



MAKHADO MUNICIPALITY ANNUAL BUDGET 2019/20- 2021/21

MTREF-2019-2022

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PART 1 – ANNUAL BUDGET

1.1. Mayor’s Report

The Mayor’s report will be furnished after the Budget Speech.

1.2. Recommendations (administrative management)

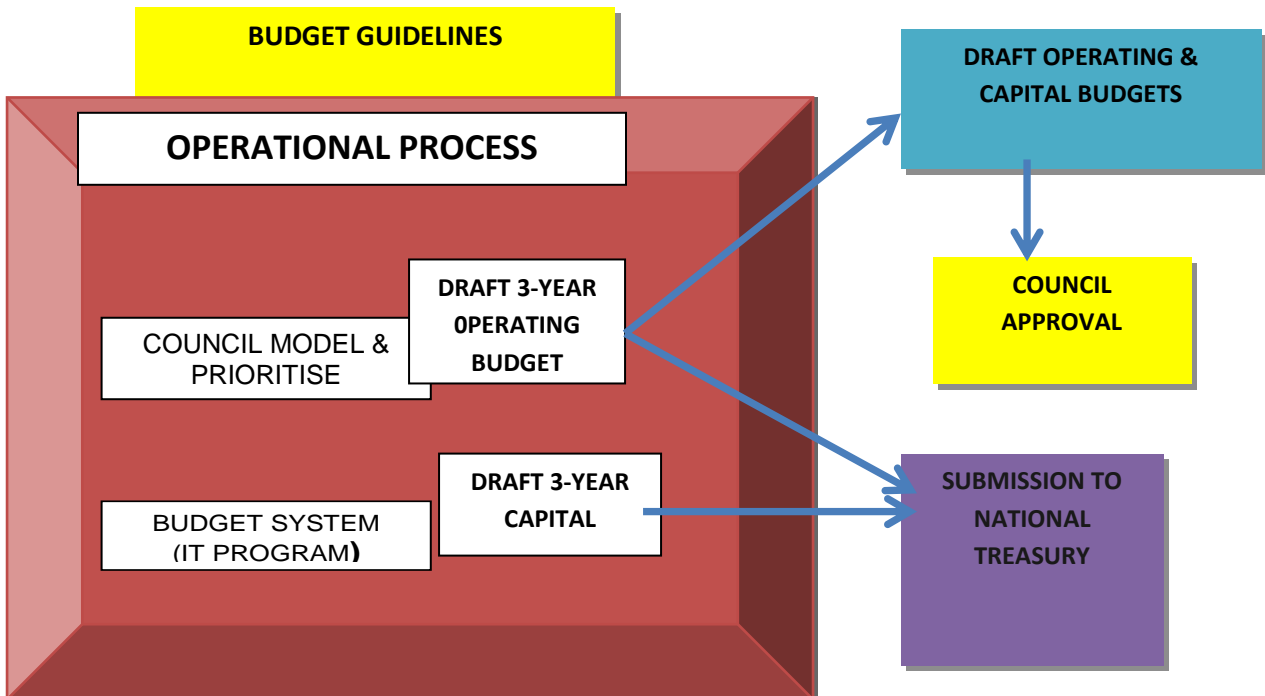
1. THAT the Final Capital and Operational Estimates for the 2019/2020 financial year as more fully recorded in **Annexure A** attached to the report in this regard be tabled and that the Accounting Officer proceeds with the publication of the Final Annual Budget as purposed in section 22 of the Municipal Finance Management Act 56 of 2003

2. THAT the following 2019/2020 to 2021/2022 financial year’s budget related policies be approved as more fully set out in **Annexure B1 to B21** attached to the report in this regard-

3. Final 2019/2020 tariff listing for municipal service be tabled as set out in Annexure C

4. THAT it be noted that the Final 2019/2020 Estimates after tabling 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	2019/2020	2020/2021	2021/2022
Electricity	13.07%	13.07%	13.07%
Property rates	5.20%	5.40%	5.40%
Other services	5.20%	5.40%	5.40%
Sundry tariffs	5.20%	5.40%	5.40%

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 to 200 villages.

Political Office Bearers and Municipal Manager	
Mayor	Cllr N MUNYAI
Speaker	Cllr Mogale LB
Chief Whip	Cllr MBOYI M D
Municipal Manager	Mr N F Tshivhengwa

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.

1.4. Budget overview

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

The Makhado Local Municipality was faced 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.

According to National Treasury MFMA Circular No.93 & 94 , it is submitted that the draft budget documentation must be tabled to council not later than 31st March (i.e. 90 days before the start of the budget year) and final budget to be adopted on or before the 31st of May.

- The projected overall spending envelope for the 2019/2020 MTREF amounts to R 960 894 million whereas, the operating revenue for the 2019/2020 MTREF amounts to R 958 975 million and R 203 378 million in the capital budget.
- The 2019/2020 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 should also have a positive effect on increased collection rates and the implementation of new valuation roll should result in the revenue base increasing.
- MFMA Circular No. 94 of the National Treasury provides some guidelines as to how municipalities may respond to the economic crisis in their budget preparations.
- 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 an unqualified audit report in 2018/2019 and 2019/20, 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 2019-2022 and public consultation process:

- A three (3) year capital budget has been prepared and built on the IDP document to be tabled in Council in March 2019
- 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.

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 of 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:

- Credit Control and Debt Collection Policy
- Debt write-off Policy
- Asset Management Policy
- Rates Policy
- Tariff Policy
- Travelling allowance
- Expenditure Management policy

1.7. Overview of budget funding

The operating expenditure budget for 2019/2020 amounts to **R 958 975 million** as compared to the previous revised budget of **R 839 243 million** in the 2018/2019 financial year.

1.7.1. Income

The operating income for 2019/20 is budgeted at **R 960 894 million** which leaves a marginal operating surplus of R 1 919 million which after deduction of non-cash **items such as** depreciation and impairment of assets amounting to R 100 million and R 45 million for debt impairment

LIM344 Makhado - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	36 369	53 631	53 753	52 781	66 885	66 885	66 885	70 363	74 162	78 167
Service charges - electricity revenue	2	266 749	302 963	275 482	344 885	330 077	330 077	330 077	373 218	421 997	477 152
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	8 127	8 822	9 235	9 838	(841)	9 338	9 338	9 824	10 354	10 913
Rental of facilities and equipment		298	483	7 400	455	329	329	329	346	365	384
Interest earned - external investments		3 520	5 254	9 339	3 963	51	51	51	54	57	60
Interest earned - outstanding debtors		8 061	4 932	15 960	16 137	19 340	19 340	19 340	20 345	21 444	22 602
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 056	1 156	5 819	1 989	1 757	1 757	1 757	1 848	1 948	2 053
Licences and permits		8 836	7 238	8 541	11 661	13 234	13 234	13 234	13 922	14 673	15 466
Agency services		-	-	-	-	67 136	67 136	67 136	-	-	-
Transfers and subsidies		363 595	305 850	311 919	321 811	321 473	321 473	321 473	361 091	380 590	401 142
Other revenue	2	4 840	6 746	36 644	8 297	13 718	13 718	13 718	109 883	111 243	64 062
Total Revenue (excluding capital transfers and contributions)		701 451	697 074	734 093	771 818	833 157	843 336	843 336	960 894	1 036 833	1 072 001
Expenditure By Type											
Employee related costs	2	212 743	227 595	-	283 826	249 493	249 493	249 493	284 371	304 277	325 577
Remuneration of councillors		22 592	23 595	25 307	11 135	27 775	27 775	27 775	28 554	30 552	32 691
Debt impairment	3	68 113	-	133 905	40 904	67 136	67 136	67 136	45 000	47 340	49 896
Depreciation & asset impairment	2	105 979	-	82 967	78 148	103 148	103 148	103 148	100 000	105 200	110 881
Finance charges		-	3 119	12 159	13 102	13 154	13 154	13 154	6 752	7 117	7 501
Bulk purchases	2	194 178	143 274	159 447	154 909	209 639	209 639	209 639	242 406	280 293	324 103
Other materials	8	-	-	-	20 073	37 253	37 253	37 253	38 935	41 037	43 254
Contracted services		15 857	16 327	227 060	142 691	74 359	74 359	74 359	68 183	70 308	74 131
Other expenditure	4, 5	144 166	155 565	53 816	69 311	57 286	57 286	57 286	144 773	144 789	95 609
Total Expenditure		763 627	569 474	694 662	814 101	839 243	839 243	839 243	958 975	1 030 914	1 063 642
Surplus/(Deficit)		(62 176)	127 600	39 431	(42 283)	(6 086)	4 093	4 093	1 919	5 919	8 359
Transfers and subsidies - capital (monetary allocations) (National / Provincial and transfers and subsidies - capital (monetary allocations) (National / Provincial		137 132	119 657	131 169	104 645	104 645	104 645	104 645	109 577	111 322	118 026
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385
Surplus/(Deficit) after taxation		74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385
Surplus/(Deficit) for the year		74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385

1.7.2. Expenditure

The projected electricity increases in tariffs will be capped currently at **13.07%** increase.

Funding of the 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 increased from **R 249 493 million** for the 2018/2019 financial year's revised budget to an amount of **R 284 371 million** for the 2019/2018 financial year (excluding councilors). For councilors the budgeted expenditure increased from **R 27 775 to R 28 554 million** 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 Operating expenditure

R thousands	Adjusted Budget 2018/2019	Budget Year 2019/20	Variance in cost increase /decrease
Employee costs	R 249 493	R 284 371	R 34 878
Remuneration of councilors	R 27 775	R 28 554	R 779
Depreciation & asset impairment	R 170 284	R 145 000	(R 25 284)
Finance charges	R 13 154	R 6 752	(R 6 402)
Materials and bulk purchases	R 249 892	R 281 341	R 31 449
Other expenditure	R 128 645	R 212 956	R 84 311
Total Expenditure	R 839 243	R 958 975	R 119 732

Proposed tariff increase on other services are as follows:

SERVICES	2018/19	2019/2020	2020/2021
Electricity	13.07%	13.07%	13.07%
Property rates	5.20%	5.40%	5.40%
Other services	5.20%	5.40%	5.40%
Sundry tariffs	5.20%	5.40%	5.40%

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 affect the budget during the course of the financial year.

National Treasury MFMA Circular 94 estimate inflation rate of 5.20% in 2019/2020 respectively. Inflation rate is expected to come within the targeted range of 5.40 % in 2021 - 2022

Price 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 13.07% also in line with the National Treasury guidance
- **Employee costs**: Was increased by 7%, which is also guided by National Treasury MFMA Circular 94 general employee costs increased.
- **Overtime and leave payment**: It was assumed that leave would 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.
- **Collection rate**: collection rate of 90% was assumed during 2019/20 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.

PART 2 – ANNUAL BUDGET TABLES

2.1. Capital budget

The capital required for 2019/2020 amounts to **R 203 378 million** of which **R 134 753 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:

FUNDING SOURCE	2019/2020 R'000	2020/2021 R'000	2021/2022 R'000
INCOME	R 134 753	R 139 216	R 146 540
MIG	R 48 625	R 58 133	R 75 650
INEP	R 20 000	R 16 640	R 16 000
TOTAL	R 203 378	R 213 989	R 238 190

The growth in the expenditure budget is mainly attributed to:

- Increased spending to address 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. 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 48 625 million, and **R 20 million** respectively in 2019/20. The own funded projects is proposed to be funded from own funding to the value of **R 134 753 million**.

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

MUNICIPAL GRANTS FOR 2019/20			
Description	Grants in 19/20 R '000	Grants in 2020/21 R '000	Grants in 2021/22 R '000
EQUITABLE SHARE	R 357 528	R 384 333	R 413 961
MIG	R 89 577	R 94 682	R 102 026
FMG	R 1 700	R 1 700	R 1 964
EPWP	R 1 863		
INEP	R 20 000	R 16 640	R 16 000
TOTAL	R 470 668	R 497 355	R 533 951

OTHER MUNICIPAL GRANTS FROM PROVINCIAL GOVERNMENT			
Description	Grants in 19/20 R '000	Grants in 2020/21 R '000	Grants in 2021/22 R '000
RAL	R 30 000	R 39 200	R 00
TOTAL	R 30 000	R 39 200	R 00

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 within the next budget cycle to ensure that each

service remains financially sustainable over the medium term with the least impact on the communities.

- The average collection rate for main tariffs for the current financial year to date is 88%

2.3. Budget process and key stakeholder relations

August	<ul style="list-style-type: none"> • 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. • Distribution of the Council approved IDP and Budget Process Plan to all relevant stakeholders.
September	<ul style="list-style-type: none"> • 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. • The Budget Office prepares an initial Medium Term Financial Forecast (MTFF) and indicates the likely level of resources to be available.
October	<ul style="list-style-type: none"> • 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.
November	<ul style="list-style-type: none"> • 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

<p>December-January</p>	<ul style="list-style-type: none"> • Second Strategic IDP/Budget Workshops for Mayoral Committee members and Senior Management Team: outcomes <ul style="list-style-type: none"> ✓ IDP proposals and Budget alignment ✓ Agreement of any changes the Mayor should propose to the IDP for 2019/20. • Finalize the review of the Municipal Situational Analysis Chapter (Chapter 2) of the IDP. • Senior Management start reviewing the stage one IDP/Budget/SDBIP process input forms (IDP changes, capital project proposals, and operational budget growth requests).
<p>January</p>	<p>The Mayor tables at Council:</p> <ul style="list-style-type: none"> • the 2018/19 mid-year performance and budget assessment reports • Review of the draft mid-year performance and budget monitoring reports. • The 2017/18 Annual Report
<p>February</p>	<ul style="list-style-type: none"> • Agreement of the 2018/19 Adjustments Budget Report to be tabled at Council • Executive Management Team meets to: <ul style="list-style-type: none"> ✓ prepare for Strategic IDP/Budget/SDBIP Workshop ✓ discuss the draft 2019/2020 IDP inputs ✓ discuss the 2019/2020 budget proposals
<p>March</p>	<p>Third Strategic IDP/Budget Workshop for Mayoral Committee members and Senior Management Team: outcomes</p> <ul style="list-style-type: none"> • Agreement of the proposed changes to be made to the IDP to be included in the March Council Report. • Agreement of the 2018/19 budget proposals to be included in the March Council Budget Report. <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>

<p>April and May</p>	<p>Statutory public participation process undertaken on the tabled Draft IDP and Budget for 2019/20. 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 2019/2020 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 2019/20 Budget Report, IDP, and draft SDBIP at Council for final approval on 31 May 2019</p>
<p>June</p>	<p>The IDP and Budget Reports are placed on the municipality’s website and sent to National and Provincial Treasury.</p> <p>The Executive Mayor must review and approve the 2019/2020 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 2019/2020 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 2019.
- 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 will 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.

2.4. Recommendations (administrative management)

2.4.1. THAT the Final Capital and Operational Estimates for the 2019/2020 financial year as more fully recorded in **Annexure A** attached to the report in this regard be approved to council 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 2019/2020 budget related policies be approved to council as more fully set out in **Annexures 1 to Annexure 21** 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. Subsidy for indigent household policy
- 2.4.11. Uniform Credit Control Policy
- 2.4.12. Debt written off policy
- 2.4.13. Supply Chain Management Policy
- 2.4.14. Revenue Management Policy
- 2.4.15. Travel and Subsistence Policy
- 2.4.16. Acquisition and use of Cellular phones Policy
- 2.4.17. Petty cash policy
- 2.4.18. Car allowance policy
- 2.4.19. Tariff Policy
- 2.4.20. Customer Care Policy
- 2.4.21. Investment policy

2.4.3. THAT note be taken of any amendments to the contents of the budget related policies.

2.4.4. THAT it be noted that the 2019/2020 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 2019/20 tariff listing for municipal service be approved to council as attached in Annexure C.

PART 3 – ANNUAL BUDGET TABLES

C1	CAPEX detailed breakdown of projects listing
A1	Budget Summary
A4	Budgeted Financial Performance (revenue and expenditure)
A7	Budgeted Cash Flows

LIM344 Makhado - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	36 369	53 631	53 753	52 781	66 885	66 885	66 885	70 363	74 162	78 167
Service charges	274 876	311 785	284 716	354 723	329 236	339 415	339 415	383 042	432 351	488 065
Investment revenue	3 520	5 254	9 339	3 963	51	51	51	54	57	60
Transfers recognised - operational	363 595	305 850	311 919	321 811	321 473	321 473	321 473	361 091	380 590	401 142
Other own revenue	23 091	20 555	74 366	38 539	115 513	115 513	115 513	146 344	149 673	104 567
Total Revenue (excluding capital transfers and contributions)	701 451	697 074	734 093	771 818	833 157	843 336	843 336	960 894	1 036 833	1 072 001
Employee costs	212 743	227 595	-	283 826	249 493	249 493	249 493	284 371	304 277	325 577
Remuneration of councillors	22 592	23 595	25 307	11 135	27 775	27 775	27 775	28 554	30 552	32 691
Depreciation & asset impairment	105 979	-	82 967	78 148	103 148	103 148	103 148	100 000	105 200	110 881
Finance charges	-	3 119	12 159	13 102	13 154	13 154	13 154	6 752	7 117	7 501
Materials and bulk purchases	194 178	143 274	159 447	174 983	246 892	246 892	246 892	281 341	321 330	367 357
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	228 136	171 892	414 782	252 907	198 781	198 781	198 781	257 956	262 437	219 636
Total Expenditure	763 627	569 474	694 662	814 101	839 243	839 243	839 243	958 975	1 030 914	1 063 642
Surplus/(Deficit)	(62 176)	127 600	39 431	(42 283)	(6 086)	4 093	4 093	1 919	5 919	8 359
Transfers and subsidies - capital (monetary)	137 132	119 657	131 169	104 645	104 645	104 645	104 645	109 577	111 322	118 026
Contributions recognised - capital & contributions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385

Capital expenditure & funds sources										
Capital expenditure	45 913	586	–	185 681	183 460	183 460	183 460	203 378	213 989	238 190
Transfers recognised - capital	–	–	–	104 645	104 645	104 645	104 645	68 625	74 773	91 650
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	81 036	78 815	78 815	78 815	134 753	139 216	146 540
Total sources of capital funds	–	–	–	185 681	183 460	183 460	183 460	203 378	213 989	238 190
Financial position										
Total current assets	221 631	158 045	421 891	250 255	194 501	194 501	194 501	439 985	465 205	496 823
Total non current assets	1 787 847	1 872 117	1 730 295	2 266 837	2 270 300	2 269 735	2 269 164	2 419 769	2 550 311	2 689 413
Total current liabilities	155 662	156 597	94 544	94 367	94 367	94 367	94 367	20 000	25 000	30 000
Total non current liabilities	114 605	104 162	123 750	61	61	61	61	64	69	73
Community wealth/Equity	1 924 039	–	1 624 593	1 624 593	2 370 373	2 369 808	2 369 237	2 839 690	2 990 448	3 156 163
Cash flows										
Net cash from (used) operating	305 651	40 161	125 502	59 811	769 456	(736 095)	–	278 362	317 625	366 263
Net cash from (used) investing	(167 234)	(56 474)	(203 942)	(185 681)	(183 460)	(183 460)	–	(203 378)	(213 989)	(223 190)
Net cash from (used) financing	(3 093)	(719)	1 681	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	187 481	97 874	(55 667)	(125 870)	585 996	(919 555)	–	155 984	259 620	402 693
Cash backing/surplus reconciliation										
Cash and investments available	61 556	50 000	149 812	74 800	137 000	137 000	137 000	131 541	138 644	146 201
Application of cash and investments	51 062	88 179	(50 725)	48 963	54 827	94 367	94 367	(157 095)	(163 168)	(174 027)
Balance - surplus (shortfall)	10 494	(38 179)	200 537	25 837	82 173	42 633	42 633	288 636	301 812	320 228
Asset management										
Asset register summary (WDV)	–	–	–	–	–	–	–	–	–	–
Depreciation	105 979	–	82 967	78 148	103 148	103 148	103 148	103 148	100 000	105 200
Renewal and Upgrading of Existing Assets	81 468	122 060	–	500	500	443	443	52 777	17 743	15 174
Repairs and Maintenance	–	–	–	20 073	37 253	37 253	37 253	64 647	68 138	71 886
Free services										
Cost of Free Basic Services provided	2 660	3 161	3 549	3 800	3 800	3 800	3 998	3 998	4 205	4 433
Revenue cost of free services provided	8 883	6 440	6 440	8 557	10 179	–	10 179	10 179	10 724	11 303
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sew erage:	–	–	–	–	–	–	–	–	–	–
Energy :	–	–	–	–	–	–	7	7	8	9
Refuse:	49	49	49	49	49	49	49	49	49	49

MAKHADO MUNICIPALITY			
SUMMARISED ANNUAL CAPITAL BUDGET FOR 2019/2020 TO 2021/2022 FINANCIAL YEAR			
DEPARTMENT	2019/2020	2020/2021	2021/2022
Planning and Development	23 500 000.00	16 000 000.00	15 000 000.00
Technical Services	136 174 989.57	156 056 250.92	189 600 000.00
Community Services	5 800 000.00	15 990 000.00	12 870 000.00
Budget and Treasury	24 500 000.00	15 300 000.00	15 900 000.00
Corporate Services	7 294 000.00	7 578 000.00	3 490 000.00
Regional Office	6 109 000.00	3 065 000.00	1 330 000.00
TOTAL	203 377 989.57	213 989 250.92	238 190 000.00

**FINAL ANNUAL CAPITAL BUDGET 2019/2020
TO 2021/2022 FINANCIAL YEAR
BUDGET AND TREASURY OFFICE**

ASSETS MANAGEMENT SECTION					
N O	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Replace vehicle Speaker (Corporate Services)	INCOME	1 500 000.00		
2	Mini-bus 16 Seater for Ward Committees (Corporate services)	INCOME	-	600 000.00	
3	1 x 22m3 Refuse removal truck equipped with 240L bin carrier(lifting equipment) (Community services)	INCOME	2 500 000.00	2 600 000.00	2 700 000.00
4	Purchasing of 16 ton Skip Loader truck (Community services)	INCOME	2 000 000.00	-	2 100 000.00
5	Purchasing of 10 ton truck with waste collection cage	INCOME	1 000 000.00	-	-
6	Crane truck 1 x 7 Ton Truck with a crane 25T/m (Eletricial division)	INCOME	-	2 000 000.00	
7	LDV DC 4 X 4 (Electrical division)	INCOME	500 000.00	500 000.00	
8	Pole truck 1x7 Ton truck (half canopy+pole carrier) (Electrical division)	INCOME	1 500 000.00		
9	2 x Open bakkies 1 ton ,rubberised with bulbar and Tow bar (Building Maintenance)	INCOME		400 000.00	400 000.00
10	Graders	INCOME	3 500 000.00	4 000 000.00	8 000 000.00

1					
1	Replace of Vehicles Electricity	INCOME	5 000 000.00		
1	Vehicle Finance deparment (LDV Bakkie				
2	double cab)	INCOME	500 000.00		
1					
3	Waterval regional office (2 x LDV bakkie)	INCOME	500 000.00		
1					
4	Dzanani regional office (2 x LDV bakkie)	INCOME	500 000.00		
1					
5	Community Vehicles	INCOME	1 500 000.00		
1					
6	1 X LDV Bakkie 1 ton (Roads & Storm water)	INCOME	400 000.00		
1					
7	1 x Tipper Tuck 6 Cube (Roads & Storm water)	INCOME	1 500 000.00	1 500 000.00	1 500 000.00
1					
8	Excavator (Roads and stormwater)	INCOME	-	3 000 000.00	-
1					
9	Rollback 10 ton (Mechanical)	INCOME			1 200 000.00
2	2 x LDV Bakkie 1 ton (Road & storm water)				
0	building	INCOME	400 000.00	400 000.00	
2					
1	Forklift (Road and storm water)	INCOME	300 000.00	300 000.00	-
2					
2	3Ton diesel truck (Electrical division)	INCOME	600 000.00		
2					
3	Furnuture for all municipality	INCOME	800 000.00		
TOTAL BUDGET AND TREASURY OFFICE					

24 500 000.00	15 300 000.00	15 900 000.00
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FINAL CAPITAL ESTIMATES 2019/20 TO 2021/22					
CORPORATE SERVICES DEPARTMENT					
UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Sage/VIP ESS Software for Employee Self Service Leave Applications	INCOME	160 000.00	-	-
2	Sage/VIP Overtime Management System Module	INCOME	300 000.00	50 000.00	
3	Sage/VIP PMS Module for Individuals	INCOME	-	400 000.00	-
4	Electronic Agendas Phase 2 for councillors	INCOME	200 000.00		
5	Sage Computerized Attendance Register System; two entries & multiple points	INCOME	-	800 000.00	200 000.00
6	Upgrade Software: Office 2010 to Office 365 - all users	INCOME	800 000.00	200 000.00	
7	Software to align Budget, IDP and SDBIP	INCOME	250 000.00	450 000.00	60 000.00
8	Cabling in Civic Centre & regional offices for VOIP telephone system	INCOME		300 000.00	-
9	Central municipal VOIP telephone system for City 2025	INCOME		500 000.00	200 000.00
10	Councillors: Domain & Email Access & Mimecast Year 1 License fee	INCOME	494 000.00		
11	Executive and Council Chambers - Wifi connection	INCOME	250 000.00	-	-
12	HR Mobile office connectivity infrastructure	INCOME	300 000.00	-	-
13	D R hardware & software (subject to BIA outcome)	INCOME	1 500 000.00	100 000.00	-
TOTAL			<u>4 254 000.00</u>	<u>2 800 000.00</u>	<u>460 000.00</u>

CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
14	Computer and IT related office equipment all departments	INCOME	1 000 000	1 100 000.00	1 200 000.00
	TOTAL		<u>1 000 000.00</u>	<u>1 100 000.00</u>	<u>1 200 000.00</u>
ADMINISTRATION AND COUNCIL SUPPORT					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
15	Furniture Call Centre - 4 chairs	INCOME		28 000.00	30 000.00
16	Furniture ICT Office - 4 chairs, 4 desks			-	-
TOTAL			0	28 000.00	30 000.00
RECORDS MANAGEMENT					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
17	Filing System and warehousing	INCOME	2 000 000	2 000 000.00	1 800 000.00
TOTAL			2 000 000	2 000 000.00	1 800 000.00
HUMAN RESOURCES DIVISION					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
18	Mobile offices & services complete for EAP, Safety and Benefits section	INCOME		1 400 000.00	-
19	Furniture for four (4) incumbents at proposed new offices	INCOME		250 000.00	
TOTAL			-	1 650 000.00	-
COUNCILLOR AFFAIRS UNIT					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
21	Loud halers x 8	INCOME	40 000	-	-
TOTAL			40 000	-	-
DEPARTMENT CORPORATE SERVICES GRAND TOTAL			7 294 000	7 578 000.00	3 490 000.00

FINAL CAPITAL BUDGET 2019 TO 2021/2022 FINANCIAL YEARS					
COMMUNITY SERVICES DEPARTMENT					
LIBRARY SERVICES					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Extension of Library buildings	INCOME	-	1 000 000.00	50 000.00
2	Extension of Circulation Area	INCOME		150 000.00	-
3	Carports	INCOME		-	-
4	Office chairs	INCOME		-	-
5	Extension of ablution block	INCOME		-	-
6	M3 (Musekwa Library)	INCOME		30 000.00	20 000.00
TOTAL			-	1 180 000.00	70 000.00
PARKS AND RECREATION SECTION					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
7	Cemetery Management System	INCOME	-	500 000.00	500 000.00
8	Development of Dzanani Park	INCOME	500 000.00	500 000.00	-
9	Development of Waterval Park	INCOME	-	500 000.00	-
TOTAL			500 000.00	1 500 000.00	500 000.00
NO					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
10	30 Skip Bins	INCOME		800 000.00	-
11	1000 x 240L Wheelie bins	INCOME		-	-
12	Purchasing of 500 x 210L steel drums	INCOME	-	400 000.00	-
13	Purchasing of 300 Pedestrian concrete litter bin	INCOME		-	-
14	Rehab old landfill site (Vondeline)	INCOME	2 500 000.00	200 000.00	200 000.00
TOTAL			2 500 000.00	1 400 000.00	200 000.00
PROTECTION SERVICES					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
Traffic Administration and Management System					
15	Construction of filing / Archive centre for sensitive documents	INCOME		2 000 000.00	2 000 000.00
16	Bio-Metric Access control System	INCOME	500 000.00	500 000.00	500 000.00
TOTAL			500 000.00	2 500 000.00	2 500 000.00
DZANANI TRAFFIC STATION					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
17	Upgrading of Vehicle Testing station (Grade B to A)	INCOME		3 500 000.00	4 000 000.00
TOTAL			-	3 500 000.00	4 000 000.00

MAKHADO TRAFFIC STATION					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
18	Upgrading DLTC (Paving of testing ground)	INCOME		1 000 000.00	1 500 000.00
19	Construction of Admin Block (Testing Ground)	INCOME	2 000 000.00	5 000 000.00	6 000 000.00
20	Furniture for new Makhado Traffic block	INCOME			-
21	Purchase of 15 X portable radios and 2 X Base radios	INCOME		150 000.00	
22	Paving parking space for customers	INCOME			-
23	Purchase of 2 X Computers & Printer for traffic administration	INCOME		-	300 000.00
24	Purchasing of Speed machine	INCOME	-	300 000.00	300 000.00
25	Purchase of 5 X High-back chairs for Cashiers	INCOME		-	-
26	Construction of cattle pound storage room	INCOME		160 000.00	-
27	Purchasing of 1 x printer for pound section	INCOME			-
28	Refurbishment of the existing cattle pound Structure	INCOME		1 200 000.00	-
29	Installation of alarm system	INCOME		50 000.00	-
TOTAL			2 000 000.00	7 860 000.00	8 100 000.00
WATERVAL TRAFFIC STATION					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
30	Refurbishment of the roof structure at Watervaal Office	INCOME	500 000.00	550 000.00	
31	Paving of parking area	INCOME		-	
32	Installation of alarm system	INCOME		-	
33	Installation of CCTV Cameras	INCOME		-	
34	Standby (backup)Electricity power Generator	INCOME	300 000.00		
TOTAL			800 000.00	550 000.00	-
TOTAL COMMUNITY SERVICES BUDGET			5 800 000.00	15 990 000.00	12 870 000.00

FINAL CAPITAL ESTIMATES 2019/20 TO 2021/22					
DEVELOPMENT AND PLANNING					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Dzanani Traders Market	INCOME	1 000 000.00	3 000 000.00	
2	Tshakhuma fruit market	INCOME	5 000 000.00		
3	Construction of N1 tourism park	INCOME	2 000 000.00	3 000 000.00	
4	Construction of Incubation centre at ha Rathidili	INCOME	2 000 000.00		
5	Design and Construction of Erf 210 Burger Street Market Stalls	INCOME	2 000 000.00		
6	Refurbishment of Information Centre and lap	INCOME	1 000 000.00		
7	Change Room for Workshop	INCOME	500 000.00		
8	Mukondeni Pottery	INCOME		2 000 000.00	
9	Arts and Craft centre designs	INCOME	500 000.00	3 000 000.00	
10	Oooses hoogte Development	INCOME		5 000 000.00	5 000 000.00
11	Designs of Municipality Civic centre	INCOME	2 000 000.00		5 000 000.00
12	Reallocation of Rugby Stadium		7 500 000.00		
13	Refurbishment of show ground	INCOME			5 000 000.00
Total			<u>23 500 000.00</u>	<u>16 000 000.00</u>	<u>15 000 000.00</u>

FINAL ANNUAL CAPITAL BUDGET 2019/2020 TO 2021/2022 FINANCIAL YEAR					
REGIONAL OFFICES					
WATERVAL REGIONAL OFFICE					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Boreholes: 1 x Waterval Regional Office ,Stores and Vleifontein equiping and Tank	INCOME	350 000.00		
2	Movable Shelf for Record Office	INCOME	500 000.00		
3	TLB	INCOME		2 500 000.00	
4	2 x Bakkies	INCOME	800 000.00		800 000.00
5	1 x Sedan for Office	INCOME		450 000.00	450 000.00
6	3 x Floor Polisher Machine	INCOME		35 000.00	
7	1 x Fridges	INCOME	10 000.00		
8	Office Furniture for Waterval Regional Office	INCOME	120 000.00		
9	Telephone and IT Network for Waterval Community Hall Offices	INCOME	110 000.00		
TOTAL			1 890 000.00	2 985 000.00	1 250 000.00
DZANANI REGIONAL OFFICE					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
10	Borehole at Musekwa TSC	INCOME	70 000.00		
11	Ablution Facility at Transfer Station	INCOME	150 000.00		
12	Air Conditioner for Dzanani Community Hall	INCOME	70 000.00	80 000.00	80 000.00
13	Air Conditioner at Musekwa Thusong (Library)	INCOME	70 000.00		
14	Fencing of Dzanani Regional Office	INCOME	400 000.00		
15	Rehabilitation of Streets: Ramaano ,Tshitotolwe and Denzhe	INCOME	3 000 000.00		
16	Branding of Musekwa TSC	INCOME	30 000.00		
17	Branding of Dzanani Community Hall	INCOME	30 000.00		
18	Printer Oki microline 3320	INCOME	10 000.00		
19	3 x High Back Chairs	INCOME	5 000.00		
20	1 x Chainsaw	INCOME	7 000.00		
21	2 x Electric Mowing Machine	INCOME	5 000.00		
22	10 x Arm Chairs	INCOME	25 000.00		
23	3 x Single Pedastal	INCOME	15 000.00		
24	Combination Tractor Trailer and 5 Containers	INCOME	300 000.00		
25	1 x Grass Cutter (Walk Behind)	INCOME	12 000.00		
26	6 x Brush Cutter	INCOME	20 000.00		
TOTAL			4 219 000.00	80 000.00	80 000.00
TOTAL REGIONAL OFFICES BUDGET			6 109 000.00	3 065 000.00	1 330 000.00

FINAL ANNUAL CAPITAL BUDGET 2019/2020 TO 2021/2022 FINANCIAL YEAR**TECHNICAL SERVICES DEPARTMENT****ELECTRICAL ENGINEERING - INCOME BUDGET**

NO	DESCRIPTION	2019/2020	2020/2021	2021/2022
1	Car ports		100 000.00	-
2	Air conditioners	330 000.00	330 000.00	400 000.00
3	CT VT Units 11kv & 22kV various sub stations	500 000.00	500 000.00	400 000.00
4	Low voltage problems Rural Farming	2 000 000.00	1 000 000.00	1 000 000.00
5	Mini Subs	1 000 000.00	1 500 000.00	1 300 000.00
6	MV Cable 70mm ² 11kV - urban network	800 000.00	800 000.00	800 000.00
7	MV cable 95mm ² 22kV	-	1 400 000.00	350 000.00
8	Recloser and controllers whole network			
9	Re-design, grading & coordination of all protection circuits on fault levels - total network	-	1 000 000.00	-
10	Replace Line protection control Panel complete Makhado Sub	-	1 000 000.00	-
11	Transformers 2x10MVA 22/11	3 000 000.00	3 250 000.00	5 000 000.00
12	Transformers 2x5MVA 22/11		1 850 000.00	
13	Transformers 1x5MVA 22/11	2 000 000.00	2 500 000.00	
14	Emmerentia substation refurbishment	150 000.00		
15	Upgrade Lev1	1 000 000.00	2 000 000.00	2 000 000.00

16	Upgrade Levubu 2 line	500 000.00	200 000.00	200 000.00
17	Upgrade Mara Line	500 000.00	500 000.00	500 000.00
18	Upgrade Shefeera Line	500 000.00	2 000 000.00	5 000 000.00
19	Upgrade Levubu East line	2 000 000.00	2 000 000.00	2 000 000.00
20	Upgrade Tshipise line			300 000.00
21	Upgrade Urban Substations	3 000 000.00	3 000 000.00	3 000 000.00
22	Upgrading bulk supply Sinthimule and kutama	4 000 000.00	-	-
23	Upgrading bulk supply Tshipise Leeudraai		3 000 000.00	5 000 000.00
24	Upgrading bulk supply Tshithuni 2.5MVA	3 000 000.00	-	5 000 000.00
25	Replace OCB (out door circuit breakers - main sub station)		1 000 000.00	1 000 000.00
26	Transformer oil purification	-	350 000.00	350 000.00
27	Service MV OCB's	-	1 000 000.00	1 000 000.00
28	Incomer intake point Eskom Substation	5 000 000.00	2 000 000.00	4 000 000.00
29	Ring Main Units 11kV (RMU)	3 000 000.00	2 000 000.00	4 000 000.00
30	Bush valley		2 000 000.00	2 000 000.00
31	Eltivillas Extension		300 000.00	300 000.00
32	Extension 8		200 000.00	300 000.00
33	Extenuation 9 development		2 000 000.00	500 000.00
34	Leeu street development Ext 13		5 000 000.00	5 000 000.00
35	Link and bulk services Ext 12 (38 erven)		1 000 000.00	500 000.00
36	New offices at the Elect workshop			2 500 000.00
37	Electrical Master plan : Appointment and inception work to be done in 201920			
38	Extensions Munic area		2 500 000.00	3 000 000.00
39	South of Pretorius Str Bulk supply Engineering		2 500 000.00	500 000.00
40	Reroute Shefeera Line	500 000.00	1 183 000.00	2 000 000.00
41	Reroute and upgrade Levubu East line			
42	New ring feed line and upgrading for Mountain line	3 500 000.00	2 000 000.00	5 000 000.00
43	New bay for used transformers and oil catch-pit at workshop		200 000.00	-
44	New Voltage Regulators for Tshipise Line		2 000 000.00	-
45	Electrification of villages top up to INEP grant	4 000 000.00	2 000 000.00	8 000 000.00
46	Post connections Minor extensions Munic area	5 000 000.00	2 000 000.00	8 000 000.00

47	Pre-Paid Meters Conventional Single phase	5 000 000.00	2 500 000.00	2 500 000.00
48	High masts lighting in villages	2 500 000.00	3 000 000.00	3 500 000.00
49	Designs for villages to be electrified	3 500 000.00	2 500 000.00	3 500 000.00
50	Tshikota Electrification of 170 stands		4 500 000.00	
TOTAL		56 280 000.00	71 663 000.00	89 700 000.00

ELECTRICAL ENGINEERING - INEP BUDGET				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
51	MUANANZHELE PHASE2	2 098 400.00		
52	SMOKEY & KHOMELE SECTIONS	2 304 800.00		
53	RAMANT SHA & RIVERSIDE	2 803 600.00		
54	KHUNDA & MAT SHAVHAWE	1 393 200.00		
55	MANAVHELA VILLAGE	258 000.00		
56	DOLI-DOLI/INDOUVHADA	258 000.00		
57	MADODONGA VILLAGE	1 290 000.00		
58	MARANIKWE VILLAGE	602 000.00		
59	MUDILMELI VILLAGE PH2	946 000.00		
60	SANE/NATALIE VILLAGES	946 000.00		
61	TSHIKODOBO VILLAGE	258 000.00		
62	ZAMEKOMSTE VILLAGE	430 000.00		
63	TSHIKOTALOCATION	172 000.00		
64	MAGAU VILLAGE	1 135 200.00		
65	MAKHITHA VILLAGE	1 100 800.00		
66	MAKUSHU VILLAGE	946 000.00		
67	MAMBURU	430 000.00		
68	MASHAU/TSHILAPHALA Phase2	430 000.00		
69	PFUMEMBE	997 600.00		
70	MAANGANI	1 200 400.00		
71	Muananzhele Phase3 (Kanana)		4 716 000.00	
72	Muananzhele Phase-3 15km MV line		4 500 000.00	
73	Buysdorp		3 712 000.00	
74	Mulenga & Tshirolwe		739 600.00	
75	Kutama(Tshikwarani)		722 400.00	
76	Muduluni Block F		344 000.00	
77	Dzananwa		292 400.00	
78	Tsianda		258 000.00	
79	Tshivhangani		172 000.00	
80	Dzivhalanombe Themba		1 183 600.00	
81	Mulenga			567 600.00
82	Kutama(Tshikwarani)			722 400.00
83	Muduluni Block F			344 000.00
84	Dzananwa			292 400.00
85	Tsianda			258 000.00
86	Tshivhangani			172 000.00
87	Dzivhalanombe Themba			1 120 000.00
88	Mawoni 110, Hamapila 40, Grace Park 80			3 956 000.00
89	Woyoza 50 and Xilumani 709			7 967 600.00
	TOTAL	20 000 000.00	16 640 000.00	16 000 000.00

MIG ALLOCATION				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
90	Tshikwarani to Zamkomste Road Phase 3	25 017 518.00	-	-
91	Waterval Sports Facility Phase 2	10 119 951.00	-	-
92	Waterval Sports Facility Phase 3	900 000.00	15 333 250.92	-
93	Mudimeli bridge and Access road Phase 3	-	-	-
94	Fencing of Makhado municipality cemetery	1 193 834.00	3 000 000.00	2 500 000.00
95	Valdezia Xitacini to Jiweni access road phase 3	1 393 503.00	18 400 000.00	3 400 000.00
96	Landfill site makhado : regravelling of road & 3 Cells	-	8 900 000.00	2 000 000.00
97	Lutanandwa Acces Road & Bridge		1 100 000.00	13 500 000.00
98	Erf 210 Burger Street market revitalization project		1 100 000.00	13 000 000.00
99	Kutama / Sinthumule Sports Facility		1 100 000.00	13 850 000.00
100	Waterval Region Refuse Transfer Station		1 100 000.00	4 500 000.00
101	Mingard Bridge & Access road to Mhokota Entrance		-	1 100 000.00
102	Luvhalani to Dzananwa Access Road		-	1 100 000.00
103	Makatu to Tshikota Access Road			1 100 000.00
104	Rivoni to Xihobyeni Access road		7 000 000.00	14 000 000.00
105	Tsianda (Marundu to Military Base) Access Road		-	1 100 000.00
106	Afton to Natalie Bridge		1 100 000.00	4 500 000.00
	Total	38 624 806.00	58 133 250.92	75 650 000.00

INCOME				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
107	Mingard Bridge to Mhokota Entrance	700 000.00	-	-
108	Luvhalani to Dzananwa Access Road	700 000.00	-	-
109	Makatu to Tshikota Access Road	700 000.00	-	-
110	Rivoni to Xihobyeni Access road	700 000.00	-	-
111	Tsianda (Marundu to Military Base) Access Road	700 000.00	-	-
112	Waterval Region Refuse Transfer Station	700 000.00	-	-
113	Mudimeli bridge and Access road Phase 3	7 042 280.70	-	-
114	Tshikwarani to Zamkomste Road Phase 3	1 957 902.87	-	-
115	Waterval Stormwater	700 000.00	-	-
116	Tshivhuyuni Sports Facility	-	800 000.00	-
117	Afton to Natalie Access Road	800 000.00	800 000.00	-
	Total	14 700 183.57	1 600 000.00	-

BUIDING MAITENANCE				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
118	Refurbishment of old age home (Municipal rental flats)		-	400 000.00
119	Refurbishment of Municipal exhibiting store at show ground	400 000.00		2 000 000.00
120	Refurbishment of Electrical Store and Warehouse	600 000.00	500 000.00	300 000.00
121	Upgrading of workshop and Refurfshment of ablutions of female & Ma	700 000.00	200 000.00	300 000.00
122	Painter Mixer	-	-	350 000.00
123	Refurbishment of Eltivillas Swimming pool (buildings) and Installation	-	-	2 000 000.00
124	Refurbishment of Waterval Regional office and Refurbishment of wate	-	800 000.00	250 000.00
125	Tilling and of Vleifontein regional Office	350 000.00	-	-
126	Hand tools	100 000.00		
127	Fencing of Ha Mutsha Community hall	400 000.00	300 000.00	300 000.00
128	10 x Concrete toilets for Waterval & Vleifontein grave yards, Otto's Hoogste farm and Community halls.	-	450 000.00	
129	Rehabilitation and Paving of parking area at Electrical parking		450 000.00	200 000.00
130	Retiling of Dzanani Traffic Station office	700 000.00	-	
131	Refurbishment of Muwaweni Community hall	-	450 000.00	350 000.00
132	Roofing and Tilling of Veranda of DDP Office	-	550 000.00	-
133	Refurbishment and fencing of fort hendrina monument National Heritage		250 000.00	
134	Zamenkomste Pay point fence and Toilets		350 000.00	
135	Installation of sliding gates at Municipal Premises	350 000.00		
136	Drilling and Equipment of two boreholes at Civic Centre	450 000.00		
	Total	4 050 000.00	4 300 000.00	6 450 000.00

ROADS & STORMWATER				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
137	2 X Pedestrian Roller	300 000.00	300 000.00	300 000.00
138	Jump Stamper	20 000.00	-	-
139	Four ways Stop Pavement	500 000.00	500 000.00	500 000.00
140	Culvert Pipe (Rockla)	800 000.00	800 000.00	1 000 000.00
	Total	<u>1 620 000.00</u>	<u>1 600 000.00</u>	<u>1 800 000.00</u>
MECHANICAL WORKSHOP				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
141	Workshop Steel Structure	-	1 000 000.00	
142	Hand Tools and Toolbox	40 000.00	20 000.00	-
143	Generator/Welding Machine	60 000.00	300 000.00	-
144	Paving Workshop	800 000.00	800 000.00	-
	Total	900 000.00	2 120 000.00	-
		<u>136 174 989.57</u>	<u>156 056 250.92</u>	<u>189 600 000.00</u>

LIM344 Makhado - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		345 078	39 735	59 977	55 915	55 915			70 363	74 162	78 167
Service charges		363 596	184 222	260 376	270 891	270 891			383 042	432 351	488 065
Other revenue		189 264	13 832	65 416	22 402	22 402			122 918	124 530	77 489
Government - operating	1	15 100	232 440	311 919	321 811	321 811			361 091	380 590	401 142
Government - capital	1	–	49 177	131 169	104 645	104 645			109 577	111 322	118 026
Interest		–	4 617	2 983	20 100	20 100			20 399	21 501	22 662
Dividends									–	–	–
Payments											
Suppliers and employees		(604 388)	(483 115)	(694 179)	(722 851)	(13 154)	(722 941)		(782 276)	(819 715)	(811 787)
Finance charges		(2 999)	(747)	(12 159)	(13 102)	(13 154)	(13 154)		(6 752)	(7 117)	(7 501)
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		305 651	40 161	125 502	59 811	769 456	(736 095)	–	278 362	317 625	366 263
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				2 783					–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(167 234)	(56 474)	(206 725)	(185 681)	(183 460)	(183 460)		(203 378)	(213 989)	(223 190)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(167 234)	(56 474)	(203 942)	(185 681)	(183 460)	(183 460)	–	(203 378)	(213 989)	(223 190)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		97	–	1 677					–	–	–
Increase (decrease) in consumer deposits				4					–	–	–
Payments											
Repayment of borrowing		(3 190)	(719)						–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3 093)	(719)	1 681	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		135 324	(17 032)	(76 758)	(125 870)	585 996	(919 555)	–	74 984	103 636	143 073
Cash/cash equivalents at the year begin:	2	52 157	114 906	21 091					81 000	155 984	259 620
Cash/cash equivalents at the year end:	2	187 481	97 874	(55 667)	(125 870)	585 996	(919 555)	–	155 984	259 620	402 693

LIM344 Makhado - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
R thousand	1										
Revenue By Source											
Property rates	2	36 369	53 631	53 753	52 781	66 885	66 885	66 885	70 363	74 162	78 167
Service charges - electricity revenue	2	266 749	302 963	275 482	344 885	330 077	330 077	330 077	373 218	421 997	477 152
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	8 127	8 822	9 235	9 838	(841)	9 338	9 338	9 824	10 354	10 913
Rental of facilities and equipment		298	483	7 400	455	329	329	329	346	365	384
Interest earned - external investments		3 520	5 254	9 339	3 963	51	51	51	54	57	60
Interest earned - outstanding debtors		8 061	4 932	15 960	16 137	19 340	19 340	19 340	20 345	21 444	22 602
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 056	1 156	5 819	1 989	1 757	1 757	1 757	1 848	1 948	2 053
Licences and permits		8 836	7 238	8 541	11 661	13 234	13 234	13 234	13 922	14 673	15 466
Agency services		-	-	-	-	67 136	67 136	67 136	-	-	-
Transfers and subsidies		363 595	305 850	311 919	321 811	321 473	321 473	321 473	361 091	380 590	401 142
Other revenue	2	4 840	6 746	36 644	8 297	13 718	13 718	13 718	109 883	111 243	64 062
Total Revenue (excluding capital transfers and contributions)		701 451	697 074	734 093	771 818	833 157	843 336	843 336	960 894	1 036 833	1 072 001
Expenditure By Type											
Employee related costs	2	212 743	227 595	-	283 826	249 493	249 493	249 493	284 371	304 277	325 577
Remuneration of councillors		22 592	23 595	25 307	11 135	27 775	27 775	27 775	28 554	30 552	32 691
Debt impairment	3	68 113	-	133 905	40 904	67 136	67 136	67 136	45 000	47 340	49 896
Depreciation & asset impairment	2	105 979	-	82 967	78 148	103 148	103 148	103 148	100 000	105 200	110 881
Finance charges		-	3 119	12 159	13 102	13 154	13 154	13 154	6 752	7 117	7 501
Bulk purchases	2	194 178	143 274	159 447	154 909	209 639	209 639	209 639	242 406	280 293	324 103
Other materials	8	-	-	-	20 073	37 253	37 253	37 253	38 935	41 037	43 254
Contracted services		15 857	16 327	227 060	142 691	74 359	74 359	74 359	68 183	70 308	74 131
Other expenditure	4, 5	144 166	155 565	53 816	69 311	57 286	57 286	57 286	144 773	144 789	95 609
Total Expenditure		763 627	569 474	694 662	814 101	839 243	839 243	839 243	958 975	1 030 914	1 063 642
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public	6	(62 176)	127 600	39 431	(42 283)	(6 086)	4 093	4 093	1 919	5 919	8 359
Transfers and subsidies - capital (in-kind - all)		137 132	119 657	131 169	104 645	104 645	104 645	104 645	109 577	111 322	118 026
Surplus/(Deficit) after capital transfers & contributions		74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385
Surplus/(Deficit) after taxation		74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385
Surplus/(Deficit) for the year		74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385