

MAKHADO  
MUNICIPALITY  
FINAL ANNUAL  
BUDGET  
2018/2019-  
2019/2021

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*MTREF-2018-2021*

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## **PART 1 – ANNUAL BUDGET**

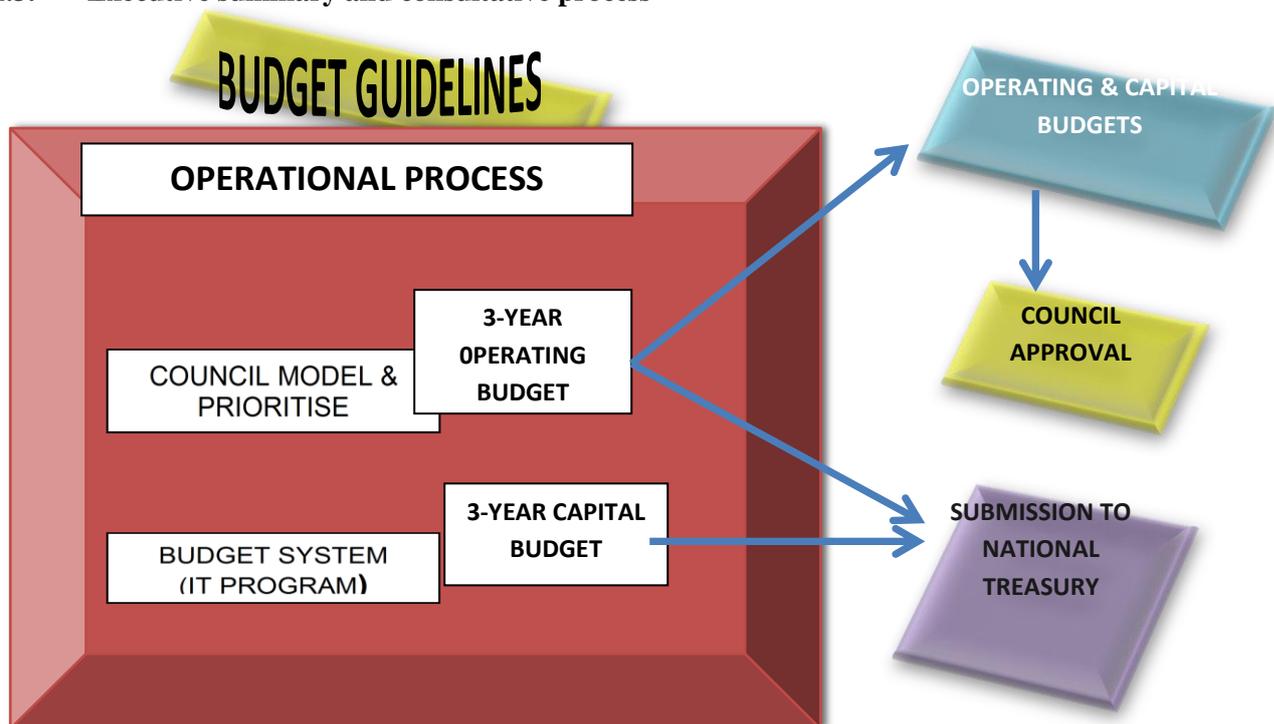
### **1.1. Mayor's Report**

Attached

### **1.2. Recommendations (administrative management)**

1. THAT the Capital and Operational Estimates for the 2018/2019 financial year as more fully recorded in **Annexure A** attached to the report in this regard be approved and that the Accounting Officer proceeds with the publication of the Annual Budget as purposed in section 22 of the Municipal Finance Management Act 56 of 2003
2. THAT the following 2018/2019 to 2020/2021 financial year's budget related policies be approved as more fully set out in **Annexure B1 to B22** attached to the report in this regard-
3. Draft 2018/2019 tariff listing for municipal service be approved as set out in annexure.
4. THAT it be noted that the Final 2018/2019 Estimates will after approval by the Council in terms of section 22 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury attached being the quality certificate approved by the accounting officer.

### 1.3. Executive summary and consultative process



#### 1.3.1. Alignment with national, provincial and district priorities

The National, provincial and district priorities will be gathered during consultative process and be integrated in the IDP of both Makhado Local Municipality and Vhembe District Municipality.

#### 1.3.2. Alignment with National and Provincial Government

Information-sharing will take place between the municipality, provincial and national governments in order to ensure integration

#### 1.3.3. Proposed tariff increments

Proposed tariff increase on other services are as follows:

SERVICE	2018/2019	2019/2020	2020/2021
Electricity	6.84%	6.84%	6.84%
Property rates	5.3%	5.4%	5.5%
Other services	5.3%	5.4%	5.5%
Sundry tariffs	5.3%	5.4%	5.5%

### 1.3.4. Situational Analysis

#### 1.3.4.1. Demography

According to community survey 2016 conducted by Statistics south Africa the estimated total population of Makhado Local Municipality has decreased from 516 031 to 416 728 with about 225 059 registered voters.

Makhado Local Municipality comprises of 4 formal towns, which are: Makhado, Vleifontein, Waterval and Dzanani. The Makhado Local Municipality further has decreased in villages from 279 from 200 villages.

The main administrative office is situated in Makhado town with three supporting regional administrative offices which are situated in the following areas: Dzanani, and Waterval.

Makhado Local Municipality has 38 ward councillors and 37 proportional councillors. There are 14 traditional leaders who are ex-officio members of the municipal council and 10 councillors who are members of the executive committee. The Municipality also has 38 established and fully functional ward committees.

Political Office Bearers and Municipal Manager	
Mayor	Cllr Sinyosi S M
Speaker	Cllr Mogale LB
Chief Whip	Cllr Mboyi M D
Municipal Manager	Mr N F Tshivhengwa

### 1.4. Budget overview

The budget has been compiled on a three year basis, which is a requirement of National Treasury, Accounting Practices (GRAP) and MFMA. The budget process of compiling a three-year budget commenced in August 2018

The Makhado Local Municipality was confronted with various challenges during the compilation of the budget and reviewing of the IDP such as the formulation of measurable objectives for the different functions, the financial implications of the organisational structure, capital costs, input costs to deliver services and increasing maintenance costs.

- The total estimated operational revenue for 2018/2019 from own source is **R517 492 000**. The total estimated operational revenue for 2018/2019 from National and Provincial as grants and subsidies is **R321 473 000**.

**Table 1: Operational Expenditure 2018/2019 to 2020/2021**

	<b>2018/2019 Draft budget</b>	<b>2019/2020 Forecasted Budget</b>	<b>2020/2021 Forecasted Budget</b>
Revenue	838 965 000	902 219 000	967 914 000
Transfers Capital Expenditure	104 645 000 813 705 000	106 217 000 926 274 000	111 322 000 980 362 000
Resulting surplus	129 905 000	82 162 000	98 874 000

- The 2018/2019 MTREF has been prepared within the context of reducing expenditure due to the municipality's weighty cash constraints and taking into consideration the implications of the increasing global costs thus to ensure that the financial sustainability of the council is sustained.
- A strategic write off undertaken in 2017/18, should also have a positive effect on increased collection rates and also the implementation of new valuation roll should result in the revenue base increasing.
- MFMA Circular No. 91 of the National Treasury provides some guidelines as to how municipalities may respond to the economic crisis in their budget preparations. The municipal revenue and cash flows are expected to remain under severe pressure in 2018/19 and thus a conservative approach will be adopted when projecting the revenues.
- Given the constraints on the revenue side, the municipality will expedite spending on capital projects that are funded by conditional grants but maintaining fiscal sustainability the commitment to deliver quality services. Maintaining all assets at a level adequate to protect the capital investment and minimize future maintenance future maintenance and replacement costs.
- The municipality targeted at achieving a clean audit report in 2017/2018 and 2018/19, reflecting the drive towards financial management excellence in the region and increasing spending on conditional grants
- The IDP review was prepared in alignment with budget and performance management plan objectives of the municipality, resulting in the development and approval of the Service Delivery and Budget Implementation Plan (SDBIP).

**1.5. Overview of the alignment of annual budget with integrated development plan 2018-2020 and public consultation process:**

- A three (3) year capital budget has been prepared and built on the IDP document
- This budget compiled in line with the Municipal Budgeting and Reporting Regulation (MBRR) notice no. 31804 of 2009 which provides the comparative financial information over a systematic number of years.
- The extent of the indigent support granted by Council to indigent households within the Municipal area will be determined based on budgetary allocation for a particular financial year and the tariff charges.
- The key focal point of the municipality is ensuring that its budget complies with the following three criteria:
  - ✓ **Sustainability** - to ensure that the municipality has sufficient revenue and adequate corporate and financial stability to fund and deliver on its budget.
  - ✓ **Credibility** - to ensure that the municipality, with its ability and capacity to spend, deliver in terms of its budget.
  - ✓ **Governance** - that the Municipality has appropriate capacity and stability to ensure the long term sustainability of service delivery.

**Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:**

- ✓ Economic Development
- ✓ LED support and implementation
- ✓ Integrated Land Use Management System
- ✓ Implementation and monitoring of Performance Management System (PMS)
- ✓ Environmental Management
- ✓ Optimize tourism potential
- ✓ Rural Development
- ✓ Poverty alleviation, particularly in rural areas
- ✓ Service backlogs (water, sanitation, electricity, roads, storm water, solid waste, cleansing) needs to be addressed
- ✓ Upgrading, maintenance of roads and storm water, electricity, water, sewer and purification networks
- ✓ Improve access and linkages between towns, informal and rural settlements
- ✓ Public transportation should be improved. Bus and taxi ranks must be upgraded and the railway line should be better utilized. Improve solid waste management
- ✓ Broaden Revenue Base
- ✓ Implementation of the HIV/AIDS plan

- ✓ Crime prevention (Safety and Security)
- ✓ Construction of new and upgrading of existing educational facilities on all levels
- ✓ Development, however the lack of timely suitable engineering services have limited development at this point in time, however the municipality has embarked on the formulation of a development Strategic plan for accelerating infrastructure including development of a landfill site

### **Water supply**

Vhembe District Municipality is the water service authority for Makhado Local Municipality. A service level agreement signed with Vhembe District and Makhado Local Municipality has the status of a water services provider. In some areas within the Makhado Local Municipality such as Air Force Base, boreholes are drying up and water consumption level is extremely high. The Air Force Base acquires water from the underground reserves thus this may result in a severe burden on the water source.

Most rural communities do not have access to water at household level. The provision of water is limited and the supply does not meet the required minimum RDP standards for water provision.

**To ensure sustainable governance practices within the Municipality, the following should be adhered to:**

- Corporate governance practices (legal compliance)
- Business leadership / management (planning, structuring, culture, performance management, stakeholder relations management, communication)
- Resource management (people management, financial management, ICT management, asset management)

### **1.6. Overview budget related policies**

The municipality has various policies which relate to budgeting and financial management in the municipality. These Financial policies comply with the MFMA and its promulgated regulations. The following budget related policies have been **amended:**

- Budget Policy – 2018/2019
- Credit Control and Debt Collection
- Subsidy Scheme on Indigents Policy
- Investment of Funds and Principles Policy
- Asset Management Policy
- Tariff and Free Basic Services Policy
- Principles on the Writing -off of Irrecoverable Debt Policy
- Budget Virement Policy Supply Chain Management Policy
- Borrowing Policy
- Funding and reserves policy

- Expenditure Management Policy
- Revenue Management Policy Revenue Property Rates policy
- Supply chain policy

## By-laws

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>											
Property rates	2	31 756	45 252	60 071	55 915	55 915	55 915	55 915	55 915	58 879	62 117
Service charges - electricity revenue	2	246 283	266 749	302 963	317 429	317 429	317 429	317 429	339 142	362 339	387 123
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	8 164	8 127	8 822	10 021	10 021	10 021	10 021	10 552	11 122	11 734
Service charges - other											
Rental of facilities and equipment		289	298	483	502	502	502	502	529	558	588
Interest earned - external investments		3 720	3 520	5 254	5 331	5 331	5 331	5 331	5 613	5 916	6 242
Interest earned - outstanding debtors		7 830	8 061	4 932	13 726	13 726	13 726	13 726	14 454	15 234	16 072
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5 844	1 056	1 156	1 889	1 889	1 889	1 889	1 989	2 096	2 211
Licences and permits		10 611	8 836	7 238	12 567	12 567	12 567	12 567	13 234	13 948	14 715
Agency services		-	-	-	55 176	55 176	55 176	55 176	58 101	61 238	64 606
Transfers and subsidies		291 873	363 695	305 850	300 109	301 654	301 654	301 654	321 473	352 709	384 151
Other revenue	2	7 737	4 840	6 746	30 587	67 918	67 918	67 918	15 000	15 000	15 000
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>614 107</b>	<b>710 334</b>	<b>703 514</b>	<b>803 254</b>	<b>842 130</b>	<b>842 130</b>	<b>842 130</b>	<b>836 001</b>	<b>899 039</b>	<b>964 560</b>
<b>Expenditure By Type</b>											
Employee related costs	2	212 743	227 595	255 292	282 794	267 794	267 794	267 794	261 549	279 858	299 448
Remuneration of councillors		21 799	22 562	23 596	25 958	25 958	25 958	25 958	27 775	29 719	31 800
Debt impairment	3	24 310	68 113	-	10 000	64 139	64 139	64 139	66 063	68 045	70 086
Depreciation & asset impairment	2	106 351	105 979	-	95 872	75 872	75 872	75 872	79 893	82 368	86 898
Finance charges		10 896	2 999	3 119	12 720	12 720	12 720	12 720	13 102	13 717	14 472
Bulk purchases	2	183 246	194 178	143 274	212 748	205 748	205 748	205 748	154 909	165 505	176 826
Other materials	8	-	-	-	-	-	-	-	3 838	4 046	4 268
Contracted services		-	15 857	16 327	11 000	16 900	16 900	16 900	58 636	61 593	64 896
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	151 482	144 166	155 565	190 408	219 949	219 949	219 949	147 936	223 404	235 691
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>710 827</b>	<b>781 478</b>	<b>597 172</b>	<b>841 501</b>	<b>889 081</b>	<b>889 081</b>	<b>889 081</b>	<b>813 705</b>	<b>928 256</b>	<b>984 385</b>
<b>Surplus/(Deficit)</b>		<b>(96 720)</b>	<b>(71 144)</b>	<b>106 343</b>	<b>(38 247)</b>	<b>(46 951)</b>	<b>(46 951)</b>	<b>(46 951)</b>	<b>22 296</b>	<b>(29 216)</b>	<b>(19 826)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		154 981	137 132	119 657	116 196	126 400	126 400	126 400	104 645	106 217	111 322
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)	6	-	-	151 794	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>58 261</b>	<b>65 988</b>	<b>377 793</b>	<b>77 949</b>	<b>79 449</b>	<b>79 449</b>	<b>79 449</b>	<b>126 941</b>	<b>77 001</b>	<b>91 496</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>58 261</b>	<b>65 988</b>	<b>377 793</b>	<b>77 949</b>	<b>79 449</b>	<b>79 449</b>	<b>79 449</b>	<b>126 941</b>	<b>77 001</b>	<b>91 496</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>58 261</b>	<b>65 988</b>	<b>377 793</b>	<b>77 949</b>	<b>79 449</b>	<b>79 449</b>	<b>79 449</b>	<b>126 941</b>	<b>77 001</b>	<b>91 496</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>58 261</b>	<b>65 988</b>	<b>377 793</b>	<b>77 949</b>	<b>79 449</b>	<b>79 449</b>	<b>79 449</b>	<b>126 941</b>	<b>77 001</b>	<b>91 496</b>

## 1.7. Overview of budget funding

The operating expenditure budget for 2018/2019 amounts to **R814 077 million** as compared to the previous revised budget of **R 889 081 million** in the 2017/2018 financial year. The provision of free basic water and sanitation from Makhado Local Municipal and water infrastructure grant is allocated to Vhembe District Municipality.

### 1.7.1. Income

The operating income for 2018/19 is budgeted at **R 836 001 million** which leaves a marginal operating surplus of **R 126 569 million** but includes non-cash items such as depreciation and impairment of bad debts amounting to **R 145 956 million**

Provision has been made to supply all households serviced by the Council with 6Kl of water free of charge. To partially cover the expenditure of the operating budget all tariffs of the Council will be investigated and where need be they will be adjusted in line with the MFMA Circular no.91

### 1.7.2. Expenditure

The incremental expenditure does not increase in the same proportion as tariffs and service charges such as electricity and property rates hence they have various costing basis. Furthermore, projected electricity increases in tariffs will be capped by the Provisional NERSA indication, however, currently at 6.84% increase.

Funding of the operating budget is mainly from the Equitable share allocation, MIG operating subsidy grant and partial own income.

The municipality is currently reviewing the budget related processes to support the implementation of the Service Delivery and Budget Implementation Plan.

**Salaries decrease from R 267 794 .00 for the 2017/2018** financial year's revised budget to an amount of **R 261 549 .00 for the 2018/2019** financial year due water staff (excluding councilors), For councilors the expenditure budgeted expenditure increased from **R 25 947 000.00 to R 27 958 000.00** which is due to the fact that some critical vacancies will be filled in order to sustain service delivery and sustainable financial reporting. The total salary package of the Council amounts to 2.00 % of the total expenditure.

R thousands	Draft Budget 2018/2019	Budget Year 2019/2020	Variance in cost increase /decrease
Employee costs	261 549 000	281 802 000	303 472 000
Remuneration of councilors	27 775 000	29 719 000	31 800 000
Depreciation & asset impairment	79 893 000	82 368 000	86 898 000
Finance charges	13 102 000	13 717 000	14 472 000
Materials and bulk purchases	158 747 000	169 551 000	181 094 000
Other expenditure	272 639 000	351 099 000	366 649 000
<b>Total Expenditure</b>	<b>813 705 000</b>	<b>928 256 000</b>	<b>984 385 000</b>

Proposed tariff increase on other services are as follows:

SERVICES	2018/19	2019/2020	2020/2021
Electricity	6.84%	6.84%	6.84%
Property rates	5.3%	5.4%	5.5%
Other services	5.3%	5.4%	5.5%
Sundry tariffs	5.3%	5.4%	5.5%

### 1.7.3. General expenses

General expense has been provided for at R148 308 000 in 2018/2019 financial year operational estimates.

Repairs and maintenance has been provided at a cost of R58 368 395 which is below the 8% norm against property plant and equipment

#### Operational contracts having future budgetary implications

- Extension of municipal offices
- Rental under fleet management - petrol cards and tracker systems and 3<sup>rd</sup> party road assistance to be introduced
- IT infrastructure upgrading and related policy overhaul in progress
- Phase in Data cleansing for revenue systems
- Infrastructure assets management consulting as required by accounting standards.
- Extensive Electricity Tariff restructuring consulting costs as recommended by NERSA and Eskom

### 1.8. Overview of budget assumptions

#### Introduction

This section of the budget report provide comprehensive summary of all the assumption used in the budget proposal. Budgets are prepared in an environment of uncertainty and assumptions need to be made about both internal and external factors that could impact on the budget during the course of the financial year. It should be noted that, the longer the period, the more uncertainly and vice versa, the two outer period as presented on the budget are more likely to be missed than the 2018/2019 estimates.

National Treasury MFMA Circular 91 estimate inflation rate of 5.30% in 2018/2019 respectively. Inflation rate is expected to come within the targeted range of 5.5 % in 2020 - 2021

**Prices increases on various items on the budget were assumed as follows:**

- **Price movements on bulk purchases:** Based on the application response awaiting from NERSA for the proposed electricity tariff increase of 6.84% also in line with the National Treasury guidance
- **Employee costs** were increased by 7% which is also guided by national Treasury general employee costs increase
- **Overtime and leave payment:** it was assumed that leave will be paid only on termination due to resignation or death. It was assumed that the municipality will not purchase any leave in cash during the year.
- **Depreciation & debt impairment Expenses:** Depreciation expense reduced provisionally however during adjustment after the assessment has being done it will be increased to avoid unauthorized expenditure.
- **Interest on borrowing:** Currently prime lending rate is 10.25% and based on the inflation rate above, stable interest rate is expected during the budget period under review.
- **Collection rate:** collection rate of 90% was assumed during 2018/19 budget period. This was based on the current collection rate, and the fact that the focus economic growth suggests no major improvement in collection levels.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
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Interest earned - external investments		3 720	3 520	5 254	5 331	5 331	5 331	5 331	5 613	5 916	6 242
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Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5 844	1 056	1 156	1 889	1 889	1 889	1 889	1 989	2 096	2 211
Licences and permits		10 611	8 836	7 238	12 567	12 567	12 567	12 567	13 234	13 948	14 715
Agency services		-	-	-	55 176	55 176	55 176	55 176	58 101	61 238	64 606
Transfers and subsidies		291 873	363 595	305 850	300 109	301 654	301 654	301 654	321 473	352 709	384 151
Other revenue	2	7 737	4 840	6 746	30 587	67 918	67 918	67 918	15 000	15 000	15 000
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>614 107</b>	<b>710 334</b>	<b>703 514</b>	<b>803 254</b>	<b>842 130</b>	<b>842 130</b>	<b>842 130</b>	<b>836 001</b>	<b>899 039</b>	<b>964 560</b>
<b>Expenditure By Type</b>											
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Remuneration of councillors		21 799	22 592	23 595	25 958	25 958	25 958	25 958	27 775	29 719	31 800
Debt impairment	3	24 310	68 113	-	10 000	64 139	64 139	64 139	66 063	68 045	70 086
Depreciation & asset impairment	2	106 351	105 979	-	95 872	75 872	75 872	75 872	79 893	82 368	86 898
Finance charges		10 896	2 999	3 119	12 720	12 720	12 720	12 720	13 102	13 717	14 472
Bulk purchases	2	183 246	194 178	143 274	212 748	205 748	205 748	205 748	154 909	165 505	176 826
Other materials	8								3 838	4 046	4 268
Contracted services		-	15 857	16 327	11 000	16 900	16 900	16 900	58 638	61 593	64 896
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	151 482	144 166	155 565	190 408	219 949	219 949	219 949	147 936	223 404	235 691
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>710 827</b>	<b>781 478</b>	<b>597 172</b>	<b>841 501</b>	<b>889 081</b>	<b>889 081</b>	<b>889 081</b>	<b>813 705</b>	<b>928 256</b>	<b>984 385</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(96 720)	(71 144)	106 343	(38 247)	(46 951)	(46 951)	(46 951)	22 296	(29 216)	(19 826)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all))	6	154 981	137 132	119 657	116 196	126 400	126 400	126 400	104 645	106 217	111 322
				151 794	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>58 261</b>	<b>65 988</b>	<b>377 793</b>	<b>77 949</b>	<b>79 449</b>	<b>79 449</b>	<b>79 449</b>	<b>126 941</b>	<b>77 001</b>	<b>91 496</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>58 261</b>	<b>65 988</b>	<b>377 793</b>	<b>77 949</b>	<b>79 449</b>	<b>79 449</b>	<b>79 449</b>	<b>126 941</b>	<b>77 001</b>	<b>91 496</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>58 261</b>	<b>65 988</b>	<b>377 793</b>	<b>77 949</b>	<b>79 449</b>	<b>79 449</b>	<b>79 449</b>	<b>126 941</b>	<b>77 001</b>	<b>91 496</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>58 261</b>	<b>65 988</b>	<b>377 793</b>	<b>77 949</b>	<b>79 449</b>	<b>79 449</b>	<b>79 449</b>	<b>126 941</b>	<b>77 001</b>	<b>91 496</b>

## PART 2 – ANNUAL BUDGET TABLES

### 2.1. Capital budget

The capital required for 2018/2019 amounts to **R 183 076 million** of which **R 78 431 million** should be funded out of internally generated income.

Many of the capital projects required by the Managers were reduced due to a lack of funds and the increasing maintenance costs and fund availability in the light of the municipality's financial constraints.

**The composition of the Capital Budget is made up as follows:**

<b>FUNDING SOURCE</b>	<b>2018/2019 R'000</b>	<b>2019/2020 R'000</b>	<b>2020/2021 R'000</b>
<b>INCOME</b>	R 78 931	R 89 577	R 66 237
<b>MIG</b>	R 87 732	R 89 577	R 94 682
<b>INEP</b>	R 16 913	R 16 640	R 16 640
<b>TOTAL</b>	<b>R 183 976</b>	<b>R 218 812</b>	<b>R 177 559</b>

The growth in the expenditure budget is mainly attributed to:

- Increased spending to addressing maintenance backlogs in infrastructure
- Increased spending on employee related costs
- Increased spending attributable to bulk purchasing costs for electricity and increased servicing cost relating to borrowing.
- On-going issues requiring monitoring and evaluation, consequently, they should carefully be monitored and evaluated:
- Maintenance backlogs in respect of Council's assets – adequacy of budgetary provisions
- Maintenance of current collection rates
- Effectiveness of debt collection

#### 2.1.1. Summary of electrification projects

##### Allocations on grants made by the municipality

Section 17 (3) (j) of the MFMA requires municipality to disclose in its budget documentation the amounts of *particulars of any proposed allocations or grants by the municipality to—*

- other municipalities;*
- any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;*
- any other organs of state;*

(iv) any organisations or bodies referred to in section 67 (1);

The Council allocates grants-in-aid, discretionary grants, and grants by councilors (included in the operating budget) on an annual basis to needy organizations, based on business plans indicating the proposed usage of such funds.

On funding of the budget, **Section 18(1)** of the MFMA states that

*An annual budget may only be funded from -*

- (a) *realistically anticipated revenues to be collected;*
- (b) *cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and*
- (c) *borrowed funds, but only for the capital budget referred to in section 17 (2).*

### 2.1.1. Funding source for the Capital Budget:

Confirmed to date Capital Budget is funded largely from government grants, mainly from MIG and INEP which amounts to R 87 732 million and R 16 913 million respectively in 2018/19. The own funded projects is proposed to be funded from own funding to the value of R 78 431 million.

The following is the summary of grants allocations as per provisional DORA gazette

<b>MUNICIPAL GRANTS FOR 2018/19</b>			
<b>Description</b>	<b>Grants in 18/19 R '000</b>	<b>Grants in 19/20 R '000</b>	<b>Grants in 19/20 R '000</b>
<b>EQUITABLE SHARE</b>	R 316 259	R 349 259	R 381 094
<b>MIG</b>	R 87 732	R 89 577	R 94 682
<b>MSIG</b>	R 1 055	0	0
<b>FMG</b>	R 1 700	R 1 700	R 1 700
<b>EPWP</b>	R 1 240		
<b>INEP</b>	R 16 913	R 16 640	R 16 640
<b>TOTAL</b>	<b>R 424 899</b>	<b>R 457 176</b>	<b>R 494 116</b>

## 2.2. CASH FLOW PROJECTION

- Makhado Local Municipality projected to start the financial year with positive balance cash / cash equivalents and project an average collection rate for the coming financial year of 80-85%. Based on these assumptions the projected income for the year will exceed the projected expenditure.
- It is therefore important that the impact of increased expenditures for each service delivery area be carefully considered with the next budget cycle to ensure that each service remains financially sustainable over the medium term with the least impact on the communities.

Projected cash flow is attached and suggests the projected cash flow surplus of R 226 176 million 30 June 2019 which will be mainly supported by the cash investment that will be rolled forward to 2017/2018 financial year.

- The average collection rate for main tariffs for the current financial year to date is 73%
- It is suggested that the proposed expenditure levels be reduced to maintain stability in payment of creditors within 30 days of receipt of invoice Therefore the municipality will have to monitor its operational expenditure closely and safe as much as possible, curb all non-essential and non-service delivery expenditure and ensure that the budgeted collection rate is achieved to enable the municipality to function efficiently and deliver services to the community.
- It is recommended that the municipality's proposed operating and own funded capital budget is reduced for the time being and if the collection rate of 89% is proved to be achievable and maintainable, the surplus that may become available in the next 36 month period could then be utilized to motivate an increase in the own funded capital budget at the time when the municipality considers its adjustments budget

### 2.3. Budget process and key stakeholder relations

<b>31 August</b>	<ul style="list-style-type: none"> <li>• The Mayor tables at Council for approval the IDP and Budget Process Plan in terms of Section 21 of the Municipal Systems Act and Section 34 of the Municipal Finance Management Act.</li> <li>• Distribution of the Council approved IDP and Budget Process Plan to all relevant stakeholders.</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>• Strategic Planning Session to review the current strategic plan of the Municipality, review of past service delivery performance and determine future multiyear political priorities, KPAs, KPIs and Programmes.</li> <li>• The Budget Office prepares an initial Medium Term Financial Forecast (MTFF) and indicates the likely level of resources to be available.</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>• Public Consultation Process with the community, and other key stakeholders on service delivery performance for the prior year and current year-to-date. Share information on the political priorities and Programmes planned for the year/s ahead. Confirmation of ward based priority needs for the year/s ahead.</li> </ul>
<b>November</b>  <b>December-January</b>	<ul style="list-style-type: none"> <li>• Compile report on the needs for the year/s ahead obtained from the community and other key stakeholders. Prioritization process of community needs and projects</li> <li>• Second Strategic IDP/Budget Workshops for Mayoral Committee members and Senior Management Team: outcomes <ul style="list-style-type: none"> <li>✓ IDP proposals and Budget alignment</li> <li>✓ Agreement of any changes the Mayor should propose to the IDP for 2018/19.</li> </ul> </li> <li>• Finalize the review of the Municipal Situational Analysis Chapter (Chapter 2) of the IDP.</li> <li>• Senior Management start reviewing the stage one IDP/Budget/SDBIP process input forms (IDP changes, capital project proposals, and operational budget growth requests).</li> </ul>
<b>January</b>	<p>The Mayor tables at Council:</p> <ul style="list-style-type: none"> <li>• the 2017/18 mid-year performance and budget assessment reports</li> <li>• Review of the draft mid-year performance and budget monitoring reports.</li> <li>• The 2016/17 Annual Report</li> </ul>

<b>February</b>	<ul style="list-style-type: none"> <li>• Agreement of the 2017/18 Adjustments Budget Report to be tabled at Council</li> <li>• Executive Management Team meets to: <ul style="list-style-type: none"> <li>✓ prepare for Strategic IDP/Budget/SDBIP Workshop</li> <li>✓ discuss the draft 2018/2019 IDP inputs</li> <li>✓ discuss the 2018/2019 budget proposals</li> </ul> </li> </ul>
<b>March</b>	<p>Third Strategic IDP/Budget Workshop for Mayoral Committee members and Senior Management Team: outcomes</p> <ul style="list-style-type: none"> <li>• Agreement of the proposed changes to be made to the IDP to be included in the March Council Report.</li> <li>• Agreement of the 2017/18 budget proposals to be included in the March Council Budget Report.</li> </ul> <p>The IDP, Budget Report, and draft SDBIP tabled at all relevant Portfolio Committees and Mayoral Committee prior to tabling at Council.</p> <p>The Executive Mayor tables the Municipality’s Draft 2017/18 Budget Report and IDP at Council.</p>
<b>April</b>	<p>Statutory public participation process undertaken on the tabled Draft IDP and Budget for 2017/18. Council obtains the views of the local community, National Treasury, Provincial Treasury, other district, provincial and national organs of state and municipalities.</p> <p>Finalization of 2018/2019 SDBIP.</p> <p>The IDP, Budget Report, and draft SDBIP tabled at all relevant Portfolio Committees and Mayoral Committee prior to tabling at Council.</p> <p>The Executive Mayor tables the Municipality’s 2018/19 Budget Report, IDP, and draft SDBIP at Council for final approval on 31 May 2018</p>
<b>June</b>	<p>The IDP and Budget Reports are placed on the municipality’s website and sent to National and Provincial Treasuries.</p> <p>The Executive Mayor must agree and approve the 2018/2019 SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with section 57(2) of the Municipal Systems Act. The Executive Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The Executive Mayor submits the approved 2017/2018 SDBIP and performance agreements to Council, MEC for local government, and makes it public within 14 days after approval.</p>

Special Council Meeting Executive mayor tables budget (pre-community consultation) to Council

- Draft Budget Made available on the municipality's website, municipal offices and notice placed in all major newspapers informing members of the public about the draft budget and inviting written submissions/representations.
- Budget discussions Ward committees/Stakeholders.
- Community consultation to present and discuss the draft budget proposals
- and receive inputs/ submissions/comment
- Closing of Public and internal Submissions to close on end of Mid - April 2017.
- Special Council Meeting Mayor delivers budget speech and submits final budget to Council for consideration and approval.

#### **Process to record and integrate inputs from the community**

- After consideration of all budget submissions the Executive Mayor must be given the opportunity to respond, if necessary revise the budget and table amendments for consideration.
- To ensure that all community inputs are recorded and integrated, throughout the consultation period, a system were initiated to ensure that:
- All written submissions were required to be directed to the main municipal offices for further reprocessing department, who would maintain a record of lodgments and direct submissions to the appropriate department for comment and recommendation.
- All verbal questions at community consultation meetings would be recorded, together with the answer provided at the meeting or referred an appropriate representative to the appropriate department for comment and recommendation.
- Where possible, the submissions and presentations received during the community consultation process and additional information regarding revenue and expenditure will be addressed before tabling of the final budget.

#### **SDBIP**

The SDBIP document is at final preparation stage taking into considerations provisions of the MFMA

#### **Audit committee**

An audit committee has been established in terms of the MFMA

#### **Public:**

All applicable By-laws to be adopted and the annual budget will be published in the municipal website.

### **Provincial Treasury**

A copy of the final budget will be submitted to National Treasury

### **National Treasury**

A copy of the final budget will be submitted to National Treasury

## **2.4. Recommendations (administrative management)**

- 2.4.1. THAT the Capital and Operational Estimates for the 2018/2019 financial year as more fully recorded in Annexure A attached to the report in this regard be approved and that the Accounting Officer proceeds with the publication of the final Annual Budget as purposed in section 22 of the Local Government: Municipal Finance Management Act, No 56 of 2003, and the Regulations promulgated in terms thereof.
- 2.4.2. THAT the following 2018/2019 budget related policies be approved as more fully set out in Annexures 1 to Annexure 18 attached to the report in this regard-

### Policies

- 2.4.1. Virement Policy
- 2.4.2. Credit Control and Debt Collection Policy
- 2.4.3. Tariff policy free basic services/indigent policy
- 2.4.4. Borrowing policy
- 2.4.5. Expenditure Management Policy
- 2.4.6. Funding and Reserves Policy
- 2.4.7. Budget Policy
- 2.4.8. Framework for cash flow management
- 2.4.9. Asset management policy
- 2.4.10. Investment Policy
- 2.4.11. Subsidy for indigent household policy
- 2.4.12. Uniform Credit Control Policy
- 2.4.13. Debt written off policy
- 2.4.14. Property Rates Policy
- 2.4.15. Property Rates By-Law
- 2.4.16. Supply Chain Management Policy
- 2.4.17. Revenue Management Policy
- 2.4.18. Travel and Subsistence Policy
- 2.4.19. Acquisition and use of Cellular phones Policy
- 2.4.20. Petty cash policy
- 2.4.21. Transport allowance policy

- 2.4.3. THAT note be taken of any amendments to the contents of the Property Rates By-law, of which the necessary promulgations provisions related to municipal property rates will be undertaken after public consultation thereof.
- 2.4.4. THAT it be noted that the 2018/2019 Estimates will after approval by the Council in terms of section 22 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury.
- 2.4.5. Final 2018/2019 tariff listing for municipal service be approved as attached in annexure C







### **PART 3 – ANNUAL BUDGET TABLES**

C1	CAPEX detailed breakdown of projects listing	
A1	Budget Summary	
A3	Budgeted Financial Performance (revenue and expenditure by municipal vote)	
A4	Budgeted Financial Performance (revenue and expenditure)	
A5	Budgeted Capital Expenditure by vote, standard classification and funding	
A6	Budgeted Financial Position	
SA 30	Budgeted Cash Flows	
A7	Budgeted Cash Flows	

**MAKHADO MUNICIPALITY**  
**SUMMARISED FINAL ANNUAL CAPITAL BUDGET FOR 2018/2019 TO 2020/2021 FINANCIAL YEAR**

<b>DEPARTMENT</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
Planning and Development	11 200 000,00	4 000 000,00	4 000 000,00
Technical Services	148 635 000,00	204 617 000,00	160 672 000,00
Community Services	5 731 000,00	5 680 000,00	6 270 000,00
Budget and Treasury	9 900 000,00	4 400 000,00	4 400 000,00
Corporate Services	4 750 000,00	3 415 000,00	2 217 000,00
Regional Offices	3 360 000,00	-	-
<b>TOTAL</b>	<b>183 576 000,00</b>	<b>222 112 000,00</b>	<b>177 559 000,00</b>

**Source of funding**

MIG	87 732 000,00	89 577 000,00	94 682 000,00
INEP	16 913 000,00	16 640 000,00	16 640 000,00
Income	78 931 000,00	115 895 000,00	66 237 000,00
<b>Total funding</b>	<b>183 576 000,00</b>	<b>222 112 000,00</b>	<b>177 559 000,00</b>

**FINAL ANNUAL CAPITAL BUDGET 2018/2019 TO 2020/2021 FINANCIAL YEAR  
BUDGET AND TREASURY**

**ASSETS MANAGEMENT SECTION**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	1* mayors car	INCOME	1 500 000,00		
SC	<b>Vehicle for all munciplity</b>	INCOME	8 000 000,00	4 000 000,00	4 000 000,00
SC	<b>Furnuture for all munciplity</b>	INCOME	400 000,00	400 000,00	400 000,00
<b>TOTAL</b>			<b>9 900 000,00</b>	<b>4 400 000,00</b>	<b>4 400 000,00</b>
<b>TOTAL BUDGET AND TREASURY BUDGET</b>			<b>9 900 000,00</b>	<b>4 400 000,00</b>	<b>4 400 000,00</b>

**FINAL ANNUAL CAPITAL BUDGET 2018/2019 TO 2020/2021 FINANCIAL YEAR  
CORPORATE SERVICES DEPARTMENT**

**UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Sage People 300 Module Activation	INCOME	600 000,00	600 000,00	600 000,00
SC	Computerized Attendance Register System for two entries with multiple points	INCOME	-	400 000,00	400 000,00
SC	Upgrade Software: Office 2010 to Office 365 - all users	INCOME	800 000,00	200 000,00	
SC	Knowledge Management Framework & Master plan - develop & implement	INCOME	-	215 000,00	200 000,00
SC	Procure 8 hard drives for storage server to complete storage capacity	INCOME	150 000,00	150 000,00	-
SC	Develop Dispatch/ Control Center - software phase 1	INCOME	365 000,00	200 000,00	67 000,00
SC	Computer networks new councilor office block & chambers	INCOME	-	-	500 000,00
	Electronic Agenda for all councillors phase 2	INCOME	290 000,00		
	Internet connection: Vleyfontein Satellite	INCOME	15 000,00		
	Connectivity to nine( 9) Points of services	INCOME	270 000,00		
SC	Mini DRP hardware & software	INCOME	1000 000,00	500 000,00	-
SC	Central municipal VOIP telephone system for City 2025	INCOME	500 000,00	700 000,00	-
SC	Internal network Musekwa Thusong Center for Public Library	INCOME	215 000,00	-	-
SC	Replace two way radio communication equipment - Call Centre	INCOME	55 000,00	-	-
<b>TOTAL</b>			<b>4260 000,00</b>	<b>2 965 000,00</b>	<b>1 767 000,00</b>

**ICT EQUIPMENT**

SC	Computer and IT related office equipment all departments	INCOME	<b>450 000,00</b>	<b>450 000,00</b>	<b>450 000,00</b>
			<b>450 000,00</b>	<b>450 000,00</b>	<b>450 000,00</b>

**RECORDS MANAGEMENT**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	TV & OVHD (For Call Centre office )	INCOME	10 000,00	-	-
SC	Security Door for Registry office	INCOME	30 000,00	-	-
			<b>40 000,00</b>	<b>-</b>	<b>-</b>

**TOTAL CORPORATE SERVICES BUDGET**

**4 250 000,00      3 415 000,00      2 217 000,00<sup>3</sup>**

**TECHNICAL SERVICES DEPARTMENT**

<b>ELECTRICAL ENGINEERING</b>						
<b>CODE</b>	<b>DESCRIPTION</b>	<b>MOTIVATION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	New Air conditioners	New conditioner	INCOME	100 000,00	-	-
SC	Replacement Air conditioners	Replacement of faulty air conditioner	INCOME	200 000,00	400 000,00	-
SC	Car ports	Under cover parking for electrical staff	INCOME	-	100 000,00	100 000,00
SC	CT VT Units 11kv & 22kV various sub stations	Ct VT's (replace incomer CT/VT's ce	INCOME	400 000,00	500 000,00	400 000,00
SC	Incomer intake point Eskom Substation	Additional intake point due to growing	INCOME	2 000 000,00	3 000 000,00	-
SC	Low voltage problems Rural Farming	Continuous update of LV network to N	INCOME	2 000 000,00	1 000 000,00	1 000 000,00
SC	Mini Subs	For new developments on network and	INCOME	-	1 500 000,00	1 300 000,00
SC	MV Cable 70mm <sup>2</sup> 11kV - urban network	Strengthening of urban network for lov	INCOME	-	800 000,00	800 000,00
SC	MV cable 95mm <sup>2</sup> 22kV	Ring feed to Makhado Crossing, and f	INCOME	-	1 400 000,00	350 000,00
SC	Recloser and controllers whole network	Safe MV Operations - Whole network	INCOME	1 200 000,00	1 500 000,00	1 500 000,00
SC	Re-design, grading & coordination of all protection circuits on fault l	Protection systems have been found n	INCOME	-	1 000 000,00	-
SC	Replace Line protection control Panel complete Makhado Sub	The existing protection relays are not a	INCOME	-	1 000 000,00	-
SC	Ring Main Units 11kV (RMU)	For new developments on Urban netw	INCOME	2 500 000,00	3 000 000,00	4 000 000,00
SC	Standby quarters additional rooms	Two additional rooms for streetlight at	INCOME	300 000,00		
SC	Standby quarters 10kl tank with pressure pump and connection pipe	For constant water supply to the new s	INCOME	50 000,00	-	-
SC	Sub Station Battery chargers	2 x for Subs protection central sub one	INCOME	300 000,00	-	-
SC	Transformers 2x10MVA 22/11	Strengthening URBAN Network. Stub	INCOME	3 000 000,00	3 250 000,00	-
SC	Transformers 2x5MVA 22/11	Strengthening URBAN Network Firm	INCOME		1 850 000,00	
SC	Transformers 1x5MVA 22/11	Strengthening URBAN Network Crick	INCOME	1 600 000,00	1 850 000,00	
SC	Cricket substation control building	Building is needed to house the 22/11k	INCOME	150 000,00		
SC	Emmerentia substation refurbishment	Building need urgent refurbishment du	INCOME	150 000,00		
SC	Upgrade Levubu 1 line	Replace all wooden poles with concret	INCOME	-	2 000 000,00	2 000 000,00
SC	Upgrade Levubu 2 line	Recapitalisation	INCOME	500 000,00	200 000,00	200 000,00
SC	Upgrade Mara Line	Recapitalisation preventative maintana	INCOME	500 000,00	500 000,00	500 000,00
SC	Upgrade Shefeera Line	Reroute shefeera line out of mountain	INCOME	-	4 000 000,00	4 000 000,00
SC	Upgrade Levubu East line	Reroute and upgrade Levubu East alo	INCOME	2 000 000,00	2 000 000,00	2 000 000,00
SC	Upgrade Tshipise line	General upgrade of whole line.	INCOME			300 000,00
SC	Upgrade and reroute Beaufort West line	Reroute levubu Beaufort West feeder	INCOME	500 000,00	-	-
SC	Upgrade Urban Substations	Stubb, Emma, central, Boom Park & F	INCOME	2 500 000,00	3 000 000,00	3 000 000,00
SC	Upgrading bulk supply Sinthimule	2.5MVA - 4MVA increased residential	INCOME	-	3 000 000,00	-
SC	Upgrading bulk supply Tshipise Leeudraai	4MVA - 6MVA Firm (Already over N	INCOME	-	4 000 000,00	-
SC	Upgrading bulk supply Tshithuni 2.5MVA	1MVA - 2.5MVA	INCOME	-	3 000 000,00	-
SC	Upgrading Mountain line	Main Sub to Roodewal. 3rd town feed	INCOME	2 500 000,00	500 000,00	
SC	Replace OCB (out door circuit breakers - main sub station)	Replace Mountain and Levubu 1 Feed	INCOME	-	1 000 000,00	1 000 000,00

SC	Transformer oil purification	All power transformers oil purification	INCOME	-	350 000,00	350 000,00
SC	Construct Used transformer bay with oil catch-pit at workshop	To prevent oil spillage and environmen	INCOME	200 000,00		
SC	Service MV OCB's	Levubu & Beaufort and main Substati	INCOME	-	1 000 000,00	1 000 000,00
SC	Voltage regulators tshipise	To regulate MV at Tshipise due to poc	INCOME	100 000,00		
SC	Refurbish female and male ablution building	Due to health of the workers the ablut	INCOME	300 000,00		
SC	Kitchen (open type) at workshop	Workers complained that they do not h	INCOME	100 000,00		
SC	High Masts	Replacement of no serviceable masts	INCOME	2 000 000,00	1 000 000,00	
<b>TOTAL</b>				<b>25 150 000,00</b>	<b>47 700 000,00</b>	<b>23 800 000,00</b>

CODE	DESCRIPTION	MOTIVATION	SOURCES	2018/2019	2019/2020	2020/2021
SC	Bush valley	New development proposed (Subject to	INCOME		2 000 000,00	
SC	Electrification in Eskom Areas top up from income	INEP Projects top up	INCOME	3 000 000,00	5 000 000,00	5 000 000,00
SC	Eltivillas Extension	To completed Eltivillas new extension	INCOME		300 000,00	300 000,00
SC	Extension 8	New development proposed (Subject to	INCOME		200 000,00	300 000,00
SC	Extenuation 9 development	New development proposed (Subject to	INCOME		10 000 000,00	500 000,00
SC	Leeu street development Ext 13	New development proposed	INCOME		10 000 000,00	
SC	Link and bulk services Ext 12 (38 erven)	New development proposed	INCOME		1 000 000,00	500 000,00
SC	New offices at the Elect workshop	Designs of office building. Constructio	INCOME			2 500 000,00
SC	Electrification, Post Connections & extensions Munic area	In all Municipal village networks	INCOME	5 000 000,00	2 500 000,00	3 000 000,00
SC	South of Pretorius Str Bulk supply Engineering	New development proposed	INCOME		2 500 000,00	500 000,00
SC	Electrification of 170 Residential sites at Tshikota Township		INCOME	3 000 000,00		
SC	Electrification of 200 sites at South of Pretorius Street		INCOME		3 200 000,00	
<b>TOTAL</b>				<b>11 000 000,00</b>	<b>36 700 000,00</b>	<b>12 600 000,00</b>

<b>ELECTRIFICATION</b>						
<b>CODE</b>	<b>DESCRIPTION</b>	<b>MOTIVATION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Planning and Design of New Ribolwa Substation	Additional 20MVA (132/66kV Premium)	INEP	2 000 000,00	16 640 000,00	16 640 000,00
SC	Electrification of Songozwi Farm	Electrification	INEP	682 000,00		
SC	MV Line for Songozwi Farm	Electrification	INEP	1 784 500,00		
SC	Electrification of Mudimeli village	Electrification	INEP	2 681 500,00		
SC	Electrification of Mashau Tshilaphala village	Electrification	INEP	2 015 000,00		
SC	Electrification of Muananzhele / Mavhungeni	Electrification	INEP	7 750 000,00		
<b>TOTAL</b>				<b>16 913 000,00</b>	<b>16 640 000,00</b>	<b>16 640 000,00</b>

CIVIL ENGINEERING SECTION						
CODE	DESCRIPTION		SOURCES	2018/2019	2019/2020	2020/2021
SC	Sereni Themba to Mashamba Post Office Access Road 3	Upgrading of road from gravel to tar	MIG	2 310 000,00		
SC	Landfill site makhado	Construct additional Cell and design ac	MIG	3 500 000,00	9 000 000,00	5 000 000,00
SC	Tshikwarani, Manavhela, Zamkomste Access Road Phase 2	Upgrading of road from gravel to tar	MIG	1 800 000,00		7 000 000,00
SC	Tshedza to Vuvha Access Road Phase 2	Upgrading of road from gravel to tar	MIG	1 100 000,00	15 000 000,00	
SC	Mbhokota, Gombita, Tshivhuyuni to Mphagi Road Phase 2	Upgrading of road from gravel to tar	MIG	5 000 000,00	15 000 000,00	
SC	Valdezia Access Road Phase 2	Upgrading of road from gravel to tar	MIG	15 000 000,00		9 000 000,00
SC	Fencing of Makhado Mucipality Cemetry		MIG	2 000 000,00		
SC	Mudimeli Bridge and Access Road Phase 2	Upgrading of road from gravel to tar	MIG	3 300 000,00		9 000 000,00
SC	Waterval Sports Facility Phase 2		MIG	11 000 000,00		9 000 000,00
SC	Lutanandwa Bridge		MIG	700 000,00	7 000 000,00	
SC	Erf 210 Burger Street market revitalization project		MIG	3 000 000,00		
SC	Kutama / Sinthumule Sports Facility		MIG	700 000,00	12 000 000,00	
SC	Waterval Region Refuse Transfer Station		MIG		700 000,00	3 000 000,00
SC	Waterval Stormwater		MIG	700 000,00	6 000 000,00	
SC	Chavani to Bungeni Road Phase 2	Upgrading of road from gravel to tar	MIG	18 000 000,00		
SC	Piesanghoek to Khunda Road Phase 4	Upgrading of road from gravel to tar	MIG	15 000 000,00	15 000 000,00	
SC	Erection of High Masts inMakhado	Feasibility study in all villages	MIG	2 400 000,00	3 800 000,00	8 400 000,00
SC	Mingard Bridge to Mbhokota Entrance.		MIG		700 000,00	8 000 000,00
SC	Rivoni to Xihobyeni Access road	Upgrading of road from gravel to tar	MIG		700 000,00	8 000 000,00
SC	Luvhalani to Dzananwa Access Road	Upgrading of road from gravel to tar	MIG		700 000,00	8 000 000,00
SC	Tshivhuyuni Sports Facility		MIG			800 000,00
SC	Makatu to Tshikota Access Road	Upgrading of road from gravel to tar	MIG		700 000,00	8 000 000,00
SC	Tsianda (Marundu to Military Base) Access Road	Upgrading of road from gravel to tar	MIG		700 000,00	8 000 000,00
SC	Afton to Natalie Access Road	Upgrading of road from gravel to tar	MIG			800 000,00
SC	PMU Management Fees		MIG	2 222 000,00	2 577 000,00	2 682 000,00
<b>TOTAL</b>				<b>87 732 000,00</b>	<b>89 577 000,00</b>	<b>94 682 000,00</b>
<b>PMU Allocation</b>				<b>87 732 000,00</b>	<b>89 577 000,00</b>	<b>94 682 000,00</b>

ROADS AND STORM WATER						
CODE	DESCRIPTION		SOURCES	2018/2019	2019/2020	2020/2021
SC	Rehabilitation of Streets in Makhado		INCOME		1 500 000,00	1 500 000,00
SC	Rehabilitation of Streets in Waterval		INCOME	700 000,00	1 500 000,00	
SC	Rehabilitation of Streets in Dzanani		INCOME		1 500 000,00	
SC	Rehabilitation of Joe Slovo Street (Vleifontein)		INCOME	-	600 000,00	
SC	Upgrading of Gravel Streets in Makhado		INCOME		800 000,00	2 000 000,00
SC	Pedestrian Roller		INCOME	500 000,00		550 000,00
SC	3 x Tar Cutter Machine		INCOME	200 000,00	-	
SC	3 x Jump Stamp Compactor		INCOME	-	200 000,00	
SC	3 x Trailers		INCOME	100 000,00	-	
SC	Mobile Tar Sweeping Machine		INCOME	-	600 000,00	
SC	Trailer mounted 2000L tank with Fog Spray (weed killer)		INCOME	200 000,00	-	
SC	Paving at Four-way stop		INCOME		800 000,00	800 000,00
<b>TOTAL</b>				<b>1 700 000,00</b>	<b>7 500 000,00</b>	<b>4 850 000,00</b>

<b>PROVISION OF TOOLS, EQUIPMENT &amp; MATERIALS ( MECHANICAL WORKSHOP)</b>						
<b>CODE</b>	<b>DESCRIPTION</b>		<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Workshop Steel Structure		INCOME	550 000,00		
SC	Low-bed Truck		INCOME	2 000 000,00		
<b>TOTAL</b>				<b>2 550 000,00</b>	<b>-</b>	<b>-</b>
<b>BUILDING MAINTENANCE</b>						
<b>CODE</b>	<b>DESCRIPTION</b>		<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Upgrading Regional Offices		INCOME		700 000,00	3 000 000,00
SC	Renovation of Vleifontein Hall and Fence		INCOME	600 000,00	-	
SC	Refurbishment of Electrical Stores and Warehouse		INCOME		600 000,00	600 000,00
SC	Siloam and Dzanani Taxi Rank Paving and Ablution		INCOME	520 000,00		
SC	Fort Hendrina Palisade Fencing		INCOME	20 000,00		
SC	Concrete Mixer		INCOME	50 000,00	-	
SC	Road Marking Machine		INCOME	500 000,00		500 000,00
SC	Recreational Facility at N1 Park (planning)		INCOME	500 000,00	1 200 000,00	
SC	Mayor's Residential House		INCOME	-		
SC	Installation of Lift at Civic Centre		INCOME	300 000,00		
SC	New Council Chamber and Offices (planning)		INCOME	700 000,00	4 000 000,00	4 000 000,00
SC	Ha- Mutsha Community Hall Extension of Fence		INCOME	400 000,00		
<b>TOTAL</b>				<b>3 590 000,00</b>	<b>6 500 000,00</b>	<b>8 100 000,00</b>
<b>TOTAL TECHNICAL SERVICES BUDGET</b>				<b>146 413 000,00</b>	<b>204 617 000,00</b>	<b>160 672 000,00</b>
INCOME				<b>43 990 000,00</b>	<b>98 400 000,00</b>	<b>49 350 000,00</b>
GRANTS				<b>102 423 000,00</b>	<b>106 217 000,00</b>	<b>111 322 000,00</b>

**COMMUNITY SERVICES DEPARTMENT****LIBRARY SERVICES**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Extension of Library buildings	INCOME	-	1 000 000,00	50 000,00
SC	Extension of Circulation Area	INCOME	100 000,00	150 000,00	-
SC	Carports	INCOME	100 000,00	-	-
SC	Office chairs	INCOME	10 000,00	-	-
SC	Extension of ablution block	INCOME	50 000,00	-	-
SC	M3 (Musekwa Library)	INCOME	150 000,00	30 000,00	20 000,00
<b>TOTAL</b>			<b>410 000,00</b>	<b>1 180 000,00</b>	<b>70 000,00</b>

**PARKS AND RECREATION SECTION**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Cemetery Management System	INCOME	1 000 000,00		
SC	Development of Dzanani Park	INCOME	500 000,00	-	
SC	Development of Waterval Park	INCOME	-	500 000,00	
SC	Town swimming pool _	INCOME	1 100 000,00	-	
<b>TOTAL</b>			<b>2 600 000,00</b>	<b>500 000,00</b>	<b>-</b>

**WASTE MANAGEMENT**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	20 Skip Bins	INCOME	500 000,00	800 000,00	-
SC	500 x 240L Wheelie bins	INCOME	-	500 000,00	-
SC	Purchasing of 500 x 210L steel drums	INCOME	-	-	300 000,00
SC	Development of Carpot and vehicle washing bay at Makhado Landfill	INCOME	500 000,00	500 000,00	-
	Rehab of Existing landfill site	INCOME	500 000,00	-	-
<b>TOTAL</b>			<b>1 500 000,00</b>	<b>1 800 000,00</b>	<b>300 000,00</b>

**PROTECTION SERVICES**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Bio-Metric Access control System	INCOME	1 500 000,00	-	-
<b>TOTAL</b>			<b>1 500 000,00</b>	<b>-</b>	<b>-</b>

<b>DZANANI TRAFFIC STATION</b>					
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Upgrading of Vehicle Testing station (Grade B to A)	INCOME	-	-	-
SC	Carport for employees (Bricks and Zinc Structure)	INCOME	-	-	150 000,00
SC	Installation of alarm system	INCOME	100 000,00	-	-
<b>TOTAL</b>			<b>100 000,00</b>	<b>-</b>	<b>150 000,00</b>
<b>MAKHADO TRAFFIC STATION</b>					
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Upgrading DLTC (Paving of testing ground)	INCOME	-	800 000,00	-
SC	Construction of Admin Block (Testing Ground)	INCOME	-	-	-
SC	Furniture for new Makhado Traffic block	INCOME	-	100 000,00	-
SC	Purchase of 15 X portable radios and 2 X Base radios	INCOME	-	-	100 000,00
SC	Paving parking space for customers	INCOME	-	300 000,00	-
SC	Construction of filing / Archive centre for sensitive documents	INCOME	-	-	5 000 000,00
SC	Purchase of 2 X Computers & Printer for traffic administration	INCOME	25 000,00	-	-
SC	Installation of 1 X Airconditioner at Information Centre / Helpdesk	INCOME	20 000,00	-	-
SC	Purchasing of Speed machine	INCOME	-	-	300 000,00
SC	Purchase of 3 X Patrol Sedan vehicles	INCOME	-	-	-
SC	Purchase of 5 X High-back chairs for Cashiers	INCOME	20 000,00	-	-
SC	Construction of cattle pound storage room	INCOME	250 000,00	-	-
SC	Purchasing of 1 x printer for pound section	INCOME	6 000,00	-	-
SC	Refurbishment of the existing cattle pound Structure	INCOME	-	1 000 000,00	-
SC	Installation of alarm system	INCOME	100 000,00	-	-
<b>TOTAL</b>			<b>421 000,00</b>	<b>2 200 000,00</b>	<b>5 400 000,00</b>

<b>WATERVAL TRAFFIC STATION</b>					
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Refurbishment of the roof structure at Watervaal Office	INCOME	-		
SC	Paving of parking area	INCOME	300 000,00	-	
SC	Installation of alarm system	INCOME	100 000,00		
SC	Installation of CCTV Cameras	INCOME	-		350 000,00
SC	Standby (backup)Electricity power Generator	INCOME	300 000,00		
<b>TOTAL</b>			<b>700 000,00</b>	<b>-</b>	<b>350 000,00</b>
<b>TOTAL COMMUNITY SERVICES BUDGET</b>			<b>5 731 000,00</b>	<b>5 680 000,00</b>	<b>6 270 000,00</b>

<b>FINAL ANNUAL CAPITAL BUDGET 2018/2019 TO 2020/2021 FINANCIAL YEAR</b>					
<b>PLANNING AND DEVELOPMENT</b>					
<b>LED</b>					
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Dzanani Traders Market	INCOME	500 000,00	-	-
SC	Tshakhuma Fruit Market	INCOME	2 400 000,00		
SC	Designs/Planning for N1 Tourism Park inclusive of Arts and Craft C	INCOME	300 000,00	4 000 000,00	4 000 000,00
SC	Incubation Centre	INCOME	500 000,00	-	-
SC	Re-Allocation of Stadium	INCOME	7 500 000,00		
<b>TOTAL</b>			<b>11 200 000,00</b>	<b>4 000 000,00</b>	<b>4 000 000,00</b>
<b>TOTAL PLANNING AND DEVELOPMENT BUDGET</b>			<b>11 200 000,00</b>	<b>4 000 000,00</b>	<b>4 000 000,00</b>

<b>FINAL ANNUAL CAPITAL BUDGET 2018/2019 TO 2020/2021 FINANCIAL YEAR</b>					
<b>REGIONAL OFFICES</b>					
<b>DZANANI REGIONAL OFFICE</b>					
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Borehole at Dzanani Regional Office	INCOME	70 000,00		
SC	Borehole at the Transfer Station	INCOME	70 000,00		
SC	Street Names : Dzanani Township	INCOME	300 000,00		
SC	Upgrading of Taxi Ranks: Siloam and Dzanani	INCOME	-		-
SC	Paving of Office Yard	INCOME	350 000,00		
SC	Pedestrian Roller Two Drums	INCOME	150 000,00		
<b>TOTAL</b>			<b>940 000,00</b>	<b>-</b>	<b>-</b>
<b>WATERVAL REGIONAL OFFICE</b>					
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
SC	Pedestrian Roller & Trailer	INCOME	600 000,00		
SC	Lawn Mower Machines for Parks	INCOME	600 000,00		
SC	Ablution Facilities	INCOME	550 000,00		-
SC	Carport for Waterval Regional Offices	INCOME	650 000,00		
SC	2 X Water Tanks	INCOME	20 000,00		
<b>TOTAL</b>			<b>2 420 000,00</b>	<b>-</b>	<b>-</b>

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	31 756	45 252	60 071	55 915	55 915	55 915	55 915	55 915	58 879	62 117
Service charges - electricity revenue	2	246 283	266 749	302 963	317 429	317 429	317 429	317 429	339 142	362 339	387 123
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	8 164	8 127	8 822	10 021	10 021	10 021	10 021	10 552	11 122	11 734
Service charges - other											
Rental of facilities and equipment		289	298	483	502	502	502	502	529	558	588
Interest earned - external investments		3 720	3 520	5 254	5 331	5 331	5 331	5 331	5 613	5 916	6 242
Interest earned - outstanding debtors		7 830	8 061	4 932	13 726	13 726	13 726	13 726	14 454	15 234	16 072
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5 844	1 056	1 156	1 889	1 889	1 889	1 889	1 989	2 096	2 211
Licences and permits		10 611	8 836	7 238	12 567	12 567	12 567	12 567	13 234	13 948	14 715
Agency services		-	-	-	55 176	55 176	55 176	55 176	58 101	61 238	64 606
Transfers and subsidies		291 873	363 595	305 850	300 109	301 654	301 654	301 654	321 473	352 709	384 151
Other revenue	2	7 737	4 840	6 746	30 587	67 918	67 918	67 918	15 000	15 000	15 000
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>614 107</b>	<b>710 334</b>	<b>703 514</b>	<b>803 254</b>	<b>842 130</b>	<b>842 130</b>	<b>842 130</b>	<b>836 001</b>	<b>899 039</b>	<b>964 560</b>
<b>Expenditure By Type</b>											
Employee related costs	2	212 743	227 595	255 292	282 794	267 794	267 794	267 794	261 549	279 858	299 448
Remuneration of councillors		21 799	22 592	23 595	25 958	25 958	25 958	25 958	27 775	29 719	31 800
Debt impairment	3	24 310	68 113	-	10 000	64 139	64 139	64 139	66 063	68 045	70 086
Depreciation & asset impairment	2	106 351	105 979	-	95 872	75 872	75 872	75 872	79 893	82 368	86 898
Finance charges		10 896	2 999	3 119	12 720	12 720	12 720	12 720	13 102	13 717	14 472
Bulk purchases	2	183 246	194 178	143 274	212 748	205 748	205 748	205 748	154 909	165 505	176 826
Other materials	8								3 838	4 046	4 268
Contracted services		-	15 857	16 327	11 000	16 900	16 900	16 900	58 638	61 593	64 896
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	151 482	144 166	155 565	190 408	219 949	219 949	219 949	147 936	223 404	235 691
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>710 827</b>	<b>781 478</b>	<b>597 172</b>	<b>841 501</b>	<b>889 081</b>	<b>889 081</b>	<b>889 081</b>	<b>813 705</b>	<b>928 256</b>	<b>984 385</b>
<b>Surplus/(Deficit)</b>		<b>(96 720)</b>	<b>(71 144)</b>	<b>106 343</b>	<b>(38 247)</b>	<b>(46 951)</b>	<b>(46 951)</b>	<b>(46 951)</b>	<b>22 296</b>	<b>(29 216)</b>	<b>(19 826)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		154 981	137 132	119 657	116 196	126 400	126 400	126 400	104 645	106 217	111 322
Transfers and subsidies - capital (monetary											

LIM344 Makhado - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE AND COUNCIL		142 449	144 990	28 512	88 890	115 067	115 067	115 067	90 210	101 000	104 950
Vote 2 - WASTE MANAGEMENT		-	2 369	-	-	-	-	-	1 500	1 800	300
Vote 3 - ROADS TRANSPORT		-	26	-	-	-	-	-	-	-	-
Vote 4 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 5 - ELECTRICITY		-	16 322	20 619	53 616	46 497	46 497	46 497	58 425	103 117	55 722
Vote 6 - CORPORATE SERVICES		-	545	586	4 210	4 210	4 210	4 210	-	-	-
Vote 7 - PLANNING AND DEVELOPMENT		-	1 086	637	9 802	9 802	9 802	9 802	11 200	4 000	4 000
Vote 8 - COMMUNITY AND SOCIAL SERVICES		-	-	2 988	2 380	2 380	2 380	2 380	16 341	7 795	8 187
Vote 9 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 10 - SPORTS AND RECREATION		-	962	-	-	-	-	-	-	-	-
Vote 11 - BUDGET AND TREASURY		-	750	3 131	4 350	4 350	4 350	4 350	5 900	4 400	4 400
Vote 12 - OTHER		-	184	-	510	510	510	510	-	-	-
Vote 13 - ADD-ENTITY-ABBREVIATION		-	-	-	-	-	-	-	-	-	-
Vote 14 - ADD-ENTITY-ABBREVIATION		-	-	-	-	-	-	-	-	-	-
Vote 15 - ADD-ENTITY-ABBREVIATION		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	<b>142 449</b>	<b>167 234</b>	<b>56 474</b>	<b>163 758</b>	<b>182 816</b>	<b>182 816</b>	<b>182 816</b>	<b>183 576</b>	<b>222 112</b>	<b>177 559</b>

Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		47 450	172 048	11 556	62 412	62 412	62 412	62 412	65 720	69 269	73 009
Call investment deposits	1	50 000	50 000	130 785	68 000	68 000	68 000	68 000	65 821	69 376	73 191
Consumer debtors	1	38 155	108 045	154 125	57 501	57 501	57 501	57 501	60 549	63 758	67 264
Other debtors		72 244	2 005		111 277	111 277	111 277	111 277	117 175	123 502	130 295
Current portion of long-term receivables		-	-								
Inventory	2	113 958	114 950	121 920	119 069	119 069	119 069	119 069	125 379	132 150	139 418
<b>Total current assets</b>		<b>321 807</b>	<b>447 048</b>	<b>418 386</b>	<b>418 259</b>	<b>418 259</b>	<b>418 259</b>	<b>418 259</b>	<b>434 643</b>	<b>458 054</b>	<b>483 178</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property		11 870	21 486	11 685	28 930	28 930	28 930	28 930	30 463	32 108	33 874
Investment in Associate											
Property, plant and equipment	3	1 776 162	1 872 117	1 714 264	2 266 837	2 266 837	2 266 837	2 266 837	2 386 979	2 515 876	2 654 249
Agricultural											
Biological											
Intangible		1 532	1 531	1 216	1 226	1 226	1 226	1 226	1 290	1 360	1 435
Other non-current assets		1 566									
<b>Total non current assets</b>		<b>1 791 130</b>	<b>1 895 134</b>	<b>1 727 165</b>	<b>2 296 993</b>	<b>2 296 993</b>	<b>2 296 993</b>	<b>2 296 993</b>	<b>2 418 732</b>	<b>2 549 344</b>	<b>2 689 558</b>
<b>TOTAL ASSETS</b>		<b>2 112 937</b>	<b>2 342 182</b>	<b>2 145 551</b>	<b>2 715 252</b>	<b>2 715 252</b>	<b>2 715 252</b>	<b>2 715 252</b>	<b>2 853 375</b>	<b>3 007 398</b>	<b>3 172 736</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	1 304	1 304	1 507	1 432	1 432	1 432	1 432	1 507	1 589	1 676
Consumer deposits		13 702									
Trade and other payables	4	154 358	155 293	94 544	94 367	94 367	94 367	94 367	99 368	104 734	110 494
Provisions											
<b>Total current liabilities</b>		<b>169 364</b>	<b>156 597</b>	<b>96 051</b>	<b>95 799</b>	<b>95 799</b>	<b>95 799</b>	<b>95 799</b>	<b>100 875</b>	<b>106 323</b>	<b>112 170</b>
<b>Non current liabilities</b>											
Borrowing		3 328	17 750	1 711	132 036	132 036	132 036	132 036	139 033	146 541	154 601
Provisions		114 605	104 162	123 750	61	61	61	61	64	69	73
<b>Total non current liabilities</b>		<b>117 933</b>	<b>121 912</b>	<b>125 461</b>	<b>132 097</b>	<b>132 097</b>	<b>132 097</b>	<b>132 097</b>	<b>139 097</b>	<b>146 610</b>	<b>154 674</b>
<b>TOTAL LIABILITIES</b>		<b>287 297</b>	<b>278 509</b>	<b>221 512</b>	<b>227 896</b>	<b>227 896</b>	<b>227 896</b>	<b>227 896</b>	<b>239 972</b>	<b>252 933</b>	<b>266 844</b>
<b>NET ASSETS</b>	5	<b>1 825 640</b>	<b>2 063 673</b>	<b>1 924 039</b>	<b>2 487 356</b>	<b>2 487 356</b>	<b>2 487 356</b>	<b>2 487 356</b>	<b>2 613 403</b>	<b>2 754 465</b>	<b>2 905 892</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		724 394	2 063 673	1 924 039	2 487 356	2 487 356	2 487 356	2 487 356	2 613 403	2 754 465	2 905 892
Reserves	4	1 101 246	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>1 825 640</b>	<b>2 063 673</b>	<b>1 924 039</b>	<b>2 487 356</b>	<b>2 487 356</b>	<b>2 487 356</b>	<b>2 487 356</b>	<b>2 613 403</b>	<b>2 754 465</b>	<b>2 905 892</b>

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		41 556	345 078	39 735	55 915	55 915	55 915	55 915	55 915	58 879	62 117
Service charges		233 248	363 596	184 222	327 451	327 451	327 451	327 451	349 694	373 461	398 857
Other revenue		38 673	189 264	13 832	100 722	138 053	138 053	138 053	88 852	92 840	97 121
Government - operating	1	487 719	15 100	232 440	300 109	301 654	301 654	301 654	321 473	352 709	384 151
Government - capital	1	-	-	49 177	116 196	116 196	116 196	116 196	104 645	106 217	111 322
Interest		3 720	-	4 617	19 057	19 057	19 057	19 057	20 067	21 151	22 314
Dividends		-	-	-					-	-	-
<b>Payments</b>											
Suppliers and employees		(654 978)	(604 388)	(483 115)	(722 909)	(709 468)	(709 468)	(709 468)	(654 647)	(764 125)	(812 929)
Finance charges		(10 896)	(2 999)	(747)	(12 720)	(12 720)	(12 720)	(12 720)	(13 102)	(13 717)	(14 472)
Transfers and Grants	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>139 042</b>	<b>305 651</b>	<b>40 161</b>	<b>183 821</b>	<b>236 138</b>	<b>236 138</b>	<b>236 138</b>	<b>272 898</b>	<b>227 414</b>	<b>248 481</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(142 449)	(167 234)	(56 474)	(160 758)	(160 758)	(160 758)	(160 758)	(162 639)	(226 835)	(186 877)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(142 449)</b>	<b>(167 234)</b>	<b>(56 474)</b>	<b>(160 758)</b>	<b>(160 758)</b>	<b>(160 758)</b>	<b>(160 758)</b>	<b>(162 639)</b>	<b>(226 835)</b>	<b>(186 877)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing		-	97						-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		(1 300)	(3 190)	(719)					-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(1 300)</b>	<b>(3 093)</b>	<b>(719)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(4 707)</b>	<b>135 324</b>	<b>(17 032)</b>	<b>23 063</b>	<b>75 380</b>	<b>75 380</b>	<b>75 380</b>	<b>110 259</b>	<b>579</b>	<b>61 604</b>
Cash/cash equivalents at the year begin:	2	52 157	114 906	159 372	115 918	115 918	115 918	115 918	115 917	226 176	226 754
Cash/cash equivalents at the year end:	2	47 450	250 230	142 340	138 981	191 298	191 298	191 298	226 176	226 754	288 359

LIM344 Makhado - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	31 756	45 252	60 071	55 915	55 915	55 915	55 915	55 915	58 879	62 117
Service charges	254 447	274 876	311 785	327 451	327 451	327 451	327 451	349 694	373 461	398 857
Investment revenue	3 720	3 520	5 254	5 331	5 331	5 331	5 331	5 613	5 916	6 242
Transfers recognised - operational	291 873	363 595	305 850	300 109	301 654	301 654	301 654	321 473	352 709	384 151
Other own revenue	32 311	23 091	20 555	114 449	151 780	151 780	151 780	103 306	108 074	113 193
<b>Total Revenue (excluding capital transfers and contributions)</b>	614 107	710 334	703 514	803 254	842 130	842 130	842 130	836 001	899 039	964 560
Employee costs	212 743	227 595	255 292	282 794	267 794	267 794	267 794	261 549	279 858	299 448
Remuneration of councillors	21 799	22 592	23 595	25 958	25 958	25 958	25 958	27 775	29 719	31 800
Depreciation & asset impairment	106 351	105 979	-	95 872	75 872	75 872	75 872	79 893	82 368	86 898
Finance charges	10 896	2 999	3 119	12 720	12 720	12 720	12 720	13 102	13 717	14 472
Materials and bulk purchases	183 246	194 178	143 274	212 748	205 748	205 748	205 748	158 748	169 551	181 094
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	175 792	228 136	171 892	211 408	300 988	300 988	300 988	273 010	353 043	370 674
<b>Total Expenditure</b>	710 827	781 478	597 172	841 501	889 081	889 081	889 081	814 077	928 256	984 385
<b>Surplus/(Deficit)</b>	(96 720)	(71 144)	106 343	(38 247)	(46 951)	(46 951)	(46 951)	21 924	(29 216)	(19 826)
Transfers and subsidies - capital (monetary alloc	154 981	137 132	119 657	116 196	126 400	126 400	126 400	104 645	106 217	111 322
Contributions recognised - capital & contributed a	-	-	151 794	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	58 261	65 988	377 793	77 949	79 449	79 449	79 449	126 569	77 001	91 496
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	58 261	65 988	377 793	77 949	79 449	79 449	79 449	126 569	77 001	91 496

<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>142 449</b>	167 234	56 474	163 757	182 816	182 816	182 816	183 576	222 112	177 559
Transfers recognised - capital	<b>136 402</b>	137 132	42 108	114 390	124 594	124 594	124 594	104 645	106 217	111 322
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	<b>6 047</b>	30 102	14 366	49 367	58 223	58 223	58 223	78 931	115 895	66 237
<b>Total sources of capital funds</b>	<b>142 449</b>	167 234	56 474	163 757	182 816	182 816	182 816	183 576	222 112	177 559
<b>Financial position</b>										
Total current assets	<b>321 807</b>	447 048	418 386	418 259	418 259	418 259	418 259	434 643	458 054	483 178
Total non current assets	<b>1 791 130</b>	1 895 134	1 727 165	2 296 993	2 296 993	2 296 993	2 296 993	2 418 732	2 549 344	2 689 558
Total current liabilities	<b>169 364</b>	156 597	96 051	95 799	95 799	95 799	95 799	100 875	106 323	112 170
Total non current liabilities	<b>117 933</b>	121 912	125 461	132 097	132 097	132 097	132 097	139 097	146 610	154 674
Community wealth/Equity	<b>1 825 640</b>	2 063 673	1 924 039	2 487 356	2 487 356	2 487 356	2 487 356	2 613 403	2 754 465	2 905 892
<b>Cash flows</b>										
Net cash from (used) operating	<b>139 042</b>	305 651	40 161	183 821	236 138	236 138	236 138	272 898	227 414	248 481
Net cash from (used) investing	<b>(142 449)</b>	(167 234)	(56 474)	(160 758)	(160 758)	(160 758)	(160 758)	(183 576)	(222 112)	(177 559)
Net cash from (used) financing	<b>(1 300)</b>	(3 093)	(719)	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>47 450</b>	250 230	142 340	138 981	191 298	191 298	191 298	205 239	210 540	281 463
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	<b>97 450</b>	222 048	142 341	130 412	130 412	130 412	130 412	131 541	138 644	146 201
Application of cash and investments	<b>45 705</b>	(132 623)	1 149	(69 757)	(70 082)	(70 082)	(70 082)	(73 308)	(77 247)	(81 535)
<b>Balance - surplus (shortfall)</b>	<b>51 745</b>	354 671	141 192	200 169	200 494	200 494	200 494	204 849	215 891	227 736
<b>Asset management</b>										
Asset register summary (WDV)	<b>1 789 564</b>	1 897 238	-	2 296 993	2 296 993	2 296 993		2 042 106	2 152 380	2 270 761
Depreciation	<b>106 351</b>	105 979	-	95 872	75 872	75 872		79 894	82 368	86 898
Renewal of Existing Assets	-	-	-	-	-	-		-	-	-
Repairs and Maintenance	-	-	-	61 332	61 332	61 332		64 582	68 070	71 814
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	<b>8 883</b>	6 440	-	7 217	7 217	7 217	-	-	-	-
<b>Households below minimum service level</b>										
Water:	41	41	41	41	41	41	41	41	41	41
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy :	-	-	-	-	-	-	-	-	-	-
Refuse:	49	49	49	49	49	49	49	49	49	49