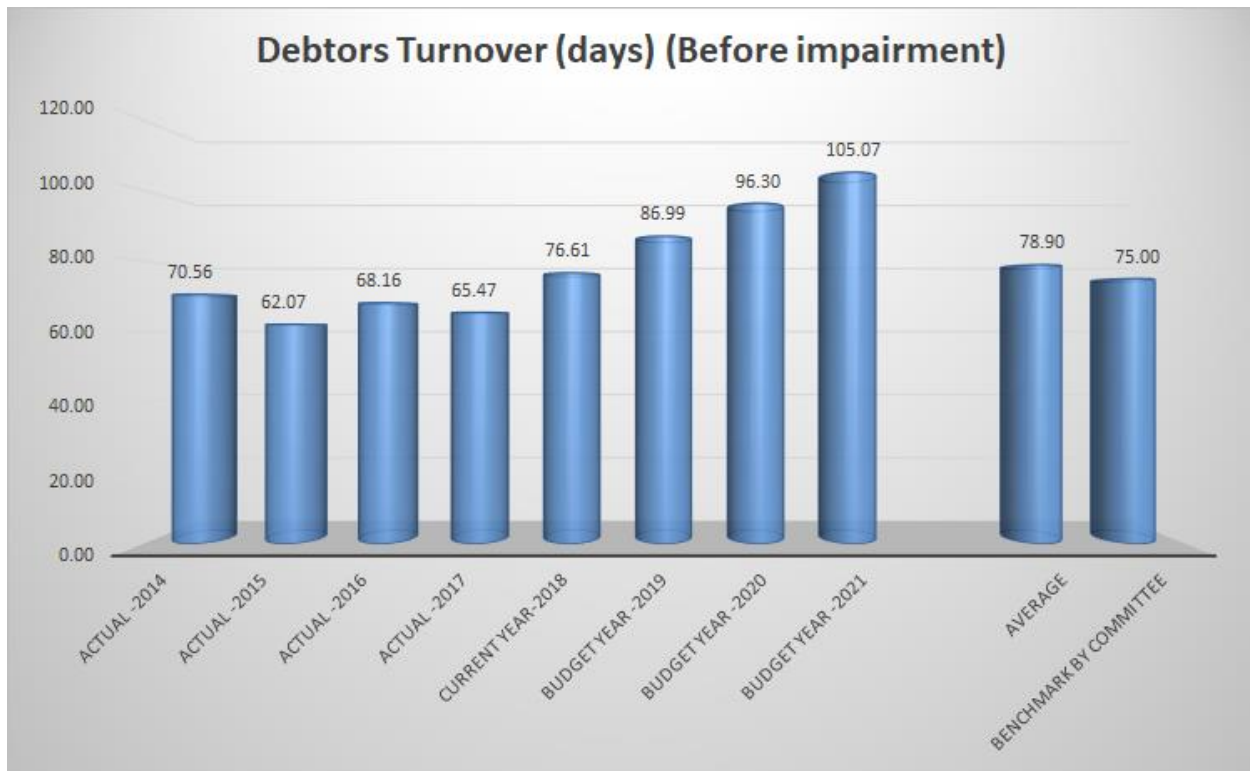


The downward trend is in line with the projected decline in cash resources and accordingly no contribution is made to the viability scoring over the MTREF.



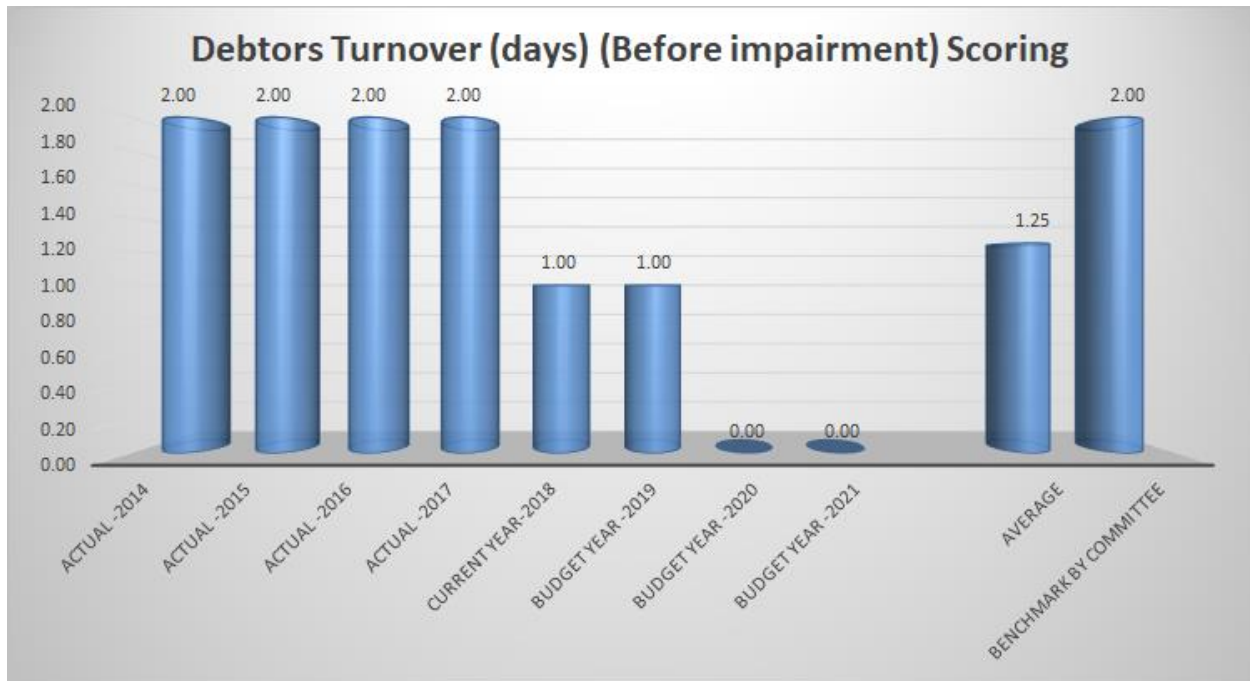
### 1.4.1.6 Debtor Turnover Days

In short, the indicator provides an indication of how many days it takes to convert billed revenue into cash. Thus, it is a good indicator of how credit control and debt collection measures are being implemented at the municipality. It also provides an indication of the municipality's write off policy. High standards are maintained when it comes to debt collection. The upward trend evident below can only be attributed to the municipality not writing off old irrecoverable debt. Not only does this result in a sharp increase in consumer debt, but it also contribute to significant interest charges to be levied in the statement of financial performance. Although considered to be revenue, very little interest revenue will translate into cash.



A total score of only 2 is available for this indicator.





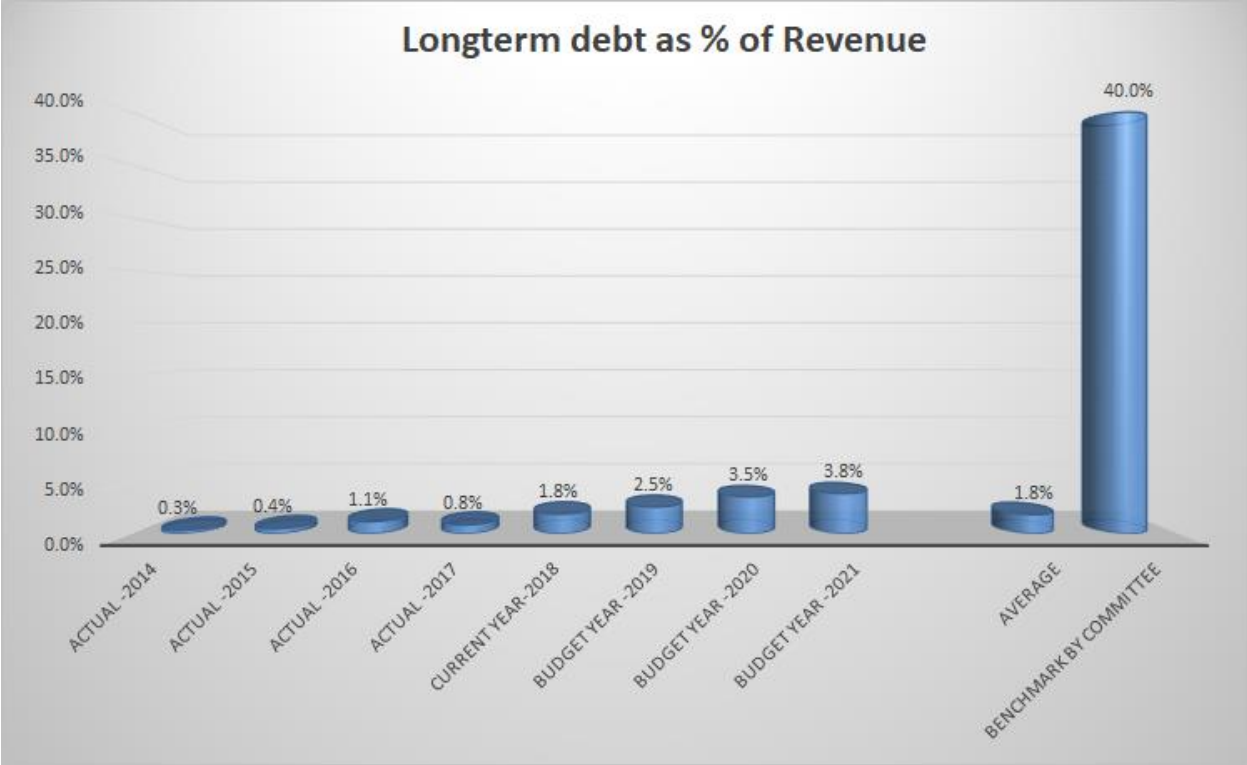
#### 1.4.1.7 Long Term Debt as % of Revenue

External borrowing is an important part of the funding model of the municipality. Not only does it instantly provide the municipality with relatively inexpensive capital to fast-track service delivery and infrastructure backlogs, but it also ensures that the user of the infrastructure pay for the use over the lifetime of the asset. The current capital program provides for a significant portion of the program to be financed through external financing.

This indicator provides the municipality with a debt ceiling – the maximum level of external borrowing that the municipality will be able to accommodate in the in the statement of financial position before the “affordability” factor becomes a concern.

Currently the municipality is operating well below the debt ceiling of 40%. This is an area that the municipality should definitely explore as a funding option over and above current borrowings factored into the MTREF.





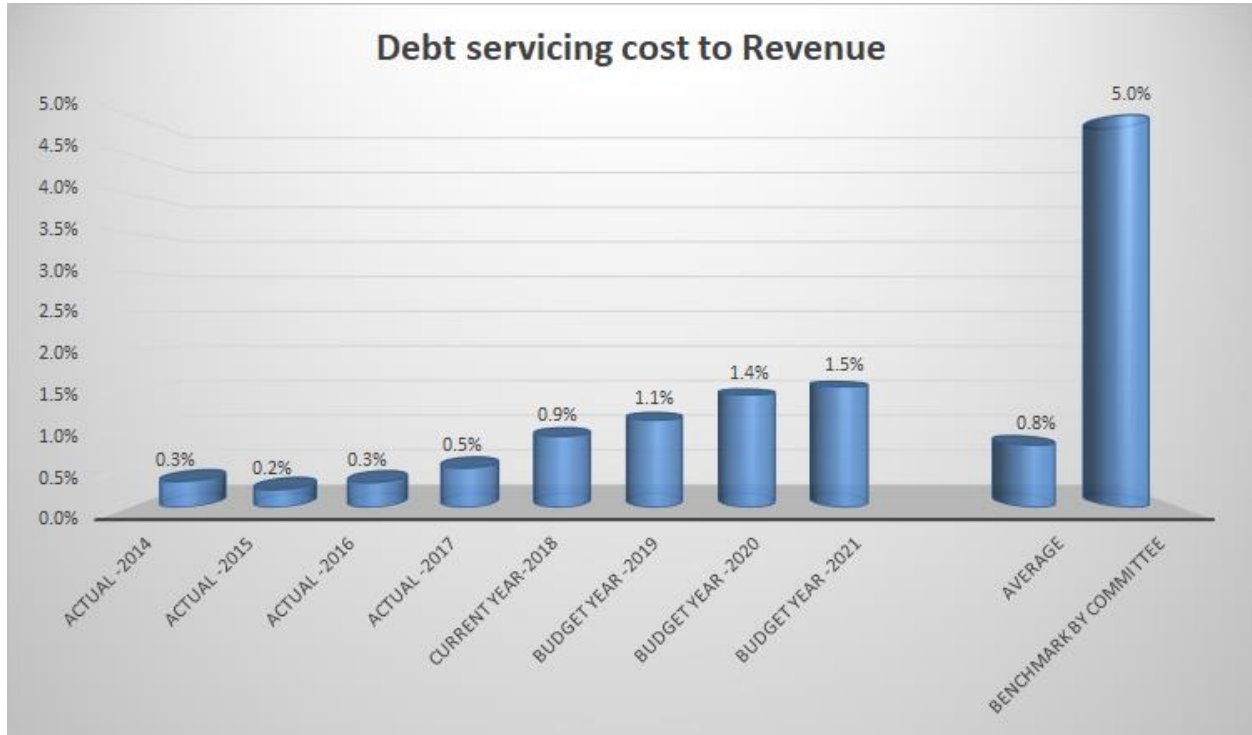
A full score is allocated to this indicator for all periods under review, although it should be noted that the municipality is not making full use of the benefits available in this area.



### 1.4.1.8 Debt Servicing Cost to Revenue

This indicator should be reviewed in conjunction with the debt ceiling as discussed in section 1.4.1.8 and is a measure of the ability of the operating budget to finance loan installments when they become due. A level of 5% is considered to be affordable.

Based on the fact that the municipality is operating well below the debt ceiling, the municipality is performing well on this indicator.

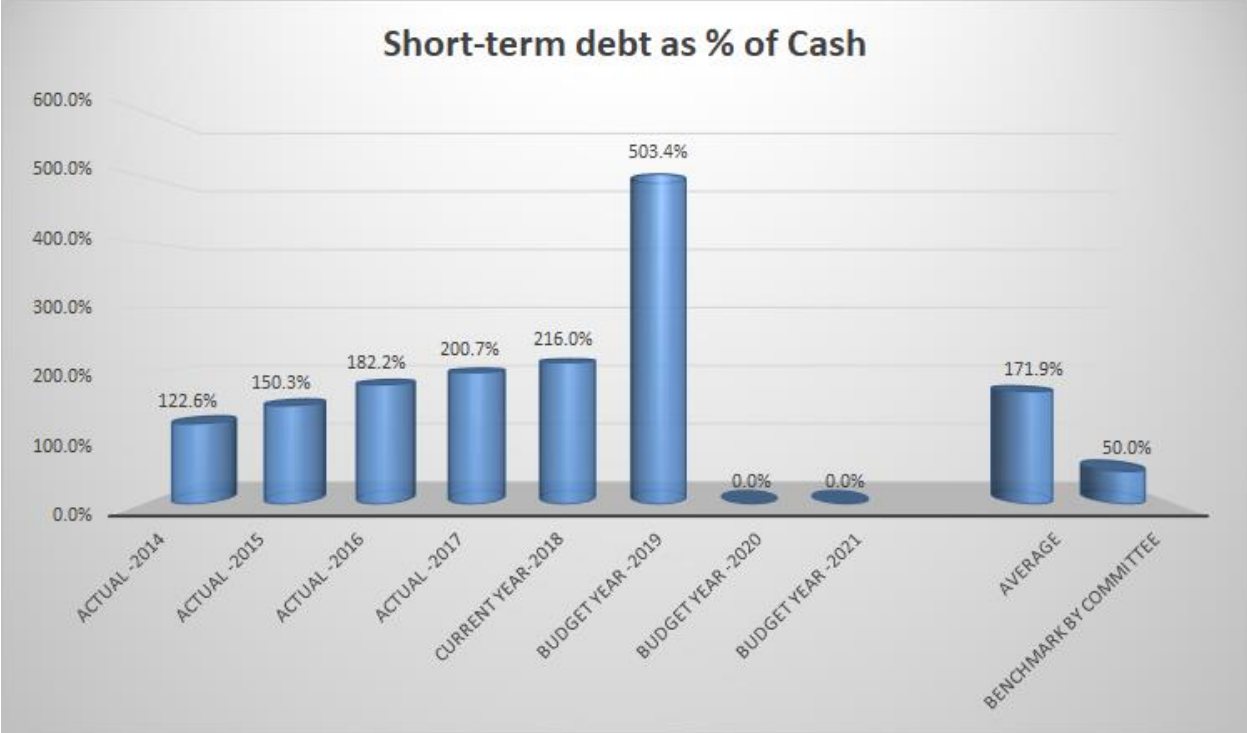


From a possible score of 8, the municipality will be allocated a full score in all periods under review.



#### 1.4.1.9 Short Term Debt as % of Cash

This indicator provides a measure of the municipality's ability to settle short term liabilities when they become due and payable. The trend below is an indication that the municipality will not be able to pay liabilities when they become due over the MTREF. A level below 50% is considered to be acceptable (cash in the 2 outer years are in an overdrawn position, resulting in no point allocation).



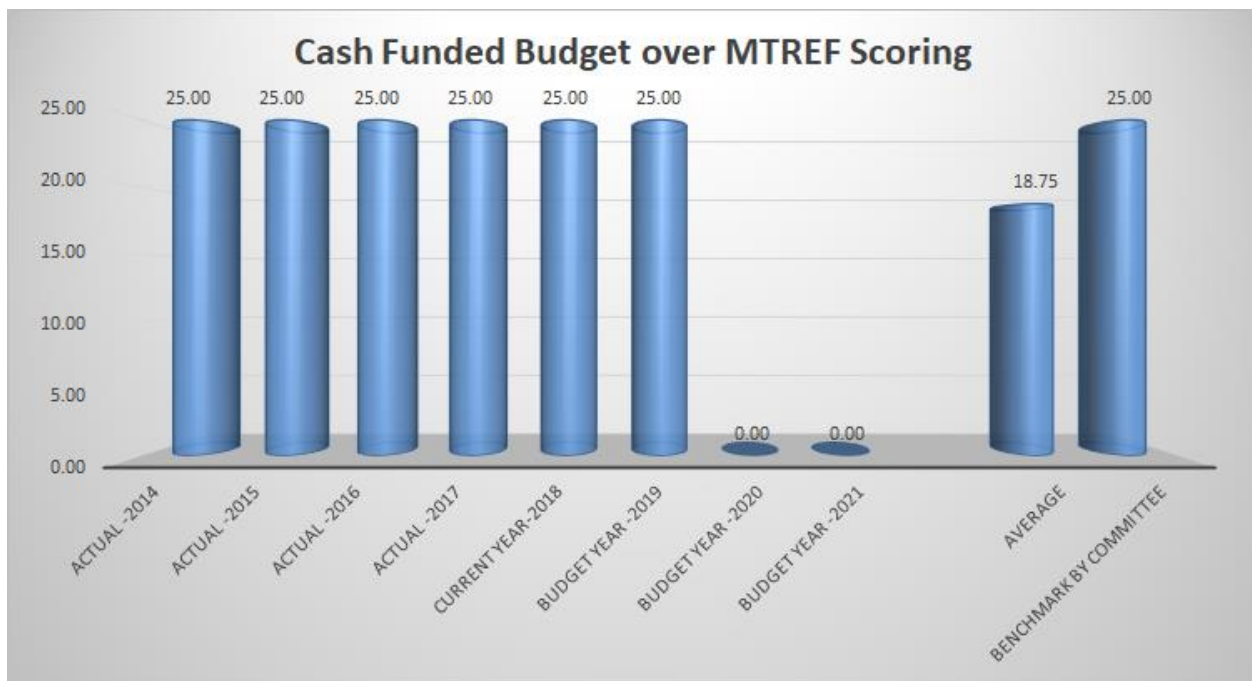
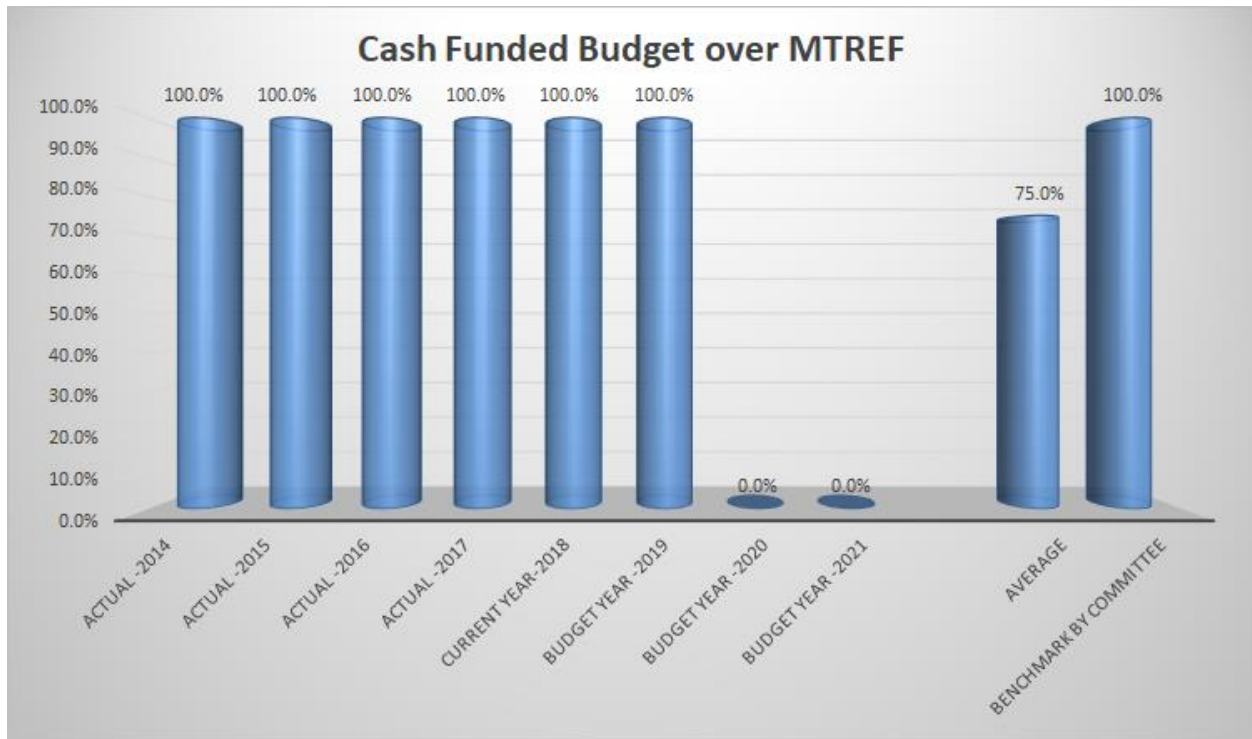
As cash resources decline and short term liabilities increase, the scoring allocated to this indicator will drop to zero.



### 1.4.1.10 Cash Funded Budget over the MTREF

A cash funded budget is arguably the most important indicator for a credible budget that is aligned to the funding requirement in MFMA Section 18 and for this reason the indicator carries the largest weighting in the financial viability scoring model.

The 2 outer years of the MTREF will **not** be cash funded.



### 1.4.1.11 Total Viability Scoring

Based on the outcome of the 10 indicators above, it is expected that the viability scoring will regress from 2016/17 to 20120/21, mainly as a result of not being a cash funded budget throughout.



## 1.5 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

- (1) "An annual budget may only be funded from –
  - (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
  - (b) Cash-backed accumulated funds from previous financial years' surpluses not committed for other purposes; and
  - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2) Revenue projections in the budget must be realistic, taking into account –
  - (a) projected revenue for the current year based on collection levels to date; and
  - (b) actual revenue collected in previous years."

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

## Summary of revenue classified by main revenue source

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Revenue By Source</b>				
Property rates	60 143	63 981	68 061	72 400
Service charges - electricity revenue	103 306	110 871	119 740	129 113
Service charges - water revenue	24 342	25 917	27 587	29 363
Service charges - sanitation revenue	9 486	10 125	10 797	11 513
Service charges - refuse revenue	15 723	16 766	17 866	19 038
Rental of facilities and equipment	2 056	1 710	1 844	1 971
Interest earned - external investments	2 060	2 286	2 381	2 532
Interest earned - outstanding debtors	1 496	1 591	1 692	1 800
Fines, penalties and forfeits	9 271	9 854	10 486	11 153
Licences and permits	61	64	69	73
Agency services	2 419	2 572	2 736	2 910
Transfers and subsidies	64 365	79 150	94 306	95 158
Other revenue	8 179	8 514	9 056	9 633
Gains on disposal of PPE	1 700	1 500	1 000	500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>304 606</b>	<b>334 902</b>	<b>367 620</b>	<b>387 156</b>

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

## Summary of revenue classified by municipal vote

Vote Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Revenue by Vote</b>				
Vote 1 - Executive and Council	27 796	30 521	34 019	35 640
Vote 2 - Financial Services & ICT	68 373	73 366	79 255	83 064
Vote 4 - Management Services	54 214	60 771	76 595	76 395
Vote 5 - Engineering Services	167 161	184 024	198 443	210 009
<b>Total Revenue by Vote</b>	<b>317 544</b>	<b>348 683</b>	<b>388 313</b>	<b>405 108</b>

## Percentage growth in revenue base by main revenue source

Description	2017/18		2018/19 Medium Term Revenue & Expenditure Framework						
	R thousand	Full Year Forecast	%	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21	%
<b>Revenue By Source</b>									
Property rates	60 143	20%	63 981	19%	68 061	19%	72 400	19%	
Service charges - electricity revenue	103 306	34%	110 871	33%	119 740	33%	129 113	33%	
Service charges - water revenue	24 342	8%	25 917	8%	27 587	8%	29 363	8%	
Service charges - sanitation revenue	9 486	3%	10 125	3%	10 797	3%	11 513	3%	
Service charges - refuse revenue	15 723	5%	16 766	5%	17 866	5%	19 038	5%	
Rental of facilities and equipment	2 056	1%	1 710	1%	1 844	1%	1 971	1%	
Interest earned - external investments	2 060	1%	2 286	1%	2 381	1%	2 532	1%	
Interest earned - outstanding debtors	1 496	0%	1 591	0%	1 692	0%	1 800	0%	
Fines, penalties and forfeits	9 271	3%	9 854	3%	10 486	3%	11 153	3%	
Licences and permits	61	0%	64	0%	69	0%	73	0%	
Agency services	2 419	1%	2 572	1%	2 736	1%	2 910	1%	
Transfers and subsidies	64 365	21%	79 150	24%	94 306	26%	95 158	25%	
Other revenue	8 179	3%	8 514	3%	9 056	2%	9 633	2%	
Gains on disposal of PPE	1 700	1%	1 500	0%	1 000	0%	500	0%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>304 606</b>	<b>100%</b>	<b>334 902</b>	<b>100%</b>	<b>367 620</b>	<b>100%</b>	<b>387 156</b>	<b>100%</b>	
<b>Rates and Services Contribution</b>	<b>213 000</b>	<b>70%</b>	<b>227 660</b>	<b>68%</b>	<b>244 051</b>	<b>66%</b>	<b>261 427</b>	<b>68%</b>	

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise between 68 and 70 percent of the total revenue mix.

The municipality remains highly dependent on internal revenue sources to fund the budget, with transfers and grants only contributing between 20% and 25% to the operating revenue basket. Approximately 8% of the revenue basket can be attributed to equitable share.



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

## Operating Transfers and Grant Receipts

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>EXPENDITURE:</b>				
<b><u>Operating expenditure of Transfers and Grants</u></b>				
<b>National Government:</b>	<b>27 999</b>	<b>36 089</b>	<b>35 555</b>	<b>39 283</b>
Local Government Equitable Share	25 190	27 606	29 861	32 338
Energy Efficiency and Demand-side [Schedule 5B]	–	5 000	5 000	5 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 131	1 141	–	–
Local Government Financial Management Grant [Schedule 5B]	118	550	550	550
Municipal Infrastructure Grant [Schedule 5B]	1 560	1 792	144	1 395
<b>Provincial Government:</b>	<b>36 366</b>	<b>43 060</b>	<b>58 751</b>	<b>55 875</b>
Human Settlement Development	29 450	34 560	50 350	48 540
Library Service Conditional Grant	5 336	7 001	5 915	6 171
Maintenance of Main Roads	84	83	–	–
Community Development Workers	56	56	56	56
Financial Management Support (WC_FMGSG)	1 440	360	330	–
Greenest Municipality (Violence Protection)	–	1 000	2 000	1 000
Thusong Centre	–	–	100	108
<b>Total operating expenditure of Transfers and Grants:</b>	<b>64 365</b>	<b>79 150</b>	<b>94 306</b>	<b>95 158</b>

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 5.3 per cent, which is the current projected inflation rate for 2018/19.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. A recovery rate of approximately 95.85% is factored into the MTREF period.

### 1.5.1 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.

An increase of 7 between 8.5 per cent in the Property Rates tariff is proposed for 2018/19.

### 1.5.2 Sale of Water and Impact of Tariff Increases

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

Council strives to ensure tariff increases are affordable and within inflation upper limits.

The following projections are applicable to the water service:

Functional Classification Description R thousand	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operational Revenue	24 544	25 920	27 590	29 366
Operational Expenditure	(18 182)	(19 470)	(18 937)	(20 089)
<b>Surplus/Deficit)</b>	<b>6 362</b>	<b>6 450</b>	<b>8 652</b>	<b>9 277</b>
<b>Surplus/Deficit) %</b>	<b>26%</b>	<b>25%</b>	<b>31%</b>	<b>32%</b>

Although this service is running at a profit from an operating perspective in isolation, the following should also be taken into account when coming to a final conclusion with regards to the service provided:

- The increase in the tariff is aligned to the Long Term financial plan of the municipality. It is imperative that the service generates a surplus not only to provide the required funding needed for capital purposes, but also to increase the cash reserves of the municipality that will ensure that the basic services are provided on a sustainable manner.
- The service should be reviewed in conjunction with the provision of Sewerage and Sanitation Services. It is estimated that 70% of all water consumption eventually filters through into the sewerage systems of the municipality. In order to ensure that the level of services in the municipal area are maintained from a sewerage point of view, it is only considered fair that the large water consumers contribute to the needs of the Sewerage Infrastructure requirements of the municipality. The sewerage service is currently not providing sufficient fund to meet all infrastructure requirements.

Full details regarding the tariffs are included as Appendix A to this document.

### 1.5.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 7.32 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2018. NERSA proposes a 6.84% increase in tariffs charged to municipal customers.

The following projections are applicable to the electricity service:

Functional Classification Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operational Revenue	103 438	116 012	124 893	134 278
Operational Expenditure	(88 063)	(100 170)	(107 142)	(114 390)
<b>Surplus/Deficit)</b>	<b>15 375</b>	<b>15 843</b>	<b>17 751</b>	<b>19 888</b>
<b>Surplus/Deficit) %</b>	<b>15%</b>	<b>14%</b>	<b>14%</b>	<b>15%</b>

Full details regarding the tariffs are included as Appendix A to this document.

#### 1.5.4 Sanitation and Impact of Tariff Increases

Council strives to ensure tariff increases are affordable and within inflation upper limits.

The following projections are applicable to the sewerage service:

Functional Classification Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operational Revenue	9 508	10 148	10 822	11 539
Operational Expenditure	(10 497)	(11 525)	(11 265)	(11 349)
<b>Surplus/Deficit)</b>	<b>(989)</b>	<b>(1 377)</b>	<b>(444)</b>	<b>190</b>
<b>Surplus/Deficit) %</b>	<b>-10%</b>	<b>-14%</b>	<b>-4%</b>	<b>2%</b>

Full details regarding the tariffs are included as Appendix A to this document.

#### 1.5.5 Waste Removal and Impact of Tariff Increases

Council strives to ensure tariff increases are affordable and within inflation upper limits.

The following projections are applicable to the refuse service:

Functional Classification Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operational Revenue	15 973	16 766	17 866	19 038
Operational Expenditure	(19 319)	(21 433)	(22 626)	(23 274)
<b>Surplus/Deficit)</b>	<b>(3 346)</b>	<b>(4 667)</b>	<b>(4 760)</b>	<b>(4 235)</b>
<b>Surplus/Deficit) %</b>	<b>-21%</b>	<b>-28%</b>	<b>-27%</b>	<b>-22%</b>

## 1.5.6 Overall impact of tariff increases on households

Information on the impact on households can be illustrated below.

### Average Household Consumption:

Household.: 1 000 kWh / 30 kl.}		1-Jul-17		1-Jul-18		R	%
Service Description	Units	Tariff	Amount	Tariff	Amount	Difference	Increase
Elec.: Single Phase (40Amp)	40	6.00	240.00	6.40	256.00	16.00	6.67%
Consumption	50	0.855800	42.79	0.855800	42.79	0.00	0.00%
Consumption	350	1.100300	385.11	1.175500	411.43	26.32	6.83%
Consumption	250	1.548600	387.15	1.688000	422.00	34.85	9.00%
Consumption	350	1.823700	638.30	1.966700	688.35	50.05	7.84%
Water : Basic Fee	1	115.00	115.00	130.00	130.00	15.00	13.05%
Consumption	6	0.00	0.00		0.00	0.00	0.00%
Consumption	14	6.70	93.82	7.15	100.10	6.28	6.69%
Consumption	10	6.93	69.28	7.45	74.50	5.22	7.53%
Sewerage	1	114.50	114.50	125.50	125.50	11.00	9.61%
Refuse Removal	1	125.50	125.50	138.00	138.00	12.50	9.96%
			2,211.44		2,388.66	177.22	8.01%
VAT i.r.o.services (14%)		0.14	309.60	0.15	358.30	48.70	
<b>Sub-Total:</b>			2,521.05		2,746.96	225.91	8.96%
Property Rates	1,000,000	0.006737	553.00	0.007209	591.74	38.74	7.01%
<b>Total:</b>			3,074.04		3,338.70	264.66	8.61%

### Average Household Consumption:

{Household.: 500 kWh / 25 kl.}

Household.: 500 kWh / 25 kl.}		1-Jul-17		1-Jul-18		R	%
Service Description	Units	Tariff	Amount	Tariff	Amount	Difference	styging
Elec.: Single Phase (40Amp)	40	6.00	240.00	6.40	256.00	16.00	6.67%
Consumption	50	0.855800	42.79	0.855800	42.79	0.00	0.00%
Consumption	350	1.100300	385.11	1.175500	411.43	26.32	6.83%
Consumption	100	1.548600	154.86	1.688000	168.80	13.94	9.00%
Water : Basic Fee	1	115.00	115.00	130.00	130.00	15.00	13.05%
Consumption	6	0.00	0.00		0.00	0.00	0.00%
Consumption	14	6.70	93.82	7.15	100.10	6.28	6.69%
Consumption	5	6.93	34.64	7.45	37.25	2.61	7.53%
Sewerage	1	114.50	114.50	125.50	125.50	11.00	9.61%
Refuse Removal	1	125.50	125.50	138.00	138.00	12.50	9.96%
			1,306.22		1,409.87	103.65	7.94%
VAT i.r.o.services (14%)		0.14	182.87	0.15	211.48	28.61	
<b>Sub-Total:</b>			1,489.09		1,621.34	132.26	8.88%
Property Rates (B1460 )	500,000	0.006737	272.29	0.007209	291.36	19.08	7.01%
<b>Total:</b>			1,761.37		1,912.71	151.33	8.59%

## Average Household Consumption:

{Household.: 350 kWh / 20 kl.}

Service Description	Units	1-Jul-17		1-Jul-18		R	%
		Tariff	Amount	Tariff	Amount	Difference	styging
Elektr.: Enkelfase (20Amp)	20	6.00	120.00	6.40	128.00	8.00	6.67%
Verbruik	50	0.855800	42.79	0.855800	42.79	0.00	0.00%
Verbruik	300	1.100300	330.09	1.175500	352.65	22.56	6.83%
Water: Basiese fooi	1	115.00	115.00	130.00	130.00	15.00	13.05%
Verbruik	6	0.00	0.00		0.00	0.00	0.00%
Verbruik	14	6.70	93.82	7.15	100.10	6.28	6.69%
Riolering	1	114.50	114.50	125.50	125.50	11.00	9.61%
Afvalverwydering	1	125.50	125.50	138.00	138.00	12.50	9.96%
			941.70		1,017.04	75.34	8.00%
BTW op dienste (14%)		0.14	131.84	0.15	152.56	20.72	
<b>Sub-Total:</b>			1,073.54		1,169.60	96.06	8.95%
Eiendomsbelasting (N503)	300,000	0.006737	160.00	0.007209	171.21	11.21	7.01%
<b>Total:</b>			1,233.54		1,340.81	107.27	8.70%

## 1.6 Operating Expenditure Framework

Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential and non-priority activities.

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

**Table 1 Summary of operating expenditure by standard classification item**

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Expenditure By Type</b>				
Employee related costs	117 026	125 868	130 516	135 848
Remuneration of councillors	5 145	5 514	5 725	5 994
Debt impairment	7 833	10 797	11 455	12 156
Depreciation & asset impairment	11 440	11 922	12 577	13 269
Finance charges	9 007	9 439	9 958	10 508
Bulk purchases	76 798	82 397	88 571	95 649
Other materials	49 989	57 798	74 780	74 383
Contracted services	18 483	23 108	21 356	20 659
Transfers and subsidies	2 763	1 920	1 982	2 048
Other expenditure	21 981	24 644	26 859	28 226
<b>Total Expenditure</b>	<b>320 464</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>

The budgeted allocation for employee related costs for the 2018/19 financial year totals R125.868 million, which equals 35.62 per cent of the total operating expenditure. This percentage is set to remain very constant over the two outer years of the MTREF at 34.01 per cent and 34.07 per cent respectively. However, before the municipality reaches any conclusions with regards to levels of employee related costs of the municipality, the municipality should assess the impact of any items that could distort these figures. The municipality should for example exclude any material conditional grant expenditure that can fluctuate significantly year-on year.

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 annual collection rate of 95.85 per cent and the Debt Write-off Policy of the Municipality. 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.

Bulk purchases are largely informed by the purchase of electricity from Eskom, which amounted to 7.34%. Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption.

Other materials consist out of all items that are accounted for using inventory accounts in the mSCOA structure. The following items are included in Other Materials:

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>OTHER MATERIALS</b>				
Animal Welfare Materials	125	200	211	223
Chemicals	2 830	3 200	3 376	3 562
Cleaning Materials	313	344	363	382
Electricity Connections	187	205	218	231
First Aid Equipment	12	17	18	19
Fuel	2 894	3 108	3 280	3 463
Gas Consumed	48	51	54	57
Housing Stock	29 450	34 560	50 350	48 540
Maintenance Materials	12 186	13 880	14 566	15 378
Oil and Lubricants	73	83	88	92
Printing Consumables	100	105	110	116
Refreshments	122	181	191	261
Refuse Bags	651	791	834	880
Sewerage Connections	5	5	5	6
Small Tools	57	69	72	76
Stationery Consumed	905	967	1 009	1 060
Sundry Consumables	22	24	25	26
Water Connections	10	10	11	11
<b>TOTAL</b>	<b>49 989</b>	<b>57 798</b>	<b>74 780</b>	<b>74 383</b>

Contracted services consist of the following and are linked to the delivery of primary services. The classification of Contracted Services were largely influenced by the mSCOA chart of accounts.

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Contracted services</b>				
<i>Accounting and Auditing</i>	690	360	330	–
<i>Audit Committee</i>	135	146	138	144
<i>Builders</i>	–	1 200	–	–
<i>Burial Services</i>	56	59	62	65
<i>Business and Financial Management</i>	2 220	2 302	2 438	2 563
<i>Catering Services</i>	60	60	60	60
<i>Cleaning Services</i>	2	–	–	–
<i>Clearing and Grass Cutting Services</i>	25	–	–	–
<i>Commissions and Committees</i>	391	468	425	451
<i>Communications</i>	150	158	100	100
<i>Contractors_Building</i>	1 000	1 000	–	–
<i>Contractors_Electrical</i>	–	5 000	5 000	5 000
<i>Drivers Licence Cards</i>	170	179	189	199
<i>Employee Wellness</i>	130	137	144	152
<i>Engineering_Civil</i>	1 950	1 950	1 250	1 250
<i>Event Promoters</i>	10	1 011	2 011	1 012
<i>Fire Services</i>	750	789	832	878
<i>Gardening Services</i>	77	63	67	70
<i>Haulage</i>	2 630	2 726	2 876	3 034
<i>Human Resources</i>	420	273	161	169
<i>Legal Advice and Litigation</i>	902	621	632	643
<i>Legal Cost_Collection</i>	180	230	243	256
<i>Maintenance of Unspecified Assets</i>	200	–	–	–
<i>Medical Examinations</i>	10	12	13	14
<i>Occupational Health and Safety</i>	56	59	62	66
<i>Personnel and Labour</i>	1 467	364	395	415
<i>Photographer</i>	3	2	2	2
<i>Removal of Structures and Illegal Signs</i>	35	37	39	41
<i>Research and Advisory</i>	1 503	707	737	769
<i>Security Services</i>	821	996	855	902
<i>Town Planner</i>	1 150	800	815	839
<i>Traffic Fines Management</i>	780	821	866	913
<i>Valuer</i>	510	580	615	652
<b>Total contracted services</b>	<b>18 483</b>	<b>23 108</b>	<b>21 356</b>	<b>20 659</b>

Other expenditure comprises of various line items relating to the daily operations of the municipality (including repairs and maintenance as well as operating grant expenditure). These items should be reviewed by the municipality to ensure that all non-priority expenditure is eliminated.



### 1.6.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

For the 2018/19 budgets and MTREF's, municipalities must ensure they prioritise asset management and take into consideration the following:

- 1) 40 per cent of its 2018/19 to 2020/21 Capital Budget should be allocated to the renewal/upgrade of existing assets it.
- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE) and / or 6 per cent for the 2018/19 aligned with the Long Term Financial Plan approve during December 2015.

The municipality have made great strides to achieve both these benchmarks. A large contributing factor to reaching the required levels of repairs and maintenance can be attributed to the costing system of the municipality where employee related and other costs directly related to repairs and maintenance projects now accurately being allocated to this line item as follows:

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Repairs and Maintenance by Expenditure Item</b>				
Employee related costs	38 498	40 955	41 010	41 571
Other materials	14 553	16 405	17 320	18 285
Contracted Services	290	5 094	5 100	5 105
Other Expenditure	3 987	4 238	4 547	4 980
<b>Total Repairs and Maintenance Expenditure</b>	<b>57 329</b>	<b>66 693</b>	<b>67 977</b>	<b>69 942</b>

**Table 2 Repairs and maintenance per asset class**

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>EXPENDITURE OTHER ITEMS</b>				
<b><u>Repairs and Maintenance by Asset Class</u></b>	<b>57 329</b>	<b>66 693</b>	<b>67 977</b>	<b>69 942</b>
<i>Roads Infrastructure</i>	10 970	11 444	12 185	12 008
<i>Electrical Infrastructure</i>	7 573	13 510	14 043	13 979
<i>Water Supply Infrastructure</i>	9 919	11 055	10 039	10 675
<i>Sanitation Infrastructure</i>	6 534	7 156	6 647	6 526
<i>Solid Waste Infrastructure</i>	2 018	2 681	2 829	2 899
<b>Infrastructure</b>	<b>37 014</b>	<b>45 846</b>	<b>45 743</b>	<b>46 086</b>
Community Facilities	4 358	5 039	5 418	5 826
Sport and Recreation Facilities	4 125	2 315	2 470	2 629
<b>Community Assets</b>	<b>8 483</b>	<b>7 354</b>	<b>7 889</b>	<b>8 455</b>
Operational Buildings	4 516	5 102	5 415	5 739
<b>Other Assets</b>	<b>4 516</b>	<b>5 102</b>	<b>5 415</b>	<b>5 739</b>
Licences and Rights	2 992	3 164	3 406	3 817
<b>Intangible Assets</b>	<b>2 992</b>	<b>3 164</b>	<b>3 406</b>	<b>3 817</b>
<b>Computer Equipment</b>	<b>68</b>	<b>155</b>	<b>162</b>	<b>171</b>
<b>Furniture and Office Equipment</b>	<b>88</b>	<b>101</b>	<b>106</b>	<b>111</b>
<b>Machinery and Equipment</b>	<b>620</b>	<b>756</b>	<b>798</b>	<b>842</b>
<b>Transport Assets</b>	<b>3 548</b>	<b>4 216</b>	<b>4 458</b>	<b>4 721</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>68 769</b>	<b>78 615</b>	<b>80 554</b>	<b>83 210</b>
<i>Renewal and upgrading of Existing Assets as % of total capital expenditure</i>	66.8%	39.2%	51.9%	48.2%
<i>Renewal and upgrading of Existing Assets as % of depreciated capital expenditure</i>	160.2%	100.2%	170.6%	141.0%
<i>R&amp;M as a % of PPE</i>	14.8%	16.5%	15.7%	15.2%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	18.0%	17.0%	19.0%	18.0%

### 1.6.2 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 these free services the households are required to register in terms of the Municipality'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 Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual

Division of Revenue Act. The cost associated with indigent subsidies amounts to R10.852 million in 2018/19 and increases to R 11.451 million and R12.083 million in the 2 outer years respectively. These figures do not include the 50 kWh electricity provided to indigents.

## 1.7 Capital expenditure

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

**Table 3 2018/19 Medium-term capital budget per vote**

Vote Description R thousand	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b><u>Capital expenditure - Vote</u></b>				
<b><u>Multi-year expenditure to be appropriated</u></b>				
Vote 2 - Financial Services & ICT	–	1 815	4 695	4 650
Vote 4 - Management Services	650	850	200	900
Vote 5 - Engineering Services	650	3 912	12 951	18 139
<b>Capital multi-year expenditure sub-total</b>	<b>1 300</b>	<b>6 577</b>	<b>17 846</b>	<b>23 689</b>
<b><u>Single-year expenditure to be appropriated</u></b>				
Vote 1 - Executive and Council	346	750	95	55
Vote 2 - Financial Services & ICT	2 409	1 514	600	405
Vote 4 - Management Services	2 477	4 178	3 688	870
Vote 5 - Engineering Services	20 928	17 486	19 120	13 820
<b>Capital single-year expenditure sub-total</b>	<b>26 160</b>	<b>23 927</b>	<b>23 503</b>	<b>15 150</b>
<b>Total Capital Expenditure - Vote</b>	<b>27 460</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>

The following table provides more information on the breakdown of the capital budget.

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>CAPITAL EXPENDITURE</b>				
<b><u>Total New Assets</u></b>	<b>9 128</b>	<b>18 553</b>	<b>19 893</b>	<b>20 133</b>
<i>Roads Infrastructure</i>	200	90	210	220
<i>Storm water Infrastructure</i>	5 998	7 741	500	500
<i>Electrical Infrastructure</i>	1 100	2 100	5 240	3 325
<i>Sanitation Infrastructure</i>	–	1 120	1 000	2 000
<i>Solid Waste Infrastructure</i>	–	–	1 000	–
<b>Infrastructure</b>	<b>7 298</b>	<b>11 051</b>	<b>7 950</b>	<b>6 045</b>
Community Facilities	270	770	150	–
Sport and Recreation Facilities	170	2 260	1 690	500
<b>Community Assets</b>	<b>440</b>	<b>3 030</b>	<b>1 840</b>	<b>500</b>
Operational Buildings	95	–	–	–
<b>Other Assets</b>	<b>95</b>	<b>–</b>	<b>–</b>	<b>–</b>
Licences and Rights	8	–	250	50
<b>Intangible Assets</b>	<b>8</b>	<b>–</b>	<b>250</b>	<b>50</b>
<b>Computer Equipment</b>	<b>200</b>	<b>136</b>	<b>–</b>	<b>–</b>
<b>Furniture and Office Equipment</b>	<b>188</b>	<b>80</b>	<b>162</b>	<b>8</b>
<b>Machinery and Equipment</b>	<b>459</b>	<b>4 257</b>	<b>9 691</b>	<b>13 530</b>
<b>Transport Assets</b>	<b>440</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Total Renewal of Existing Assets</u></b>	<b>6 525</b>	<b>5 329</b>	<b>11 312</b>	<b>9 803</b>
<i>Roads Infrastructure</i>	200	1 550	780	700
<i>Water Supply Infrastructure</i>	2 060	2 450	1 000	2 000
<i>Sanitation Infrastructure</i>	877	331	6 171	6 473
<b>Infrastructure</b>	<b>3 137</b>	<b>4 331</b>	<b>7 951</b>	<b>9 173</b>
Community Facilities	350	–	–	–
<b>Community Assets</b>	<b>350</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>	<b>172</b>	<b>288</b>	<b>255</b>	<b>210</b>
<b>Furniture and Office Equipment</b>	<b>193</b>	<b>339</b>	<b>230</b>	<b>140</b>
<b>Machinery and Equipment</b>	<b>2 424</b>	<b>372</b>	<b>277</b>	<b>–</b>
<b>Transport Assets</b>	<b>250</b>	<b>–</b>	<b>2 600</b>	<b>280</b>

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b><u>Total Upgrading of Existing Assets</u></b>	<b>11 807</b>	<b>6 622</b>	<b>10 144</b>	<b>8 903</b>
<i>Roads Infrastructure</i>	5 613	2 150	6 000	5 300
<i>Storm water Infrastructure</i>	500	–	800	800
<i>Electrical Infrastructure</i>	1 311	1 259	1 339	1 428
<i>Water Supply Infrastructure</i>	100	200	–	–
<i>Solid Waste Infrastructure</i>	350	–	–	–
<b>Infrastructure</b>	<b>7 873</b>	<b>3 609</b>	<b>8 139</b>	<b>7 528</b>
Community Facilities	376	290	165	1 130
Sport and Recreation Facilities	1 355	1 088	1 300	–
<b>Community Assets</b>	<b>1 731</b>	<b>1 378</b>	<b>1 465</b>	<b>1 130</b>
Operational Buildings	45	180	300	–
<b>Other Assets</b>	<b>45</b>	<b>180</b>	<b>300</b>	<b>–</b>
Licences and Rights	1 176	1 000	–	–
<b>Intangible Assets</b>	<b>1 176</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>	<b>806</b>	<b>355</b>	<b>240</b>	<b>245</b>
<b>Furniture and Office Equipment</b>	<b>60</b>	<b>100</b>	<b>–</b>	<b>–</b>
<b>Machinery and Equipment</b>	<b>115</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Total Capital Expenditure</u></b>				
<i>Roads Infrastructure</i>	6 013	3 790	6 990	6 220
<i>Storm water Infrastructure</i>	6 498	7 741	1 300	1 300
<i>Electrical Infrastructure</i>	2 411	3 359	6 579	4 753
<i>Water Supply Infrastructure</i>	2 160	2 650	1 000	2 000
<i>Sanitation Infrastructure</i>	877	1 451	7 171	8 473
<i>Solid Waste Infrastructure</i>	350	–	1 000	–
<b>Infrastructure</b>	<b>18 309</b>	<b>18 991</b>	<b>24 040</b>	<b>22 746</b>
Community Facilities	996	1 060	315	1 130
Sport and Recreation Facilities	1 525	3 348	2 990	500
<b>Community Assets</b>	<b>2 521</b>	<b>4 408</b>	<b>3 305</b>	<b>1 630</b>
Operational Buildings	140	180	300	–
<b>Other Assets</b>	<b>140</b>	<b>180</b>	<b>300</b>	<b>–</b>
Licences and Rights	1 184	1 000	250	50
<b>Intangible Assets</b>	<b>1 184</b>	<b>1 000</b>	<b>250</b>	<b>50</b>
<b>Computer Equipment</b>	<b>1 178</b>	<b>779</b>	<b>495</b>	<b>455</b>
<b>Furniture and Office Equipment</b>	<b>441</b>	<b>519</b>	<b>392</b>	<b>148</b>
<b>Machinery and Equipment</b>	<b>2 998</b>	<b>4 629</b>	<b>9 967</b>	<b>13 530</b>
<b>Transport Assets</b>	<b>690</b>	<b>–</b>	<b>2 600</b>	<b>280</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>27 460</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>

## 1.8 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 to be approved by the Council.

**Table A1 - Budget Summary**

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>				
<b>Financial Performance</b>				
Property rates	60 143	63 981	68 061	72 400
Service charges	152 857	163 679	175 990	189 027
Investment revenue	2 060	2 286	2 381	2 532
Transfers recognised - operational	64 365	79 150	94 306	95 158
Other own revenue	25 181	25 806	26 883	28 040
	304 606	334 902	367 620	387 156
<b>Total Revenue (excluding capital transfers and contributions)</b>				
Employee costs	117 026	125 868	130 516	135 848
Remuneration of councillors	5 145	5 514	5 725	5 994
Depreciation & asset impairment	11 440	11 922	12 577	13 269
Finance charges	9 007	9 439	9 958	10 508
Materials and bulk purchases	126 787	140 195	163 351	170 032
Transfers and grants	2 763	1 920	1 982	2 048
Other expenditure	48 297	58 549	59 671	61 041
<b>Total Expenditure</b>	320 464	353 405	383 781	398 739
<b>Surplus/(Deficit)</b>	(15 859)	(18 503)	(16 161)	(11 583)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	12 938	13 781	20 692	17 953
<b>Surplus/(Deficit) for the year</b>	(2 921)	(4 722)	4 531	6 369
<b>Capital expenditure &amp; funds sources</b>				
<b>Capital expenditure</b>	27 460	30 504	41 349	38 839
Transfers recognised - capital	12 938	13 781	20 692	17 953
Public contributions & donations	-	-	-	-
Borrowing	5 473	5 379	8 139	6 508
Internally generated funds	9 049	11 345	12 518	14 378
<b>Total sources of capital funds</b>	27 460	30 504	41 349	38 839

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>				
<b><u>Financial position</u></b>				
Total current assets	59 656	51 679	45 564	52 021
Total non current assets	431 880	450 432	479 172	504 711
Total current liabilities	55 248	60 853	67 607	83 080
Total non current liabilities	129 151	138 842	150 183	160 336
Community wealth/Equity	307 137	302 415	306 946	313 316
<b><u>Cash flows</u></b>				
Net cash from (used) operating	22 845	12 218	23 219	23 174
Net cash from (used) investing	(25 729)	(28 973)	(40 318)	(38 308)
Net cash from (used) financing	4 096	3 269	4 894	2 686
<b>Cash/cash equivalents at the year end</b>	<b>25 574</b>	<b>12 087</b>	<b>(118)</b>	<b>(12 565)</b>
<b><u>Cash backing/surplus reconciliation</u></b>				
Cash and investments available	25 574	12 087	(118)	(12 565)
Application of cash and investments	26 726	17 802	4 724	86
<b>Balance - surplus (shortfall)</b>	<b>(1 152)</b>	<b>(5 715)</b>	<b>(4 842)</b>	<b>(12 652)</b>
<b><u>Asset management</u></b>				
Asset register summary (WDV)	431 715	450 298	479 070	504 640
Depreciation	11 440	11 922	12 577	13 269
Renewal of Existing Assets	6 525	5 329	11 312	9 803
Repairs and Maintenance	57 329	66 693	67 977	69 942
<b><u>Free services</u></b>				
Cost of Free Basic Services provided	9 205	9 684	10 219	10 784
Revenue cost of free services provided	1 110	1 168	1 232	1 300
<b><u>Households below minimum service level</u></b>				
Water:	1	1	1	1
Sanitation/sewerage:	1	1	1	1
Energy:	1	1	1	1
Refuse:	-	-	-	-

## **Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The accumulated surplus is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.



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

Functional Classification Description	2018	2018/19 Medium Term Revenue & Expenditure Framework		
	R thousand	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue - Functional</b>				
<b><i>Governance and administration</i></b>	<b>107 369</b>	<b>114 497</b>	<b>121 663</b>	<b>128 418</b>
Executive and council	25 190	27 606	29 861	32 338
Finance and administration	82 179	86 891	91 802	96 080
<b><i>Community and public safety</i></b>	<b>42 571</b>	<b>49 678</b>	<b>65 829</b>	<b>63 815</b>
Community and social services	6 023	8 535	8 592	7 950
Sport and recreation	7 098	6 583	6 887	7 325
Housing	29 450	34 560	50 350	48 540
<b><i>Economic and environmental services</i></b>	<b>13 140</b>	<b>13 661</b>	<b>14 530</b>	<b>15 454</b>
Planning and development	1 283	1 364	1 451	1 543
Road transport	11 857	12 297	13 079	13 911
<b><i>Trading services</i></b>	<b>154 464</b>	<b>170 847</b>	<b>186 291</b>	<b>197 422</b>
Energy sources	104 438	118 012	130 013	137 478
Water management	24 544	25 920	27 590	29 366
Waste water management	9 508	10 148	10 822	11 539
Waste management	15 973	16 766	17 866	19 038
<b>Total Revenue - Functional</b>	<b>317 544</b>	<b>348 683</b>	<b>388 313</b>	<b>405 108</b>
<b>Expenditure - Functional</b>				
<b><i>Governance and administration</i></b>	<b>90 842</b>	<b>94 633</b>	<b>98 488</b>	<b>103 991</b>
Executive and council	14 448	14 955	15 491	16 185
Finance and administration	74 800	77 907	81 189	85 874
Internal audit	1 594	1 770	1 808	1 932
<b><i>Community and public safety</i></b>	<b>53 448</b>	<b>60 096</b>	<b>77 009</b>	<b>75 829</b>
Community and social services	11 337	13 505	13 818	13 550
Sport and recreation	10 958	10 757	11 513	12 325
Housing	31 152	35 834	51 679	49 953
<b><i>Economic and environmental services</i></b>	<b>40 113</b>	<b>45 344</b>	<b>47 538</b>	<b>48 999</b>
Planning and development	8 944	9 171	9 803	10 132
Road transport	31 169	36 097	37 430	38 754
Environmental protection	–	77	305	113
<b><i>Trading services</i></b>	<b>136 062</b>	<b>152 598</b>	<b>159 971</b>	<b>169 102</b>
Energy sources	88 063	100 170	107 142	114 390
Water management	18 182	19 470	18 937	20 089
Waste water management	10 497	11 525	11 265	11 349
Waste management	19 319	21 433	22 626	23 274
<b><i>Other</i></b>	<b>–</b>	<b>735</b>	<b>775</b>	<b>818</b>
<b>Total Expenditure - Functional</b>	<b>320 464</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>
<b>Surplus/(Deficit) for the year</b>	<b>(2 921)</b>	<b>(4 722)</b>	<b>4 531</b>	<b>6 369</b>

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 16 mSCOA functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.
4. The table includes capital grant revenue, but excludes internal charges between various departments such as electricity, water, sanitation and refuse. These items, although correctly included/excluded, should also be taken into account before coming to any conclusion with regards to the cost reflectiveness of tariffs and fees raised by the municipality.

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

Vote Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Revenue by Vote</b>				
Vote 1 - Executive and Council	27 796	30 521	34 019	35 640
Vote 2 - Financial Services & ICT	68 373	73 366	79 255	83 064
Vote 4 - Management Services	54 214	60 771	76 595	76 395
Vote 5 - Engineering Services	167 161	184 024	198 443	210 009
<b>Total Revenue by Vote</b>	<b>317 544</b>	<b>348 683</b>	<b>388 313</b>	<b>405 108</b>
<b>Expenditure by Vote to be appropriated</b>				
Vote 1 - Executive and Council	41 562	43 109	46 137	47 702
Vote 2 - Financial Services & ICT	47 669	51 708	55 218	58 266
Vote 4 - Management Services	73 347	85 084	100 787	102 215
Vote 5 - Engineering Services	157 886	173 504	181 640	190 556
<b>Total Expenditure by Vote</b>	<b>320 464</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>
<b>Surplus/(Deficit) for the year</b>	<b>(2 921)</b>	<b>(4 722)</b>	<b>4 531</b>	<b>6 369</b>

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

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

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

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Revenue By Source</b>				
Property rates	60 143	63 981	68 061	72 400
Service charges - electricity revenue	103 306	110 871	119 740	129 113
Service charges - water revenue	24 342	25 917	27 587	29 363
Service charges - sanitation revenue	9 486	10 125	10 797	11 513
Service charges - refuse revenue	15 723	16 766	17 866	19 038
Rental of facilities and equipment	2 056	1 710	1 844	1 971
Interest earned - external investments	2 060	2 286	2 381	2 532
Interest earned - outstanding debtors	1 496	1 591	1 692	1 800
Fines, penalties and forfeits	9 271	9 854	10 486	11 153
Licences and permits	61	64	69	73
Agency services	2 419	2 572	2 736	2 910
Transfers and subsidies	64 365	79 150	94 306	95 158
Other revenue	8 179	8 514	9 056	9 633
Gains on disposal of PPE	1 700	1 500	1 000	500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>304 606</b>	<b>334 902</b>	<b>367 620</b>	<b>387 156</b>
<b>Expenditure By Type</b>				
Employee related costs	117 026	125 868	130 516	135 848
Remuneration of councillors	5 145	5 514	5 725	5 994
Debt impairment	7 833	10 797	11 455	12 156
Depreciation & asset impairment	11 440	11 922	12 577	13 269
Finance charges	9 007	9 439	9 958	10 508
Bulk purchases	76 798	82 397	88 571	95 649
Other materials	49 989	57 798	74 780	74 383
Contracted services	18 483	23 108	21 356	20 659
Transfers and subsidies	2 763	1 920	1 982	2 048
Other expenditure	21 981	24 644	26 859	28 226
<b>Total Expenditure</b>	<b>320 464</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>
<b>Surplus/(Deficit)</b>	<b>(15 859)</b>	<b>(18 503)</b>	<b>(16 161)</b>	<b>(11 583)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	12 938	13 781	20 692	17 953
<b>Surplus/(Deficit) for the year</b>	<b>(2 921)</b>	<b>(4 722)</b>	<b>4 531</b>	<b>6 369</b>

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

1. Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality as well as the mSCOA reporting framework.

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

Vote Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b><u>Capital expenditure - Vote</u></b>				
<b><u>Multi-year expenditure to be appropriated</u></b>				
Vote 2 - Financial Services & ICT	–	1 815	4 695	4 650
Vote 4 - Management Services	650	850	200	900
Vote 5 - Engineering Services	650	3 912	12 951	18 139
<b>Capital multi-year expenditure sub-total</b>	<b>1 300</b>	<b>6 577</b>	<b>17 846</b>	<b>23 689</b>
<b><u>Single-year expenditure to be appropriated</u></b>				
Vote 1 - Executive and Council	346	750	95	55
Vote 2 - Financial Services & ICT	2 409	1 514	600	405
Vote 4 - Management Services	2 477	4 178	3 688	870
Vote 5 - Engineering Services	20 928	17 486	19 120	13 820
<b>Capital single-year expenditure sub-total</b>	<b>26 160</b>	<b>23 927</b>	<b>23 503</b>	<b>15 150</b>
<b>Total Capital Expenditure - Vote</b>	<b>27 460</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>

Vote Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Capital Expenditure - Functional</b>				
<b>Governance and administration</b>	<b>2 871</b>	<b>3 618</b>	<b>5 542</b>	<b>5 895</b>
Executive and council	254	47	–	–
Finance and administration	2 616	3 569	5 542	5 895
Internal audit	–	2	–	–
<b>Community and public safety</b>	<b>2 637</b>	<b>4 759</b>	<b>3 642</b>	<b>930</b>
Community and social services	390	242	112	180
Sport and recreation	2 247	4 513	3 530	750
Housing	–	5	–	–
<b>Economic and environmental services</b>	<b>13 000</b>	<b>12 541</b>	<b>9 821</b>	<b>7 575</b>
Planning and development	27	547	95	55
Road transport	12 974	11 994	9 726	7 520
<b>Trading services</b>	<b>8 952</b>	<b>9 587</b>	<b>22 345</b>	<b>24 438</b>
Energy sources	2 548	5 371	11 675	13 686
Water management	3 255	3 870	3 500	4 280
Waste water management	877	331	6 171	6 473
Waste management	2 272	15	1 000	–
<b>Total Capital Expenditure - Functional</b>	<b>27 460</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>
<b>Funded by:</b>				
National Government	11 990	12 082	16 981	14 173
Provincial Government	949	1 699	3 712	3 780
<b>Transfers recognised - capital</b>	<b>12 938</b>	<b>13 781</b>	<b>20 692</b>	<b>17 953</b>
<b>Borrowing</b>	<b>5 473</b>	<b>5 379</b>	<b>8 139</b>	<b>6 508</b>
<b>Internally generated funds</b>	<b>9 049</b>	<b>11 345</b>	<b>12 518</b>	<b>14 378</b>
<b>Total Capital Funding</b>	<b>27 460</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>

### 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 (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose

of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

4. The capital program is funded from National, Provincial and Other grants and transfers, borrowing and internally generated funds from current and prior year surpluses.

### MBRR Table A6 - Budgeted Financial Position

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	25 574	12 087	–	–
Consumer debtors	27 691	33 774	40 352	47 454
Other debtors	5 034	4 460	3 854	3 209
Current portion of long-term receivables	31	31	31	31
Inventory	1 326	1 326	1 326	1 326
<b>Total current assets</b>	<b>59 656</b>	<b>51 679</b>	<b>45 564</b>	<b>52 021</b>
<b>Non current assets</b>				
Long-term receivables	165	134	103	72
Investment property	40 862	40 853	40 845	40 835
Property, plant and equipment	386 389	404 285	433 138	459 007
Intangible	4 464	5 159	5 087	4 798
<b>Total non current assets</b>	<b>431 880</b>	<b>450 432</b>	<b>479 172</b>	<b>504 711</b>
<b>TOTAL ASSETS</b>	<b>491 536</b>	<b>502 111</b>	<b>524 736</b>	<b>556 732</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	–	–	118	12 565
Borrowing	1 659	2 419	3 588	4 192
Consumer deposits	4 548	4 821	5 110	5 417
Trade and other payables	37 611	41 497	45 948	47 292
Provisions	11 430	12 116	12 843	13 613
<b>Total current liabilities</b>	<b>55 248</b>	<b>60 853</b>	<b>67 607</b>	<b>83 080</b>
<b>Non current liabilities</b>				
Borrowing	4 876	7 112	10 548	12 323
Provisions	124 274	131 731	139 635	148 013
<b>Total non current liabilities</b>	<b>129 151</b>	<b>138 842</b>	<b>150 183</b>	<b>160 336</b>
<b>TOTAL LIABILITIES</b>	<b>184 399</b>	<b>199 696</b>	<b>217 790</b>	<b>243 416</b>
<b>NET ASSETS</b>	<b>307 137</b>	<b>302 415</b>	<b>306 946</b>	<b>313 316</b>
<b>COMMUNITY WEALTH/EQUITY</b>				
Accumulated Surplus/(Deficit)	287 137	290 415	306 946	313 316
Reserves	20 000	12 000	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>307 137</b>	<b>302 415</b>	<b>306 946</b>	<b>313 316</b>

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

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

## MBRR Table A7 - Budgeted Cash Flow Statement

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Property rates	57 646	61 324	65 234	69 393
Service charges	146 510	156 882	168 682	181 177
Other revenue	17 617	15 929	16 968	18 057
Government - operating	72 809	79 150	94 306	95 158
Government - capital	12 238	13 781	20 692	17 953
Interest	3 494	3 811	4 003	4 257
<b>Payments</b>				
Suppliers and employees	(283 936)	(315 965)	(343 868)	(359 910)
Finance charges	(770)	(774)	(816)	(863)
Transfers and Grants	(2 763)	(1 920)	(1 982)	(2 048)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>22 845</b>	<b>12 218</b>	<b>23 219</b>	<b>23 174</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	1 700	1 500	1 000	500
Decrease (Increase) in non-current debtors	31	31	31	31
<b>Payments</b>				
Capital assets	(27 460)	(30 504)	(41 349)	(38 839)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(25 729)</b>	<b>(28 973)</b>	<b>(40 318)</b>	<b>(38 308)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Borrowing long term/refinancing	5 473	5 379	8 139	6 508
Increase (decrease) in consumer deposits	257	273	289	307
<b>Payments</b>				
Repayment of borrowing	(1 634)	(2 383)	(3 534)	(4 129)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>4 096</b>	<b>3 269</b>	<b>4 894</b>	<b>2 686</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 212</b>	<b>(13 486)</b>	<b>(12 205)</b>	<b>(12 447)</b>
Cash/cash equivalents at the year begin:	24 361	25 574	12 087	(118)
Cash/cash equivalents at the year end:	25 574	12 087	(118)	(12 565)

### 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.



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

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b><u>Cash and investments available</u></b>				
Cash/cash equivalents at the year end	25 574	12 087	(118)	(12 565)
<b>Cash and investments available:</b>	<b>25 574</b>	<b>12 087</b>	<b>(118)</b>	<b>(12 565)</b>
<b><u>Application of cash and investments</u></b>				
Other working capital requirements	6 726	5 802	4 724	86
Reserves to be backed by cash/investments	20 000	12 000	–	–
<b>Total Application of cash and investments:</b>	<b>26 726</b>	<b>17 802</b>	<b>4 724</b>	<b>86</b>
<b>Surplus(shortfall)</b>	<b>(1 152)</b>	<b>(5 715)</b>	<b>(4 842)</b>	<b>(12 652)</b>

### 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. 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 is to ensure the budget is funded and aligned to section 18 of the MFMA.

## MBRR Table A9 - Asset Management

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>CAPITAL EXPENDITURE</b>				
<b><u>Total New Assets</u></b>	<b>9 128</b>	<b>18 553</b>	<b>19 893</b>	<b>20 133</b>
<i>Roads Infrastructure</i>	200	90	210	220
<i>Storm water Infrastructure</i>	5 998	7 741	500	500
<i>Electrical Infrastructure</i>	1 100	2 100	5 240	3 325
<i>Sanitation Infrastructure</i>	–	1 120	1 000	2 000
<i>Solid Waste Infrastructure</i>	–	–	1 000	–
<b>Infrastructure</b>	<b>7 298</b>	<b>11 051</b>	<b>7 950</b>	<b>6 045</b>
Community Facilities	270	770	150	–
Sport and Recreation Facilities	170	2 260	1 690	500
<b>Community Assets</b>	<b>440</b>	<b>3 030</b>	<b>1 840</b>	<b>500</b>
Operational Buildings	95	–	–	–
<b>Other Assets</b>	<b>95</b>	<b>–</b>	<b>–</b>	<b>–</b>
Licences and Rights	8	–	250	50
<b>Intangible Assets</b>	<b>8</b>	<b>–</b>	<b>250</b>	<b>50</b>
<b>Computer Equipment</b>	<b>200</b>	<b>136</b>	<b>–</b>	<b>–</b>
<b>Furniture and Office Equipment</b>	<b>188</b>	<b>80</b>	<b>162</b>	<b>8</b>
<b>Machinery and Equipment</b>	<b>459</b>	<b>4 257</b>	<b>9 691</b>	<b>13 530</b>
<b>Transport Assets</b>	<b>440</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Total Renewal of Existing Assets</u></b>	<b>6 525</b>	<b>5 329</b>	<b>11 312</b>	<b>9 803</b>
<i>Roads Infrastructure</i>	200	1 550	780	700
<i>Water Supply Infrastructure</i>	2 060	2 450	1 000	2 000
<i>Sanitation Infrastructure</i>	877	331	6 171	6 473
<b>Infrastructure</b>	<b>3 137</b>	<b>4 331</b>	<b>7 951</b>	<b>9 173</b>
Community Facilities	350	–	–	–
<b>Community Assets</b>	<b>350</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>	<b>172</b>	<b>288</b>	<b>255</b>	<b>210</b>
<b>Furniture and Office Equipment</b>	<b>193</b>	<b>339</b>	<b>230</b>	<b>140</b>
<b>Machinery and Equipment</b>	<b>2 424</b>	<b>372</b>	<b>277</b>	<b>–</b>
<b>Transport Assets</b>	<b>250</b>	<b>–</b>	<b>2 600</b>	<b>280</b>

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b><u>Total Upgrading of Existing Assets</u></b>	<b>11 807</b>	<b>6 622</b>	<b>10 144</b>	<b>8 903</b>
<i>Roads Infrastructure</i>	5 613	2 150	6 000	5 300
<i>Storm water Infrastructure</i>	500	–	800	800
<i>Electrical Infrastructure</i>	1 311	1 259	1 339	1 428
<i>Water Supply Infrastructure</i>	100	200	–	–
<i>Solid Waste Infrastructure</i>	350	–	–	–
<b>Infrastructure</b>	<b>7 873</b>	<b>3 609</b>	<b>8 139</b>	<b>7 528</b>
Community Facilities	376	290	165	1 130
Sport and Recreation Facilities	1 355	1 088	1 300	–
<b>Community Assets</b>	<b>1 731</b>	<b>1 378</b>	<b>1 465</b>	<b>1 130</b>
Operational Buildings	45	180	300	–
<b>Other Assets</b>	<b>45</b>	<b>180</b>	<b>300</b>	<b>–</b>
Licences and Rights	1 176	1 000	–	–
<b>Intangible Assets</b>	<b>1 176</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>	<b>806</b>	<b>355</b>	<b>240</b>	<b>245</b>
<b>Furniture and Office Equipment</b>	<b>60</b>	<b>100</b>	<b>–</b>	<b>–</b>
<b>Machinery and Equipment</b>	<b>115</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Total Capital Expenditure</u></b>				
<i>Roads Infrastructure</i>	6 013	3 790	6 990	6 220
<i>Storm water Infrastructure</i>	6 498	7 741	1 300	1 300
<i>Electrical Infrastructure</i>	2 411	3 359	6 579	4 753
<i>Water Supply Infrastructure</i>	2 160	2 650	1 000	2 000
<i>Sanitation Infrastructure</i>	877	1 451	7 171	8 473
<i>Solid Waste Infrastructure</i>	350	–	1 000	–
<b>Infrastructure</b>	<b>18 309</b>	<b>18 991</b>	<b>24 040</b>	<b>22 746</b>
Community Facilities	996	1 060	315	1 130
Sport and Recreation Facilities	1 525	3 348	2 990	500
<b>Community Assets</b>	<b>2 521</b>	<b>4 408</b>	<b>3 305</b>	<b>1 630</b>
Operational Buildings	140	180	300	–
<b>Other Assets</b>	<b>140</b>	<b>180</b>	<b>300</b>	<b>–</b>
Licences and Rights	1 184	1 000	250	50
<b>Intangible Assets</b>	<b>1 184</b>	<b>1 000</b>	<b>250</b>	<b>50</b>
<b>Computer Equipment</b>	<b>1 178</b>	<b>779</b>	<b>495</b>	<b>455</b>
<b>Furniture and Office Equipment</b>	<b>441</b>	<b>519</b>	<b>392</b>	<b>148</b>
<b>Machinery and Equipment</b>	<b>2 998</b>	<b>4 629</b>	<b>9 967</b>	<b>13 530</b>
<b>Transport Assets</b>	<b>690</b>	<b>–</b>	<b>2 600</b>	<b>280</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>27 460</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>

Description	2018/19 Medium Term Revenue & Expenditure Framework			
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>				
<i>Roads Infrastructure</i>	53 123	55 665	61 337	66 167
<i>Storm water Infrastructure</i>	38 341	45 515	46 217	46 886
<i>Electrical Infrastructure</i>	46 073	47 938	52 941	56 032
<i>Water Supply Infrastructure</i>	34 324	35 844	35 652	36 394
<i>Sanitation Infrastructure</i>	44 451	44 261	49 700	56 346
<i>Solid Waste Infrastructure</i>	45 957	43 255	41 406	38 399
<b>Infrastructure</b>	<b>262 271</b>	<b>272 479</b>	<b>287 253</b>	<b>300 224</b>
Community Facilities	16 854	17 742	17 875	18 814
Sport and Recreation Facilities	8 684	11 950	14 854	15 263
<b>Community Assets</b>	<b>25 538</b>	<b>29 692</b>	<b>32 730</b>	<b>34 077</b>
Revenue Generating	40 862	40 853	40 845	40 835
<b>Investment properties</b>	<b>40 862</b>	<b>40 853</b>	<b>40 845</b>	<b>40 835</b>
Operational Buildings	73 707	73 428	73 244	72 733
<b>Other Assets</b>	<b>73 707</b>	<b>73 428</b>	<b>73 244</b>	<b>72 733</b>
Licences and Rights	4 464	5 159	5 087	4 798
<b>Intangible Assets</b>	<b>4 464</b>	<b>5 159</b>	<b>5 087</b>	<b>4 798</b>
Computer Equipment	3 891	4 338	4 483	4 568
Furniture and Office Equipment	6 168	5 996	5 659	5 038
Machinery and Equipment	5 211	9 548	19 207	32 412
Transport Assets	9 603	8 804	10 562	9 953
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>431 715</b>	<b>450 298</b>	<b>479 070</b>	<b>504 640</b>
<b>EXPENDITURE OTHER ITEMS</b>				
<b><u>Depreciation</u></b>	11 440	11 922	12 577	13 269
<b><u>Repairs and Maintenance by Asset Class</u></b>	<b>57 329</b>	<b>66 693</b>	<b>67 977</b>	<b>69 942</b>
<i>Roads Infrastructure</i>	10 970	11 444	12 185	12 008
<i>Electrical Infrastructure</i>	7 573	13 510	14 043	13 979
<i>Water Supply Infrastructure</i>	9 919	11 055	10 039	10 675
<i>Sanitation Infrastructure</i>	6 534	7 156	6 647	6 526
<i>Solid Waste Infrastructure</i>	2 018	2 681	2 829	2 899
<b>Infrastructure</b>	<b>37 014</b>	<b>45 846</b>	<b>45 743</b>	<b>46 086</b>
Community Facilities	4 358	5 039	5 418	5 826
Sport and Recreation Facilities	4 125	2 315	2 470	2 629
<b>Community Assets</b>	<b>8 483</b>	<b>7 354</b>	<b>7 889</b>	<b>8 455</b>
Operational Buildings	4 516	5 102	5 415	5 739
<b>Other Assets</b>	<b>4 516</b>	<b>5 102</b>	<b>5 415</b>	<b>5 739</b>
Licences and Rights	2 992	3 164	3 406	3 817
<b>Intangible Assets</b>	<b>2 992</b>	<b>3 164</b>	<b>3 406</b>	<b>3 817</b>
Computer Equipment	68	155	162	171
Furniture and Office Equipment	88	101	106	111
Machinery and Equipment	620	756	798	842
Transport Assets	3 548	4 216	4 458	4 721
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>68 769</b>	<b>78 615</b>	<b>80 554</b>	<b>83 210</b>

### **Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.

### **MBRR Table A10 - Basic Service Delivery Measurement**

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>				
<b><u>Water:</u></b>				
Piped water inside dwelling	836	836	836	836
Piped water inside yard (but not in dwelling)	-	-	-	-
Using public tap (at least min.service level)	-	-	-	-
Other water supply (at least min.service level)	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	836	836	836	836
Using public tap (< min.service level)	-	-	-	-
Other water supply (< min.service level)	836	836	836	836
No water supply	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	836	836	836	836
<b>Total number of households</b>	<b>1 672</b>	<b>1 672</b>	<b>1 672</b>	<b>1 672</b>
<b><u>Sanitation/sewerage:</u></b>				
Flush toilet (connected to sewerage)	-	-	-	-
Flush toilet (with septic tank)	-	-	-	-
Chemical toilet	-	-	-	-
Pit toilet (ventilated)	-	-	-	-
Other toilet provisions (> min.service level)	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-
Bucket toilet	-	-	-	-
Other toilet provisions (< min.service level)	836	836	836	836
No toilet provisions	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	836	836	836	836
<b>Total number of households</b>	<b>836</b>	<b>836</b>	<b>836</b>	<b>836</b>
<b><u>Energy:</u></b>				
Electricity (at least min.service level)	-	-	-	-
Electricity - prepaid (min.service level)	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-
Electricity (< min.service level)	836	836	836	836
Electricity - prepaid (< min. service level)	-	-	-	-
Other energy sources	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	836	836	836	836
<b>Total number of households</b>	<b>836</b>	<b>836</b>	<b>836</b>	<b>836</b>
<b><u>Refuse:</u></b>				
Removed at least once a week	836	836	836	836
<i>Minimum Service Level and Above sub-total</i>	836	836	836	836
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	-	-	-	-
Using own refuse dump	-	-	-	-
Other rubbish disposal	-	-	-	-
No rubbish disposal	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-
<b>Total number of households</b>	<b>836</b>	<b>836</b>	<b>836</b>	<b>836</b>

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b><u>Households receiving Free Basic Service</u></b>				
Water (6 kilolitres per household per month)	3 451	3 451	3 451	3 451
Sanitation (free minimum level service)	7 879	7 879	7 879	7 879
Electricity/other energy (50kwh per household per month)	3 451	3 451	3 451	3 451
Refuse (removed at least once a week)	3 451	3 451	3 451	3 451
<b><u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u></b>				
Water (6 kilolitres per indigent household per month)	2 332	2 453	2 588	2 731
Sanitation (free sanitation service to indigent households)	3 074	3 234	3 412	3 599
Electricity/other energy (50kwh per indigent household per month)	87	92	100	107
Refuse (removed once a week for indigent households)	3 712	3 905	4 120	4 346
<b><u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u></b>	-	-	-	-
<b>Total cost of FBS provided</b>	<b>9 205</b>	<b>9 684</b>	<b>10 219</b>	<b>10 784</b>
<b><u>Highest level of free service provided per household</u></b>				
Property rates (R value threshold)	50 000	50 000	50 000	50 000
Water (kilolitres per household per month)	6	6	6	6
Sanitation (kilolitres per household per month)	-	-	-	-
Sanitation (Rand per household per month)	23	23	23	23
Electricity (kwh per household per month)	50	50	50	50
Refuse (average litres per week)	-	-	-	-
<b><u>Revenue cost of subsidised services provided (R'000)</u></b>				
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)	1 110	1 168	1 232	1 300
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)	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-
Municipal Housing - rental rebates	-	-	-	-
Housing - top structure subsidies	-	-	-	-
Other	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	<b>1 110</b>	<b>1 168</b>	<b>1 232</b>	<b>1 300</b>

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

#### **POLITICAL OVERSIGHT OF THE BUDGET PROCESS**

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans. The mayoral committee is one of the key elements in accomplishing the linkage between the IDP and the Budget of a municipality.

#### **SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS**

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP and budget-related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP. These key dates are available on the website of the municipality

#### **PURPOSE OF THE BUDGET AND IDP PROCESS PLAN**

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its Integrated Development Plan for the five year cycle (2017/2018-2021/2022) and the budget for the 2018/2019 financial year and the two outer years.

The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget. It fulfils the role of an operational framework for the IDP and Budget process outlining the manner in which this process was undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

### **2.1.1 IDP and Service Delivery and Budget Implementation Plan**

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



## **2.1.2 Community Consultation**

A full consultation process was carried out during April 2018. During this process members of the community were afforded the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs will be reviewed and where viable, the proposals will be incorporated into the final budget to be presented for approval.

## **2.2 Overview of alignment of annual budget with IDP**

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

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

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to 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 that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

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

**Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>						
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	25 206	27 614	29 869	32 346
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	-	-	-	-
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	9 205	9 500	12 019	12 564
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	526	1 141	-	-
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	-	-	-	-
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	68 373	71 866	75 655	79 464
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	(9 205)	(9 684)	(10 219)	(10 784)
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	174 622	191 490	207 517	219 574
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	5 700	7 215	6 156	6 488
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	30 733	35 924	51 801	50 083
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG6/SO10	-	-	-	-
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	276	1 319	2 436	1 462
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	12 107	12 297	13 079	13 911
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>317 544</b>	<b>348 683</b>	<b>388 313</b>	<b>405 108</b>

**Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>						
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	20 591	22 807	23 866	25 167
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	480	505	530	557
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	29 067	29 264	31 714	33 929
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	886	507	534	563
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	1 573	1 432	1 498	1 566
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	42 147	45 008	47 592	50 050
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	-	-	-	-
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	146 535	162 298	169 729	178 339
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	7 135	9 452	8 753	9 262
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	37 550	42 019	58 301	56 700
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG6/SO10	-	-	-	-
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	8 378	8 910	9 096	8 496
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	26 123	31 203	32 179	34 111
<b>Total Expenditure</b>			<b>320 464</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>

**Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	Goal Code	2017/18 Full Year Forecast	2018/19 Medium Term Revenue & Expenditure Framework			
				Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>R thousand</b>							
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	31	562	5	5	
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	294	3	-	-	
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	3 606	7 044	9 062	6 645	
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	-	-	-	-	
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	-	-	-	-	
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	1 161	1 028	-	-	
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	-	-	-	-	
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	19 346	21 398	31 071	31 958	
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	381	221	122	180	
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	-	34	90	50	
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG6/SO10	-	-	-	-	
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	22	31	-	-	
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	2 620	183	1 000	-	
<b>Total Capital Expenditure</b>			<b>27 460</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>	

## Measurable performance objectives and indicators

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

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly 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 following table sets out the municipalities main performance objectives and benchmarks for the 2018/19 MTREF.

## MBRR Table SA7 Measurable performance objectives and indicators

**TO BE INCLUDED**

## MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b><u>Borrowing Management</u></b>					
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.3%	3.3%	3.5%	3.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.4%	4.6%	4.9%	5.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	37.7%	32.2%	39.4%	31.2%
<b><u>Safety of Capital</u></b>					
Gearing	Long Term Borrowing/ Funds & Reserves	24.4%	59.3%	-7534202889.4%	-8802430026.8%
<b><u>Liquidity</u></b>					
Current Ratio	Current assets/current liabilities	1.1	0.8	0.7	0.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.1	0.8	0.7	0.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.2	-	-
<b><u>Revenue Management</u></b>					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	95.9%	95.9%	95.9%	95.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		95.8%	95.8%	95.8%	95.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.8%	11.5%	12.1%	13.1%
<b><u>Creditors Management</u></b>					
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		146.9%	343.0%	-39005.5%	-376.0%
<b><u>Other Indicators</u></b>					
Employee costs	Employee costs/(Total Revenue - capital revenue)	38.4%	37.6%	35.5%	35.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.1%	39.2%	37.1%	36.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	18.8%	19.9%	18.5%	18.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.7%	6.4%	6.1%	6.1%
<b><u>IDP regulation financial viability indicators</u></b>					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	46.5	33.9	32.6	34.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	15.2%	16.7%	18.0%	19.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.2	0.5	(0.0)	(0.5)

## Performance indicators and benchmarks

### 2.2.1.1 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.

### 2.2.1.2 Safety of Capital

*The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

### 2.2.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2.
- *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.

### 2.2.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Payment levels and credit control is considered to be favorable.

### 2.2.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice or statement. This has had a favorable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

### 2.2.1.6 Other Indicators

- Employee costs is one of the main cost drivers in any municipality. Any increase in this balance should be carefully considered.
- Repairs and maintenance as percentage of operating revenue is showing improved levels when compared to previous budget cycles. This is mainly due to improved cost allocations, where items such as Employee Related Costs and Contracted Services are now being more accurately allocated to maintenance projects.

## 2.3 Overview of budget related-policies

There are no amendments made to any budget related policies during the current year.

## 2.4 Overview of budget assumptions

### 2.4.1 External factors

The recovery rate of service debtors and rates are currently 95.85 per cent. The recovery rate of fines, which is also considered a significant revenue source is approximately 30%.

### 2.4.2 General inflation outlook and its impact on the municipal activities

The inflation outlook for South Africa is indicated below and has been taken into consideration in the compilation of the 2018/19 MTREF.

**Table 1: Macroeconomic performance and projections, 2017 - 2020**

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

### 2.4.3 Credit rating outlook

The credit outlook of South Africa remained under pressure, given the fact that the credit rating was recently downgraded to “Junk” Status.

### Interest rates for borrowing and investment of funds

Interest rates are currently in an upward cycle and more interest rate increases can be expected within the near future to curb the inflation risk. The inflation rate is currently within the target range of the South African Reserve Bank (3 % – 6 %) at 5.3%.

### 2.4.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage of annual billings. Cash flow is assumed to be 95.85.4 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

#### **2.4.5 Growth or decline in tax base of the municipality**

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

#### **2.4.6 Salary increases**

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

#### **2.4.7 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:

- Too few people work;
- The quality of school education for black people is poor;
- Infrastructure is poorly located, inadequate and under-maintained;
- Spatial divides hobble inclusive development;
- The economy is unsustainably resource intensive;
- The public health system cannot meet demand or sustain quality;
- Public services are uneven and often of poor quality;
- Corruption levels are high; and
- South Africa remains a divided society.

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

#### **2.4.8 Ability of the municipality to spend and deliver on the programmes**

It is estimated, based on prior year's performance and current spending trends, that both capital and operating expenditure will be no less than 95 per cent of the budgeted amounts.

## 2.5 Overview of budget funding

### 2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>				
<b>Financial Performance</b>				
Property rates	60 143	63 981	68 061	72 400
Service charges	152 857	163 679	175 990	189 027
Investment revenue	2 060	2 286	2 381	2 532
Transfers recognised - operational	64 365	79 150	94 306	95 158
Other own revenue	25 181	25 806	26 883	28 040
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>304 606</b>	<b>334 902</b>	<b>367 620</b>	<b>387 156</b>

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, solid waste removal, property rates, operating grants and other minor charges (such as building plan fees, licenses and permits etc.).

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

### 2.5.2 Cash Flow Management

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

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).



## MBRR Table A7 - Budget cash flow statement

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Property rates	57 646	61 324	65 234	69 393
Service charges	146 510	156 882	168 682	181 177
Other revenue	17 617	15 929	16 968	18 057
Government - operating	72 809	79 150	94 306	95 158
Government - capital	12 238	13 781	20 692	17 953
Interest	3 494	3 811	4 003	4 257
<b>Payments</b>				
Suppliers and employees	(283 936)	(315 965)	(343 868)	(359 910)
Finance charges	(770)	(774)	(816)	(863)
Transfers and Grants	(2 763)	(1 920)	(1 982)	(2 048)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>22 845</b>	<b>12 218</b>	<b>23 219</b>	<b>23 174</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	1 700	1 500	1 000	500
Decrease (Increase) in non-current debtors	31	31	31	31
<b>Payments</b>				
Capital assets	(27 460)	(30 504)	(41 349)	(38 839)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(25 729)</b>	<b>(28 973)</b>	<b>(40 318)</b>	<b>(38 308)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Borrowing long term/refinancing	5 473	5 379	8 139	6 508
Increase (decrease) in consumer deposits	257	273	289	307
<b>Payments</b>				
Repayment of borrowing	(1 634)	(2 383)	(3 534)	(4 129)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>4 096</b>	<b>3 269</b>	<b>4 894</b>	<b>2 686</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 212</b>	<b>(13 486)</b>	<b>(12 205)</b>	<b>(12 447)</b>
Cash/cash equivalents at the year begin:	24 361	25 574	12 087	(118)
Cash/cash equivalents at the year end:	25 574	12 087	(118)	(12 565)

### 2.5.3 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 is 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.

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

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Cash and investments available</b>				
Cash/cash equivalents at the year end	25 574	12 087	(118)	(12 565)
<b>Cash and investments available:</b>	<b>25 574</b>	<b>12 087</b>	<b>(118)</b>	<b>(12 565)</b>
<b>Application of cash and investments</b>				
Other working capital requirements	6 726	5 802	4 724	86
Reserves to be backed by cash/investments	20 000	12 000	–	–
<b>Total Application of cash and investments:</b>	<b>26 726</b>	<b>17 802</b>	<b>4 724</b>	<b>86</b>
<b>Surplus(shortfall)</b>	<b>(1 152)</b>	<b>(5 715)</b>	<b>(4 842)</b>	<b>(12 652)</b>

The municipality will not be cash funded for the entire MTREF. It is very important for the municipality to increase cash levels in order to allow for a contribution to the capital replacement reserve and support the financial viability of the municipality as a whole.

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges.

#### 2.5.4 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.

### MBRR SA10 – Funding compliance measurement

Description	MFMA section	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Funding measures</b>					
Cash/cash equivalents at the year end - R'000	18(1)b	25 574	12 087	(118)	(12 565)
Cash + investments at the yr end less applications - R'000	18(1)b	(1 152)	(5 715)	(4 842)	(12 652)
Cash year end/monthly employee/supplier payments	18(1)b	1.2	0.5	(0.0)	(0.5)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(2 921)	(4 722)	4 531	6 369
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	(6.0%)	0.9%	1.2%	1.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	93.8%	92.9%	92.9%	93.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	3.7%	4.7%	4.7%	4.6%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (ex cl. transfers)	18(1)c	37.7%	32.2%	39.4%	31.2%
Grants % of Govt. legislated/gazetted allocations	18(1)a		100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	0.0%	16.8%	15.6%	14.6%
Long term receivables % change - incr(decr)	18(1)a	0.0%	(18.9%)	(23.3%)	(30.3%)
R&M % of Property Plant & Equipment	20(1)(vi)	14.8%	16.5%	15.7%	15.2%
Asset renewal % of capital budget	20(1)(vi)	23.8%	17.5%	27.4%	25.2%

#### 2.5.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

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.

#### 2.5.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *2.5.4.3 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.

#### *2.5.4.4 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. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *2.5.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

#### *2.5.4.6 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. Given that the assumed collection rate was based on a 95 per cent performance target, the cash flow statement has been conservatively determined when compared to actual results in 2016/2017. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *2.5.4.7 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) has to be increased to offset under-collection of billed revenues.

#### *2.5.4.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

#### *2.5.4.9 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 and therefore no percentage is being shown as outstanding.

#### *2.5.4.10 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

#### *2.5.4.11 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. .

#### *2.5.4.12 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.6 Expenditure on grants and reconciliations of unspent funds

### MBRR SA18 and 19 – Receipts and Expenditure on transfers and grant programmes

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>RECEIPTS:</b>				
<b><u>Operating Transfers and Grants</u></b>				
<b>National Government:</b>	<b>27 999</b>	<b>36 089</b>	<b>35 555</b>	<b>39 283</b>
Local Government Equitable Share	25 190	27 606	29 861	32 338
Energy Efficiency and Demand-side [Schedule 5B]	–	5 000	5 000	5 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 131	1 141	–	–
Local Government Financial Management Grant [Schedule 5B]	118	550	550	550
Municipal Infrastructure Grant [Schedule 5B]	1 560	1 792	144	1 395
<b>Provincial Government:</b>	<b>44 810</b>	<b>43 060</b>	<b>58 751</b>	<b>55 875</b>
Human Settlement Development	38 764	34 560	50 350	48 540
Library Service Conditional Grant	5 336	7 001	5 915	6 171
Maintenance of Main Roads	84	83	–	–
Community Development Workers	56	56	56	56
Financial Management Support (WC_FMGSG)	570	360	330	–
Greenest Municipality (Violence Protection)	–	1 000	2 000	1 000
Thusong Centre	–	–	100	108
<b>Total Operating Transfers and Grants</b>	<b>72 809</b>	<b>79 150</b>	<b>94 306</b>	<b>95 158</b>
<b><u>Capital Transfers and Grants</u></b>				
<b>National Government:</b>	<b>11 990</b>	<b>12 082</b>	<b>16 981</b>	<b>14 173</b>
Municipal Infrastructure Grant [Schedule 5B]	9 558	9 082	10 861	9 973
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	1 000	2 000	5 120	3 200
Local Government Financial Management Grant [Schedule 5B]	1 432	1 000	1 000	1 000
<b>Provincial Government:</b>	<b>249</b>	<b>1 699</b>	<b>3 712</b>	<b>3 780</b>
Library Service	249	91	112	180
Development of Sport and Recreation Facilities	–	108	–	–
<i>Regional Social Economic Projects</i>		1 500	3 600	3 600
<b>Total Capital Transfers and Grants</b>	<b>12 238</b>	<b>13 781</b>	<b>20 692</b>	<b>17 953</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>85 047</b>	<b>92 930</b>	<b>114 998</b>	<b>113 110</b>

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>EXPENDITURE:</b>				
<b><u>Operating expenditure of Transfers and Grants</u></b>				
<b>National Government:</b>	<b>27 999</b>	<b>36 089</b>	<b>35 555</b>	<b>39 283</b>
Local Government Equitable Share	25 190	27 606	29 861	32 338
Energy Efficiency and Demand-side [Schedule 5B]	–	5 000	5 000	5 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 131	1 141	–	–
Local Government Financial Management Grant [Schedule 5B]	118	550	550	550
Municipal Infrastructure Grant [Schedule 5B]	1 560	1 792	144	1 395
<b>Provincial Government:</b>	<b>36 366</b>	<b>43 060</b>	<b>58 751</b>	<b>55 875</b>
Human Settlement Development	29 450	34 560	50 350	48 540
Library Service Conditional Grant	5 336	7 001	5 915	6 171
Maintenance of Main Roads	84	83	–	–
Community Development Workers	56	56	56	56
Financial Management Support (WC_FMGSG)	1 440	360	330	–
Greenest Municipality (Violence Protection)	–	1 000	2 000	1 000
Thusong Centre	–	–	100	108
<b>Total operating expenditure of Transfers and Grants:</b>	<b>64 365</b>	<b>79 150</b>	<b>94 306</b>	<b>95 158</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>				
<b>National Government:</b>	<b>11 990</b>	<b>12 082</b>	<b>16 981</b>	<b>14 173</b>
Municipal Infrastructure Grant [Schedule 5B]	9 558	9 082	10 861	9 973
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	1 000	2 000	5 120	3 200
Local Government Financial Management Grant [Schedule 5B]	1 432	1 000	1 000	1 000
<b>Provincial Government:</b>	<b>949</b>	<b>1 699</b>	<b>3 712</b>	<b>3 780</b>
Library Service	249	91	112	180
Development of Sport and Recreation Facilities	700	108	–	–
Regional Social Economic Projects	–	1 500	3 600	3 600
<b>Total capital expenditure of Transfers and Grants</b>	<b>12 938</b>	<b>13 781</b>	<b>20 692</b>	<b>17 953</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>77 303</b>	<b>92 930</b>	<b>114 998</b>	<b>113 110</b>

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

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b><u>Operating transfers and grants:</u></b>				
<b>National Government:</b>				
Balance unspent at beginning of the year	–	–	–	–
Current year receipts	27 999	36 089	35 555	39 283
<b>Conditions met - transferred to revenue</b>	<b>27 999</b>	<b>36 089</b>	<b>35 555</b>	<b>39 283</b>
Conditions still to be met - transferred to liabilities	–	–	–	–
<b>Provincial Government:</b>				
Balance unspent at beginning of the year	870	–	–	–
Transfer from Receivables	(9 314)	–	–	–
Current year receipts	44 810	43 060	58 751	55 875
<b>Conditions met - transferred to revenue</b>	<b>36 366</b>	<b>43 060</b>	<b>58 751</b>	<b>55 875</b>
Conditions still to be met - transferred to liabilities	–	–	–	–
<b>Total operating transfers and grants revenue</b>	<b>64 365</b>	<b>79 150</b>	<b>94 306</b>	<b>95 158</b>
<b>Total operating transfers and grants - CTBM</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Capital transfers and grants:</u></b>				
<b>National Government:</b>				
Balance unspent at beginning of the year	–	–	–	–
Current year receipts	11 990	12 082	16 981	14 173
<b>Conditions met - transferred to revenue</b>	<b>11 990</b>	<b>12 082</b>	<b>16 981</b>	<b>14 173</b>
Conditions still to be met - transferred to liabilities	–	–	–	–
<b>Provincial Government:</b>				
Balance unspent at beginning of the year	700	–	–	–
Current year receipts	249	1 699	3 712	3 780
<b>Conditions met - transferred to revenue</b>	<b>949</b>	<b>1 699</b>	<b>3 712</b>	<b>3 780</b>
Conditions still to be met - transferred to liabilities	–	–	–	–
<b>Total capital transfers and grants revenue</b>	<b>12 938</b>	<b>13 781</b>	<b>20 692</b>	<b>17 953</b>
<b>Total capital transfers and grants - CTBM</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>77 303</b>	<b>92 930</b>	<b>114 998</b>	<b>113 110</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



## 2.7 Allocations and Grants made by the municipality

The following contributions are projected over the MTREF:

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b><u>Cash Transfers to Organisations</u></b>				
<i>COMMUNITY SERVICES - FEEDING SCHEME</i>	150	158	166	176
<i>COMMUNITY SERVICES - SOCIAL DEVELOPMENT</i>	500	526	555	585
<i>CONTRIBUTION - ELIM COMMUNITY</i>	300	300	300	300
<i>CONTRIBUTION - KASSIEBAAI COMMUNITY</i>	120	120	120	120
<i>CONTRIBUTION - ONS HUIS</i>	50	50	50	50
<i>CONTRIBUTION - OVERBERG RADIO</i>	120	120	120	120
<i>CONTRIBUTION - SAVE HOUSE</i>	100	100	100	100
<i>CONTRIBUTION - SHIPWRECK MUSEUM</i>	53	53	53	53
<i>CONTRIBUTION - TOURISM BURO</i>	901	-	-	-
<i>OTHER DONATIONS AND SOCIAL SUPPORT</i>	390	410	430	451
<b>Total Cash Transfers To Organisations</b>	<b>2 683</b>	<b>1 836</b>	<b>1 894</b>	<b>1 955</b>
<b><u>Cash Transfers to Groups of Individuals</u></b>				
<i>BURSARIES (NON-EMPLOYEES)</i>	80	84	88	93
<b>Total Cash Transfers To Groups Of Individuals:</b>	<b>80</b>	<b>84</b>	<b>88</b>	<b>93</b>
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>2 763</b>	<b>1 920</b>	<b>1 982</b>	<b>2 048</b>

## 2.8 Councilor and employee benefits

### MBRR SA22 - Summary of councilor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>				
Basic Salaries and Wages	3 063	3 182	3 372	3 575
Pension and UIF Contributions	545	600	620	682
Medical Aid Contributions	48	50	50	55
Motor Vehicle Allowance	1 218	1 194	1 194	1 194
Cellphone Allowance	270	488	488	488
<b>Sub Total - Councillors</b>	<b>5 145</b>	<b>5 514</b>	<b>5 725</b>	<b>5 994</b>
<b>% increase</b>	<b>–</b>	<b>7.2%</b>	<b>3.8%</b>	<b>4.7%</b>
<b><u>Senior Managers of the Municipality</u></b>				
Basic Salaries and Wages	3 919	3 733	3 826	3 922
Pension and UIF Contributions	713	195	200	205
Medical Aid Contributions	188	150	153	157
Performance Bonus	525	–	–	–
Motor Vehicle Allowance	292	228	228	228
Cellphone Allowance	14	14	14	14
Other benefits and allowances	45	58	58	58
Payments in lieu of leave	400	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>	<b>6 096</b>	<b>4 378</b>	<b>4 479</b>	<b>4 584</b>
<b>% increase</b>	<b>–</b>	<b>(28.2%)</b>	<b>2.3%</b>	<b>2.3%</b>
<b><u>Other Municipal Staff</u></b>				
Basic Salaries and Wages	75 517	84 557	91 197	95 446
Pension and UIF Contributions	12 762	14 470	15 577	16 262
Medical Aid Contributions	3 844	3 901	3 864	3 864
Overtime	3 410	2 707	502	543
Motor Vehicle Allowance	5 359	5 283	5 283	5 283
Cellphone Allowance	354	378	383	383
Housing Allowances	951	969	969	978
Other benefits and allowances	4 920	4 994	3 809	3 820
Payments in lieu of leave	919	967	1 020	1 076
Long service awards	522	550	580	612
Post-retirement benefit obligations	2 372	2 715	2 853	2 997
<b>Sub Total - Other Municipal Staff</b>	<b>110 930</b>	<b>121 490</b>	<b>126 037</b>	<b>131 264</b>
<b>% increase</b>	<b>–</b>	<b>9.5%</b>	<b>3.7%</b>	<b>4.1%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>122 170</b>	<b>131 381</b>	<b>136 241</b>	<b>141 842</b>
<b>% increase</b>	<b>–</b>	<b>7.5%</b>	<b>3.7%</b>	<b>4.1%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>117 026</b>	<b>125 868</b>	<b>130 516</b>	<b>135 848</b>

**Table 4 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
<b>Rand per annum</b>						
<b><u>Councillors</u></b>						
Speaker	440 175	69 987	203 582			713 744
Chief Whip	-	-	-			-
Executive Mayor	529 498	109 448	243 378			882 324
Deputy Executive Mayor	383 591	128 902	203 582			716 075
Executive Committee	809 789	147 699	387 268			1 344 756
Total for all other councillors	1 018 510	193 912	644 214			1 856 636
<b>Total Councillors</b>	<b>3 181 563</b>	<b>649 948</b>	<b>1 682 024</b>			<b>5 513 535</b>
<b><u>Senior Managers of the Municipality</u></b>						
Municipal Manager (MM)	1 508 200	70 400	72 000	-		1 650 600
Chief Finance Officer	1 171 200	57 000	134 400	-		1 362 600
Director: Management Services	1 053 600	275 200	36 000	-		1 364 800
<b>Total Senior Managers of the Municipality</b>	<b>3 733 000</b>	<b>402 600</b>	<b>242 400</b>	<b>-</b>		<b>4 378 000</b>

**MBRR SA24 – Summary of personnel numbers**

**TO BE INCLUDED**

**2.9 Monthly targets for revenue, expenditure and cash flow  
MBRR SA25 - Budgeted monthly revenue and expenditure**

Description	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
<b>Revenue By Source</b>															
Property rates	19 194	4 072	4 072	4 072	4 072	4 072	4 072	4 072	4 072	4 072	4 072	4 072	63 981	68 061	72 400
Service charges - electricity revenue	9 273	9 742	10 142	9 932	9 058	9 996	8 152	8 711	9 047	9 162	10 094	7 562	110 871	119 740	129 113
Service charges - water revenue	1 973	2 027	2 067	2 045	2 133	2 424	2 232	2 377	2 484	2 275	2 277	1 603	25 917	27 587	29 363
Service charges - sanitation revenue	823	828	863	844	889	989	731	805	814	901	843	796	10 125	10 797	11 513
Service charges - refuse revenue	1 390	1 390	1 391	1 390	1 390	1 390	1 434	1 402	1 391	1 391	1 390	1 419	16 766	17 866	19 038
Rental of facilities and equipment	66	91	243	338	115	138	340	66	97	101	60	54	1 710	1 844	1 971
Interest earned - external investments	58	159	188	186	195	84	263	211	191	268	309	174	2 286	2 381	2 532
Interest earned - outstanding debtors	62	112	118	127	138	152	147	154	159	127	149	146	1 591	1 692	1 800
Fines, penalties and forfeits	856	715	847	419	686	888	1 044	1 130	906	640	589	1 133	9 854	10 486	11 153
Licences and permits	6	5	5	7	5	6	6	6	5	5	5	5	64	69	73
Agency services	257	173	215	325	153	247	106	236	249	167	202	243	2 572	2 736	2 910
Transfers and subsidies	13 730	4 229	4 229	4 229	13 730	4 229	4 229	4 229	13 730	4 229	4 229	4 130	79 150	94 306	95 158
Other revenue	259	1 317	762	778	892	1 168	729	341	311	404	840	712	8 514	9 056	9 633
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	1 500	1 500	1 000	500
<b>Total Revenue (excluding capital transfers and</b>	<b>47 948</b>	<b>24 860</b>	<b>25 140</b>	<b>24 692</b>	<b>33 456</b>	<b>25 782</b>	<b>23 484</b>	<b>23 738</b>	<b>33 455</b>	<b>23 740</b>	<b>25 060</b>	<b>23 549</b>	<b>334 902</b>	<b>367 620</b>	<b>387 156</b>
<b>Expenditure By Type</b>															
Employee related costs	9 659	9 662	9 684	10 245	15 487	9 986	11 427	10 042	9 974	10 323	10 112	9 268	125 868	130 516	135 848
Remuneration of councillors	436	423	429	429	429	429	429	670	459	459	459	459	5 514	5 725	5 994
Debt impairment	900	900	900	900	900	900	900	900	900	900	900	900	10 797	11 455	12 156
Depreciation & asset impairment	993	993	993	993	993	993	993	993	993	993	993	993	11 922	12 577	13 269
Finance charges	787	787	787	787	787	787	787	787	787	787	787	787	9 439	9 958	10 508
Bulk purchases	6 866	6 855	6 873	6 883	6 851	6 875	6 865	6 853	6 875	6 850	6 877	6 875	82 397	88 571	95 649
Other materials	3 608	4 029	3 696	4 566	4 519	6 988	2 663	4 485	4 316	6 905	5 247	6 776	57 798	74 780	74 383
Contracted services	783	1 451	1 727	2 704	1 609	2 685	1 792	1 879	2 036	2 052	2 536	1 854	23 108	21 356	20 659
Transfers and subsidies	155	155	155	155	155	155	155	155	155	155	155	220	1 920	1 982	2 048
Other expenditure	1 539	1 718	1 576	1 947	1 927	2 980	1 135	1 913	1 840	2 945	2 237	2 887	24 644	26 859	28 226
<b>Total Expenditure</b>	<b>25 726</b>	<b>26 973</b>	<b>26 819</b>	<b>29 609</b>	<b>33 656</b>	<b>32 777</b>	<b>27 145</b>	<b>28 675</b>	<b>28 334</b>	<b>32 368</b>	<b>30 303</b>	<b>31 019</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>
<b>Surplus/(Deficit)</b>	<b>22 222</b>	<b>(2 113)</b>	<b>(1 679)</b>	<b>(4 918)</b>	<b>(201)</b>	<b>(6 996)</b>	<b>(3 661)</b>	<b>(4 938)</b>	<b>5 122</b>	<b>(8 628)</b>	<b>(5 244)</b>	<b>(7 470)</b>	<b>(18 503)</b>	<b>(16 161)</b>	<b>(11 583)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	225	489	1 039	832	430	1 296	267	1 244	2 840	1 092	1 213	2 814	13 781	20 692	17 953
<b>Surplus/(Deficit)</b>	<b>22 447</b>	<b>(1 624)</b>	<b>(640)</b>	<b>(4 086)</b>	<b>229</b>	<b>(5 699)</b>	<b>(3 393)</b>	<b>(3 694)</b>	<b>7 962</b>	<b>(7 536)</b>	<b>(4 031)</b>	<b>(4 657)</b>	<b>(4 722)</b>	<b>4 531</b>	<b>6 369</b>

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

Description	Ref	Budget Year 2018/19											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>																
Vote 1 - Executive and Council		5 219	1 598	1 722	1 811	5 280	1 637	1 810	1 549	5 249	1 581	1 556	1 510	30 521	34 019	35 640
Vote 2 - Financial Services & ICT		19 543	4 563	4 665	4 632	4 705	4 667	4 631	4 740	5 128	4 741	4 852	6 501	73 366	79 255	83 064
Vote 4 - Management Services		8 775	4 044	3 811	3 515	8 996	4 190	3 869	3 777	8 896	3 272	3 589	4 038	60 771	76 595	76 395
Vote 5 - Engineering Services		14 636	15 145	15 981	15 565	14 905	16 584	13 442	14 916	17 023	15 238	16 275	14 314	184 024	198 443	210 009
<b>Total Revenue by Vote</b>		<b>48 173</b>	<b>25 349</b>	<b>26 179</b>	<b>25 523</b>	<b>33 886</b>	<b>27 078</b>	<b>23 751</b>	<b>24 982</b>	<b>36 295</b>	<b>24 832</b>	<b>26 273</b>	<b>26 362</b>	<b>348 683</b>	<b>388 313</b>	<b>405 108</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive and Council		3 116	3 189	3 206	3 622	4 481	3 908	3 399	3 653	3 540	3 866	3 689	3 440	43 109	46 137	47 702
Vote 2 - Financial Services & ICT		3 598	3 880	3 876	4 417	5 212	4 892	4 028	4 161	4 116	4 794	4 500	4 236	51 708	55 218	58 266
Vote 4 - Management Services		5 659	6 145	5 978	6 965	7 961	8 614	5 698	6 664	6 533	8 492	7 376	8 999	85 084	100 787	102 215
Vote 5 - Engineering Services		13 353	13 759	13 758	14 605	16 003	15 363	14 020	14 197	14 144	15 217	14 738	14 345	173 504	181 640	190 556
<b>Total Expenditure by Vote</b>		<b>25 726</b>	<b>26 973</b>	<b>26 819</b>	<b>29 609</b>	<b>33 656</b>	<b>32 777</b>	<b>27 145</b>	<b>28 675</b>	<b>28 334</b>	<b>32 368</b>	<b>30 303</b>	<b>31 019</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>
<b>Surplus/(Deficit)</b>	1	<b>22 447</b>	<b>(1 624)</b>	<b>(640)</b>	<b>(4 086)</b>	<b>229</b>	<b>(5 699)</b>	<b>(3 393)</b>	<b>(3 694)</b>	<b>7 962</b>	<b>(7 536)</b>	<b>(4 031)</b>	<b>(4 657)</b>	<b>(4 722)</b>	<b>4 531</b>	<b>6 369</b>

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

Description	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
<b>Revenue - Functional</b>															
<b>Governance and administration</b>	25 244	6 537	7 126	7 034	10 582	7 211	6 662	7 190	12 578	7 119	7 277	9 935	114 497	121 663	128 418
Executive and council	4 957	1 419	1 419	1 419	4 957	1 419	1 419	1 419	4 957	1 419	1 419	1 382	27 606	29 861	32 338
Finance and administration	20 288	5 118	5 707	5 615	5 626	5 792	5 243	5 770	7 622	5 700	5 858	8 552	86 891	91 802	96 080
<b>Community and public safety</b>	7 868	3 227	2 836	2 861	8 364	3 132	2 817	2 486	7 951	2 536	2 865	2 733	49 678	65 829	63 815
Community and social services	1 464	447	470	483	1 478	459	481	440	1 487	443	442	441	8 535	8 592	7 950
Sport and recreation	199	1 003	589	601	681	897	559	269	259	316	647	562	6 583	6 887	7 325
Housing	6 205	1 777	1 777	1 777	6 205	1 777	1 777	1 777	6 205	1 777	1 777	1 731	34 560	50 350	48 540
<b>Economic and environmental services</b>	1 147	1 085	1 172	865	972	1 307	1 253	1 408	1 195	865	916	1 476	13 661	14 530	15 454
Planning and development	45	206	121	126	141	184	117	58	53	66	133	114	1 364	1 451	1 543
Road transport	1 102	879	1 051	739	831	1 123	1 136	1 351	1 142	799	783	1 362	12 297	13 079	13 911
<b>Trading services</b>	13 914	14 501	15 044	14 763	13 967	15 427	13 019	13 898	14 570	14 312	15 214	12 219	170 847	186 291	197 422
Energy sources	9 726	10 251	10 722	10 482	9 552	10 621	8 620	9 314	9 881	9 744	10 701	8 399	118 012	130 013	137 478
Water management	1 973	2 028	2 067	2 045	2 134	2 425	2 232	2 377	2 484	2 275	2 278	1 603	25 920	27 590	29 366
Waste water management	823	832	865	846	891	992	733	806	814	902	846	798	10 148	10 822	11 539
Waste management	1 390	1 390	1 391	1 390	1 390	1 390	1 434	1 402	1 391	1 391	1 390	1 419	16 766	17 866	19 038
<b>Total Revenue - Functional</b>	<b>48 173</b>	<b>25 349</b>	<b>26 179</b>	<b>25 523</b>	<b>33 886</b>	<b>27 078</b>	<b>23 751</b>	<b>24 982</b>	<b>36 295</b>	<b>24 832</b>	<b>26 273</b>	<b>26 362</b>	<b>348 683</b>	<b>388 313</b>	<b>405 108</b>
<b>Expenditure - Functional</b>															
<b>Governance and administration</b>	6 522	7 058	7 086	8 111	9 558	8 895	7 424	7 835	7 549	8 715	8 258	7 621	94 633	98 488	103 991
Executive and council	1 064	1 118	1 121	1 241	1 346	1 362	1 127	1 425	1 205	1 365	1 294	1 287	14 955	15 491	16 185
Finance and administration	5 361	5 814	5 828	6 691	8 032	7 354	6 143	6 263	6 197	7 193	6 791	6 239	77 907	81 189	85 874
Internal audit	96	127	137	179	180	178	154	146	147	158	172	96	1 770	1 808	1 932
<b>Community and public safety</b>	4 020	4 217	4 016	4 728	5 494	6 292	3 583	4 598	4 606	6 248	5 150	7 146	60 096	77 009	75 829
Community and social services	993	904	910	1 005	1 452	1 035	1 014	957	1 078	1 033	1 003	2 122	13 505	13 818	13 550
Sport and recreation	777	807	800	886	1 191	968	867	857	846	975	903	879	10 757	11 513	12 325
Housing	2 250	2 506	2 306	2 837	2 850	4 288	1 702	2 784	2 682	4 240	3 244	4 144	35 834	51 679	49 953
<b>Economic and environmental services</b>	3 244	3 452	3 483	3 894	4 771	4 064	3 777	3 668	3 643	3 997	3 895	3 456	45 344	47 538	48 999
Planning and development	648	689	699	787	1 056	798	797	737	732	790	779	659	9 171	9 803	10 132
Road transport	2 591	2 758	2 780	3 101	3 709	3 257	2 976	2 926	2 906	3 197	3 108	2 787	36 097	37 430	38 754
Environmental protection	5	5	5	6	6	9	4	6	6	9	7	9	77	305	113
<b>Trading services</b>	11 895	12 194	12 186	12 817	13 776	13 437	12 327	12 518	12 481	13 322	12 934	12 711	152 598	159 971	169 102
Energy sources	8 219	8 241	8 250	8 354	8 632	8 439	8 307	8 292	8 302	8 421	8 367	8 346	100 170	107 142	114 390
Water management	1 425	1 469	1 436	1 576	2 025	1 805	1 480	1 549	1 526	1 825	1 635	1 718	19 470	18 937	20 089
Waste water management	852	876	858	935	1 186	1 059	885	920	907	1 070	967	1 010	11 525	11 265	11 349
Waste management	1 398	1 607	1 641	1 954	1 932	2 135	1 655	1 756	1 746	2 006	1 966	1 637	21 433	22 626	23 274
<b>Other</b>	45	51	47	59	57	89	34	57	55	88	67	85	735	775	818
<b>Total Expenditure - Functional</b>	<b>25 726</b>	<b>26 973</b>	<b>26 819</b>	<b>29 609</b>	<b>33 656</b>	<b>32 777</b>	<b>27 145</b>	<b>28 675</b>	<b>28 334</b>	<b>32 368</b>	<b>30 303</b>	<b>31 019</b>	<b>353 405</b>	<b>383 781</b>	<b>398 739</b>
<b>Surplus/(Deficit)</b>	<b>22 447</b>	<b>(1 624)</b>	<b>(640)</b>	<b>(4 086)</b>	<b>229</b>	<b>(5 699)</b>	<b>(3 393)</b>	<b>(3 694)</b>	<b>7 962</b>	<b>(7 536)</b>	<b>(4 031)</b>	<b>(4 657)</b>	<b>(4 722)</b>	<b>4 531</b>	<b>6 369</b>

**Table 5 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description R thousand	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
<b>Multi-year expenditure to be appropriated</b>															
Vote 2 - Financial Services & ICT	30	64	137	110	57	171	35	164	374	144	160	371	1 815	4 695	4 650
Vote 4 - Management Services	14	30	64	51	27	80	16	77	175	67	75	174	850	200	900
Vote 5 - Engineering Services	64	139	295	236	122	368	76	353	806	310	344	799	3 912	12 951	18 139
<b>Capital multi-year expenditure sub-total</b>	<b>107</b>	<b>233</b>	<b>496</b>	<b>397</b>	<b>205</b>	<b>619</b>	<b>128</b>	<b>594</b>	<b>1 355</b>	<b>521</b>	<b>579</b>	<b>1 343</b>	<b>6 577</b>	<b>17 846</b>	<b>23 689</b>
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - Executive and Council	12	27	57	45	23	71	15	68	155	59	66	153	750	95	55
Vote 2 - Financial Services & ICT	25	54	114	91	47	142	29	137	312	120	133	309	1 514	600	405
Vote 4 - Management Services	68	148	315	252	130	393	81	377	861	331	368	853	4 178	3 688	870
Vote 5 - Engineering Services	286	620	1 318	1 055	546	1 645	339	1 578	3 603	1 386	1 539	3 570	17 486	19 120	13 820
<b>Capital single-year expenditure sub-total</b>	<b>391</b>	<b>849</b>	<b>1 804</b>	<b>1 444</b>	<b>747</b>	<b>2 251</b>	<b>464</b>	<b>2 160</b>	<b>4 931</b>	<b>1 896</b>	<b>2 106</b>	<b>4 885</b>	<b>23 927</b>	<b>23 503</b>	<b>15 150</b>
<b>Total Capital Expenditure</b>	<b>498</b>	<b>1 082</b>	<b>2 300</b>	<b>1 841</b>	<b>952</b>	<b>2 869</b>	<b>592</b>	<b>2 753</b>	<b>6 286</b>	<b>2 418</b>	<b>2 685</b>	<b>6 228</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>

**Table 6 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Description	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
<b>Capital Expenditure - Functional</b>															
<b>Governance and administration</b>	59	128	273	218	113	340	70	327	746	287	318	739	3 618	5 542	5 895
Executive and council	1	2	4	3	1	4	1	4	10	4	4	10	47	-	-
Finance and administration	58	127	269	215	111	336	69	322	736	283	314	729	3 569	5 542	5 895
Internal audit	0	0	0	0	0	0	0	0	0	0	0	0	2	-	-
<b>Community and public safety</b>	78	169	359	287	148	448	92	430	981	377	419	972	4 759	3 642	930
Community and social services	4	9	18	15	8	23	5	22	50	19	21	49	242	112	180
Sport and recreation	74	160	340	272	141	424	88	407	930	358	397	921	4 513	3 530	750
Housing	0	0	0	0	0	0	0	0	1	0	0	1	5	-	-
<b>Economic and environmental services</b>	205	445	946	757	391	1 180	243	1 132	2 584	994	1 104	2 560	12 541	9 821	7 575
Planning and development	9	19	41	33	17	51	11	49	113	43	48	112	547	95	55
Road transport	196	425	904	724	374	1 128	233	1 083	2 472	951	1 056	2 449	11 994	9 726	7 520
<b>Trading services</b>	157	340	723	579	299	902	186	865	1 976	760	844	1 957	9 587	22 345	24 438
Energy sources	88	190	405	324	168	505	104	485	1 107	426	473	1 096	5 371	11 675	13 686
Water management	63	137	292	234	121	364	75	349	798	307	341	790	3 870	3 500	4 280
Waste water management	5	12	25	20	10	31	6	30	68	26	29	68	331	6 171	6 473
Waste management	0	1	1	1	0	1	0	1	3	1	1	3	15	1 000	-
<b>Total Capital Expenditure - Functional</b>	<b>498</b>	<b>1 082</b>	<b>2 300</b>	<b>1 841</b>	<b>952</b>	<b>2 869</b>	<b>592</b>	<b>2 753</b>	<b>6 286</b>	<b>2 418</b>	<b>2 685</b>	<b>6 228</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>
<b>Funded by:</b>															
National Government	197	429	911	729	377	1 136	234	1 091	2 490	958	1 063	2 467	12 082	16 981	14 173
Provincial Government	28	60	128	103	53	160	33	153	350	135	150	347	1 699	3 712	3 780
<b>Transfers recognised - capital</b>	<b>225</b>	<b>489</b>	<b>1 039</b>	<b>832</b>	<b>430</b>	<b>1 296</b>	<b>267</b>	<b>1 244</b>	<b>2 840</b>	<b>1 092</b>	<b>1 213</b>	<b>2 814</b>	<b>13 781</b>	<b>20 692</b>	<b>17 953</b>
<b>Borrowing</b>	<b>88</b>	<b>191</b>	<b>406</b>	<b>325</b>	<b>168</b>	<b>506</b>	<b>104</b>	<b>485</b>	<b>1 108</b>	<b>426</b>	<b>473</b>	<b>1 098</b>	<b>5 379</b>	<b>8 139</b>	<b>6 508</b>
<b>Internally generated funds</b>	<b>185</b>	<b>402</b>	<b>855</b>	<b>685</b>	<b>354</b>	<b>1 067</b>	<b>220</b>	<b>1 024</b>	<b>2 338</b>	<b>899</b>	<b>999</b>	<b>2 316</b>	<b>11 345</b>	<b>12 518</b>	<b>14 378</b>
<b>Total Capital Funding</b>	<b>498</b>	<b>1 082</b>	<b>2 300</b>	<b>1 841</b>	<b>952</b>	<b>2 869</b>	<b>592</b>	<b>2 753</b>	<b>6 286</b>	<b>2 418</b>	<b>2 685</b>	<b>6 228</b>	<b>30 504</b>	<b>41 349</b>	<b>38 839</b>



**Table 7 MBRR SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash Receipts By Source</b>																
Property rates	4 717	4 717	9 434	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	61 324	65 234	69 393	
Service charges - electricity revenue	8 887	9 337	9 721	9 519	8 682	9 581	7 814	8 349	8 671	8 782	9 675	7 248	106 267	114 768	123 751	
Service charges - water revenue	1 891	1 943	1 981	1 960	2 045	2 324	2 139	2 278	2 381	2 181	2 183	1 536	24 841	26 441	28 144	
Service charges - sanitation revenue	788	794	827	809	852	948	701	771	780	864	808	763	9 705	10 349	11 035	
Service charges - refuse revenue	1 333	1 332	1 333	1 333	1 332	1 332	1 374	1 343	1 333	1 333	1 332	1 360	16 070	17 124	18 248	
Rental of facilities and equipment	63	88	233	324	110	132	326	63	93	97	58	52	1 639	1 767	1 889	
Interest earned - external investments	58	159	188	186	195	84	263	211	191	268	309	174	2 286	2 381	2 532	
Interest earned - outstanding debtors	60	107	113	122	132	146	141	147	152	122	143	140	1 525	1 622	1 725	
Fines, penalties and forfeits	273	228	270	134	219	283	333	360	288	204	188	361	3 139	3 340	3 552	
Licences and permits	6	5	5	7	5	6	6	6	5	5	5	5	64	69	73	
Agency services	257	173	215	325	153	247	106	236	249	167	202	243	2 572	2 736	2 910	
Transfer receipts - operational	13 730	4 229	4 229	4 229	13 730	4 229	4 229	4 229	13 730	4 229	4 229	4 130	79 150	94 306	95 158	
Other revenue	259	1 317	762	778	892	1 168	729	341	311	404	840	712	8 514	9 056	9 633	
<b>Cash Receipts by Source</b>	<b>32 323</b>	<b>24 429</b>	<b>29 310</b>	<b>24 442</b>	<b>33 064</b>	<b>25 196</b>	<b>22 876</b>	<b>23 052</b>	<b>32 903</b>	<b>23 370</b>	<b>24 689</b>	<b>21 441</b>	<b>317 095</b>	<b>349 193</b>	<b>368 043</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	4 594	-	-	-	4 594	-	-	-	4 594	-	-	-	13 781	20 692	17 953	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	1 500	1 500	1 000	500	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	5 379	5 379	8 139	6 508	
Increase (decrease) in consumer deposits	23	23	23	23	23	23	23	23	23	23	23	23	273	289	307	
Decrease (Increase) in non-current debtors	3	3	3	3	3	3	3	3	3	3	3	3	31	31	31	
<b>Total Cash Receipts by Source</b>	<b>36 942</b>	<b>24 455</b>	<b>29 335</b>	<b>24 467</b>	<b>37 683</b>	<b>25 221</b>	<b>22 902</b>	<b>23 077</b>	<b>37 522</b>	<b>23 395</b>	<b>24 714</b>	<b>28 345</b>	<b>338 059</b>	<b>379 345</b>	<b>393 341</b>	
<b>Cash Payments by Type</b>																
Employee related costs	9 743	9 743	9 743	9 743	19 486	9 743	9 743	9 743	9 743	9 743	9 743	9 743	126 661	131 333	136 689	
Remuneration of councillors	459	459	459	459	459	459	459	459	459	459	459	459	5 514	5 725	5 994	
Finance charges	-	-	-	-	-	387	-	-	-	-	-	387	774	816	863	
Bulk purchases - Electricity	6 841	6 830	6 848	6 858	6 826	6 850	6 840	6 828	6 850	6 825	6 852	6 850	82 097	88 255	95 315	
Bulk purchases - Water & Sewer	25	25	25	25	25	25	25	25	25	25	25	25	300	317	334	
Other materials	3 608	4 029	3 696	4 566	4 519	6 988	2 663	4 485	4 316	6 905	5 247	6 776	57 798	74 780	74 383	
Contracted services	783	1 451	1 727	2 704	1 609	2 685	1 792	1 879	2 036	2 052	2 536	1 854	23 108	21 356	20 659	
Transfers and grants - other	155	155	155	155	155	155	155	155	155	155	155	220	1 920	1 982	2 048	
Other expenditure	1 279	1 428	1 310	1 619	1 602	2 477	944	1 590	1 530	2 448	1 860	2 400	20 488	22 102	26 536	
<b>Cash Payments by Type</b>	<b>22 894</b>	<b>24 121</b>	<b>23 963</b>	<b>26 129</b>	<b>34 681</b>	<b>29 769</b>	<b>22 620</b>	<b>25 164</b>	<b>25 113</b>	<b>28 612</b>	<b>26 877</b>	<b>28 715</b>	<b>318 658</b>	<b>346 666</b>	<b>362 821</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	498	1 082	2 300	1 841	952	2 869	592	2 753	6 286	2 418	2 685	6 228	30 504	41 349	38 839	
Repayment of borrowing	-	-	-	-	-	1 191	-	-	-	-	-	1 191	2 383	3 534	4 129	
<b>Total Cash Payments by Type</b>	<b>23 393</b>	<b>25 203</b>	<b>26 263</b>	<b>27 970</b>	<b>35 633</b>	<b>33 829</b>	<b>23 212</b>	<b>27 917</b>	<b>31 399</b>	<b>31 030</b>	<b>29 562</b>	<b>36 134</b>	<b>351 545</b>	<b>391 550</b>	<b>405 789</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>13 550</b>	<b>(748)</b>	<b>3 072</b>	<b>(3 503)</b>	<b>2 050</b>	<b>(8 608)</b>	<b>(310)</b>	<b>(4 840)</b>	<b>6 122</b>	<b>(7 635)</b>	<b>(4 848)</b>	<b>(7 789)</b>	<b>(13 486)</b>	<b>(12 205)</b>	<b>(12 447)</b>	
Cash/cash equivalents at the month/year begin:	25 574	39 124	38 376	41 448	37 945	39 995	31 386	31 076	26 237	32 359	24 724	19 876	25 574	12 087	(118)	
Cash/cash equivalents at the month/year end:	39 124	38 376	41 448	37 945	39 995	31 386	31 076	26 237	32 359	24 724	19 876	12 087	12 087	(118)	(12 565)	

## **2.10 Contracts having future budgetary implications**

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Schedule SA35 is not applicable at the municipality.

## **2.11 Capital expenditure details**

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, then the upgrading of assets, then the repair and maintenance of assets and finally the depreciation per asset class.

## MBRR SA34a - Capital expenditure on new assets by asset class

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b><u>Capital expenditure on new assets by Asset Class/Sub-class</u></b>				
<b><u>Infrastructure</u></b>	<b>7 298</b>	<b>11 051</b>	<b>7 950</b>	<b>6 045</b>
Roads Infrastructure	200	90	210	220
<i>Road Furniture</i>	200	90	210	220
Storm water Infrastructure	5 998	7 741	500	500
<i>Storm water Conveyance</i>	5 998	7 741	500	500
Electrical Infrastructure	1 100	2 100	5 240	3 325
<i>LV Networks</i>	1 100	2 100	5 240	3 325
Sanitation Infrastructure	–	1 120	1 000	2 000
<i>Pump Station</i>	–	120	–	–
<i>Reticulation</i>	–	1 000	1 000	2 000
Solid Waste Infrastructure	–	–	1 000	–
<i>Landfill Sites</i>	–	–	1 000	–
<b><u>Community Assets</u></b>	<b>440</b>	<b>3 030</b>	<b>1 840</b>	<b>500</b>
Community Facilities	270	770	150	–
<i>Cemeteries/Crematoria</i>	120	120	–	–
<i>Public Open Space</i>	150	150	150	–
<i>Markets</i>	–	500	–	–
Sport and Recreation Facilities	170	2 260	1 690	500
<i>Outdoor Facilities</i>	170	2 260	1 690	500
<b><u>Other assets</u></b>	<b>95</b>	<b>–</b>	<b>–</b>	<b>–</b>
Operational Buildings	95	–	–	–
<i>Municipal Offices</i>	95	–	–	–
<b><u>Intangible Assets</u></b>	<b>8</b>	<b>–</b>	<b>250</b>	<b>50</b>
Licences and Rights	8	–	250	50
<i>Computer Software and Applications</i>	8	–	250	50
<b><u>Computer Equipment</u></b>	<b>200</b>	<b>136</b>	<b>–</b>	<b>–</b>
Computer Equipment	200	136	–	–
<b><u>Furniture and Office Equipment</u></b>	<b>188</b>	<b>80</b>	<b>162</b>	<b>8</b>
Furniture and Office Equipment	188	80	162	8
<b><u>Machinery and Equipment</u></b>	<b>459</b>	<b>4 257</b>	<b>9 691</b>	<b>13 530</b>
Machinery and Equipment	459	4 257	9 691	13 530
<b><u>Transport Assets</u></b>	<b>440</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transport Assets	440	–	–	–
<b>Total Capital Expenditure on new assets</b>	<b>9 128</b>	<b>18 553</b>	<b>19 893</b>	<b>20 133</b>

## MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>				
<b>Infrastructure</b>	<b>3 137</b>	<b>4 331</b>	<b>7 951</b>	<b>9 173</b>
Roads Infrastructure	200	1 550	780	700
<i>Roads</i>	200	1 550	780	700
Water Supply Infrastructure	2 060	2 450	1 000	2 000
<i>Boreholes</i>	950	1 300	–	–
<i>Reservoirs</i>	300	150	–	–
<i>Water Treatment Works</i>	10	–	–	–
<i>Bulk Mains</i>	800	1 000	1 000	2 000
Sanitation Infrastructure	877	331	6 171	6 473
<i>Waste Water Treatment Works</i>	877	331	6 171	6 473
<b>Community Assets</b>	<b>350</b>	<b>–</b>	<b>–</b>	<b>–</b>
Community Facilities	350	–	–	–
<i>Halls</i>	100	–	–	–
<i>Public Open Space</i>	250	–	–	–
<b>Computer Equipment</b>	<b>172</b>	<b>288</b>	<b>255</b>	<b>210</b>
Computer Equipment	172	288	255	210
<b>Furniture and Office Equipment</b>	<b>193</b>	<b>339</b>	<b>230</b>	<b>140</b>
Furniture and Office Equipment	193	339	230	140
<b>Machinery and Equipment</b>	<b>2 424</b>	<b>372</b>	<b>277</b>	<b>–</b>
Machinery and Equipment	2 424	372	277	–
<b>Transport Assets</b>	<b>250</b>	<b>–</b>	<b>2 600</b>	<b>280</b>
Transport Assets	250	–	2 600	280
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>6 525</b>	<b>5 329</b>	<b>11 312</b>	<b>9 803</b>
<b>Renewal of Existing Assets as % of total capex</b>	<b>23.8%</b>	<b>17.5%</b>	<b>27.4%</b>	<b>25.2%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>57.0%</b>	<b>44.7%</b>	<b>89.9%</b>	<b>73.9%</b>

## MBRR SA34e - Capital expenditure on the upgrading of existing assets by asset class

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>				
<b>Infrastructure</b>	<b>7 873</b>	<b>3 609</b>	<b>8 139</b>	<b>7 528</b>
Roads Infrastructure	5 613	2 150	6 000	5 300
<i>Roads</i>	4 313	600	5 000	4 300
<i>Road Furniture</i>	1 300	1 550	1 000	1 000
Storm water Infrastructure	500	–	800	800
<i>Storm water Conveyance</i>	500	–	800	800
Electrical Infrastructure	1 311	1 259	1 339	1 428
<i>MV Networks</i>	365	415	445	481
<i>LV Networks</i>	946	844	894	948
Water Supply Infrastructure	100	200	–	–
<i>Reservoirs</i>	–	200	–	–
<i>Water Treatment Works</i>	100	–	–	–
Solid Waste Infrastructure	350	–	–	–
<i>Waste Drop-off Points</i>	350	–	–	–
<b>Community Assets</b>	<b>1 731</b>	<b>1 378</b>	<b>1 465</b>	<b>1 130</b>
Community Facilities	376	290	165	1 130
<i>Clinics/Care Centres</i>	–	–	–	800
<i>Libraries</i>	246	90	15	180
<i>Public Open Space</i>	100	200	150	150
<i>Public Ablution Facilities</i>	30	–	–	–
Sport and Recreation Facilities	1 355	1 088	1 300	–
<i>Indoor Facilities</i>	700	108	–	–
<i>Outdoor Facilities</i>	655	980	1 300	–
<b>Other assets</b>	<b>45</b>	<b>180</b>	<b>300</b>	<b>–</b>
Operational Buildings	45	180	300	–
<i>Municipal Offices</i>	45	160	270	–
<i>Yards</i>	–	20	–	–
<i>Stores</i>	–	–	30	–
<b>Intangible Assets</b>	<b>1 176</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
Licences and Rights	1 176	1 000	–	–
<i>Computer Software and Applications</i>	1 176	1 000	–	–
<b>Computer Equipment</b>	<b>806</b>	<b>355</b>	<b>240</b>	<b>245</b>
Computer Equipment	806	355	240	245
<b>Furniture and Office Equipment</b>	<b>60</b>	<b>100</b>	<b>–</b>	<b>–</b>
Furniture and Office Equipment	60	100	–	–
<b>Machinery and Equipment</b>	<b>115</b>	<b>–</b>	<b>–</b>	<b>–</b>
Machinery and Equipment	115	–	–	–
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>11 807</b>	<b>6 622</b>	<b>10 144</b>	<b>8 903</b>
<b>Upgrading of Existing Assets as % of total capex</b>	<b>43.0%</b>	<b>21.7%</b>	<b>24.5%</b>	<b>22.9%</b>
<b>Upgrading of Existing Assets as % of deprecn"</b>	<b>103.2%</b>	<b>55.5%</b>	<b>80.7%</b>	<b>67.1%</b>

## MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>				
<b>Infrastructure</b>	<b>37 014</b>	<b>45 846</b>	<b>45 743</b>	<b>46 086</b>
Roads Infrastructure	10 970	11 444	12 185	12 008
<i>Roads</i>	10 720	11 181	11 908	11 715
<i>Road Furniture</i>	250	263	278	293
Electrical Infrastructure	7 573	13 510	14 043	13 979
<i>LV Networks</i>	7 573	13 510	14 043	13 979
Water Supply Infrastructure	9 919	11 055	10 039	10 675
<i>Distribution</i>	9 919	11 055	10 039	10 675
Sanitation Infrastructure	6 534	7 156	6 647	6 526
<i>Reticulation</i>	6 534	7 156	6 647	6 526
Solid Waste Infrastructure	2 018	2 681	2 829	2 899
<i>Landfill Sites</i>	2 018	2 681	2 829	2 899
<b>Community Assets</b>	<b>8 483</b>	<b>7 354</b>	<b>7 889</b>	<b>8 455</b>
Community Facilities	4 358	5 039	5 418	5 826
<i>Cemeteries/Crematoria</i>	636	729	783	842
<i>Public Open Space</i>	3 723	4 310	4 635	4 984
Sport and Recreation Facilities	4 125	2 315	2 470	2 629
<i>Outdoor Facilities</i>	4 125	2 315	2 470	2 629
<b>Other assets</b>	<b>4 516</b>	<b>5 102</b>	<b>5 415</b>	<b>5 739</b>
Operational Buildings	4 516	5 102	5 415	5 739
<i>Municipal Offices</i>	4 516	5 102	5 415	5 739
<b>Intangible Assets</b>	<b>2 992</b>	<b>3 164</b>	<b>3 406</b>	<b>3 817</b>
Licences and Rights	2 992	3 164	3 406	3 817
<i>Computer Software and Applications</i>	2 992	3 164	3 406	3 817
<b>Computer Equipment</b>	<b>68</b>	<b>155</b>	<b>162</b>	<b>171</b>
Computer Equipment	68	155	162	171
<b>Furniture and Office Equipment</b>	<b>88</b>	<b>101</b>	<b>106</b>	<b>111</b>
Furniture and Office Equipment	88	101	106	111
<b>Machinery and Equipment</b>	<b>620</b>	<b>756</b>	<b>798</b>	<b>842</b>
Machinery and Equipment	620	756	798	842
<b>Transport Assets</b>	<b>3 548</b>	<b>4 216</b>	<b>4 458</b>	<b>4 721</b>
Transport Assets	3 548	4 216	4 458	4 721
<b>Total Repairs and Maintenance Expenditure</b>	<b>57 329</b>	<b>66 693</b>	<b>67 977</b>	<b>69 942</b>
<b>R&amp;M as a % of PPE</b>	<b>14.8%</b>	<b>17.3%</b>	<b>16.8%</b>	<b>16.1%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>17.9%</b>	<b>20.8%</b>	<b>19.2%</b>	<b>18.2%</b>

## MBRR SA34d - Depreciation by asset class

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b><u>Depreciation by Asset Class/Sub-class</u></b>				
<b><u>Infrastructure</u></b>	<b>8 428</b>	<b>8 782</b>	<b>9 265</b>	<b>9 775</b>
Roads Infrastructure	1 198	1 249	1 318	1 390
<i>Roads</i>	1 114	1 161	1 225	1 292
<i>Road Structures</i>	16	17	17	18
<i>Road Furniture</i>	68	71	75	79
Storm water Infrastructure	544	567	598	631
<i>Drainage Collection</i>	350	365	385	406
<i>Storm water Conveyance</i>	194	202	213	224
Electrical Infrastructure	1 433	1 494	1 576	1 662
<i>MV Substations</i>	143	149	157	166
<i>MV Networks</i>	496	517	545	575
<i>LV Networks</i>	795	828	874	922
Water Supply Infrastructure	1 084	1 130	1 192	1 258
<i>Dams and Weirs</i>	34	35	37	39
<i>Boreholes</i>	126	132	139	146
<i>Reservoirs</i>	285	297	313	330
<i>Pump Stations</i>	42	44	46	49
<i>Water Treatment Works</i>	107	111	118	124
<i>Bulk Mains</i>	37	39	41	43
<i>Distribution</i>	454	473	499	527
Sanitation Infrastructure	1 575	1 642	1 732	1 827
<i>Pump Station</i>	479	499	527	555
<i>Reticulation</i>	406	423	446	471
<i>Waste Water Treatment Works</i>	674	703	741	782
<i>Outfall Sewers</i>	1	1	1	1
<i>Toilet Facilities</i>	15	16	17	18
Solid Waste Infrastructure	2 592	2 701	2 850	3 006
<i>Landfill Sites</i>	2 592	2 701	2 850	3 006
<b><u>Community Assets</u></b>	<b>243</b>	<b>254</b>	<b>267</b>	<b>282</b>
Community Facilities	165	172	181	191
<i>Halls</i>	86	90	95	100
<i>Clinics/Care Centres</i>	1	1	1	1
<i>Libraries</i>	60	63	66	70
<i>Cemeteries/Crematoria</i>	1	1	1	1
<i>Public Open Space</i>	17	18	19	20
Sport and Recreation Facilities	78	82	86	91
<i>Outdoor Facilities</i>	78	82	86	91
<b><u>Investment properties</u></b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>9</b>
Revenue Generating	8	8	9	9
<i>Improved Property</i>	8	8	9	9
<b><u>Other assets</u></b>	<b>440</b>	<b>459</b>	<b>484</b>	<b>511</b>
Operational Buildings	440	459	484	511
<i>Municipal Offices</i>	440	459	484	511
<b><u>Intangible Assets</u></b>	<b>293</b>	<b>305</b>	<b>322</b>	<b>339</b>
Licences and Rights	293	305	322	339
<i>Computer Software and Applications</i>	293	305	322	339
<b><u>Computer Equipment</u></b>	<b>319</b>	<b>332</b>	<b>350</b>	<b>369</b>
Computer Equipment	319	332	350	369
<b><u>Furniture and Office Equipment</u></b>	<b>663</b>	<b>691</b>	<b>729</b>	<b>769</b>
Furniture and Office Equipment	663	691	729	769
<b><u>Machinery and Equipment</u></b>	<b>280</b>	<b>292</b>	<b>308</b>	<b>325</b>
Machinery and Equipment	280	292	308	325
<b><u>Transport Assets</u></b>	<b>766</b>	<b>799</b>	<b>843</b>	<b>889</b>
Transport Assets	766	799	843	889
<b>Total Depreciation</b>	<b>11 440</b>	<b>11 922</b>	<b>12 577</b>	<b>13 269</b>

## MBRR SA35 - Future financial implications of the capital budget

No future implications identified on the capital budget beyond the MTREF period.

## MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2018/19 Medium Term Revenue & Expenditure Framework			Project information		
					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
<b>Parent municipality:</b>										
<i>List all capital projects grouped by Municipal Vote</i>										
5.5 - Water	WC033_SECURE BOREHOLES (KAM AREA)	KPA5/SG5/S08	Water Supply Infrastructure	Boreholes	200	-	-	-	Whole of Municipality	R
5.4 - Streets & Storm water	WC033_Storm water - Master pl -Napier	KPA5/SG5/S08	Storm water Infrastructure	Storm water Conveyance	-	-	200	200	Napier	U
5.4 - Streets & Storm water	WC033_Storm Water Master pl - SBay	KPA5/SG5/S08	Storm water Infrastructure	Storm water Conveyance	200	-	200	200	Struisbaai	U
5.4 - Streets & Storm water	WC033_Storm water Master pl - Bdorp	KPA5/SG5/S08	Storm water Infrastructure	Storm water Conveyance	100	-	200	200	Bredasdorp	U
5.4 - Streets & Storm water	WC033_Storm water Master pl - Agulhas	KPA5/SG5/S08	Storm water Infrastructure	Storm water Conveyance	200	-	200	200	Agulhas	U
5.4 - Streets & Storm water	WC033_Upgrade Road to Landfill Site Bredasdorp to Struisbay	KPA5/SG5/S08	Roads Infrastructure	Roads	-	600	300	300	Bredasdorp	U
5.4 - Streets & Storm water	WC033_SIDEWALKS SBAAI/LA	KPA5/SG5/S08	Roads Infrastructure	Road Furniture	500	800	500	500	Agulhas	U
5.4 - Streets & Storm water	WC033_Nuwerus Streets - Adam Street	KPA5/SG5/S08	Roads Infrastructure	Roads	1 247	-	-	-	Napier	U
5.4 - Streets & Storm water	WC033_Storm water pipeline - Area F	KPA5/SG5/S08	Storm water Infrastructure	Storm water Conveyance	5 798	7 741	-	-	Bredasdorp	N
5.4 - Streets & Storm water	WC033_Sidewalks Long Street (B/Dorp)	KPA5/SG5/S08	Roads Infrastructure	Road Furniture	400	-	-	-	Bredasdorp	U
5.4 - Streets & Storm water	WC033_Sidewalks - Bredasdorp (Wards)	KPA5/SG5/S08	Roads Infrastructure	Road Furniture	400	500	500	500	Bredasdorp	U
5.4 - Streets & Storm water	WC033_Furniture (Manager & Supervisor)	KPA5/SG5/S08	Furniture and Office Equipment	Furniture and Office Equipment	25	-	25	-	Bredasdorp	R
5.4 - Streets & Storm water	WC033_Speed Bumps CAM (3 per ward)	KPA5/SG5/S08	Roads Infrastructure	Road Furniture	200	-	210	220	Bredasdorp	N
5.4 - Streets & Storm water	WC033_3 x Plate Compactors	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment	45	-	-	-	Whole of Municipality	N
5.4 - Streets & Storm water	WC033_2 x Jackhammers Heavy Duty	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment	45	-	-	-	Whole of Municipality	N
5.4 - Streets & Storm water	WC033_Industrial Road Struisbay	KPA5/SG5/S08	Roads Infrastructure	Roads	900	-	-	-	Struisbaai	U
5.4 - Streets & Storm water	WC033_Ou Meule Link to Swellendam Road (B/dorp)	KPA5/SG5/S08	Roads Infrastructure	Roads	1 316	-	-	-	Bredasdorp	U
5.4 - Streets & Storm water	WC033_Kerbs Ou Meule street (B/Dorp)	KPA5/SG5/S08	Storm water Infrastructure	Storm water Conveyance	200	-	500	500	Bredasdorp	N
5.8 - Electricity Services	WC033_Street Lights - New	KPA5/SG5/S08	Electrical Infrastructure	LV Networks	150	-	-	-	Whole of Municipality	U
5.8 - Electricity Services	WC033_Electrification - Informal Set	KPA5/SG5/S08	Electrical Infrastructure	LV Networks	100	100	120	125	Whole of Municipality	N
1.1 - Council Administration	WC033_Vehicle (LDV) with canopy	KPA1/SG1/S02	Transport Assets	Transport Assets	220	-	-	-	Whole of Municipality	N
1.1 - Council Administration	WC033_Collab Ward Committee Management Module	KPA1/SG1/S02	Intangible Assets	Computer Software and Applications	26	-	-	-	Whole of Municipality	U
1.1 - Council Administration	WC033_Coreldraw software	KPA1/SG1/S02	Intangible Assets	Computer Software and Applications	8	-	-	-	Whole of Municipality	N
1.6 - Strategic Services	WC033_Flipchart Easel	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-	Whole of Municipality	N
1.6 - Strategic Services	WC033_Pull-up banners X6	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment	6	2	2	2	Whole of Municipality	N
1.6 - Strategic Services	WC033_Backdrop	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-	Whole of Municipality	N
1.6 - Strategic Services	WC033_Photographic lights	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment	10	-	-	-	Whole of Municipality	N
1.6 - Strategic Services	WC033_Voice Recording device	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment	6	-	-	-	Whole of Municipality	N
1.6 - Strategic Services	WC033_Camera Tripod	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	-	Whole of Municipality	N
1.5 - Shared Services	WC033_Chair	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment	4	-	-	-	Whole of Municipality	N



Municipal Vote/Capital project	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2018/19 Medium Term Revenue & Expenditure Framework			Project information		
					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
					R thousand					
2.4 - Revenue Management	WC033_Office Chairs (x2)	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	4	7	-	-	Whole of Municipality	R
2.5 - Supply Chain Management	WC033_Heavy Duty Highback chair	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	4	7	-	-	Whole of Municipality	R
2.5 - Supply Chain Management	WC033_Oak Melamine hinged door cupboard 900x450x1500h (3shelves)	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	-	Whole of Municipality	R
2.7 - Information Systems	WC033_New Laptops	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	89	15	160	160	Whole of Municipality	U
2.7 - Information Systems	WC033_Projector	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	6	-	-	-	Whole of Municipality	R
2.7 - Information Systems	WC033_External HDD	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	6	-	-	-	Whole of Municipality	U
2.7 - Information Systems	WC033_Switch POE	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	130	140	80	85	Whole of Municipality	U
2.7 - Information Systems	WC033_Two Way Radios	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	28	18	-	-	Whole of Municipality	N
2.7 - Information Systems	WC033_Time & Attendance (Access Control) CRR	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	200	-	-	-	Whole of Municipality	N
1.10 - Human Resources & Organisational Development	WC033_Airconditioners (X2)	KPA1/SG1/SO2	Furniture and Office Equipment	Furniture and Office Equipment	40	-	-	-	Whole of Municipality	N
4.9 - Protective Services	WC033_Zippels	KPA6/SG6/SO12	Furniture and Office Equipment	Furniture and Office Equipment	60	100	-	-	Whole of Municipality	U
4.9 - Protective Services	WC033_Motorfietssterusting: K53	KPA6/SG6/SO12	Machinery and Equipment	Machinery and Equipment	15	-	-	-	Bredasdorp	U
4.9 - Protective Services	WC033_18 Chairs - Reception Area	KPA6/SG6/SO12	Furniture and Office Equipment	Furniture and Office Equipment	8	-	-	-	Bredasdorp	N
4.10 - Public Services	WC033_Office Equipment / Furniture	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	13	10	10	-	Bredasdorp	N
4.3 - Buildings and Commonage	WC033_CARPET EXTRACTION UNIT	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	7	7	7	-	Bredasdorp	R
4.3 - Buildings and Commonage	WC033_Furniture - Community Hall (Struisbay)	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	10	-	-	-	Bredasdorp	R
4.3 - Buildings and Commonage	WC033_Ceiling - Struisbay Community hall	KPA2/SG2/SO3	Community Assets	Halls	100	-	-	-	Struisbaai	R
4.3 - Buildings and Commonage	WC033_Airconditioners (Replacement) x3	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	34	40	30	-	Bredasdorp	R
4.3 - Buildings and Commonage	WC033_Construction of New wing - ONS HUIS	KPA2/SG2/SO3	Community Assets	Clinics/Care Centres	-	-	-	800	Bredasdorp	U
4.2 - Beaches & Holiday Resorts	WC033_Struisbay Boardwalk (Move: Repair)	KPA2/SG2/SO3	Community Assets	Public Open Space	250	-	-	-	Struisbaai	R
4.2 - Beaches & Holiday Resorts	WC033_Upgrading of Ablution facilities (Resorts / Camping sites)	KPA2/SG2/SO3	Community Assets	Outdoor Facilities	100	200	100	-	Whole of Municipality	U
4.2 - Beaches & Holiday Resorts	WC033_Upgrading of Ablution facility (Wheelchair friendly) - Nostra	KPA2/SG2/SO3	Community Assets	Public Ablution Facilities	30	-	-	-	Struisbaai	U
4.2 - Beaches & Holiday Resorts	WC033_Upgrading of Large Tidel Pool	KPA2/SG2/SO3	Community Assets	Outdoor Facilities	450	550	-	-	Agulhas	U
4.2 - Beaches & Holiday Resorts	WC033_Furniture at Resorts	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	100	100	100	100	Whole of Municipality	R
4.2 - Beaches & Holiday Resorts	WC033_Safeguarding of Receptionist area (Waenhuiskrans)	KPA2/SG2/SO3	Community Assets	Outdoor Facilities	105	-	-	-	Arniston	U
4.4 - Cemetery	WC033_Fencing & Scrapping of new road - New Napier cemetery	KPA5/SG5/SO9	Community Assets	Cemeteries/Crematoria	-	120	-	-	Napier	N
4.4 - Cemetery	WC033_Fencing & Scrapping of new road - New Bredasdorp cemetery	KPA5/SG5/SO9	Community Assets	Cemeteries/Crematoria	120	-	-	-	Bredasdorp	N
2.6 - Workshop	WC033_Workshop tools	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	15	-	-	-	Bredasdorp	N
2.6 - Workshop	WC033_MIG Welder	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	25	-	-	-	Bredasdorp	N
5.3 - Refuse Removal Services	WC033_Upgrading of Drop-off loading areas - Landfill site	KPA6/SG6/SO12	Solid Waste Infrastructure	Waste Drop-off Points	350	-	-	-	Whole of Municipality	U
5.3 - Refuse Removal Services	WC033_Compactor Landfill Site	KPA6/SG6/SO12	Machinery and Equipment	Machinery and Equipment	1 922	-	-	-	Whole of Municipality	R
5.8 - Electricity Services	WC033_Tools	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	50	20	25	30	Whole of Municipality	N
5.8 - Electricity Services	WC033_CABLE LOCATOR	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	32	-	83	-	Whole of Municipality	N

Municipal Vote/Capital project	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	Current Year 2017/18 Full Year Forecast	2018/19 Medium Term Revenue & Expenditure Framework			Project information	
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R thousand										
5.8 - Electricity Services	WC033_OFFICE FURNITURE	KPA5/SG5/SO8	Furniture and Office Equipment	Furniture and Office Equipment	23	5	3	3	Whole of Municipality	N
5.5 - Water	WC033_Replace pipework and valves L'Agulhas Reservoirs	KPA5/SG5/SO8	Water Supply Infrastructure	Reservoirs	300	-	-	-	Agulhas	R
5.5 - Water	WC033_Replacement of Viljoenstr Street Water Main Bredasdorp	KPA5/SG5/SO8	Water Supply Infrastructure	Bulk Mains	800	-	-	-	Bredasdorp	R
5.5 - Water	WC033_Replacement LDV CS15640	KPA5/SG5/SO8	Transport Assets	Transport Assets	-	-	250	-	Whole of Municipality	R
5.5 - Water	WC033_Replacement LDV CS15643	KPA5/SG5/SO8	Transport Assets	Transport Assets	250	-	250	-	Whole of Municipality	R
5.5 - Water	WC033_Replacement LDV CS4580	KPA5/SG5/SO8	Transport Assets	Transport Assets	-	-	-	280	Whole of Municipality	R
5.5 - Water	WC033_Renew Boreholes	KPA5/SG5/SO8	Water Supply Infrastructure	Boreholes	600	-	-	-	Bredasdorp	R
5.5 - Water	WC033_Kalk Dossier pump	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	50	-	-	-	Whole of Municipality	R
5.5 - Water	WC033_Chloor Scale	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	50	-	-	-	Whole of Municipality	R
5.5 - Water	WC033_Struisay Chloor Dos. System	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	100	-	-	-	Struisbaai	U
5.5 - Water	WC033_Liquid Aluminium Dos. System Bredasdorp WTW	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	200	-	-	-	Bredasdorp	N
5.5 - Water	WC033_Upgrading of Fence	KPA5/SG5/SO8	Water Supply Infrastructure	Water Treatment Works	100	-	-	-	Bredasdorp	U
5.5 - Water	WC033_Office and Toilets @ Napier Treatment Plant	KPA5/SG5/SO8	Other assets	Municipal Offices	95	-	-	-	Napier	N
5.5 - Water	WC033_Water Treatment Tools	KPA5/SG5/SO8	Water Supply Infrastructure	Water Treatment Works	10	-	-	-	Bredasdorp	R
5.5 - Water	WC033_Instruments: PH meters, conductivity meter	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	50	-	-	-	Whole of Municipality	R
5.5 - Water	WC033_Equipment for boreholes in Napier and Suiderstrand	KPA5/SG5/SO8	Water Supply Infrastructure	Boreholes	150	-	-	-	Bredasdorp	R
5.5 - Water	WC033_Equipment for boreholes in Napier and Suiderstrand	KPA5/SG5/SO8	Water Supply Infrastructure	Boreholes	-	1 000	-	-	Bredasdorp	R
5.5 - Water	WC033_2x Pipecutters	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	60	-	-	-	Whole of Municipality	R
5.5 - Water	WC033_3x Plate compactors	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	30	-	-	-	Whole of Municipality	R
5.5 - Water	WC033_3x Generators	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	30	-	-	-	Whole of Municipality	R
5.5 - Water	WC033_3x Waterpumps	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	30	-	-	-	Whole of Municipality	R
5.5 - Water	WC033_Pipe Inspection Camera	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	100	-	-	-	Whole of Municipality	R
5.5 - Water	WC033_Metal Detectors	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	50	-	-	-	Whole of Municipality	R
1.6 - Strategic Services	WC033_Informal Trading Area 272/2015	KPA1/SG1/SO1	Community Assets	Markets	-	500	-	-	Bredasdorp	N
5.2 - Sewerage Services	WC033_Rehab Waste Water Treatm Works	KPA5/SG5/SO8	Sanitation Infrastructure	Waste Water Treatment Works	877	331	6 171	6 473	Bredasdorp	R
5.8 - Electricity Services	WC033_Dora Project	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	1 000	2 000	5 120	3 200	Bredasdorp	N
2.3 - Director: Financial Services & ICT	WC033_Vesta - Financial System	KPA4/SG4/SO6	Intangible Assets	Computer Software and Applications	1 150	1 000	-	-	Administrative	U
2.7 - Information Systems	WC033_Server - mSCOA	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	282	-	-	-	Whole of Municipality	U
2.7 - Information Systems	WC033_Upgrade Server room DR Site	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	300	200	-	-	Whole of Municipality	U
2.7 - Information Systems	WC033_Whiteboard	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-	Whole of Municipality	N
2.7 - Information Systems	WC033_Chair	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	-	Whole of Municipality	R
1.8 - Socio & Economic Development	WC033_Microwave / Um / Stove / Vacuum cleaner	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	12	-	-	-	Bredasdorp	R
1.8 - Socio & Economic Development	WC033_Food preparation surface (kitchen)	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	10	-	-	-	Bredasdorp	N

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R thousand										
5.4 - Streets & Storm water	WC033_Upgrade Suiderstrand Road	KPA5/SG5/S08	Roads Infrastructure	Roads	850	-	-	-	Suiderstrand	U
5.4 - Streets & Storm water	WC033_Regravel Tamatekraal Street - Napier	KPA5/SG5/S08	Roads Infrastructure	Roads	200	-	-	-	Napier	R
5.4 - Streets & Storm water	WC033_Regravel Tamatekraal Street - Napier	KPA5/SG5/S08	Roads Infrastructure	Roads	-	300	300	300	Napier	R
5.4 - Streets & Storm water	WC033_Reseal of Roads CAM	KPA5/SG5/S08	Roads Infrastructure	Roads	-	1 000	-	-	Whole of Municipality	R
5.8 - Electricity Services	WC033_Change Transformers Minisubs (Loan)	KPA5/SG5/S08	Electrical Infrastructure	MV Networks	365	415	445	481	Struisbaai	U
5.8 - Electricity Services	WC033_Replace Med/Low Volt Overheadl	KPA5/SG5/S08	Electrical Infrastructure	LV Networks	796	844	894	948	Whole of Municipality	U
2.7 - Information Systems	WC033_Replacement PC's	KPA2/SG2/S03	Computer Equipment	Computer Equipment	50	43	120	120	Whole of Municipality	R
2.7 - Information Systems	WC033_Replacement Laptops	KPA2/SG2/S03	Computer Equipment	Computer Equipment	98	-	-	-	Whole of Municipality	R
2.7 - Information Systems	WC033_Screens Replace	KPA2/SG2/S03	Computer Equipment	Computer Equipment	17	20	20	20	Whole of Municipality	R
4.12 - Traffic & Law Enforcement	WC033_Vehicles: x1 Sedan (Traffic)	KPA6/SG6/S012	Transport Assets	Transport Assets	220	-	-	-	Whole of Municipality	N
4.8 - Parks and Sports Facilities	WC033_3 x FS450 Brushcutter	KPA2/SG2/S03	Machinery and Equipment	Machinery and Equipment	40	10	20	-	Whole of Municipality	R
4.8 - Parks and Sports Facilities	WC033_Basic Assessment - Soccer Field, Napier	KPA2/SG2/S03	Community Assets	Outdoor Facilities	120	-	1 200	500	Napier	N
4.8 - Parks and Sports Facilities	WC033_Beautification of entrance to towns	KPA2/SG2/S03	Community Assets	Public Open Space	100	200	150	150	Whole of Municipality	U
4.8 - Parks and Sports Facilities	WC033_Play park - Public Open spaces (Hibiscuslaan)	KPA2/SG2/S03	Community Assets	Public Open Space	150	150	150	-	Struisbaai	N
4.8 - Parks and Sports Facilities	WC033_Sport facility - Fencing of Struisbay sportgrond	KPA2/SG2/S03	Community Assets	Outdoor Facilities	50	-	-	-	Struisbaai	N
4.8 - Parks and Sports Facilities	WC033_Sport facility - Waenhuiskrans	KPA2/SG2/S03	Community Assets	Outdoor Facilities	-	1 010	490	-	Arniston	N
4.8 - Parks and Sports Facilities	WC033_Rugsak Spuite X2	KPA2/SG2/S03	Machinery and Equipment	Machinery and Equipment	5	5	-	-	Whole of Municipality	R
4.8 - Parks and Sports Facilities	WC033_25HP Kohler CV752 Engine - Scag	KPA2/SG2/S03	Machinery and Equipment	Machinery and Equipment	47	-	-	-	Whole of Municipality	N
4.13 - Traffic Licencing & Vehicle Testing Station	WC033_Buildings - Renovation of reception area (Entrance)	KPA6/SG6/S012	Other assets	Municipal Offices	45	60	-	-	Bredasdorp	U
5.8 - Electricity Services	WC033_Airconditioners X2	KPA5/SG5/S08	Furniture and Office Equipment	Furniture and Office Equipment	32	-	-	-	Bredasdorp	N
4.8 - Parks and Sports Facilities	WC033_UPGR SPORT FACILITIES ACADEMY	KPA2/SG2/S03	Community Assets	Indoor Facilities	700	108	-	-	Bredasdorp	U
4.7 - Library Services	WC033_Swingdoor (counter) - Bredasdorp	KPA5/SG5/S09	Community Assets	Libraries	4	-	-	-	Bredasdorp	U
4.7 - Library Services	WC033_Fencing - Arniston	KPA5/SG5/S09	Community Assets	Libraries	214	-	-	-	Arniston	U
4.7 - Library Services	WC033_Safety gates - Arniston	KPA5/SG5/S09	Community Assets	Libraries	10	-	-	-	Arniston	U
4.7 - Library Services	WC033_Safety gate - Klipdale	KPA5/SG5/S09	Community Assets	Libraries	5	-	-	-	Klipdale	U
4.7 - Library Services	WC033_Safety gate - Frontporch - Napier	KPA5/SG5/S09	Community Assets	Libraries	13	-	-	-	Napier	U
4.7 - Library Services	WC033_Laminating Machine	KPA5/SG5/S09	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	-	Whole of Municipality	N
1.1 - Council Administration	WC033_Branding Material for Mayors Office	KPA1/SG1/S02	Furniture and Office Equipment	Furniture and Office Equipment		3	-	-	Whole of Municipality	N
1.3 - Municipal Manager	WC033_Desk	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment		2	-	-	Whole of Municipality	R
1.3 - Municipal Manager	WC033_chairs	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment		3	-	-	Whole of Municipality	R
1.3 - Municipal Manager	WC033_Desk	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment		2	-	-	Whole of Municipality	R
1.3 - Municipal Manager	WC033_Table (x2)	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment		15	-	-	Whole of Municipality	R
1.3 - Municipal Manager	WC033_Chairs	KPA1/SG1/S01	Furniture and Office Equipment	Furniture and Office Equipment		15	-	-	Whole of Municipality	R

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1.3 - Municipal Manager	WC033_Yskas	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	4	-	-	Whole of Municipality	R
1.3 - Municipal Manager	WC033_Microwave	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	Whole of Municipality	R
1.3 - Municipal Manager	WC033_Urn (10 Litre) X2	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	Whole of Municipality	R
1.2 - Internal Audit	WC033_Whiteboard Magnetic Aluminium Frame 1200mm X 1500mm	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	Whole of Municipality	R
1.6 - Strategic Services	WC033_Panel Heaters (3)	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	Whole of Municipality	R
1.6 - Strategic Services	WC033_Laminating machine (A3)	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	Whole of Municipality	R
1.6 - Strategic Services	WC033_Television screens- municipal buildings	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	-	3	3	Whole of Municipality	N
1.6 - Strategic Services	WC033_Desk	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	4	-	-	Whole of Municipality	R
1.6 - Strategic Services	WC033_Wall Banner	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	8	-	-	Whole of Municipality	N
1.6 - Strategic Services	WC033_White board	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	Whole of Municipality	R
1.7 - Town Planning	WC033_Laptop	KPA5/SG5/SO10	Computer Equipment	Computer Equipment	15	-	-	Whole of Municipality	R
1.7 - Town Planning	WC033_Visitor Chairs (x2)	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	5	-	-	Whole of Municipality	R
1.7 - Town Planning	WC033_Office Chairs( x1)	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	Whole of Municipality	R
1.7 - Town Planning	WC033_Voice Recorder	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	5	-	-	Whole of Municipality	R
1.7 - Town Planning	WC033_White board	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	Whole of Municipality	R
1.7 - Town Planning	WC033_Drone	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	-	40	-	Whole of Municipality	N
1.7 - Town Planning	WC033_Software for Image processing for Drones	KPA5/SG5/SO10	Intangible Assets	Computer Software and Applications	-	50	50	Whole of Municipality	N
1.9 - Administration	WC033_Chair	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	4	-	-	Whole of Municipality	R
1.9 - Administration	WC033_Mail Archiving	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	120	-	-	Whole of Municipality	N
1.8 - Socio & Economic Development	WC033_Plastic Chairs for Thusong Hall	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	10	-	-	Bredasdorp	R
1.8 - Socio & Economic Development	WC033_Tables for Thusong Hall	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	10	-	-	Bredasdorp	R
1.8 - Socio & Economic Development	WC033_Pop Up Banners * 3	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	Bredasdorp	N
1.8 - Socio & Economic Development	WC033_Outdoor Benches *2 for Thusong centre	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	8	-	-	Bredasdorp	N
2.4 - Revenue Management	WC033_Desk Calculator (x2)	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	Whole of Municipality	R
2.4 - Revenue Management	WC033_Steel cabinet 4 drawers (X2)	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	5	-	-	Whole of Municipality	R
2.5 - Supply Chain Management	WC033_Airconditioners (Struisbaai Stores)	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	8	-	-	Struisbaai	R
2.7 - Information Systems	WC033_UPS small (Offices)	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	15	20	20	Whole of Municipality	R
2.7 - Information Systems	WC033_Rack mount UPS	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	20	-	-	Whole of Municipality	R
2.7 - Information Systems	WC033_Access Points - Network	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	45	45	-	Whole of Municipality	R
2.7 - Information Systems	WC033_Network Replacement LAN	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	150	50	50	Whole of Municipality	R
2.7 - Information Systems	WC033_New PC's	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	16	-	-	Whole of Municipality	N
2.7 - Information Systems	WC033_Time Attendance and Access Control - Boomgates	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	120	-	-	Whole of Municipality	N
2.7 - Information Systems	WC033_Public Engagement app	KPA2/SG2/SO3	Intangible Assets	Computer Software and Applications	-	200	-	Whole of Municipality	N

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R thousand									
2.7 - Information Systems	WC033_Communicational CCTV with analytics	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	-	1 000	1 000	Whole of Municipality	N
2.7 - Information Systems	WC033_Smart city project	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	1 500	3 600	3 600	Whole of Municipality	N
4.13 - Traffic Licencing & Vehicle Testing Station	WC033_Note Counter	KPA6/SG6/SO12	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	Whole of Municipality	N
4.13 - Traffic Licencing & Vehicle Testing Station	WC033_Renovating of Vehicle testing area	KPA6/SG6/SO12	Other assets	Yards	20	-	-	Whole of Municipality	U
4.6 - Human Settlements	WC033_Chair	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	Whole of Municipality	N
4.6 - Human Settlements	WC033_Cupboard	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	Whole of Municipality	N
4.3 - Buildings and Commonage	WC033_Extension of safeguarding office - Napier Office	KPA2/SG2/SO3	Other assets	Municipal Offices	-	150	-	Napier	U
4.3 - Buildings and Commonage	WC033_Furniture - Community Halls	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	60	50	40	Whole of Municipality	R
4.8 - Parks and Sports Facilities	WC033_Sport facility - Fencing of Klipdale sportgrond	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	80	-	-	Klipdale	N
4.8 - Parks and Sports Facilities	WC033_Chipper Model 12XP	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	600	-	-	Whole of Municipality	N
4.8 - Parks and Sports Facilities	WC033_Floodlight - Struisbaai Sport complex	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	120	-	-	Struisbaai	N
4.8 - Parks and Sports Facilities	WC033_Sport facility: Fencing Park Street Sport complex	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	100	-	-	Bredasdorp	N
4.2 - Beaches & Holiday Resorts	WC033_Safeguarding of Receptionist area (L Agulhas)	KPA2/SG2/SO3	Other assets	Municipal Offices	-	120	-	Agulhas	U
4.2 - Beaches & Holiday Resorts	WC033_Safeguarding of Receptionist area (Struisbaai)	KPA2/SG2/SO3	Other assets	Municipal Offices	100	-	-	Struisbaai	U
4.2 - Beaches & Holiday Resorts	WC033_Duikerstreet Blue Flag Parking & Braai facilities	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	950	-	-	Struisbaai	N
4.2 - Beaches & Holiday Resorts	WC033_Extra Ablution Facility - Duiker street	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	-	1 200	-	Struisbaai	U
4.2 - Beaches & Holiday Resorts	WC033_Access Control / Booms (All resorts)	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	230	-	-	Whole of Municipality	U
4.7 - Library Services	WC033_Renovations Building - Waenhuiskrans Library (Children's area)	KPA5/SG5/SO9	Community Assets	Libraries	-	-	180	Arniston	U
4.7 - Library Services	WC033_Chairs - Bredasdorp	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	-	6	-	Bredasdorp	N
4.7 - Library Services	WC033_Cupboards - Arniston	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	-	10	-	Arniston	N
4.7 - Library Services	WC033_Cupboards - Bredasdorp	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	-	10	-	Bredasdorp	N
4.7 - Library Services	WC033_Aircon - Struisbaai	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	-	20	-	Struisbaai	N
4.7 - Library Services	WC033_Aircon - Waenhuiskrans	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	-	20	-	Arniston	N
4.7 - Library Services	WC033_Table - Welverdiend	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	-	4	-	Bredasdorp	N
4.7 - Library Services	WC033_Table and Chairs	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	-	20	-	Whole of Municipality	N
4.7 - Library Services	WC033_Laminating Machine	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	Whole of Municipality	N
4.7 - Library Services	WC033_TV - Flat Screen - Bredasdorp	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	-	5	-	Bredasdorp	N
4.7 - Library Services	WC033_DVD Player	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	-	2	-	Whole of Municipality	N
4.7 - Library Services	WC033_Burglar Bars Windows	KPA5/SG5/SO9	Community Assets	Libraries	-	15	-	Whole of Municipality	U
4.7 - Library Services	WC033_Rapairs Building Library - Napier	KPA5/SG5/SO9	Community Assets	Libraries	90	-	-	Napier	U
5.5 - Water	WC033_Borehole No 1 - Bredasdorp (Replacement)	KPA5/SG5/SO8	Water Supply Infrastructure	Boreholes	300	-	-	Bredasdorp	R
5.5 - Water	WC033_Replace old Water Mains	KPA5/SG5/SO8	Water Supply Infrastructure	Bulk Mains	1 000	1 000	2 000	Whole of Municipality	R
5.5 - Water	WC033_Sewerage Truck (Replacement)	KPA5/SG5/SO8	Transport Assets	Transport Assets	-	1 000	-	Whole of Municipality	R

Municipal Vote/Capital project	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2018/19 Medium Term Revenue & Expenditure Framework			Project information		
					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
R thousand										
5.5 - Water	WC033_Reservoir Roof Napier (Replacement & Fencing)	KPA5/SG5/S08	Water Supply Infrastructure	Reservoirs		200	-	-	Napier	U
5.5 - Water	WC033_Trailers (6ft) - X6	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		100	-	-	Whole of Municipality	N
5.5 - Water	WC033_Struisbaai - Sewerage network (Business areas)	KPA5/SG5/S08	Sanitation Infrastructure	Reticulation		1 000	1 000	2 000	Struisbaai	N
5.5 - Water	WC033_Telemetrie - Sewerpumpstation (Bidorp & Napier)	KPA5/SG5/S08	Sanitation Infrastructure	Pump Station		120	-	-	Napier	N
5.5 - Water	WC033_Telemetrie - Bredasdorp reservoirs	KPA5/SG5/S08	Water Supply Infrastructure	Reservoirs		150	-	-	Bredasdorp	R
5.3 - Refuse Removal Services	WC033_Office furniture	KPA5/SG5/S08	Furniture and Office Equipment	Furniture and Office Equipment		15	-	-	Whole of Municipality	N
5.3 - Refuse Removal Services	WC033_Design for new cell Bredasdorp landfill	KPA6/SG6/SO12	Solid Waste Infrastructure	Landfill Sites		-	1 000	-	Bredasdorp	N
5.4 - Streets & Stormwater	WC033_Upgrade Roads in Napier - Jubelum Street	KPA5/SG5/S08	Roads Infrastructure	Roads		-	1 200	500	Napier	U
5.4 - Streets & Stormwater	WC033_Upgrade Wouter Street in Napier	KPA5/SG5/S08	Roads Infrastructure	Roads		-	500	500	Napier	U
5.4 - Streets & Stormwater	WC033_Bidorp RDP - Upgrade Roads	KPA5/SG5/S08	Roads Infrastructure	Roads		-	3 000	3 000	Bredasdorp	U
5.4 - Streets & Stormwater	WC033_Klipdale Roads	KPA5/SG5/S08	Roads Infrastructure	Roads		-	280	400	Klipdale	R
5.4 - Streets & Stormwater	WC033_Protlem Roads	KPA5/SG5/S08	Roads Infrastructure	Roads		250	200	-	Protlem	R
5.4 - Streets & Stormwater	WC033_Roadmarking Spray Cart	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		-	250	-	Whole of Municipality	R
5.4 - Streets & Stormwater	WC033_Tip Truck	KPA5/SG5/S08	Transport Assets	Transport Assets		-	1 100	-	Whole of Municipality	R
5.4 - Streets & Stormwater	WC033_Air conditioners (X2)	KPA5/SG5/S08	Furniture and Office Equipment	Furniture and Office Equipment		-	25	-	Whole of Municipality	R
5.4 - Streets & Stormwater	WC033_Generator (X2)	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		30	-	-	Whole of Municipality	R
5.4 - Streets & Stormwater	WC033_Plate Compactors (X2)	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		-	36	-	Whole of Municipality	N
5.4 - Streets & Stormwater	WC033_Bomag (X1)	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		150	-	-	Whole of Municipality	N
5.4 - Streets & Stormwater	WC033_Grinders (X4)	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		10	-	-	Whole of Municipality	N
5.4 - Streets & Stormwater	WC033_Drill (X4)	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		10	-	-	Whole of Municipality	N
5.4 - Streets & Stormwater	WC033_Compressor	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		80	-	-	Whole of Municipality	N
5.4 - Streets & Stormwater	WC033_CAM Area Bus Shelters X4	KPA5/SG5/S08	Roads Infrastructure	Road Furniture		90	-	-	Whole of Municipality	N
5.4 - Streets & Stormwater	WC033_CAM Raised intersections X4	KPA5/SG5/S08	Roads Infrastructure	Road Furniture		250	-	-	Whole of Municipality	U
5.8 - Electricity Services	WC033_Extend Concrete washbay surface at store	KPA5/SG5/S08	Other assets	Stores		-	30	-	Whole of Municipality	U
5.8 - Electricity Services	WC033_Airconditioners X2	KPA5/SG5/S08	Furniture and Office Equipment	Furniture and Office Equipment		-	8	-	Whole of Municipality	N
5.8 - Electricity Services	WC033_Fluke Multimeters	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		12	6	6	Whole of Municipality	N
5.8 - Electricity Services	WC033_20kv Megger	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		82	-	-	Whole of Municipality	N
5.8 - Electricity Services	WC033_500kv Meggers *2	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		11	-	-	Whole of Municipality	N
5.8 - Electricity Services	WC033_Quality of Supplu Meters	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		-	95	48	Whole of Municipality	N
5.8 - Electricity Services	WC033_*Bredasdorp	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		840	1 370	3 660	Bredasdorp	N
5.8 - Electricity Services	WC033_*Struisbaai	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		-	1 085	1 698	Struisbaai	N
5.8 - Electricity Services	WC033_*L'Agulhas	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		-	470	400	Agulhas	N
5.8 - Electricity Services	WC033_*Napier	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		650	1 000	2 132	Napier	N
5.8 - Electricity Services	WC033_*Waenhuiskrans	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		-	895	930	Arniston	N
5.8 - Electricity Services	WC033_Switching Suits	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		72	26	26	Whole of Municipality	N
5.8 - Electricity Services	WC033_Generator	KPA5/SG5/S08	Machinery and Equipment	Machinery and Equipment		320	-	-	Whole of Municipality	R
<b>Parent Capital expenditure</b>						<b>30 504</b>	<b>41 349</b>	<b>38 839</b>		

## MBRR SA38 – Operating Projects per Strategic Objective per Vote

Municipal Vote/Operational project	Program/Project description	IDP Goal code	2018/19 Medium Term Revenue & Expenditure Framework			
			Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand						
Vote 1 - Executive and Council	Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Computer Equipment	KPA3/SG3/S05	–	22	23	25
Vote 1 - Executive and Council	Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Furniture and Office Equipment	KPA1/SG1/S01	19	16	17	18
Vote 1 - Executive and Council	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other Assets_Operational Buildings_Municipal Offices_Buildings	KPA2/SG2/S03	5	5	5	6
Vote 1 - Executive and Council	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Transport Assets	KPA1/SG1/S01	16	16	18	19
Vote 1 - Executive and Council	Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Seminars and Subject Matter Training	KPA2/SG2/S03	1 450	1 525	1 609	1 698
Vote 1 - Executive and Council	Operational_Typical Work Streams_Community Development_Child Programmes	KPA1/SG1/S01	100	100	100	100
Vote 1 - Executive and Council	Operational_Typical Work Streams_Community Development_Community Development Initiatives	KPA6/SG6/S011	5 056	5 310	6 385	5 668
Vote 1 - Executive and Council	Operational_Typical Work Streams_Community Development_Community Initiatives	KPA3/SG3/S05	343	351	360	369
Vote 1 - Executive and Council	Operational_Typical Work Streams_Community Development_Community Initiatives	KPA6/SG6/S011	220	231	243	255
Vote 1 - Executive and Council	Operational_Typical Work Streams_Efficient and Effective Public Service	KPA5/SG5/S010	3 397	3 203	3 381	3 574
Vote 1 - Executive and Council	Operational_Typical Work Streams_Human Resources_Employee Assistance Programme	KPA2/SG2/S03	130	137	144	152
Vote 1 - Executive and Council	Operational_Typical Work Streams_Human Resources_Human Resource Management	KPA2/SG2/S03	7 889	7 127	7 630	8 175
Vote 1 - Executive and Council	Operational_Typical Work Streams_Local Economic Development_Project Implementation	KPA3/SG3/S04	150	157	165	173
Vote 1 - Executive and Council	Operational_Typical Work Streams_Municipal Properties	KPA2/SG2/S03	406	445	455	465
Vote 1 - Executive and Council	Operational_Typical Work Streams_Occupational Health and Safety	KPA2/SG2/S03	25	26	28	29
Vote 1 - Executive and Council	Operational_Typical Work Streams_Performance Management	KPA1/SG1/S01	2 357	2 790	2 974	3 169
Vote 1 - Executive and Council	Operational_Typical Work Streams_Performance Management	KPA1/SG1/S01	25	26	28	29
Vote 1 - Executive and Council	Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy and Planning	KPA1/SG1/S01	16 227	17 822	18 631	19 606
Vote 1 - Executive and Council	Operational_Typical Work Streams_Strategic Management and Governance_Communication and Development	KPA3/SG3/S05	500	525	550	575
Vote 1 - Executive and Council	Operational_Typical Work Streams_Strategic Management and Governance_IDP Implementation and Monitoring	KPA1/SG1/S01	13	13	13	13
Vote 1 - Executive and Council	Operational_Typical Work Streams_Strategic Management and Governance_Risk Management	KPA1/SG1/S01	1 856	2 043	2 095	2 234
Vote 1 - Executive and Council	Operational_Typical Work Streams_Tourism_Tourism Projects	KPA3/SG3/S05	901	713	752	794
Vote 1 - Executive and Council	Operational_Typical Work Streams_Ward Committees_Meetings	KPA1/SG1/S02	480	505	530	557
Vote 2 - Financial Services & ICT	Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Computer Equipment	KPA2/SG2/S03	68	133	139	146
Vote 2 - Financial Services & ICT	Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Furniture and Office Equipment	KPA4/SG4/S06	27	28	28	29
Vote 2 - Financial Services & ICT	Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and Equipment	KPA5/SG5/S08	15	17	17	18
Vote 2 - Financial Services & ICT	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other Assets_Operational Buildings_Municipal Offices_Buildings	KPA5/SG5/S08	15	17	17	18
Vote 2 - Financial Services & ICT	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Transport Assets	KPA5/SG5/S08	1 143	1 528	1 621	1 725
Vote 2 - Financial Services & ICT	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Intangible Assets_Licences and Rights_Computer Software and Applications	KPA4/SG4/S06	2 935	3 104	3 343	3 750
Vote 2 - Financial Services & ICT	Operational_Typical Work Streams_Efficient and Effective Public Service	KPA4/SG4/S06	32 867	35 744	38 364	40 598
Vote 2 - Financial Services & ICT	Operational_Typical Work Streams_Financial Management Grant_Budget and Treasury Office	KPA4/SG4/S06	–	–	–	–
Vote 2 - Financial Services & ICT	Operational_Typical Work Streams_Financial Management Grant_Interns Compensation	KPA4/SG4/S06	16	559	559	559
Vote 2 - Financial Services & ICT	Operational_Typical Work Streams_Procurement Reforms and Fighting Corruption	KPA4/SG4/S06	2 663	3 483	3 735	4 012
Vote 2 - Financial Services & ICT	Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy and Planning	KPA4/SG4/S06	7 920	7 097	7 395	7 410
Vote 4 - Management Services	Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Furniture and Office Equipment	KPA6/SG6/S011	28	43	45	47

Municipal Vote/Operational project	Program/Project description	IDP Goal code	2018/19 Medium Term Revenue & Expenditure Framework			
			Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand						
Vote 4 - Management Services	Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and Equipment	KPA6/SG6/SO12	353	444	469	494
Vote 4 - Management Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other Assets_Operational Buildings_Municipal Offices_Buildings	KPA6/SG6/SO11	4 243	4 681	4 969	5 267
Vote 4 - Management Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other Assets_Operational Buildings_Municipal Offices_Land	KPA6/SG6/SO12	103	185	195	206
Vote 4 - Management Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Transport Assets	KPA6/SG6/SO11	298	331	349	368
Vote 4 - Management Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Community Assets_Community Facilities_Cemeteries/Crematoria_External Facilities	KPA5/SG5/SO9	636	729	783	842
Vote 4 - Management Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Community Assets_Community Facilities_Parks_Land	KPA2/SG2/SO3	3 723	4 310	4 635	4 984
Vote 4 - Management Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Community Assets_Sport and Recreation Facilities_Outdoor Facilities_External Facilities	KPA2/SG2/SO3	4 125	2 315	2 470	2 629
Vote 4 - Management Services	Operational_Typical Work Streams_Community Development_Community Development Initiatives	KPA6/SG6/SO11	-	-	-	-
Vote 4 - Management Services	Operational_Typical Work Streams_Community Development_Housing Projects	KPA5/SG5/SO10	31 144	35 826	51 670	49 944
Vote 4 - Management Services	Operational_Typical Work Streams_Community Development_Library Programmes	KPA5/SG5/SO9	5 080	6 784	5 902	6 224
Vote 4 - Management Services	Operational_Typical Work Streams_Efficient and Effective Public Service	KPA5/SG5/SO9	3 855	5 300	5 662	6 052
Vote 4 - Management Services	Operational_Typical Work Streams_Environmental_Environmental Health	KPA6/SG6/SO12	836	904	957	1 013
Vote 4 - Management Services	Operational_Typical Work Streams_Public Protection and Safety	KPA6/SG6/SO12	15 961	20 060	20 419	21 787
Vote 4 - Management Services	Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy and Planning	KPA6/SG6/SO11	2 962	3 173	2 263	2 358
Vote 5 - Engineering Services	Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Electrical Infrastructure_LV Networks_Electricity Meters	KPA5/SG5/SO8	9	13	14	14
Vote 5 - Engineering Services	Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Electrical Infrastructure_LV Networks_LV Conductors	KPA5/SG5/SO8	7 421	8 321	8 840	8 760
Vote 5 - Engineering Services	Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Electrical Infrastructure_LV Networks_Public Lighting	KPA5/SG5/SO8	143	5 176	5 190	5 205
Vote 5 - Engineering Services	Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Roads_Infrastructure_Road Furniture_Traffic Signs	KPA5/SG5/SO8	250	263	278	293
Vote 5 - Engineering Services	Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Roads_Infrastructure_Roads_Earthworks	KPA5/SG5/SO8	10 620	11 076	11 797	11 598
Vote 5 - Engineering Services	Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Roads_Infrastructure_Roads_Pavements	KPA5/SG5/SO8	100	105	111	117
Vote 5 - Engineering Services	Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Sanitation_Infrastructure_Reticulation_Pipe Work	KPA5/SG5/SO8	6 534	7 156	6 647	6 526
Vote 5 - Engineering Services	Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Water Supply_Infrastructure_Distribution_Pipe Work	KPA5/SG5/SO8	9 919	11 055	10 039	10 675
Vote 5 - Engineering Services	Operational_Maintenance_Infrastructure_Preventative Maintenance_Interval Based_Solid Waste Disposal_Landfill_Sites_Land	KPA6/SG6/SO12	2 018	2 681	2 829	2 899
Vote 5 - Engineering Services	Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Furniture and Office Equipment	KPA5/SG5/SO8	14	15	16	17
Vote 5 - Engineering Services	Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and Equipment	KPA5/SG5/SO8	252	295	312	330
Vote 5 - Engineering Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other Assets_Operational Buildings_Municipal Offices_Buildings	KPA5/SG5/SO8	130	160	170	180
Vote 5 - Engineering Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other Assets_Operational Buildings_Municipal Offices_Land	KPA5/SG5/SO8	20	55	58	61
Vote 5 - Engineering Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Transport Assets	KPA5/SG5/SO8	2 092	2 341	2 471	2 608
Vote 5 - Engineering Services	Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Intangible Assets_Licences and Rights_Computer Software and Applications	KPA5/SG5/SO8	57	60	64	67
Vote 5 - Engineering Services	Operational_Typical Work Streams_City Cleanliness and Clean-up_Clean-up Actions	KPA5/SG5/SO8	1 475	1 526	1 610	1 699
Vote 5 - Engineering Services	Operational_Typical Work Streams_Efficient and Effective Public Service	KPA5/SG5/SO8	113 090	121 075	129 524	137 923
Vote 5 - Engineering Services	Operational_Typical Work Streams_Environmental_Air Quality Management	KPA5/SG5/SO8	-	77	305	113
Vote 5 - Engineering Services	Operational_Typical Work Streams_Expanded Public Works Programme_Project	KPA3/SG3/SO4	480	-	-	-
Vote 5 - Engineering Services	Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy and Planning	KPA5/SG5/SO8	3 263	2 054	1 367	1 472
Parent operational expenditure				353 405	383 781	398 739



## 2.12 Legislation compliance status

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

1. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and attached as Appendix B to be finalised after approval of the 2018/19 MTREF at least 30 days before the start of the next financial year directly aligned and informed by the 2017/18 MTREF.
2. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
3. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed 3 interns undergoing training in various divisions of the Financial Services Department. Currently a further 2 vacancies are in process of being filled.
4. Budget and Treasury Office  
The Budget and Treasury Office has been established and a Manager have been appointed during September 2015 in accordance with the MFMA. The unit needs to be further capacitated in order to fulfill its legislative objective and to be fully effective to deliver in terms of its mandate accordingly.
5. Audit Committee  
An Audit Committee has been established and is fully functional.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
No MFMA training is currently underway. Skills Competency training is currently in progress at the municipality with only a few individuals in the final stages of the programme.
8. Policies  
Budget related policies will be reviewed and updated if so required for final submission with the approval of the 2018/19 MTREF & outer two years.

## 2.13 Other supporting documents

All other supporting schedules not specifically addressed in this document are included below.

### MBRR SA1 - Supporting detail to 'Budgeted Financial Performance'

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>REVENUE ITEMS:</b>				
<b><u>Property rates</u></b>				
Total Property Rates	61 253	65 149	69 292	73 699
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	1 110	1 168	1 232	1 300
<b>Net Property Rates</b>	<b>60 143</b>	<b>63 981</b>	<b>68 061</b>	<b>72 400</b>
<b><u>Service charges - electricity revenue</u></b>				
Total Service charges - electricity revenue	103 393	110 963	119 840	129 220
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	87	92	100	107
<b>Net Service charges - electricity revenue</b>	<b>103 306</b>	<b>110 871</b>	<b>119 740</b>	<b>129 113</b>
<b><u>Service charges - water revenue</u></b>				
Total Service charges - water revenue	26 674	28 370	30 175	32 094
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	2 332	2 453	2 588	2 731
<b>Net Service charges - water revenue</b>	<b>24 342</b>	<b>25 917</b>	<b>27 587</b>	<b>29 363</b>
<b><u>Service charges - sanitation revenue</u></b>				
Total Service charges - sanitation revenue	12 560	13 359	14 209	15 112
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	3 074	3 234	3 412	3 599
<b>Net Service charges - sanitation revenue</b>	<b>9 486</b>	<b>10 125</b>	<b>10 797</b>	<b>11 513</b>
<b><u>Service charges - refuse revenue</u></b>				
Total refuse removal revenue	19 435	20 671	21 986	23 385
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	3 712	3 905	4 120	4 346
<b>Net Service charges - refuse revenue</b>	<b>15 723</b>	<b>16 766</b>	<b>17 866</b>	<b>19 038</b>

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Other Revenue by source</b>				
Advertisements	115	118	126	133
Bad Debts Recovered	250	266	283	301
Books	1	1	1	1
Breakages and Losses Recovered	3	3	4	4
Building Plan Approval	1 002	1 066	1 134	1 206
Camping Fees	6 036	6 420	6 828	7 262
Cemetery and Burial	46	49	52	56
Clearance Certificates	72	77	82	87
Entrance Fees	29	30	32	34
Incidental Cash Surpluses	21	22	24	25
Insurance Refund	30	32	34	36
Library Fees_Membership	5	6	6	6
Merchandising, Jobbing and Contracts	163	175	188	203
Photocopies and Faxes	20	22	23	24
Plan Printing and Duplicates	13	13	14	15
Removal of Restrictions	15	16	17	19
Staff Recoveries	10	5	5	5
Stone and Gravel	1	1	1	1
Tender Documents	32	34	36	38
Town Planning and Servitudes	85	90	95	101
Transaction Handling Fees	230	69	73	78
<b>Total 'Other' Revenue</b>	<b>8 179</b>	<b>8 514</b>	<b>9 056</b>	<b>9 633</b>
<b>EXPENDITURE ITEMS:</b>				
<b>Employee related costs</b>				
Basic Salaries and Wages	79 437	88 290	95 024	99 368
Pension and UIF Contributions	13 475	14 665	15 776	16 467
Medical Aid Contributions	4 032	4 050	4 017	4 021
Overtime	3 410	2 707	502	543
Performance Bonus	525	-	-	-
Motor Vehicle Allowance	5 650	5 511	5 511	5 511
Cellphone Allowance	369	392	398	398
Housing Allowances	951	969	969	978
Other benefits and allowances	4 965	5 052	3 867	3 877
Payments in lieu of leave	1 319	967	1 020	1 076
Long service awards	522	550	580	612
Post-retirement benefit obligations	2 372	2 715	2 853	2 997
<b>sub-total</b>	<b>117 026</b>	<b>125 868</b>	<b>130 516</b>	<b>135 848</b>
<u>Less: Employees costs capitalised to PPE</u>	-	-	-	-
<b>Total Employee related costs</b>	<b>117 026</b>	<b>125 868</b>	<b>130 516</b>	<b>135 848</b>

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b><u>Depreciation &amp; asset impairment</u></b>				
Depreciation of Property , Plant & Equipment	10 127	10 541	11 121	11 732
<b>Total Depreciation &amp; asset impairment</b>	<b>11 440</b>	<b>11 922</b>	<b>12 577</b>	<b>13 269</b>
<b><u>Bulk purchases</u></b>				
Electricity Bulk Purchases	76 498	82 097	88 255	95 315
Water Bulk Purchases	300	300	317	334
<b>Total bulk purchases</b>	<b>76 798</b>	<b>82 397</b>	<b>88 571</b>	<b>95 649</b>
<b><u>Transfers and grants</u></b>				
Cash transfers and grants	2 763	1 920	1 982	2 048
<b>Total transfers and grants</b>	<b>2 763</b>	<b>1 920</b>	<b>1 982</b>	<b>2 048</b>
<b><u>Contracted services</u></b>				
Accounting and Auditing	690	360	330	–
Audit Committee	135	146	138	144
Builders	–	1 200	–	–
Burial Services	56	59	62	65
Business and Financial Management	2 220	2 302	2 438	2 563
Catering Services	60	60	60	60
Cleaning Services	2	–	–	–
Clearing and Grass Cutting Services	25	–	–	–
Commissions and Committees	391	468	425	451
Communications	150	158	100	100
Contractors_Building	1 000	1 000	–	–
Contractors_Electrical	–	5 000	5 000	5 000
Drivers Licence Cards	170	179	189	199
Employee Wellness	130	137	144	152
Engineering_Civil	1 950	1 950	1 250	1 250
Event Promoters	10	1 011	2 011	1 012
Fire Services	750	789	832	878
Gardening Services	77	63	67	70
Haulage	2 630	2 726	2 876	3 034
Human Resources	420	273	161	169
Legal Advice and Litigation	902	621	632	643
Legal Cost_Collection	180	230	243	256
Maintenance of Unspecified Assets	200	–	–	–
Medical Examinations	10	12	13	14
Occupational Health and Safety	56	59	62	66
Personnel and Labour	1 467	364	395	415
Photographer	3	2	2	2
Removal of Structures and Illegal Signs	35	37	39	41
Research and Advisory	1 503	707	737	769
Security Services	821	996	855	902
Town Planner	1 150	800	815	839
Traffic Fines Management	780	821	866	913
Valuer	510	580	615	652
<b>sub-total</b>	<b>18 483</b>	<b>23 108</b>	<b>21 356</b>	<b>20 659</b>

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Other Expenditure By Type</b>				
Audit fees	3 150	3 314	3 496	3 688
Advertising, Publicity and Marketing	989	1 428	1 499	1 573
Bank Charges, Facility and Card Fees	845	897	942	994
Bursaries (Employees)	120	126	133	140
Cleaning Services (Laundry)	108	140	148	156
Commission	1 498	1 540	1 625	1 714
Communication - Licences (Radio and Television)	8	8	9	9
Communication - Postage and Telephone	1 505	1 605	1 688	1 774
Communication - Telemetric Systems	20	–	–	–
Contribution - Pensioners	–	150	150	150
Deeds	45	50	58	61
Drivers Licences and Permits	30	30	31	33
Entertainment - Councillors	90	95	99	104
Entertainment - Senior Management	8	8	9	9
Indigent Relief	342	367	397	428
Skills Development Fund Levy	724	780	839	843
External Computer Service - Data Lines	806	1 356	2 024	2 051
Full Time Union Representative	140	147	155	164
Hire Charges	535	466	491	518
Insurance	676	709	745	786
Motor Vehicle Licence and Registrations	253	272	287	303
Municipal Services	1 010	1 121	1 184	1 250
Operating Leases	396	517	528	539
Printing, Publications and Books	92	103	108	113
Professional and Regulatory Bodies	52	49	51	54
Professional Bodies, Membership and Subscription	1 055	1 178	1 243	1 311
Remuneration to Ward Committees	480	505	530	557
Resettlement Cost	50	53	56	59
Samples and Specimens	329	350	609	440
Seminars, Conferences, Workshops and Events	1 577	1 778	1 859	1 955
Software Licences	3 362	3 548	3 811	4 244
System Access and Information Fees	3	3	3	3
Travel and Subsistence	910	965	1 019	1 073
Uniform and Protective Clothing	568	708	747	788
Workmen's Compensation Fund	205	278	288	341
<b>Total 'Other' Expenditure</b>	<b>21 981</b>	<b>24 644</b>	<b>26 859</b>	<b>28 226</b>
<b>Repairs and Maintenance</b>				
<b>by Expenditure Item</b>				
Employee related costs	38 498	40 955	41 010	41 571
Other materials	14 553	16 405	17 320	18 285
Contracted Services	290	5 094	5 100	5 105
Other Expenditure	3 987	4 238	4 547	4 980
<b>Total Repairs and Maintenance Expenditure</b>	<b>57 329</b>	<b>66 693</b>	<b>67 977</b>	<b>69 942</b>

## MBRR SA2 - Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Vote 1 - Executive and Council	Vote 2 - Financial Services & ICT	Vote 3 - Corporate Services	Vote 4 - Management Services	Vote 5 - Engineering Services	Total
<b>R thousand</b>						
<b><u>Revenue By Source</u></b>						
Property rates	-	63 981	-	-	-	63 981
Service charges - electricity revenue	-	-	-	-	110 871	110 871
Service charges - water revenue	-	-	-	-	25 917	25 917
Service charges - sanitation revenue	-	-	-	-	10 125	10 125
Service charges - refuse revenue	-	-	-	-	16 766	16 766
Rental of facilities and equipment	1 564	-	-	146	-	1 710
Interest earned - external investments	-	2 286	-	-	-	2 286
Interest earned - outstanding debtors	-	1 591	-	-	-	1 591
Fines, penalties and forfeits	3	100	-	9 751	-	9 854
Licences and permits	58	-	-	6	-	64
Agency services	-	-	-	2 572	-	2 572
Other revenue	233	498	-	6 536	1 247	8 514
Transfers and subsidies	28 662	910	-	41 561	8 016	79 150
Gains on disposal of PPE	-	1 500	-	-	-	1 500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>30 521</b>	<b>70 866</b>	<b>-</b>	<b>60 572</b>	<b>172 942</b>	<b>334 902</b>
<b><u>Expenditure By Type</u></b>						
Employee related costs	23 418	26 316	-	31 568	44 566	125 868
Remuneration of councillors	5 514	-	-	-	-	5 514
Debt impairment	-	1 001	-	7 289	2 507	10 797
Depreciation & asset impairment	-	3 169	-	-	8 753	11 922
Finance charges	100	4 719	-	300	4 320	9 439
Bulk purchases	-	-	-	-	82 397	82 397
Other materials	641	539	-	39 273	17 344	57 798
Contracted services	4 086	3 777	-	4 927	10 319	23 108
Transfers and subsidies	1 920	-	-	-	-	1 920
Other expenditure	7 431	12 188	-	1 727	3 298	24 644
<b>Total Expenditure</b>	<b>43 109</b>	<b>51 708</b>	<b>-</b>	<b>85 084</b>	<b>173 504</b>	<b>353 405</b>
<b>Surplus/(Deficit)</b>	<b>(12 588)</b>	<b>19 158</b>	<b>-</b>	<b>(24 512)</b>	<b>(561)</b>	<b>(18 503)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	2 500	-	199	11 082	13 781
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(12 588)</b>	<b>21 658</b>	<b>-</b>	<b>(24 313)</b>	<b>10 520</b>	<b>(4 722)</b>

**MBRR SA3 - Supporting detail to 'Budgeted Financial Position'**

Description	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>ASSETS</b>				
<b><u>Consumer debtors</u></b>				
Consumer debtors	45 453	55 044	65 325	76 338
Less: Provision for debt impairment	(17 762)	(21 270)	(24 973)	(28 884)
<b>Total Consumer debtors</b>	<b>27 691</b>	<b>33 774</b>	<b>40 352</b>	<b>47 454</b>
<b><u>Debt impairment provision</u></b>				
Balance at the beginning of the year	14 433	17 762	21 270	24 973
Contributions to the provision	3 329	3 508	3 703	3 911
<b>Balance at end of year</b>	<b>17 762</b>	<b>21 270</b>	<b>24 973</b>	<b>28 884</b>
<b><u>Property, plant and equipment (PPE)</u></b>				
PPE at cost/v aluation (excl. finance leases)	490 939	520 444	561 543	600 332
Leases recognised as PPE	1 192	1 192	1 192	1 192
Less: Accumulated depreciation	105 742	117 350	129 597	142 517
<b>Total Property, plant and equipment (PPE)</b>	<b>386 389</b>	<b>404 285</b>	<b>433 138</b>	<b>459 007</b>
<b>LIABILITIES</b>				
<b><u>Current liabilities - Borrowing</u></b>				
Current portion of long-term liabilities	1 659	2 419	3 588	4 192
<b>Total Current liabilities - Borrowing</b>	<b>1 659</b>	<b>2 419</b>	<b>3 588</b>	<b>4 192</b>
<b><u>Trade and other payables</u></b>				
Trade and other creditors	37 570	41 455	45 906	47 250
VAT	42	42	42	42
<b>Total Trade and other payables</b>	<b>37 611</b>	<b>41 497</b>	<b>45 948</b>	<b>47 292</b>
<b><u>Non current liabilities - Borrowing</u></b>				
Borrowing	4 876	7 112	10 548	12 323
<b>Total Non current liabilities - Borrowing</b>	<b>4 876</b>	<b>7 112</b>	<b>10 548</b>	<b>12 323</b>
<b><u>Provisions - non-current</u></b>				
Retirement benefits	53 999	57 239	60 673	64 314
Refuse landfill site rehabilitation	70 275	74 492	78 961	83 699
<b>Total Provisions - non-current</b>	<b>124 274</b>	<b>131 731</b>	<b>139 635</b>	<b>148 013</b>
<b>CHANGES IN NET ASSETS</b>				
<b><u>Accumulated Surplus/(Deficit)</u></b>				
Accumulated Surplus/(Deficit) - opening balance	290 058	287 137	290 415	306 946
Restated balance	290 058	287 137	290 415	306 946
Surplus/(Deficit)	(2 921)	(4 722)	4 531	6 369
Appropriations to Reserves	(9 049)	(11 345)	(12 518)	(14 378)
Transfers from Reserves	9 049	19 345	24 518	14 378
<b>Accumulated Surplus/(Deficit)</b>	<b>287 137</b>	<b>290 415</b>	<b>306 946</b>	<b>313 316</b>
<b><u>Reserves</u></b>				
Capital replacement	20 000	12 000	—	—
<b>Total Reserves</b>	<b>20 000</b>	<b>12 000</b>	<b>(0)</b>	<b>(0)</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>307 137</b>	<b>302 415</b>	<b>306 946</b>	<b>313 316</b>

## MBRR SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	2011 Census	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
		Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>					
Population	33	33	33	33	33
Females aged 5 - 14	2	2	2	2	2
Males aged 5 - 14	3	3	3	3	3
Females aged 15 - 34	5	5	5	5	5
Males aged 15 - 34	5	5	5	5	5
Unemployment	19,5%	19,5%	19,5%	19,5%	19,5%
<b>Monthly household income (no. of households)</b>					
No income	-	-	-	-	-
R1 - R1 600	-	3 109	3 109	3 109	3 109
R1 601 - R3 200		353	353	353	353
		R8,670			
		average			
		income per			
		household			
R3 201 - R6 400		6 700	6 700	6 700	6 700
<b>Poverty profiles (no. of households)</b>					
< R2 060 per household per month	3 462	3462.00	3462.00	3462.00	3462.00
Insert description	-	0.00	0.00	0.00	0.00
<b>Household/demographics (000)</b>					
Number of people in municipal area	33 301	33	33	33	33
Number of poor people in municipal area	13 156	13	13	13	13
Number of households in municipal area	10 162	10	10	10	10
Number of poor households in municipal area	3 462	3	3	3	3
<b>Housing statistics</b>					
Formal	8 658	8 658	8 658	8 658	8 658
Informal	1 504	1 504	1 504	1 504	1 504
<b>Total number of households</b>	<b>10 162</b>	<b>10 162</b>	<b>10 162</b>	<b>10 162</b>	<b>10 162</b>
Dwellings provided by municipality	-	-	-	-	-
Dwellings provided by province/s	668	668	668	668	668
Dwellings provided by private sector	9 494	9 494	9 494	9 494	9 494
<b>Total new housing dwellings</b>	<b>10 162</b>	<b>10 162</b>	<b>10 162</b>	<b>10 162</b>	<b>10 162</b>
<b>Economic</b>					
Inflation/inflation outlook (CPIX)		4.8%	5.3%	5.4%	5.5%
Interest rate - borrowing		9.3%	9.3%	9.3%	9.3%
Interest rate - investment		5.3%	5.3%	5.3%	5.3%
Remuneration increases		5.1%	5.3%	5.4%	5.5%
Consumption growth (electricity)		0.0%	0.0%	0.0%	0.0%
Consumption growth (water)		0.0%	0.0%	0.0%	0.0%
<b>Collection rates</b>					
Property tax/service charges		95.8%	95.8%	95.8%	95.8%
Rental of facilities & equipment		95.8%	95.8%	95.8%	95.8%
Interest - external investments		100.0%	100.0%	100.0%	100.0%
Interest - debtors		95.8%	95.8%	95.8%	95.8%
Revenue from agency services		100.0%	100.0%	100.0%	100.0%



## MBRR SA11 - Property rates summary

TO BE INCLUDED

## MBRR SA12a - Property rates by category (current year)

TO BE INCLUDED

## MBRR SA12b - Property rates by category (Budget year)

TO BE INCLUDED

## MBRR SA13a - Service Tariffs by category

TO BE INCLUDED

## MBRR SA13b - Service Tariffs by category – explanatory

TO BE INCLUDED

## MBRR SA15 - Investment particulars by type

The municipality does not anticipate to have any investments at any year-end. Investments are expected to mature before year-end and thus there will be no investment balances to report on year-end.

## MBRR SA16 - Investment particulars by maturity

As indicated above, the municipality does not anticipate to have any investments at any year-end, as all cash balances are budgeted for at year-end as part of the current account.

## MBRR SA17 – Borrowing

Borrowing - Categorised by type R thousand	2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Parent municipality</b>				
Annuity and Bullet Loans	4 876	7 112	10 548	12 323
<b>Total Borrowing</b>	<b>4 876</b>	<b>7 112</b>	<b>10 548</b>	<b>12 323</b>

## 2.14 Manager's quality certificate

I ....., Municipal Manager of Cape Agulhas Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name:** \_\_\_\_\_

***Municipal Manager of Cape Agulhas Municipality***

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## **Part 3 – Appendices**

### **3.1 Appendix A – Tariff Listing**

Attached.

### **3.2 Appendix B – Draft SDBIP**

Attached.

### **3.3 Appendix C – mSCOA Implementation Plan**

Attached.

### **3.4 Appendix D– Service Level Standards**

Attached.