

# Kareeberg Municipality

2018 2019

## Medium Term Revenue and Expenditure Forecasts

### VISION

A SUSTAINABLE, AFFORDABLE and DEVELOPMENTAL QUALITY SERVICE for ALL

### MISSION

WE WILL ACHIEVE OUR VISION BY ENSURING THAT WE:

Provide a continuous and constant service

Provide a better level of service for our basket of services

Provide value for money that will be maintained by the municipality

Improve existing infrastructure and create new opportunities for all



Copies of this document can be viewed

At each municipal office

At [www.kareeberg.co.za](http://www.kareeberg.co.za)

## 2018 – 2019 medium term revenue and expenditure forecasts

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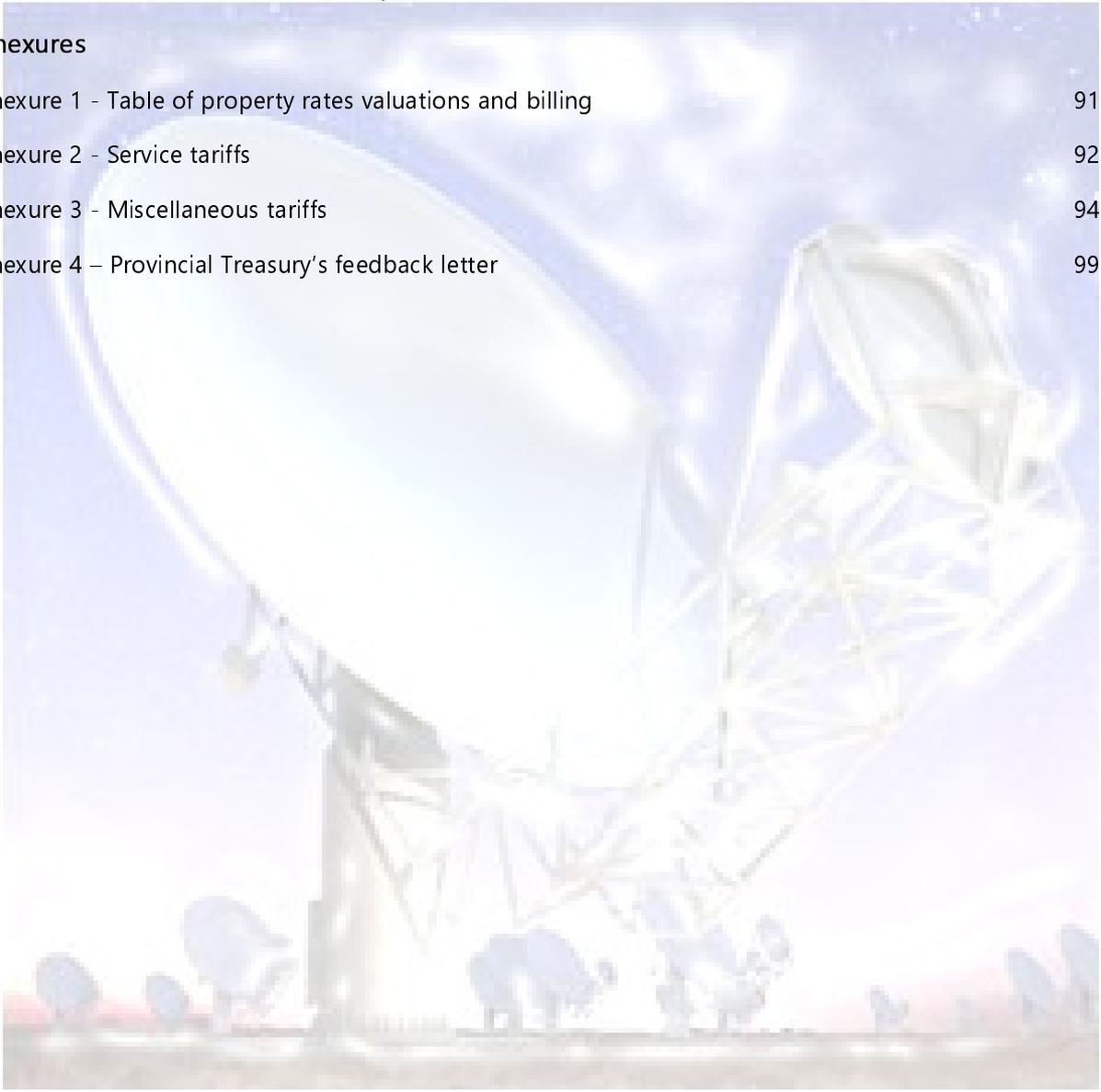


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**Abbreviations and Acronyms**

ASGISA	Accelerated and Shared Growth Initiative
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
FBS	Free Basic Services
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	Kilolitre
km	Kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	Kilowatt
ℓ	Litre
LED	Local Economic Development
MBRR	Municipal Budget and Reporting Regulation
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental Organisations
NKPIs	National Key Performance Indicators
NT	National Treasury
PBO	Public Benefit Organisation
PMS	Performance Management System
PPE	Property, Plant and Equipment
RDP	Reconstruction and Development programme
SALGA	South African Local Government Association
SAPS	South African Police Services
SCMP	Supply Chain Management Policy
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small Micro and Medium Enterprises



### Introduction

Kareeberg Municipality is situated in the western side of the Pixley ka Seme District Municipality in the Northern Cape Province. The district consists of nine municipalities of which Kareeberg is the smallest. The municipality was established through the amalgamation of Carnarvon, Vanwyksvlei and Vosburg, as well as a large area of rural farms. The administrative centre is located in Carnarvon with Vanwyksvlei and Vosburg being rural service centres.

The landscape is typical Karoo with an annual average rainfall of 260mm and an annual evaporation of 230mm. There are no constant rivers running through the municipal area and all towns are dependent on ground water.

Local economic opportunities are sadly lacking in the municipal area with the declining economy being largely based on sheep farming. A LED Officer was appointed to address the problem of local economic opportunities. With an unemployment rate that is worse than in 2001 the people rely heavily on the provision of free basic services.

The population growth has been positive over the last six years. The migration of economically active residents to greater urban areas still has a huge impact on the population growth. The total population of the municipality is 11 385, which constitutes 3 088 households.

Kareeberg Municipality has an ongoing consultative process whereby any stakeholder in the municipality can give input for the budgetary process. The municipality has an open door policy so that the Mayor's office, as well as senior management, are available at any time. After each bi-monthly council meeting a community meeting is held where feedback is given by council as well as where inputs by the community are noted. A monthly newsletter, "Die Korbeeltjie", is delivered to each household free of charge wherein the Mayor gives feedback on council activities and asks for inputs on any matter for better service delivery. Advertisements for inputs during the revision of the IDP as well as the budget process were placed in the local newspaper. This year flyers were delivered to each door. Management held consultative meetings with other stakeholders such as S.A. Police Service, local business, banking institutions, agriculture and other roll players. Inputs were mostly organisational but not budgetary. A few inputs were received from the community.

This year's Medium Term Revenue and Expenditure Framework is informed by the municipality's vision of affordable and sustainable service delivery. This budget has been prepared in line with the requirements as set out in Circulars 51, 54, 55, 58, 59, 66, and 67 of National Treasury and complies with the Municipal Budget and Reporting Regulations.



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Although the municipality will make every effort to collect all revenue due, so that service delivery will not be hampered in any way, the following challenges causes concern:

- Aging and poorly maintained water, roads and electricity infrastructure;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents.
- Wage increases for municipal staff that continue to exceed consumer inflation

Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity.



## Part 1 – Annual Budget

### 1.1 Mayor's Report

Honourable Councillors,  
Chief Whip of the Majority Party  
Chairpersons of Section 79 Committees,  
The Municipal Manager, Mr. Faried Manual,  
CFO and Senior Managers  
Members of the Public.  
Colleagues, friends and everyone who can hear my voice:

Good morning.

My fellow Councillors, this is indeed a huge privilege and honour for me, to table the second budget of this term of our administration.

Furthermore, I appreciate the confidence and trust the voters have in the ANC, to mandate the ANC to govern the this Municipality. I want to acknowledge all the efforts that contributed to lay a solid foundation for good governance, political stability and an active citizenry that cares about the day-to-day running of the Municipality as the only hope they have to improve their lives for the better.

As we celebrate the centenary commemoration of Madiba's birth, it is only fitting that I start with one his quotes where he said: "As long as poverty, injustice and gross inequality persist in our world, none of us can truly rest." Madiba in this statement acknowledged that the freedom obtained in 1994 was political and that true liberation would be obtained with economic freedom. Local Government is at the forefront of this revolution in changing the economic and living conditions of our people. As the 3<sup>rd</sup> sphere of Government we must be sensitive to the everyday struggles of our communities, especially those who live beneath the breadline or who have no income at all. We are therefore also obligated to ensure that Kareeberg Municipality does it bit to commemorate the life this iconic personality that was Nelson Mandela.

Equally so the ruling party has also decided to celebrate the centenary of Mama Albertina Sisulu, acknowledging as well her contribution to the struggle for freedom and democracy. She was a selfless leader and a shining example for women everywhere that one must be resolute in your convictions. She did not live in the shadow of tata Walter, but left her own footprint in the history of our glorious movement, the African National Congress. I have to re-emphasize it again, that as an institution we cannot be silent in commemoration of a person with stature, such as uMama Sisulu.

In reminiscing on the contribution made by such heroes of the struggle, one must be concerned, by so-called leaders in society who misuse the hardships of our people to further their own self-enrichment agenda. I am referring to elements in our society who only organize protest actions to better their chances for attaining wealth, by calling on councillors to step down so their thievery of the peoples money can start. I call on those in Council who still put principle before selfish gains not to be intimidated by such criminals.

I have to acknowledge the contribution of those in Council who in conjunction with management produced this balanced, funded budget. Together we can move Kareeberg forward.

Councillors I am tabling this budget during difficult and challenging economic situations. The economy of this country is not growing as fast as we would like, and to make matters worse, the ratings agencies that determined our country's credit ratings negatively rated our economic outlook. Kareeberg is nit immune to these realities and we have an increasing debt of R12 Million in service



**2018 – 2019 medium term revenue and expenditure forecasts**

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revenue. Sadly sometimes it is those who don't honour their commitment to pay their municipal bill, who are first in line to protest for service delivery.

Therefore we must be resolute in collecting monies being owed to this municipality. We need to accelerate and improve on service delivery which is a contract with the broader masses, despite the challenges facing us.

Honourable Councillors the Capital Budget amounts to R70 581 842 of which 92% of the Capital Budget is being funded by Government grants.

The Operating budget amounts to R73 403 329 for all operating expenditure. This is to ensure that basic service delivery takes place on a sustainable manner and an uninterrupted basis.

This budget must assist us to unite our communities and all role players. These are trying and testing times that will bring out the best in everyone. It is only leaders with great character and rare calibre who will be able to weather the storm. I therefore call on the collective wisdom of Councillors and officials, guided by the spirit of Nelson Mandela to build Kareeberg to greater heights.

Honourable Councillors the call for houses and job creation is an outcry ringing louder and louder, and though I concur that these matters are not the primary mandate of Municipalities, we are now called upon to drive the struggle on behalf of our people in this regard. Worrysome is the fact that garbage heaps, keeps springing up despite effort after effort to eradicate these as well as vandalism of our properties in our communities.

We need to radically implement our debt collection strategy and serious engagement with the sector departments as they form a huge part of our revenue base. We also call upon our agricultural community to pay their rates & taxes, timeously.

We need to formalize our engagements with the business sector, SKA and the investors that can make meaningful contributions to expand the revenue base and innovative and radically transform the economy of Kareeberg by enhancing SMME's, tourism and rightfully placing our Municipality as a hub for development as the proposed LED Strategy suggest.

In conclusion I want to thank Mr. Willem De Bruin and his team in finance, along with everyone in the municipality for preparing this budget. We had to make ends meet with so little resources to spare.

I also want to thank my wife for her support and prayers and for allowing me to execute my responsibilities diligently as well as my political organization, the African National Congress for their trust and confidence.

Lastly I leave you with this Ashanti proverb: "When you follow in the path of your father, you learn to walk like him. Let us than walk in Tata Madiba's footsteps every day in all we do.

Councillors I present a budget of R143 985 million, that represents an increase of almost 23% on the previous years' budget, for adoption.

Together we can do more.

ALL POWER TO THE PEOPLE.

I thank you.

Hon. Cllr. N. van Wyk

MAYOR



## 1.2 Council Resolutions

On 29 May 2018 the Council of Kareeberg Municipality met in the Council Chambers to consider the annual budget of the municipality for the financial year 2018 - 2019. The Council approved and adopted the following resolutions:

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

The annual budget of the municipality for the financial year 2018 - 2019 and the multi-year and single-year capital appropriations as set out in the following tables:

Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2 on page 24;

Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3 on page 26;

Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4 on page 28; and

Multi- and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5 on page 29.

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:

Budgeted Financial Position as contained in Table A6 on page 31;

Budgeted Cash Flows as contained in Table A7 on page 33;

Cash backed reserves and accumulated surplus reconciliation as contained in Table A8 on page 34;

Asset management as contained in Table A9 on page 35; and

Basic service delivery measurement as contained in Table A10 on page 38.

The Council of Kareeberg Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018:

the tariffs for property rates – as set out in Annexure 1,

the tariffs for electricity – as set out in Annexure 2

the tariffs for the supply of water – as set out in Annexure 2

the tariffs for sanitation services – as set out in Annexure 2

the tariffs for solid waste services – as set out in Annexure 2

The Council of Kareeberg Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018 the tariffs for other services, as set out in Annexure 3.



### 1.3 Executive Summary

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

The main challenges experienced during the compilation of the 2018 - 2019 MTREF can be summarised as follows:

The ongoing difficulties in the national and local economy;

Aging and poorly maintained water, roads and electricity infrastructure;

The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;

Availability of affordable capital

The following budget principles and guidelines directly informed the compilation of the 2018 - 2019 MTREF:

Baseline information from the 2017 – 2018 budget was used to inform this budget

Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

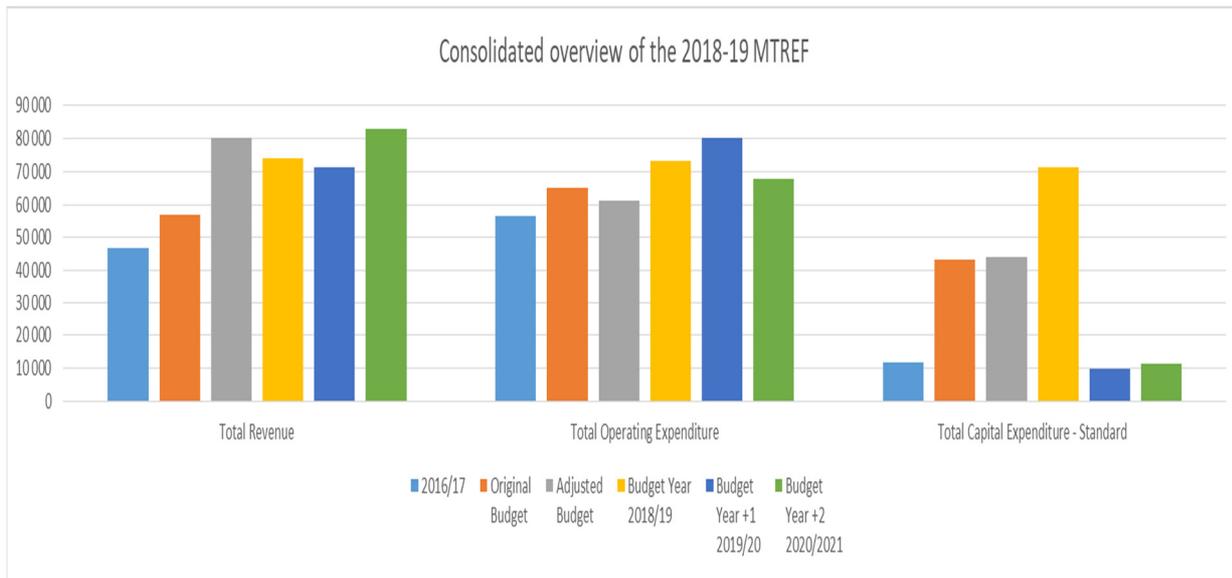
There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018 - 2019 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2018 - 2019 MTREF

Description	Audited Outcome 2016/17	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/2021
<b>Total Revenue</b>	46 915	56 868	80 050	73 888	71 155	82 911
<b>Total Operating Expenditure</b>	56 347	64 921	61 059	73 244	80 325	67 791
<b>Surplus/(Deficit) for the year</b>	(9 660)	(8053)	28 095	644	(9 170)	15 120
<b>Total Capital Expenditure - Standard</b>	11 646	43 095	44 095	71 297	9 958	11 422





Total revenue has decreased by 12.69 per cent or 10.739 million for the 2017 - 2018 financial year when compared to the 2017 - 2018 adjusted budget. Operational revenue decreases by 7.69 per cent. For the two outer years, revenue will decrease by 3.16 percent for 2019 - 2020 and increase by 16.52 per cent for 2020 - 2021, equating to a total revenue growth of R 3.26 million over the MTREF when compared to the 2016 - 2017 financial year.

Total operating expenditure for the 2017 - 2018 financial year has been appropriated at R 73.244 million and translates into a budgeted surplus of R 0.644 million. Operational expenditure grows by 19.95 per cent from the adjusted 2017 – 2018 budget and by 9.67 and decreases by 15.6 per cent for each of the respective outer years of the MTREF. Expenditure decreases by R 2.192 million over the MTRF. The value of the assets are already appropriated to the accumulated surplus.

The deficit for the MTREF is caused by depreciation for assets purchased from Government Grants. It would increase expenditure with 3%. Although it is understood that depreciation should be budgeted for, it is also true that the burden on the consumer will increase beyond affordability.

The capital budget constitutes the Municipal Infrastructure Grant, the Regional Bulk Infrastructure Grant, the Integrated National Electrification Programme Grant allocated in the Division of Revenue Bill and own funds and all projects align with the Integrated Development Plan.

#### 1.4 Operating Revenue Framework

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

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

- National Treasury’s guidelines and macro-economic policy;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;



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The municipality’s Property Rates By-law approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);

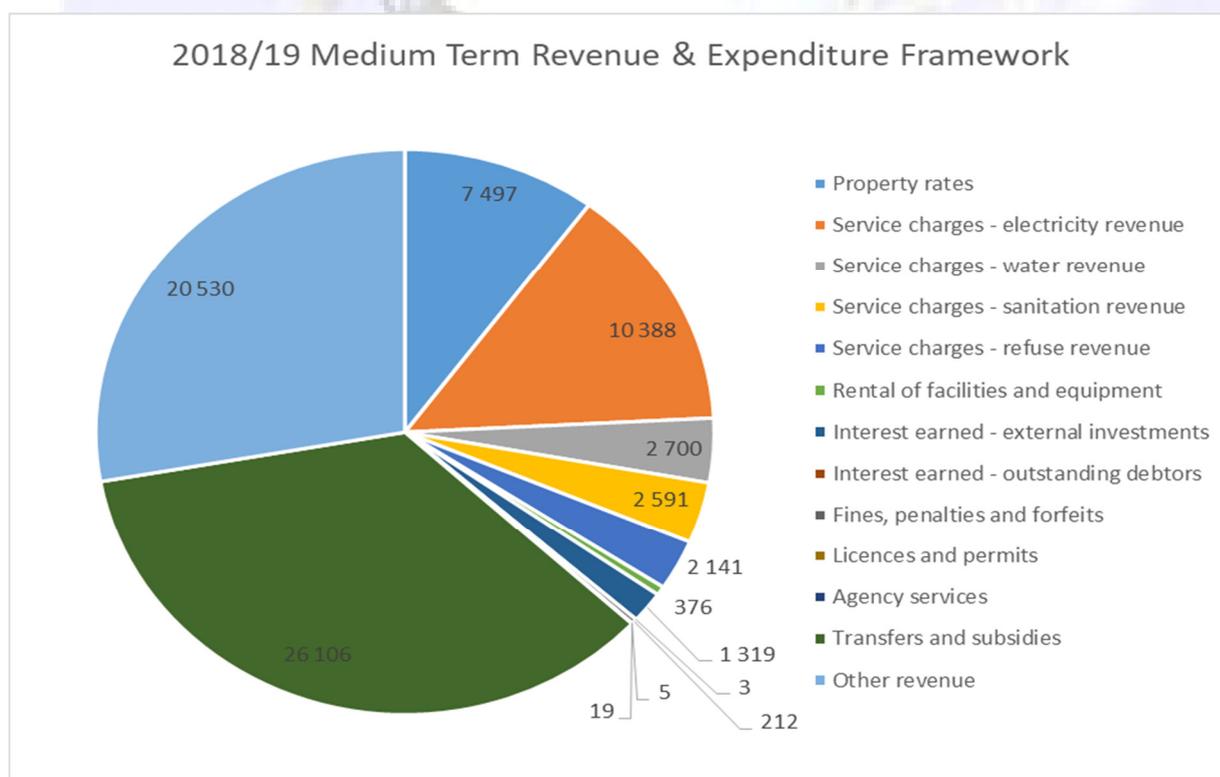
The municipality’s Indigent Policy and rendering of free basic services; and

Tariff policies of the municipality

The following table is a summary of the 2018 - 2019 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year	Budget Year +1 2019/2020	Budget Year +2 2020/2021
<b>R Thousand</b>			
<b>Revenue By Source</b>			
Property rates	7 497	7 584	7 963
Service charges - electricity revenue	10 388	9 427	9 677
Service charges - water revenue	2 700	2 954	3 568
Service charges - sanitation revenue	2 591	1 480	1 322
Service charges - refuse revenue	2 141	2 324	2 319
Service charges - other		-	-
Rental of facilities and equipment	376	395	415
Interest earned - external investments	1 319	1 385	1 455
Interest earned - outstanding debtors	3	4	4
Dividends received		-	-
Fines, penalties and forfeits	212	223	234
Licences and permits	5	5	5
Agency services	19	15	16
Transfers and subsidies	26 106	27 797	30 226
Other revenue	20 530	17 563	25 708
Gains on disposal of PPE			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>73 887</b>	<b>71 156</b>	<b>82 912</b>



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Table 3 Percentage growth in revenue by main revenue source

R	Original Budget	%	Budget Year 2018/2019	%	Budget Year +1 2019/2020	%	Budget Year +2 2020/2021	%
Property rates	5 006 305	15%	7 497 216	50%	7 583 793	1%	7 962 983	5%
Property rates - penalties & Fines	199 113	5%	199 500	0%	209 475	5%	219 949	5%
Service Charges - electricity	8 137 182	8%	10 388 495	28%	9 426 716	-9%	9 676 500	3%
Service Charges - Water revenue	2 523 930	7%	2 700 330	7%	2 953 652	9%	3 568 070	21%
Service Charges - Sanitation	273 508	-1%	2 590 848	847%	1 479 682	-43%	1 322 049	-11%
Service Charges - Refuse revenue	1 489 562	6%	2 140 630	44%	2 323 998	9%	2 318 841	0%
Service Charges - other	-	-	-	-	-	-	-	-
Rental of facilities and equipment	374 970	11%	376 415	0%	395 346	5%	415 117	5%
Interest earned - external	1 735 802	34%	1 319 350	-24%	1 385 318	5%	1 454 584	5%
Interest earned - outstanding debtors	3 300	0%	3 465	5%	3 638	5%	3 820	5%
Dividends received	-	-	-	-	-	-	-	-
Fines, Penalties and Forfeits	12 230	0%	12 842	5%	13 484	5%	14 159	5%
Licences and permits	7 420	0%	4 791	-35%	5 031	5%	5 283	5%
Agency services	237 000	129%	18 500	-92%	15 243	-18%	16 005	5%
Transfers recognised	24 718 997	3%	26 106 000	6%	27 797 000	6%	30 226 000	9%
Other revenue	12 148 699	35%	20 529 901	69%	17 562 791	-14%	25 707 811	46%
Gains on disposal of PPE	-	-	-	-	-	-	-	-
Total revenue (Excluding capital	56 868 018	11%	73 888 282	30%	71 155 166	-4%	82 911 172	17%
Total revenue from rates and services	17 430 487	31%	25 317 518	34%	23 767 840	33%	24 848 444	30%

Revenue generated from rates and services charges form a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise almost a third of the total revenue mix. In the 2017/18 financial year, revenue from rates and services charges totalled R17.43 million. This increases to R25,37 million, decreases to R23,76 million and increases to R24.8 million in the respective financial years of the MTREF. This growth can be mainly attributed to the implementation of the new valuation roll that contributes to the total revenue mix and the decrease due to expectations that the valuation roll can change again in the following year due to the SKA property that will be rezoned as a nature reserve. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the municipality. Details in this regard are contained in MBRR SA1 (see pages 81).

Table 4 Operating Transfers and Grant Receipts

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year	Budget Year +1 2019/2020	Budget Year +2 2020/2021
<b>R Thousand</b>			
<b>RECEIPTS:</b>			
<b>Operating Transfers and Grants</b>			
<b>National Government:</b>	<b>23 411</b>	<b>49 485</b>	<b>28 914</b>
Local Government Equitable Share	20 792	24 050	26 047
Finance Management	1 796	25 435	2 867
EPWP Incentive	823	-	-
<b>Provincial Government:</b>	<b>1 112</b>	<b>1 312</b>	<b>1 312</b>
Sport and recreation (Library Grand development)	1 112	1 312	1 312
District Municipality	-	-	-
Other grant providers	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>24 523</b>	<b>50 797</b>	<b>30 226</b>



2018 – 2019 medium term revenue and expenditure forecasts

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment

It must also be noted that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc.

The tariff setting process relating to service charges is set out as follows.

Property Rates

The first R25 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).

The rating of agricultural properties have been phased in. The ratio for these properties have been set at 1: 0.100

The general valuation roll will be implemented from 1 July 2018. An increase of 25% is expected in the valuation.

Tariffs will increase by 28% for all owners except agriculture, who’s tariffs will increase by 9.48%.

Ratepayers will be affected according to the percentage increase in valuation. Some will pay more than the previous year and others will pay less.

Council affords agriculture a further rebate for the following criteria:

- 5% if no municipal road borders the property;
- 5% if no sewerage is connected to the property
- 5% if the municipality does not supply electricity to the property
- 5% if the municipality does not supply water to the property
- 5% if the municipality does not supply refuse removal to the property
- 5% if the owner contributes substantially to job creation
- 5% if the owner supplies acceptable standard of water services to the farm workers

• The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as official places of worship, registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport as well as for State infrastructure.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2018 - 2019 financial year is contained in the table below:

Table 5 Comparison of proposed rates to be levied for the 2018 - 2019 financial year

Category	Current c	Proposed tariff c	%
Residential Properties	1,617	1,676	4%
Business and Commercial	1,617	2,360	46%
Industrial	1,617	5,027	211%
State owned properties	3,235	5,027	55%
Agricultural	0,118	0,143	21%
Municipal rateable	1,617	1,676	4%
Public Service Infrastructure	0,4	0,419	5%
Places of Worship	1,617	1,676	4%
Public benefit organisation properties	0,404	1,676	315%



## 2018 – 2019 medium term revenue and expenditure forecasts

## Sale of Water and Impact of Tariff Increases

Table 6 Proposed Water Tariffs

Category	Current Rand	Proposed tariff Rand	%
Basic charge	149,39	158,95	6,40%
Tariff per kiloliter			
0 to 6 kℓ	1,34	1,43	6,72%
7 to 20 kℓ	1,61	1,72	6,83%
21 to 40 kℓ	3,81	4,06	6,56%
41 to 60 kℓ	6,47	6,90	6,65%
61 to 80 kℓ	8,41	8,41	0,00%
81+ kℓ	10,43	10,43	0,00%

Registered indigents will be awarded one basic levy as well as 6kℓ water consumption per month.

## Sale of Electricity and Impact of Tariff Increases

The Eskom bulk electricity tariff increase for municipalities will be effective from 1 July 2018. NERSA announced a tariff increase of 6.84 for the municipality from 1 July 2018. To retain a fixed amount of income, council decided to maintain a basic charge for users of conventional meters.

Table 7 Proposed Electricity Tariffs

Category	Current Rand	Proposed tariff Rand	%
Basic charge	138,02	150,52	9,06%
Tariff - conventional			
0-50kWh	0,85	0,85	0,00%
51-350kWh	1,09	1,10	0,92%
351-600kWh	1,54	1,54	0,20%
>600 kWh	1,81	1,81	-0,17%
Commercial >2 000kWh	1,25	1,87	49,60%
Tariff - Industrial			
43 800kWh	-	1,86	-
Tariff - prepaid			
0-50kWh	0,85	0,91	7,06%
51-350kWh	1,10	1,18	7,27%
351-600kWh	1,55	1,66	7,10%
>600 kWh	1,82	1,94	6,59%

Residential households will now pay a basic charge of R 150.28 per month.

Commercial users will pay a basic charge of R 784.61 per month.

Registered indigents will again be granted 50 kWh per month free of charge.

## Sanitation and Impact of Tariff Increases

Table 8 Comparison between current sanitation charges and increases

Category	Current Rand	Proposed tariff Rand	%
Suck tank - Basic charge	-	159,09	100,00%
Suck tank levy - from 2nd suction	149,24	159,09	6,60%
Sewerage - waterborne - Carnarvon	246,94	263,24	6,60%
Sewerage - domestic	180,73	192,66	6,60%
Sewerage - government	266,29	283,87	6,60%
Night soil	149,24	159,09	6,60%

Free sanitation will be applicable to registered indigents



Waste Removal and Impact of Tariff Increases

Table 9 Comparison between current waste removal charges and increases

Category	Current Rand	Proposed tariff Rand	%
Refuse removal - one removal per week plus 26 refuse bags per quarter	159,56	170,09	6,60%
Garden waste removal	217,95	232,33	6,60%

Free refuse removal will be applicable to registered indigents

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services. Indigent users are only responsible for over use of electricity and water.

MBRR Table SA14 – Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>Rand/cent</b>												
<b>Monthly Account for Household - 'Middle Income Range'</b>	1											
<b>Rates and services charges:</b>												
Property rates		1 004,67	723,36	768,46	789,75	789,75	789,75	3,2%	815,06	911,05	956,60	
Electricity: Basic levy		95,00	102,60	110,18	140,66	140,66	140,66	3,8%	146,00	135,24	150,52	
Electricity: Consumption		-	1 088,00	1 192,50	712,53	712,53	712,53	6,8%	760,88	1 478,50	1 481,32	
Water: Basic levy		110,38	117,00	124,02	149,11	149,11	149,11	6,6%	158,95	149,11	158,95	
Water: Consumption		50,70	53,74	57,02	161,62	161,62	161,62	4,2%	168,48	68,68	73,26	
Sanitation		133,78	141,81	150,32	180,73	180,73	180,73	6,6%	192,66	180,73	192,66	
Refuse removal		118,12	125,21	132,72	159,56	159,56	159,56	6,6%	170,09	159,56	170,09	
Other					255,00	255,00	255,00	12,9%	287,84			
<b>sub-total</b>		<b>1 512,65</b>	<b>2 351,72</b>	<b>2 535,22</b>	<b>2 548,96</b>	<b>2 548,96</b>	<b>2 548,96</b>	<b>5,9%</b>	<b>2 699,96</b>	<b>3 082,87</b>	<b>3 183,40</b>	
VAT on Services												
<b>Total large household bill:</b>		<b>1 512,65</b>	<b>2 351,72</b>	<b>2 535,22</b>	<b>2 548,96</b>	<b>2 548,96</b>	<b>2 548,96</b>	<b>5,9%</b>	<b>2 699,96</b>	<b>3 082,87</b>	<b>3 183,40</b>	
<b>% increase/-decrease</b>			<b>55,5%</b>	<b>7,8%</b>	<b>0,5%</b>	<b>-</b>	<b>-</b>	<b>5,9%</b>	<b>5,9%</b>	<b>14,2%</b>	<b>3,3%</b>	
<b>Monthly Account for Household - 'Affordable Range'</b>	2											
<b>Rates and services charges:</b>												
Property rates		711,33	512,16	544,09	317,25	317,25	317,25	0,5%	318,94	645,05	677,30	
Electricity: Basic levy		95,00	102,60	110,18	140,66	140,66	140,66	3,8%	146,00	135,24	150,52	
Electricity: Consumption		-	474,00	515,50	712,53	712,53	712,53	6,8%	760,88	645,50	647,38	
Water: Basic levy		110,38	117,00	124,02	149,11	149,11	149,11	6,6%	158,95	149,11	158,95	
Water: Consumption		36,65	38,84	41,22	161,62	161,62	161,62	4,2%	168,48	49,63	52,96	
Sanitation		133,78	141,81	150,32	180,73	180,73	180,73	6,6%	192,66	180,73	192,66	
Refuse removal		118,12	125,21	132,72	159,56	159,56	159,56	6,6%	170,09	159,56	170,09	
Other					255,00	255,00	255,00	12,9%	287,84			
<b>sub-total</b>		<b>1 205,26</b>	<b>1 511,62</b>	<b>1 618,05</b>	<b>2 076,46</b>	<b>2 076,46</b>	<b>2 076,46</b>	<b>6,1%</b>	<b>2 203,84</b>	<b>1 964,82</b>	<b>2 049,86</b>	
VAT on Services												
<b>Total small household bill:</b>		<b>1 205,26</b>	<b>1 511,62</b>	<b>1 618,05</b>	<b>2 076,46</b>	<b>2 076,46</b>	<b>2 076,46</b>	<b>6,1%</b>	<b>2 203,84</b>	<b>1 964,82</b>	<b>2 049,86</b>	
<b>% increase/-decrease</b>			<b>25,4%</b>	<b>7,0%</b>	<b>28,3%</b>	<b>-</b>	<b>-</b>	<b>6,1%</b>	<b>6,1%</b>	<b>(10,8%)</b>	<b>4,3%</b>	
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3											
<b>Rates and services charges:</b>												
Property rates					37,13	37,13	37,13	(33,2%)	24,81			
Electricity: Basic levy								-				
Electricity: Consumption		206,00	219,50	238,50	262,50	262,50	262,50	0,1%	262,79	295,00	296,88	
Water: Basic levy					149,11	149,11	149,11	6,0%	158,06			
Water: Consumption		16,66	17,64	18,76	10,72	10,72	10,72	6,6%	11,43	22,54	24,08	
Sanitation					142,10	142,10	142,10	6,0%	150,63			
Refuse removal					159,56	159,56	159,56	6,6%	170,10			
Other					106,56	106,56	106,56	2,2%	108,89			
<b>sub-total</b>		<b>222,66</b>	<b>237,14</b>	<b>257,26</b>	<b>867,68</b>	<b>867,68</b>	<b>867,68</b>	<b>2,2%</b>	<b>886,71</b>	<b>317,54</b>	<b>320,96</b>	
VAT on Services												
<b>Total small household bill:</b>		<b>222,66</b>	<b>237,14</b>	<b>257,26</b>	<b>867,68</b>	<b>867,68</b>	<b>867,68</b>	<b>2,2%</b>	<b>886,71</b>	<b>317,54</b>	<b>320,96</b>	
<b>% increase/-decrease</b>			<b>6,5%</b>	<b>8,5%</b>	<b>237,3%</b>	<b>-</b>	<b>-</b>	<b>2,2%</b>	<b>2,2%</b>	<b>(64,2%)</b>	<b>1,1%</b>	



2018 – 2019 medium term revenue and expenditure forecasts

Basis property value of R700 000, 1 000 kWh electricity and 30kl water

Basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water

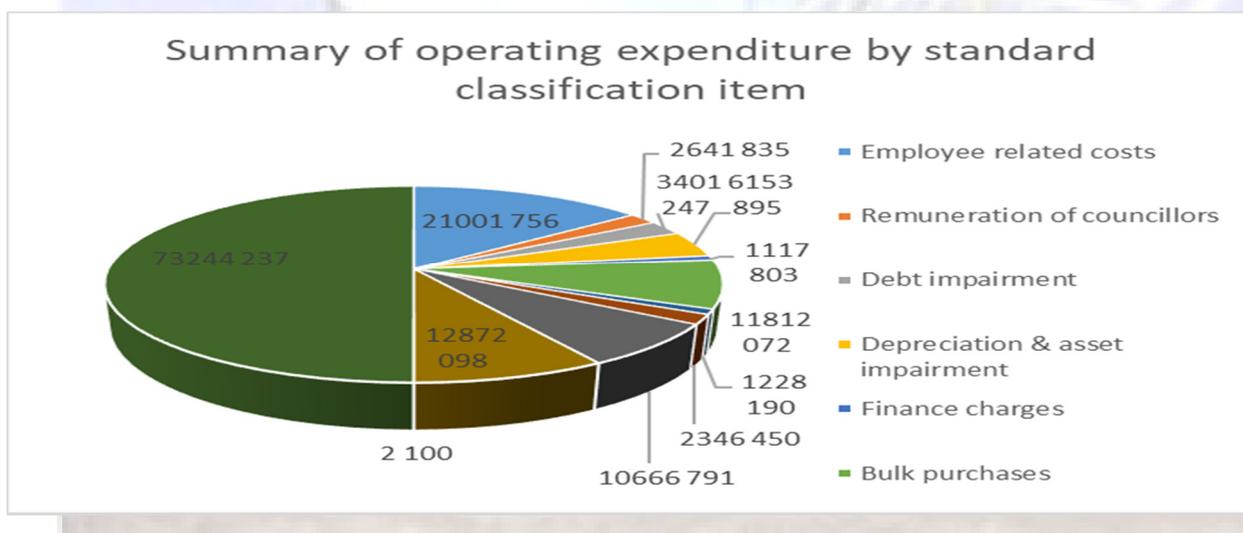
Basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

1.5 Operating Expenditure Framework

The following table is a high level summary of the 2018 - 2019 budget and MTREF (classified per main type of operating expenditure):

Table 10 Summary of operating expenditure by standard classification item

Description	2018/19 Medium Term Revenue & Expenditure Framework			
	R Thousand	Budget Year	Budget Year +1 2019/2020	Budget Year +2 2020/2021
<b>EXPENDITURE BY TYPE</b>				
Employee related costs		21 002	21 320	22 602
Remuneration of councillors		2 642	2 833	3 213
Debt impairment		3 401	3 469	3 642
Depreciation & asset impairment		6 154	7 185	7 544
Finance charges		1 118	1 274	1 154
Bulk purchases		11 812	13 023	13 674
Other materials		1 228	1 021	1 072
Contracted services		2 346	3 023	2 975
Transfers and subsidies		10 667	15 190	–
Other expenditure		12 872	11 987	11 913
Loss on disposal of PPE		2	2	2
<b>Total Expenditure</b>		<b>73 244</b>	<b>80 325</b>	<b>67 791</b>



The budgeted allocation for employee related costs for the 2018/19 financial year totals R21,002 million, which equals 28.67 per cent (34.15 in 2017/18) of the total operating expenditure. A new wage agreement starts 1 July 2018. A 10 per cent increase for the outer years were budgeted for.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.



The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the fact that indigents are subsidised fully. A payment rate of more than 100 per cent is expected, therefore the low provision for the MTREF.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R6.15 million for the 2018/19 financial year and equates to 8.4 per cent of the total operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials as well as contracted services comprises the cost of repairs and maintenance. Although this strategic imperative remains a priority with council, cash flow constraints hamper proper repairs and maintenance. National Treasury requires that repairs and maintenance should not be less than 8 per cent of the write down value of existing property plant and equipment. The municipality's figure is only 3.20 per cent. The assurance is given that repairs and maintenance will be done as needed.

The budgeted cost of free basic services for 2018-2019 is R 11 432 031. The number of households budgeted are 2 241.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 17.57 per cent for 2018/19.

#### Free Basic Services: Basic Social Services Package

It needs to be noted that council does not do free basic services. All registered indigent household's accounts are credited with their full levies. It means that council in effect pay their accounts.

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. The registration of indigents are reviewed quarterly. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in MBRR A10 (Basic Service Delivery Measurement) on pages 38.

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



1.6 Capital expenditure

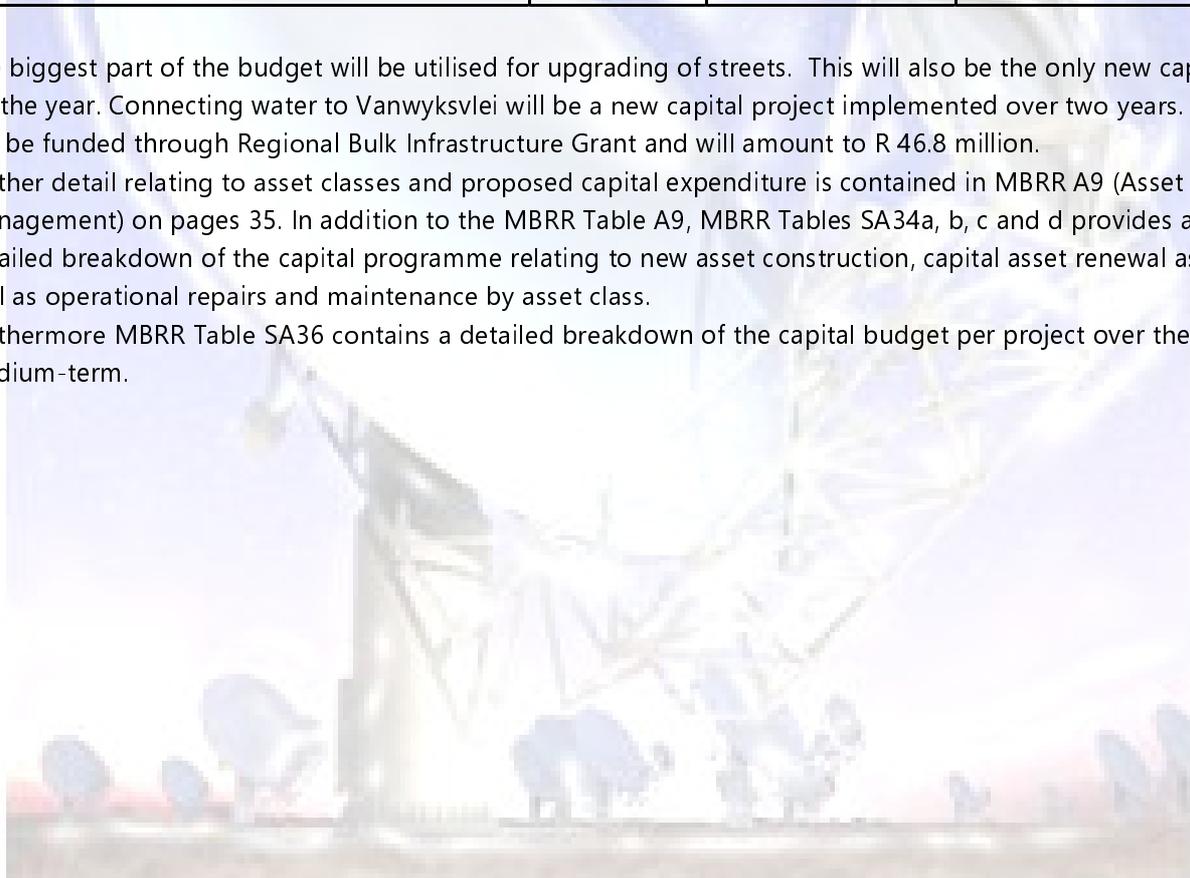
Table 11 2018 - 2019 Medium-term capital budget per vote

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year	Budget Year +1 2019/2020	Budget Year +2 2020/2021
<b>R Thousand</b>			
<b>Capital expenditure - Vote</b>			
<b>Multi-year expenditure to be appropriated</b>			
Vote 14 - WATER	46 824	–	–
<b>Single-year expenditure to be appropriated</b>			
Vote 1 - EXECUTIVE AND COUNCIL	7 972	8 038	8 222
Vote 2 - BUDGET AND TREASURY OFFICE	5 875	–	–
Vote 14 - WATER	9 626	–	–
Vote 15 - ELECTRICITY	1 000	1 920	3 200
<b>Total Capital Expenditure - Vote</b>	<b>71 297</b>	<b>9 958</b>	<b>11 422</b>

The biggest part of the budget will be utilised for upgrading of streets. This will also be the only new capital for the year. Connecting water to Vanwyksvlei will be a new capital project implemented over two years. It will be funded through Regional Bulk Infrastructure Grant and will amount to R 46.8 million.

Further detail relating to asset classes and proposed capital expenditure is contained in MBRR A9 (Asset Management) on pages 35. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c and d provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

Furthermore MBRR Table SA36 contains a detailed breakdown of the capital budget per project over the medium-term.



## 2018 – 2019 medium term revenue and expenditure forecasts

## 1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018 - 2019 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes.

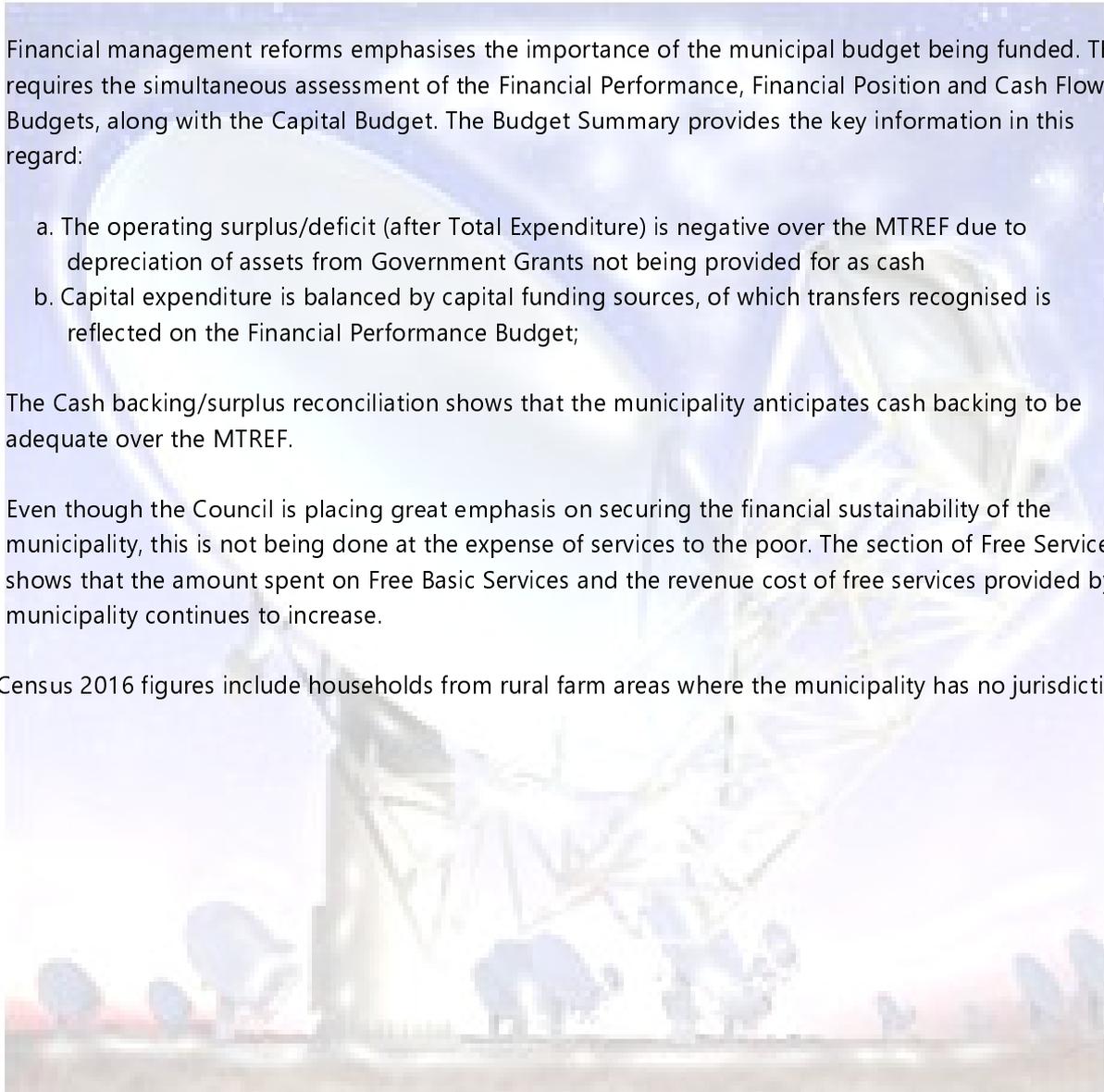
MBRR Table A1 - Budget Summary

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>			
<b>Financial Performance</b>			
Property rates	7 497	7 584	7 963
Service charges	17 820	16 184	16 885
Investment revenue	1 319	1 385	1 455
Transfers recognised - operational	26 106	27 797	30 226
Other own revenue	21 145	18 205	26 382
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>73 888</b>	<b>71 155</b>	<b>82 911</b>
Employee costs	21 002	21 320	22 602
Remuneration of councillors	2 642	2 833	3 213
Depreciation & asset impairment	6 154	7 185	7 544
Finance charges	1 118	1 274	1 154
Materials and bulk purchases	13 040	14 043	14 746
Transfers and grants	10 667	15 190	—
Other expenditure	18 622	18 480	18 533
<b>Total Expenditure</b>	<b>73 244</b>	<b>80 325</b>	<b>67 791</b>
<b>Surplus/(Deficit)</b>	<b>644</b>	<b>(9 170)</b>	<b>15 120</b>
Transfers and subsidies - capital (monetary allocated)	65 422	9 958	11 422
Contributions recognised - capital & contributed assets	5 875	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>71 941</b>	<b>788</b>	<b>26 543</b>
Share of surplus/ (deficit) of associate	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>71 941</b>	<b>788</b>	<b>26 543</b>
<b>Capital expenditure &amp; funds sources</b>			
<b>Capital expenditure</b>	<b>71 297</b>	<b>9 958</b>	<b>11 422</b>
Transfers recognised - capital	65 422	9 958	11 422
Public contributions & donations	—	—	—
Borrowing	—	—	—
Internally generated funds	5 875	—	—
<b>Total sources of capital funds</b>	<b>71 297</b>	<b>9 958</b>	<b>11 422</b>
<b>Financial position</b>			
Total current assets	34 165	30 524	7 922
Total non current assets	176 230	177 084	170 362
Total current liabilities	7 222	10 034	14 895
Total non current liabilities	12 587	14 446	16 677
Community wealth/Equity	190 587	183 129	146 713
<b>Cash flows</b>			
Net cash from (used) operating	66 785	6 300	(11 198)
Net cash from (used) investing	(60 806)	(9 951)	(11 415)
Net cash from (used) financing	10	10	10
<b>Cash/cash equivalents at the year end</b>	<b>5 989</b>	<b>2 348</b>	<b>(20 255)</b>
<b>Cash backing/surplus reconciliation</b>			
Cash and investments available	31 271	27 630	5 027
Application of cash and investments	3 844	6 598	11 917
<b>Balance - surplus (shortfall)</b>	<b>27 428</b>	<b>21 032</b>	<b>(6 890)</b>
<b>Asset management</b>			
Asset register summary (WDV)	176 230	177 084	170 362
Depreciation	6 154	7 185	7 544
Renewal of Existing Assets	—	—	—
Repairs and Maintenance	1 228	1 021	1 072
<b>Free services</b>			
Cost of Free Basic Services provided	9 688	10 159	10 845
Revenue cost of free services provided	—	—	—
<b>Households below minimum service level</b>			
Water:	—	—	—
Sanitation/sewage:	0	0	0
Energy:	1	1	1
Refuse:	1	1	1



## 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 operating surplus/deficit (after Total Expenditure) is negative over the MTREF due to depreciation of assets from Government Grants not being provided for as cash
  - b. Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget;
4. The Cash backing/surplus reconciliation shows that the municipality anticipates cash backing to be adequate over the MTREF.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase.
6. Census 2016 figures include households from rural farm areas where the municipality has no jurisdiction.



## 2018 – 2019 medium term revenue and expenditure forecasts

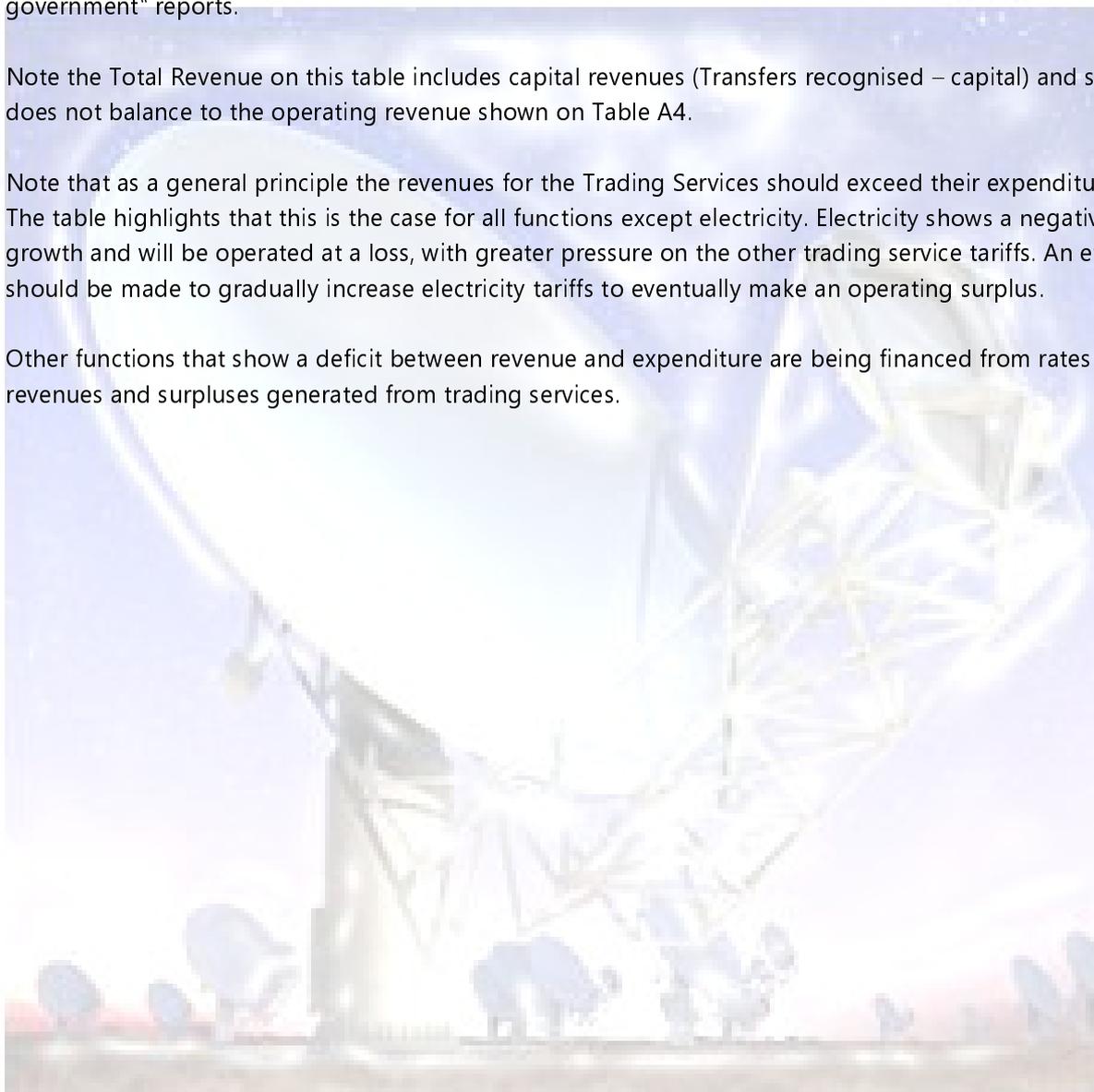
MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	<b>1</b>			
<b>Revenue - Functional</b>				
<b>Governance and administration</b>		<b>36 368</b>	<b>33 985</b>	<b>55 320</b>
Executive and council		12 205	12 088	13 521
Finance and administration		24 163	21 897	41 799
Internal audit		–	–	–
<b>Community and public safety</b>		<b>1 138</b>	<b>1 339</b>	<b>1 341</b>
Community and social services		1 119	1 319	1 320
Sport and recreation		18	19	20
Public safety		1	1	1
Housing		–	–	–
Health		–	–	–
<b>Economic and environmental services</b>		<b>2</b>	<b>2</b>	<b>2</b>
Planning and development		–	–	–
Road transport		2	2	2
Environmental protection		–	–	–
<b>Trading services</b>		<b>36 380</b>	<b>35 829</b>	<b>26 248</b>
Energy sources		13 041	12 612	11 402
Water management		8 154	7 917	5 867
Waste water management		7 747	7 225	3 928
Waste management		7 439	8 074	5 050
<b>Other</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>73 888</b>	<b>71 155</b>	<b>82 911</b>
<b>Expenditure - Functional</b>				
<b>Governance and administration</b>		<b>41 240</b>	<b>46 108</b>	<b>30 988</b>
Executive and council		24 349	28 771	14 260
Finance and administration		16 891	17 337	16 728
Internal audit		–	–	–
<b>Community and public safety</b>		<b>3 706</b>	<b>4 214</b>	<b>4 373</b>
Community and social services		3 156	3 455	3 584
Sport and recreation		428	625	648
Public safety		68	74	78
Housing		–	–	–
Health		54	60	63
<b>Economic and environmental services</b>		<b>3 616</b>	<b>4 453</b>	<b>4 673</b>
Planning and development		–	–	–
Road transport		3 616	4 453	4 673
Environmental protection		–	–	–
<b>Trading services</b>		<b>24 683</b>	<b>25 550</b>	<b>27 756</b>
Energy sources		13 069	13 866	15 428
Water management		2 385	2 433	2 583
Waste water management		5 172	5 451	5 943
Waste management		4 057	3 800	3 802
<b>Other</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>73 244</b>	<b>80 325</b>	<b>67 791</b>
<b>Surplus/(Deficit) for the year</b>		<b>644</b>	<b>(9 170)</b>	<b>15 120</b>



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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 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 the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for all functions except electricity. Electricity shows a negative growth and will be operated at a loss, with greater pressure on the other trading service tariffs. An effort should be made to gradually increase electricity tariffs to eventually make an operating surplus.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and surpluses generated from trading services.



## 2018 – 2019 medium term revenue and expenditure forecasts

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

Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Revenue by Vote</b>	1			
Vote 1 - EXECUTIVE AND COUNCIL		12 205	12 088	13 521
Vote 2 - BUDGET AND TREASURY OFFICE		24 163	21 897	41 799
Vote 3 - CORPORATE SERVICES		-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-
Vote 5 - HEALTH		-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		1 119	1 319	1 320
Vote 7 - HOUSING		-	-	-
Vote 8 - PUBLIC SAFETY		1	1	1
Vote 9 - SPORT AND RECREATION		18	19	20
Vote 10 - ENVIRONMENTAL PROTECTION		-	-	-
Vote 11 - SOLID WASTE MANAGEMENT		7 439	8 074	5 050
Vote 12 - WASTE WATER MANAGEMENT		7 747	7 225	3 928
Vote 13 - ROAD TRANSPORT		2	2	2
Vote 14 - WATER		8 154	7 917	5 867
Vote 15 - ELECTRICITY		13 041	12 612	11 402
<b>Total Revenue by Vote</b>	2	<b>73 888</b>	<b>71 155</b>	<b>82 911</b>
<b>Expenditure by Vote to be appropriated</b>	1			
Vote 1 - EXECUTIVE AND COUNCIL		24 349	28 771	14 260
Vote 2 - BUDGET AND TREASURY OFFICE		13 558	13 783	13 232
Vote 3 - CORPORATE SERVICES		3 149	3 426	3 496
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-
Vote 5 - HEALTH		54	60	63
Vote 6 - COMMUNITY AND SOCIAL SERVICES		3 156	3 455	3 584
Vote 7 - HOUSING		-	-	-
Vote 8 - PUBLIC SAFETY		68	74	78
Vote 9 - SPORT AND RECREATION		428	625	648
Vote 10 - ENVIRONMENTAL PROTECTION		-	-	-
Vote 11 - SOLID WASTE MANAGEMENT		4 057	3 800	3 802
Vote 12 - WASTE WATER MANAGEMENT		5 356	5 578	5 943
Vote 13 - ROAD TRANSPORT		3 616	4 453	4 673
Vote 14 - WATER		2 385	2 433	2 583
Vote 15 - ELECTRICITY		13 069	13 866	15 428
<b>Total Expenditure by Vote</b>	2	<b>73 244</b>	<b>80 325</b>	<b>67 791</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>644</b>	<b>(9 170)</b>	<b>15 120</b>

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

- 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.



2018 – 2019 medium term revenue and expenditure forecasts

Table 12 Analysis of the surplus or deficit for the trading services.

Description	2014/15	2015/16	2016/17	Current Year 2017-2018			2018/19 Medium Term Revenue		
	Audited outcome	Audited Outcome	Audited Outcome	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
<b>Electricity</b>									
Total Reve (including grants and transfers)	7 618 037	8 819 095	10 798 412	10 258 201	12 230 592	12 230 592	13 040 985	12 612 325	11 401 691
Operating expenditure	9 197 229	9 955 229	11 868 988	11 772 159	11 897 713	11 897 713	13 068 865	13 866 297	15 427 651
Surplus(Deficit) for the year	( 1 579 192 )	( 1 136 134 )	( 1 070 576 )	( 1 513 958 )	( 332 879 )	( 332 879 )	( 27 880 )	( 1 253 972 )	( 4 025 960 )
Percentage surplus (deficit)	-20,7%	-12,9%	-9,9%	-14,8%	2,7%	2,7%	-0,2%	-9,9%	-35,3%
<b>Water</b>									
Total Reve (including grants and transfers)	4 319 050	4 535 450	7 360 464	39 411 267	12 230 592	12 230 592	8 153 582	7 916 961	5 867 494
Operating expenditure	1 077 970	1 596 970	1 200 289	1 813 107	1 816 230	1 816 230	2 385 126	2 433 495	2 582 602
Surplus(Deficit) for the year	( 3 241 080 )	( 2 938 480 )	( 6 160 175 )	(37 598 160 )	( 10 414 362 )	( 10 414 362 )	( 5 768 456 )	( 5 483 466 )	( 3 284 892 )
Percentage surplus (deficit)	75,0%	64,8%	83,7%	95,4%	85,2%	85,2%	70,7%	69,3%	56,0%
<b>Waste Water</b>									
Total Reve (including grants and transfers)	3 288 367	2 803 889	5 743 947	2 975 575	9 684 494	9 684 494	7 746 989	7 224 808	3 928 138
Operating expenditure	3 146 539	3 453 539	3 601 134	4 462 335	4 317 429	4 317 429	5 172 135	5 450 627	5 943 407
Surplus(Deficit) for the year	( 141 828 )	( 649 650 )	( 2 142 813 )	( 1 486 760 )	( 5 367 065 )	( 5 367 065 )	( 2 574 854 )	( 1 774 181 )	( 2 015 269 )
Percentage surplus (deficit)	4,3%	-23,2%	37,3%	-50,0%	55,4%	55,4%	33,2%	24,6%	-51,3%
<b>Refuse</b>									
Total Reve (including grants and transfers)	3 416 705	3 602 132	6 438 267	4 269 522	6 931 361	6 931 361	7 438 753	8 074 493	5 050 469
Operating expenditure	2 947 658	2 905 658	3 379 146	3 625 471	3 631 038	3 631 038	4 057 077	3 799 970	3 802 022
Surplus(Deficit) for the year	( 469 047 )	( 696 474 )	( 3 059 121 )	( 644 051 )	( 3 300 323 )	( 3 300 323 )	( 3 381 676 )	( 4 274 523 )	( 1 248 447 )
Percentage surplus (deficit)	13,7%	19,3%	47,5%	15,1%	47,6%	47,6%	45,5%	52,9%	24,7%

Electricity has been operating at a deficit since 2014 – 2015 ranging from 20.7 % up to 9.9% in 2016 – 2017. This is primarily as a result of the high increases in Eskom bulk purchases as well as the restrictions placed on tariff increases by NERSA.

National Treasury as well as NERSA will have to take note of this situation. Where electricity for once, was used to subsidise other community services, it will be left to other trading services to subsidise those services as well as subsidising electricity itself!

The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 70.7 per cent, 69.3 per cent and 56.0 per cent for each of the respective financial years.

Wastewater also has a fairly constant surplus over the MTREF.

Refuse removal anticipates a surplus increase from 13.7% in 2014/15 to 24.7% in 2020/21. Note should be taken that the percentage surplus has decreased from 2017/18 budget.

All trade services show a decrease in surplus over the MTREF. This should be noted, for tariffs will either have to be increased more than inflation, or expenses will have to be curbed at less than inflation. It will become impossible for municipalities to deliver an affordable service to consumers.

Increase in expenditure such as employee related costs, bulk purchases, fuel and other services are growing more rapidly than inflation.



## 2018 – 2019 medium term revenue and expenditure forecasts

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

Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	1			
<b>Revenue By Source</b>				
Property rates	2	7 497	7 584	7 963
Service charges - electricity revenue	2	10 388	9 427	9 677
Service charges - water revenue	2	2 700	2 954	3 568
Service charges - sanitation revenue	2	2 591	1 480	1 322
Service charges - refuse revenue	2	2 141	2 324	2 319
Service charges - other				
Rental of facilities and equipment		376	395	415
Interest earned - external investments		1 319	1 385	1 455
Interest earned - outstanding debtors		3	4	4
Dividends received				
Fines, penalties and forfeits		212	223	234
Licences and permits		5	5	5
Agency services		19	15	16
Transfers and subsidies		26 106	27 797	30 226
Other revenue	2	20 530	17 563	25 708
Gains on disposal of PPE				
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>73 888</b>	<b>71 155</b>	<b>82 911</b>
<b>Expenditure By Type</b>				
Employee related costs	2	21 002	21 320	22 602
Remuneration of councillors		2 642	2 833	3 213
Debt impairment	3	3 401	3 469	3 642
Depreciation & asset impairment	2	6 154	7 185	7 544
Finance charges		1 118	1 274	1 154
Bulk purchases	2	11 812	13 023	13 674
Other materials	8	1 228	1 021	1 072
Contracted services		2 346	3 023	2 975
Transfers and subsidies		10 667	15 190	–
Other expenditure	4, 5	12 872	11 987	11 913
Loss on disposal of PPE		2	2	2
<b>Total Expenditure</b>		<b>73 244</b>	<b>80 325</b>	<b>67 791</b>
<b>Surplus/(Deficit)</b>		<b>644</b>	<b>(9 170)</b>	<b>15 120</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		65 422	9 958	11 422
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	–	–	–
Transfers and subsidies - capital (in-kind - all)		5 875		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>71 941</b>	<b>788</b>	<b>26 543</b>
Taxation				
<b>Surplus/(Deficit) after taxation</b>		<b>71 941</b>	<b>788</b>	<b>26 543</b>
Attributable to minorities				
<b>Surplus/(Deficit) attributable to municipality</b>		<b>71 941</b>	<b>788</b>	<b>26 543</b>
Share of surplus/ (deficit) of associate	7			
<b>Surplus/(Deficit) for the year</b>		<b>71 941</b>	<b>788</b>	<b>26 543</b>

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

- Total revenue is R73.8 million in 2018/19 and escalates to R82.9 million by 2020/21. This represents a year-on-year decrease of 3.7 per cent for the 2019/20 financial year and an increase of 16.52 per cent for the 2020/21 financial year.
- Revenue to be generated from property rates is R7.4 million in the 2018/19 financial year and increases to R7.9 million by 2020/21 which represents 10.14 per cent of the operating revenue base of the municipality and therefore remains a significant funding source. Tariff increases have been factored in at 6.84 per cent for each of the outer years of the MTREF.



2018 – 2019 medium term revenue and expenditure forecasts

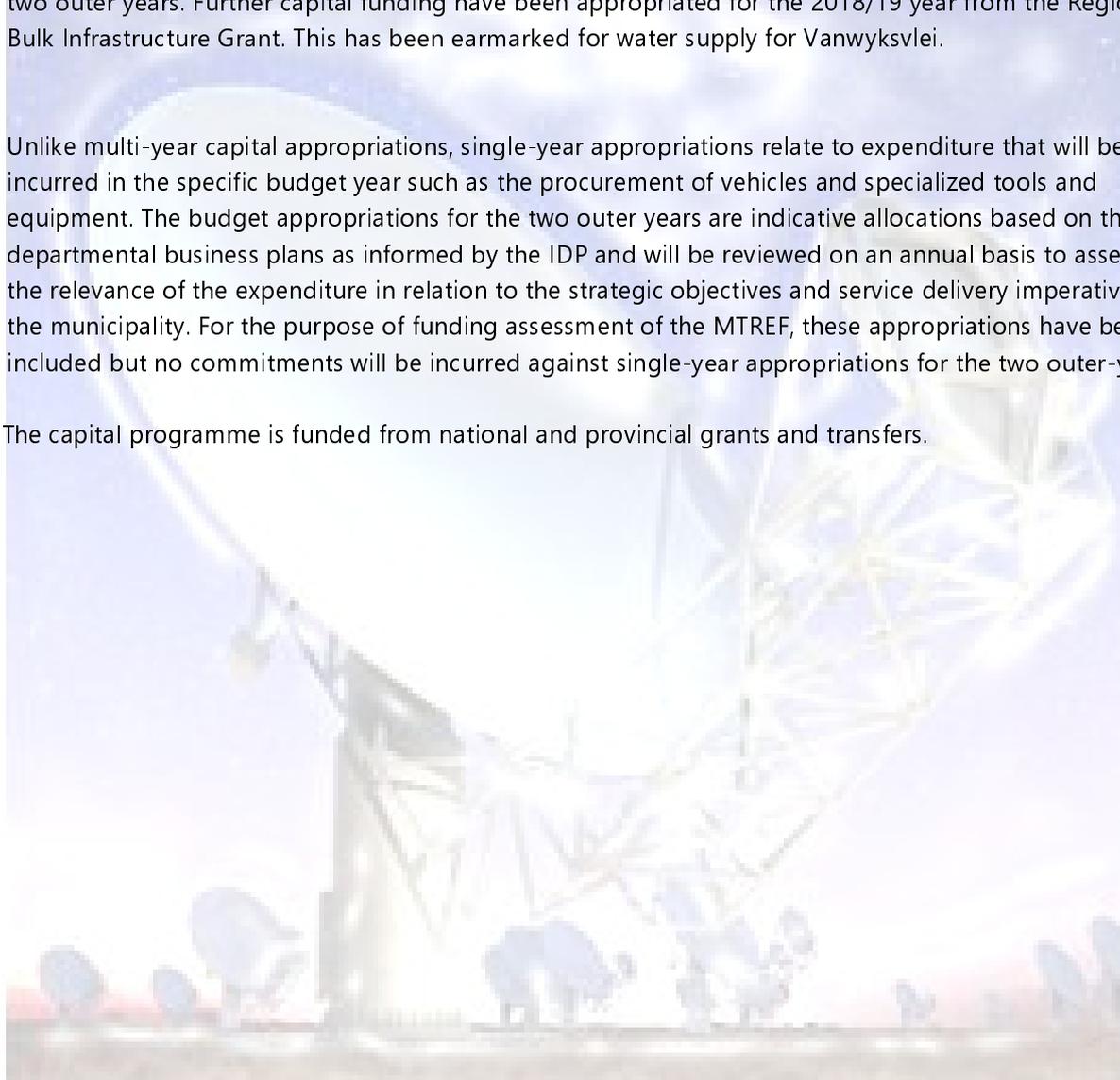
MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	1			
<b>Capital expenditure - Vote</b>				
<b>Multi-year expenditure to be appropriated</b>	2			
Vote 1 - EXECUTIVE AND COUNCIL		–	–	–
Vote 2 - BUDGET AND TREASURY OFFICE		–	–	–
Vote 3 - CORPORATE SERVICES		–	–	–
Vote 4 - PLANNING AND DEVELOPMENT		–	–	–
Vote 5 - HEALTH		–	–	–
Vote 6 - COMMUNITY AND SOCIAL SERVICES		–	–	–
Vote 7 - HOUSING		–	–	–
Vote 8 - PUBLIC SAFETY		–	–	–
Vote 9 - SPORT AND RECREATION		–	–	–
Vote 10 - ENVIRONMENTAL PROTECTION		–	–	–
Vote 11 - SOLID WASTE MANAGEMENT		–	–	–
Vote 12 - WASTE WATER MANAGEMENT		–	–	–
Vote 13 - ROAD TRANSPORT		–	–	–
Vote 14 - WATER		46 824	–	–
Vote 15 - ELECTRICITY		–	–	–
<b>Capital multi-year expenditure sub-total</b>	7	<b>46 824</b>	<b>–</b>	<b>–</b>
<b>Single-year expenditure to be appropriated</b>	2			
Vote 1 - EXECUTIVE AND COUNCIL		7 972	8 038	8 222
Vote 2 - BUDGET AND TREASURY OFFICE		5 875	–	–
Vote 3 - CORPORATE SERVICES		–	–	–
Vote 4 - PLANNING AND DEVELOPMENT		–	–	–
Vote 5 - HEALTH		–	–	–
Vote 6 - COMMUNITY AND SOCIAL SERVICES		–	–	–
Vote 7 - HOUSING		–	–	–
Vote 8 - PUBLIC SAFETY		–	–	–
Vote 9 - SPORT AND RECREATION		–	–	–
Vote 10 - ENVIRONMENTAL PROTECTION		–	–	–
Vote 11 - SOLID WASTE MANAGEMENT		–	–	–
Vote 12 - WASTE WATER MANAGEMENT		–	–	–
Vote 13 - ROAD TRANSPORT		–	–	–
Vote 14 - WATER		9 626	–	–
Vote 15 - ELECTRICITY		1 000	1 920	3 200
<b>Capital single-year expenditure sub-total</b>		<b>24 473</b>	<b>9 958</b>	<b>11 422</b>
<b>Total Capital Expenditure - Vote</b>		<b>71 297</b>	<b>9 958</b>	<b>11 422</b>
<b>Capital Expenditure - Functional</b>				
<b>Governance and administration</b>		<b>13 847</b>	<b>8 038</b>	<b>8 222</b>
Executive and council		7 972	8 038	8 222
Finance and administration		5 875	0	0
Internal audit		–	–	–
<b>Community and public safety</b>		<b>–</b>	<b>–</b>	<b>–</b>
Community and social services		–	–	–
Sport and recreation		–	–	–
Public safety		–	–	–
Housing		–	–	–
Health		–	–	–
<b>Economic and environmental services</b>		<b>–</b>	<b>–</b>	<b>–</b>
Planning and development		–	–	–
Road transport		–	–	–
Environmental protection		–	–	–
<b>Trading services</b>		<b>57 450</b>	<b>1 920</b>	<b>3 200</b>
Energy sources		1 000	1 920	3 200
Water management		56 450	–	–
Waste water management		–	–	–
Waste management		–	–	–
<b>Other</b>		<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>71 297</b>	<b>9 958</b>	<b>11 422</b>
<b>Funded by:</b>				
National Government		65 422	9 958	11 422
Provincial Government		–	–	–
District Municipality		–	–	–
Other transfers and grants		–	–	–
<b>Transfers recognised - capital</b>	4	<b>65 422</b>	<b>9 958</b>	<b>11 422</b>
<b>Public contributions &amp; donations</b>	5	–	–	–
<b>Borrowing</b>	6	–	–	–
<b>Internally generated funds</b>		<b>5 875</b>	<b>–</b>	<b>–</b>
<b>Total Capital Funding</b>	7	<b>71 297</b>	<b>9 958</b>	<b>11 422</b>



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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Single-year capital expenditure has been appropriated at R24.4 million for the 2018/19 financial year and remains relatively constant over the MTREF at levels of R9.9 million and R11.4 million respectively for the two outer years. Further capital funding have been appropriated for the 2018/19 year from the Regional Bulk Infrastructure Grant. This has been earmarked for water supply for Vanwyksvlei.
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 programme is funded from national and provincial grants and transfers.



## 2018 – 2019 medium term revenue and expenditure forecasts

MBRR Table A6 - Budgeted Financial Position

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	1 538	1 538	1 538
Call investment deposits	29 733	26 092	3 489
Consumer debtors	2 894	2 894	2 895
Other debtors			
Current portion of long-term receivables			
Inventory			
<b>Total current assets</b>	<b>34 165</b>	<b>30 524</b>	<b>7 922</b>
<b>Non current assets</b>			
Long-term receivables			
Investments			
Investment property			
Investment in Associate			
Property, plant and equipment	176 230	177 084	170 362
Agricultural			
Biological			
Intangible			
Other non-current assets			
<b>Total non current assets</b>	<b>176 230</b>	<b>177 084</b>	<b>170 362</b>
<b>TOTAL ASSETS</b>	<b>210 396</b>	<b>207 608</b>	<b>178 285</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft			
Borrowing	–	–	–
Consumer deposits			
Trade and other payables	7 222	10 034	14 895
Provisions			
<b>Total current liabilities</b>	<b>7 222</b>	<b>10 034</b>	<b>14 895</b>
<b>Non current liabilities</b>			
Borrowing	–	–	–
Provisions	12 587	14 446	16 677
<b>Total non current liabilities</b>	<b>12 587</b>	<b>14 446</b>	<b>16 677</b>
<b>TOTAL LIABILITIES</b>	<b>19 809</b>	<b>24 480</b>	<b>31 572</b>
<b>NET ASSETS</b>	<b>190 587</b>	<b>183 129</b>	<b>146 713</b>
<b>COMMUNITY WEALTH/EQUITY</b>			
Accumulated Surplus/(Deficit)	179 201	171 743	146 713
Reserves	11 386	11 386	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>190 587</b>	<b>183 129</b>	<b>146 713</b>

## Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves comprehensibility for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting"



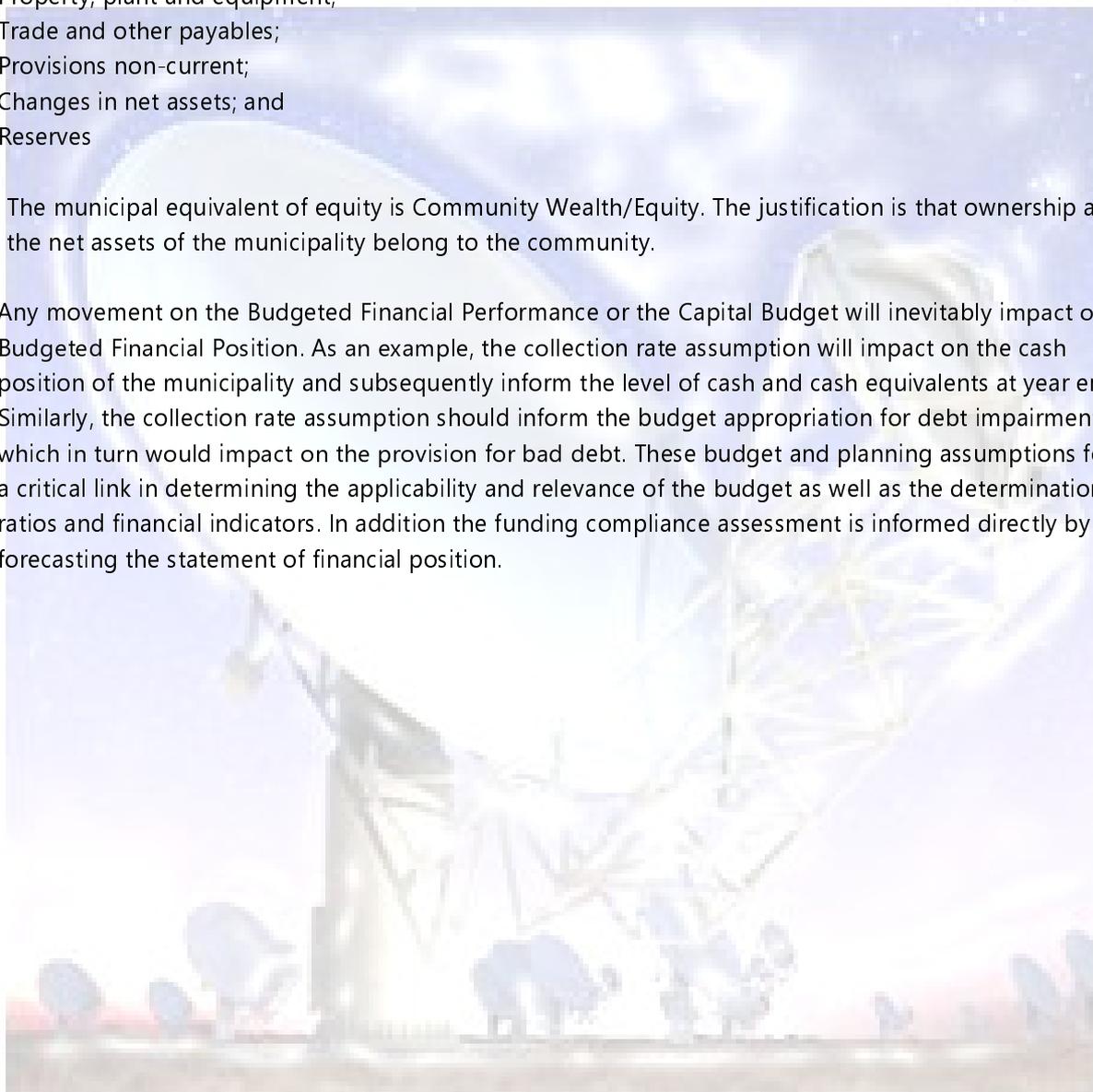
## 2018 – 2019 medium term revenue and expenditure forecasts

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. MBRR Table A6 is supported by an extensive table of notes (SA3 which can be found on pages 80) 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.



## 2018 – 2019 medium term revenue and expenditure forecasts

MBRR Table A7 - Budgeted Cash Flow Statement

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property rates	5 473	5 536	5 536
Service charges	24 881	23 691	24 875
Other revenue	21 218	18 178	19 332
Government - operating	23 532	25 631	–
Government - capital	60 814	8 038	823
Interest	1 191	1 389	1 458
Dividends	–	–	–
<b>Payments</b>			
Suppliers and employees	(58 538)	(59 700)	(62 068)
Finance charges	(1 118)	(1 274)	(1 154)
Transfers and Grants	(10 667)	(15 190)	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>66 785</b>	<b>6 300</b>	<b>(11 198)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of PPE	–	–	–
Decrease (Increase) in non-current debtors	8	8	8
Decrease (increase) other non-current receivable	–	–	–
Decrease (increase) in non-current investments	–	–	–
<b>Payments</b>			
Capital assets	(60 814)	(9 958)	(11 422)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(60 806)</b>	<b>(9 951)</b>	<b>(11 415)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Short term loans	–	–	–
Borrowing long term/refinancing	–	–	–
Increase (decrease) in consumer deposits	10	10	10
<b>Payments</b>			
Repayment of borrowing	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>5 989</b>	<b>(3 641)</b>	<b>(22 603)</b>
Cash/cash equivalents at the year begin:	–	5 989	2 348
Cash/cash equivalents at the year end:	5 989	2 348	(20 255)

## Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. Grant receipts and the spending thereof comprises the bulk of cash flow. A hundred percent spending of grant receipts are assumed.
4. The approved 2018/19 MTREF cash and cash equivalents of R5.9 million for the 2018/19 financial year, while it decreases for the outer years to R2.3 million and minus R20.2 million respectively.



## 2018 – 2019 medium term revenue and expenditure forecasts

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>Cash and investments available</b>			
Cash/cash equivalents at the year end	5 989	2 348	(20 255)
Other current investments > 90 days	25 282	25 282	25 282
Non current assets - Investments	–	–	–
<b>Cash and investments available:</b>	<b>31 271</b>	<b>27 630</b>	<b>5 027</b>
<b>Application of cash and investments</b>			
Unspent conditional transfers	1 905	1 905	1 905
Unspent borrowing	–	–	–
Statutory requirements			
Other working capital requirements	1 939	4 694	10 013
Other provisions			
Long term investments committed	–	–	–
Reserves to be backed by cash/investments			
<b>Total Application of cash and investments:</b>	<b>3 844</b>	<b>6 598</b>	<b>11 917</b>
<b>Surplus(shortfall)</b>	<b>27 428</b>	<b>21 032</b>	<b>(6 890)</b>

## Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the MTREF of 2018/19 to 2020/21 the surplus decrease from R27.4 million to a shortfall of R6.8 million.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2018/19 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA..



## 2018 – 2019 medium term revenue and expenditure forecasts

MBRR Table A9 - Asset Management

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>CAPITAL EXPENDITURE</b>			
<b>Total New Assets</b>	<b>71 297</b>	<b>9 958</b>	<b>11 422</b>
<i>Roads Infrastructure</i>	10 172	8 038	8 222
<i>Storm water Infrastructure</i>	–	–	–
<i>Electrical Infrastructure</i>	1 000	1 920	3 200
<i>Water Supply Infrastructure</i>	56 450	–	–
<i>Sanitation Infrastructure</i>	–	–	–
<i>Solid Waste Infrastructure</i>	–	–	–
<i>Rail Infrastructure</i>	–	–	–
<i>Coastal Infrastructure</i>	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–
<b>Infrastructure</b>	<b>67 622</b>	<b>9 958</b>	<b>11 422</b>
Community Facilities	0	0	0
Sport and Recreation Facilities	–	–	–
<b>Community Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Heritage Assets</b>	–	–	–
Revenue Generating	–	–	–
Non-revenue Generating	–	–	–
<b>Investment properties</b>	–	–	–
Operational Buildings	–	–	–
Housing	–	–	–
<b>Other Assets</b>	–	–	–
<b>Biological or Cultivated Assets</b>	–	–	–
Servitudes	–	–	–
Licences and Rights	–	–	–
<b>Intangible Assets</b>	–	–	–
<b>Computer Equipment</b>	<b>1 720</b>	–	–
<b>Furniture and Office Equipment</b>	<b>155</b>	–	–
<b>Machinery and Equipment</b>	–	–	–
<b>Transport Assets</b>	<b>1 800</b>	–	–
<b>Libraries</b>	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>	–	–	–
<b>Total Capital Expenditure</b>			
<i>Roads Infrastructure</i>	10 172	8 038	8 222
<i>Storm water Infrastructure</i>	–	–	–
<i>Electrical Infrastructure</i>	1 000	1 920	3 200
<i>Water Supply Infrastructure</i>	56 450	–	–
<i>Sanitation Infrastructure</i>	–	–	–
<i>Solid Waste Infrastructure</i>	–	–	–
<i>Rail Infrastructure</i>	–	–	–
<i>Coastal Infrastructure</i>	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–
<b>Infrastructure</b>	<b>67 622</b>	<b>9 958</b>	<b>11 422</b>
Community Facilities	0	0	0
Sport and Recreation Facilities	–	–	–
<b>Community Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Heritage Assets</b>	–	–	–
Revenue Generating	–	–	–
Non-revenue Generating	–	–	–
<b>Investment properties</b>	–	–	–
Operational Buildings	–	–	–
Housing	–	–	–
<b>Other Assets</b>	–	–	–
<b>Biological or Cultivated Assets</b>	–	–	–
Servitudes	–	–	–
Licences and Rights	–	–	–
<b>Intangible Assets</b>	–	–	–
<b>Computer Equipment</b>	<b>1 720</b>	–	–
<b>Furniture and Office Equipment</b>	<b>155</b>	–	–
<b>Machinery and Equipment</b>	–	–	–
<b>Transport Assets</b>	<b>1 800</b>	–	–
<b>Libraries</b>	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>	–	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>71 297</b>	<b>9 958</b>	<b>11 422</b>



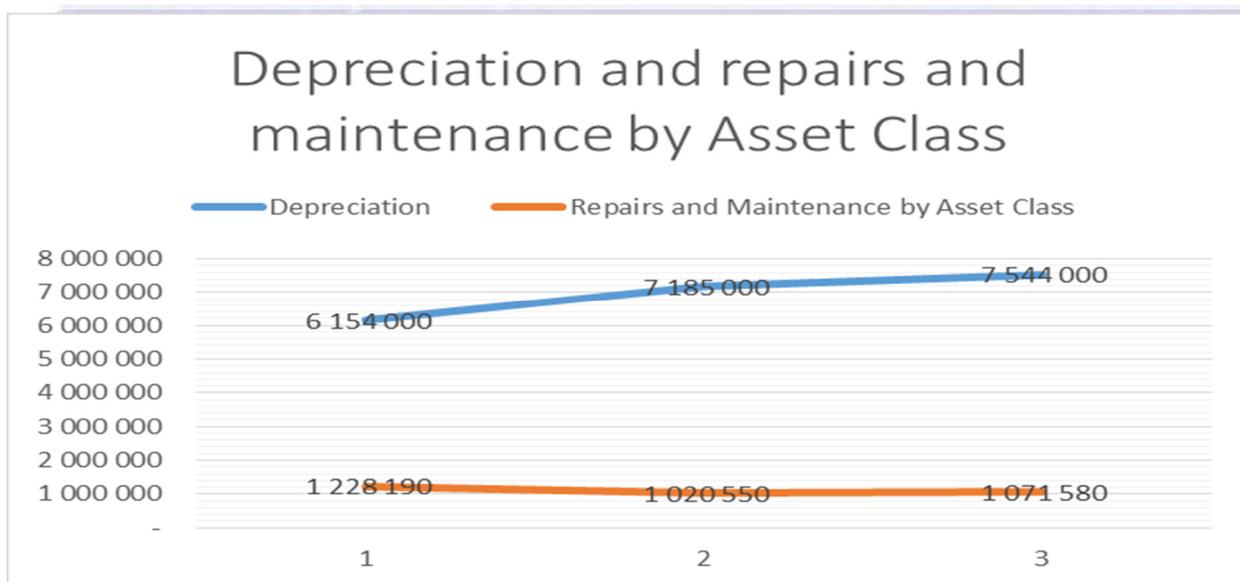
## 2018 – 2019 medium term revenue and expenditure forecasts

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>			
<i>Roads Infrastructure</i>	86 464	87 318	80 597
<i>Storm water Infrastructure</i>	—	—	—
<i>Electrical Infrastructure</i>	5 283	5 283	5 283
<i>Water Supply Infrastructure</i>	32 133	32 133	32 133
<i>Sanitation Infrastructure</i>	20 683	20 683	20 683
<i>Solid Waste Infrastructure</i>	1 966	1 966	1 966
<i>Rail Infrastructure</i>			
<i>Coastal Infrastructure</i>			
<i>Information and Communication Infrastructure</i>			
<b>Infrastructure</b>	<b>146 529</b>	<b>147 383</b>	<b>140 662</b>
Community Facilities	14 199	14 199	14 199
Sport and Recreation Facilities			
<b>Community Assets</b>	<b>14 199</b>	<b>14 199</b>	<b>14 199</b>
<b>Heritage Assets</b>	<b>19</b>	<b>19</b>	<b>19</b>
Revenue Generating	15 482	15 482	15 482
Non-revenue Generating			
<b>Investment properties</b>	<b>15 482</b>	<b>15 482</b>	<b>15 482</b>
Operational Buildings			
Housing			
<b>Other Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Biological or Cultivated Assets</b>			
Servitudes			
Licences and Rights			
<b>Intangible Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Computer Equipment</b>			
<b>Furniture and Office Equipment</b>			
<b>Machinery and Equipment</b>			
<b>Transport Assets</b>			
<b>Libraries</b>			
<b>Zoo's, Marine and Non-biological Animals</b>			
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>176 230</b>	<b>177 084</b>	<b>170 362</b>
<b>EXPENDITURE OTHER ITEMS</b>			
<b>Depreciation</b>	6 154	7 185	7 544
<b>Repairs and Maintenance by Asset Class</b>	<b>1 228</b>	<b>1 021</b>	<b>1 072</b>
<i>Roads Infrastructure</i>	1 228	1 021	1 072
<i>Storm water Infrastructure</i>	—	—	—
<i>Electrical Infrastructure</i>	—	—	—
<i>Water Supply Infrastructure</i>	—	—	—
<i>Sanitation Infrastructure</i>	—	—	—
<i>Solid Waste Infrastructure</i>	—	—	—
<i>Rail Infrastructure</i>	—	—	—
<i>Coastal Infrastructure</i>	—	—	—
<i>Information and Communication Infrastructure</i>	—	—	—
<b>Infrastructure</b>	<b>1 228</b>	<b>1 021</b>	<b>1 072</b>
Community Facilities	—	—	—
Sport and Recreation Facilities	—	—	—
<b>Community Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Heritage Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
Revenue Generating	—	—	—
Non-revenue Generating	—	—	—
<b>Investment properties</b>	<b>—</b>	<b>—</b>	<b>—</b>
Operational Buildings	—	—	—
Housing	—	—	—
<b>Other Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Biological or Cultivated Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
Servitudes	—	—	—
Licences and Rights	—	—	—
<b>Intangible Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Computer Equipment</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Furniture and Office Equipment</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Machinery and Equipment</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Transport Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Libraries</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>7 382</b>	<b>8 206</b>	<b>8 616</b>
<i>Renewal and upgrading of Existing Assets as % of total c</i>	0,0%	0,0%	0,0%
<i>Renewal and upgrading of Existing Assets as % of depre</i>	0,0%	0,0%	0,0%
<i>R&amp;M as a % of PPE</i>	0,7%	0,6%	0,6%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	1,0%	1,0%	1,0%



Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations for providing for 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. Repairs and maintenance fails to meet the recommendation.



## 2018 – 2019 medium term revenue and expenditure forecasts

MBRR Table A10 - Basic Service Delivery Measurement

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>			
<b>Water:</b>			
Piped water inside dwelling	1 188	1 188	1 188
Piped water inside yard (but not in dwelling)	806	806	806
Using public tap (at least min.service level)	160	160	160
Other water supply (at least min.service level)	1 068	1 068	1 068
<i>Minimum Service Level and Above sub-total</i>	3 222	3 222	3 222
Using public tap (< min.service level)	-	-	-
Other water supply (< min.service level)	-	-	-
No water supply	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-
<b>Total number of households</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>
<b>Sanitation/sewerage:</b>			
Flush toilet (connected to sewerage)	665	665	665
Flush toilet (with septic tank)	994	994	994
Chemical toilet	-	-	-
Pit toilet (ventilated)	335	335	335
Other toilet provisions (> min.service level)	1 068	1 068	1 068
<i>Minimum Service Level and Above sub-total</i>	3 062	3 062	3 062
Bucket toilet	160	160	160
Other toilet provisions (< min.service level)	-	-	-
No toilet provisions	-	-	-
<i>Below Minimum Service Level sub-total</i>	160	160	160
<b>Total number of households</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>
<b>Energy:</b>			
Electricity (at least min.service level)	962	962	962
Electricity - prepaid (min.service level)	2 586	2 586	2 586
<i>Minimum Service Level and Above sub-total</i>	3 548	3 548	3 548
Electricity (< min.service level)	-	-	-
Electricity - prepaid (< min. service level)	-	-	-
Other energy sources	891	891	891
<i>Below Minimum Service Level sub-total</i>	891	891	891
<b>Total number of households</b>	<b>4 439</b>	<b>4 439</b>	<b>4 439</b>
<b>Refuse:</b>			
Removed at least once a week	2 331	2 331	2 331
<i>Minimum Service Level and Above sub-total</i>	2 331	2 331	2 331
Removed less frequently than once a week	-	-	-
Using communal refuse dump	-	-	-
Using own refuse dump	-	-	-
Other rubbish disposal	891	891	891
No rubbish disposal	-	-	-
<i>Below Minimum Service Level sub-total</i>	891	891	891
<b>Total number of households</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>



## 2018 – 2019 medium term revenue and expenditure forecasts

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Households receiving Free Basic Service</b>			
Water (6 kilolitres per household per month)	1 502	1 502	1 502
Sanitation (free minimum level service)	1 502	1 502	1 502
Electricity/other energy (50kwh per household per month)	1 502	1 502	1 502
Refuse (removed at least once a week)	1 502	1 502	1 502
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>			
Water (6 kilolitres per indigent household per month)	2 792	2 634	2 299
Sanitation (free sanitation service to indigent households)	2 097	2 261	2 606
Electricity/other energy (50kwh per indigent household per month)	1 204	1 431	1 724
Refuse (removed once a week for indigent households)	2 277	2 427	2 670
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	1 318	1 405	1 546
<b>Total cost of FBS provided</b>	<b>9 688</b>	<b>10 159</b>	<b>10 845</b>
<b>Highest level of free service provided per household</b>			
Property rates (R value threshold)	–	–	–
Water (kilolitres per household per month)	6	6	6
Sanitation (kilolitres per household per month)	–	–	–
Sanitation (Rand per household per month)	263	290	319
Electricity (kw h per household per month)	50	50	50
Refuse (average litres per week)	170	187	206

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

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The municipality has no significant backlogs
  - Water services – Every citizen has at least RDP services.
  - Sanitation services – the backlog has increased to 160 households. These buckets are used in the informal settlements.
  - Electricity services – the backlog has increased to 160 households. These households are situated in an Eskom distribution area. Where electricity cannot be provided, wood and paraffin is provided as fuel.
  - Refuse services – No backlogs are encountered with this service.
- The budget provides for 1 454 households to be registered as indigent in 2017/18, and therefore entitled to receiving Free Basic Services. A few poor people may migrate into the municipal area, but it will have no significant influence.
- It is anticipated that these Free Basic Services will cost the municipality R5.8 million in 2013/14, increasing to R11.43 million in 2018/19. This is covered by the municipality's equitable share allocation from National Government.



## Part 2 –Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and management of the municipality meeting under the chair of the Mayor.

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

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

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required budget time schedule on 20 June 2017. Key dates applicable to the process were:

By 31 August 2017	Table before council the schedule of key deadlines for the 2018 - 2019 budget
By 30 November 2017	Budget Steering Committee meeting Revise the IDP Workshop with heads of department Ask inputs from the community
By 31 January 2018	Budget Steering Committee meeting Budget for salaries and wages Identify capital projects from the IDP
By 28 February 2018	Budget Steering Committee meeting Compile draft budget Set preliminary tariffs Review budget related policies Finalise the IDP Make cash flow projections Finalise the PMS(Measurable Performance Objectives) Compile the SDBIP
By 31 March 2018	Budget Steering Committee meeting Table the draft budget



2018 – 2019 medium term revenue and expenditure forecasts

	Prepare and send Treasury questionnaires
By 30 April 2018	Budget Steering Committee meeting Consider Treasury and other input/ objections
By 31 May 2018	Budget Steering Committee meeting Finalise the community participation process Table the budget for adoption Table the SDBIP to be noted by council Adopt the budget Adopt the IDP Adopt amendments to budget related policies
By 30 June 2018	Mayor approves SDBIP All performance management contracts completed and signed Prepare and send Treasury questionnaires

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. IDP planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

The following key factors and planning strategies have informed the compilation of the 2018 - 2019 MTREF:

- Policy priorities and strategic objectives

- Asset maintenance

- Economic climate and trends (i.e. inflation, Eskom increases, household debt)

- The approved 2017 - 2018 budget and performance against the SDBIP

- Cash Flow Management Strategy

- Debtor payment levels

- The need for tariff increases versus the ability of the community to pay for services;

- Improved and sustainable service delivery

2.1.4 Community Consultation

The draft 2018/19 MTREF was tabled before council on 24 March 2018.

The draft 2018 - 2019 MTREF, as tabled before Council on 24 March 2018 for community consultation, was published on the municipality's website, and hard copies were made available at each of the three offices in Carnarvon, Vanwyksvlei and Vosburg.

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



## 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 office bearers. 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. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

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

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP);
- The National Priority Outcomes;
- The National Development Plan;



The Cabinet Resolution of 23 October 2013.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The following table highlights the IDP's five strategic objectives for the 2018 - 2019 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 13 IDP Strategic Objectives**

2018- 2019 Medium Term Revenue & Expenditure Framework

**1. Basic Service Delivery**

- Sewerage
- Refuse removal
- Electricity Administration
- Electricity Generation
- Electricity Distribution
- Water Storage
- Water Distribution
- Cemetery
- Official Housing
- Main Roads
- Commonage
- Municipal Buildings
- Public Works
- Parks and Gardens
- Pound
- Streets and Pavements
- Swimming Pool

- Airport
- Caravan Park
- Abattoir

**2. Good Governance and Public Participation**

- Executive and Council
- Corporate Services



2018 – 2019 medium term revenue and expenditure forecasts

3. Municipal Financial Viability

Rates

Budget and Treasury Office

4. Municipal Institutional Development and Transformation

Library

Health

Museum

Nature Reserve

Clinics

5. Local Economic Development

Fire Service

Civil Defence

Traffic and licencing

Funded Projects

Input per town	Funding source	2018/2019	2019/2020	2020/2021
<b>Carnarvon</b>				
Upgrading of streets	Municipal Infrastructure Grand	4 372	8 038	8 222
Upgrading of streets	Own funds	1 200	-	-
Computer equipment and software	Own funds	1 750	750	750
Office furniture	Own funds	125	-	-
Replacement of yellow fleet	Own funds	1 511	-	-
Upgrading of electricity network	Department of Energy	1 000	1 920	3 200
Tarr of airstrip	Own funds	-	4 500	-
High Mast Light de Bult	Own funds	-	400	-
Upgrading of water network	Water Infrastructure Grant	-	1 000	-
<b>Vanwyksvlei</b>				
Upgrading of streets	Municipal Infrastructure Grant	3 600	-	-
Saaiport water pipeline	Regional Bulk Infrastructure Grant	46 824	-	-
<b>Vosburg</b>				
Upgrading of water reservoir	Department of Water Affairs	4 600	-	-
Upgrading of water network	Water Services Infrastructure Grant	5 000	-	-
Upgrading of sewerage network	Own funds	-	66	66
<b>Total</b>		<b>69 982</b>	<b>16 674</b>	<b>12 238</b>



2018 – 2019 medium term revenue and expenditure forecasts

Unfunded Projects per Town

Carnarvon	Vanwysvlei	Vosburg
Serviced erven	Crusher Projects	Grass and spray lights
Housing	Land and erecting of Business Stalls in tue CBD area	housing
Ablution facilities hawkers	Jo-Jo Water tanks (6000ℓ) for harvesting rainwater at households	Social Worker
Bonteheuwel crèche	Health personnel at the clinic	Job creation
Public abution facilities in town	Appointment of General Workers at Municipality	Pre-paid electricity point
Walking trail	Speed bumps	Business sites
Development of the nature reserve	Tarring of road between Carnarvon and Vanwyksvlei	Solar energy-electricity and heating (solar geysers)
Advertisement boards in town	Completion of clay structures/housing	Additional commonage
Sport development for local people	Upgrading of sport facilities	Upgrading of sport facilities
Taxi rank	Public ablution facilities in town	Waste recycling
Upgrading water network	Job creation	Women farming
Commonage sites	Serviced sites/erven	Upgrading streets
Servicing of additional sites for residential use	Additional commonage	Upgrading reservoir
More business sites in neighbourhoods	Paving of streets	Upgrading water network
Kareeberg festivals	Build/operate guest houses	Service erven
Schietfontein development	Tarring of road between Copperton and Vanwyksvlei	Playground
Schietfontein access road	Playground	
Mobile Police station, Bonteheuwel	Additional office space for departments	
Containers refuse residential areas	Ambulance services	
Access control waste site		
Tar airstrip		
Erection playground		
Community development project ( grant)		
Temporary tourism centre		
Wi-Fi hotspots (3)		
Solar systems houses		

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

Strategic Objective	Goal	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
Basic service delivery	Property rates	7 497	7 584	7 963
Basic service delivery	Service charges - electricity	11 593	10 858	11 401
Basic service delivery	Service charges - water	5 492	5 588	5 867
Basic service delivery	Service charges - sanitation	4 688	3 741	3 928
Basic service delivery	Service charges - refuse	4 417	4 751	4 988
Basic service delivery	Service charges - other			
Basic service delivery	Rental of facilities and	376	395	415
Basic service delivery	Interest earned - external	1 319	1 385	1 455
Basic service delivery	Interest earned - outstanding	3	4	4
Basic service delivery	Dividends received			
Basic service delivery	Fines, penalties and forfeits	212	223	234
	Licences and permits	5	5	5
	Agency services	19	15	16
	Transfers and subsidies	26 106	27 797	30 226
	Other revenue	20 530	17 563	25 708
	Gains on disposal of PPE			
<b>Allocations to other priorities</b>				
<b>Total Revenue (excluding capital transfers and contributi</b>		<b>82 258</b>	<b>79 909</b>	<b>92 210</b>



## 2018 – 2019 medium term revenue and expenditure forecasts

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

Strategic Objective	Goal	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
Basic service delivery	Employee related costs	21 002	21 320	22 602
Basic service delivery	Remuneration of councillors	2 642	2 833	3 213
Basic service delivery	Debt impairment	3 401	3 469	3 642
Basic service delivery	Depreciation & asset	6 154	7 185	7 544
Basic service delivery	Finance charges	1 118	1 274	1 154
Basic service delivery	Bulk purchases	11 812	13 023	13 674
Basic service delivery	Other materials	1 228	1 021	1 072
Basic service delivery	Contracted services	2 346	3 023	2 975
Basic service delivery	Transfers and subsidies	10 667	15 190	–
Basic service delivery	Other expenditure	12 872	11 987	11 913
Basic service delivery	Loss on disposal of PPE	2	2	2
<b>Allocations to other priorities</b>				
<b>Total Expenditure</b>		<b>73 244</b>	<b>80 325</b>	<b>67 791</b>

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

Strategic Objective	Goal	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
Trading services	Water distribution			
Governance	Executive and Council	7 972	8 038	8 222
Governance	Budget and Treasury Office	5 875	–	–
Governance	Corporate Services			
Community	Health			
Social services	Library			
Public health and Safety	Fire service			
Recreation	Sports and recreation			
Trading services	Soild waste management			
Trading services	Waste water management			
Economic development	Road transport			
Trading services	Water	56 450	–	–
Trading services	Electricity	1 000	1 920	3 200
<b>Allocations to other priorities</b>				
<b>Total Capital Expenditure</b>		<b>71 297</b>	<b>9 958</b>	<b>11 422</b>



2018 – 2019 medium term revenue and expenditure forecasts

2.3 Measurable performance objectives and indicators

MBBR Table SA7 - Measurable performance indicators

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Executive and council</b>	Conduct quarterly ward committee meetings for all 4 wards	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function 1 - Good governance and</b>										
<b>Sub-function 1 -Good governance</b> <i>Compliance with good governance principles</i>										
<b>Sub-function 2 - Mayor and council</b> <i>Compliance with good governance principles</i>	Council Meets People meetings by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function -Internal Audit</b> <b>Sub-function-Governance</b> <i>Good Governance and Public Participation</i>	Compile and submit the Risk Based Audit Plan (RBAP) to the Audit committee by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Budget and Treasury</b> <b>Function-Finance and administration</b> <b>Sub-function-asset management</b> <i>Municipal Transformation and Institutional</i>	Develop a maintenance plan for all municipal assets that include quarterly , monthly and weekly actions for all municipal assets and submit to MM by 31 March 2019 for sign-off	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-asset management</b> <i>Basic service delivery</i>	Develop a maintenance plan for water, roads and electricity that include quarterly , monthly and weekly actions and submit to MM by 31 March 2019 for sign-off	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Finance and administration</b> <i>Basic service delivery</i>	% of capital budget spent on capital projects by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Finance and Administration</b> <i>Municipal Financial Viability and Management</i>	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2019 % debt coverage	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Finance and Administration</b> <i>Municipal Financial Viability and Management</i>	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2019									
<b>Finance and Administration</b> <i>Municipal Financial Viability and Management</i>	% of outstanding service debtors to revenue received for services	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Finance and Administration</b> <i>Municipal Financial Viability and Management</i>	Number of months it takes to cover fix operating expenditure with available cash	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Finance and Administration</b> <i>Municipal Financial Viability and Management</i>	Annual financial statements submitted to AGSA by 31 August 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Finance and Administration</b> <i>Municipal Financial Viability and Management</i>	Submit the draft main budget to Council by 31 March 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%



2018 – 2019 medium term revenue and expenditure forecasts

<b>Finance and Administration</b> <i>Municipal Financial Viability and Management</i>	Achieve a debtor payment percentage of 80% by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Finance and Administration</b> <i>Municipal Financial Viability and Management</i>	Develop a Revenue Strategy and submit to Council by 30 September 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Corporate services</b>	Submit the Draft IDP to Council by 31 March 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function 1 -Good governance and public</b> <b>Sub-function 1 -Good governance and</b> <i>Planning and development</i>	Quarterly distribution of Korbeeltjie	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function 2 -Good governance and</b> <i>Marketing, Customer Relations, Publicity and</i>	review the Communication Strategy and submit to Council by	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function 3 - good governance and</b> <i>Marketing, Customer Relations, Publicity and</i>	Compile an annual schedule for Council and committee meetings and submit to Council by 31	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function 2 -Corporate Administration</b> <b>Corporate support</b> <i>Good Governance and Public Participation</i>	Review the delegations by 30 September 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function 2 - Corporate</b> <i>Good Governance and Public Participation</i>	Review the roles and responsibilities by 30 September 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function 3 - Corporate support</b> <i>Good Governance and Public Participation</i>	LED strategy reviewed and submitted to Council by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function -planning and development</b> <b>Corporate wide strategic planning</b> <i>Local economic development</i>	The number of people from employment equity target groups employed (to be appointed) in the three highest levels of management in compliance with the equity plan as at 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Administration</b> <b>Human resource</b> <i>Municipal Transformation and Institutional</i>	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2019 [(Actual amount spent on training/total operational budget)x 100]	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Administration</b> <b>Human resource</b> <i>Municipal Transformation and Institutional</i>	Limit the vacancy rate to less than 10% of budgeted posts by 30 June 2019 ((Number of posts filled/Total number of budgeted posts)x 100)	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Administration</b> <b>Corporate support</b> <i>Good Governance and Public Participation</i>	Submit the Draft Annual Report to Council by 31 January 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Administration</b> <b>Human resource</b> <i>Municipal Transformation and Institutional</i>	Compile an action plan for the development of the skills of personnel and submit to Council by 30 September 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Administration</b> <b>Human resource</b>										



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Municipal Transformation and Institutional	Submit the Work Skills Plan to Local Government SETA by 30 April 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Administration										
Human resource										
Municipal Transformation and Institutional	Complete a needs analysis for office accommodation and submit to Council by 30 September 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Administration										
Human resource										
Municipal Transformation and Institutional	Compile performance plans for all managers that report to Snr Managers by 30 September 2019 (Number of managers with signed performance plans/total number of applicable managers)x 100)	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Community and social services										
Function 1-Libraries and Archives										
Sub-function 1 - basic service delivery	Spend 90% of the library grant by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Basic service delivery										
Function-disaster management										
Sub-function - basic service delivery	Revive the Disaster Management Committee with all internal and external stakeholders by 30 September 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Basic service delivery										
Function-disaster management	Facilitate the meetings of the Disaster Management Committee	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Sub-function - basic service delivery										
Basic service delivery										
Function-disaster management	Number of contingency plans developed and submitted to Council by 31 December 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Sub-function - basic service delivery										
Basic service delivery										
Function-agricultural										
Sub-function - basic service delivery	Establishing a Commonage Committee in terms of the Municipal Commonage Policy by 31 December 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Basic service delivery										
Function-agricultural	Facilitate the meetings of the Commonage Committee	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Sub-function - basic service delivery										
Basic service delivery										
Function-agricultural	Review the Commonage Policy especially with regard to the composition of the Commonage Committee and submit to Council by 30 September	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Sub-function - basic service delivery										
Basic service delivery										
Electricity										
Function-basic service delivery	Limit % water unaccounted for to 25% by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Sub-function-Electricity distribution										
Basic service delivery										
Function-basic service delivery	Spend 60% of the electricity maintenance budget by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Sub-function-Electricity distribution										
Basic service delivery										
Function-basic service delivery										



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<b>Sub-function-Electricity distribution</b>										
<i>Deliver basic services with available resources</i>	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-Electricity distribution</b>										
	Number of indigent households receiving free basic electricity	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-Electricity distribution</b>										
	Spend 90% of the total amount budgeted to upgrade the electricity network in Klokkiesdorp by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Water management</b>										
<b>Function-basic service delivery</b>	Limit % water unaccounted for to 25% by 30 June 2019									
<b>Sub-function-Water distribution</b>										
<i>Deliver basic services with available resources</i>	[(Number of Kilo litres Water Purchased or Purified or extracted - Number of Kilo litres Water Sold) / (Number of Kilo litres Water	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function-basic service delivery</b>										
<b>Sub-function-Water distribution</b>										
<i>Basic service delivery</i>	90% of water samples taken comply with SANS241 micro biological indicators ((Number of water samples that comply	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function-basic service delivery</b>										
<b>Sub-function-Water distribution</b>	Spend 60% of the water maintenance budget by 30 June 2019 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x 100)	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function-basic service delivery</b>										
<b>Sub-function-Water storage</b>										
<i>Deliver basic services with available resources</i>	Maintenance plan develop and submitted to MM by 30 September 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-Water distribution</b>										
<i>Deliver basic services with available resources</i>	Number of formal residential properties that receive piped water (credit) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-Water distribution</b>										
<i>Deliver basic services with available resources</i>	Number of indigent households receiving free basic water									
<b>Sub-function-Water distribution</b>										
<i>Deliver basic services with available resources</i>	Spend 90% of the total amount budgeted to install bulk water supply from Saaiport to Vanwyksvlei by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-Water distribution</b>										
<i>Deliver basic services with available resources</i>	Spend 90% of the total amount budgeted to upgrade the water network in Vosburg by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%



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<b>Sub-function-Water distribution</b> <i>Deliver basic services with available resources</i>	Spend 90% of the total amount budgeted for water connections in Bonteheuwel by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-Water distribution</b> <i>Deliver basic services with available resources</i>	Spend 90% of the total amount budgeted for the drilling of boreholes by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Road transport</b>	Spend 60% of the roads and stormwater maintenance budget by 30 June 2019 ((Actual expenditure on maintenance divided by	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function-basic service delivery</b> <b>Sub-function-Water distribution</b> <i>Deliver basic services with available resources</i>	Spend 90% of the total amount budgeted to pave streets in Bonteheuwel by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-roads</b>	Spend 90% of the total amount budgeted to upgrade streets in Vanwyksvlei by 30 June	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Waste water management</b> <b>Function-basic service delivery</b> <b>Sub-function-sewerage</b> <i>Deliver basic services with available resources</i>	Spend 60% of the sewerage maintenance budget by 30 June 2019 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x 100)	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function-basic service delivery</b> <b>Sub-function-sewerage</b>	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-sewerage</b>	Number of indigent households receiving free basic sanitation services	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sport and recreation</b> <b>Function-sport and recreation</b> <b>Sub-function-recreation facilities</b> <i>Basic service delivery</i>	Spend 60% of the sport and recreation maintenance budget by 30 June 2019 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x 100)	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Function-sport and recreation</b> <b>Sub-function-sports grounds and stadium</b> <i>Basic service delivery</i>	Number of Sport Committees established by 30 September 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Solid waste management</b>										



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<b>Function-solid waste management</b>										
<b>Sub-function-solid waste removal</b>										
<i>Basic service delivery</i>	Submit an application to MIG for the landfill site project by 30 September 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-solid waste removal</b>	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<i>Basic service delivery</i>										
<b>Planning and Development</b>										
<b>Function-economic development</b>										
<b>Sub-function-local economic development</b>	Number of job opportunities created by 30 June 2019	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<i>local economic development</i>										
<b>Function-economic development</b>	Investigate the possibility of private investment for the management of the nature garden and submit report with recommendations to Council by 31 December 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Sub-function-local economic development</b>	Investigate the options for the management of the caravan park and submit report with recommendations to Council by 31 December 2018	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<i>local economic development</i>										
<b>And so on for the rest of the Votes</b>										

The following table sets out the municipality's main performance objectives and benchmarks for the 2018 - 2019 MTREF.

MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Borrowing Management</b>				
Credit Rating	Interest & Principal Paid /Operating Expenditure	1,5%	1,6%	1,7%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	2,3%	2,9%	2,2%
Capital Charges to Own Revenue	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0,0%	0,0%	0,0%
Borrowed funding of 'own' capital expenditure				
<b>Safety of Capital</b>				
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%
<b>Liquidity</b>				
Current Ratio	Current assets/current liabilities	4,7	3,0	0,5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	4,7	3,0	0,5
Liquidity Ratio	Monetary Assets/Current Liabilities	4,3	2,8	0,3
<b>Revenue Management</b>				
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0,0%	119,9%	123,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		119,9%	123,0%	122,4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	3,9%	4,1%	3,5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old			
<b>Creditors Management</b>				
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))			
Creditors to Cash and Investments		86,0%	339,1%	-63,3%
<b>Other Indicators</b>				
	Total Volume Losses (kW)			
	Total Cost of Losses (Rand '000)			
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated			
	Total Volume Losses (k£)			
	Total Cost of Losses (Rand '000)			
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated			
Employee costs	Employee costs/(Total Revenue - capital revenue)	28,4%	30,0%	27,3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32,0%	33,9%	31,1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1,7%	1,4%	1,3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9,8%	11,9%	10,5%
<b>IDP regulation financial viability indicators</b>				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	34,4	29,7	36,1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11,3%	12,0%	11,5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,2	0,4	(4,6)



### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Borrowing Management

The municipality does not foresee any borrowing during the MTREF.

#### 2.3.1.2 Safety of Capital

Gearing: no borrowing will be undertaken.

#### 2.3.1.3 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities. For the 2018/19 MTREF the current ratio is 4.7 in the 2018/19 financial year and 3.0 and 0.5 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels. The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to erase or redeem 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. For the 2017/18 financial year the projected ratio is 5.4 declining to 4.6 in the 2019/20 financial year.

#### 2.3.1.4 Revenue Management

The revenue value chain must be streamlined by ensuring accurate billing, customer service, credit control and debt collection.

#### 2.3.1.5 Creditors Management

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.

#### 2.3.1.6 Other Indicators

The electricity distribution losses remain fairly constant since 2009/10. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity. The energy losses budgeted for is 12.96%.

Employee costs as a percentage of operating revenue is declining over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

Repairs and maintenance as percentage of operating revenue remains fairly constant over the MTREF.

### 3.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2018/19 financial year 1 454 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy registered households are entitled to 6 kℓ free water, 50 kwh of electricity, 1 sanitation removal and free waste removal once a week.



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Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in MBRR Table A10 (Basic Service Delivery Measurement) on pages 38. For the 2019 - 2020 financial year 1 502 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy registered households are entitled to 6 kℓ free water, 50 Kwh of electricity, 1 sanitation removal and free waste removal once a week.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, etc) are not taken into account in the table noted above.

2.4 Overview of budget related-policies

Review of credit control and debt collection procedures/policies

Policy	Amended	Comments
Property Rates Policy	Yes	
Credit Control Policy	Yes	
Customer Care Policy	Yes	
Indigent Policy and budget for FBS	Yes	
Budget Policy	Yes	
Investment Policy and schedule of investments	Yes	
Asset Management Policy	Yes	
Tariff Policy	Yes	
Municipal Supply chain Management Policy	Yes	
Augmentation Policy	Yes	
Subsistence and Travel policy	Yes	
Cost Containment Policy	Yes	
By-laws	Amended	Comments
Property Rates	Yes	
Integrated Waste Management	Yes	

These policies can be viewed on the website – [www.kareeberg.co.za](http://www.kareeberg.co.za)

2.5 Overview of budget assumptions

2.5.1 External factors

Due to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2018 - 2019 MTREF:



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

Employee related costs comprise 28.24 per cent of total operating expenditure in the 2018 - 2019 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

2.5.3 Collection rate for revenue services

The base assumption is that tariff and rate 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 (95 per cent) of annual billings.

Cash flow is assumed to be 95 per cent of billings, plus an increased collection of arrear debt from the collection and credit control policy.

2.5.4 Salary increases

The collective agreement for local government allows for salary increases of 7 percent for the 2018/19 year and 10 percent for the 2019/20 year.

2.5.5 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of 100 per cent is achieved on operating expenditure as well as on the capital programme for the 2018 - 2019 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

Table 14 Breakdown of the operating revenue over the medium-term:

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>Revenue By Source</b>			
Property rates	7 497	7 584	7 963
Service charges - electricity revenue	10 388	9 427	9 677
Service charges - water revenue	2 700	2 954	3 568
Service charges - sanitation revenue	2 591	1 480	1 322
Service charges - refuse revenue	2 141	2 324	2 319
Service charges - other			
Rental of facilities and equipment	376	395	415
Interest earned - external investments	1 319	1 385	1 455
Interest earned - outstanding debtors	3	4	4
Dividends received			
Fines, penalties and forfeits	212	223	234
Licences and permits	5	5	5
Agency services	19	15	16
Transfers and subsidies	26 106	27 797	30 226
Other revenue	20 530	17 563	25 708
Gains on disposal of PPE			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>73 888</b>	<b>71 155</b>	<b>82 911</b>



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MBRR SA15 – Detail Investment Information

Investment type	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>Parent municipality</b>			
Securities - National Government Listed Corporate Bonds Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks Municipal Bonds	28 283	67 970	34 328
<b>Municipality sub-total</b>	<b>28 283</b>	<b>67 970</b>	<b>34 328</b>
<b>Consolidated total:</b>	<b>28 283</b>	<b>67 970</b>	<b>34 328</b>

MBRR Table SA 16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital/Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<b>Parent municipality</b>														
Capital Replacement Reserves		32 days	fixed deposit	No	Variable	7% - 9%	0	N/A		11 340	765	(765)		11 340
Housing fund		1 day	call deposit	No	Variable	7% - 9%	0	N/A		43	2			45
Job creation-De Bult		32 days	notice deposit	No	Variable	7% - 9%	0	N/A		44	2			46
Land Development-Camaron		1 day	call deposit	No	Variable	7% - 9%	0	N/A		19	1			19
Land Development-Van Wykswiel		32 days	notice deposit	No	Variable	7% - 9%	0	N/A		17	1			18
Land Development-Vosburg		1 day	call deposit	No	Variable	7% - 9%	0	N/A		33	1			34
Civil Defence		32 days	notice deposit	No	Variable	7% - 9%	0	N/A		21	1			21
RRIG-Van Wykswiel Pipeline		1 day	call deposit	No	Variable	7% - 9%	0	N/A		11 642	466			12 108
CMP Kwaggakol		1 day	call deposit	No	Variable	7% - 9%	0	N/A		1	0			1
Sanitation interest/VAT		1 day	call deposit	No	Variable	7% - 9%	0	N/A		847	34	(34)		847
Electricity		1 day	call deposit	No	Variable	7% - 9%	0	N/A		39	2			41
Water Services Plan		1 day	call deposit	No	Variable	7% - 9%	0	N/A		4	0			4
CMP-Saapsoortproject 1301		1 day	call deposit	No	Variable	7% - 9%	0	N/A		4	0			4
EPWP-saving/cleaning		1 day	call deposit	No	Variable	7% - 9%	0	N/A		27	1			28
Lotto Camaron		1 day	call deposit	No	Variable	7% - 9%	0	N/A		2	0			2
Lotto Vosburg		1 day	call deposit	No	Variable	7% - 9%	0	N/A		36	1			37
Transfer fees-sub-economic housing		32 days	notice deposit	No	Variable	7% - 9%	0	N/A		152	6			158
Vosburg cleaning project		1 day	call deposit	No	Variable	7% - 9%	0	N/A		29	1			30
VAT retention		1 day	call deposit	No	Variable	7% - 9%	0	N/A		13	1			14
Municipal infrastructure grant		1 day	call deposit	No	Variable	7% - 9%	0	N/A		3 000	120			3 120
Youth development		1 day	call deposit	No	Variable	7% - 9%	0	N/A		94	4			97
Lease fund		1 day	call deposit	No	Variable	7% - 9%	0	N/A		2 192	88	(88)		2 192
Remton		1 day	call deposit	No	Variable	7% - 9%	0	N/A		993	24	(24)		993
Provision for employee benefits		1 day	call deposit	No	Variable	7% - 9%	0	N/A		2 000	80	(80)		2 000
Reserves		1 day	call deposit	No	Variable	7% - 9%	0	N/A		352	14	(14)		352
General account		1 day	call deposit	No	Variable	7% - 9%	0	N/A		5 157	206	(206)		5 157
<b>Municipality sub-total</b>										<b>37 706</b>	<b>1 048</b>	<b>(1 241)</b>	<b>-</b>	<b>38 513</b>
<b>Entities</b>														
<b>Entities sub-total</b>										<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>1</b>									<b>37 706</b>	<b>1 048</b>	<b>(1 241)</b>	<b>-</b>	<b>38 513</b>

The municipality has no investments other than bank deposits. It is not envisaged that any surplus cash will be generated to invest.



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2.6.2 Medium-term outlook: capital revenue

Table 15 Breakdown of the funding composition of the 2017/18 medium-term capital programme:

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		8 458	10 156	23 669	43 095	43 095	43 095	65 422	8 038	8 222
Municipal Infrastructure Grant (MIG)		8 458	5 828	7 669	5 095	5 095	5 095	7 972	8 038	8 222
Regional Bulk Infrastructure		-	2 707	15 000	38 000	38 000	38 000	46 824	-	-
				1 000				1 000	-	-
Water services infrastructure grant		-	1 621	-				9 626	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
<b>District Municipality:</b> [insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> Internal capital funding		-	-	-	-	-	-	5 875	-	-
								5 875		
<b>Total Capital Transfers and Grants</b>	5	8 458	10 156	23 669	43 095	43 095	43 095	71 297	8 038	8 222

Capital grants and receipts equates to 100 per cent of the total funding source for capital expenditure.

MBRR Table SA 17 - Detail of borrowings

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

The municipality has no borrowing debt.

MBRR Table SA 18 - Capital transfers and grant receipts

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital Transfers and Grants</b>			
<b>National Government:</b>	65 422	8 038	8 222
Municipal Infrastructure Grant (MIG)	7 972	8 038	8 222
Regional Bulk Infrastructure	46 824	-	-
	1 000	-	-
Water services infrastructure grant	9 626	-	-
<b>Provincial Government:</b>	-	-	-
Other capital transfers/grants [insert description]			
<b>District Municipality:</b> [insert description]	-	-	-
<b>Other grant providers:</b> Internal capital funding	5 875	-	-
	5 875		
<b>Total Capital Transfers and Grants</b>	71 297	8 038	8 222
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	97 403	35 835	38 448



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## 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term.

MBRR Table A7 - Budget cash flow statement

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property rates	5 473	5 536	5 536
Service charges	24 881	23 691	24 875
Other revenue	21 218	18 178	19 332
Government - operating	23 532	25 631	—
Government - capital	60 814	8 038	823
Interest	1 191	1 389	1 458
Dividends	—	—	—
<b>Payments</b>			
Suppliers and employees	(58 538)	(59 700)	(62 068)
Finance charges	(1 118)	(1 274)	(1 154)
Transfers and Grants	(10 667)	(15 190)	—
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>66 785</b>	<b>6 300</b>	<b>(11 198)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of PPE	—	—	—
Decrease (Increase) in non-current debtors	8	8	8
Decrease (increase) other non-current receivable	—	—	—
Decrease (increase) in non-current investments	—	—	—
<b>Payments</b>			
Capital assets	(60 814)	(9 958)	(11 422)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(60 806)</b>	<b>(9 951)</b>	<b>(11 415)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Short term loans	—	—	—
Borrowing long term/refinancing	—	—	—
Increase (decrease) in consumer deposits	10	10	10
<b>Payments</b>			
Repayment of borrowing	—	—	—
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>5 989</b>	<b>(3 641)</b>	<b>(22 603)</b>
Cash/cash equivalents at the year begin:	—	5 989	2 348
Cash/cash equivalents at the year end:	<b>5 989</b>	<b>2 348</b>	<b>(20 255)</b>

If the assumptions realise, cash flow will decrease over the MTREF.

## 2.6.4 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



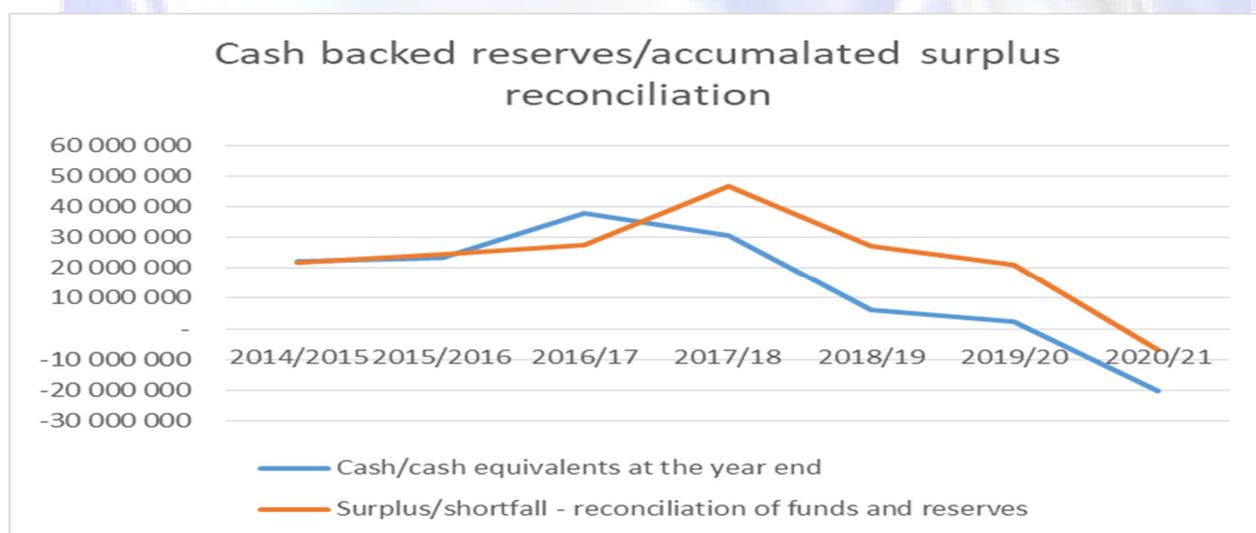
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outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>				
<b>Cash and investments available</b>				
Cash/cash equivalents at the year end	1	5 989	2 348	(20 255)
Other current investments > 90 days		25 282	25 282	25 282
Non current assets - Investments	1	-	-	-
<b>Cash and investments available:</b>		<b>31 271</b>	<b>27 630</b>	<b>5 027</b>
<b>Application of cash and investments</b>				
Unspent conditional transfers		1 905	1 905	1 905
Unspent borrowing		-	-	-
Statutory requirements	2			
Other working capital requirements	3	1 939	4 694	10 013
Other provisions				
Long term investments committed	4	-	-	-
Reserves to be backed by cash/investments	5			
<b>Total Application of cash and investments:</b>		<b>3 844</b>	<b>6 598</b>	<b>11 917</b>
<b>Surplus(shortfall)</b>		<b>27 428</b>	<b>21 032</b>	<b>(6 890)</b>

The following graph supplies an analysis of the trends relating to cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



2.6.5 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.



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## MBRR SA10 – Funding compliance measurement

Description	MFMA section	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year	Budget Year	Budget Year
		2018/19	+1 2019/20	+2 2020/21
<b>Funding measures</b>				
Cash/cash equivalents at the year end - R'000	18(1)b	5 989	2 348	(20 255)
Cash + investments at the yr end less applications - R'000	18(1)b	27 428	21 032	(6 890)
Cash year end/monthly employee/supplier payments	18(1)b	1,2	0,4	(4,6)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	71 941	788	26 543
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	43,5%	(12,1%)	(1,5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	111,0%	112,9%	97,1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	13,4%	14,6%	14,7%
Capital payments % of capital expenditure	18(1)c;19	85,3%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0,0%	0,0%	0,0%
Grants % of Gov.t. legislated/gazetted allocations	18(1)a	0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	(1,3%)	0,0%	0,0%
Long term receivables % change - incr(decr)	18(1)a	(100,0%)	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	0,7%	0,6%	0,6%
Asset renewal % of capital budget	20(1)(vi)	0,0%	0,0%	0,0%

## 2.6.5.1 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. The forecasted cash and cash equivalents for the 2017 - 2018 MTREF shows R5.9 million, R 2.3 million and a negative R 20.2 million for each respective financial year.

## 2.6.5.2 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 MBRR Table A8, on page 34. 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.

## 2.6.5.3 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. Notably, the ratio has been declining significantly for the period 2013/14 to 2018/19,



moving from 12.7 to -63.3 with the 2018/19 MTREF. This measure will have to be carefully monitored going forward.

#### 2.6.5.4 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. For the 2018 - 2019 MTREF the indicative outcome is a surplus of R .64 million for 2018 - 2019, R -9.1 million for 2019 - 2020 and R 15.1 million for 2020 - 2021.

#### 2.6.5.5 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.

#### 2.6.5.6 Cash receipts as a percentage of rate payer and other revenue

This factor is a macro measure of the rate at which funds are „collected“. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 90.02, 90.37 and 90.50 per cent for each of the respective financial years.

#### 2.6.5.7 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. The provision has been appropriated at 13.4, 14.6 and 14.7 per cent over the MTREF.

#### 2.6.5.8 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. The municipality aims to stay within strict compliance with the legislative requirement that creditors be paid within 30 days.

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

Council will not borrow for the MTREF.

#### 2.6.5.10 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 published in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

#### 2.6.5.11 Consumer debtors change (Current and Non-current)



2018 – 2019 medium term revenue and expenditure forecasts

The purpose of these measures are 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.

2.6.5.12 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. Details of the municipality's strategy pertaining to asset management and repairs and maintenance is contained in MBRR SA34C on pages 69.

2.6.5.13 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 (since MFMA Circular 28 which was issued in December 2005) 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. Further details in this regard are contained in MBRR SA34b on page 73

2.7 Expenditure on grants and reconciliations of unspent funds

MBRR SA19 - Expenditure on transfers and grant programmes

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>EXPENDITURE:</b>			
<b>Operating expenditure of Transfers and Grants</b>			
<b>National Government:</b>	<b>24 994</b>	<b>26 485</b>	<b>28 914</b>
Local Government Equitable Share	22 024	24 050	26 047
Finance Management	1 970	2 435	2 867
EPWP Incentive	1 000		
<b>Provincial Government:</b>	<b>1 112</b>	<b>1 312</b>	<b>1 312</b>
Library Development Fund	1 112	1 312	1 312
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>[insert description]</i>			
<b>Other grant providers:</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>[insert description]</i>			
<b>Total operating expenditure of Transfers and Grants</b>	<b>26 106</b>	<b>27 797</b>	<b>30 226</b>
<b>Capital expenditure of Transfers and Grants</b>			
<b>National Government:</b>	<b>65 422</b>	<b>2 435</b>	<b>8 222</b>
Municipal Infrastructure Grant (MIG)	7 972	2 435	8 222
Regional Bulk Infrastructure	46 824	–	–
	1 000	–	–
Water services infrastructure grant	9 626	–	–
<b>Provincial Government:</b>	<b>–</b>	<b>–</b>	<b>–</b>
Other capital transfers/grants <i>[insert description]</i>			
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>[insert description]</i>			
<b>Other grant providers:</b>	<b>5 875</b>	<b>–</b>	<b>–</b>
<i>Internal capital funding</i>	5 875		
<b>Total capital expenditure of Transfers and Grants</b>	<b>71 297</b>	<b>2 435</b>	<b>8 222</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>97 403</b>	<b>30 232</b>	<b>38 448</b>



## 2018 – 2019 medium term revenue and expenditure forecasts

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

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>Operating transfers and grants:</b>			
<b>National Government:</b>			
Balance unspent at beginning of the year			
Current year receipts	24 994	26 485	28 914
<b>Conditions met - transferred to revenue</b>	<b>24 994</b>	<b>26 485</b>	<b>28 914</b>
Conditions still to be met - transferred to liabilities			
<b>Provincial Government:</b>			
Balance unspent at beginning of the year			
Current year receipts	1 112	1 312	1 312
<b>Conditions met - transferred to revenue</b>	<b>1 112</b>	<b>1 312</b>	<b>1 312</b>
Conditions still to be met - transferred to liabilities			
<b>District Municipality:</b>			
Balance unspent at beginning of the year			
Current year receipts			
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities			
<b>Other grant providers:</b>			
Balance unspent at beginning of the year			
Current year receipts			
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities			
<b>Total operating transfers and grants revenue</b>	<b>26 106</b>	<b>27 797</b>	<b>30 226</b>
<b>Total operating transfers and grants - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>			
<b>National Government:</b>			
Balance unspent at beginning of the year			
Current year receipts	65 422	8 038	823
<b>Conditions met - transferred to revenue</b>	<b>65 422</b>	<b>8 038</b>	<b>823</b>
Conditions still to be met - transferred to liabilities			
<b>Provincial Government:</b>			
Balance unspent at beginning of the year			
Current year receipts			
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities			
<b>District Municipality:</b>			
Balance unspent at beginning of the year			
Current year receipts			
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities			
<b>Other grant providers:</b>			
Balance unspent at beginning of the year			
Current year receipts	5 875		
<b>Conditions met - transferred to revenue</b>	<b>5 875</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities			
<b>Total capital transfers and grants revenue</b>	<b>71 297</b>	<b>8 038</b>	<b>823</b>
<b>Total capital transfers and grants - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>97 403</b>	<b>35 835</b>	<b>31 049</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 2018 – 2019 medium term revenue and expenditure forecasts

## 2.8 Councillor and employee benefits

## MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>			
Basic Salaries and Wages	1 764	1 888	2 121
Pension and UIF Contributions			
Medical Aid Contributions			
Motor Vehicle Allowance	563	599	673
Cellphone Allowance	314	346	418
Housing Allowances			
Other benefits and allowances			
<b>Sub Total - Councillors</b>	<b>2 642</b>	<b>2 833</b>	<b>3 213</b>
<b>% increase</b>	<b>28,1%</b>	<b>7,2%</b>	<b>13,4%</b>
<b>Senior Managers of the Municipality</b>			
Basic Salaries and Wages	3 250	3 725	4 077
Pension and UIF Contributions	460	489	590
Medical Aid Contributions	151	159	161
Overtime			
Performance Bonus	203	207	203
Motor Vehicle Allowance	502	478	511
Cellphone Allowance			
Housing Allowances			
Other benefits and allowances	39	38	41
Payments in lieu of leave			
Long service awards			
Post-retirement benefit obligations			
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 605</b>	<b>5 096</b>	<b>5 583</b>
<b>% increase</b>	<b>7,6%</b>	<b>10,7%</b>	<b>9,6%</b>
<b>Other Municipal Staff</b>			
Basic Salaries and Wages	12 198	12 466	12 764
Pension and UIF Contributions	1 708	1 685	1 728
Medical Aid Contributions	493	1 319	466
Overtime	300	150	300
Performance Bonus			
Motor Vehicle Allowance	83	–	96
Cellphone Allowance			
Housing Allowances	143	–	8
Other benefits and allowances	681	604	699
Payments in lieu of leave			
Long service awards			
Post-retirement benefit obligations	791	–	957
<b>Sub Total - Other Municipal Staff</b>	<b>16 397</b>	<b>16 224</b>	<b>17 019</b>
<b>% increase</b>	<b>17,4%</b>	<b>(1,1%)</b>	<b>4,9%</b>
<b>Total Parent Municipality</b>	<b>23 644</b>	<b>24 153</b>	<b>25 815</b>
	<b>16,5%</b>	<b>2,2%</b>	<b>6,9%</b>
<b>Total Municipal Entities</b>	–	–	–
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>23 644</b>	<b>24 153</b>	<b>25 815</b>
<b>% increase</b>	<b>16,5%</b>	<b>2,2%</b>	<b>6,9%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>21 002</b>	<b>21 320</b>	<b>22 602</b>



2018 – 2019 medium term revenue and expenditure forecasts

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum	No.		1.				2.
<b>Councillors</b>	3						
Speaker	4	1	748 802				996 396
Chief Whip			169 279				248 660
Executive Mayor							-
Deputy Executive Mayor							-
Executive Committee							-
Total for all other councillors			846 397				1 243 303
<b>Total Councillors</b>	8	1	1 764 478	-			2 488 359
<b>Senior Managers of the Municipality</b>	5						
Municipal Manager (MM)		1	1 104 528	11 577	64 689		1 180 794
Chief Finance Officer		1	703 840	225 992	43 567		1 140 574
Chief Operational Manager		1	738 026	233 812	50 720		1 189 733
Head: Corporate Services		1	703 840	178 926	43 567		1 093 508
							-
<b>Total Senior Managers of the Municipality</b>	8,10	4	3 250 234	650 307	501 525	202 543	4 604 609
<b>A Heading for Each Entity</b>	6,7						
List each member of board by designation							-
<b>Total for municipal entities</b>	8,10	-	-	-	-	-	-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	5	5 014 712	650 307	1 225 406	202 543	7 092 968

MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		7	7		7	7		7	7	
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	4	3	1	4	3	1	4	4	
Other Managers	7	3	3		3	3		3	3	
Professionals		-	-	-	-	-	-	-	-	-
Technicians		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		15	15		15	15	1	15	15	3
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		9	9		15	15		15	15	
Elementary Occupations		42	42		31	31		31	31	
<b>TOTAL PERSONNEL NUMBERS</b>	9	80	79	1	75	74	2	75	75	3
<b>% increase</b>					(6,3%)	(6,3%)	100,0%	-	1,4%	50,0%
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									



2018 – 2019 medium term revenue and expenditure forecasts

2.9 Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>Revenue By Source</b>																	
Property rates		7 497												-	7 497	7 584	7 963
Service charges - electricity revenue		683	912	1 512	733	708	741	1 458	772	1 470	709	734	(45)	10 388	9 427	9 677	
Service charges - water revenue		396	453	446	425	410	430	434	448	413	411	426	(1 991)	2 700	2 954	3 568	
Service charges - sanitation revenue		263	301	296	282	272	285	288	297	274	273	282	(522)	2 591	1 480	1 322	
Service charges - refuse revenue		300	344	339	322	311	326	329	340	313	312	323	(1 419)	2 141	2 324	2 319	
Service charges - other														-	-	-	
Rental of facilities and equipment		46	2	73	2	4	6	80	65	9	7	6	76	376	395	415	
Interest earned - external investments		61	94	102	163	-	78	372	101	61	94	61	131	1 319	1 385	1 455	
Interest earned - outstanding debtors		0	0	0	0	0	0	0	0	0	0	0	1	3	4	4	
Dividends received														-	-	-	
Fines, penalties and forfeits		0	1	1	2	1	1	2	0	0	1	1	202	212	223	234	
Licences and permits		0	0	0	0	1	0	1	0	1	2	1	(2)	5	5	5	
Agency services		8	1	1	1	1	1	1	1	1	1	1	(2)	19	15	16	
Transfers and subsidies		7 920			4 730			5 695			4 730		3 031	26 106	27 797	30 226	
Other revenue		1 393	1 236	3 229	1 100	1 228	1 235	3 274	1 240	1 215	1 225	2 211	1 942	20 530	17 563	25 708	
Gains on disposal of PPE														-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>18 569</b>	<b>3 344</b>	<b>6 001</b>	<b>7 762</b>	<b>2 938</b>	<b>3 104</b>	<b>11 934</b>	<b>3 264</b>	<b>3 758</b>	<b>7 765</b>	<b>4 048</b>	<b>1 402</b>	<b>73 888</b>	<b>71 155</b>	<b>82 911</b>	
<b>Expenditure By Type</b>																	
Employee related costs														21 002	21 002	22 602	
Remuneration of councillors		209	209	209	209	209	209	289	220	220	220	220	220	220	2 642	2 833	
Debt impairment														3 401	3 401	3 642	
Depreciation & asset impairment														6 154	6 154	7 185	
Finance charges														1 118	1 118	1 154	
Bulk purchases		895	1 538	1 051	775	807	793	809	825	775	807	793	1 945	11 812	13 023	13 674	
Other materials		37	67	82	61	67	107	103	69	53	49	73	462	1 228	1 021	1 072	
Contracted services		121	120	272	202	120	253	341	227	174	160	242	115	2 346	3 023	2 975	
Transfers and subsidies		2 591			2 591			2 591			2 591		302	10 667	15 190	-	
Other expenditure		994	1 073	2 073	842	1 235	845	955	724	824	1 117	625	1 565	12 872	11 987	11 913	
Loss on disposal of PPE													2	2	2	2	
<b>Total Expenditure</b>		<b>4 845</b>	<b>3 006</b>	<b>3 686</b>	<b>4 680</b>	<b>2 437</b>	<b>2 208</b>	<b>5 088</b>	<b>2 065</b>	<b>2 045</b>	<b>4 944</b>	<b>1 954</b>	<b>36 285</b>	<b>73 244</b>	<b>80 325</b>	<b>67 791</b>	
<b>Surplus/(Deficit)</b>																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		13 724	338	2 315	3 082	501	896	6 846	1 199	1 713	2 821	2 093	(34 883)	644	(9 170)	15 120	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10 835	1 500	1 500	1 500	1 500	12 835	1 500	1 500	13 835	1 500	1 500	15 919	65 422	9 958	11 422	
Transfers and subsidies - capital (in-kind - all)		6 475											(600)	5 875	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>31 033</b>	<b>1 838</b>	<b>3 815</b>	<b>4 582</b>	<b>2 001</b>	<b>13 731</b>	<b>8 346</b>	<b>2 699</b>	<b>15 547</b>	<b>4 321</b>	<b>3 593</b>	<b>(19 564)</b>	<b>71 941</b>	<b>788</b>	<b>26 543</b>	
Taxation														-	-	-	
Attributable to minorities														-	-	-	
Share of surplus/ (deficit) of associate														-	-	-	
<b>Surplus/(Deficit)</b>	1	<b>31 033</b>	<b>1 838</b>	<b>3 815</b>	<b>4 582</b>	<b>2 001</b>	<b>13 731</b>	<b>8 346</b>	<b>2 699</b>	<b>15 547</b>	<b>4 321</b>	<b>3 593</b>	<b>(19 564)</b>	<b>71 941</b>	<b>788</b>	<b>26 543</b>	



2018 – 2019 medium term revenue and expenditure forecasts

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

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>																
Vote 1 - EXECUTIVE AND COUNCIL		802	452	642	810	1 025	1 524	758	452	654	917	802	3 365	12 205	12 088	13 521
Vote 2 - BUDGET AND TREASURY OFFICE		2 711	2 512	1 955	2 512	3 012	2 552	2 854	2 063	3 444	3 066	3 895	(6 414)	24 163	21 897	41 799
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - HEALTH		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		436	45	8	40	9	3	99	82	100	91	156	50	1 119	1 319	1 320
Vote 7 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PUBLIC SAFETY		0	0	0	0	0	0	-	-	-	-	-	0	1	1	1
Vote 9 - SPORT AND RECREATION		0	0	0	0	0	1	2	1	0	0	0	14	18	19	20
Vote 10 - ENVIRONMENTAL PROTECTION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - SOLID WASTE MANAGEMENT		553	655	753	654	754	753	956	457	557	359	361	627	7 439	8 074	5 050
Vote 12 - WASTE WATER MANAGEMENT		759	867	976	881	610	867	374	573	699	365	377	400	7 747	7 225	3 928
Vote 13 - ROAD TRANSPORT		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Vote 14 - WATER		409	891	516	645	359	575	681	691	973	915	621	877	8 154	7 917	5 867
Vote 15 - ELECTRICITY		1 095	1 094	1 090	1 094	1 092	998	901	927	939	951	975	1 885	13 041	12 612	11 402
<b>Total Revenue by Vote</b>		<b>6 765</b>	<b>6 517</b>	<b>5 940</b>	<b>6 637</b>	<b>6 862</b>	<b>7 272</b>	<b>6 626</b>	<b>5 247</b>	<b>7 367</b>	<b>6 665</b>	<b>7 188</b>	<b>804</b>	<b>73 888</b>	<b>71 155</b>	<b>82 911</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - EXECUTIVE AND COUNCIL		2 024	2 115	1 254	2 111	2 145	1 995	2 787	1 855	2 025	1 785	2 478	1 775	24 349	28 771	14 260
Vote 2 - BUDGET AND TREASURY OFFICE		1 228	1 023	996	1 012	1 228	845	1 515	1 995	1 041	845	1 645	184	13 558	13 783	13 232
Vote 3 - CORPORATE SERVICES		161	183	162	287	200	177	667	183	240	365	189	334	3 149	3 426	3 496
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - HEALTH		4	0	0	0	2	0	0	0	0	0	0	48	54	60	63
Vote 6 - COMMUNITY AND SOCIAL SERVICES		58	242	194	210	219	212	199	297	224	216	242	843	3 156	3 455	3 584
Vote 7 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PUBLIC SAFETY		6	7	5	6	3	11	7	16	4	4	1	(2)	68	74	78
Vote 9 - SPORT AND RECREATION		6	29	17	6	6	7	64	74	52	74	61	31	428	625	648
Vote 10 - ENVIRONMENTAL PROTECTION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - SOLID WASTE MANAGEMENT		292	381	337	382	329	332	350	356	376	337	330	255	4 057	3 800	3 802
Vote 12 - WASTE WATER MANAGEMENT		319	545	400	421	302	493	542	448	434	512	438	502	5 356	5 578	5 943
Vote 13 - ROAD TRANSPORT		280	350	287	447	215	310	356	318	296	265	208	262	3 616	4 453	4 673
Vote 14 - WATER		186	109	290	285	179	230	197	132	198	224	180	176	2 385	2 433	2 583
Vote 15 - ELECTRICITY		866	1 789	1 844	1 635	687	799	843	876	793	1 288	839	809	13 069	13 866	15 428
<b>Total Expenditure by Vote</b>		<b>5 432</b>	<b>6 772</b>	<b>5 786</b>	<b>6 803</b>	<b>5 516</b>	<b>5 410</b>	<b>7 527</b>	<b>6 551</b>	<b>5 684</b>	<b>5 935</b>	<b>6 612</b>	<b>5 218</b>	<b>73 244</b>	<b>80 325</b>	<b>67 791</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>1 333</b>	<b>(255)</b>	<b>155</b>	<b>(166)</b>	<b>1 346</b>	<b>1 863</b>	<b>(902)</b>	<b>(1 304)</b>	<b>1 683</b>	<b>730</b>	<b>576</b>	<b>(4 414)</b>	<b>644</b>	<b>(9 170)</b>	<b>15 120</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>1 333</b>	<b>(255)</b>	<b>155</b>	<b>(166)</b>	<b>1 346</b>	<b>1 863</b>	<b>(902)</b>	<b>(1 304)</b>	<b>1 683</b>	<b>730</b>	<b>576</b>	<b>(4 414)</b>	<b>644</b>	<b>(9 170)</b>	<b>15 120</b>



2018 – 2019 medium term revenue and expenditure forecasts

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

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		3 513	2 965	2 597	3 323	4 038	4 076	3 613	2 516	4 098	3 983	4 697	(3 049)	36 368	33 985	55 320
Executive and council		802	452	642	810	1 025	1 524	758	452	654	917	802	3 365	12 205	12 088	13 521
Finance and administration		2 711	2 512	1 955	2 512	3 012	2 552	2 854	2 063	3 444	3 066	3 895	(6 414)	24 163	21 897	41 799
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		236	45	88	131	109	64	102	83	101	91	56	34	1 138	1 339	1 341
Community and social services		236	45	88	130	109	63	99	82	100	91	56	20	1 119	1 319	1 320
Sport and recreation		0	0	0	0	0	1	2	1	0	0	0	14	18	19	20
Public safety		0	0	0	0	0	-	-	-	-	-	-	-	1	1	1
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Planning and dev elopment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 815	3 506	3 336	3 273	2 816	3 193	2 912	2 648	3 168	2 591	2 334	3 788	36 380	35 829	26 248
Energy sources		1 095	1 094	1 090	1 094	1 092	998	901	927	939	951	975	1 885	13 041	12 612	11 402
Water management		409	891	516	645	359	575	681	691	973	915	621	877	8 154	7 917	5 867
Waste water management		759	867	976	881	610	867	374	573	699	365	377	400	7 747	7 225	3 928
Waste management		553	655	753	654	754	753	966	457	557	359	361	627	7 439	8 074	5 050
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		<b>6 565</b>	<b>6 517</b>	<b>6 020</b>	<b>6 727</b>	<b>6 962</b>	<b>7 332</b>	<b>6 626</b>	<b>5 247</b>	<b>7 367</b>	<b>6 665</b>	<b>7 088</b>	<b>774</b>	<b>73 888</b>	<b>71 155</b>	<b>82 911</b>
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		3 252	3 137	2 250	3 124	3 374	2 840	4 302	3 850	3 067	2 630	4 123	5 291	41 240	46 108	30 988
Executive and council		2 024	2 115	1 254	2 111	2 145	1 995	2 787	1 855	2 025	1 785	2 478	1 775	24 349	28 771	14 260
Finance and administration		1 228	1 023	996	1 012	1 228	845	1 515	1 995	1 041	845	1 645	3 517	16 891	17 337	16 728
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		105	395	311	331	335	310	372	384	265	294	244	359	3 706	4 214	4 373
Community and social services		68	342	294	310	319	212	299	297	224	216	242	333	3 156	3 455	3 584
Sport and recreation		26	39	7	5	3	87	64	74	32	74	1	15	428	625	648
Public safety		6	7	5	6	3	10	6	11	4	4	1	5	68	74	78
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		4	8	5	9	10	2	3	2	5	-	-	6	54	60	63
<i>Economic and environmental services</i>		380	350	287	447	215	210	256	218	196	585	308	162	3 616	4 453	4 673
Planning and dev elopment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		380	350	287	447	215	210	256	218	196	585	308	162	3 616	4 453	4 673
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 663	2 824	2 871	2 723	1 497	1 854	1 932	1 813	1 801	2 360	1 787	1 558	24 683	25 550	27 756
Energy sources		866	1 789	1 844	1 635	687	799	843	876	793	1 288	839	809	13 069	13 866	15 428
Water management		186	109	290	285	179	230	197	132	198	224	180	176	2 385	2 433	2 583
Waste water management		319	545	400	421	302	493	542	448	434	512	438	318	5 172	5 451	5 943
Waste management		292	381	337	382	329	332	350	356	376	337	330	255	4 057	3 800	3 802
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>		<b>5 400</b>	<b>6 706</b>	<b>5 718</b>	<b>6 625</b>	<b>5 421</b>	<b>5 214</b>	<b>6 863</b>	<b>6 265</b>	<b>5 329</b>	<b>5 869</b>	<b>6 463</b>	<b>7 371</b>	<b>73 244</b>	<b>80 325</b>	<b>67 791</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>1 165</b>	<b>(189)</b>	<b>302</b>	<b>102</b>	<b>1 541</b>	<b>2 118</b>	<b>(237)</b>	<b>(1 019)</b>	<b>2 038</b>	<b>795</b>	<b>625</b>	<b>(6 597)</b>	<b>644</b>	<b>(9 170)</b>	<b>15 120</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>1 165</b>	<b>(189)</b>	<b>302</b>	<b>102</b>	<b>1 541</b>	<b>2 118</b>	<b>(237)</b>	<b>(1 019)</b>	<b>2 038</b>	<b>795</b>	<b>625</b>	<b>(6 597)</b>	<b>644</b>	<b>(9 170)</b>	<b>15 120</b>



2018 – 2019 medium term revenue and expenditure forecasts

MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - EXECUTIVE AND COUNCIL														-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE														-	-	-
Vote 3 - CORPORATE SERVICES														-	-	-
Vote 4 - PLANNING AND DEVELOPMENT														-	-	-
Vote 5 - HEALTH														-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES														-	-	-
Vote 7 - HOUSING														-	-	-
Vote 8 - PUBLIC SAFETY														-	-	-
Vote 9 - SPORT AND RECREATION														-	-	-
Vote 10 - ENVIRONMENTAL PROTECTION														-	-	-
Vote 11 - SOLID WASTE MANAGEMENT														-	-	-
Vote 12 - WASTE WATER MANAGEMENT														-	-	-
Vote 13 - ROAD TRANSPORT														-	-	-
Vote 14 - WATER												46 824	46 824	-	-	
Vote 15 - ELECTRICITY													-	-	-	
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	46 824	46 824	-	
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - EXECUTIVE AND COUNCIL			2 012		1 993				2 145		1 821		0	7 972	8 038	
Vote 2 - BUDGET AND TREASURY OFFICE			6 475										(600)	5 875	-	
Vote 3 - CORPORATE SERVICES													-	-	-	
Vote 4 - PLANNING AND DEVELOPMENT													-	-	-	
Vote 5 - HEALTH													-	-	-	
Vote 6 - COMMUNITY AND SOCIAL SERVICES													-	-	-	
Vote 7 - HOUSING													-	-	-	
Vote 8 - PUBLIC SAFETY													-	-	-	
Vote 9 - SPORT AND RECREATION													-	-	-	
Vote 10 - ENVIRONMENTAL PROTECTION													-	-	-	
Vote 11 - SOLID WASTE MANAGEMENT													-	-	-	
Vote 12 - WASTE WATER MANAGEMENT													-	-	-	
Vote 13 - ROAD TRANSPORT													-	-	-	
Vote 14 - WATER		4 704	5 604	4 704	4 704	4 704	8 704	3 704	2 704	4 704	4 704	4 704	(44 018)	9 626	-	
Vote 15 - ELECTRICITY				1 000									-	1 000	1 920	
<b>Capital single-year expenditure sub-total</b>	2	4 704	14 091	5 704	6 697	4 704	8 704	3 704	4 849	4 704	6 525	4 704	(44 618)	24 473	9 958	
<b>Total Capital Expenditure</b>	2	4 704	14 091	5 704	6 697	4 704	8 704	3 704	4 849	4 704	6 525	4 704	2 206	71 297	9 958	



2018 – 2019 medium term revenue and expenditure forecasts

MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital Expenditure - Functional</b>	1															
<i>Governance and administration</i>		-	8 487	-	1 993	-	-	-	2 145	-	1 821	-	(600)	13 847	8 038	8 222
Executive and council			2 012		1 993				2 145		1 821		0	7 972	8 038	8 222
Finance and administration			6 475										(600)	5 875	0	0
Internal audit													-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services													-	-	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development													-	-	-	-
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		4 704	5 604	5 704	4 704	4 704	8 704	3 704	2 704	4 704	4 704	4 704	2 806	57 450	1 920	3 200
Energy sources				1 000									-	1 000	1 920	3 200
Water management		4 704	5 604	4 704	4 704	4 704	8 704	3 704	2 704	4 704	4 704	4 704	2 806	56 450	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	4 704	14 091	5 704	6 697	4 704	8 704	3 704	4 849	4 704	6 525	4 704	2 206	71 297	9 958	11 422
<b>Funded by:</b>																
National Government		16 355					17 355			19 355			12 357	65 422	9 958	11 422
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
<b>Transfers recognised - capital</b>		16 355	-	-	-	-	17 355	-	-	19 355	-	-	12 357	65 422	9 958	11 422
<b>Public contributions &amp; donations</b>													-	-	-	-
<b>Borrowing</b>													-	-	-	-
<b>Internally generated funds</b>		6 475											(600)	5 875	-	-
<b>Total Capital Funding</b>		22 830	-	-	-	-	17 355	-	-	19 355	-	-	11 757	71 297	9 958	11 422



2018 – 2019 medium term revenue and expenditure forecasts

MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20
<b>Cash Receipts By Source</b>													1		
Property rates	437	1 063	2 417	621	547	304	239	221	148	126	130	(780)	5 473	5 536	5 536
Service charges - electricity revenue	1 225	1 062	1 226	2 970	1 296	1 094	1 574	2 052	2 258	2 003	1 673	(7 419)	11 013	10 315	10 831
Service charges - water revenue	120	90	136	-	153	123	837	279	321	404	475	2 279	5 217	5 308	5 574
Service charges - sanitation revenue	218	164	247	-	277	223	259	233	209	654	402	1 567	4 454	3 554	3 732
Service charges - refuse revenue	287	217	326	-	366	295	354	298	296	558	416	782	4 196	4 513	4 739
Service charges - other												-	-	-	-
Rental of facilities and equipment	20	114	40	26	21	28	33	6	4	25	15	(58)	275	289	303
Interest earned - external investments	11	74	69	66	64	294	137	82	76	132	86	94	1 187	1 385	1 455
Interest earned - outstanding debtors	0	0	0	0	0	0	0	0	0	0	0	1	3	4	4
Dividends received												-	-	-	-
Fines, penalties and forfeits	0	1	1	1	0	1	0	2	2	0	1	161	170	178	187
Licences and permits	1	1	1	0	0	0	0	1	1	1	0	(1)	5	5	5
Agency services	23	4	9	6	8	7	5	48	3	(1)	2	(96)	19	15	16
Transfer receipts - operational	7 920			4 730			5 695			4 730		457	23 532	25 631	-
Other revenue	137	166	50	126	109	89	108	82	208	11	241	19 422	20 750	17 691	18 820
<b>Cash Receipts by Source</b>	<b>10 399</b>	<b>2 958</b>	<b>4 521</b>	<b>8 546</b>	<b>2 842</b>	<b>2 460</b>	<b>9 243</b>	<b>3 304</b>	<b>3 527</b>	<b>8 644</b>	<b>3 442</b>	<b>16 409</b>	<b>76 294</b>	<b>74 425</b>	<b>51 201</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	20 265			20 265			20 265					18	60 814	8 038	823
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)												-	-	-	-
Proceeds on disposal of PPE												-	-	-	-
Short term loans												-	-	-	-
Borrowing long term/refinancing												-	-	-	-
Increase (decrease) in consumer deposits	3	1	4	3	1	2	0	1	1	0	1	(9)	10	10	10
Decrease (increase) in non-current debtors	1	2	1	1	1	1	1	1	1	1	1	(1)	8	8	8
Decrease (increase) other non-current receivables												-	-	-	-
Decrease (increase) in non-current investments												-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>30 668</b>	<b>2 961</b>	<b>4 526</b>	<b>28 816</b>	<b>2 844</b>	<b>2 463</b>	<b>29 510</b>	<b>3 306</b>	<b>3 529</b>	<b>8 645</b>	<b>3 443</b>	<b>16 417</b>	<b>137 127</b>	<b>82 481</b>	<b>52 042</b>
<b>Cash Payments by Type</b>															
Employee related costs	1 296	1 256	1 339	1 640	1 398	1 815	1 497	1 510	1 595	1 165	1 440	5 050	21 002	21 320	22 602
Remuneration of councillors	215	229	233	229	229	233	231	226	320	234	238	24	2 642	2 833	3 213
Finance charges	-	-	-	-	-	-	-	-	-	-	-	1 118	1 118	1 274	1 154
Bulk purchases - Electricity	826	1 347	1 008	810	856	874	658	926	764	743	795	2 207	11 812	13 023	13 674
Bulk purchases - Water & Sewer												-	-	-	-
Other materials	12	94	58	96	224	173	53	40	36	26	20	395	1 288	1 021	1 072
Contracted services	32	256	159	262	612	350	143	110	99	70	55	200	2 346	3 023	2 975
Transfers and grants - other municipalities												-	-	-	-
Transfers and grants - other	2 667	9	12	2 667			2 667		2 667			(21)	10 667	15 190	-
Other expenditure	2 304	1 316	1 505	1 743	1 193	1 285	183	1 155	1 401	1 112	1 163	5 088	19 448	18 480	18 533
<b>Cash Payments by Type</b>	<b>7 351</b>	<b>4 506</b>	<b>4 314</b>	<b>7 446</b>	<b>4 511</b>	<b>4 730</b>	<b>5 432</b>	<b>3 967</b>	<b>4 216</b>	<b>6 017</b>	<b>3 712</b>	<b>14 060</b>	<b>70 323</b>	<b>76 163</b>	<b>63 222</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	5 068	5 068	5 068	5 068	5 068	5 068	5 068	5 068	5 068	5 068	5 068	5 068	60 814	9 958	11 422
Repayment of borrowing												-	-	-	-
Other Cash Flows/Payments												-	-	-	-
<b>Total Cash Payments by Type</b>	<b>12 419</b>	<b>9 574</b>	<b>9 382</b>	<b>12 514</b>	<b>9 579</b>	<b>9 798</b>	<b>10 500</b>	<b>9 035</b>	<b>9 284</b>	<b>11 085</b>	<b>8 780</b>	<b>19 128</b>	<b>131 137</b>	<b>86 122</b>	<b>74 645</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>18 249</b>	<b>(6 613)</b>	<b>(4 856)</b>	<b>16 302</b>	<b>(6 735)</b>	<b>(7 336)</b>	<b>19 010</b>	<b>(5 730)</b>	<b>(5 755)</b>	<b>(2 440)</b>	<b>(5 336)</b>	<b>(2 712)</b>	<b>5 989</b>	<b>(3 641)</b>	<b>(22 603)</b>
Cash/cash equivalents at the monthly year begin:	18 249	11 636	6 780	23 081	16 347	9 011	28 021	22 292	16 537	14 097	8 761	-	5 989	2 348	2 348
Cash/cash equivalents at the monthly year end:	18 249	11 636	6 780	23 081	16 347	9 011	28 021	22 292	16 537	14 097	8 761	6 049	5 989	2 348	(20 255)



2018 – 2019 medium term revenue and expenditure forecasts

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).

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, the repair and maintenance of assets, and finally on depreciation.

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		2 722	5 343	10 349	-	-	-	67 622	9 958	11 422
Roads Infrastructure		-	1 458	3 704	-	-	-	10 172	8 038	8 222
Roads			1 458	3 704				10 172	8 038	8 222
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	409	886	-	-	-	1 000	1 920	3 200
Power Plants			409	886				1 000	1 920	3 200
Water Supply Infrastructure		2 707	3 296	2 946	-	-	-	56 450	-	-
Dams and Weirs		2 707	3 296	2 946						
Boreholes								4 626		
Bulk Mains								46 824		
Distribution								5 000		
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		16	78	2 132	-	-	-	-	-	-
Pump Station										
Reticulation		16	78	2 132						
Information and Communication Infrastructure		-	102	681	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers			102	681						
Capital Spares										
<b>Community Assets</b>		47	3 957	1 297	-	-	-	0	0	0
Community Facilities		47	3 957	1 297	-	-	-	0	0	0
Halls		47	3 957	1 297						
<b>Other assets</b>		37	2 065	-	-	-	-	-	-	-
Operational Buildings		37	2 065	-	-	-	-	-	-	-
Municipal Offices		37	2 065	-						
<b>Intangible Assets</b>		-	6	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	6	-	-	-	-	-	-	-
Unspecified			6							
<b>Computer Equipment</b>		-	-	-	-	-	-	1 720	-	-
Computer Equipment								1 720	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	155	-	-
Furniture and Office Equipment								155	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<b>Transport Assets</b>		-	-	-	-	-	-	1 800	-	-
Transport Assets								1 800	-	-
<b>Libraries</b>		-	-	-	-	-	-	-	-	-
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on new assets</b>	1	2 806	11 371	11 646	-	-	-	71 297	9 958	11 422



2018 – 2019 medium term revenue and expenditure forecasts

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		5 047	1 489	-	-	-	-	-	-	-
Roads Infrastructure		5 047	1 444	-	-	-	-	-	-	-
Roads		5 047	1 444	-	-	-	-	-	-	-
Water Supply Infrastructure		-	37	-	-	-	-	-	-	-
Dams and Weirs		-	37	-	-	-	-	-	-	-
Sanitation Infrastructure		-	9	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	9	-	-	-	-	-	-	-
<b>Community Assets</b>		2 235	3 809	-	-	-	-	-	-	-
Community Facilities		2 235	3 809	-	-	-	-	-	-	-
Halls		2 235	3 809	-	-	-	-	-	-	-
<b>Other assets</b>		-	311	-	-	-	-	-	-	-
Operational Buildings		-	311	-	-	-	-	-	-	-
Municipal Offices		-	311	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing</b>	<b>1</b>	<b>7 282</b>	<b>5 610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Renewal of Existing Assets as % of total capex</b>		0,0%	33,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Renewal of Existing Assets as % of deprecn"</b>		239,3%	129,8%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 315	988	-	-	-	-	1 228	1 021	1 072
Roads Infrastructure		46	15	-	-	-	-	1 228	1 021	1 072
Roads		46	15	-	-	-	-	1 228	1 021	1 072
Electrical Infrastructure		396	409	-	-	-	-	-	-	-
Power Plants		396	409	-	-	-	-	-	-	-
Water Supply Infrastructure		817	394	-	-	-	-	-	-	-
Dams and Weirs		817	394	-	-	-	-	-	-	-
Sanitation Infrastructure		46	69	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		46	69	-	-	-	-	-	-	-
Information and Communication Infrastructure		10	102	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		10	102	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		61	34	-	-	-	-	-	-	-
Community Facilities		61	34	-	-	-	-	-	-	-
Halls		61	34	-	-	-	-	-	-	-
<b>Other assets</b>		1 111	1 009	-	-	-	-	-	-	-
Operational Buildings		1 111	1 009	-	-	-	-	-	-	-
Municipal Offices		1 111	1 009	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>2 487</b>	<b>2 030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 228</b>	<b>1 021</b>	<b>1 072</b>
<b>R&amp;M as a % of PPE</b>		2,3%	1,9%	0,0%	0,0%	0,0%	0,0%	0,0%	0,6%	0,6%
<b>R&amp;M as % Operating Expenditure</b>		5,0%	3,8%	0,0%	0,0%	0,0%	0,0%	0,0%	1,4%	1,3%

MBRR SA34d - Depreciation by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		3 044	4 323	3 416	-	-	-	6 154	7 185	7 544
Roads Infrastructure		3 044	4 323	3 416	-	-	-	6 154	7 185	7 544
Roads		3 044	4 323	3 416	-	-	-	6 154	7 185	7 544
<b>Total Depreciation</b>	<b>1</b>	<b>3 044</b>	<b>4 323</b>	<b>3 416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 154</b>	<b>7 185</b>	<b>7 544</b>



2018 – 2019 medium term revenue and expenditure forecasts

MBRR SA35 - Future financial implications of the capital budget

Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
<b>Capital expenditure</b>	1							
Vote 1 - EXECUTIVE AND COUNCIL		7 972	8 038	8 222	-	-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE		5 875	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-
Vote 5 - HEALTH		-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-
Vote 7 - HOUSING		-	-	-	-	-	-	-
Vote 8 - PUBLIC SAFETY		-	-	-	-	-	-	-
Vote 9 - SPORT AND RECREATION		-	-	-	-	-	-	-
Vote 10 - ENVIRONMENTAL PROTECTION		-	-	-	-	-	-	-
Vote 11 - SOLID WASTE MANAGEMENT		-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-
Vote 13 - ROAD TRANSPORT		-	-	-	-	-	-	-
Vote 14 - WATER		56 450	-	-	-	-	-	-
Vote 15 - ELECTRICITY		1 000	1 920	3 200	-	-	-	-
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>71 297</b>	<b>9 958</b>	<b>11 422</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>71 297</b>	<b>9 958</b>	<b>11 422</b>	-	-	-	-

MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
<b>Parent municipality:</b>																
<i>List all capital projects grouped by Municipal Vote</i>																
Road Transport		Upgrade of street-Bonteheuwel			Yes	Roads Infrastructure	Roads	30° 57. 156S - 22° 07. 165E	4 372	-	-	4 372	8 038	8 222	2	New
Road Transport		Upgrade of streets -Vanwyksvlei			Yes	Roads Infrastructure	Roads	30° 20. 424S - 21° 49. 158E	3 600	-	-	3 600	-	-	4	New
Road Transport		Upgrade of streets -Carnarvon			Yes	Roads Infrastructure	Roads	30° 96. 622S - 22° 12. 592E	2 200	27	-	2 200	-	-	1	New
Electricity		National electricity programme-Bonteheuwel			Yes	Electrical Infrastructure	HV Transmission Conductors	30° 96. 622S - 22° 12. 592E	1 000	1 000	-	1 000	1 920	3 200	1	New
Water		Upgrade of water network-Vosburg			Yes	Water Supply Infrastructure	Distribution	30° 57. 495S - 22° 08. 017E	5 000	-	-	5 000	-	-	3	New
Water		Water pipe line to Van Wyksvlei			Yes	Water Supply Infrastructure	Bulk Mains	30° 20. 424S - 21° 49. 158E	46 824	2 946	-	46 824	-	-	4	New
Water		Boreholes development-Carnarvon			Yes	Water Supply Infrastructure	Boreholes	30° 57. 156S - 22° 07. 165E	4 626	-	-	4 626	-	-	1&2	New
								30° 96. 622S - 22° 12. 592E								
Budget and Treasury		Procure yellow fleet vehicles			Yes	Transport Assets	Unspecified	30° 96. 622S - 22° 12. 592E	1 800	-	-	1 800	-	-	12&3&4	New
Budget and Treasury		Procure computer equipment and programmes			Yes	Computer Equipment	Computer Software and Applications	30° 96. 622S - 22° 12. 592E	1 720	-	-	1 720	-	-	12&3&4	New
Budget and Treasury		Purchase office equipment			Yes	Furniture and Office Equipment	Unspecified	30° 96. 622S - 22° 12. 592E	155	-	-	155	-	-	12&3&4	New
<b>Parent Capital expenditure</b>																
<b>1</b>																
<b>71 297</b>																
<b>9 958</b>																
<b>11 422</b>																
<b>Entities:</b>																
<i>List all capital projects grouped by Entity</i>																
<b>Entity A</b>																
Water project A																
<b>Entity B</b>																
Electricity project B																
<b>Entity Capital expenditure</b>																
<b>Total Capital expenditure</b>																
										3 972	-	71 297	9 958	11 422		

MBRR SA37 - Projects delayed from previous financial year

The municipality has no projects that will be delayed from the previous year.



## 2018 – 2019 medium term revenue and expenditure forecasts

## 2.12 Annual budgets and SDBIP's - internal departments

Table 16 Executive and Council - operating revenue by source, expenditure by type and total capital expenditure

Description		Executive and Council
R Thousand		R'000
<b>Revenue by source</b>		
Interest earned - external investments		1 319
Interest earned - outstanding debtors		3
Other revenue		7 731
Transfers and subsidies		3 151
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>12 205</b>
<b>Expenditure by type</b>		
Employee related costs		2 780
Remuneration of Councillors		2 642
Debt impairment		3 401
Contracted Services		458
Transfers and subsidies		10 667
Other expenditure		4 110
Loss on disposal of PPE		2
<b>Total Expenditure</b>		<b>24 060</b>
Surplus/(Deficit)		(11 855)
Transfers and subsidies - capital (monetary allocations)(National and Departments)		7 972
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(3 883)</b>

Table 17 Budget and treasury - operating revenue by source, expenditure by type and total capital expenditure

Description		Budget and Treasury
R Thousand		R'000
<b>Revenue by source</b>		
Property rates		7 497
Rental of facilities and equipment		362
Fines, penalties and forfeits		212
Licenses and permits		5
Agency services		19
Other revenue		13 886
Transfers and subsidies		10 357
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>32 338</b>
<b>Expenditure by type</b>		
Employee related costs		5 774
Depreciation & asset impairment		2 718
Finance charges		959
other materials		671
Contracted Services		50
Other expenditure		2 974
Loss on disposal of PPE		
<b>Total Expenditure</b>		<b>13 145</b>
Surplus/(Deficit)		19 193
Transfers and subsidies - capital (in-kind - all)		5 875
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>25 068</b>



## 2018 – 2019 medium term revenue and expenditure forecasts

Table 18 Corporate services - operating revenue by source, expenditure by type and total capital expenditure

Description	Corporate Services R'000
<b>R Thousand</b>	
<b>Revenue by source</b>	
<b>Total Revenue (excluding capital transfers and contributions)</b>	–
<b>Expenditure by type</b>	
Employee related costs	2 566
Other expenditure	381
Loss on disposal of PPE	
<b>Total Expenditure</b>	<b>2 947</b>
Surplus/(Deficit)	(2 947)
Transfers and subsidies - capital (in-kind - all)	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(2 947)</b>

Table 19 Health - operating revenue by source, expenditure by type and total capital expenditure

Description	Health R'000
<b>R Thousand</b>	
<b>Revenue by source</b>	
<b>Total Revenue (excluding capital transfers and contributions)</b>	–
<b>Expenditure by type</b>	
Other materials	3
Contracted services	596
Other expenditure	65
Loss on disposal of PPE	
<b>Total Expenditure</b>	<b>664</b>
Surplus/(Deficit)	(664)
Transfers and subsidies - capital (in-kind - all)	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(664)</b>

Table 20 Community services - operating revenue by source, expenditure by type and total capital expenditure

Description	Community & Social Services R'000
<b>R Thousand</b>	
<b>Revenue by source</b>	
Rental of facilities and equipment	1
Other revenue	255
Transfers and subsidies	1 112
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 368</b>
<b>Expenditure by type</b>	
Employee related costs	1 925
other materials	10
Other expenditure	700
Loss on disposal of PPE	
<b>Total Expenditure</b>	<b>2 634</b>
Surplus/(Deficit)	(1 266)
Transfers and subsidies - capital (in-kind - all)	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1 266)</b>



## 2018 – 2019 medium term revenue and expenditure forecasts

Table 21 Housing - operating revenue by source, expenditure by type and total capital expenditure

Description	Housing R'000
<b>R Thousand</b>	
<b>Revenue by source</b>	
<b>Total Revenue (excluding capital transfers and contributions)</b>	–
<b>Expenditure by type</b>	
Contracted services	2
<b>Total Expenditure</b>	<b>2</b>
Surplus/(Deficit)	(2)
Transfers and subsidies - capital (in-kind - all)	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(2)</b>

Table 22 Public safety - operating revenue by source, expenditure by type and total capital expenditure

Description	Public safety R'000
<b>R Thousand</b>	
<b>Revenue by source</b>	
Other revenue	1
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1</b>
<b>Expenditure by type</b>	
other materials	5
Contracted services	3
Other expenditure	76
Loss on disposal of PPE	
<b>Total Expenditure</b>	<b>84</b>
Surplus/(Deficit)	(83)
Transfers and subsidies - capital (in-kind - all)	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(83)</b>

Table 23 Sport and recreation - operating revenue by source, expenditure by type and total capital expenditure

Description	Sport and Recreation R'000
<b>R Thousand</b>	
<b>Revenue by source</b>	
Rental of facilities and equipment	12
Other revenue	6
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>18</b>
<b>Expenditure by type</b>	
Employee related costs	200
other materials	43
Other expenditure	253
Loss on disposal of PPE	
<b>Total Expenditure</b>	<b>496</b>
Surplus/(Deficit)	(477)
Transfers and subsidies - capital (in-kind - all)	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(477)</b>



## 2018 – 2019 medium term revenue and expenditure forecasts

Table 24 Environmental protection - operating revenue by source, expenditure by type and total capital expenditure

Description		Environmental protection R'000
<b>R Thousand</b>		
<b>Revenue by source</b>		
<b>Total Revenue (excluding capital transfers and contributions)</b>		–
<b>Expenditure by type</b>		
Contracted services		9
<b>Total Expenditure</b>		<b>9</b>
Surplus/(Deficit)		(9)
Transfers and subsidies - capital (in-kind - all)		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(9)</b>

Table 25 Solid waste management - operating revenue by source, expenditure by type and total capital expenditure

Description		Solid Waste Management R'000
<b>R Thousand</b>		
<b>Revenue by source</b>		
Service charges - refuse revenue		4 417
Transfers and subsidies		2 968
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>7 385</b>
<b>Expenditure by type</b>		
Employee related costs		2 994
Finance charges		159
Contracted services		881
Other expenditure		1 112
Loss on disposal of PPE		
<b>Total Expenditure</b>		<b>5 147</b>
Surplus/(Deficit)		2 239
Transfers and subsidies - capital (in-kind - all)		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>2 239</b>

Table 26 Waste water management - operating revenue by source, expenditure by type and total capital expenditure

Description		Waste Water Management R'000
<b>R Thousand</b>		
<b>Revenue by source</b>		
Service charges - sanitation revenue		4 688
Transfers and subsidies		3 059
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>7 747</b>
<b>Expenditure by type</b>		
Employee related costs		1 711
Depreciation & asset impairment		1 718
Other materials		205
Contracted services		114
Other expenditure		1 009
Loss on disposal of PPE		
<b>Total Expenditure</b>		<b>4 757</b>
Surplus/(Deficit)		2 990
Transfers and subsidies - capital (in-kind - all)		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>2 990</b>



## 2018 – 2019 medium term revenue and expenditure forecasts

Table 27 Road transport - operating revenue by source, expenditure by type and total capital expenditure

Description	Road Transport R'000
<b>R Thousand</b>	
<b>Revenue by source</b>	
Rental of facilities and equipment	2
Other revenue	1
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2</b>
<b>Expenditure by type</b>	
Employee related costs	1 283
Depreciation & asset impairment	1 718
Other materials	54
Contracted services	95
Other expenditure	604
Loss on disposal of PPE	
<b>Total Expenditure</b>	<b>3 754</b>
Surplus/(Deficit)	(3 752)
Transfers and subsidies - capital (in-kind - all)	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(3 752)</b>

Table 28 Water - operating revenue by source, expenditure by type and total capital expenditure

Description	Water R'000
<b>R Thousand</b>	
<b>Revenue by source</b>	
Service charges - water revenue	5 492
Transfers and subsidies	2 661
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>8 154</b>
<b>Expenditure by type</b>	
Employee related costs	915
Other materials	230
Contracted services	138
Other expenditure	1 193
Loss on disposal of PPE	
<b>Total Expenditure</b>	<b>2 477</b>
Surplus/(Deficit)	5 677
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	56 450
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>62 127</b>

Table 29 Electricity - operating revenue by source, expenditure by type and total capital expenditure

Description	Electricity R'000
<b>R Thousand</b>	
<b>Revenue by source</b>	
Service charges - electricity revenue	11 593
Other revenue	1
Transfers and subsidies	1 447
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>13 041</b>
<b>Expenditure by type</b>	
Employee related costs	855
Bulk purchases	11 812
Other materials	8
Other expenditure	394
Loss on disposal of PPE	
<b>Total Expenditure</b>	<b>13 069</b>
Surplus/(Deficit)	(28)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 000
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>972</b>



### 2.13 Legislation compliance status

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

#### 1. In-year reporting

Reporting to National Treasury in electronic format was not fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) was also not complied with and does not include monthly published financial performance on the municipality's website.

#### 2. Internship programme

The municipality had one intern for the past year.

#### 3. Budget and Treasury Office

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

#### 4. Audit Committee

An Audit Committee has been established and is fully functional, and one meeting were held.

#### 5. Service Delivery and Implementation Plan

The detailed SDBIP document, directly aligned and informed by the 2018 - 2019 MTREF, has been tabled and is ready for approval by the Mayor.

#### 6. Annual Report

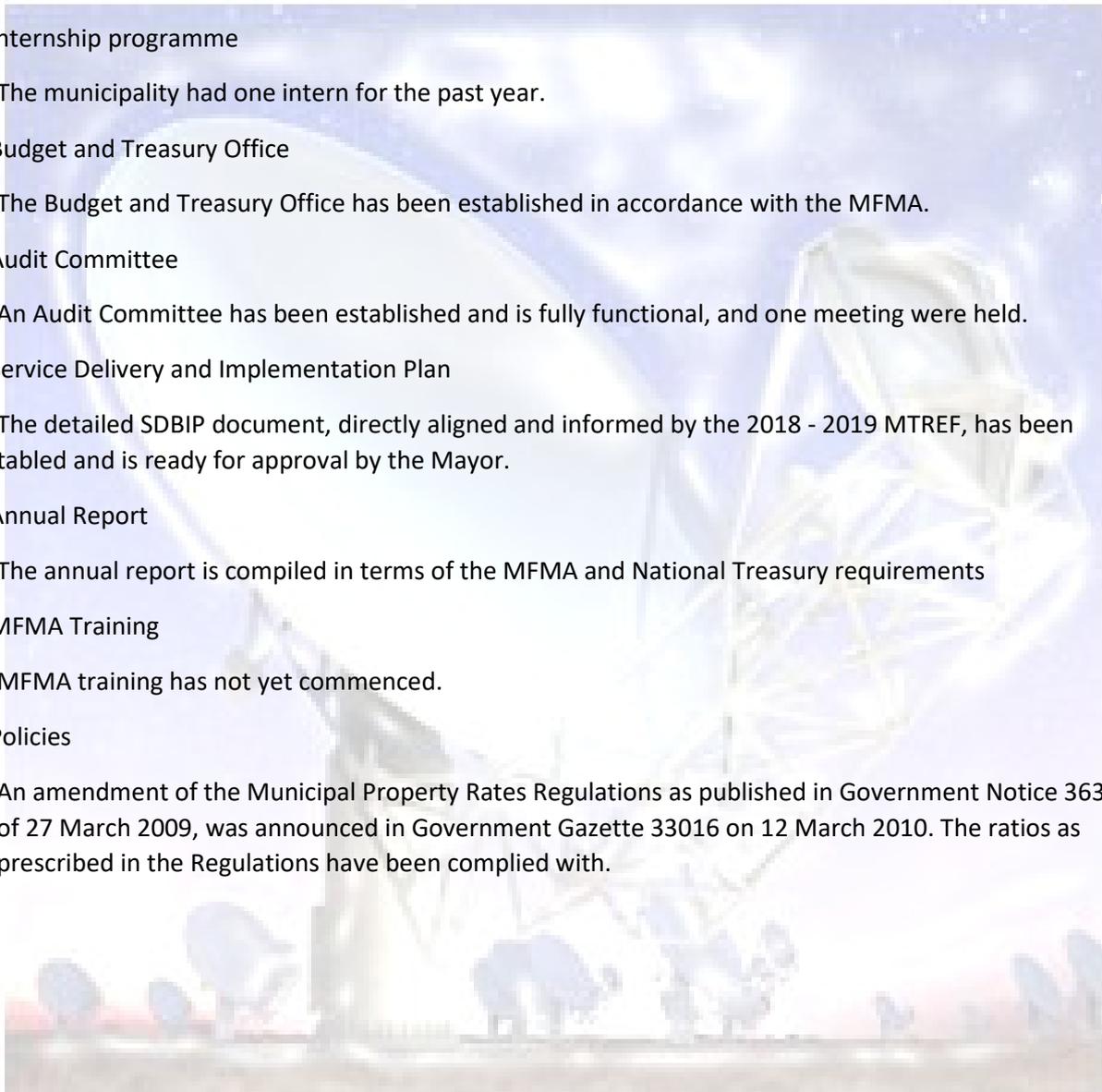
The annual report is compiled in terms of the MFMA and National Treasury requirements

#### 7. MFMA Training

MFMA training has not yet commenced.

#### 8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.



## 2018 – 2019 medium term revenue and expenditure forecasts

## 2.14 Other supporting documents

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

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>REVENUE ITEMS:</b>			
<b>Property rates</b>			
Total Property Rates	7 497	7 584	7 963
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>			
<b>Net Property Rates</b>	7 497	7 584	7 963
<b>Service charges - electricity revenue</b>			
Total Service charges - electricity revenue	11 593	10 858	11 401
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>			
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	1 204	1 431	1 724
<b>Net Service charges - electricity revenue</b>	10 388	9 427	9 677
<b>Service charges - water revenue</b>			
Total Service charges - water revenue	5 492	5 588	5 867
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>			
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	2 792	2 634	2 299
<b>Net Service charges - water revenue</b>	2 700	2 954	3 568
<b>Service charges - sanitation revenue</b>			
Total Service charges - sanitation revenue	4 688	3 741	3 928
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>			
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	2 097	2 261	2 606
<b>Net Service charges - sanitation revenue</b>	2 591	1 480	1 322
<b>Service charges - refuse revenue</b>			
Total refuse removal revenue	4 417	4 751	4 988
Total landfill revenue			
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>			
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	2 277	2 427	2 670
<b>Net Service charges - refuse revenue</b>	2 141	2 324	2 319
<b>Other Revenue by source</b>			
Surplus funding	10 474	12 034	12 636
Other Revenue	10 056	5 528	13 072
<b>Total 'Other' Revenue</b>	20 530	17 563	25 708



## 2018 – 2019 medium term revenue and expenditure forecasts

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

<b>EXPENDITURE ITEMS:</b>			
<b>Employee related costs</b>			
Basic Salaries and Wages	15 448	16 190	16 841
Pension and UIF Contributions	2 168	2 175	2 318
Medical Aid Contributions	644	1 478	627
Overtime	300	150	300
Performance Bonus	203	207	203
Motor Vehicle Allowance	585	478	607
Cellphone Allowance	–	–	–
Housing Allowances	143	–	8
Other benefits and allowances	720	642	740
Payments in lieu of leave	–	–	–
Long service awards	–	–	–
Post-retirement benefit obligations	791	–	957
<b>sub-total</b>	<b>21 002</b>	<b>21 320</b>	<b>22 602</b>
<b>Less: Employees costs capitalised to PPE</b>			
<b>Total Employee related costs</b>	<b>21 002</b>	<b>21 320</b>	<b>22 602</b>
<b>Contributions recognised - capital</b>			
<i>List contributions by contract</i>			
<b>Total Contributions recognised - capital</b>	–	–	–
<b>Depreciation &amp; asset impairment</b>			
Depreciation of Property, Plant & Equipment	6 154	7 185	7 544
Lease amortisation	–	–	–
Capital asset impairment	–	–	–
Depreciation resulting from revaluation of PPE	–	–	–
<b>Total Depreciation &amp; asset impairment</b>	<b>6 154</b>	<b>7 185</b>	<b>7 544</b>
<b>Bulk purchases</b>			
Electricity Bulk Purchases	11 812	13 023	13 674
Water Bulk Purchases	–	–	–
<b>Total bulk purchases</b>	<b>11 812</b>	<b>13 023</b>	<b>13 674</b>
<b>Transfers and grants</b>			
Cash transfers and grants	10 667	15 190	–
Non-cash transfers and grants	–	–	–
<b>Total transfers and grants</b>	<b>10 667</b>	<b>15 190</b>	<b>–</b>
<b>Contracted services</b>			
<i>contracted services</i>	2 346	3 023	2 975
<b>sub-total</b>	<b>2 346</b>	<b>3 023</b>	<b>2 975</b>
<b>Allocations to organs of state:</b>			
Electricity	–	–	–
Water	–	–	–
Sanitation	–	–	–
Other	–	–	–
<b>Total contracted services</b>	<b>2 346</b>	<b>3 023</b>	<b>2 975</b>
<b>Other Expenditure By Type</b>			
Collection costs	35	35	37
Contributions to 'other' provisions	–	–	–
Consultant fees	1 500	481	–
Audit fees	2 128	2 341	2 458
General expenses	5 746	4 745	4 109
<i>Internal charges (Activity Based Costing)</i>	3 472	4 328	3 825
<i>Internal recoveries (Activity Based Costing)</i>	(4 003)	(4 328)	(3 469)
<i>Advertisements, printing and stationery</i>	52	38	325
<i>Bank charges</i>	216	238	250
<i>Fuel and oil</i>	876	920	920
<i>Insurance costs</i>	454	491	526
<i>Legal fees</i>	113	116	122
<i>Membership fees</i>	702	702	737
<i>Operating Grant Expenditure</i>	(200)	–	–
<i>Telephone and postage</i>	314	330	347
<i>Travel and subsistence</i>	1 466	1 551	1 728
<i>Actuarial losses</i>	–	–	–
<b>Total 'Other' Expenditure</b>	<b>12 872</b>	<b>11 987</b>	<b>11 913</b>
<b>Repairs and Maintenance</b>			
Employee related costs	–	–	–
Other materials	1 288	1 021	1 072
Contracted Services	2 346	3 023	2 975
Other Expenditure	–	–	–
<b>Total Repairs and Maintenance Expenditure</b>	<b>3 635</b>	<b>4 043</b>	<b>4 047</b>



2018 – 2019 medium term revenue and expenditure forecasts

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

Description	Ref	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - BUDGET AND TREASURY OFFICE	Vote 3 - CORPORATE SERVICES	Vote 4 - PLANNING AND DEVELOPMENT	Vote 5 - HEALTH	Vote 6 - COMMUNITY AND SOCIAL SERVICES	Vote 7 - HOUSING	Vote 8 - PUBLIC SAFETY	Vote 9 - SPORT AND RECREATION	Vote 10 - ENVIRONMENTAL PROTECTION	Vote 11 - SOLID WASTE MANAGEMENT	Vote 12 - WASTE WATER MANAGEMENT	Vote 13 - ROAD TRANSPORT	Vote 14 - WATER	Vote 15 - ELECTRICITY	Total
<b>Revenue By Source</b>																	
Property rates			7 497														7 497
Service charges - electricity revenue																11 593	11 593
Service charges - water revenue															5 492		5 492
Service charges - sanitation revenue												4 688					4 688
Service charges - refuse revenue												4 417					4 417
Service charges - other																	-
Rental of facilities and equipment			362				1			12				2			376
Interest earned - external investments	1 319																1 319
Interest earned - outstanding debtors	3																3
Dividends received																	-
Fines, penalties and forfeits			212				0										212
Licences and permits			5														5
Agency services			19														19
Other revenue	7 731	13 886					255		1	6		0		1	0	1	21 881
Transfers and subsidies	3 151	10 357					1 112					2 968	3 059		2 661	1 447	24 756
Gains on disposal of PPE																	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>12 205</b>	<b>32 338</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 368</b>	<b>-</b>	<b>1</b>	<b>18</b>	<b>-</b>	<b>7 385</b>	<b>7 747</b>	<b>2</b>	<b>8 154</b>	<b>13 041</b>	<b>-</b>	<b>82 258</b>
<b>Expenditure By Type</b>																	
Employee related costs	2 780	5 774	2 566				1 925			200		2 994	1 711	1 283	915	855	21 002
Remuneration of councillors	2 642																2 642
Debt impairment	3 401																3 401
Depreciation & asset impairment	-	2 718	-	-	-	-	-	-	-	-	-	1 718	1 718	-	-	-	6 154
Finance charges	-	959	-	-	-	-	-	-	-	-	159	-	-	-	-	-	1 118
Bulk purchases																11 812	11 812
Other materials	-	671	-	-	3	10	-	5	43	-	-	205	54	230	8		1 228
Contracted services	458	50	-	-	596	-	2	3	-	9	881	114	95	138			2 346
Transfers and subsidies	10 667																10 667
Other expenditure	4 110	2 974	381		65	700		76	253		1 112	1 009	604	1 193	394		12 872
Loss on disposal of PPE	2																2
<b>Total Expenditure</b>	<b>24 060</b>	<b>13 145</b>	<b>2 947</b>	<b>-</b>	<b>664</b>	<b>2 634</b>	<b>2</b>	<b>84</b>	<b>496</b>	<b>9</b>	<b>5 147</b>	<b>4 757</b>	<b>3 754</b>	<b>2 477</b>	<b>13 069</b>	<b>-</b>	<b>73 244</b>
<b>Surplus/(Deficit)</b>																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	7 972														56 450	1 000	65 422
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	-
Transfers and subsidies - capital (in-kind - all)		5 875															5 875
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(3 883)</b>	<b>25 068</b>	<b>(2 947)</b>	<b>-</b>	<b>(664)</b>	<b>(1 266)</b>	<b>(2)</b>	<b>(83)</b>	<b>(477)</b>	<b>(9)</b>	<b>2 239</b>	<b>2 990</b>	<b>(3 752)</b>	<b>62 127</b>	<b>972</b>	<b>-</b>	<b>80 311</b>



## 2018 – 2019 medium term revenue and expenditure forecasts

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

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>ASSETS</b>			
<b>Call investment deposits</b>			
Call deposits	29 733	26 092	3 489
Other current investments			
<b>Total Call investment deposits</b>	<b>29 733</b>	<b>26 092</b>	<b>3 489</b>
<b>Consumer debtors</b>			
Consumer debtors	12 837	16 306	19 948
Less: Provision for debt impairment	(9 943)	(13 411)	(17 053)
<b>Total Consumer debtors</b>	<b>2 894</b>	<b>2 894</b>	<b>2 895</b>
<b>Debt impairment provision</b>			
Balance at the beginning of the year	6 541	9 943	13 411
Contributions to the provision	3 401	3 469	3 642
Bad debts written off			
<b>Balance at end of year</b>	<b>9 943</b>	<b>13 411</b>	<b>17 053</b>
<b>Property, plant and equipment (PPE)</b>			
PPE at cost/valuation (excl. finance leases)	207 936	215 974	216 797
Leases recognised as PPE			
Less: Accumulated depreciation	31 705	38 890	46 434
<b>Total Property, plant and equipment (PPE)</b>	<b>176 230</b>	<b>177 084</b>	<b>170 362</b>
<b>LIABILITIES</b>			
<b>Current liabilities - Borrowing</b>			
Short term loans (other than bank overdraft)			
Current portion of long-term liabilities			
<b>Total Current liabilities - Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade and other payables</b>			
Trade and other creditors	5 151	7 963	12 824
Unspent conditional transfers	1 905	1 905	1 905
VAT	166	166	166
<b>Total Trade and other payables</b>	<b>7 222</b>	<b>10 034</b>	<b>14 895</b>
<b>Non current liabilities - Borrowing</b>			
Borrowing			
Finance leases (including PPP asset element)			
<b>Total Non current liabilities - Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions - non-current</b>			
Retirement benefits	10 138	11 837	13 894
List other major provision items			
Refuse landfill site rehabilitation	2 449	2 609	2 784
Other			
<b>Total Provisions - non-current</b>	<b>12 587</b>	<b>14 446</b>	<b>16 677</b>
<b>CHANGES IN NET ASSETS</b>			
<b>Accumulated Surplus/(Deficit)</b>			
Accumulated Surplus/(Deficit) - opening balance	120 855	153 174	210 979
GRAP adjustments			
Restated balance	120 855	153 174	210 979
Surplus/(Deficit)	71 941	788	26 543
Appropriations to Reserves			
Transfers from Reserves			
Depreciation offsets			
Other adjustments	(1 358)	1 368	109
<b>Accumulated Surplus/(Deficit)</b>	<b>191 439</b>	<b>155 330</b>	<b>237 630</b>
<b>Reserves</b>			
Housing Development Fund	38	38	-
Capital replacement	11 348	11 348	-
Self-insurance			
Other reserves			
Revaluation			
<b>Total Reserves</b>	<b>11 386</b>	<b>11 386</b>	<b>-</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>202 825</b>	<b>166 716</b>	<b>237 630</b>
<b>Total capital expenditure includes expenditure on nationally significant priorities:</b>			
Provision of basic services			



2018 – 2019 medium term revenue and expenditure forecasts

Table 10 Detail on the provision of municipal services

	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets (000)</b>									
<b>Water:</b>									
Piped water inside dwelling	1 188	1 188	1 188	1 188	1 188		1 188	1 188	1 188
Piped water inside yard (but not in dwelling)	806	806	806	806	806		806	806	806
Using public tap (at least min.service level)	160	160	160	160	160		160	160	160
Other water supply (at least min.service level)	1 068	1 068	1 068	1 068	1 068		1 068	1 068	1 068
<i>Minimum Service Level and Above sub-total</i>	3 222	3 222	3 222	3 222	3 222	-	3 222	3 222	3 222
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>	<b>-</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	665	665	665	665	665		665	665	665
Flush toilet (with septic tank)	994	994	994	994	994		994	994	994
Chemical toilet	-	-	-	-	-		-	-	-
Pit toilet (ventilated)	335	335	335	335	335		335	335	335
Other toilet provisions (> min.service level)	1 068	1 068	1 068	1 068	1 068		1 068	1 068	1 068
<i>Minimum Service Level and Above sub-total</i>	3 062	3 062	3 062	3 062	3 062	-	3 062	3 062	3 062
Bucket toilet	160	160	160	160	160		160	160	160
Other toilet provisions (< min.service level)	-	-	-	-	-		-	-	-
No toilet provisions	-	-	-	-	-		-	-	-
<i>Below Minimum Service Level sub-total</i>	160	160	160	160	160	-	160	160	160
<b>Total number of households</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>	<b>-</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>
<b>Energy:</b>									
Electricity (at least min.service level)	962	962	962	962	962		962	962	962
Electricity - prepaid (min.service level)	1 428	1 428	1 428	1 428	1 428		1 428	1 428	1 428
<i>Minimum Service Level and Above sub-total</i>	2 390	2 390	2 390	2 390	2 390	-	2 390	2 390	2 390
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources	891	891	891	891	891		891	891	891
<i>Below Minimum Service Level sub-total</i>	891	891	891	891	891	-	891	891	891
<b>Total number of households</b>	<b>3 281</b>	<b>3 281</b>	<b>3 281</b>	<b>3 281</b>	<b>3 281</b>	<b>-</b>	<b>3 281</b>	<b>3 281</b>	<b>3 281</b>
<b>Refuse:</b>									
Removed at least once a week	2 331	2 331	2 331	2 331	2 331		2 331	2 331	2 331
<i>Minimum Service Level and Above sub-total</i>	2 331	2 331	2 331	2 331	2 331	-	2 331	2 331	2 331
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal	891	891	891	891	891		891	891	891
No rubbish disposal									
<i>Below Minimum Service Level sub-total</i>	891	891	891	891	891	-	891	891	891
<b>Total number of households</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>	<b>-</b>	<b>3 222</b>	<b>3 222</b>	<b>3 222</b>

MBRR Table SA32 – List of external mechanisms

NC074 Kareeberg - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Pixley ka Seme District Municipality:			Planning Legal services Internal audit Performance management system Disaster management		



2018 – 2019 medium term revenue and expenditure forecasts

MBRR Table SA11 – Property rates summary

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Valuation:</b>										
Date of valuation:	1	01/07/2008	01/07/2013	01/07/2013	01/07/2013					
Financial year valuation used		01/07/2009	01/07/2013	01/07/2013	01/07/2013			01/07/2013		
Municipal by-laws s6 in place? (Y/N)	2	yes	yes	yes	yes			yes		
Municipal/assistant valuer appointed? (Y/N)		yes	yes	yes	yes			yes		
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)		yes	yes	yes	yes			yes		
Implementation time of new valuation roll (mths)										
No. of properties	5									
No. of sectional title values	5									
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations		1		1	1	1	1	1	1	1
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	1	176	176	176	176	176	172	172	172
Municipality owned property value (Rm)		35	20	20	21	21	21	21	21	21
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)		1	176	176	176	176	176	172	172	172
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)		26	33	33	33	33	33	33	33	33
Valuation reductions-public worship (Rm)		10	12	12	12	12	12	12	12	12
Valuation reductions-other (Rm)		40	37	23	24	24	24	24	24	24
<b>Total valuation reductions:</b>		<b>77</b>	<b>258</b>	<b>244</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>241</b>	<b>241</b>	<b>241</b>
Total value used for rating (Rm)	5	1 544	1 942	1 942	1 953	1 953	1 953	1 951	1 951	1 951
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5	1 544	1 942	1 942	1 953	1 953	1 953	1 951	1 951	1 951
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)	5	yes	yes	yes	yes			yes		
Differential rates used? (Y/N)					no			no		
Limit on annual rate increase (s20)? (Y/N)					no			no		
Special rating area used? (Y/N)					no			no		
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R '000)	6	4 527	5 005	4 198	4 353	4 353	4 353	4 900	5 146	5 713
Rate revenue expected to collect (R'000)	6	4 318	4 237	4 287	4 353	4 353	4 353	5 384	5 168	5 536
Expected cash collection rate (%)		95,4%	84,7%	102,1%	100,0%	100,0%	100,0%	109,9%	100,4%	96,9%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)		521	666	624	391	391	391	435	458	504
Rebates, exemptions - other (R'000)		1 417	1 549	1 507	8 743	8 743	8 743	9 549	10 027	11 030
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptions, reductions, discounts (R'000)</b>		<b>1 938</b>	<b>2 214</b>	<b>2 131</b>	<b>9 135</b>	<b>9 135</b>	<b>9 135</b>	<b>9 984</b>	<b>10 485</b>	<b>11 534</b>



2018 – 2019 medium term revenue and expenditure forecasts

MBRR Table SA12 (a) – Property rates summary (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/nts	Public benefit organs.	Mining Props.	
<b>Current Year 2017/18</b>																		
<b>Valuation:</b>																		
No. of properties		2 425			430	30	334	1		130	1					30		
No. of sectional title property values																		
No. of unreasonably difficult properties s7(2)																		
No. of supplementary valuations					1	1	1	1		1	1					1		
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)		4			4	4	4	4		4	4					4		
Frequency of valuation (select)		5			5	5	5	5		5	5					5		
Method of valuation used (select)		Market			Market	Market	Market	Market		Market	Market					Market		
Base of valuation (select)																		
Phasing-in properties s21 (number)																		
Combination of rating types used? (Y/N)		No			No	No	No	No		No	No					No		
Flat rate used? (Y/N)		No			No	No	No	No		No	No					No		
Is balance rated by uniform rate/variable rate?																		
<b>Valuation reductions:</b>																		
Valuation reductions-public infrastructure (Rm)								176										
Valuation reductions-nature reserves/park (Rm)																		
Valuation reductions-mineral rights (Rm)																		
Valuation reductions-R15,000 threshold (Rm)		32				0												
Valuation reductions-public worship (Rm)							21			0						12		
Valuation reductions-other (Rm)																3		
<b>Total valuation reductions:</b>		32	-	-	-	0	21	176	-	0	-	-	-	-	-	15	-	
Total value used for rating (Rm)	6	32	-	-	-	0	21	176	-	0	-	-	-	-	-	15	-	
Total land value (Rm)	6	230	-	-	1 476	21	21	176	-	0	13	-	-	-	-	15	-	
Total value of improvements (Rm)	6																	
Total market value (Rm)	6																	
<b>Rating:</b>																		
Average rate	3	0,014310			0,000758	0,042930	0,014310	0,014310		0,014310	0,007871					0,014310		
Rate revenue budget (R '000)		3 290	-	-	1 118	898	299	7 559	-	1	107	-	-	-	-	215	-	
Rate revenue expected to collect (R'000)		2 063	-	-	520	707	0	-	-	0	78	-	-	-	-	0	-	
Expected cash collection rate (%)	4	73,0%			73,0%	100,0%					73,0%							
Special rating areas (R'000)																		
Rebates, ex emptions - indigent (R'000)																		
Rebates, ex emptions - pensioners (R'000)																		
Rebates, ex emptions - bona fide farm. (R'000)					391													
Rebates, ex emptions - other (R'000)		464			14	191	299	7 559		1						215		
Phase-in reductions/discounts (R'000)																		
<b>Total rebates,exemptns,eductns,discs (R'000)</b>		464	-	-	405	191	299	7 559	-	1	-	-	-	-	-	215	-	

MBRR Table SA12 (b) – 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/nts	Public benefit organs.	Mining Props.	
<b>Budget Year 2018/19</b>																		
<b>Valuation:</b>																		
No. of properties		2 425			430	30	334	1		130	1					30		
No. of sectional title property values																		
No. of unreasonably difficult properties s7(2)		1			1	1	1	1		1	1					1		
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)		3			3	3	3	3		3	3					3		
Frequency of valuation (select)		4			4	4	4	4		4	4					4		
Method of valuation used (select)		Market			Market	Market	Market	Market		Market	Market					Market		
Base of valuation (select)																		
Phasing-in properties s21 (number)																		
Combination of rating types used? (Y/N)		No			No	No	No	No		No	No					No		
Flat rate used? (Y/N)		No			No	No	No	No		No	No					No		
Is balance rated by uniform rate/variable rate?																		
<b>Valuation reductions:</b>																		
Valuation reductions-public infrastructure (Rm)								172										
Valuation reductions-nature reserves/park (Rm)																		
Valuation reductions-mineral rights (Rm)																		
Valuation reductions-R15,000 threshold (Rm)		32				0												
Valuation reductions-public worship (Rm)							21			0						12		
Valuation reductions-other (Rm)																3		
<b>Total valuation reductions:</b>		32	-	-	-	0	21	172	-	0	-	-	-	-	-	15	-	
Total value used for rating (Rm)	6	233	-	-	1 476	21	21	172	-	0	13	-	-	-	-	15	-	
Total land value (Rm)	6																	
Total value of improvements (Rm)	6																	
Total market value (Rm)	6	233	-	-	1 476	21	21	172	-	0	13	-	-	-	-	15	-	
<b>Rating:</b>																		
Average rate	3	0,015960			0,000846	0,047880	0,015960	0,015960		0,015960	0,008778					0,015960		
Rate revenue budget (R '000)		3 716	-	-	1 244	1 001	335	8 226	-	1	120	-	-	-	-	242	-	
Rate revenue expected to collect (R'000)		2 335	-	-	579	788	0	-	-	0	87	-	-	-	-	0	-	
Expected cash collection rate (%)	4	73,0%			73,0%	100,0%					73,0%							
Special rating areas (R'000)																		
Rebates, ex emptions - indigent (R'000)																		
Rebates, ex emptions - pensioners (R'000)																		
Rebates, ex emptions - bona fide farm. (R'000)					435													
Rebates, ex emptions - other (R'000)		517			15	213	335	8 226		1						242		
Phase-in reductions/discounts (R'000)																		
<b>Total rebates,exemptns,eductns,discs (R'000)</b>		517	-	-	451	213	335	8 226	-	1	-	-	-	-	-	242	-	



2018 – 2019 medium term revenue and expenditure forecasts

MBRR Table SA13a – Service tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Property rates (rate in the Rand)</b>	1								
Residential properties			1,2672	1,3462	1,4310	1,5960	1,6758	1,8434	
Residential properties - vacant land									
Formal/informal settlements			1,2670	0,1350	1,4310	1,5960	1,6758	1,8434	
Small holdings									
Farm properties - used			0,1270	0,0980	0,0758	0,0846	0,0888	0,0977	
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property			0,6970	0,7400	0,7871	0,8778	0,9217	1,0139	
Communal land - business and commercial									
Communal land - other									
State-owned properties			2,5340	2,6920	4,2930	4,7880	5,0274	5,5301	
Municipal properties			1,2670	1,3460	1,4310	1,5960	1,6758	1,8434	
Public service infrastructure			0,3170	0,3370	1,4310	1,5960	1,6758	1,8434	
Privately owned towns serviced by the State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate			294 681	443 596	475 334	529 572	556 051	611 656	
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption			624 008	503 167	391 330	435 455	458 137	503 950	
<b>Other rebates or exemptions</b>	2		104 152	121 402	183 179	203 805	214 515	235 966	
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/fix fee (Rands/month)			117	124	131	149	159	175	
Service point - vacant land (Rands/month)			24	25	27	30	32	35	
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff									
Water usage - Block 1 (c/kl)		0 - 6kl	1	1	1	1	1	2	
Water usage - Block 2 (c/kl)		7 - 20kl	1	1	1	2	2	2	
Water usage - Block 3 (c/kl)		21 - 50kl	3	3	3	4	4	4	
Water usage - Block 4 (c/kl)		51kl +	5	6	6	10	10	11	
<b>Other</b>	2								
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/fix fee (Rands/month)			142	150	159	181	193	212	
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
<b>Other</b>	2								
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/fix fee (Rands/month)			103	110	124	135	151	173	
Service point - vacant land (Rands/month)			101	101	113	133	149	171	
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)		0 - 50kWh	1	1	1	1	1	1	
Meter - IBT Block 2 (c/kwh)		51 - 350kWh	1	1	1	1	1	1	
Meter - IBT Block 3 (c/kwh)		351 - 600kWh	1	1	1	2	2	2	
Meter - IBT Block 4 (c/kwh)		600 - 2 000kWh domestic	1	1	2	2	2	2	
Meter - IBT Block 5 (c/kwh)		> 2 000kWh commercial	1	1	1	1	2	2	
Prepaid - IBT Block 1 (c/kwh)		0 - 500kWh	1	1	1	1	1	1	
Prepaid - IBT Block 2 (c/kwh)		51 - 350kWh	1	1	1	1	1	1	
Prepaid - IBT Block 3 (c/kwh)		351 - 600kWh	1	1	1	2	2	2	
Prepaid - IBT Block 4 (c/kwh)		600 - 2 000kWh domestic	1	1	2	2	2	2	
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
<b>Other</b>	2								
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge									
Basic charge/fix fee			125	133	141	160	170	187	
80l bin - once a week									
250l bin - once a week									



2018 – 2019 medium term revenue and expenditure forecasts

MBRR Table SA13b – Service tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Exemptions, reductions and rebates (Rands)</b>									
R15 000 threshold rebate						15 000			
Indigent rebate or exemption						15 000			
Threshold all residential properties exemption							25 000	25 000	25 000
Reduction: actual property rates rateable				515 931	485 446				
Rebates: actual property rated rateable				8 989 830	8 476 263				
<b>Water tariffs</b>									
Basic charge/fix fee (Rands/month)						65	65	70	
Water usage - flat rate tariff (c/kl)		1 - 6 kilo liters				5	5	5	
Water usage - life line tariff		7 - 15 kilo liters				9	9	10	
Water usage - Block 1 (c/kl)		16 - 30 kiloliters				10	10	11	
Water usage - Block 2 (c/kl)		31 - 45 kiloliters				11	12	13	
Water usage - Block 3 (c/kl)		46 - 65 kiloliters				12	13	13	
Water usage - Block 4 (c/kl)		66 kiloliters and more (fill in thresholds) (fill in thresholds)				13	14	15	
<b>Waste water tariffs</b>									
Basic charge/fix fee (Rands/month)		(fill in structure) (fill in structure)				183	194	209	
<b>Electricity tariffs</b>									
Basic charge/fix fee (Rands/month)						166	185	199	
Meter - IBT Block 1 (c/kwh)		1kwh - 50 kwh				1	1	1	
Meter - IBT Block 2 (c/kwh)		51kwh - 350kwh				1	1	2	
Meter - IBT Block 3 (c/kwh)		351 kwh - 600kwh				2	2	2	
Meter - IBT Block 4 (c/kwh)		601 kwh and more (fill in thresholds)				2	2	2	
Prepaid - IBT Block 1 (c/kwh)		1kwh - 50 kwh				1	1	1	
Prepaid - IBT Block 2 (c/kwh)		51kwh - 350kwh				1	1	2	
Prepaid - IBT Block 3 (c/kwh)		351 kwh - 600kwh				2	2	2	
Prepaid - IBT Block 4 (c/kwh)		601 kwh and more (fill in thresholds) (fill in thresholds) (fill in thresholds)				2	2	3	

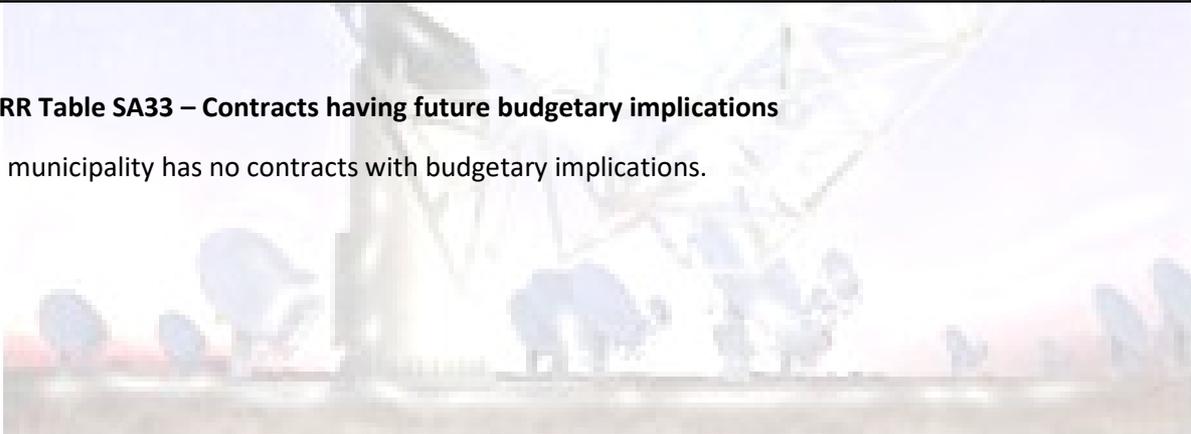


**MBRR Table SA21 – Transfers and grants made by the municipality**

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>Cash Transfers to other municipalities</b>			
<i>transfers and grants</i>			
<b>Total Cash Transfers To Municipalities:</b>	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>			
<i>transfers and grants</i>			
<b>Total Cash Transfers To Entities/Ems'</b>	-	-	-
<b>Cash Transfers to other Organs of State</b>			
<i>transfers and grants</i>			
<b>Total Cash Transfers To Other Organs Of State:</b>	-	-	-
<b>Cash Transfers to Organisations</b>			
<i>transfers and grants</i>			
<b>Total Cash Transfers To Organisations</b>	-	-	-
<b>Cash Transfers to Groups of Individuals</b>			
<i>transfers and grants</i>	10 667	15 190	
<b>Total Cash Transfers To Groups Of Individuals:</b>	10 667	15 190	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	10 667	15 190	-

**MBRR Table SA33 – Contracts having future budgetary implications**

The municipality has no contracts with budgetary implications.



Annexure 1

Table of property rates valuations and billing

KAREEBERG MUNICIPALITY		2017-2018		2018-2019									
Kategorie	Verhouding	Wardasie		Heffing	Vystelling R 25 000 <	Afslag		Korting		Totaal			
1	Residensieel	1: 1,00	250 350 000	1,000	0,0167600	4 195 866,00	789 005,00			320 954,00			2 784 953,00
2	Slaai	1: 2,00	19 244 000	2,000	0,0502700	954 074,00	13 321,00	20%		190 814,00			749 939,00
3	Slaai Landbou	1: ,075	-	0,100	0,0014300	-		0%		-	35,0%	-	-
4	Landbou	1: ,075	3 474 513 500	0,100	0,0014300	4 948 973,00		0%		-	60,0%	2 969 383,00	1 979 590,00
4	Landbou	1: ,075	-	0,100	0,0001100	(1 507,00)		0%		-	35,0%	(528,00)	(979,00)
5	Meent	1: 1,00	-	1,000	0,0014300	-		100%		-			-
6	Munisipaai	1: 1,00	21 109 000	1,000	0,0167600	353 786,00		100%		353 786,00	35,0%	-	-
7	Munisipaai Landbou	1: 1,00	-										-
8	Schietfontein	1: 0,10	93 000	1,000	0,0167600	1 558,00		100%		1 558,00			-
9	Kerke	1: 1,00	8 928 000	1,000	0,0167600	149 633,00		100%		149 633,00			-
10	Infrastruktuur	1: 0,25	-	0,250	0,0041900	-		100%		-			-
11	Weldaadorganisasies	1: 0,25	8 918 000	1,000	0,0167600	149 465,00		100%		149 465,00			-
12	Meent	1: 1,00	-	1,000	0,0167600	-		0%		-			-
13	Meent (verhuurings)	1: 0,55	-	0,550	-	-		0%		-			-
14	Meent (Boschmansberg)	1: ,073	-	0,100	-	-		0%		-	35,0%		-
15	Infrastruktuur (Plase)	1: 0,25	-	0,250	0,0041900	(737 267,00)				-			-
15	Sportklubs	1: 1,00	-	1,000	0,0014300	(1 375,00)		100%		(1 375,00)			-
15	Industrieel	1: 1,00	6 635 000,00	1,000	0,0502700	285 206,00		0%		-			285 206,00
15	Kommersieel	1: 1,00	65 688 000,00	1,000	0,0236000	1 527 545,00		0%		-			1 527 545,00
15	Kommersieel - SKA	1: 1,00	203 506 000,00	1,000	0,0236000	4 780 050,00		25%		1 195 012,00			3 585 038,00
16	Oorskryding		m <sup>2</sup> per grootte van oorskryding		R12 per m <sup>2</sup>								
			<u>4 058 984 500,00</u>			<u>16 606 007,00</u>				<u>802 326,00</u>			<u>2 359 847,00</u>
										<u>2 968 855,00</u>			<u>10 891 292,00</u>
													R 0,35
													<b>R 7 079 339,80</b>



**Annexure 2**

**SANITATION SERVICES**

Night soil

Night soil R 159.09 per user per month per service.

Refuse

R 170.09 per user per month per service.

Sewerage

R 263.24 per month (Scheme, Bonteheuwel, De Bult 81)

R 3 397.85 per month (Carel van Zyl)

Vacuum tanks

R 140.00 per user per month per service plus one free suction.

R192.66per suction from second suction.

R 283.87 per suction - Government.

PLUS 100% after hours

Government - R 1 019.35 per month (School and Hospital - Carnarvon).

ACVV – R127.92 per month (Old Age Home - Carnarvon).

Municipal - R 358.94 per suction.

Garden waste

R 232.33 per load

**ELECTRICITY**

Domestic user

A monthly charge of R 150.28 per user plus cent per kWh usage as indicated below.

	DOMESTIC TARIFFS				COMMERCIAL	INDUSTRIAL	
	Block 1 0-50 kWh (c/kWh)	Block 2 51-350 kWh (c/kWh)	Block 3 351-600 kWh (c/kWh)	Block 4 >600 kWh (c/kWh)	Conventional 2000 kWh (c/kWh)	43800 kWH (c/kWh)	<2000 (c/kWh)
Conventional	R 0.91	R 1.16	R 1.65	R 1.93	R 1.87	R 1.87	R 1.87
Prepaid	R 0.91	R 1.18	R 1.66	R 1.94			

Churches, Halls, Sport Clubs and Agricultural Union

A monthly charge of R156.72 per user plus 134 cent per kWh usage.



Schools, School Hostels and Old Aged Homes

A monthly charge of R 783.61 per user plus 134 cent per kWh usage.

Other users (commercial)

A monthly charge of R 783.61 per user plus 134 cent per kWh usage.

TELKOM booths

A monthly charge of R 129.56

Availability Charges

R 149.11 per month payable by the owner of each property with or without improvements who is not connected to the council’s electricity distribution network, but could be connected in councils’ opinion.

Municipal usage

R 1.46 per kWh.

**WATER**

Availability Charges

R 32.12 per month.

R 47.97 per user per month where such user is only serviced by a stand pipe.

Where no water metres are installed: R 70.36 per month.

A monthly levy of R 158.95 per user PLUS

Usage

0	-	6 kl	R 1.43 per kl.
7	-	20 kl	R 1.72 per kl.
21	-	40 kl	R 4.06 per kl.
41	-	60 kl	R 6.90 per kl.
61	-	80 kl	R 8.41 per kl.
Above		81 kl	R 10.43 per kl.

Municipal usage: R 6.13 per kl.

**NOTE: All tariffs exclude VAT.**



## 2018 – 2019 medium term revenue and expenditure forecasts

**Annexure 3**

## Grave monies

## Adults:

Single grave	R 110.00	Carnarvon, Vosburg
Double grave	R 215.00	Carnarvon, Vosburg
Stacked grave	R 215.00	Carnarvon
Grave monies residents	R 60.00	Vanwyksvlei
Grave monies non bona-fide residents	R 110.00	Vanwyksvlei
Prepared grave site	R 500.00	Vanwyksvlei
Cement slabs for graves (4)	R 100.00	Vanwyksvlei
Build casket height	R 600.00	Vosburg
Totally build out	R 1 200.00	Vosburg
Children under the age of 12 years		
Single grave	R 70.00	Carnarvon
Monumental fees	R 30.00	Carnarvon
Opening of grave	R 55.00	Carnarvon
Non bona-fide resident	plus 50%	Carnarvon
Deposit for graveyard key	R 15.00	Carnarvon
Graves in heroes' acre	Free	Carnarvon
Library fines - per book per week	R 0.25	Carnarvon, Vanwyksvlei and Vosburg
Kareeberg Library hall	R 25.00	Carnarvon
Halls residents	R 60.00	Vanwyksvlei, Vosburg
Halls non bona-fide residents	R 100.00	Vanwyksvlei, Vosburg
Halls - Organisations	R 20.00	Vanwyksvlei, Vosburg
Halls - Churches	R 25.00	Vanwyksvlei, Vosburg
Halls - Deposit residents	R 120.00	Vanwyksvlei, Vosburg
Halls - Deposit non-residents	R 170.00	Vanwyksvlei, Vosburg
Auction facilities		
Up to 1000 - keys included	R 110.00	
More than 1000 small stock - keys included	R 215.00	



## 2018 – 2019 medium term revenue and expenditure forecasts

Loading of more than 100 small stock	R	7.00	
Less than 100 stock	R	1.10	
Key deposit	R	10.00	
Sale of gravel and sand – bakkie	R	15.00	
Sale of gravel and sand - truck	R	25.00	
Per m <sup>3</sup> for use outside municipal area	R	10.00	
Building plan fees - per 10m <sup>2</sup> - minimum R50 00 (no municipal debt)	R	5.00	
Building plan fees - wooden structures (temporary)	R	60.00	
Valuation certificates	R	15.00	
Interest on outstanding property rates		1.00%	above bank overdraft rate
Photocopies - A4	R	1.10	
Service fee motor vehicles	R	130.00	or 12% - depending on transaction
Duplicate registration certificate	R	207.00	Carnarvon
Temporary permits (21 days)	R	220.00	Carnarvon
Special permits (3 days)	R	139.00	Carnarvon
Sale of refuse bags - per bag	R	0.85	or purchase cost
Caravan park - per day	R	55.00	Carnarvon and Vosburg
Caravan park - per week	R	160.00	Carnarvon and Vosburg
Caravan park - per month	R	270.00	Carnarvon and Vosburg
Electricity use per day	R	4.00	Carnarvon and Vosburg
Electricity - disconnection and connection fees	R	25.00	
Single phase connection	R	700.00	(Triple phase to single)
Triple phase connection - households	R1	300.00	
Triple phase connection - industries	R1	500.00	
Change of single to triple phase (consumer)			
- Households	R	600.00	
- Industries	R	700.00	
Registration certificate – electrician (Section 73)			
per registration	R	60.00	
Registration certificate – electrician (Section 73)			



2018 – 2019 medium term revenue and expenditure forecasts

per renewal	R 60.00	
Temporary registration certificate - electrician	R 40.00	
Water - disconnection and connection fees	R 25.00	
Water - house connection	R 700.00	
Testing of meter	Actual costs of SABS	
Pump of drains outside Municipal area	R 8.00	per km plus wages, total drains plus 20% on subtotal
Consumer deposits (indigents excluded)	R1 500.00	
Game nets - per day	R 60.00	
Trade licences - only application fees - item 1 and 2	R 25.00	
Trade licences - only application fees - item 3	R 10.00	
Swimming pool	R 5.00	
Hawkers fee - per day	R 25.00	
Use of vehicle testing terrain	R 70.00	for two (2) hours
Stand rent	R 5.00	Vanwyksvlei
Insurance self-build housing	R 10.00	Vanwyksvlei
Rent - council home - per month	R 30.00	Vanwyksvlei
Rent club house	R 110.00	Vosburg
Deposit clubhouse	R 170.00	Vosburg
Rent sports grounds	R 110.00	Vosburg
Rent sports grounds (practice matches under municipal supervision)	R 60.00	Vosburg
Rent - council home - per month	R 700.00	Vosburg
Rent - council hut 1 and 2 - per month	R 32.00	Vosburg
Rent - council hut 3 - per month	R 53.00	Vosburg
Rent - council hut 1 - room - per month	R 10.00	Vosburg
Faxes received	R 15.00	Vosburg

NOTE: All tariffs exclude VAT.



**TARIFFS: SPLUMA**

**Zoning and Rezoning**

Amendments LUMS scheme	R700.00
Less than 5 000 m <sup>2</sup>	R2 000.00
5 000 m <sup>2</sup> to 5 ha	R5 500.00
	R5 500 plus R2 500 for every ha/part thereof in excess of 5ha
Material changes to the applications	50% of the applicable fee
Multiple applications	75% of each individual application
Appeals	R1 000.00
Zoning certificates	R150.00
Advertisement costs	actual cost plus 20%

**Subdivisions**

Basic application fee	R300.00
Plus where the number of portions to be created is:	
less than 6 per portion	R500 per sub
11 to 20 per portion	R400 per sub
more than 21 per portion	R300 per sub
issuing of new certificate	R200 per sub
appeals	R1 000
advertisement costs	actual cost plus 20%

**Consolidations, Notarial tie, long term leases**

Consolidation 1 – 10 erven	R250.00
Consolidation 11 plus	R530.00
Consolidations, notarial tie	R1 000.00
Long term leases	R1 000.00
Advertisement costs	actual cost plus 20%

**Removal of Restrictive title conditions (all areas)**

All instances where the conditions are removed automatically by law	nil
all instances where the conditions are removed via LUMS	R2 500.00
Material changes to the application	50% of applicable fee
Multiple applications	75% of applicable fee
Advertisement costs	actual cost plus 20%

**Consent**

Consent and change of land use of building regardless of size of land	R2 500.00
bed and breakfast/ guest house applications	R2 500.00
appeals	R1 000.00
advertisement costs	actual cost plus 20%

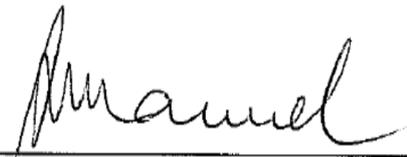
**NOTE:** tariffs exclude VAT



2.15 Municipal Manager’s Quality Certificate

I, Faried Moggamat Manuel, municipal manager of Kareeberg 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.

MF Manuel  
Municipal Manager of Kareeberg Municipality (NC074)

Signature 

Date \_\_\_\_\_



Annexure 4



**Northern Cape Provincial Government**

**NORTHERN CAPE PROVINCIAL TREASURY**  
**NOORD KAAP PROVINSIALE TESOURIER**  
**LEFAPHA LA MATLOTLO LA KAPA BOKONE**  
**ISEBE LEZEMALI LOMNTLA KOLONI**

Liebenhof Building  
P O Box 533  
DE AAR  
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Liebenhof Building Building  
Lepokosane La Poo 533  
DE AAR  
7000

Liebenhof Building  
Ibhokisi Yepesi 533  
DE AAR  
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Tel: (053)631-0347

Liebenhof Gebou  
Privatebak X9054  
DE AAR  
7000  
Fax: (053)631-4365

Enquiries: **K.J Rapuleng** Date: **18 April 2018** Reference: **LJ.2/8/NC374**  
 Diphelele: Leshwari: Lemile: Tshupelo: Sualtho: Vanyalngi:  
 Inzuzo: Phiso:

**Chief Financial Officer**  
 Kareeberg Local Municipality  
 Private Bag X226  
 Camarvon  
 9825

**FEEDBACK LETTER: 2018/19 MTREF DRAFT BUDGET ASSESSMENT**

1. Reference is made to the above.
2. The Provincial Treasury – (De Aar Region) hereby confirm receipts of the 2018/19 draft budget MTREF and its supporting tables as indicated below;
  - 2018/19 Draft Budget A1 Schedule – Excel and Hard Copy
  - Special council Meeting Resolutions
  - Integrated Development Plan
  - Draft Budget Executive Summary
  - Draft Tariff Policy
3. The 2018/19 draft budget report together with its related supporting documents (SA1 – SA38 as indicated above were assessed by firstly looking at MFMA Compliance matters, Supporting Documents and Evaluation of Draft Budget 2018/19 and the following comments are raised;

**MUNICIPAL BUDGET AND REPORTING REGULATIONS – SCHEDULE A PART 1 – ANNUAL BUDGET**

3.1.1 The draft budget of the municipality was completed in the required format – **Schedule A1 Version 6.2** and also included draft budget executive summary, **however** other narrative information required by the Municipal Budget and Reporting Regulations were not complied with by the municipality as detailed below.

We serve with passion. We deliver on time.



**MUNICIPAL BUDGET AND REPORTING REGULATIONS – SCHEDULE A  
PART 1 – ANNUAL BUDGET**

- 3.1.2 The municipality tabled draft budget does not include table of contents as required by the Municipal Budget and Reporting Regulations **Schedule A**.
- 3.1.3 The draft budget document of the municipality does not include the mayor's report as required by the Municipal Budget and Reporting Regulations - **Schedule A**.

**MUNICIPAL BUDGET AND REPORTING REGULATIONS – SCHEDULE A  
PART 2 - SUPPORTING DOCUMENTATION**

- 3.1.4 The draft budget document of the municipality does not include an overview of the annual budget process as required by the Municipal Budget and Reporting Regulations - **Schedule A**
- 3.1.5 The municipality draft budget document did not provide an overview of alignment of annual budget and Integrated Development Plan as required by the Municipal Budget and Reporting Regulations - **Schedule A**.
- 3.1.6 The municipality draft budget does include key financial indicators and ratios in supporting table SA8 Performance indicators and benchmarks.
- 3.1.7 The draft budget document of the municipality included a list of budget related policies, **however** the budget does not indicate of where the public can locate them and the proposed amendments to the budget related policies taken into account in preparing the annual budget explaining the service delivery and financial implications for the budget year and at least the two following years as required by the Municipal Budget and Reporting Regulations - Schedule A.
- 3.1.8 The municipality did not include budget assumptions as required by the Municipal Budget and Reporting Regulations - **Schedule A**.
- 3.1.9 The municipality's did not disclose expenditure allocations and grants programmes in supporting table SA19 Expenditure on transfers and grant programme.
- 3.1.10 The draft budget document of the municipality does not include the SDBIP for each internal department of the municipality as required by the Municipal Budget and Reporting Regulations - **Schedule A**.



- 3.1.11 Furthermore the municipality did not submit draft service delivery and Budget Plan together with the draft budget.
- 3.1.12 As per supporting table SA35 Future financial implications of the capital budget, **no disclosure** were made if any contracts are awarded beyond the medium-term revenue and expenditure framework.
- 3.1.13 In addition, no project were reported (**if any**) that delayed from previous financial years were disclosed as per supporting table SA37 Projects delayed from previous years.
- 3.1.14 The municipality did not disclose on legislation compliance as required by the Municipal Budget and Reporting Regulations - **Schedule A**.

#### **ANALYSES OF 2018/19 DRAFT BUDGET**

- 3.1.15 The municipality adjusted 2017/18 budget, **however** did not captured adjustment budget figures in 2018/19 A1 Budget Schedules and also not all supporting table were completed.
- 3.1.16 The municipality did not complete Supporting Table SA18 Transfers and grant receipts despite being aware of the information.
- 3.1.17 As per executive summary tariff increases property rates and Service Charge Electricity (Basic Fee) were Increased by 5 percent, **however** main table A4 Budgeted Financial Performance (revenue and expenditure) reflect total revenue increase of property rates 49,8 percent and Service Charge Electricity 30 percent and the municipality **did not justify all increases in excess of the projected inflation target for 2018/19 as per MFMA Circular 91**.
- 3.1.18 In addition to the above, the municipality increased other revenue items by more than 6 percent **without justify increases in excess** of the projected inflation target for 2018/19 as per MFMA Circular 91 with the exception of Rental of facilities and equipment, Interest earned - outstanding debtors, Licenses and permits and Agency services.
- 3.1.19 Furthermore to the above, **both** executive summary and mayors comments in the agenda reported **inconsistent** revenue figures to what is reported in main table A4 Budgeted Financial Performance (revenue and expenditure). (**E.g. Service Charges Electricity, Service Charges Water and Service Charges Sanitation**)



- 3.1.20 The municipality did not complete supporting table SA4 Reconciliation of IDP strategic objectives and budget (revenue).
- 3.1.21 The municipality Employee Related is the highest expenditure of the municipality, therefore alignment to organizational structure is of high importance. **However** the municipality did not complete supporting table SA22 Summary of councilors and staff benefits and supporting Table SA23 Salaries, allowances & benefits (political office bearers/councilors/senior managers).
- 3.1.22 The municipality increased Finance Charges by more than 87 percent when compared to 2017/18 adjustment budget **without explaining** this high increase.
- 3.1.23 General expenses in supporting table SA1 under 'Other expenditure represent 44,6 percent to total other expenditure populated in main table A4 Budgeted Financial Performance (revenue and expenditure). This figure is excessive when compared to the acceptable percentage of 10%, therefore the municipality **must unbundle** their expenses into greater detail as part of **transparency**.
- 3.1.24 The municipality did not complete supporting table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure).
- 3.1.25 As per supporting table the municipality budgeted Auditors fees R2,128 million for 2018/19 MTREF. As per creditor's age analysis at end of February 2018, the municipality is not owing Auditor General of South Africa.
- 3.1.26 The municipality executive summary indicated that the municipality will be contributing internally generated funds towards capital budget amounting to R6 475 000 million, **however** the municipality main table A5 Budgeted Capital Expenditure by vote, functional classification and funding does not reflect internally generated funds towards capital budget.
- 3.1.27 National Government Funding as captured in main table A5 Budgeted Capital Expenditure by vote, functional classification and funding **reconcile** to Division of Revenue Bill 2018.
- 3.1.28 The municipality did not complete supporting table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure).



- 3.1.29 As per supporting table SA34 (a) capital budget of the municipality is for new assets only and 86,9 percent of capital budget is for infrastructure roads; **however** maintenance of existing assets is overlooked by the municipality.
- 3.1.30 The municipality capital expenditure captured in SA34(a) capital budget of the municipality is for new assets **does not** reconcile to main table A5 Budgeted Capital Expenditure by vote, functional classification and funding and capital information reported in mayors comments and executive summary.
- 3.1.31 The municipality accuracy of cash and cash equivalent cannot be confirmed as correct due to the following;
- The municipality cash and cash equivalent at end of the financial year does not reconcile to cash captured in main table A6 Budgeted Financial Position.
  - The municipality transfer receipts – capital and capital assets are overstated by R18 thousand.
- 3.1.32 The municipality **tabled funded** budget as per the analyses of the cash flow and main table A8 Cash Backed reserves/Accumulated surplus reconciliation, Provincial Treasury also **can confirm** the budget as funded and in compliance with MFMA section 18(1)(2).
- 3.1.33 Furthermore to the above, the municipality reported consumer debtors **Inconsistently** to what is reported in main table A6 Budgeted Financial Position when calculating other working capital requirements.
- 3.1.34 The municipality did not complete main table A10 Basic service delivery measurement information regarding households receiving free basic services and total cost of free basic service provided.
- 3.1.35 The municipality **last submitted** Age Debtors Analyses end of October 2017, therefore Provincial Treasury cannot comment on correctness of Consumer debtors captured in main table B6 Adjustments Budget Financial Position and Supporting Table SB2 Supporting detail to 'Financial Position Budget.
- 3.1.36 The municipality creditors as per Supporting Table SB2 Supporting detail to 'Financial Position Budget' amounts to R5,151 million for 2017/18 financial year and are budgeted to remain the same at end of 2018/29 MTREF budget. **However** Creditors Age Analysis report at end February 2017 shows the municipality total outstanding creditors



as R391 thousand. **(The municipality is requested to provide clarity)**

- 3.1.37 The municipality submitted 2018/19 draft budget together with Integrated Development Plan, **however** Northern Cape Provincial Treasury (Regional Office) can confirm that the draft budget of the municipality **is not aligning** to Draft Integrated Development Plan based on non-capturing of financial information in the financial plan page 84.
- 3.1.38 The draft budget of the municipality for the 2018/19 financial year cannot be regarded or confirmed as credible due to the following reasons;
- Northern Cape Provincial Treasury (**Regional Office**) can confirm that the draft budget **is not** informed by the IDP and that the IDP **does not** fund only activities consistent with the revised IDP and vice versa in ensuring the IDP is realistically achievable given the financial constraints of the municipality.
  - The municipality did not submit draft Service Delivery and Performance Plan, **therefore** Northern Cape Provincial Treasury **cannot** determine if the draft budget is achievable in terms of agreed service delivery and performance targets;
- 3.1.39 The municipality is yet to publish their tabled budget on the municipality website as prescribed by section 75 of the MFMA including the audited annual financial statements and other relevant information.
- 3.1.40 The municipality kindly requested to indicate if 2018/19 MTREF draft budgets was prepared in their mSCOA financial systems and that the A1 schedule were produced directly from their financial system.
- 3.1.41 The municipalities is requested to indicate when it will upload the mSCOA data strings for the tabled (TABB) budget to the upload portal and also submit budget data strings accompanied by the IDP project details data strings (PRTA and PROR).
- 3.1.42 Furthermore the municipality is still to submit returns for the tabled budget as per instruction of MFMA Circular 91 section 7.3.



**Below information is as end of February 2018;**

- 3.1.43 Is the municipality still not transacting on any module on the SEBATA system and if the municipality still compile information on excel and give the information to the service provider where they do Interim Hybrid solution between Sebata FMS and Sebata EMS and after submit the data strings.
  - 3.1.44 Is municipal officials still fully relying on Sebata for mSCOA.
  - 3.1.45 The municipality is kindly requested to report progress made (If any) on the audit filed.
4. Submitted for your urgent response and consideration.

Kind Regards



K.J Rapuleng  
Deputy Director – Municipal Finance  
NCPT – De Aar Regional Office  
Date: 18/04/2018  
CC: Municipal Manager  
Acting Director – Municipal Finance  
NC Provincial Treasury



## Reply by CFO:

- 3.1.2 Note is taken and the table of content will be included with the approved budget.
- 3.1.3 Note is taken and the Mayor's report will be included with the approved budget.
- 3.1.4 This will be included in the budget document.
- 3.1.5 This will be included in the budget document.
- 3.1.6 Note is taken of the comment. Thank you.
- 3.1.7 This will be included in the budget document - the policies are available on the municipality's website at [www.kareeberg.co.za](http://www.kareeberg.co.za) under Corporate
- 3.1.8 This will be included in the budget document.
- 3.1.9 This will be included in the budget document.
- 3.1.10 This will be included in the budget document.
- 3.1.11 This final SDBIP will be send together with the final budget document.
- 3.1.12 This will be corrected in the budget document.
- 3.1.13 This will be corrected in the budget document.
- 3.1.14 This will be corrected in the budget document.
- 3.1.15 This will be corrected in the budget document.
- 3.1.16 This will be corrected in the budget document.
- 3.1.17 This will be corrected in the budget document.
- 3.1.18 This will be corrected in the budget document.
- 3.1.19 This will be corrected in the budget document.
- 3.1.20 This will be corrected in the budget document.
- 3.1.21 This will be corrected in the budget document.
- 3.1.22 This will be corrected in the budget document.
- 3.1.23 This will be corrected in the budget document.
- 3.1.24 This will be corrected in the budget document.
- 3.1.25 This is correct. The municipality pay a lot of money to the Auditor General but still it do not owe the Auditor General.



## 2018 – 2019 medium term revenue and expenditure forecasts

- 3.1.26 This will be corrected in the budget document.
- 3.1.27 Note is taken of the comment. Thank you.
- 3.1.28 This will be corrected in the budget document.
- 3.1.29 The municipality's cash flow hamper maintenance of assets, but an effort is made to enhance income to do maintenance in the future.
- 3.1.30 This will be corrected in the budget document.
- 3.1.31 This will be corrected in the budget document.
- 3.1.32 Note is taken of the comment. Thank you.
- 3.1.33 This will be corrected in the budget document.
- 3.1.34 This will be corrected in the budget document.
- 3.1.35 Note is taken of the comment.
- 3.1.36 This will be corrected in the budget document.
- 3.1.37 Note is taken of the comment.
- 3.1.38 Note is taken of the comment.
- 3.1.39 Note is taken of the comment.
- 3.1.40 The 2018/19 budget was not prepared in the new mSCOA financial system and the A1 schedules was populated manually.
- 3.1.41 This was done.
- 3.1.42 This was done.
- 3.1.43 The municipality is still working on excel and give the information to the service provider.
- 3.1.44 We are still relying on SEBATA however we are sourcing R-DATA.
- 3.1.45 Progress is made with the audit file and SEBATA is assisting the municipality with the information needed.

