

CAPE AGULHAS MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2019/2020 TO 2021/2022



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
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ANNUAL BUDGET OF
CAPE AGULHAS
MUNICIPALITY

2019/20 TO 2021/22
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

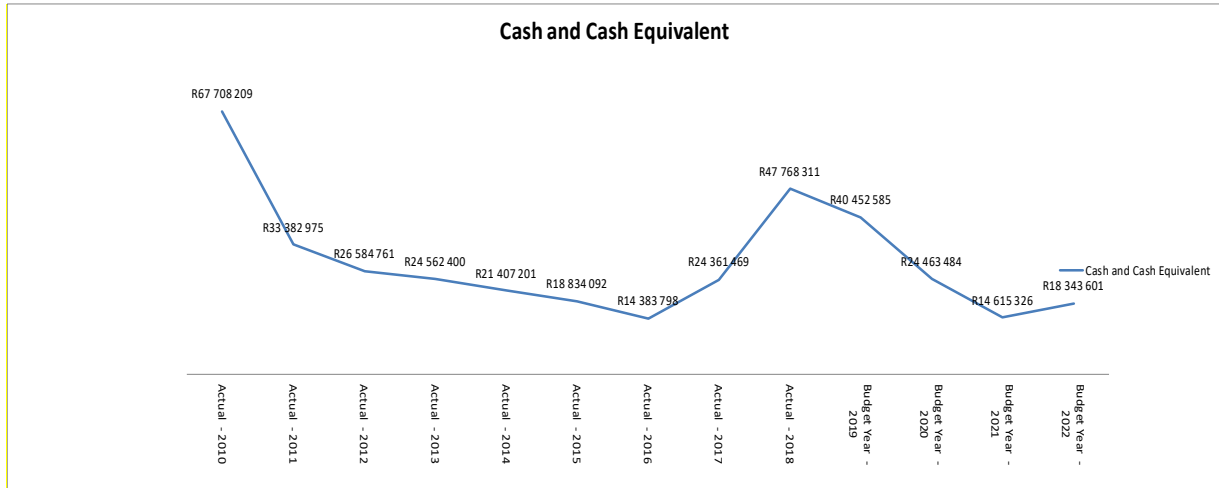
In order to achieve our goals in the focus areas identified, it is imperative that we:

- 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;

Addressing the growing financial crisis within municipalities is considered one of the main priorities of National Treasury. In 2018/19, 113 municipalities adopted unfunded budgets, compared to 83 during the 2017/18 financial year. Cape Agulhas Municipality, like many other municipalities, are faced with the enormous task to balance the available funding with to the numerous communities needs and other challenges related to basic service delivery. These needs and challenges include, but are 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
- Increase in cost of bulk electricity and the inability to pass all increases over to the consumers.

Currently, although still a funded budget, the proposed program will have a negative impact on the projected cash position of the municipality as indicated below:



(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 15,989 million during 2019/2020 and by R 9,848 million during 2020/2021 before increasing slightly during 2021/2022. 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 approximately R 45 million capital expenditure from internal sources over 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	2015/16	2016/17	2017/18	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
NET CASH FROM/(USED) OPERATING ACTIVITIES	9 624	34 497	25 700	19 053	12 020	21 952	29 098
LOANS RAISED	2 428	220	17 400	-	16 779	23 601	7 372
FUNDING AVAILABLE	12 053	34 717	43 100	19 053	28 799	45 553	36 470
CAPITAL PROGRAM	(20 756)	(24 172)	(24 000)	(30 940)	(46 437)	(58 462)	(36 216)
SURPLUS/(SHORTFALL)	(8 704)	10 545	19 100	(11 887)	(17 638)	(12 909)	255

This will result in accumulated cash reserves being utilized to fund the capital program, resulting in the illustrated downward trend over the MTREF.

The South African economy and inflation targets

South Africa finds itself at a crossroads. The Medium Term Budget Policy Statement (MTBPS) presented by the Minister of Finance, Mr. Tito Mboweni highlights the difficult economic and fiscal choices confronting government over the next several years. In the 2018 MTBPS, the Minister of Finance stated that given the current economic climate the country faces, the government is confronted by difficult economic and fiscal choices over the medium term. The Minister further indicated that South Africa needs to choose a path that leads to faster and more inclusive

economic growth and strengthens private and public sector investment. The path should also stabilise and reduce the national debt, as South Africa cannot afford to borrow at the rate we are currently borrowing at.

The GDP growth rate is forecasted at 1.5 per cent in 2019, 1.7 per cent in 2020 and 2.1 per cent in 2021. The forecast takes into account weaker investment outcomes in 2018, a more fragile recovery in household income and slower export demand than expected due to moderating global growth. Consumer inflation has also been revised down due to lower oil prices and food inflation than previously assumed.

To promote a return to faster growth and job creation, the President announced an economic stimulus and recovery plan in September 2018. The initiative focuses on five interventions:

- Implementing growth-enhancing economic reforms;
- Reprioritising public spending to support economic growth and job creation;
- Establishing an infrastructure fund;
- Addressing urgent matters in education and health; and
- Investing in municipal social infrastructure improvement.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for municipal revenue projections. In this context, 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	1.1 - Council Administration				
				1.2 - Internal Audit				
				1.3 - Municipal Manager				
				1.4 - Council Support				
				1.5 - Shared Services				
				1.6 - Strategic Services				
				1.9 - Administration				
				SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	1.1 - Council Administration 1.10 - Human Resources & Organisational Development			
				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.	1.10 - Human Resources & Organisational Development
1.9 - Administration								
2.7 - Information Systems								
4.2 - Beaches & Holiday Resorts								
4.3 - Buildings and Commonage								
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	1.10 - Human Resources & Organisational Development				
				1.6 - Strategic Services				
				4.11 - Social Development				
				4.8 - Parks and Sports Facilities				
				5.1 - Director: Engineering Services				
				SO5: To promote tourism in the Municipal Area	1.1 - Council Administration 1.11 - 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	2.1 - Budget & Treasury
2.2 - Expenditure Management								
2.3 - Director: Financial Services & ICT								
2.4 - Revenue Management								
2.5 - 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	1.7 - Town Planning				
				4.6 - Human Settlements				
				5.7 - Building Control				
				SO7: Provision of equitable quality basic services to all households	1.1 - Council Administration			
				SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	2.6 - Workshop 5.1 - Director: Engineering Services 5.10 - Air Quality 5.2 - Sewerage Services 5.3 - Refuse Removal Services 5.4 - Streets & Stormwater 5.5 - Water 5.6 - Workshop 5.8 - Electricity Services 5.9 - PMU Unit			
				SO9: To provide community facilities and services	4.10 - Public Services 4.4 - Cemetery 4.7 - Library Services			
				SO10: Development of sustainable vibrant human settlements	4.6 - Human Settlements			
				MKPA6: Social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	SO11: To promote social and youth development	1.1 - Council Administration 1.8 - Socio & Economic Development 4.1 - Director: Management Services	
							SO12: To create and maintain a safe and healthy environment	4.12 - Traffic & Law Enforcement 4.13 - Traffic Licencing & Vehicle Testing Station 4.5 - Environmental Services 4.9 - Protective Services 5.3 - Refuse Removal Services

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	2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
				Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand						
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	21 570	23 551	24 021	25 494
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	542	533	533	533
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	30 267	35 109	37 059	39 632
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	877	1 232	369	389
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	1 245	2 030	2 312	2 446
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	50 108	49 112	50 440	53 968
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	157 523	176 214	190 378	207 273
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	8 958	9 004	9 841	10 323
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	42 993	61 681	58 186	61 517
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	8 007	5 722	5 638	5 940
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	28 234	29 630	31 780	33 802
Total Expenditure			350 324	393 818	410 557	441 318

Capital Expenditure per Strategic Objective

Strategic Objective	Goal	Goal Code	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand						
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	221	1 862	1 003	4
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	165	4	-	-
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	5 158	6 997	6 156	5 517
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	-	70	-	-
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	273	22	-	-
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	21 244	35 254	46 234	26 382
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	97	20	180	10
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	9	-	-
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	521	-	86	-
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	3 231	2 198	4 803	4 303
Total Capital Expenditure			30 940	46 437	58 462	36 216

1.3 Draft Council Resolutions

It is recommended that Council **table** the Draft annual budget as follows:

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 2019/20 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) table the following tariffs as part of the Draft annual budget for effective date from 1 July 2019:
 - 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) table for review effective from date 1 July 2019 the tariffs for other services, as set out in Annexure B and Annexure C.

1.4 Executive Summary

Ensuring that funded budgets are adopted by municipal Councils is one of the main goals set out by National Treasury to achieve during the 2019/20 MTREF. This means that expenditure must be contained within realistic revenue projections. Although the concept of a “balanced” budget is considered to be an outdated concept as it does not necessarily translate the budget into being a “funded” budget, limiting operating expenditure, which includes non-cash items, within the revenue generation capabilities of the municipality will significantly contribute to ensuring a funded budget is adopted.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/20 Medium-term Revenue and Expenditure Framework:

Consolidated Overview of the 2019/20 MTREF (R'000)

R thousand	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Operating Revenue	343 789	380 515	405 667	441 193
Total Operating Expenditure	(350 324)	(393 818)	(410 557)	(441 318)
<i>Surplus/(Deficit) before capital transfers</i>	(6 535)	(13 303)	(4 890)	(125)
Transferred Recognised Capital	12 550	12 941	15 696	16 371
<i>Surplus/(Deficit) for the year</i>	6 015	(362)	10 806	16 246

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 items 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.

The budget presented is aligned to the following vote structure:

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

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

Vote Description R thousand	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote				
Vote 1 - Executive and Council	32 025	34 903	35 499	37 274
Vote 2 - Financial Services & ICT	78 603	82 867	88 220	95 226
Vote 4 - Management Services	62 084	78 926	78 268	83 157
Vote 5 - Engineering Services	183 627	196 760	219 376	241 907
Total Revenue by Vote	356 339	393 456	421 363	457 564
Expenditure by Vote to be appropriated				
Vote 1 - Executive and Council	42 883	46 816	46 133	49 041
Vote 2 - Financial Services & ICT	56 600	59 117	60 933	64 808
Vote 4 - Management Services	82 635	101 232	102 489	108 723
Vote 5 - Engineering Services	168 206	186 652	201 002	218 746
Total Expenditure by Vote	350 324	393 818	410 557	441 318
Surplus/(Deficit) for the year	6 015	(362)	10 806	16 246

Financial Viability

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 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 2014/2015. 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:

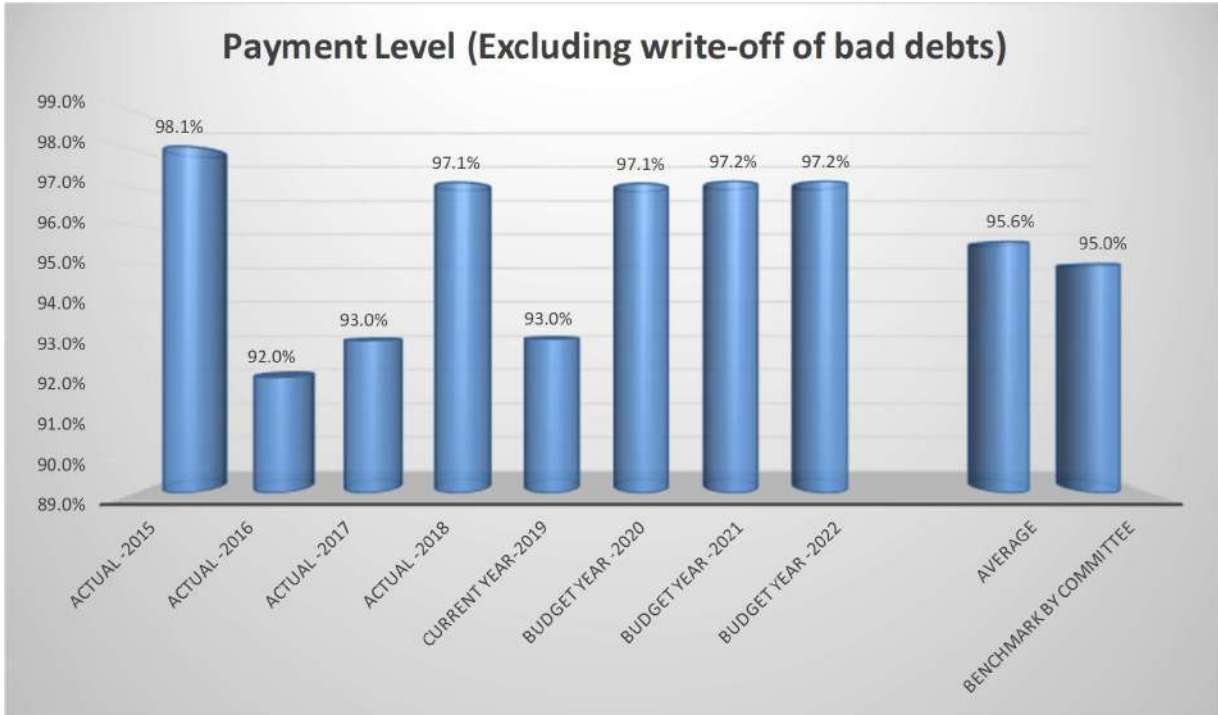


From a viability scoring out of 10 for this indicator, the following is allocated for this indicator:

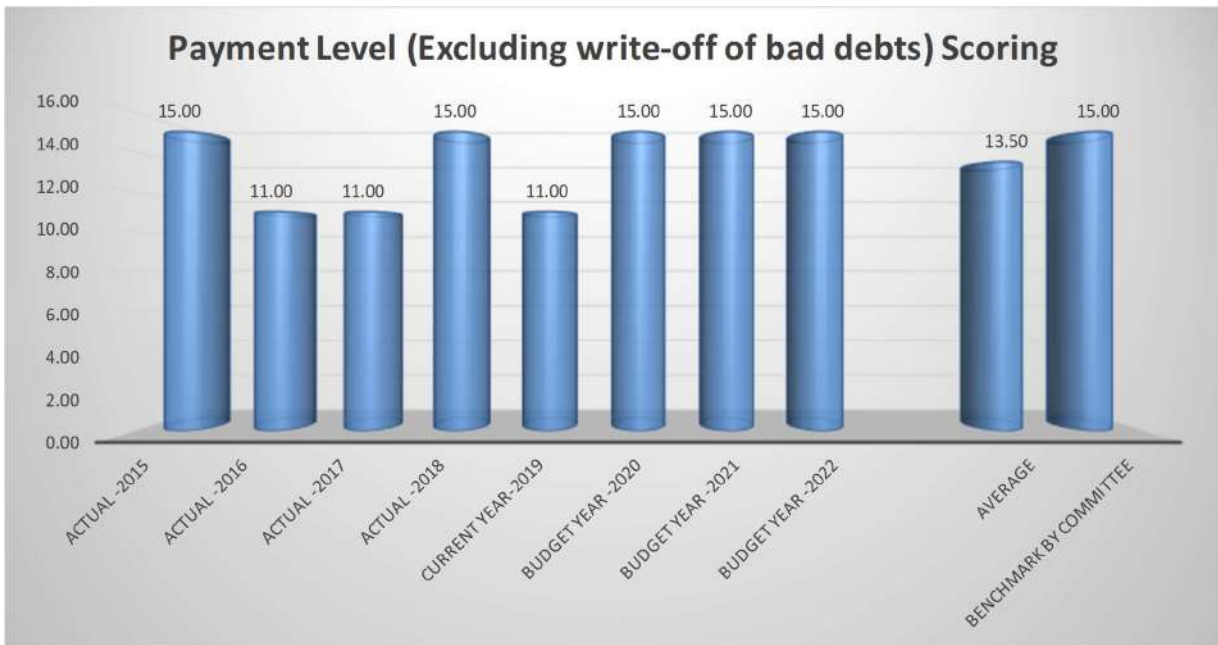


1.4.1.2 Payment Level

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.



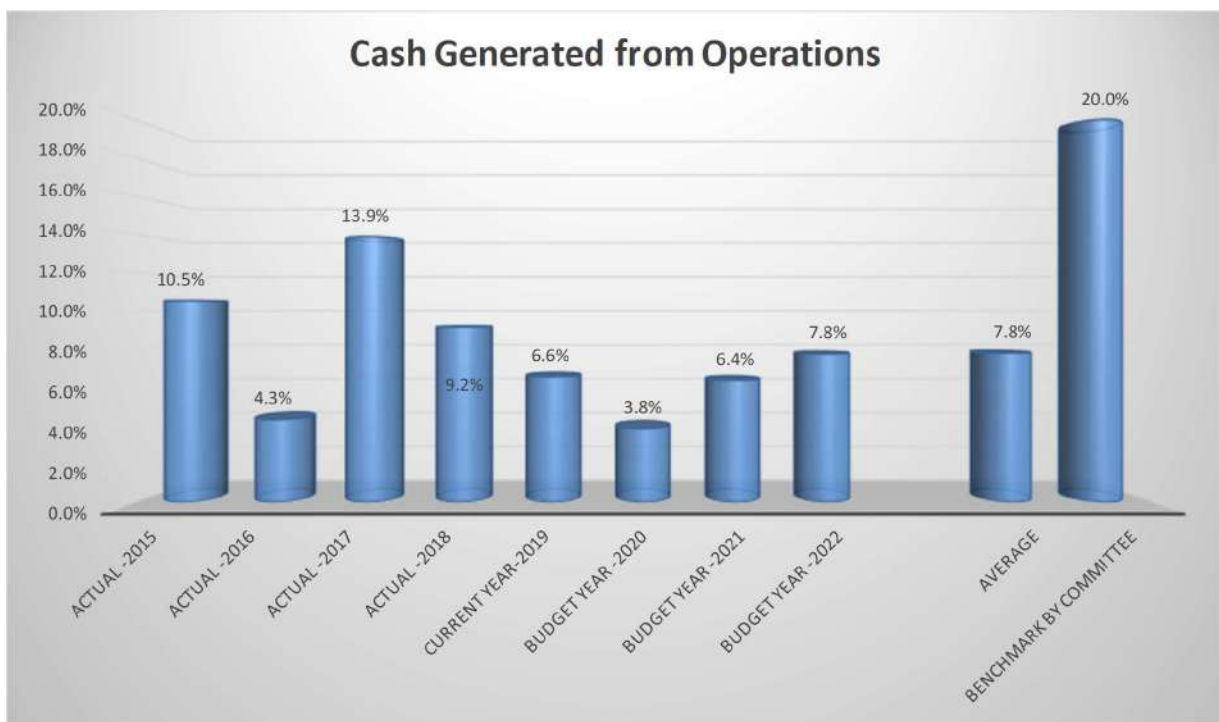
A following score is allocated to this indicator:



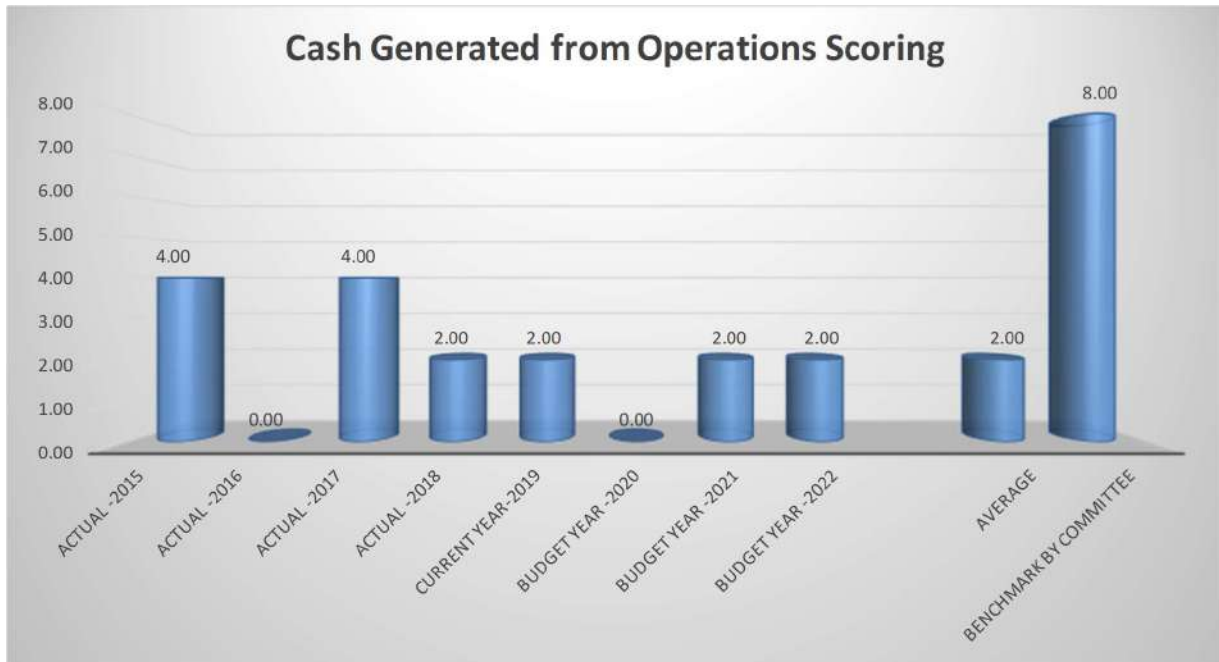
1.4.1.3 Cash Generated from Operations as % of Revenue

This indicator provides the municipality with a measure of the municipality's ability to translate the operating budget into cash. The 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 and further scope to increases in tariffs considered to be limited, cost cutting measures is considered the only possible short term remedy to correct this indicator.



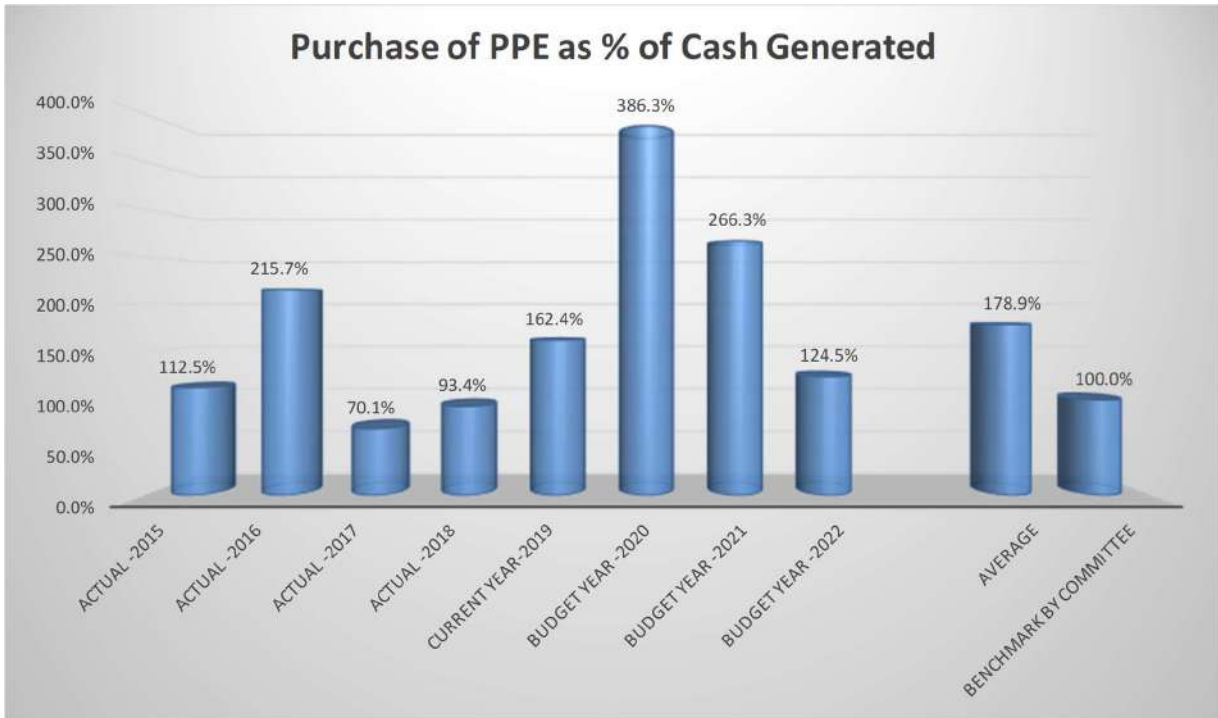
From a possible score of 8, the municipality will score limited points over the MTREF.



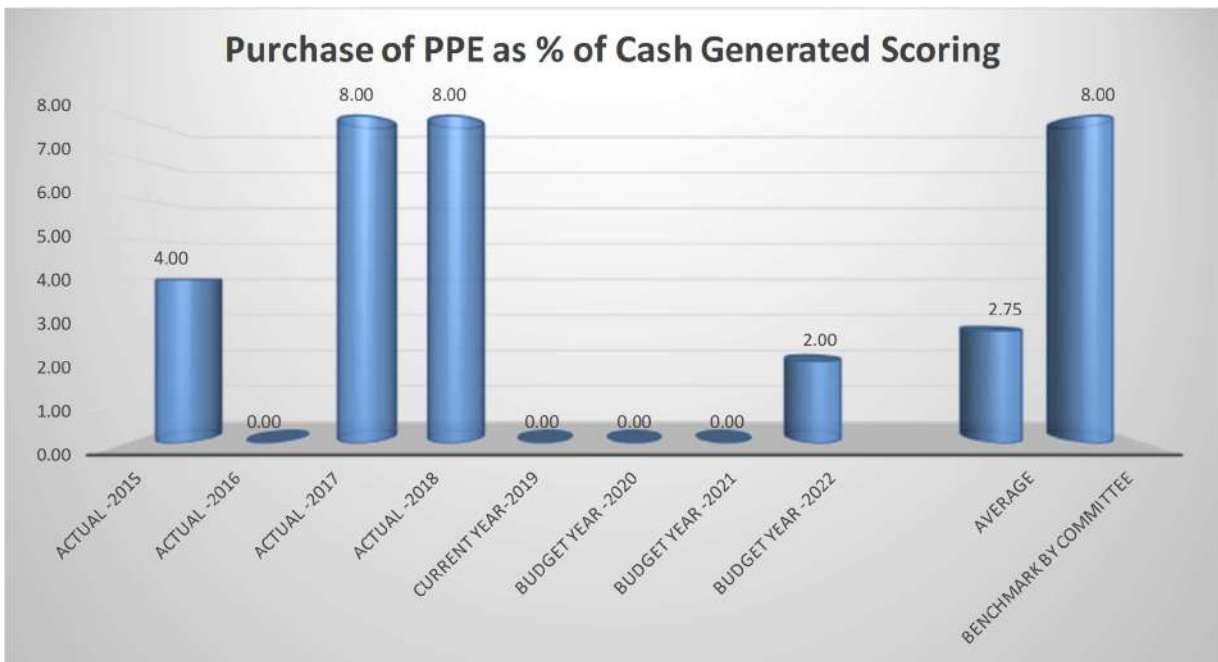
1.4.1.4 Purchase of PPE as % of Cash Generated

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.

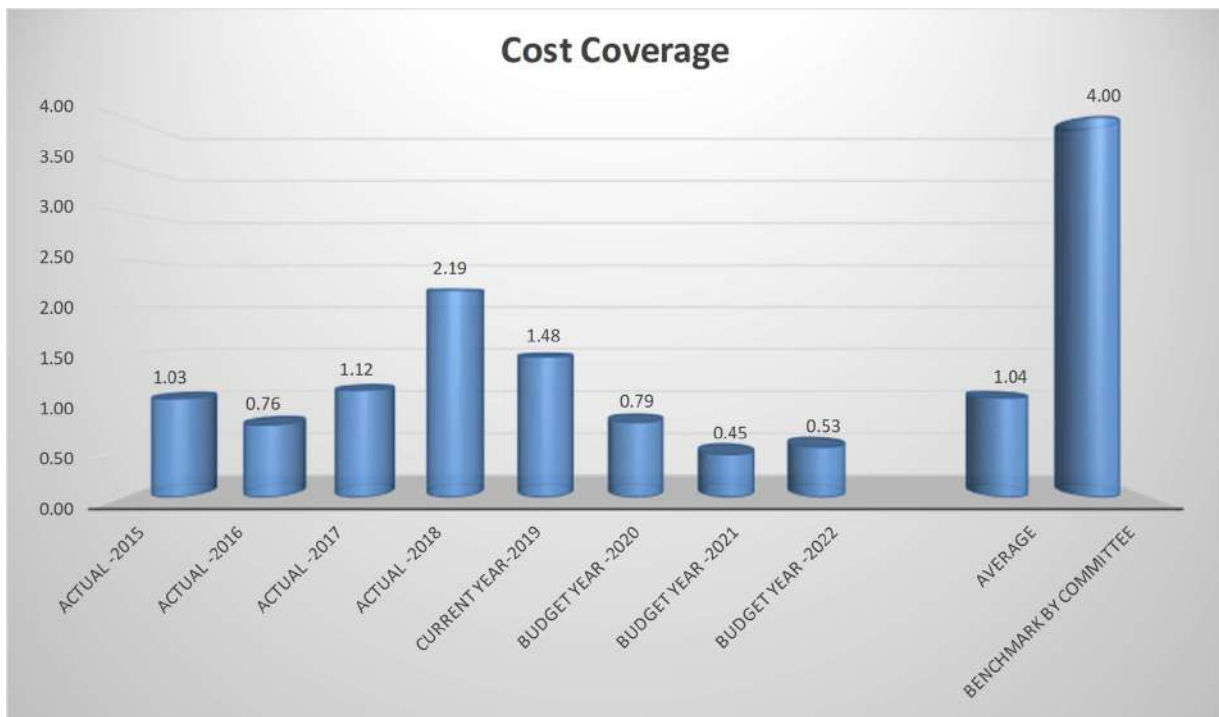


Similar to the indicator discussed in 1.4.1.3, the municipality will need to cut back on operating and/or capital expenditure to ensure that this indicator becomes more favorable than the current possible score out of 8.



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.

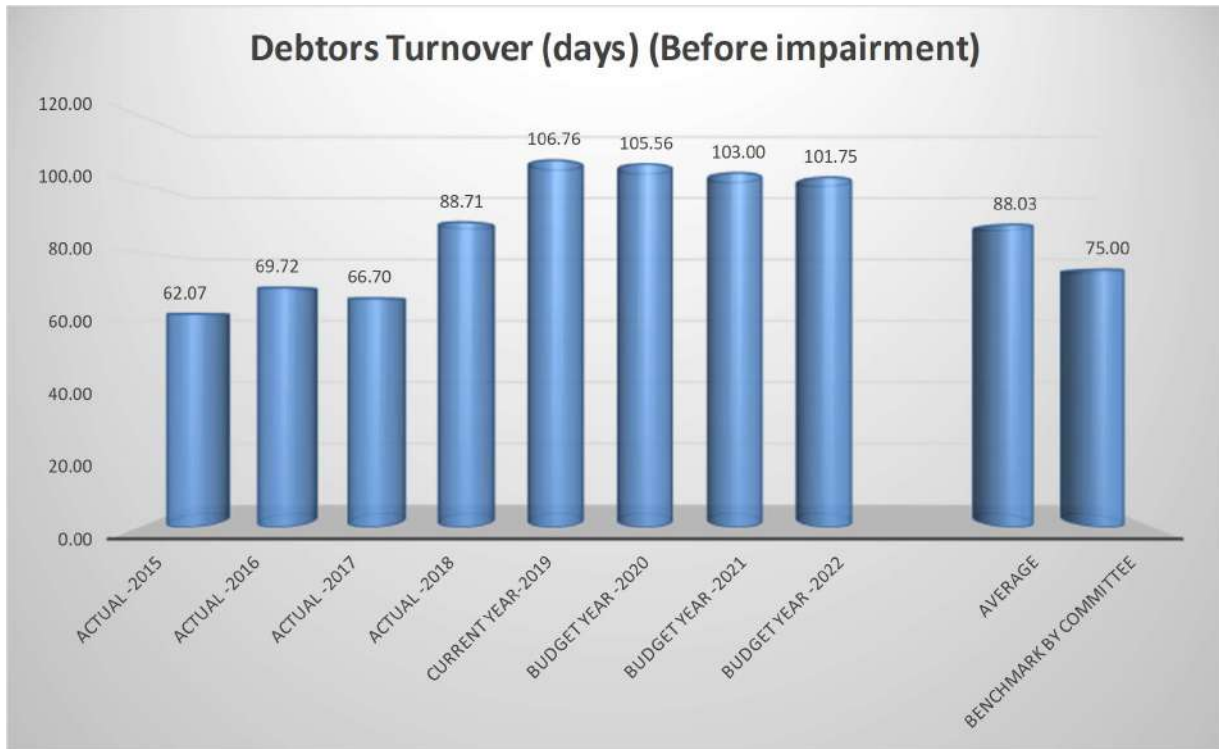


The downward trend is in line with the projected decline in cash resources and accordingly no contribution is made to the viability scoring over the MTREF.



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.



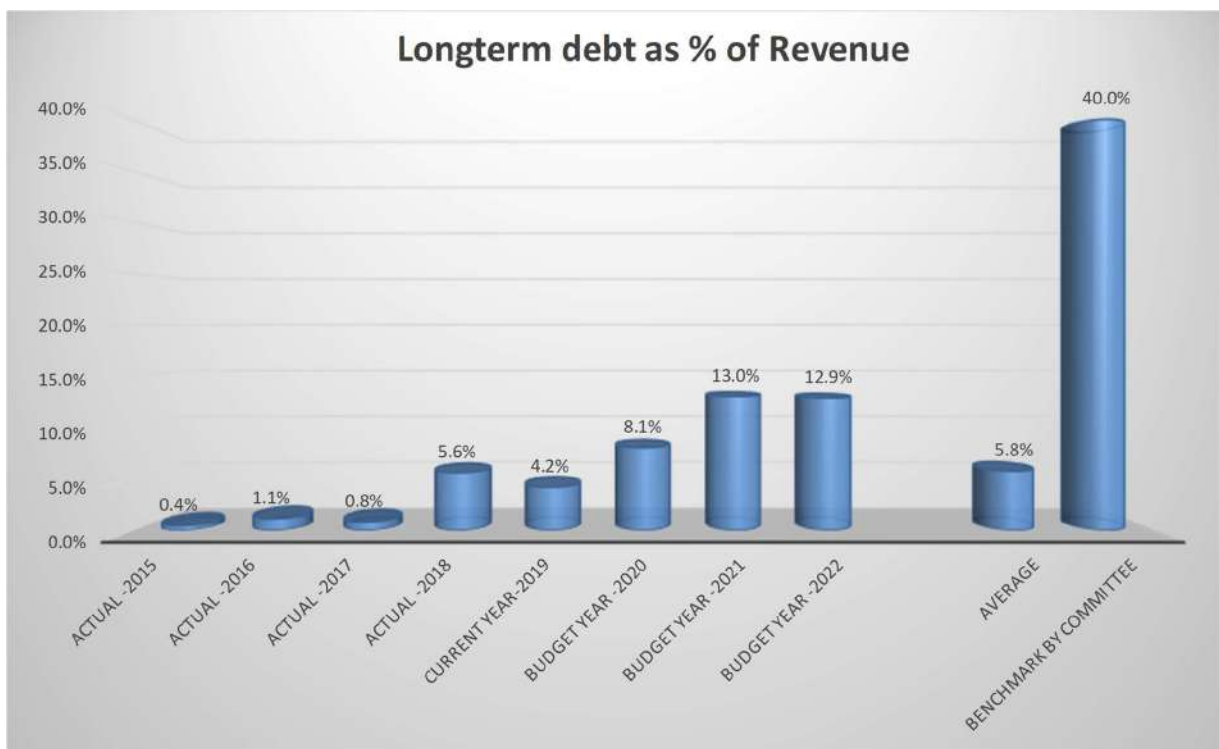
1.4.1.7 Long Term Debt as % of Revenue

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.



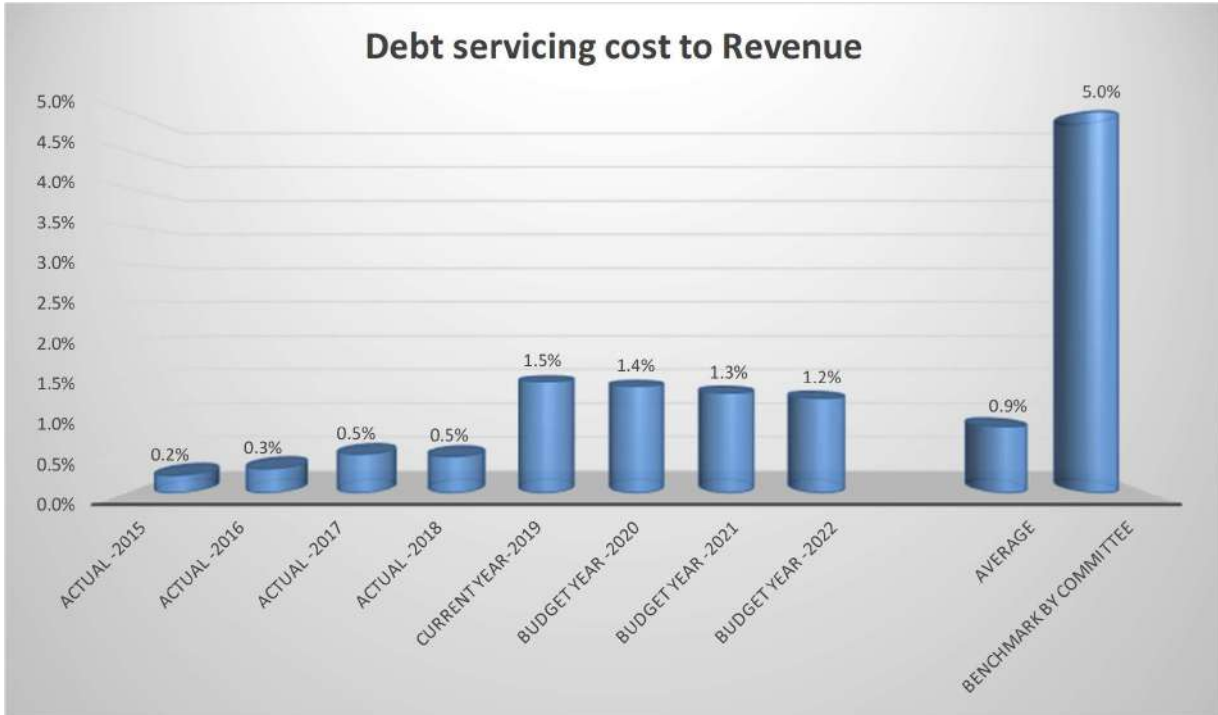
A full score is allocated to this indicator for all periods under review, although it should be noted that the municipality is not making full use of the benefits available in this area.



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.

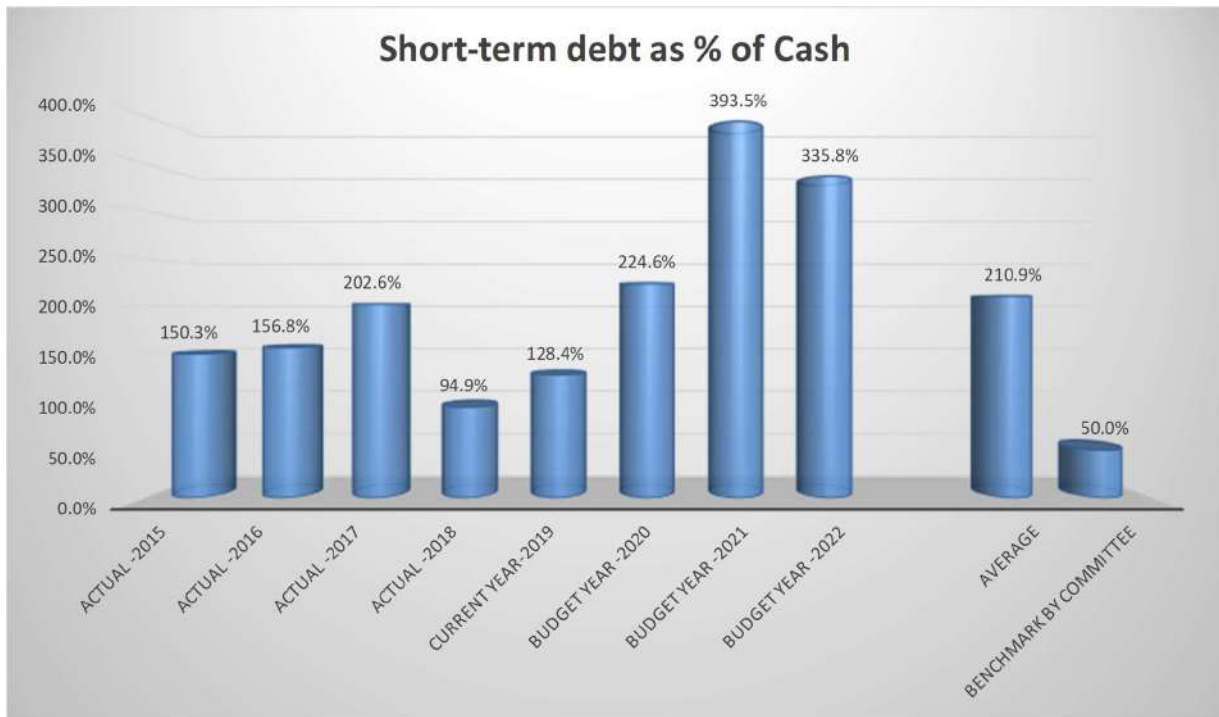


From a possible score of 8, the municipality will be allocated a full score in all periods under review.

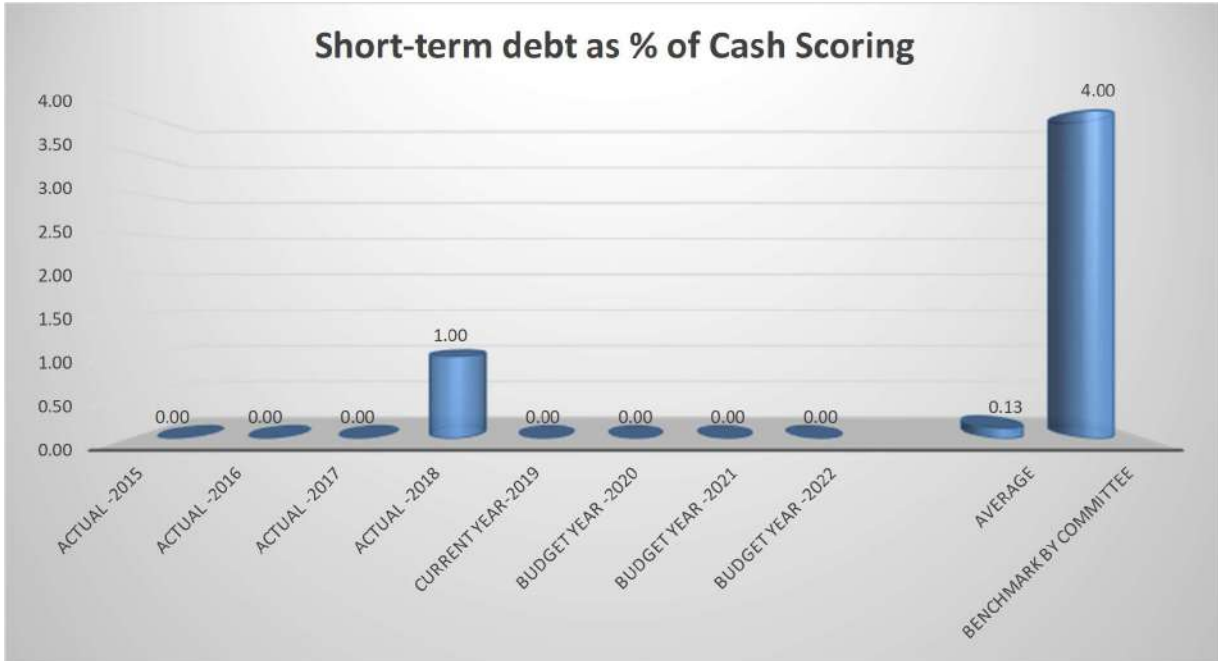


1.4.1.9 Short Term Debt as % of Cash

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.

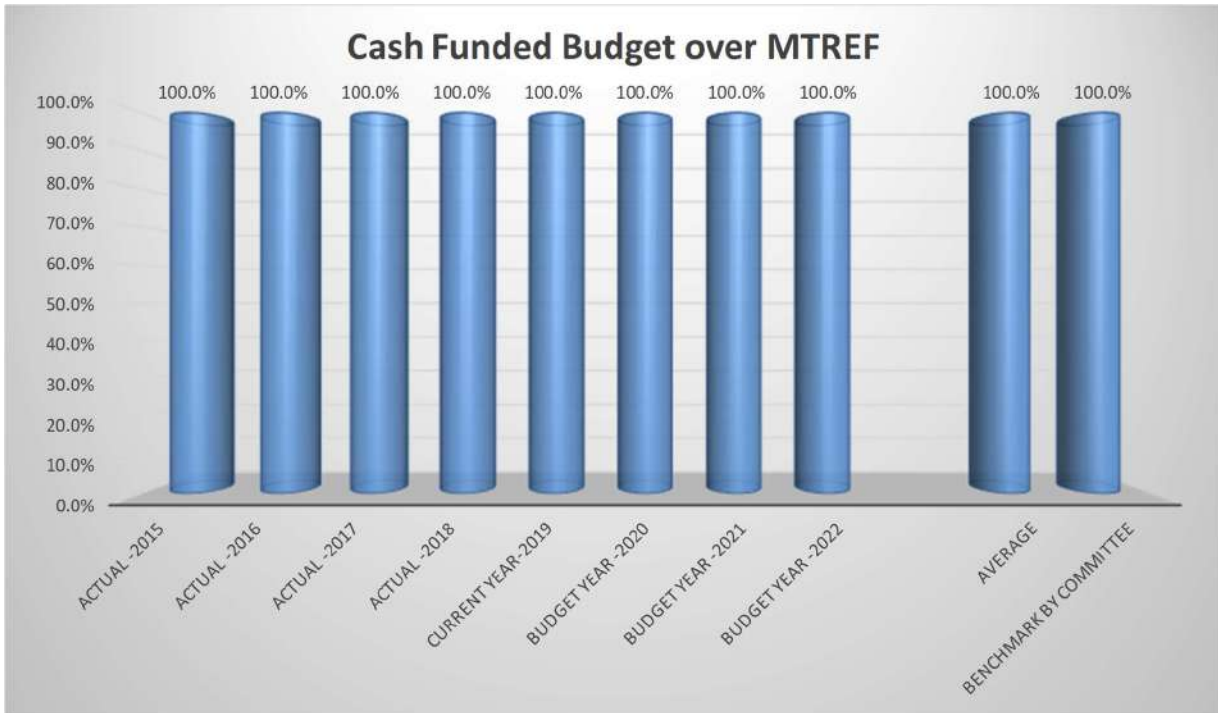


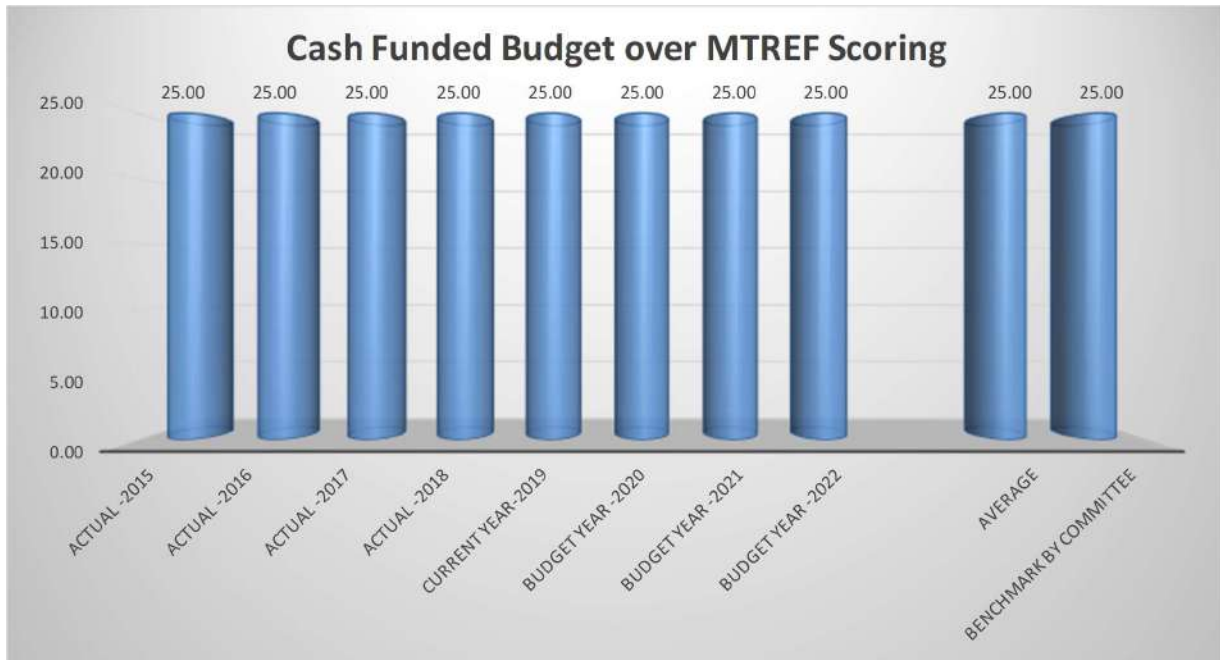
As cash resources decline and short term liabilities increase, the scoring allocated to this indicator will drop to zero.



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.





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 over the MTREF when compared to the last audited year, being 2017/18.



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 2019/20 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Description	2015/16	2016/17	2017/18	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand							
Revenue By Source							
Property rates	49 931	54 802	60 732	63 981	69 193	74 822	80 901
Service charges - electricity revenue	86 143	96 569	103 470	110 871	120 786	135 891	148 941
Service charges - water revenue	19 834	22 410	23 333	25 946	28 204	30 678	33 365
Service charges - sanitation revenue	8 298	9 223	10 627	10 125	11 310	12 372	13 529
Service charges - refuse revenue	12 161	13 368	15 458	16 766	17 798	19 432	21 212
Rental of facilities and equipment	1 194	1 596	2 372	1 714	1 961	1 799	1 943
Interest earned - external investments	1 907	2 131	2 821	2 286	2 446	2 642	2 853
Interest earned - outstanding debtors	1 169	1 564	1 319	1 591	1 719	1 856	2 004
Fines, penalties and forfeits	7 308	6 896	11 871	9 854	11 640	12 571	13 576
Licences and permits	38	59	54	64	67	72	78
Agency services	2 541	2 725	3 124	2 572	2 917	3 150	3 402
Transfers and subsidies	30 086	33 935	37 464	81 144	97 670	93 292	100 950
Other revenue	7 795	14 111	15 609	9 074	9 805	10 592	11 439
Gains on disposal of PPE	3 632	12	4 584	7 800	5 000	6 500	7 000
Total Revenue (excluding capital transfers and contributions)	232 036	259 400	292 839	343 789	380 515	405 667	441 193

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	2015/16	2016/17	2017/18	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote							
Vote 1 - Executive and Council	14 243	14 624	31 150	32 025	34 903	35 499	37 274
Vote 2 - Financial Services & ICT	60 456	66 814	78 030	78 603	82 867	88 220	95 226
Vote 3 - Corporate Services	1 678	2 920	1 401	-	-	-	-
Vote 4 - Management Services	20 664	22 397	35 631	62 084	78 926	78 268	83 157
Vote 5 - Engineering Services	149 013	164 350	166 787	183 627	196 760	219 376	241 907
Total Revenue by Vote	246 054	271 105	312 999	356 339	393 456	421 363	457 564

Percentage growth in revenue base by main revenue source

Description	2018/19		2019/20 Medium Term Revenue & Expenditure Framework					
	Full Year Forecast	%	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
Revenue By Source								
Property rates	63 981	19%	69 193	18%	74 822	18%	80 901	18%
Service charges - electricity revenue	110 871	32%	120 786	32%	135 891	33%	148 941	34%
Service charges - water revenue	25 946	8%	28 204	7%	30 678	8%	33 365	8%
Service charges - sanitation revenue	10 125	3%	11 310	3%	12 372	3%	13 529	3%
Service charges - refuse revenue	16 766	5%	17 798	5%	19 432	5%	21 212	5%
Rental of facilities and equipment	1 714	0%	1 961	1%	1 799	0%	1 943	0%
Interest earned - external investments	2 286	1%	2 446	1%	2 642	1%	2 853	1%
Interest earned - outstanding debtors	1 591	0%	1 719	0%	1 856	0%	2 004	0%
Fines, penalties and forfeits	9 854	3%	11 640	3%	12 571	3%	13 576	3%
Licences and permits	64	0%	67	0%	72	0%	78	0%
Agency services	2 572	1%	2 917	1%	3 150	1%	3 402	1%
Transfers and subsidies	81 144	24%	97 670	26%	93 292	23%	100 950	23%
Other revenue	9 074	3%	9 805	3%	10 592	3%	11 439	3%
Gains on disposal of PPE	7 800	2%	5 000	1%	6 500	2%	7 000	2%
Total Revenue (excluding capital transfers and contributions)	343 789	100%	380 515	100%	405 667	100%	441 193	100%
Rates and Services Contribution	227 689	66%	247 291	65%	273 195	67%	297 948	68%

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 65 and 68 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 23% and 26% 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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
EXPENDITURE:				
Operating expenditure of Transfers and Grants				
National Government:	36 306	40 362	38 481	42 940
Local Government Equitable Share	27 606	29 908	32 266	34 872
Energy Efficiency and Demand-side [Schedule 5B]	5 000	5 000	5 000	6 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 141	1 740	-	-
Local Government Financial Management Grant [Schedule 5B]	1 300	1 800	-	-
Municipal Infrastructure Grant [Schedule 5B]	1 109	1 914	1 215	2 068
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	150	-	-	-
Provincial Government:	44 838	57 308	54 811	58 010
Human Settlement Development	34 840	50 530	48 540	51 210
Library Service Conditional Grant	7 001	6 003	6 171	6 700
Maintenance of Main Roads	83	-	-	-
Financial Management Support (WC_FMGSG)	864	330	-	-
Greenest Municipality (Violence Protection)	1 000	-	-	-
Thusong Centre		100	100	100
Regional Social Economic Projects		345	-	-
DPLG	1 050	-	-	-
Total operating expenditure of Transfers and Grants:	81 144	97 670	93 292	100 950

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 5.2 per cent, which is the current projected inflation rate for 2019/20.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates, also taking into account recovery rates achieved in the 2018/19 year to date. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. A recovery rate of approximately 98.00% is factored into the MTREF period, with the municipality even estimating that the recovery rate could materialize even higher due to additional measures being implemented to recover old outstanding debt.

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 between 7.5 per cent and 8.5 per cent in the Property Rates tariff is proposed for 2019/20 financial year. This above inflation increase is required to ensure that the funding gap between Operating Revenue and Operating Expenditure for all services (excluding trading services – Electricity, Water, Sanitation and Refuse) is reduced over time. The current shortfall can be illustrated as follows:

Other Services (Excluding Trading Services) R thousand	2015/16	2016/17	2017/18	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue	97 808	108 306	146 452	174 893	197 314	202 180	218 021
Operating Expenditure	(126 249)	(140 801)	(158 767)	(203 107)	(229 854)	(232 787)	(247 446)
Surplus/(Deficit)	(28 441)	(32 495)	(12 315)	(28 214)	(32 540)	(30 607)	(29 425)

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.

An increase of between 7.5 per cent and 16.10 per cent in the Water tariff is proposed for 2019/20 financial year. This will result in an increase of approximately 10% in total water revenue raised.

The following projections are applicable to the water service:

Water Services R thousand	2015/16	2016/17	2017/18	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue	22 384	25 362	23 354	25 949	28 207	30 681	33 369
Operating Expenditure	(15 174)	(16 245)	(16 873)	(18 568)	(19 386)	(19 398)	(21 390)
Surplus/(Deficit)	7 210	9 117	6 481	7 381	8 821	11 283	11 979

Although this service is running at a profit and the tariff increases are expected to be in excess of the upper inflation limits, 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 at “break-even” from an operating perspective. Thus, the service is not contribution any funds towards the infrastructure requirements, which will have to be upgraded in the near future to provide sufficiently for the growing demand in the municipal area.

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 9.41 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2019.

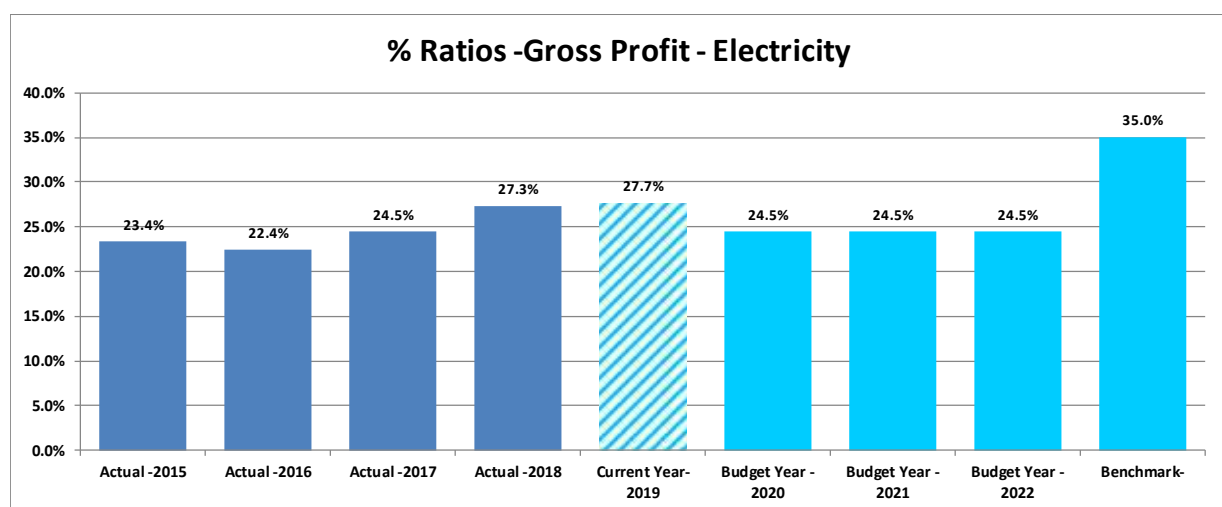
An increase of between 11.75 per cent and 15.00 per cent in the Electricity tariff is proposed for 2019/20 financial year. This will result in an increase of approximately 13.62% in total electricity revenue raised.

The following projections are applicable to the electricity service:

Electricity Services R thousand	2015/16	2016/17	2017/18	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue	87 136	97 967	104 434	116 162	125 860	140 975	155 033
Operating Expenditure	(76 724)	(83 915)	(86 790)	(98 242)	(113 310)	(125 976)	(138 072)
Surplus/(Deficit)	10 412	14 051	17 644	17 920	12 551	14 999	16 961

This above inflation increase is required to ensure that the “profitability” of the service remains intact in order to meet the capital demands associated with delivering the service.

From the graph below, it is also evident that the municipality is unable to pass all increase received from Eskom over to the consumers in recent years:



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

1.5.4 Sanitation and Impact of Tariff Increases

An average increase of 16.82 per cent in the Sanitation tariff is proposed for 2019/20 financial year. This is required to ensure that the service is running at break-even.

The following projections are applicable to the sewerage service:

Sanitation Services	2015/16	2016/17	2017/18	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue	10 459	11 672	10 628	10 148	11 335	12 399	13 558
Operating Expenditure	(8 849)	(10 070)	(10 120)	(11 119)	(11 378)	(11 399)	(12 141)
Surplus/(Deficit)	1 610	1 602	508	(970)	(43)	999	1 418

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

1.5.5 Waste Removal and Impact of Tariff Increases

An average increase of 10.22 per cent in the Sanitation tariff is proposed for 2019/20 financial year. The service is currently being operated at a deficit and the increase in excess of the inflation upper limit is required to ensure that the shortfall is reduced over time.

The following projections are applicable to the refuse service:

Refuse Services	2015/16	2016/17	2017/18	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue	15 369	16 983	15 674	16 766	17 798	19 432	21 212
Operating Expenditure	(14 949)	(17 043)	(18 198)	(19 288)	(19 890)	(20 996)	(22 270)
Surplus/(Deficit)	420	(60)	(2 524)	(2 522)	(2 092)	(1 564)	(1 058)

1.5.6 Overall impact of tariff increases on households

Information on the impact on households can be illustrated below.

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	625.60	683.48	553.00	591.74	591.74	591.74	7.5%	636.08	683.75	734.99
Electricity: Basic levy	216.00	233.60	240.00	256.00	256.00	256.00	13.8%	291.20	331.24	376.79
Electricity: Consumption	1 338.90	1 474.01	1 453.35	1 564.57	1 564.57	1 564.57	13.3%	1 772.25	2 007.49	2 273.95
Water: Basic levy	95.20	104.24	115.00	130.00	130.00	130.00	6.2%	138.00	146.49	155.51
Water: Consumption	136.47	149.78	163.10	174.60	174.60	174.60	8.4%	189.26	205.15	222.38
Sanitation	95.00	104.24	114.50	125.50	125.50	125.50	15.5%	145.00	167.53	193.56
Refuse removal	104.00	114.40	125.50	138.00	138.00	138.00	15.9%	160.00	185.51	215.08
Other	-	-	-	-	-	-	-	-	-	-
sub-total	2 611.17	2 863.75	2 764.45	2 980.41	2 980.41	2 980.41	11.8%	3 331.79	3 727.16	4 172.25
VAT on Services	277.98	305.24	309.60	358.30	358.30	358.30	12.9%	404.36	456.51	515.59
Total large household bill:	2 889.15	3 168.99	3 074.05	3 338.71	3 338.71	3 338.71	11.9%	3 736.14	4 183.67	4 687.84
% increase/-decrease		9.7%	(3.0%)	8.6%	-	-		11.9%	12.0%	12.1%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	242.54	265.39	272.29	291.36	291.36	291.36	7.5%	313.20	336.67	361.91
Electricity: Basic levy	216.00	233.60	240.00	256.00	256.00	256.00	13.8%	291.20	331.24	376.79
Electricity: Consumption	535.19	586.44	582.76	622.82	622.82	622.82	12.0%	697.48	781.09	874.72
Water: Basic levy	95.20	104.24	115.00	130.00	130.00	130.00	6.2%	138.00	146.49	155.51
Water: Consumption	107.53	117.23	128.46	130.00	130.00	130.00	14.2%	148.46	169.54	193.62
Sanitation	95.00	104.24	114.50	125.50	125.50	125.50	15.5%	145.00	167.53	193.56
Refuse removal	104.00	114.40	125.50	138.00	138.00	138.00	15.9%	160.00	185.51	215.08
Other	-	-	-	-	-	-	-	-	-	-
sub-total	1 395.46	1 525.54	1 578.51	1 693.68	1 693.68	1 693.68	11.8%	1 893.34	2 118.07	2 371.18
VAT on Services	146.29	176.42	182.87	210.35	210.35	210.35	12.7%	237.02	267.21	301.39
Total small household bill:	1 541.75	1 701.96	1 761.38	1 904.03	1 904.03	1 904.03	11.9%	2 130.36	2 385.28	2 672.57
% increase/-decrease		10.4%	3.5%	8.1%	-	-		11.9%	12.0%	12.0%
			0.66	1.32	-	1.00				
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	20.50	22.43	23.03	24.63	24.63	24.63	7.5%	26.48	28.46	30.60
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	-	-	42.79	42.79	42.79	42.79	11.8%	47.82	53.44	59.72
Water: Basic levy	19.04	20.85	115.00	130.00	130.00	130.00	6.2%	138.00	146.49	155.51
Water: Consumption	-	-	-	-	-	-	-	-	-	-
Sanitation	19.00	20.84	114.50	125.50	125.50	125.50	15.5%	145.00	167.53	193.56
Refuse removal	20.80	22.88	125.50	138.00	138.00	138.00	15.9%	160.00	185.51	215.08
Other	-	-	-	-	-	-	-	-	-	-
sub-total	79.34	87.00	420.82	460.92	460.92	460.92	12.2%	517.30	581.43	654.47
VAT on Services	8.24	9.04	55.69	65.44	65.44	65.44	12.5%	73.62	82.95	93.58
Total small household bill:	87.58	96.04	476.51	526.36	526.36	526.36	12.3%	590.92	664.38	748.05
% increase/-decrease		9.7%	396.2%	10.5%	-	-		12.3%	12.4%	12.6%

1.6 Operating Expenditure Framework

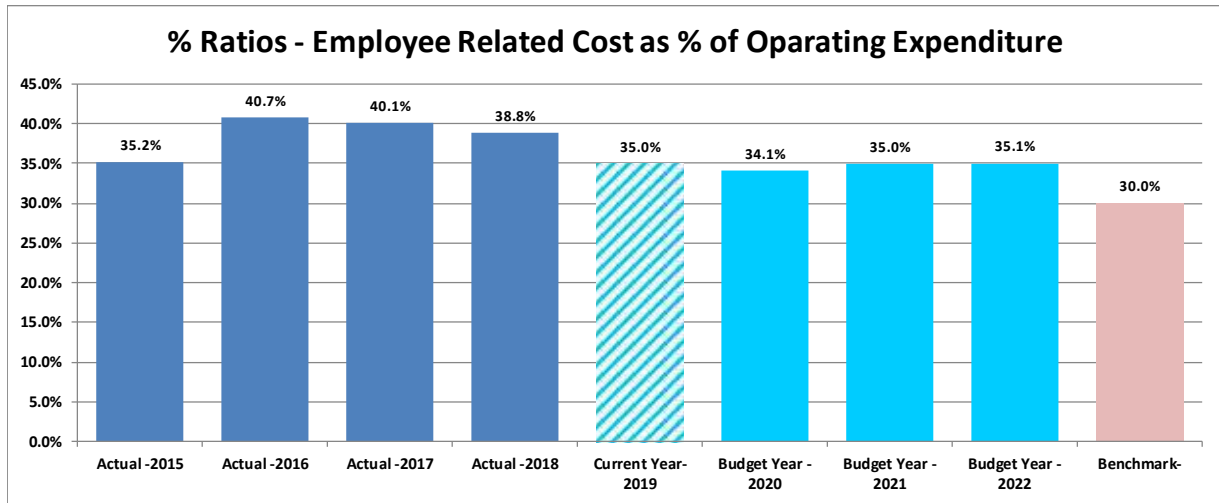
Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary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

The following table is a high-level summary of the 2019/20 budget and MTREF (classified per main type of operating expenditure):

Table 1 Summary of operating expenditure by standard classification item

Description	2018/19		2019/20 Medium Term Revenue & Expenditure Framework					
	R thousand							
	Full Year Forecast	%	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
Expenditure By Type								
Employee related costs	122 033	34.8%	134 136	34.06%	143 541	34.96%	154 702	35.05%
Remuneration of councillors	5 368	1.53%	5 764	1.46%	6 028	1.47%	6 310	1.43%
Debt impairment	14 239	4.06%	11 267	2.86%	12 317	3.00%	13 329	3.02%
Depreciation & asset impairment	11 922	3.40%	11 025	2.80%	11 620	2.83%	12 247	2.78%
Finance charges	9 908	2.83%	10 663	2.71%	11 468	2.79%	12 340	2.80%
Bulk purchases	80 362	22.94%	91 404	23.21%	102 817	25.04%	112 679	25.53%
Other materials	56 638	16.17%	72 541	18.42%	71 577	17.43%	75 488	17.11%
Contracted services	21 653	6.18%	27 210	6.91%	20 182	4.92%	21 763	4.93%
Transfers and subsidies	2 020	0.58%	1 887	0.48%	1 927	0.47%	1 969	0.45%
Other expenditure	26 180	7.47%	27 921	7.09%	29 081	7.08%	30 490	6.91%
Total Expenditure	350 324	100.00%	393 818	100.00%	410 557	100.00%	441 318	100.00%

The budgeted allocation for employee related costs for the 2019/20 financial year totals R134.136 million, which equals 34.06 per cent of the total operating expenditure. This percentage is set to remain very constant over the two outer years of the MTREF at 34.96 per cent and 35.05 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 98.00 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 9.41%. 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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Other Materials				
Animal Welfare Materials	200	200	211	222
Chemicals	2 701	2 750	2 899	3 055
Cleaning Materials	351	327	345	363
Electricity Connections	205	217	229	241
First Aid Equipment	27	21	22	23
<i>Fuel</i>	3 244	3 263	3 439	3 625
<i>Gas Consumed</i>	99	101	106	112
<i>Housing Stock</i>	34 560	50 530	48 540	51 210
<i>Maintenance Materials</i>	13 021	13 223	13 814	14 558
<i>Oil and Lubricants</i>	91	102	108	113
<i>Printing Consumables</i>	107	78	82	86
<i>Refreshments</i>	180	199	170	177
<i>Refuse Bags</i>	791	601	634	668
<i>Sewerage Connections</i>	5	5	5	6
<i>Small Tools</i>	74	79	83	87
<i>Stationery Consumed</i>	950	809	854	901
<i>Sundry Consumables</i>	24	26	27	29
<i>Water Connections</i>	10	10	11	11
Total 'Other' Materials	56 638	72 541	71 577	75 488

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Contracted services				
<i>Accounting and Auditing</i>	690	330	–	–
<i>Audit Committee</i>	123	124	130	137
<i>Builders</i>	1 200	–	–	–
<i>Burial Services</i>	40	22	23	25
<i>Business and Financial Management</i>	2 062	2 385	1 887	1 851
<i>Catering Services</i>	28	4	4	4
<i>Commissions and Committees</i>	354	–	–	–
<i>Communications</i>	158	150	150	150
<i>Contractors_Building</i>	476	–	–	–
<i>Contractors_Electrical</i>	5 156	4 640	5 000	6 000
<i>Drivers Licence Cards</i>	179	189	199	210
<i>Employee Wellness</i>	107	90	95	100
<i>Engineering_Civil</i>	1 381	2 550	1 634	1 722
<i>Event Promoters</i>	1 041	242	44	45
<i>Fire Services</i>	1 200	1 200	1 200	1 200
<i>Gardening Services</i>	63	–	–	–
<i>Haulage</i>	1 958	1 930	2 034	2 144
<i>Human Resources</i>	33	580	528	556
<i>Legal Advice and Litigation</i>	724	503	505	508
<i>Legal Cost_Collection</i>	100	170	179	189
<i>Medical Examinations</i>	12	12	13	14
<i>Occupational Health and Safety</i>	59	108	66	69
<i>Personnel and Labour</i>	1 505	2 516	618	651
<i>Photographer</i>	2	2	2	2
<i>Removal of Structures and Illegal Signs</i>	37	39	41	43
<i>Research and Advisory</i>	517	3 196	839	884
<i>Security Services</i>	700	1 056	1 113	1 173
<i>Town Planner</i>	699	3 986	2 629	2 771
<i>Traffic Fines Management</i>	821	867	913	963
<i>Valuer</i>	230	320	336	353
Total contracted services	21 653	27 210	20 182	21 763

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 2019/20 budgets and MTREF's, municipalities must ensure they prioritise asset management and take into consideration the following:

- 1) 40 per cent of its 2019/20 to 2021/22 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).

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Repairs and Maintenance by Expenditure Item				
Employee related costs	39 521	41 907	44 031	47 910
Other materials	15 627	15 885	16 619	17 515
Contracted Services	5 264	5 320	5 105	6 111
Other Expenditure	4 406	5 114	5 231	5 537
Total Repairs and Maintenance Expenditure	64 818	68 226	70 986	77 072

Repairs and maintenance per asset class

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
EXPENDITURE OTHER ITEMS	76 740	79 251	82 605	89 320
Repairs and Maintenance by Asset Class	64 818	68 226	70 986	77 072
<i>Roads Infrastructure</i>	10 837	11 420	12 197	13 140
<i>Electrical Infrastructure</i>	12 908	13 273	14 018	15 620
<i>Water Supply Infrastructure</i>	10 689	11 328	11 396	12 887
<i>Sanitation Infrastructure</i>	6 810	7 258	7 033	7 518
<i>Solid Waste Infrastructure</i>	2 210	2 393	2 724	2 883
Infrastructure	43 454	45 673	47 368	52 048
Community Assets	8 436	8 597	8 961	9 786
Other Assets	4 486	4 958	5 335	5 607
Intangible Assets	3 111	3 651	3 665	3 863
Computer Equipment	155	158	166	174
Furniture and Office Equipment	105	197	101	105
Machinery and Equipment	714	612	645	680
Transport Assets	4 358	4 380	4 744	4 808
TOTAL EXPENDITURE OTHER ITEMS	76 740	79 251	82 605	89 320
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	41.1%	75.4%	64.9%	54.9%
<i>R&M as a % of PPE</i>	15.9%	15.4%	14.5%	15.0%
<i>Renewal and upgrading and R&M as a % of PPE</i>	17.0%	21.0%	20.0%	17.0%

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 R10.859 million in 2019/20 and increases to R 11.383 million and R11.934 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:

2019/20 Medium-term capital budget per vote

Vote Description R thousand	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote				
<u>Multi-year expenditure to be appropriated</u>				
Vote 2 - Financial Services & ICT	316	2 450	4 250	4 250
Vote 4 - Management Services	787	50	–	–
Vote 5 - Engineering Services	6 518	9 555	14 430	17 071
Capital multi-year expenditure sub-total	7 621	12 055	18 680	21 321
<u>Single-year expenditure to be appropriated</u>				
Vote 1 - Executive and Council	981	1 940	1 089	4
Vote 2 - Financial Services & ICT	998	237	496	451
Vote 4 - Management Services	3 614	4 961	1 793	1 030
Vote 5 - Engineering Services	17 726	27 244	36 404	13 411
Capital single-year expenditure sub-total	23 319	34 382	39 782	14 895
Total Capital Expenditure - Vote	30 940	46 437	58 462	36 216

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

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	R thousand Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE				
<u>Total New Assets</u>	18 239	11 431	20 508	16 330
<i>Roads Infrastructure</i>	90	800	220	–
<i>Storm water Infrastructure</i>	8 424	–	500	–
<i>Electrical Infrastructure</i>	2 990	3 742	11 549	10 624
<i>Sanitation Infrastructure</i>	120	–	1 000	1 000
<i>Solid Waste Infrastructure</i>	–	–	1 000	–
Infrastructure	11 625	4 542	14 269	11 624
Community Facilities	810	1 300	160	160
Sport and Recreation Facilities	1 310	1 650	1 600	–
Community Assets	2 120	2 950	1 760	160
Computer Equipment	233	53	47	52
Furniture and Office Equipment	133	206	73	84
Machinery and Equipment	4 129	3 681	4 360	4 411
<u>Total Renewal of Existing Assets</u>	4 160	20 884	20 148	1 505
<i>Roads Infrastructure</i>	1 250	1 350	1 700	–
<i>Water Supply Infrastructure</i>	1 469	2 000	1 000	1 000
<i>Sanitation Infrastructure</i>	331	14 122	15 473	–
Infrastructure	3 051	17 472	18 173	1 000
Licences and Rights	151	–	–	–
Intangible Assets	151	–	–	–
Computer Equipment	268	96	275	282
Furniture and Office Equipment	466	99	–	17
Machinery and Equipment	225	442	–	7
Transport Assets	–	2 775	1 700	200

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Total Upgrading of Existing Assets	8 541	14 123	17 806	18 380
<i>Roads Infrastructure</i>	4 485	9 420	11 350	12 321
<i>Storm water Infrastructure</i>	–	–	600	–
<i>Electrical Infrastructure</i>	1 259	1 395	1 177	1 263
<i>Water Supply Infrastructure</i>	160	–	–	–
<i>Solid Waste Infrastructure</i>	–	850	–	–
Infrastructure	5 904	11 665	13 127	13 584
Community Facilities	290	1 413	330	150
Sport and Recreation Facilities	1 380	80	–	–
Community Assets	1 670	1 493	330	150
Operational Buildings	76	822	540	500
Other Assets	76	822	540	500
Licences and Rights	415	–	–	–
Intangible Assets	415	–	–	–
Computer Equipment	247	11	129	46
Furniture and Office Equipment	100	3	80	–
Machinery and Equipment	130	130	–	–
Transport Assets	–	–	3 600	4 100
Total Capital Expenditure	30 940	46 437	58 462	36 216
<i>Roads Infrastructure</i>	5 825	11 570	13 270	12 321
<i>Storm water Infrastructure</i>	8 424	–	1 100	–
<i>Electrical Infrastructure</i>	4 249	5 137	12 726	11 887
<i>Water Supply Infrastructure</i>	1 629	2 000	1 000	1 000
<i>Sanitation Infrastructure</i>	451	14 122	16 473	1 000
<i>Solid Waste Infrastructure</i>	–	850	1 000	–
Infrastructure	20 579	33 678	45 569	26 208
Community Facilities	1 100	2 713	490	310
Sport and Recreation Facilities	2 690	1 730	1 600	–
Community Assets	3 790	4 443	2 090	310
Operational Buildings	76	822	540	500
Other Assets	76	822	540	500
Licences and Rights	566	–	–	–
Intangible Assets	566	–	–	–
Computer Equipment	747	159	451	380
Furniture and Office Equipment	699	307	153	101
Machinery and Equipment	4 484	4 253	4 360	4 417
Transport Assets	–	2 775	5 300	4 300
TOTAL CAPITAL EXPENDITURE - Asset class	30 940	46 437	58 462	36 216

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 2019/20 budget and MTREF to be approved by the Council.

Table A1 - Budget Summary

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands				
Financial Performance				
Property rates	63 981	69 193	74 822	80 901
Service charges	163 708	178 098	198 373	217 047
Investment revenue	2 286	2 446	2 642	2 853
Transfers recognised - operational	81 144	97 670	93 292	100 950
Other own revenue	32 670	33 108	36 540	39 442
Total Revenue (excluding capital transfers and contributions)	343 789	380 515	405 667	441 193
Employee costs	122 033	134 136	143 541	154 702
Remuneration of councillors	5 368	5 764	6 028	6 310
Depreciation & asset impairment	11 922	11 025	11 620	12 247
Finance charges	9 908	10 663	11 468	12 340
Materials and bulk purchases	137 000	163 945	174 394	188 168
Transfers and grants	2 020	1 887	1 927	1 969
Other expenditure	62 072	66 398	61 579	65 583
Total Expenditure	350 324	393 818	410 557	441 318
Surplus/(Deficit)	(6 535)	(13 303)	(4 890)	(125)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	12 420	12 941	15 696	16 371
Contributions recognised - capital & contributed assets	130	-	-	-
Surplus/(Deficit) for the year	6 015	(362)	10 806	16 246
Capital expenditure & funds sources				
Capital expenditure	30 940	46 437	58 462	36 216
Transfers recognised - capital	12 420	12 941	15 696	16 371
Borrowing	7 307	19 988	23 601	7 372
Internally generated funds	11 214	13 507	19 165	12 472
Total sources of capital funds	30 940	46 437	58 462	36 216

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands				
Financial position				
Total current assets	82 102	68 361	60 907	67 253
Total non current assets	452 495	487 899	534 734	558 695
Total current liabilities	51 954	54 954	57 509	61 592
Total non current liabilities	145 088	164 113	190 134	200 111
Community wealth/Equity	337 555	337 193	347 999	364 245
Cash flows				
Net cash from (used) operating	19 053	12 020	21 952	29 098
Net cash from (used) investing	(23 133)	(41 429)	(51 954)	(29 208)
Net cash from (used) financing	(3 236)	13 420	20 154	3 838
Cash/cash equivalents at the year end	40 453	24 463	14 615	18 344
Cash backing/surplus reconciliation				
Cash and investments available	40 453	24 463	14 615	18 344
Application of cash and investments	27 163	16 117	5 098	9 333
Balance - surplus (shortfall)	13 290	8 346	9 517	9 011
Asset management				
Asset register summary (WDV)	452 290	487 702	534 544	558 512
Depreciation	11 922	11 025	11 620	12 247
Renewal and Upgrading of Existing Assets	12 701	35 006	37 954	19 886
Repairs and Maintenance	64 818	68 226	70 986	77 072
Free services				
Cost of Free Basic Services provided	9 684	9 692	10 215	10 767
Revenue cost of free services provided	1 168	1 168	1 168	1 168
Households below minimum service level				
Water:	-	-	-	-
Sanitation/sewerage:	-	-	-	-
Energy:	-	-	-	-
Refuse:	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms 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 R thousand	2017/18	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional				
<i>Governance and administration</i>	120 049	126 340	133 718	144 001
Executive and council	27 636	29 940	32 299	34 907
Finance and administration	92 239	96 400	101 419	109 094
Internal audit	174	–	–	–
<i>Community and public safety</i>	60 947	76 339	75 019	79 639
Community and social services	8 900	6 653	6 570	6 929
Sport and recreation	7 248	7 329	7 483	8 081
Public safety	9 834	11 655	12 425	13 419
Housing	34 965	50 702	48 540	51 210
<i>Economic and environmental services</i>	4 467	7 077	6 326	5 752
Planning and development	1 764	4 160	3 176	2 350
Road transport	2 702	2 917	3 150	3 402
<i>Trading services</i>	170 876	183 701	206 300	228 172
Energy sources	118 012	125 860	143 788	160 033
Water management	25 949	28 707	30 681	33 369
Waste water management	10 148	11 335	12 399	13 558
Waste management	16 766	17 798	19 432	21 212
Total Revenue - Functional	356 339	393 456	421 363	457 564
Expenditure - Functional				
<i>Governance and administration</i>	97 549	104 163	107 950	114 744
Executive and council	14 353	15 149	15 719	16 549
Finance and administration	81 834	87 666	90 845	96 676
Internal audit	1 362	1 349	1 385	1 520
<i>Community and public safety</i>	77 645	92 673	92 682	98 339
Community and social services	14 018	11 028	11 493	12 079
Sport and recreation	12 056	12 398	12 810	13 896
Public safety	14 416	16 197	17 271	18 435
Housing	37 155	53 050	51 109	53 929
<i>Economic and environmental services</i>	27 193	31 240	30 096	32 168
Planning and development	8 506	11 814	9 770	10 441
Road transport	18 627	19 352	20 248	21 646
Environmental protection	60	74	78	82
<i>Trading services</i>	147 217	163 964	177 770	193 872
Energy sources	98 242	113 310	125 976	138 072
Water management	18 568	19 386	19 398	21 390
Waste water management	11 119	11 378	11 399	12 141
Waste management	19 288	19 890	20 996	22 270
<i>Other</i>	720	1 778	2 060	2 194
Total Expenditure - Functional	350 324	393 818	410 557	441 318
Surplus/(Deficit) for the year	6 015	(362)	10 806	16 246

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Revenue by Vote				
Vote 1 - Executive and Council	32 025	34 903	35 499	37 274
Vote 2 - Financial Services & ICT	78 603	82 867	88 220	95 226
Vote 4 - Management Services	62 084	78 926	78 268	83 157
Vote 5 - Engineering Services	183 627	196 760	219 376	241 907
Total Revenue by Vote	356 339	393 456	421 363	457 564
Expenditure by Vote to be appropriated				
Vote 1 - Executive and Council	42 883	46 816	46 133	49 041
Vote 2 - Financial Services & ICT	56 600	59 117	60 933	64 808
Vote 4 - Management Services	82 635	101 232	102 489	108 723
Vote 5 - Engineering Services	168 206	186 652	201 002	218 746
Total Expenditure by Vote	350 324	393 818	410 557	441 318
Surplus/(Deficit) for the year	6 015	(362)	10 806	16 246

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21
R thousand				
Revenue By Source				
Property rates	63 981	69 193	74 822	80 901
Service charges - electricity revenue	110 871	120 786	135 891	148 941
Service charges - water revenue	25 946	28 204	30 678	33 365
Service charges - sanitation revenue	10 125	11 310	12 372	13 529
Service charges - refuse revenue	16 766	17 798	19 432	21 212
Rental of facilities and equipment	1 714	1 961	1 799	1 943
Interest earned - external investments	2 286	2 446	2 642	2 853
Interest earned - outstanding debtors	1 591	1 719	1 856	2 004
Fines, penalties and forfeits	9 854	11 640	12 571	13 576
Licences and permits	64	67	72	78
Agency services	2 572	2 917	3 150	3 402
Transfers and subsidies	81 144	97 670	93 292	100 950
Other revenue	9 074	9 805	10 592	11 439
Gains on disposal of PPE	7 800	5 000	6 500	7 000
Total Revenue (excluding capital transfers and contributions)	343 789	380 515	405 667	441 193
Expenditure By Type				
Employee related costs	122 033	134 136	143 541	154 702
Remuneration of councillors	5 368	5 764	6 028	6 310
Debt impairment	14 239	11 267	12 317	13 329
Depreciation & asset impairment	11 922	11 025	11 620	12 247
Finance charges	9 908	10 663	11 468	12 340
Bulk purchases	80 362	91 404	102 817	112 679
Other materials	56 638	72 541	71 577	75 488
Contracted services	21 653	27 210	20 182	21 763
Transfers and subsidies	2 020	1 887	1 927	1 969
Other expenditure	26 180	27 921	29 081	30 490
Total Expenditure	350 324	393 818	410 557	441 318
Surplus/(Deficit)	(6 535)	(13 303)	(4 890)	(125)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	12 420	12 941	15 696	16 371
Transfers and subsidies - capital (in-kind - all)	130	-	-	-
Surplus/(Deficit) for the year	6 015	(362)	10 806	16 246

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Capital expenditure - Vote				
<u>Multi-year expenditure to be appropriated</u>				
Vote 2 - Financial Services & ICT	316	2 450	4 250	4 250
Vote 4 - Management Services	787	50	-	-
Vote 5 - Engineering Services	6 518	9 555	14 430	17 071
Capital multi-year expenditure sub-total	7 621	12 055	18 680	21 321
<u>Single-year expenditure to be appropriated</u>				
Vote 1 - Executive and Council	981	1 940	1 089	4
Vote 2 - Financial Services & ICT	998	237	496	451
Vote 4 - Management Services	3 614	4 961	1 793	1 030
Vote 5 - Engineering Services	17 726	27 244	36 404	13 411
Capital single-year expenditure sub-total	23 319	34 382	39 782	14 895
Total Capital Expenditure - Vote	30 940	46 437	58 462	36 216

Vote Description R thousand	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional				
<i>Governance and administration</i>	1 838	4 079	5 246	5 217
Executive and council	220	10	–	–
Finance and administration	1 466	4 069	5 246	5 217
Internal audit	152	–	–	–
<i>Community and public safety</i>	4 685	3 512	1 376	510
Community and social services	613	50	266	–
Sport and recreation	3 969	2 992	910	310
Public safety	100	465	200	200
Housing	4	5	–	–
<i>Economic and environmental services</i>	14 626	12 955	16 876	12 328
Planning and development	41	1 857	1 003	4
Road transport	14 585	10 919	15 873	12 324
Environmental protection	–	180	–	–
<i>Trading services</i>	9 790	25 820	34 964	18 161
Energy sources	4 601	5 838	12 891	12 061
Water management	1 849	2 810	1 000	1 000
Waste water management	331	15 622	16 473	1 000
Waste management	3 009	1 550	4 600	4 100
<i>Other</i>	–	70	–	–
Total Capital Expenditure - Functional	30 940	46 437	58 462	36 216
Funded by:				
National Government	11 865	10 641	14 516	16 371
Provincial Government	554	2 300	1 180	–
Transfers recognised - capital	12 420	12 941	15 696	16 371
Borrowing	7 307	19 988	23 601	7 372
Internally generated funds	11 214	13 507	19 165	12 472
Total Capital Funding	30 940	46 437	58 462	36 216

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
ASSETS				
Current assets				
Cash	25 453	9 463	4 615	3 344
Call investment deposits	15 000	15 000	10 000	15 000
Consumer debtors	36 009	35 990	36 047	36 119
Other debtors	4 325	6 593	8 930	11 476
Current portion of long-term receivables	7	7	7	7
Inventory	1 308	1 308	1 308	1 308
Total current assets	82 102	68 361	60 907	67 253
Non current assets				
Long-term receivables	204	197	190	183
Investment property	40 545	40 536	40 526	40 516
Property, plant and equipment	406 619	442 365	489 559	513 899
Intangible	5 126	4 801	4 458	4 097
Total non current assets	452 495	487 899	534 734	558 695
TOTAL ASSETS	534 597	556 260	595 641	625 948
LIABILITIES				
Current liabilities				
Borrowing	3 568	3 746	3 934	4 130
Consumer deposits	4 778	5 019	5 273	5 539
Trade and other payables	31 431	33 215	34 482	37 199
Provisions	12 177	12 973	13 821	14 724
Total current liabilities	51 954	54 954	57 509	61 592
Non current liabilities				
Borrowing	12 185	25 185	44 899	48 274
Provisions	132 903	138 928	145 235	151 837
Total non current liabilities	145 088	164 113	190 134	200 111
TOTAL LIABILITIES	197 042	219 067	247 643	261 704
NET ASSETS	337 555	337 193	347 999	364 245
COMMUNITY WEALTH/EQUITY				
Accumulated Surplus/(Deficit)	307 555	313 193	333 999	346 245
Reserves	30 000	24 000	14 000	18 000
TOTAL COMMUNITY WEALTH/EQUITY	337 555	337 193	347 999	364 245

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	59 895	67 809	73 325	79 283
Service charges	153 254	174 536	194 405	212 706
Other revenue	16 107	17 854	18 973	20 490
Government - operating	81 144	97 670	93 292	100 950
Government - capital	12 565	12 441	15 696	16 371
Interest	3 775	4 130	4 460	4 817
Payments				
Suppliers and employees	(304 944)	(359 769)	(375 466)	(402 702)
Finance charges	(724)	(764)	(806)	(849)
Transfers and Grants	(2 020)	(1 887)	(1 927)	(1 969)
NET CASH FROM/(USED) OPERATING ACTIVITIES	19 053	12 020	21 952	29 098
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	7 800	5 000	6 500	7 000
Decrease (Increase) in non-current debtors	7	7	7	7
Payments				
Capital assets	(30 940)	(46 437)	(58 462)	(36 216)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(23 133)	(41 429)	(51 954)	(29 208)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing long term/refinancing	–	16 779	23 601	7 372
Increase (decrease) in consumer deposits	270	241	253	266
Payments				
Repayment of borrowing	(3 506)	(3 600)	(3 700)	(3 800)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 236)	13 420	20 154	3 838
NET INCREASE/ (DECREASE) IN CASH HELD	(7 316)	(15 989)	(9 848)	3 728
Cash/cash equivalents at the year begin:	47 768	40 453	24 463	14 615
Cash/cash equivalents at the year end:	40 453	24 463	14 615	18 344

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
<u>Cash and investments available</u>				
Cash/cash equivalents at the year end	40 453	24 463	14 615	18 344
Cash and investments available:	40 453	24 463	14 615	18 344
<u>Application of cash and investments</u>				
Unspent conditional transfers	545	45	45	45
Unspent borrowing	3 210	–	–	–
Other working capital requirements	(6 592)	(7 928)	(8 947)	(8 712)
Reserves to be backed by cash/investments	30 000	24 000	14 000	18 000
Total Application of cash and investments:	27 163	16 117	5 098	9 333
Surplus(shortfall)	13 290	8 346	9 517	9 011

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 2019/20 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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
CAPITAL EXPENDITURE				
<u>Total New Assets</u>	18 239	11 431	20 508	16 330
<i>Roads Infrastructure</i>	90	800	220	–
<i>Storm water Infrastructure</i>	8 424	–	500	–
<i>Electrical Infrastructure</i>	2 990	3 742	11 549	10 624
<i>Sanitation Infrastructure</i>	120	–	1 000	1 000
<i>Solid Waste Infrastructure</i>	–	–	1 000	–
Infrastructure	11 625	4 542	14 269	11 624
Community Facilities	810	1 300	160	160
Sport and Recreation Facilities	1 310	1 650	1 600	–
Community Assets	2 120	2 950	1 760	160
Computer Equipment	233	53	47	52
Furniture and Office Equipment	133	206	73	84
Machinery and Equipment	4 129	3 681	4 360	4 411
<u>Total Renewal of Existing Assets</u>	4 160	20 884	20 148	1 505
<i>Roads Infrastructure</i>	1 250	1 350	1 700	–
<i>Water Supply Infrastructure</i>	1 469	2 000	1 000	1 000
<i>Sanitation Infrastructure</i>	331	14 122	15 473	–
Infrastructure	3 051	17 472	18 173	1 000
Licences and Rights	151	–	–	–
Intangible Assets	151	–	–	–
Computer Equipment	268	96	275	282
Furniture and Office Equipment	466	99	–	17
Machinery and Equipment	225	442	–	7
Transport Assets	–	2 775	1 700	200
<u>Total Upgrading of Existing Assets</u>	8 541	14 123	17 806	18 380
<i>Roads Infrastructure</i>	4 485	9 420	11 350	12 321
<i>Storm water Infrastructure</i>	–	–	600	–
<i>Electrical Infrastructure</i>	1 259	1 395	1 177	1 263
<i>Water Supply Infrastructure</i>	160	–	–	–
<i>Solid Waste Infrastructure</i>	–	850	–	–
Infrastructure	5 904	11 665	13 127	13 584
Community Facilities	290	1 413	330	150
Sport and Recreation Facilities	1 380	80	–	–
Community Assets	1 670	1 493	330	150
Operational Buildings	76	822	540	500
Other Assets	76	822	540	500
Licences and Rights	415	–	–	–
Intangible Assets	415	–	–	–
Computer Equipment	247	11	129	46
Furniture and Office Equipment	100	3	80	–
Machinery and Equipment	130	130	–	–
Transport Assets	–	–	3 600	4 100

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Total Capital Expenditure	30 940	46 437	58 462	36 216
<i>Roads Infrastructure</i>	5 825	11 570	13 270	12 321
<i>Storm water Infrastructure</i>	8 424	–	1 100	–
<i>Electrical Infrastructure</i>	4 249	5 137	12 726	11 887
<i>Water Supply Infrastructure</i>	1 629	2 000	1 000	1 000
<i>Sanitation Infrastructure</i>	451	14 122	16 473	1 000
<i>Solid Waste Infrastructure</i>	–	850	1 000	–
Infrastructure	20 579	33 678	45 569	26 208
Community Facilities	1 100	2 713	490	310
Sport and Recreation Facilities	2 690	1 730	1 600	–
Community Assets	3 790	4 443	2 090	310
Operational Buildings	76	822	540	500
Other Assets	76	822	540	500
Licences and Rights	566	–	–	–
Intangible Assets	566	–	–	–
Computer Equipment	747	159	451	380
Furniture and Office Equipment	699	307	153	101
Machinery and Equipment	4 484	4 253	4 360	4 417
Transport Assets	–	2 775	5 300	4 300
TOTAL CAPITAL EXPENDITURE - Asset class	30 940	46 437	58 462	36 216
ASSET REGISTER SUMMARY - PPE (WDV)	452 290	487 702	534 544	558 512
<i>Roads Infrastructure</i>	58 091	68 329	80 196	91 038
<i>Storm water Infrastructure</i>	50 842	50 238	50 701	50 030
<i>Electrical Infrastructure</i>	49 013	52 558	63 606	73 724
<i>Water Supply Infrastructure</i>	33 595	34 522	34 391	34 198
<i>Sanitation Infrastructure</i>	39 666	52 131	66 857	66 016
<i>Solid Waste Infrastructure</i>	46 029	45 458	44 960	43 382
Infrastructure	277 238	303 237	340 712	358 389
Community Assets	28 988	33 160	34 965	34 975
Investment properties	40 545	40 536	40 526	40 516
Other Assets	73 457	73 790	73 814	73 771
Intangible Assets	5 126	4 801	4 458	4 097
Computer Equipment	3 721	3 527	3 605	3 592
Furniture and Office Equipment	4 590	4 160	3 536	2 818
Machinery and Equipment	12 715	16 657	20 689	24 761
Transport Assets	5 912	7 836	12 238	15 593
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	452 290	487 702	534 544	558 512

Description R thousand	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE OTHER ITEMS	76 740	79 251	82 605	89 320
Depreciation	11 922	11 025	11 620	12 247
Repairs and Maintenance by Asset Class	64 818	68 226	70 986	77 072
<i>Roads Infrastructure</i>	10 837	11 420	12 197	13 140
<i>Electrical Infrastructure</i>	12 908	13 273	14 018	15 620
<i>Water Supply Infrastructure</i>	10 689	11 328	11 396	12 887
<i>Sanitation Infrastructure</i>	6 810	7 258	7 033	7 518
<i>Solid Waste Infrastructure</i>	2 210	2 393	2 724	2 883
Infrastructure	43 454	45 673	47 368	52 048
Community Facilities	5 462	5 579	5 745	6 162
Sport and Recreation Facilities	2 974	3 018	3 216	3 624
Community Assets	8 436	8 597	8 961	9 786
Operational Buildings	4 486	4 958	5 335	5 607
Other Assets	4 486	4 958	5 335	5 607
Licences and Rights	3 111	3 651	3 665	3 863
Intangible Assets	3 111	3 651	3 665	3 863
Computer Equipment	155	158	166	174
Furniture and Office Equipment	105	197	101	105
Machinery and Equipment	714	612	645	680
Transport Assets	4 358	4 380	4 744	4 808
TOTAL EXPENDITURE OTHER ITEMS	76 740	79 251	82 605	89 320

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

To be Included

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 2019/2020 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 will be carried out during April 2019. 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 2019/20 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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand						
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	27 818	32 090	33 305	34 913
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	9 295	8 798	9 308	10 052
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	623	1 052	-	-
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	78 603	82 867	88 220	95 226
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	(9 684)	(9 692)	(10 215)	(10 767)
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	191 519	204 399	227 884	250 829
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	7 219	6 139	6 470	6 829
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	36 729	52 717	50 716	53 560
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	1 681	514	100	100
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	12 536	14 572	15 576	16 822
Total Revenue (excluding capital transfers and contributions)			356 339	393 456	421 363	457 564

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

Strategic Objective	Goal	Goal Code	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand						
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	21 570	23 551	24 021	25 494
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	542	533	533	533
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	30 267	35 109	37 059	39 632
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	877	1 232	369	389
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	1 245	2 030	2 312	2 446
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	50 108	49 112	50 440	53 968
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	157 523	176 214	190 378	207 273
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	8 958	9 004	9 841	10 323
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	42 993	61 681	58 186	61 517
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	8 007	5 722	5 638	5 940
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	28 234	29 630	31 780	33 802
Total Expenditure			350 324	393 818	410 557	441 318

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

Strategic Objective	Goal	Goal Code	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
				Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21
R thousand						
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	221	1 862	1 003	4
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	165	4	-	-
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	5 158	6 997	6 156	5 517
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	-	70	-	-
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	273	22	-	-
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	21 244	35 254	46 234	26 382
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	97	20	180	10
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	9	-	-
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	521	-	86	-
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	3 231	2 198	4 803	4 303
Total Capital Expenditure			30 940	46 437	58 462	36 216

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 municipality's main performance objectives and benchmarks for the 2019/20 MTREF.

MBRR Table SA7 Measurable performance objectives and indicators

Choose name from list - Supporting Table SA7 Measurable performance objectives							
Description	Unit of measurement	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
Vote 1 - vote name							
Corporate services							
Institutional Transformation and Organisational Development							
<i>Implementation of a biometric access control system in the municipal buildings by the end of March</i>	Access control system implemented for the municipality	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Human Resource Mngement							
<i>Workplace skill Plan Implementation</i>	Spent 0.5% of the operational budget on implementing workplace skills plan ((Actual amount spent on training/total operational budget)x100)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Community services							
<i>Social Development</i>							
Completion of Phase two Thusong Centre	Project completed by end of June 2016						
Function 2 - (name)							
Human Development							
<i>Provide free basic servicers</i>	Number of HH receiving free basic water	330000.0%	330000.0%	330000.0%	330000.0%	330000.0%	330000.0%
Infrastrcture Services							
<i>Civil Engineering</i>							
Road transport	95% of the roads and stormwater maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Provision of Infrastructure for Basic Service Delivery							
<i>Water</i>	95% of the water maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Provision of Infrastructure for Basic Service Delivery							
Sewerage	95% of the sewerage maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Provision of Infrastructure for Basic Service Delivery							
<i>Solid Waste</i>	95% of the solid waste maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Provision of Infrastructure for Basic Service Delivery							
Electrical Engineering							
Electricity	95% of the electricity maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
<i>Provision of Infrastructure for Basic Service Delivery</i>							
Vote 3 - vote name							
Financial Viability							
Finance							
<i>Budget & Treasury Office</i>							
Implement sound financial management, systems and procedures	Achieve a debtors payment percentage of at least 98% by 30 June	96.0%	96.0%	96.0%	98.0%	98.0%	98.0%
Sub-function 2 - (name)							
<i>Budget & Treasury Office</i>	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Implement sound financial management, systems and procedures							

MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Borrowing Management</u>					
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.8%	3.6%	3.7%	3.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.1%	5.0%	4.9%	4.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	50.1%	55.2%	37.2%
<u>Safety of Capital</u>					
Gearing	Long Term Borrowing/ Funds & Reserves	40.6%	104.9%	320.7%	268.2%
<u>Liquidity</u>					
Current Ratio	Current assets/current liabilities	1.6	1.2	1.1	1.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.2	1.1	1.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.4	0.3	0.3
<u>Revenue Management</u>					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	93.6%	93.6%	98.0%	98.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		93.6%	98.0%	98.0%	98.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.8%	11.2%	11.1%	10.8%
<u>Creditors Management</u>					
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		61.1%	110.3%	193.3%	168.8%
Employee costs	Employee costs/(Total Revenue - capital revenue)	35.5%	35.3%	35.4%	35.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	37.6%	36.8%	36.9%	36.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	18.9%	17.9%	17.5%	17.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.3%	5.7%	5.7%	5.6%
<u>IDP regulation financial viability indicators</u>					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	36.0	34.7	36.3	39.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.6%	17.1%	16.4%	15.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.7	0.9	0.5	0.6

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 98.00 per cent. The recovery rate of fines, which is also considered a significant revenue source is approximately 27%.

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 2019/20 MTREF.

Table 1: Macroeconomic performance and projections 2018 -2021

Fiscal Year	2018/19 Estimates	2020/21		
		2019/20	Forecast	2021/22
Consumer Price Inflation (CPI)	4.7%	5.2%	5.4%	5.4%
Real GDP Growth	0.7%	1.5%	1.7%	2.1%

2.4.3 Credit rating outlook

The credit outlook of South Africa remained under pressure, given the fact that a downgrade to junk investment status by all ratings agency is a strong possibility.

Interest rates for borrowing and investment of funds

Interest rates are currently steady with no real expectation of any increases given the fact that inflation forecasts are within the target range of the Reserve Bank (3 % – 6 %).

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 98.00 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 2018 to 30 June 2021 dated 15 August 2018 through the South African Local Government Bargaining Council Circular No. 6 of 2018 was used when budgeting for employee related costs for the 2019 MTREF. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once a year manual salary disbursement, in order to root out ghost employees.

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands				
Financial Performance				
Property rates	63 981	69 193	74 822	80 901
Service charges	163 708	178 098	198 373	217 047
Investment revenue	2 286	2 446	2 642	2 853
Transfers recognised - operational	81 144	97 670	93 292	100 950
Other own revenue	32 670	33 108	36 540	39 442
Total Revenue (excluding capital transfers and contributions)	343 789	380 515	405 667	441 193

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	59 895	67 809	73 325	79 283
Service charges	153 254	174 536	194 405	212 706
Other revenue	16 107	17 854	18 973	20 490
Government - operating	81 144	97 670	93 292	100 950
Government - capital	12 565	12 441	15 696	16 371
Interest	3 775	4 130	4 460	4 817
Payments				
Suppliers and employees	(304 944)	(359 769)	(375 466)	(402 702)
Finance charges	(724)	(764)	(806)	(849)
Transfers and Grants	(2 020)	(1 887)	(1 927)	(1 969)
NET CASH FROM/(USED) OPERATING ACTIVITIES	19 053	12 020	21 952	29 098
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	7 800	5 000	6 500	7 000
Decrease (Increase) in non-current debtors	7	7	7	7
Payments				
Capital assets	(30 940)	(46 437)	(58 462)	(36 216)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(23 133)	(41 429)	(51 954)	(29 208)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing long term/refinancing	-	16 779	23 601	7 372
Increase (decrease) in consumer deposits	270	241	253	266
Payments				
Repayment of borrowing	(3 506)	(3 600)	(3 700)	(3 800)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 236)	13 420	20 154	3 838
NET INCREASE/ (DECREASE) IN CASH HELD	(7 316)	(15 989)	(9 848)	3 728
Cash/cash equivalents at the year begin:	47 768	40 453	24 463	14 615
Cash/cash equivalents at the year end:	40 453	24 463	14 615	18 344

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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Cash and investments available				
Cash/cash equivalents at the year end	40 453	24 463	14 615	18 344
Cash and investments available:	40 453	24 463	14 615	18 344
Application of cash and investments				
Unspent conditional transfers	545	45	45	45
Unspent borrowing	3 210	–	–	–
Other working capital requirements	(6 592)	(7 928)	(8 947)	(8 712)
Reserves to be backed by cash/investments	30 000	24 000	14 000	18 000
Total Application of cash and investments:	27 163	16 117	5 098	9 333
Surplus(shortfall)	13 290	8 346	9 517	9 011

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	2015/16	2016/17	2017/18	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures								
Cash/cash equivalents at the year end - R'000	18(1)b	14 384	24 361	47 768	40 453	24 463	14 615	18 344
Cash + investments at the yr end less applications - R'000	18(1)b	16 112	3 529	12 231	13 290	8 346	9 517	9 011
Cash year end/monthly employee/supplier payments	18(1)b	0.8	1.2	2.3	1.7	0.9	0.5	0.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4 110	3 031	22 250	6 015	(362)	10 806	16 246
Service charge rev % change - macro CPIX target exclusiv	18(1)a,(2)	N.A.	5.3%	2.8%	(6.0%)	2.6%	4.5%	3.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	87.4%	88.7%	91.7%	90.8%	94.5%	94.5%	94.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	4.7%	5.6%	8.5%	6.3%	4.6%	4.5%	4.5%
Capital payments % of capital expenditure	18(1)c;19	96.2%	96.9%	74.9%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	28.0%	1.6%	88.9%	0.0%	50.1%	55.2%	37.2%
Grants % of Govt. legislated/gazetted allocations	18(1)a					100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	28.2%	(11.2%)	0.0%	5.6%	5.6%	5.8%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(13.7%)	7.9%	0.0%	(3.5%)	(3.7%)	(3.8%)
R&M % of Property Plant & Equipment	20(1)(vi)	6.3%	7.0%	13.1%	15.9%	15.4%	14.5%	15.0%
Asset renewal % of capital budget	20(1)(vi)	0.0%	51.6%	18.2%	13.4%	45.0%	34.5%	4.2%

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. 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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
RECEIPTS:				
<u>Operating Transfers and Grants</u>				
National Government:	36 306	40 362	38 481	42 940
Local Government Equitable Share	27 606	29 908	32 266	34 872
Energy Efficiency and Demand-side [Schedule 5B]	5 000	5 000	5 000	6 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 141	1 740	–	–
Local Government Financial Management Grant [Schedule 5B]	1 300	–	–	–
Municipal Infrastructure Grant [Schedule 5B]	1 109	1 914	1 215	2 068
Municipal Systems Improvement Grant [Schedule 5B]	–	1 800	–	–
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	150	–	–	–
Provincial Government:	44 838	57 308	54 811	58 010
Human Settlement Development	34 840	50 530	48 540	51 210
Library Service Conditional Grant	7 001	6 003	6 171	6 700
Maintenance of Main Roads	83	–	–	–
Financial Management Support (WC_FMGSG)	864	330	–	–
Greenest Municipality (Violence Protection)	1 000	–	–	–
Thusong Centre	–	100	100	100
Regional Social Economic Projects	–	345	–	–
DPLG	1 050	–	–	–
Total Operating Transfers and Grants	81 144	97 670	93 292	100 950
<u>Capital Transfers and Grants</u>				
National Government:	11 865	10 641	14 516	16 371
Municipal Infrastructure Grant [Schedule 5B]	9 765	9 091	10 153	9 821
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	1 850	–	2 813	5 000
Local Government Financial Management Grant [Schedule 5B]	250	1 550	1 550	1 550
Provincial Government:	699	1 800	1 180	–
Library Service	91	–	180	–
Development of Sport and Recreation Facilities	108	–	–	–
Financial Management Support (WC_FMGSG)	500	–	–	–
Regional Social Economic Projects	–	1 800	1 000	–
Total Capital Transfers and Grants	12 565	12 441	15 696	16 371
TOTAL RECEIPTS OF TRANSFERS & GRANTS	93 708	110 111	108 987	117 321

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
EXPENDITURE:				
<u>Operating expenditure of Transfers and Grants</u>				
National Government:	36 306	40 362	38 481	42 940
Local Government Equitable Share	27 606	29 908	32 266	34 872
Energy Efficiency and Demand-side [Schedule 5B]	5 000	5 000	5 000	6 000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 141	1 740	-	-
Local Government Financial Management Grant [Schedule 5B]	1 300	1 800	-	-
Municipal Infrastructure Grant [Schedule 5B]	1 109	1 914	1 215	2 068
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	150	-	-	-
Provincial Government:	44 838	57 308	54 811	58 010
Human Settlement Development	34 840	50 530	48 540	51 210
Library Service Conditional Grant	7 001	6 003	6 171	6 700
Maintenance of Main Roads	83	-	-	-
Financial Management Support (WC_FMGSG)	864	330	-	-
Greenest Municipality (Violence Protection)	1 000	-	-	-
Thusong Centre	-	100	100	100
Regional Social Economic Projects	-	345	-	-
DPLG	1 050	-	-	-
Total operating expenditure of Transfers and Grants:	81 144	97 670	93 292	100 950
<u>Capital expenditure of Transfers and Grants</u>				
National Government:	11 865	10 641	14 516	16 371
Municipal Infrastructure Grant [Schedule 5B]	9 765	9 091	10 153	9 821
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	1 850	-	2 813	5 000
Local Government Financial Management Grant [Schedule 5B]	250	1 550	1 550	1 550
Provincial Government:	554	2 300	1 180	-
Library Service	91	-	180	-
Development of Sport and Recreation Facilities	463	-	-	-
Financial Management Support (WC_FMGSG)	-	500	-	-
Regional Social Economic Projects	-	1 800	1 000	-
Total capital expenditure of Transfers and Grants	12 420	12 941	15 696	16 371
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	93 564	110 611	108 987	117 321

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

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Operating transfers and grants:				
National Government:				
Balance unspent at beginning of the year	–	–	–	–
Current year receipts	36 306	40 362	38 481	42 940
Conditions met - transferred to revenue	36 306	40 362	38 481	42 940
Conditions still to be met - transferred to liabilities	–	–	–	–
Provincial Government:				
Balance unspent at beginning of the year	45	45	45	45
Current year receipts	44 838	57 308	54 811	58 010
Conditions met - transferred to revenue	44 838	57 308	54 811	58 010
Conditions still to be met - transferred to liabilities	45	45	45	45
Total operating transfers and grants revenue	81 144	97 670	93 292	100 950
Total operating transfers and grants - CTBM	45	45	45	45
Capital transfers and grants:				
National Government:				
Balance unspent at beginning of the year	–	–	–	–
Current year receipts	11 865	10 641	14 516	16 371
Conditions met - transferred to revenue	11 865	10 641	14 516	16 371
Conditions still to be met - transferred to liabilities	–	–	–	–
Provincial Government:				
Balance unspent at beginning of the year	355	500	–	–
Current year receipts	699	1 800	1 180	–
Conditions met - transferred to revenue	554	2 300	1 180	–
Conditions still to be met - transferred to liabilities	500	–	–	–
Total capital transfers and grants revenue	12 420	12 941	15 696	16 371
Total capital transfers and grants - CTBM	500	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE	93 564	110 611	108 987	117 321
TOTAL TRANSFERS AND GRANTS - CTBM	545	45	45	45

2.7 Allocations and Grants made by the municipality

The following contributions are projected over the MTREF:

Description R thousand	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Transfers to Groups of Individuals				
<i>BURSARIES (NON-EMPLOYEES)</i>	84	85	85	85
<i>COMMUNITY SERVICES - FEEDING SCHEME</i>	158	166	175	184
<i>COMMUNITY SERVICES - SOCIAL DEVELOPMENT</i>	626	480	506	533
<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	70	75	80
<i>OTHER DONATIONS AND SOCIAL SUPPORT</i>	410	396	396	396
TOTAL CASH TRANSFERS AND GRANTS	2 020	1 887	1 927	1 969

2.8 Councilor and employee benefits

MBRR SA22 - Summary of councilor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Councillors (Political Office Bearers plus Other)				
Basic Salaries and Wages	3 155	3 388	3 610	3 847
Pension and UIF Contributions	600	639	681	726
Medical Aid Contributions	50	55	55	56
Motor Vehicle Allowance	1 194	1 193	1 193	1 193
Cellphone Allowance	370	488	488	488
Sub Total - Councillors	5 368	5 764	6 028	6 310
% increase	-	7.4%	4.6%	4.7%
Senior Managers of the Municipality				
Basic Salaries and Wages	4 328	4 520	4 933	5 241
Pension and UIF Contributions	341	180	192	203
Medical Aid Contributions	150	111	122	135
Performance Bonus	561	499	311	329
Motor Vehicle Allowance	228	192	192	192
Cellphone Allowance	32	32	32	32
Other benefits and allowances	71	40	43	46
Sub Total - Senior Managers of Municipality	5 712	5 575	5 825	6 178
% increase	-	(2.4%)	4.5%	6.1%
Other Municipal Staff				
Basic Salaries and Wages	80 619	87 270	96 208	104 425
Pension and UIF Contributions	13 720	14 752	16 215	17 458
Medical Aid Contributions	3 887	4 976	5 473	6 001
Overtime	3 118	3 494	1 035	1 060
Motor Vehicle Allowance	5 729	5 781	5 781	5 781
Cellphone Allowance	398	389	386	378
Housing Allowances	1 057	1 154	1 229	1 305
Other benefits and allowances	4 913	5 673	5 809	5 978
Payments in lieu of leave	1 502	1 652	1 817	1 999
Long service awards	601	661	727	799
Post-retirement benefit obligations	2 510	2 761	3 037	3 341
Sub Total - Other Municipal Staff	118 052	128 561	137 716	148 524
% increase	-	8.9%	7.1%	7.8%
TOTAL SALARY, ALLOWANCES & BENEFITS	129 132	139 900	149 569	161 012
% increase	-	8.3%	6.9%	7.7%
TOTAL MANAGERS AND STAFF	123 763	134 136	143 541	154 702

Table 2 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Rand per annum						
<u>Councillors</u>						
Speaker	468 700	74 500	203 600			746 800
Chief Whip	-	-	-			-
Executive Mayor	563 900	116 500	243 400			923 800
Deputy Executive Mayor	408 500	139 000	203 600			751 100
Executive Committee	862 400	157 200	387 200			1 406 800
Total for all other councillors	1 084 800	206 600	643 800			1 935 200
Total Councillors	3 388 300	693 800	1 681 600			5 763 700
<u>Senior Managers of the Municipality</u>						
Municipal Manager (MM)	1 473 600	97 600	90 000	150 000		1 811 200
Chief Finance Officer	1 205 200	57 600	134 400	101 400		1 498 600
Director: Management Services	870 300	-	-	141 700		1 012 000
Director: Engineering Services	971 000	176 700	-	105 900		1 253 600
Total Senior Managers of the Municipality	4 520 100	331 900	224 400	499 000		5 575 400

MBRR SA24 – Summary of personnel numbers

Choose name from list - Supporting Table SA24 Summary of personnel numbers										
Summary of Personnel Numbers	Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Members)		11	11	–	11	11	–	11	11	–
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	5	–	4	4	–	4	4	–	4
Other Managers	7	18	15	–	15	15	–	15	15	–
Professionals		151	151	13	164	151	13	164	151	13
<i>Finance</i>		26	26	5	31	26	5	31	26	5
<i>Spatial/town planning</i>		9	9	–	9	9	–	9	9	–
<i>Information Technology</i>		1	1	1	2	1	1	2	1	1
<i>Roads</i>		35	35	2	37	35	2	37	35	2
<i>Electricity</i>		18	18	–	18	18	–	18	18	–
<i>Water</i>		29	29	5	34	29	5	34	29	5
<i>Sanitation</i>		33	33	–	33	33	–	33	33	–
Technicians		–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)		56	56	2	58	56	2	58	56	2
Craft and related trades		42	42	–	42	42	–	42	42	–
Elementary Occupations		79	79	5	96	91	5	76	71	5
TOTAL PERSONNEL NUMBERS	9	362	354	24	390	366	24	370	346	24
% increase					7.7%	3.4%	–	(5.1%)	(5.5%)	–
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

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

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand															
Revenue By Source															
Property rates	20 758	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	69 193	74 822	80 901
Service charges - electricity revenue	10 102	10 613	11 049	10 820	9 869	10 890	8 881	9 490	9 856	9 981	10 997	8 238	120 786	135 891	148 941
Service charges - water revenue	2 148	2 206	2 249	2 225	2 322	2 638	2 429	2 586	2 703	2 476	2 478	1 744	28 204	30 678	33 365
Service charges - sanitation revenue	919	925	964	942	993	1 105	817	899	909	1 006	942	890	11 310	12 372	13 529
Service charges - refuse revenue	1 476	1 476	1 476	1 476	1 475	1 475	1 522	1 488	1 476	1 476	1 476	1 506	17 798	19 432	21 212
Rental of facilities and equipment	76	105	279	388	131	158	390	76	112	116	69	62	1 961	1 799	1 943
Interest earned - external investments	62	170	201	199	208	90	282	226	204	286	331	186	2 446	2 642	2 853
Interest earned - outstanding debtors	67	121	127	137	149	165	159	166	172	137	161	157	1 719	1 856	2 004
Fines, penalties and forfeits	1 011	844	1 000	495	811	1 049	1 234	1 335	1 070	756	696	1 339	11 640	12 571	13 576
Licences and permits	6	5	5	7	5	6	6	6	6	5	5	5	67	72	78
Agency services	292	196	244	368	174	280	120	267	282	189	229	276	2 917	3 150	3 402
Transfers and subsidies	17 537	5 021	5 021	5 021	17 537	5 021	5 021	5 021	17 537	5 021	5 021	4 891	97 670	93 292	100 950
Other revenue	299	1 517	878	897	1 027	1 345	839	393	358	465	967	820	9 805	10 592	11 439
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	5 000	5 000	6 500	7 000
Total Revenue (excluding capital transfers and	54 751	27 603	27 896	27 379	39 104	28 624	26 102	26 356	39 088	26 319	27 776	29 518	380 515	405 667	441 193
Expenditure By Type															
Employee related costs	10 296	10 298	10 322	10 920	16 507	10 644	12 179	10 704	10 631	11 003	10 778	9 855	134 136	143 541	154 702
Remuneration of councillors	456	443	449	449	449	449	449	700	480	480	480	480	5 764	6 028	6 310
Debt impairment	939	939	939	939	939	939	939	939	939	939	939	939	11 267	12 317	13 329
Depreciation & asset impairment	919	919	919	919	919	919	919	919	919	919	919	919	11 025	11 620	12 247
Finance charges	889	889	889	889	889	889	889	889	889	889	889	889	10 663	11 468	12 340
Bulk purchases	7 617	7 604	7 624	7 636	7 600	7 627	7 615	7 602	7 626	7 599	7 628	7 627	91 404	102 817	112 679
Other materials	4 529	5 057	4 639	5 731	5 673	8 771	3 342	5 630	5 417	8 667	6 586	8 498	72 541	71 577	75 488
Contracted services	320	1 681	2 154	3 825	1 732	3 791	2 264	2 413	2 462	2 709	3 538	321	27 210	20 182	21 763
Transfers and subsidies	152	152	152	152	152	152	152	152	152	152	152	216	1 887	1 927	1 969
Other expenditure	1 743	1 947	1 785	2 206	2 183	3 376	1 286	2 167	2 085	3 336	2 535	3 271	27 921	29 081	30 490
Total Expenditure	27 859	29 928	29 871	33 665	37 042	37 556	30 034	32 113	31 600	36 693	34 444	33 013	393 818	410 557	441 318
Surplus/(Deficit)	26 892	(2 326)	(1 975)	(6 285)	2 062	(8 932)	(3 932)	(5 757)	7 488	(10 374)	(6 668)	(3 495)	(13 303)	(4 890)	(125)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	211	459	976	781	404	1 217	251	1 168	2 667	1 026	1 139	2 642	12 941	15 696	16 371
Surplus/(Deficit)	27 104	(1 867)	(999)	(5 504)	2 466	(7 715)	(3 681)	(4 589)	10 155	(9 349)	(5 529)	(853)	(362)	10 806	16 246

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

Description R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote															
Vote 1 - Executive and Council	5 656	1 813	2 016	2 090	5 763	1 960	2 014	1 839	6 033	1 858	1 853	2 008	34 903	35 499	37 274
Vote 2 - Financial Services & ICT	21 332	4 974	5 030	5 011	5 278	5 018	5 055	5 086	5 523	5 100	5 217	10 241	82 867	88 220	95 226
Vote 4 - Management Services	11 795	5 075	4 835	4 483	12 007	5 243	4 925	4 823	11 890	4 227	4 562	5 064	78 926	78 268	83 157
Vote 5 - Engineering Services	16 178	16 200	16 991	16 576	16 460	17 621	14 358	15 776	18 308	16 160	17 283	14 847	196 760	219 376	241 907
Total Revenue by Vote	54 962	28 062	28 872	28 160	39 507	29 842	26 353	27 524	41 755	27 344	28 915	32 160	393 456	421 363	457 564
Expenditure by Vote to be appropriated															
Vote 1 - Executive and Council	3 096	3 451	3 520	4 133	4 684	4 421	3 740	4 014	3 767	4 263	4 171	3 556	46 816	46 133	49 041
Vote 2 - Financial Services & ICT	4 077	4 428	4 428	5 079	5 886	5 656	4 569	4 764	4 712	5 520	5 179	4 820	59 117	60 933	64 808
Vote 4 - Management Services	6 736	7 353	7 101	8 356	9 407	10 664	6 569	8 013	7 835	10 513	8 948	9 737	101 232	102 489	108 723
Vote 5 - Engineering Services	13 950	14 696	14 821	16 097	17 065	16 814	15 157	15 323	15 286	16 397	16 146	14 900	186 652	201 002	218 746
Total Expenditure by Vote	27 859	29 928	29 871	33 665	37 042	37 556	30 034	32 113	31 600	36 693	34 444	33 013	393 818	410 557	441 318
Surplus/(Deficit)	27 104	(1 867)	(999)	(5 504)	2 466	(7 715)	(3 681)	(4 589)	10 155	(9 349)	(5 529)	(853)	(362)	10 806	16 246

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

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional															
Governance and administration	27 410	7 076	7 635	7 571	11 543	7 695	7 244	7 653	13 357	7 601	7 762	13 792	126 340	133 718	144 001
Executive and council	5 371	1 542	1 540	1 540	5 373	1 542	1 540	1 539	5 371	1 539	1 541	1 500	29 940	32 299	34 907
Finance and administration	22 039	5 534	6 095	6 031	6 170	6 153	5 704	6 114	7 986	6 062	6 222	12 292	96 400	101 419	109 094
Community and public safety	11 551	4 891	4 618	4 149	11 881	4 979	4 840	4 571	11 658	4 056	4 346	4 800	76 339	75 019	79 639
Community and social services	1 138	352	373	388	1 152	359	390	339	1 144	344	341	332	6 653	6 570	6 929
Sport and recreation	283	1 090	642	657	797	970	616	298	349	703	598	7 329	7 425	7 483	8 081
Public safety	1 026	842	996	498	828	1 044	1 227	1 327	1 084	755	695	1 331	11 655	12 425	13 419
Housing	9 104	2 607	2 607	2 607	9 104	2 607	2 607	2 607	9 104	2 607	2 607	2 539	50 702	48 540	51 210
Economic and environmental services	448	584	577	680	501	740	345	531	791	447	602	829	7 077	6 326	5 752
Planning and development	156	388	333	312	328	460	225	264	509	258	374	553	4 160	3 176	2 350
Road transport	292	196	244	368	174	280	120	267	282	189	229	276	2 917	3 150	3 402
Trading services	15 553	15 510	16 041	15 760	15 582	16 427	13 924	14 770	15 949	15 241	16 204	12 739	183 701	206 300	228 172
Energy sources	11 002	10 881	11 312	11 084	10 774	11 158	9 145	9 750	10 756	10 242	11 261	8 495	125 860	143 788	160 033
Water management	2 156	2 224	2 287	2 256	2 338	2 686	2 439	2 632	2 806	2 515	2 523	1 846	28 707	30 681	33 369
Waste water management	920	929	966	945	995	1 108	819	900	910	1 008	945	892	11 335	12 399	13 558
Waste management	1 476	1 476	1 476	1 476	1 475	1 475	1 522	1 488	1 476	1 476	1 476	1 506	17 798	19 432	21 212
Total Revenue - Functional	54 962	28 062	28 872	28 160	39 507	29 842	26 353	27 524	41 755	27 344	28 915	32 160	393 456	421 363	457 564
Expenditure - Functional															
Governance and administration	7 201	7 777	7 797	8 909	10 515	9 797	8 151	8 611	8 306	9 611	9 080	8 408	104 163	107 950	114 744
Executive and council	1 089	1 136	1 140	1 252	1 376	1 361	1 155	1 451	1 221	1 368	1 304	1 296	15 149	15 719	16 549
Finance and administration	6 017	6 540	6 554	7 541	8 983	8 319	6 879	7 052	6 977	8 127	7 662	7 016	87 666	90 845	96 676
Internal audit	96	101	103	116	156	117	117	108	108	116	114	97	1 349	1 385	1 520
Community and public safety	6 098	6 708	6 466	7 669	8 391	9 926	5 855	7 335	7 166	9 752	8 249	9 058	92 673	92 682	98 339
Community and social services	796	832	835	925	1 240	961	933	882	875	961	926	861	11 028	11 493	12 079
Sport and recreation	877	927	926	1 042	1 367	1 124	1 011	991	980	1 119	1 054	980	12 398	12 810	13 896
Public safety	1 093	1 237	1 281	1 492	1 543	1 511	1 365	1 337	1 336	1 417	1 466	1 119	16 197	17 271	18 435
Housing	3 331	3 712	3 423	4 210	4 240	6 330	2 547	4 124	3 975	6 255	4 803	6 098	53 050	51 109	53 929
Economic and environmental services	2 047	2 311	2 371	2 811	3 296	2 945	2 593	2 532	2 516	2 808	2 792	2 217	31 240	30 096	32 168
Planning and development	642	844	911	1 194	1 195	1 197	1 019	977	978	1 058	1 151	647	11 814	9 770	10 441
Road transport	1 401	1 462	1 455	1 611	2 095	1 739	1 571	1 549	1 533	1 741	1 634	1 561	19 352	20 248	21 646
Environmental protection	5	5	5	6	6	9	3	6	6	9	7	9	74	78	82
Trading services	12 384	12 999	13 107	14 131	14 643	14 726	13 294	13 495	13 473	14 357	14 175	13 180	163 964	177 770	193 872
Energy sources	8 833	9 188	9 313	9 829	9 606	9 912	9 397	9 419	9 443	9 627	9 773	8 970	113 310	125 976	138 072
Water management	1 385	1 452	1 430	1 598	2 022	1 815	1 484	1 545	1 523	1 817	1 648	1 664	19 386	19 398	21 390
Waste water management	841	864	847	922	1 177	1 044	875	908	895	1 056	954	996	11 378	11 399	12 141
Waste management	1 324	1 495	1 517	1 782	1 838	1 955	1 538	1 623	1 612	1 857	1 800	1 550	19 890	20 996	22 270
Other	129	133	131	144	197	162	140	141	139	164	148	150	1 778	2 060	2 194
Total Expenditure - Functional	27 859	29 928	29 871	33 665	37 042	37 556	30 034	32 113	31 600	36 693	34 444	33 013	393 818	410 557	441 318
Surplus/(Deficit)	27 104	(1 867)	(999)	(5 504)	2 466	(7 715)	(3 681)	(4 589)	10 155	(9 349)	(5 529)	(853)	(362)	10 806	16 246

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

Description R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Multi-year expenditure to be appropriated															
Vote 2 - Financial Services & ICT	40	87	185	148	76	230	48	221	505	194	216	500	2 450	4 250	4 250
Vote 4 - Management Services	1	2	4	3	2	5	1	5	10	4	4	10	50	-	-
Vote 5 - Engineering Services	156	339	720	577	298	899	185	862	1 969	757	841	1 951	9 555	14 430	17 071
Capital multi-year expenditure sub-total	197	428	909	727	376	1 134	234	1 088	2 484	955	1 061	2 461	12 055	18 680	21 321
Single-year expenditure to be appropriated															
Vote 1 - Executive and Council	32	69	146	117	61	182	38	175	400	154	171	396	1 940	1 089	4
Vote 2 - Financial Services & ICT	4	8	18	14	7	22	5	21	49	19	21	48	237	496	451
Vote 4 - Management Services	81	176	374	299	155	467	96	448	1 022	393	437	1 013	4 961	1 793	1 030
Vote 5 - Engineering Services	445	966	2 054	1 644	850	2 563	529	2 459	5 615	2 159	2 398	5 562	27 244	36 404	13 411
Capital single-year expenditure sub-total	562	1 219	2 593	2 075	1 073	3 234	667	3 103	7 086	2 725	3 026	7 020	34 382	39 782	14 895
Total Capital Expenditure	759	1 647	3 502	2 802	1 449	4 368	901	4 191	9 570	3 680	4 087	9 481	46 437	58 462	36 216

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

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional															
Governance and administration	67	145	308	246	127	384	79	368	841	323	359	833	4 079	5 246	5 217
Executive and council	0	0	1	1	0	1	0	1	2	1	1	2	10	-	-
Finance and administration	66	144	307	246	127	383	79	367	839	323	358	831	4 069	5 246	5 217
Community and public safety	57	125	265	212	110	330	68	317	724	278	309	717	3 512	1 376	510
Community and social services	1	2	4	3	2	5	1	5	10	4	4	10	50	266	-
Sport and recreation	49	106	226	181	93	281	58	270	617	237	263	611	2 992	910	310
Public safety	8	16	35	28	15	44	9	42	96	37	41	95	465	200	200
Housing	0	0	0	0	0	0	0	0	1	0	0	1	5	-	-
Economic and environmental services	212	459	977	782	404	1 219	251	1 169	2 670	1 027	1 140	2 645	12 955	16 876	12 328
Planning and development	30	66	140	112	58	175	36	168	383	147	163	379	1 857	1 003	4
Road transport	178	387	823	659	341	1 027	212	986	2 250	865	961	2 229	10 919	15 873	12 324
Environmental protection	3	6	14	11	6	17	3	16	37	14	16	37	180	-	-
Trading services	422	916	1 947	1 558	806	2 429	501	2 331	5 321	2 046	2 273	5 272	25 820	34 964	18 161
Energy sources	95	207	440	352	182	549	113	527	1 203	463	514	1 192	5 838	12 891	12 061
Water management	46	100	212	170	88	264	55	254	579	223	247	574	2 810	1 000	1 000
Waste water management	255	554	1 178	943	487	1 469	303	1 410	3 219	1 238	1 375	3 189	15 622	16 473	1 000
Waste management	25	55	117	94	48	146	30	140	319	123	136	316	1 550	4 600	4 100
Other	1	2	5	4	2	7	1	6	14	6	6	14	70	-	-
Total Capital Expenditure - Functional	759	1 647	3 502	2 802	1 449	4 368	901	4 191	9 570	3 680	4 087	9 481	46 437	58 462	36 216
Funded by:															
National Government	174	377	802	642	332	1 001	206	960	2 193	843	937	2 173	10 641	14 516	16 371
Provincial Government	38	82	173	139	72	216	45	208	474	182	202	470	2 300	1 180	-
Transfers recognised - capital	211	459	976	781	404	1 217	251	1 168	2 667	1 026	1 139	2 642	12 941	15 696	16 371
Borrowing	327	709	1 507	1 206	624	1 880	388	1 804	4 119	1 584	1 759	4 081	19 988	23 601	7 372
Internally generated funds	221	479	1 019	815	421	1 270	262	1 219	2 784	1 071	1 189	2 758	13 507	19 165	12 472
Total Capital Funding	759	1 647	3 502	2 802	1 449	4 368	901	4 191	9 570	3 680	4 087	9 481	46 437	58 462	36 216

Table MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source																
Property rates	4 844	4 844	14 531	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	67 809	73 325	79 283	
Service charges - electricity revenue	9 864	9 864	9 864	9 864	9 864	9 864	9 864	9 864	9 864	9 864	9 864	9 864	118 370	133 174	145 963	
Service charges - water revenue	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	27 640	30 064	32 698	
Service charges - sanitation revenue	924	924	924	924	924	924	924	924	924	924	924	924	11 084	12 124	13 258	
Service charges - refuse revenue	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	17 442	19 044	20 787	
Rental of facilities and equipment	160	160	160	160	160	160	160	160	160	160	160	160	1 921	1 763	1 904	
Interest earned - external investments	204	204	204	204	204	204	204	204	204	204	204	204	2 446	2 642	2 853	
Interest earned - outstanding debtors	140	140	140	140	140	140	140	140	140	140	140	140	1 684	1 819	1 964	
Fines, penalties and forfeits	262	262	262	262	262	262	262	262	262	262	262	262	3 144	3 396	3 667	
Licences and permits	6	6	6	6	6	6	6	6	6	6	6	6	67	72	78	
Agency services	243	243	243	243	243	243	243	243	243	243	243	243	2 917	3 150	3 402	
Transfer receipts - operational	32 557	-	-	-	32 557	-	-	-	32 557	-	-	-	97 670	93 292	100 950	
Other revenue	817	817	817	817	817	817	817	817	817	817	817	817	9 805	10 592	11 439	
Cash Receipts by Source	53 777	21 220	30 907	21 220	53 777	21 220	21 220	21 220	53 777	21 220	21 220	21 220	362 000	384 455	418 246	
Other Cash Flows by Source																
Transfer receipts - capital	4 147	-	-	-	4 147	-	-	-	4 147	-	-	-	12 441	15 696	16 371	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	5 000	5 000	6 500	7 000	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	16 779	-	-	16 779	23 601	7 372	
Increase (decrease) in consumer deposits	20	20	20	20	20	20	20	20	20	20	20	20	241	253	266	
Decrease (Increase) in non-current debtors	1	1	1	1	1	1	1	1	1	1	1	1	7	7	7	
Total Cash Receipts by Source	57 945	21 241	30 928	21 241	57 945	21 241	21 241	21 241	57 945	38 020	21 241	26 241	396 468	430 512	449 263	
Cash Payments by Type																
Employee related costs	10 533	10 533	10 533	10 533	21 067	10 533	10 533	10 533	10 533	10 533	10 533	10 533	136 935	146 749	158 365	
Remuneration of councillors	480	480	480	480	480	480	480	480	480	480	480	480	5 764	6 028	6 310	
Finance charges	48	48	48	48	48	143	48	48	48	48	48	143	764	806	849	
Bulk purchases - Electricity	5 624	5 624	5 624	5 624	5 624	16 873	5 624	5 624	5 624	5 624	5 624	16 873	89 988	101 885	110 864	
Bulk purchases - Water & Sewer	11	11	11	11	11	33	11	11	11	11	11	33	178	188	197	
Other materials	4 515	4 515	4 515	4 515	4 515	13 545	4 515	4 515	4 515	4 515	4 515	13 545	72 242	71 410	75 140	
Contracted services	1 678	1 678	1 678	1 678	1 678	5 033	1 678	1 678	1 678	1 678	1 678	5 033	26 841	20 036	21 451	
Transfers and grants - other	118	118	118	118	118	354	118	118	118	118	118	354	1 887	1 927	1 969	
Other expenditure	1 739	1 739	1 739	1 739	1 739	5 217	1 739	1 739	1 739	1 739	1 739	5 217	27 822	29 171	30 375	
Cash Payments by Type	24 746	24 746	24 746	24 746	35 280	52 212	24 746	24 746	24 746	24 746	24 746	52 212	362 420	378 199	405 519	
Other Cash Flows/Payments by Type																
Capital assets	759	1 647	3 502	2 802	1 449	4 368	901	4 191	9 570	3 680	4 087	9 481	46 437	58 462	36 216	
Repayment of borrowing	-	-	-	-	-	1 800	-	-	-	-	-	1 800	3 600	3 700	3 800	
Total Cash Payments by Type	25 505	26 393	28 248	27 549	36 729	58 379	25 647	28 938	34 316	28 427	28 834	63 492	412 457	440 361	445 535	
NET INCREASE/(DECREASE) IN CASH HELD	32 439	(5 152)	2 680	(6 308)	21 216	(37 138)	(4 406)	(7 697)	23 628	9 593	(7 593)	(37 251)	(15 989)	(9 848)	3 728	
Cash/cash equivalents at the month/year begin:	40 453	72 892	67 740	70 420	64 112	85 328	48 189	43 783	36 086	59 715	69 307	61 715	40 453	24 463	14 615	
Cash/cash equivalents at the month/year end:	72 892	67 740	70 420	64 112	85 328	48 189	43 783	36 086	59 715	69 307	61 715	24 463	24 463	14 615	18 344	

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 R thousand	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class				
Infrastructure	11 625	4 542	14 269	11 624
Roads Infrastructure	90	800	220	–
<i>Road Structures</i>	–	800	–	–
<i>Road Furniture</i>	90	–	220	–
Storm water Infrastructure	8 424	–	500	–
<i>Storm water Conveyance</i>	8 424	–	500	–
Electrical Infrastructure	2 990	3 742	11 549	10 624
<i>LV Networks</i>	2 990	3 742	11 549	10 624
Sanitation Infrastructure	120	–	1 000	1 000
<i>Pump Station</i>	120	–	–	–
<i>Reticulation</i>	–	–	1 000	1 000
Solid Waste Infrastructure	–	–	1 000	–
<i>Landfill Sites</i>	–	–	1 000	–
Community Assets	2 120	2 950	1 760	160
Community Facilities	810	1 300	160	160
<i>Halls</i>	–	1 000	–	–
<i>Cemeteries/Crematoria</i>	1	–	–	–
<i>Public Open Space</i>	129	300	160	160
<i>Public Ablution Facilities</i>	180	–	–	–
<i>Markets</i>	500	–	–	–
Sport and Recreation Facilities	1 310	1 650	1 600	–
<i>Outdoor Facilities</i>	1 310	1 650	1 600	–
Computer Equipment	233	53	47	52
Computer Equipment	233	53	47	52
Furniture and Office Equipment	133	206	73	84
Furniture and Office Equipment	133	206	73	84
Machinery and Equipment	4 129	3 681	4 360	4 411
Machinery and Equipment	4 129	3 681	4 360	4 411
Total Capital Expenditure on new assets	18 239	11 431	20 508	16 330

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

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	R thousand	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21
Capital expenditure on renewal of existing assets by Asset Class/Sub-class				
Infrastructure	3 051	17 472	18 173	1 000
Roads Infrastructure	1 250	1 350	1 700	–
<i>Roads</i>	1 250	1 000	1 700	–
<i>Road Furniture</i>	–	350	–	–
Water Supply Infrastructure	1 469	2 000	1 000	1 000
<i>Boreholes</i>	500	500	–	–
<i>Reservoirs</i>	149	–	–	–
<i>Bulk Mains</i>	820	1 500	1 000	1 000
Sanitation Infrastructure	331	14 122	15 473	–
<i>Waste Water Treatment Works</i>	331	14 122	15 473	–
Intangible Assets	151	–	–	–
Licences and Rights	151	–	–	–
<i>Computer Software and Applications</i>	151	–	–	–
Computer Equipment	268	96	275	282
Computer Equipment	268	96	275	282
Furniture and Office Equipment	466	99	–	17
Furniture and Office Equipment	466	99	–	17
Machinery and Equipment	225	442	–	7
Machinery and Equipment	225	442	–	7
Transport Assets	–	2 775	1 700	200
Transport Assets	–	2 775	1 700	200
Total Capital Expenditure on renewal of existing assets	4 160	20 884	20 148	1 505
Renewal of Existing Assets as % of total capex	13.4%	45.0%	34.5%	4.2%
Renewal of Existing Assets as % of deprecn"	34.9%	189.4%	173.4%	12.3%

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

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class				
Infrastructure	5 904	11 665	13 127	13 584
Roads Infrastructure	4 485	9 420	11 350	12 321
<i>Roads</i>	2 537	8 920	10 400	12 321
<i>Road Furniture</i>	1 949	500	950	–
Storm water Infrastructure	–	–	600	–
<i>Storm water Conveyance</i>	–	–	600	–
Electrical Infrastructure	1 259	1 395	1 177	1 263
<i>MV Networks</i>	415	503	536	571
<i>LV Networks</i>	844	892	641	692
Water Supply Infrastructure	160	–	–	–
<i>Reservoirs</i>	160	–	–	–
Solid Waste Infrastructure	–	850	–	–
<i>Landfill Sites</i>	–	850	–	–
Community Assets	1 670	1 493	330	150
Community Facilities	290	1 413	330	150
<i>Testing Stations</i>	–	613	–	–
<i>Libraries</i>	90	–	180	–
<i>Public Open Space</i>	200	300	150	150
<i>Public Ablution Facilities</i>	–	500	–	–
Sport and Recreation Facilities	1 380	80	–	–
<i>Indoor Facilities</i>	463	–	–	–
<i>Outdoor Facilities</i>	917	80	–	–
Other assets	76	822	540	500
Operational Buildings	76	822	540	500
<i>Municipal Offices</i>	76	822	500	500
<i>Stores</i>	–	–	40	–
Intangible Assets	415	–	–	–
Licences and Rights	415	–	–	–
<i>Computer Software and Applications</i>	415	–	–	–
Computer Equipment	247	11	129	46
Computer Equipment	247	11	129	46
Furniture and Office Equipment	100	3	80	–
Furniture and Office Equipment	100	3	80	–
Machinery and Equipment	130	130	–	–
Machinery and Equipment	130	130	–	–
Transport Assets	–	–	3 600	4 100
Transport Assets	–	–	3 600	4 100
Total Capital Expenditure on upgrading of existing assets	8 541	14 123	17 806	18 380
Upgrading of Existing Assets as % of total capex	27.6%	30.4%	30.5%	50.8%
Upgrading of Existing Assets as % of deprecn"	71.6%	128.1%	153.2%	150.1%

MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Repairs and maintenance expenditure by Asset Class/Sub-class				
Infrastructure	43 454	45 673	47 368	52 048
Roads Infrastructure	10 837	11 420	12 197	13 140
<i>Roads</i>	10 574	11 190	11 955	12 884
<i>Road Furniture</i>	263	230	242	256
Electrical Infrastructure	12 908	13 273	14 018	15 620
<i>LV Networks</i>	12 908	13 273	14 018	15 620
Water Supply Infrastructure	10 689	11 328	11 396	12 887
<i>Distribution</i>	10 689	11 328	11 396	12 887
Sanitation Infrastructure	6 810	7 258	7 033	7 518
<i>Reticulation</i>	6 810	7 258	7 033	7 518
Solid Waste Infrastructure	2 210	2 393	2 724	2 883
<i>Landfill Sites</i>	2 210	2 393	2 724	2 883
Community Assets	8 436	8 597	8 961	9 786
Community Facilities	5 462	5 579	5 745	6 162
<i>Cemeteries/Crematoria</i>	813	870	953	1 023
<i>Public Open Space</i>	4 649	4 710	4 792	5 139
Sport and Recreation Facilities	2 974	3 018	3 216	3 624
<i>Outdoor Facilities</i>	2 974	3 018	3 216	3 624
Other assets	4 486	4 958	5 335	5 607
Operational Buildings	4 486	4 958	5 335	5 607
<i>Municipal Offices</i>	4 486	4 958	5 335	5 607
Intangible Assets	3 111	3 651	3 665	3 863
Licences and Rights	3 111	3 651	3 665	3 863
<i>Computer Software and Applications</i>	3 111	3 651	3 665	3 863
Computer Equipment	155	158	166	174
Computer Equipment	155	158	166	174
Furniture and Office Equipment	105	197	101	105
Furniture and Office Equipment	105	197	101	105
Machinery and Equipment	714	612	645	680
Machinery and Equipment	714	612	645	680
Transport Assets	4 358	4 380	4 744	4 808
Transport Assets	4 358	4 380	4 744	4 808
Total Repairs and Maintenance Expenditure	64 818	68 226	70 986	77 072
R&M as a % of PPE	15.9%	16.8%	16.0%	15.7%
R&M as % Operating Expenditure	18.5%	19.5%	18.0%	18.8%

MBRR SA34d - Depreciation by asset class

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21
R thousand				
Depreciation by Asset Class/Sub-class				
Infrastructure	8 753	7 679	8 093	8 531
Roads Infrastructure	1 261	1 331	1 403	1 479
<i>Roads</i>	1 172	1 238	1 304	1 375
<i>Road Structures</i>	17	18	19	20
<i>Road Furniture</i>	72	76	80	85
Storm water Infrastructure	572	604	637	671
<i>Drainage Collection</i>	369	389	410	433
<i>Storm water Conveyance</i>	204	215	226	239
Electrical Infrastructure	1 508	1 592	1 678	1 769
<i>MV Substations</i>	150	159	167	176
<i>MV Networks</i>	521	550	580	612
<i>LV Networks</i>	836	883	930	981
Water Supply Infrastructure	1 028	1 073	1 131	1 193
<i>Dams and Weirs</i>	36	36	37	39
<i>Boreholes</i>	133	141	149	157
<i>Reservoirs</i>	299	299	316	333
<i>Pump Stations</i>	44	47	50	52
<i>Bulk Mains</i>	39	42	44	46
<i>Distribution</i>	478	509	536	565
Sanitation Infrastructure	1 657	1 657	1 747	1 841
<i>Pump Station</i>	504	504	531	560
<i>Reticulation</i>	427	427	450	474
<i>Waste Water Treatment Works</i>	709	709	748	788
<i>Outfall Sewers</i>	1	1	1	1
<i>Toilet Facilities</i>	16	16	17	18
Solid Waste Infrastructure	2 727	1 421	1 498	1 579
<i>Landfill Sites</i>	2 727	1 421	1 498	1 579
Community Assets	256	270	285	300
Community Facilities	174	183	193	204
<i>Halls</i>	91	96	101	107
<i>Clinics/Care Centres</i>	1	1	1	1
<i>Libraries</i>	63	67	70	74
<i>Cemeteries/Crematoria</i>	1	1	1	1
<i>Public Open Space</i>	18	19	20	21
Sport and Recreation Facilities	82	87	92	96
<i>Outdoor Facilities</i>	82	87	92	96
Investment properties	8	9	9	10
Revenue Generating	8	9	9	10
<i>Improved Property</i>	8	9	9	10
Other assets	463	489	516	543
Operational Buildings	463	489	516	543
<i>Municipal Offices</i>	463	489	516	543
Intangible Assets	308	325	343	361
Licences and Rights	308	325	343	361
<i>Computer Software and Applications</i>	308	325	343	361
Computer Equipment	335	354	373	393
Computer Equipment	335	354	373	393
Furniture and Office Equipment	698	737	777	818
Furniture and Office Equipment	698	737	777	818
Machinery and Equipment	294	311	328	345
Machinery and Equipment	294	311	328	345
Transport Assets	806	851	897	946
Transport Assets	806	851	897	946
Total Depreciation	11 922	11 025	11 620	12 247

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

R thousand	Function	Project Description	Own Strategic Objectives	Asset Class	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework			
						Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Road Transport	StormWater Master pl - SBay	KPA5/SG5/SO8	Storm water Infrastructure	Storm water Conveyance	-	-	200	-
	Road Transport	Stormwater Master pl - Bdorp	KPA5/SG5/SO8	Storm water Infrastructure	Storm water Conveyance	-	-	200	-
	Road Transport	Stormwater Master pl - Agulhas	KPA5/SG5/SO8	Storm water Infrastructure	Storm water Conveyance	-	-	200	-
	Road Transport	Pavement Management System PMS	KPA5/SG5/SO8	Roads Infrastructure	Road Furniture	-	-	200	-
	Road Transport	Upgrade Road to Landfill Site Bredasdorp to Struisbay	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	-	300	-
	Road Transport	SIDEWALKS SBAAI/LA	KPA5/SG5/SO8	Roads Infrastructure	Road Furniture	1 099	500	500	-
	Road Transport	Stormwater pipeline - Area F	KPA5/SG5/SO8	Storm water Infrastructure	Storm water Conveyance	7 188	-	-	-
	Road Transport	Stormwater pipeline - Area F	KPA5/SG5/SO8	Storm water Infrastructure	Storm water Conveyance	1 237	-	-	-
	Road Transport	Sidewalks - Bredasdorp (Wards)	KPA5/SG5/SO8	Roads Infrastructure	Road Furniture	600	-	250	-
	Road Transport	Sidewalks - Bredasdorp (Parkstreet)	KPA5/SG5/SO8	Roads Infrastructure	Road Furniture	-	250	-	-
	Road Transport	Sidewalks - Struisbay (1st avenue)	KPA5/SG5/SO8	Roads Infrastructure	Road Furniture	-	100	-	-
	Road Transport	Upgrade road (SBN camping site)	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	1 500	-	-
	Road Transport	Furniture (Manager & Supervisor)	KPA5/SG5/SO8	Furniture and Office Equipment	Furniture and Office Equipment	12	-	-	-
	Road Transport	Speed Bumps CAM (3 per ward)	KPA5/SG5/SO8	Roads Infrastructure	Road Furniture	-	-	220	-
	Road Transport	Industrial Road Struisbay	KPA5/SG5/SO8	Roads Infrastructure	Roads	1 300	-	-	-
	Road Transport	Industrial Road Struisbay	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	3 000	3 000	-
	Road Transport	Kerbs Ou Meule street (B/Dorp)	KPA5/SG5/SO8	Storm water Infrastructure	Storm water Conveyance	-	-	500	-
	Energy Sources	Street Lights - New	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	-	299	-	-
	Energy Sources	Electrification - Informal Set	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	97	122	129	138
	Executive and Council	Customer Service - Application (Collab)	KPA1/SG1/SO2	Intangible Assets	Computer Software and Applications	165	-	-	-
	Planning and Development	Pull-up banners X6	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-
	Planning and Development	RSEP (DPLG) - LED CONSTRUCTION	KPA1/SG1/SO1	Community Assets	Halls	-	1 000	-	-
	Planning and Development	RSEP (DPLG) - PEDESTRAIN CONSTRUCTION	KPA1/SG1/SO1	Roads Infrastructure	Road Structures	-	800	-	-
	Planning and Development	RSEP (DPLG) - DEVELOPMENT PROJECT	KPA1/SG1/SO1	Community Assets	Outdoor Facilities	-	-	1 000	-
	Planning and Development	Camera with Accessories	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	-	40	-	-
	Planning and Development	Office Chair	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	-	3	-	-
	Planning and Development	Cabinet with Drawers	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	-	2	-	-
	Planning and Development	Visitors Chairs	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	-	4	-	-

R thousand	Function	Project Description	Own Strategic Objectives	Asset Class	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework			
						Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Finance and Administration	Office Chairs (x3)	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	5	18	-	-
	Finance and Administration	Heavy Duty Highback chair	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	5	-	-	-
	Finance and Administration	New Laptops	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	11	-	36	38
	Finance and Administration	Projector	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	-	21	-	-
	Finance and Administration	External HDD	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	-	11	8	9
	Finance and Administration	Switch POE	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	122	-	85	-
	Finance and Administration	Two Way Radios	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	67	29	45	54
	Finance and Administration	Big Capacity Urn	KPA1/SG1/SO2	Furniture and Office Equipment	Furniture and Office Equipment	-	3	-	-
	Finance and Administration	White Board	KPA1/SG1/SO2	Furniture and Office Equipment	Furniture and Office Equipment	-	2	-	-
	Public Safety	Replacement LDV (Environmental Protection)	KPA6/SG6/SO12	Transport Assets	Transport Assets	-	265	-	-
	Public Safety	Zippels	KPA6/SG6/SO12	Furniture and Office Equipment	Furniture and Office Equipment	100	-	-	-
	Public Safety	Vehicles: x1 Sedan Replacement (Traffic/Law Enforcement)	KPA6/SG6/SO12	Transport Assets	Transport Assets	-	200	200	200
	Finance and Administration	Office Equipment / Furniture	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	5	20	-	10
	Finance and Administration	CARPET EXTRACTION UNIT	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	-	7	-	7
	Finance and Administration	Airconditioners (Replacement) x3	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	40	30	-	-
	Sport and Recreation	Upgrading of Ablution facilities (Resorts / Camping sites)	KPA2/SG2/SO3	Community Assets	Outdoor Facilities	62	50	-	-
	Sport and Recreation	Upgrading of Large Tidel Pool	KPA2/SG2/SO3	Community Assets	Outdoor Facilities	625	-	-	-
	Sport and Recreation	Furniture at Resorts	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	100	-	-	-
	Sport and Recreation	Ablution facility - Suiderstrand	KPA2/SG2/SO3	Community Assets	Public Ablution Facilities	-	500	-	-
	Community and Social Services	Fencing & Scrapping of new road - New Napier cemetery	KPA5/SG5/SO9	Community Assets	Cemeteries/Crematoria	1	-	-	-
	Finance and Administration	Toolbox es	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	-	10	-	-
	Waste Management	Wheele Bins	KPA6/SG6/SO12	Machinery and Equipment	Machinery and Equipment	3 000	700	-	-
	Energy Sources	Tools	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	3	25	30	35
	Energy Sources	CABLE LOCATOR	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	-	127	-	-
	Energy Sources	OFFICE FURNITURE	KPA5/SG5/SO8	Furniture and Office Equipment	Furniture and Office Equipment	4	3	6	4
	Water Management	Replacement LDV CS15640	KPA5/SG5/SO8	Transport Assets	Transport Assets	-	270	-	-
	Water Management	Replacement LDV CS15643	KPA5/SG5/SO8	Transport Assets	Transport Assets	-	270	-	-
	Water Management	Replacement LDV CS4580	KPA5/SG5/SO8	Transport Assets	Transport Assets	-	270	-	-

R thousand	Function	Project Description	Own Strategic Objectives	Asset Class	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework			
						Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Water Management	Equipment for boreholes in Napier and Suiderstrand	KPA5/SG5/SO8	Water Supply Infrastructure	Boreholes	500	-	-	-
	Sport and Recreation	ABLUTION FACILITY SBAAI	KPA2/SG2/SO3	Community Assets	Public Ablution Facilities	180	-	-	-
	Community and Social Services	Informal Trading Area 272/2015	KPA6/SG6/SO11	Community Assets	Markets	500	-	-	-
	Waste Water Management	Rehab Waste Water Treatm Works	KPA5/SG5/SO8	Sanitation Infrastructure	Waste Water Treatment Works	331	5 122	6 473	-
	Waste Water Management	Rehab Waste Water Treatm Works	KPA5/SG5/SO8	Sanitation Infrastructure	Waste Water Treatment Works	-	9 000	9 000	-
	Waste Water Management	Sewerage Truck	KPA5/SG5/SO8	Transport Assets	Transport Assets	-	1 500	-	-
	Waste Water Management	Sewerage scheme SB CDD	KPA5/SG5/SO8	Sanitation Infrastructure	Reticulation	-	-	1 000	1 000
	Energy Sources	Dora Project	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	1 850	-	2 813	5 000
	Finance and Administration	Vesta - Financial System	KPA4/SG4/SO6	Intangible Assets	Computer Software and Applications	250	-	-	-
	Finance and Administration	Upgrade Server room DR Site	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	113	-	-	-
	Road Transport	Upgrade Suiderstrand Road	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	700	2 000	2 000
	Road Transport	Regravel Tamatiekraal Street - Napier	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	-	300	-
	Road Transport	Reseal of Roads CAM	KPA5/SG5/SO8	Roads Infrastructure	Roads	1 000	1 000	1 000	-
	Energy Sources	Change Transformers Minisubs	KPA5/SG5/SO8	Electrical Infrastructure	MV Networks	-	503	536	571
	Energy Sources	Change Transformers Minisubs	KPA5/SG5/SO8	Electrical Infrastructure	MV Networks	415	-	-	-
	Energy Sources	Replace Med/Low Volt Overheadl	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	844	593	641	692
	Finance and Administration	Replacement PC's	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	30	-	120	120
	Finance and Administration	Replacement Laptops	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	-	45	120	125
	Finance and Administration	Screens Replace	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	18	-	20	20
	Sport and Recreation	3 x FS450 Brushcutter	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	8	25	-	-
	Sport and Recreation	Basic Assessment - Soccer Field, Napier	KPA2/SG2/SO3	Community Assets	Outdoor Facilities	-	-	600	-
	Sport and Recreation	Basic Assessment - Soccer Field, Napier	KPA2/SG2/SO3	Community Assets	Outdoor Facilities	-	1 200	-	-
	Sport and Recreation	Beautification of entrance to town s	KPA2/SG2/SO3	Community Assets	Public Open Space	200	300	150	150
	Sport and Recreation	Play park - Public Open spaces (Hibicuslaan)	KPA2/SG2/SO3	Community Assets	Public Open Space	129	300	160	160
	Sport and Recreation	Sport facility - Waenhuiskrans	KPA2/SG2/SO3	Community Assets	Outdoor Facilities	1 010	250	-	-
	Sport and Recreation	Rugsak Spuite X2	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	3	-	-	-
	Road Transport	Hydraulic Play Detector plates	KPA6/SG6/SO12	Machinery and Equipment	Machinery and Equipment	130	130	-	-
	Road Transport	Bdorp RDP - Upgrade Roads	KPA5/SG5/SO8	Roads Infrastructure	Roads	1 237	3 720	3 000	9 821

R thousand	Function	Project Description	Own Strategic Objectives	Asset Class	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework			
						Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Sport and Recreation	UPGR SPORT FACILITIES ACADEMY	KPA2/SG2/SO3	Community Assets	Indoor Facilities	463	-	-	-
	Finance and Administration	Chairs / Furniture	KPA5/SG5/SO8	Furniture and Office Equipment	Furniture and Office Equipment	-	8	-	-
	Executive and Council	Branding Material for Mayors Office	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	18	-	-	-
	Executive and Council	Cupboard - Cnr Europa	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	-	3	-	-
	Executive and Council	Laminating machine (A3)	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	-	3	-	-
	Executive and Council	Desk	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	-
	Executive and Council	chairs	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	-
	Executive and Council	Desk	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	1	1	-	-
	Executive and Council	Table (x2)	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	10	3	-	-
	Executive and Council	Chairs	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	14	-	-	-
	Executive and Council	Yskas	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	-
	Executive and Council	Microwave	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	-
	Executive and Council	Urn (10 Litre) X2	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	-
	Internal Audit	Whiteboard Magnetic Aluminium Frame 1200mm X 1500mm	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-
	Internal Audit	Teammate Audit Papers (software)	KPA1/SG1/SO1	Intangible Assets	Computer Software and Applications	151	-	-	-
	Planning and Development	Panel Heaters (3)	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-
	Planning and Development	Laminating machine (A3)	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-
	Planning and Development	Television screens- municipal buildings	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	-	3	3	4
	Planning and Development	Desk	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	4	-	-	-
	Planning and Development	Wall Banner	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	6	-	-	-
	Planning and Development	White board	KPA1/SG1/SO1	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-
	Planning and Development	Laptop	KPA5/SG5/SO10	Computer Equipment	Computer Equipment	15	-	-	-
	Planning and Development	Visitor Chairs (x2)	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	4	-	-	-
	Planning and Development	Office Chairs(x 1)	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	-
	Planning and Development	Voice Recorder	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	5	-	-	-
	Planning and Development	White board	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-
	Finance and Administration	Chair	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	2	4	-	-
	Finance and Administration	Franking Machine (Post)	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	45	-	-	-

R thousand	Function	Project Description	Own Strategic Objectives	Asset Class	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework			
						Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Community and Social Services	Plastic Chairs for Thusong Hall	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	6	-	-	-
	Community and Social Services	Tables for Thusong Hall	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	6	-	-	-
	Community and Social Services	Pop Up Banners * 3	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	3	-	-	-
	Community and Social Services	Outdoor Benches *2 for Thusong centre	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	6	-	6	-
	Community and Social Services	Improving Accoustics of Thusong Hall	KPA6/SG6/SO11	Furniture and Office Equipment	Furniture and Office Equipment	-	-	80	-
	Other	Airconditioners x 4	KPA3/SG3/SO5	Furniture and Office Equipment	Furniture and Office Equipment	-	70	-	-
	Finance and Administration	Desk Calculator (x2)	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-
	Finance and Administration	Steel cabinet 4 drawers (X2)	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	4	4	-	-
	Finance and Administration	Airconditioners (Struisbaai Stores)	KPA4/SG4/SO6	Furniture and Office Equipment	Furniture and Office Equipment	8	-	-	-
	Finance and Administration	UPS small (Offices)	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	15	30	15	17
	Finance and Administration	Rack mount UPS	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	27	15	-	17
	Finance and Administration	Access Points - Network	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	39	-	-	-
	Finance and Administration	Network Replacement LAN	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	150	-	-	-
	Finance and Administration	New PC's	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	8	45	45	50
	Finance and Administration	Time Attendance and Access Control - Boomgates	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	120	-	-	-
	Finance and Administration	Smart city project	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	-	1 550	1 550	1 550
	Finance and Administration	Smart city project	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	-	900	2 700	2 700
	Finance and Administration	CHAIR	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	7	-	-	-
	Finance and Administration	REPLACEMENT - UPS (40kVa 3 phase)	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	135	-	-	-
	Finance and Administration	SKILL CENTRE - COMPUTING TRAINING FACILITY	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	180	-	-	-
	Finance and Administration	Switch Cabinet (x2)	KPA2/SG2/SO3	Computer Equipment	Computer Equipment	-	8	2	2
	Finance and Administration	Small tools	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	-	2	-	-
	Road Transport	Note Counter	KPA6/SG6/SO12	Furniture and Office Equipment	Furniture and Office Equipment	2	3	3	3
	Housing	Chair	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	1	2	-	-
	Housing	Cupboard	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	2	-	-	-
	Housing	Desk	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	-	3	-	-
	Finance and Administration	Extention of safeguarding office - Napier Office	KPA2/SG2/SO3	Other assets	Municipal Offices	-	60	-	-
	Finance and Administration	Furniture - Community Halls	KPA2/SG2/SO3	Furniture and Office Equipment	Furniture and Office Equipment	60	-	-	-

R thousand	Function	Project Description	Own Strategic Objectives	Asset Class	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework			
						Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Finance and Administration	Upgrade Main building windows	KPA2/SG2/SO3	Other assets	Municipal Offices	-	-	500	500
	Finance and Administration	ONS HUIS - wash basins & Taps at 9 rooms	KPA2/SG2/SO3	Other assets	Municipal Offices	-	60	-	-
	Finance and Administration	Fencing - Simunye / Tussen treine	KPA2/SG2/SO3	Other assets	Municipal Offices	-	76	-	-
	Finance and Administration	Napier Ablutions - Old Clinic	KPA2/SG2/SO3	Other assets	Municipal Offices	-	500	-	-
	Finance and Administration	PIT - Traffic Department	KPA2/SG2/SO3	Community Assets	Testing Stations	-	613	-	-
	Sport and Recreation	Sport facility - Fencing of Klipdale sportgrond	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	80	-	-	-
	Sport and Recreation	Chipper Model 12XP	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	583	-	-	-
	Sport and Recreation	Floodlight - Struisbaai Sport complex	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	120	-	-	-
	Sport and Recreation	Sport facility : Fencing Park Street Sport complex	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	100	-	-	-
	Sport and Recreation	MS382 Chainsaw	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	-	12	-	-
	Sport and Recreation	Upgrade Hockey Field Nets	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	-	30	-	-
	Sport and Recreation	200 Sitplek Wooden Pavillian - Struisbaai	KPA2/SG2/SO3	Sport and Recreation Facilities	Outdoor Facilities	-	150	-	-
	Sport and Recreation	Safeguarding of Receptionist area (L Agulhas)	KPA2/SG2/SO3	Other assets	Municipal Offices	-	126	-	-
	Sport and Recreation	Safeguarding of Receptionist area (Struisbay)	KPA2/SG2/SO3	Other assets	Municipal Offices	76	-	-	-
	Sport and Recreation	Beach Wheelchair (Blue Flag Beach)	KPA2/SG2/SO3	Machinery and Equipment	Machinery and Equipment	-	50	-	-
	Sport and Recreation	Access Control / Booms (All resorts)	KPA2/SG2/SO3	Community Assets	Outdoor Facilities	230	-	-	-
	Community and Social Services	Renovations Building - Waenhuiskrans Library (Children's area)	KPA5/SG5/SO9	Community Assets	Libraries	-	-	180	-
	Community and Social Services	Laminating Machine	KPA5/SG5/SO9	Furniture and Office Equipment	Furniture and Office Equipment	1	-	-	-
	Community and Social Services	Rapairs Building Library - Napier	KPA5/SG5/SO9	Community Assets	Libraries	90	-	-	-
	Water Management	Equipment for boreholes in Napier and Suiderstrand	KPA5/SG5/SO8	Water Supply Infrastructure	Boreholes	-	500	-	-
	Water Management	Replace old Water Mains	KPA5/SG5/SO8	Water Supply Infrastructure	Bulk Mains	820	1 000	1 000	1 000
	Water Management	FMSG - BULK WATER METERS	KPA5/SG5/SO8	Water Supply Infrastructure	Bulk Mains	-	500	-	-
	Water Management	Reservoir Roof Napier (Replacement & Fencing)	KPA5/SG5/SO8	Water Supply Infrastructure	Reservoirs	160	-	-	-
	Water Management	Trailers (6ft) - X6	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	100	-	-	-
	Water Management	Telemetry - Sewerpumpstation (B/dorp & Napier)	KPA5/SG5/SO8	Sanitation Infrastructure	Pump Station	120	-	-	-
	Water Management	Telemetry - Bredasdorp reservoirs	KPA5/SG5/SO8	Water Supply Infrastructure	Reservoirs	149	-	-	-
	Waste Management	Office furniture	KPA5/SG5/SO8	Furniture and Office Equipment	Furniture and Office Equipment	9	-	-	-
	Waste Management	Design for new cell Bredasdorp landfill	KPA6/SG6/SO12	Solid Waste Infrastructure	Landfill Sites	-	-	1 000	-

R thousand	Function	Project Description	Own Strategic Objectives	Asset Class	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework			
						Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Waste Management	D6 Doser	KPA6/SG6/SO12	Transport Assets	Transport Assets	-	-	-	4 100
	Waste Management	8 Ton Truck	KPA6/SG6/SO12	Transport Assets	Transport Assets	-	-	1 300	-
	Waste Management	Compacting truck	KPA6/SG6/SO12	Transport Assets	Transport Assets	-	-	2 300	-
	Waste Management	Land Fill Compliance- Stormwater Collection Pond	KPA6/SG6/SO12	Solid Waste Infrastructure	Landfill Sites	-	850	-	-
	Road Transport	Construction Mossel Street Struisbaai	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	-	100	-
	Road Transport	Construction Nu-Unie Street Napier	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	-	1 200	-
	Road Transport	Construction Vijoen Street Bredasdorp	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	-	300	-
	Road Transport	Upgrade Wouter Street in Napier	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	-	500	500
	Road Transport	Klipdale Roads	KPA5/SG5/SO8	Roads Infrastructure	Roads	-	-	400	-
	Road Transport	Protem Roads	KPA5/SG5/SO8	Roads Infrastructure	Roads	250	-	-	-
	Road Transport	Tip Truck	KPA5/SG5/SO8	Transport Assets	Transport Assets	-	-	1 500	-
	Road Transport	Air conditioners (X2)	KPA5/SG5/SO8	Furniture and Office Equipment	Furniture and Office Equipment	-	16	-	-
	Road Transport	Generator (X2)	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	29	-	-	-
	Road Transport	Bomag (X1)	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	150	-	-	-
	Road Transport	Grinders (X4)	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	7	-	-	-
	Road Transport	Drill (X4)	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	6	-	-	-
	Road Transport	CAM Area Bus Shelters X4	KPA5/SG5/SO8	Roads Infrastructure	Road Furniture	90	-	-	-
	Road Transport	Speed Calming Infrastructure	KPA5/SG5/SO8	Roads Infrastructure	Road Furniture	250	-	-	-
	Energy Sources	Extend Concrete washbay surface at store	KPA5/SG5/SO8	Other assets	Stores	-	-	40	-
	Energy Sources	Airconditioners X2	KPA5/SG5/SO8	Furniture and Office Equipment	Furniture and Office Equipment	-	10	10	10
	Energy Sources	Fluke Multimeters	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	8	-	6	-
	Energy Sources	20kv Megger	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	72	-	-	-
	Energy Sources	500kv Meggers *2	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	9	-	-	-
	Energy Sources	Quality of Supplu Meters	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	-	95	48	98
	Energy Sources	*Bredasdorp	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	588	720	3 660	1 380
	Energy Sources	*Struisbaai	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	-	500	1 630	1 060
	Energy Sources	*L'Agulhas	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	-	470	400	627
	Energy Sources	*Napier	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	455	-	-	-

R thousand	Function	Project Description	Own Strategic Objectives	Asset Class	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework			
						Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Energy Sources	*Napier	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	-	1 000	2 132	1 219
	Energy Sources	*Waenhuiskrans	KPA5/SG5/SO8	Electrical Infrastructure	LV Networks	-	930	785	1 200
	Energy Sources	Switching Suits	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	71	-	26	28
	Energy Sources	Thermal Imager	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	-	92	-	-
	Energy Sources	Generator	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	185	350	-	-
	Planning and Development	High Back Chair	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	-	3	-	-
	Planning and Development	Cabbord	KPA5/SG5/SO10	Furniture and Office Equipment	Furniture and Office Equipment	-	2	-	-
	Environmental protection	Air Quality Measuring equipment	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	-	120	-	-
	Environmental protection	Replacement Sensors	KPA5/SG5/SO8	Machinery and Equipment	Machinery and Equipment	-	60	-	-
	Community and Social Services	Animal Control project - Fencing etc.	KPA6/SG6/SO12	Community Assets	Outdoor Facilities	-	50	-	-
	Total Capital expenditure					30 940	46 437	58 462	36 216

MBRR SA38 – Operating Projects per Strategic Objective per Vote

R thousand	Function	Project Description	Prior year outcomes		2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Vote 1 - Executive and Council	KPA1/SG1/SO1	22 824	21 570	23 551	24 021	25 494
	Vote 1 - Executive and Council	KPA1/SG1/SO2	511	542	533	533	533
	Vote 1 - Executive and Council	KPA2/SG2/SO3	9 462	9 744	10 614	11 322	12 154
	Vote 1 - Executive and Council	KPA3/SG3/SO4	50	138	190	–	–
	Vote 1 - Executive and Council	KPA3/SG3/SO5	1 544	1 245	2 030	2 312	2 446
	Vote 1 - Executive and Council	KPA5/SG5/SO10	2 764	3 145	5 465	3 694	3 952
	Vote 1 - Executive and Council	KPA6/SG6/SO11	3 569	6 498	4 434	4 252	4 462
	Vote 2 - Financial Services & ICT	KPA2/SG2/SO3	3 532	4 897	8 250	8 516	8 948
	Vote 2 - Financial Services & ICT	KPA4/SG4/SO6	46 671	50 108	49 112	50 440	53 968
	Vote 2 - Financial Services & ICT	KPA5/SG5/SO8	1 203	1 595	1 755	1 977	1 892
	Vote 3 - Corporate Services	KPA5/SG5/SO10	2 500	–	–	–	–
	Vote 4 - Management Services	KPA2/SG2/SO3	14 140	15 627	16 245	17 222	18 530
	Vote 4 - Management Services	KPA3/SG3/SO4	197	424	570	369	389
	Vote 4 - Management Services	KPA5/SG5/SO10	1 801	37 155	53 050	51 109	53 929
	Vote 4 - Management Services	KPA5/SG5/SO9	7 249	8 958	9 004	9 841	10 323
	Vote 4 - Management Services	KPA6/SG6/SO11	1 994	1 509	1 288	1 386	1 479
	Vote 4 - Management Services	KPA6/SG6/SO12	20 504	18 963	21 075	22 563	24 075
	Vote 5 - Engineering Services	KPA3/SG3/SO4	1 551	315	472	–	–
	Vote 5 - Engineering Services	KPA5/SG5/SO10	–	2 692	3 166	3 383	3 637
	Vote 5 - Engineering Services	KPA5/SG5/SO8	137 323	155 927	174 460	188 402	205 382
	Vote 5 - Engineering Services	KPA6/SG6/SO12	11 361	9 271	8 555	9 218	9 728
	Total Operational expenditure		290 748	350 324	393 818	410 557	441 318

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 2019/20 MTREF at least 30 days before the start of the next financial year directly aligned and informed by the 2018/19 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 2019/20 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	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
REVENUE ITEMS:				
<u>Property rates</u>				
Total Property Rates	65 149	70 361	75 990	82 069
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	1 168	1 168	1 168	1 168
Net Property Rates	63 981	69 193	74 822	80 901
<u>Service charges - electricity revenue</u>				
Total Service charges - electricity revenue	110 963	120 885	135 996	149 052
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	92	100	105	111
Net Service charges - electricity revenue	110 871	120 786	135 891	148 941
<u>Service charges - water revenue</u>				
Total Service charges - water revenue	28 399	30 657	33 263	36 091
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	2 453	2 453	2 586	2 725
Net Service charges - water revenue	25 946	28 204	30 678	33 365
<u>Service charges - sanitation revenue</u>				
Total Service charges - sanitation revenue	13 359	14 544	15 780	17 121
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	3 234	3 234	3 408	3 593
Net Service charges - sanitation revenue	10 125	11 310	12 372	13 529
<u>Service charges - refuse revenue</u>				
Total refuse removal revenue	20 671	21 703	23 548	25 550
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	3 905	3 905	4 116	4 338
Net Service charges - refuse revenue	16 766	17 798	19 432	21 212

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Other Revenue by source				
<i>Advertisements</i>	118	163	176	190
<i>Bad Debts Recovered</i>	266	287	310	335
Books	1	1	1	1
Breakages and Losses Recovered	3	6	6	7
Building Plan Approval	1 466	1 569	1 694	1 830
Camping Fees	6 420	6 869	7 418	8 012
Cemetery and Burial	49	53	57	61
Clearance Certificates	77	83	89	96
Entrance Fees	30	33	35	38
Incidental Cash Surpluses	22	24	26	28
Insurance Refund	32	34	37	40
Library Fees_Membership	6	3	3	3
Merchandising, Jobbing and Contracts	175	150	165	180
Photocopies and Fax es	22	22	24	26
Plan Printing and Duplicates	13	11	12	13
Public Contributions and Donations	54	32	33	35
Removal of Restrictions	16	17	19	20
Staff Recoveries	5	3	3	4
Stone and Gravel	1	1	1	1
Tender Documents	140	180	194	210
Town Planning and Servitudes	90	195	210	227
Transaction Handling Fees	69	74	80	86
Total 'Other' Revenue	9 074	9 805	10 592	11 439
EXPENDITURE ITEMS:				
Employee related costs				
Basic Salaries and Wages	83 828	91 790	101 141	109 666
Pension and UIF Contributions	13 825	14 932	16 407	17 661
Medical Aid Contributions	3 989	5 087	5 595	6 136
Overtime	3 118	3 494	1 035	1 060
Performance Bonus	301	499	311	329
Motor Vehicle Allowance	5 933	5 973	5 973	5 973
Cellphone Allowance	431	422	418	411
Housing Allowances	1 057	1 154	1 229	1 305
Other benefits and allowances	4 939	5 713	5 852	6 023
Payments in lieu of leave	1 502	1 652	1 817	1 999
Long service awards	601	661	727	799
Post-retirement benefit obligations	2 510	2 761	3 037	3 341
Total Employee related costs	122 033	134 136	143 541	154 702

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
<u>Depreciation & asset impairment</u>				
Depreciation of Property , Plant & Equipment	10 541	11 025	11 620	12 247
Capital asset impairment	1 381	–	–	–
Total Depreciation & asset impairment	11 922	11 025	11 620	12 247
<u>Bulk purchases</u>				
Electricity Bulk Purchases	80 162	91 224	102 627	112 479
Water Bulk Purchases	200	180	190	200
Total bulk purchases	80 362	91 404	102 817	112 679
<u>Transfers and grants</u>				
Cash transfers and grants	2 020	1 887	1 927	1 969
Total transfers and grants	2 020	1 887	1 927	1 969
<u>Contracted services</u>				
<i>Accounting and Auditing</i>	690	330	–	–
<i>Audit Committee</i>	123	124	130	137
<i>Builders</i>	1 200	–	–	–
<i>Burial Services</i>	40	22	23	25
<i>Business and Financial Management</i>	2 062	2 385	1 887	1 851
<i>Catering Services</i>	28	4	4	4
<i>Commissions and Committees</i>	354	–	–	–
<i>Communications</i>	158	150	150	150
<i>Contractors_Building</i>	476	–	–	–
<i>Contractors_Electrical</i>	5 156	4 640	5 000	6 000
<i>Drivers Licence Cards</i>	179	189	199	210
<i>Employee Wellness</i>	107	90	95	100
<i>Engineering_Civil</i>	1 381	2 550	1 634	1 722
<i>Event Promoters</i>	1 041	242	44	45
<i>Fire Services</i>	1 200	1 200	1 200	1 200
<i>Gardening Services</i>	63	–	–	–
<i>Haulage</i>	1 958	1 930	2 034	2 144
<i>Human Resources</i>	33	580	528	556
<i>Legal Advice and Litigation</i>	724	503	505	508
<i>Legal Cost_Collection</i>	100	170	179	189
<i>Medical Examinations</i>	12	12	13	14
<i>Occupational Health and Safety</i>	59	108	66	69
<i>Personnel and Labour</i>	1 505	2 516	618	651
<i>Photographer</i>	2	2	2	2
<i>Removal of Structures and Illegal Signs</i>	37	39	41	43
<i>Research and Advisory</i>	517	3 196	839	884
<i>Security Services</i>	700	1 056	1 113	1 173
<i>Town Planner</i>	699	3 986	2 629	2 771
<i>Traffic Fines Management</i>	821	867	913	963
<i>Valuer</i>	230	320	336	353
Total contracted services	21 653	27 210	20 182	21 763

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Other Expenditure By Type				
Advertising, Publicity and Marketing	1 280	1 014	1 049	1 087
Audit Fees	3 114	3 485	3 667	3 857
Bank Charges, Facility and Card Fees	957	1 038	1 094	1 153
Bursaries (Employees)	126	120	127	133
Cleaning Services (Laundry)	140	148	156	164
Commission	1 810	2 100	2 213	2 333
Communication - Licences (Radio and Television)	9	9	10	10
Communication - Postage and Telephone	1 686	1 458	1 513	1 582
Deeds	50	63	68	72
Drivers Licences and Permits	40	44	46	49
Entertainment - Councillors	75	90	95	99
Entertainment - Senior Management	8	8	8	8
External Computer Service - Data Lines	1 139	1 777	1 778	1 780
Full Time Union Representative	97	58	62	65
Hire Charges	685	832	900	960
Indigent Relief	367	411	433	457
Insurance	1 084	1 228	1 495	1 575
Motor Vehicle Licence and Registrations	295	368	388	409
Municipal Services	1 045	1 045	1 101	1 161
Operating Leases	516	720	727	753
Printing, Publications and Books	96	72	75	79
Professional and Regulatory Bodies	48	56	56	58
Professional Bodies, Membership and Subscription	1 179	1 245	1 313	1 383
Remuneration to Ward Committees	542	533	533	533
Resettlement Cost	53	36	37	39
Samples and Specimens	350	313	330	348
Seminars, Conferences, Workshops and Events	2 498	1 794	1 889	1 989
Skills Development Fund Levy	769	921	1 004	1 083
Software Licences	3 495	4 136	4 075	4 278
System Access and Information Fees	3	3	3	3
Travel and Subsistence	1 175	1 353	1 397	1 472
Uniform and Protective Clothing	727	844	800	843
Workmen's Compensation Fund	722	600	640	675
Total 'Other' Expenditure	26 180	27 921	29 081	30 490

Repairs and Maintenance by Expenditure Item				
Employ ee related costs	39 521	41 907	44 031	47 910
Other materials	15 627	15 885	16 619	17 515
Contracted Services	5 264	5 320	5 105	6 111
Other Expenditure	4 406	5 114	5 231	5 537
Total Repairs and Maintenance Expenditure	64 818	68 226	70 986	77 072

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

Description	Vote 1 - Executive and Council	Vote 2 - Financial Services & ICT	Vote 4 - Management Services	Vote 5 - Engineering Services	Total
R thousand					
<u>Revenue By Source</u>					
Property rates	-	69 193	-	-	69 193
Service charges - electricity revenue	-	-	-	120 786	120 786
Service charges - water revenue	-	-	-	28 204	28 204
Service charges - sanitation revenue	-	-	-	11 310	11 310
Service charges - refuse revenue	-	-	-	17 798	17 798
Rental of facilities and equipment	1 775	-	186	-	1 961
Interest earned - external investments	-	2 446	-	-	2 446
Interest earned - outstanding debtors	-	1 719	-	-	1 719
Fines, penalties and forfeits	-	107	11 533	-	11 640
Licences and permits	62	-	5	-	67
Agency services	-	-	2 917	-	2 917
Other revenue	409	680	7 031	1 685	9 805
Transfers and subsidies	30 857	2 172	57 255	7 386	97 670
Gains on disposal of PPE	-	5 000	-	-	5 000
Total Revenue (excluding capital transfers and contributions)	33 103	81 317	78 926	187 169	380 515
<u>Expenditure By Type</u>					
Employee related costs	24 738	28 501	33 786	47 112	134 136
Remuneration of councillors	5 764	-	-	-	5 764
Debt impairment	-	1 455	6 228	3 585	11 267
Depreciation & asset impairment	-	3 346	-	7 679	11 025
Finance charges	-	5 731	317	4 614	10 663
Bulk purchases	-	-	-	91 404	91 404
Other materials	711	463	55 032	16 334	72 541
Contracted services	6 143	4 788	4 036	12 242	27 210
Transfers and subsidies	1 887	-	-	-	1 887
Other expenditure	7 573	14 833	1 833	3 682	27 921
Total Expenditure	46 816	59 117	101 232	186 652	393 818
Surplus/(Deficit)	(13 714)	22 199	(22 306)	517	(13 303)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 800	1 550	-	9 591	12 941
Surplus/(Deficit) after capital transfers & contributions	(11 914)	23 749	(22 306)	10 108	(362)

MBRR SA3 - Supporting detail to 'Budgeted Financial Position'

Description	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
ASSETS				
<u>Call investment deposits</u>				
Other current investments	15 000	15 000	10 000	15 000
Total Call investment deposits	15 000	15 000	10 000	15 000
<u>Consumer debtors</u>				
Consumer debtors	67 565	72 585	78 122	84 160
Less: Provision for debt impairment	(31 556)	(36 595)	(42 075)	(48 041)
Total Consumer debtors	36 009	35 990	36 047	36 119
<u>Debt impairment provision</u>				
Balance at the beginning of the year	23 148	31 556	36 595	42 075
Contributions to the provision	8 408	5 039	5 480	5 965
Balance at end of year	31 556	36 595	42 075	48 041
<u>Property, plant and equipment (PPE)</u>				
PPE at cost/valuation (excl. finance leases)	522 947	569 384	627 845	664 061
Leases recognised as PPE	1 178	1 178	1 178	1 178
Less: Accumulated depreciation	117 505	128 196	139 464	151 340
Total Property, plant and equipment (PPE)	406 619	442 365	489 559	513 899
LIABILITIES				
<u>Current liabilities - Borrowing</u>				
Current portion of long-term liabilities	3 568	3 746	3 934	4 130
Total Current liabilities - Borrowing	3 568	3 746	3 934	4 130
<u>Trade and other payables</u>				
Trade Payables	24 703	26 987	28 254	30 971
Other creditors	5 504	5 504	5 504	5 504
Unspent conditional transfers	545	45	45	45
VAT	679	679	679	679
Total Trade and other payables	31 431	33 215	34 482	37 199
<u>Non current liabilities - Borrowing</u>				
Borrowing	12 185	25 185	44 899	48 274
Total Non current liabilities - Borrowing	12 185	25 185	44 899	48 274
<u>Provisions - non-current</u>				
Retirement benefits	58 935	61 072	63 287	65 582
Refuse landfill site rehabilitation	73 969	77 856	81 948	86 254
Total Provisions - non-current	132 903	138 928	145 235	151 837
CHANGES IN NET ASSETS				
<u>Accumulated Surplus/(Deficit)</u>				
Accumulated Surplus/(Deficit) - opening balance	301 540	307 555	313 193	333 999
Restated balance	301 540	307 555	313 193	333 999
Surplus/(Deficit)	6 015	(362)	10 806	16 246
Appropriations to Reserves	(12 309)	(7 507)	(9 165)	(16 472)
Transfers from Reserves	12 309	13 507	19 165	12 472
Accumulated Surplus/(Deficit)	307 555	313 193	333 999	346 245
<u>Reserves</u>				
Capital replacement	30 000	24 000	14 000	18 000
Total Reserves	30 000	24 000	14 000	18 000
TOTAL COMMUNITY WEALTH/EQUITY	337 555	337 193	347 999	364 245

MBRR SA9 - Social, economic and demographic statistics and assumptions

Choose name from list - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population					33	33	33	33	33	33	33	33
Females aged 5 - 14					2	2	2	2	2	2	2	2
Males aged 5 - 14					3	3	3	3	3	3	3	3
Females aged 15 - 34					5	5	5	5	5	5	5	5
Males aged 15 - 34					5	5	5	5	5	5	5	5
Unemployment					19,5%	19,5%	19,5%	19,5%	19,5%	19,5%	19,5%	19,5%
Monthly household income (no. of households)												
No income	1, 12				-	-	-	-	-	-	-	-
R1 - R1 600					-	3,109	3,109	3,109	3,109	3,109	3,109	3,109
R1 601 - R3 200					R8,670 average income per household	353	353	353	353	353	353	353
R3 201 - R6 400						6,700	6,700	6,700	6,700	6,700	6,700	6,700
Poverty profiles (no. of households)												
< R2 060 per household per month	13				3,462	3462.00	3462.00	3462.00	3462.00	3462.00	3462.00	3462.00
Insert description	2				-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Household/demographics (000)												
Number of people in municipal area					33,301	33	33	33	33	33	33	33
Number of poor people in municipal area					13,156	13	13	13	13	13	13	13
Number of households in municipal area					10,162	10	10	10	10	10	10	10
Number of poor households in municipal area					3,462	3	3	3	3	3	3	3
Definition of poor household (R per month)						-	-	-	-	-	-	-
Housing statistics												
Formal	3				8,658	8,658	8,658	8,658	8,658	8,658	8,658	8,658
Informal					1,504	1,504	1,504	1,504	1,504	1,504	1,504	1,504
Total number of households					-	-	-	-	-	-	-	-
Dwellings provided by municipality	4				10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162
Dwellings provided by province/s					668	668	668	668	668	668	668	668
Dwellings provided by private sector	5				9,494	9,494	9,494	9,494	9,494	9,494	9,494	9,494
Total new housing dwellings					-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6					5,2%	5,2%	5,2%	5,2%	5,2%	5,4%	5,4%
Interest rate - borrowing						9,3%	9,3%	9,3%	9,3%	9,3%	9,3%	9,3%
Interest rate - investment						5,3%	5,3%	5,3%	5,3%	5,3%	5,3%	5,3%
Remuneration increases						5,3%	5,3%	5,3%	5,3%	5,3%	5,4%	5,5%
Consumption growth (electricity)						0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Consumption growth (water)						0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Collection rates												
Property tax/service charges	7					95,8%	95,8%	95,8%	95,8%	95,8%	95,8%	95,8%
Rental of facilities & equipment						95,8%	95,8%	95,8%	95,8%	95,8%	95,8%	95,8%
Interest - external investments						100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Interest - debtors						95,8%	95,8%	95,8%	95,8%	95,8%	95,8%	95,8%
Revenue from agency services						100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

MBRR SA11 - Property rates summary

Choose name from list - Supporting Table SA11 Property rates summary

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Valuation:	1									
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2							2017 Yes		
Municipal/assistant valuer appointed? (Y/N)								No		
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3							-	-	-
No. of data collectors (FTE)	3							1	1	1
No. of internal valuers (FTE)	3							-	-	-
No. of external valuers (FTE)	3							1	1	1
No. of additional valuers (FTE)	4							-	-	-
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5				12,572	12,572	12,572	12,572	12,572	12,572
No. of sectional title values	5				195	195	195	195	195	195
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations					12	12	12	12	12	12
No. of valuation roll amendments										
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)										
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:										
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,eductns,discs (R'000)										

MBRR SA12a - Property rates by category (current year)

Choose name from list - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2018/19																	
Valuation:																	
No. of properties		9,986	-	462	1,073	230	452	-	-	-	-	-	-	-	-	60	-
No. of sectional title property values		195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Frequency of valuation (select)		5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Method of valuation used (select)		Market	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Base of valuation (select)		Land & impr.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flat rate used? (Y/N)		No	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Is balance rated by uniform rate/variable rate?		Variable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		10,685	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		10,685	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:																	
Total value used for rating (Rm)	6	69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rating:																	
Average rate	3	0.007749	0.008437	0.008437	0.001938	0.008437	-	0.007419	0.007749	0.007749	0.007749	0.007412	0.007749	0.007749	0.007749	-	na
Rate revenue budget (R '000)		63,981	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		59,895	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	93.6%	93.6%	93.6%	93.6%	93.6%	na	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	na	na
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		161	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates, exemptions, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MBRR SA12b - Property rates by category (Budget year)

Choose name from list - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2019/20																	
Valuation:																	
No. of properties		9,986	-	462	1,073	230	452	-	-	-	-	-	-	-	-	60	-
No. of sectional title property values		195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Frequency of valuation (select)		5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Method of valuation used (select)		Market	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Base of valuation (select)		Land & impr.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flat rate used? (Y/N)		No	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Is balance rated by uniform rate/variable rate?		Variable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:																	
Total value used for rating (Rm)	6	11,942	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	11,942	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rating:																	
Average rate	3	0.007749	0.008437	0.008437	0.001938	0.008437	-	0.007419	0.007749	0.007749	0.007749	0.007412	0.007749	0.007749	0.007749	-	na
Rate revenue budget (R'000)		#####															
Rate revenue expected to collect (R'000)		#####															
Expected cash collection rate (%)	4	0.936143	0.936143	0.936143	0.936143	0.936143	na	0.936143	0.936143	0.936143	0.936143	0.936143	0.936143	0.936143	0.936143	na	na
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates, exemptns, reductns, discs (R'000)																	

MBRR SA13a - Service Tariffs by category

Choose name from list - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Property rates (rate in the Rand)	1								
Residential properties		Residential & Agriculture	0.0065	0.0065	0.0067	0.0072	0.0077	0.0084	0.0091
Residential properties - vacant land		Residential & Other	0.0065	0.0065	0.0067	0.0072	0.0077	0.0084	0.0091
Formal/informal settlements		-							
Small holdings		-							
Farm properties - used		Farming - Bona Fide	0.0016	0.0016	0.0017	0.0018	0.0019	0.0021	0.0023
Farm properties - not used		Agriculture Other	0.0016	0.0016	0.0017	0.0018	0.0019	0.0021	0.0023
Industrial properties		Industrial	0.0068	0.0068	0.0072	0.0078	0.0084	0.0092	0.0099
Business and commercial properties		Business & Agriculture	0.0068	0.0068	0.0072	0.0078	0.0084	0.0092	0.0099
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties							0.0019	0.0021	0.0023
Municipal properties							-	-	-
Public service infrastructure		Public Benefit Organisations	0.0063	0.0065	0.0072	0.0078	0.0074	0.0080	0.0087
Privately owned towns serviced by the State trust land									
Restitution and redistribution properties									
Protected areas							0.0075	0.0081	0.0088
National monuments properties							0.0075	0.0081	0.0088
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate									
Indigent rebate or exemption						<100,000	<100,000	<100,000	<100,000
Pensioners/social grants rebate or exemption						40%/80%	40%/80%	40%/80%	40%/80%
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions									
Water tariffs	2								
Domestic									
Basic charge/fix ed fee (Rands/month)			118	104	115	130	138	150	162
Service point - v acant land (Rands/month)			118	104	115	130	138	150	162
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		Huishoudelik (< 6kl.)							
Water usage - Block 2 (c/kl)		Huish.: 7 - 20	7	8	8	8	9	10	10
Water usage - Block 3 (c/kl)		21 - 40	7	8	8	9	9	10	11
Water usage - Block 4 (c/kl)		41 - 60	9	9	9	11	12	13	14
Other									
61 - 80			45	49	49	13	14	16	17
Waste water tariffs	2								
Domestic									
Basic charge/fix ed fee (Rands/month)		Besigheid					184	200	217
Service point - v acant land (Rands/month)		Besigheid: 0 - 50	5	7	8	8	9	10	11
Waste water - flat rate tariff (c/kl)		51 - 100kl	5	7	8	8	10	10	11
Volumetric charge - Block 1 (c/kl)		101 - 150kl	5	8	8	8	10	11	12
Volumetric charge - Block 2 (c/kl)		151 - 200kl	6	8	9	9	11	12	13
Volumetric charge - Block 3 (c/kl)		201 - 300kl	6	9	10	10	13	14	15
Volumetric charge - Block 4 (c/kl)		301 - 400kl					14	16	17
Other									
Electricity tariffs	2								
Domestic									
Basic charge/fix ed fee (Rands/month)		Single Phase					145	163	179
Service point - v acant land (Rands/month)		Three Phase							
FBE									
Life-line tariff - meter		(how is this targeted?)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)		(describe structure)							
Flat rate tariff - prepaid(c/kwh)									
Meter - IBT Block 1 (c/kwh)		Tarrif C				1			
Meter - IBT Block 2 (c/kwh)		kWh (< 50 kWh)				1			
Meter - IBT Block 3 (c/kwh)		Bo 50 kWh tot 350 Kwh				2	1	2	2
Meter - IBT Block 4 (c/kwh)		Bo 350 kWh tot 600 kWh				2	2	2	3
Meter - IBT Block 5 (c/kwh)		Bo 650 Kwh				1	2	3	3
Prepaid - IBT Block 1 (c/kwh)		0.0-50.0 KWh				1			
Prepaid - IBT Block 2 (c/kwh)		50.0-350.0 KWh				2			
Prepaid - IBT Block 3 (c/kwh)		350.0-600.0 KWh				2			
Prepaid - IBT Block 4 (c/kwh)		above 600.0 KWh							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other									
Waste management tariffs	2								
Domestic									
Street cleaning charge						150	165	179	194
Basic charge/fix ed fee									
80l bin - once a week									
250l bin - once a week									

MBRR SA13b - Service Tariffs by category – explanatory

Choose name from list - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
							Exemptions, reductions and rebates (Rands)		
First R15,000 value of properties		No Charge to all residents				0	0	0	0
All registered pensioners with SASSA cards as Value of first R100,000 of property exempt if on		10% Rebate				0	0	0	0
		-				0	0	0	0
		40% Rebate				N/A	N/A	N/A	N/A
		30% Rebate				N/A	N/A	N/A	N/A
		20% Rebate				N/A	N/A	N/A	N/A
		-							
		40% Rebate							
Water tariffs									
All residents 6kl free		No Charge to all residents				-			
		7kl - 20kl				7	9	10	10
		21k - 40kl				7	9	10	11
		41kl - 60kl				9	12	13	14
		61kl - 80kl				11	14	16	17
		81kl - 100kl				15	-	-	-
		101kl and above				24	-	-	-
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
Waste water tariffs									
Registered on indigent register		(fill in structure)	40% & 80%			144	165	179	194
Registered on indigent register		(fill in structure)	40% & 80%					-	-
All other residents		(fill in structure)						-	-
		(fill in structure)						-	-
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
Electricity tariffs									
Registered on indigent register		50kwh units free				-			
		51kwh - 350kwh				1	1	2	2
		350.1kwh - 600kwh				2	2	2	3
		601kwh above				2	2	3	3
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							

MBRR SA15 - Investment particulars by type

Investment type	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Parent municipality				
Deposits - Bank	15 000	15 000	10 000	15 000
Consolidated total:	15 000	15 000	10 000	15 000

MBRR SA16 - Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Closing Balance
	Short Term Deposit					
TOTAL INVESTMENTS AND INTEREST						15 000

MBRR SA17 – Borrowing

Borrowing - Categorised by type	2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand				
Parent municipality				
Annuity and Bullet Loans	12 185	25 185	44 899	48 274
Total Borrowing	12 185	25 185	44 899	48 274
Unspent Borrowing - Categorised by type				
Parent municipality				
Long-Term Loans (annuity/reducing balance)	3 210	–	–	–
Total Unspent Borrowing	3 210	–	–	–

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 – Service level standards

Attached.

3.4 Appendix D– Procurement Plan

Attached.