

ANNUAL BUDGET OF MATJHABENG LOCAL MUNICIPALITY



2019/20 TO 202/22

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

The budget cycle for Matjhabeng Local Municipality starts on the 1st of July of each year, and ends at 30th June the following year.

According to section 24(1) of the Municipal Finance Management Act, a municipal council must at least 30 days before the start of the new financial year, consider approval of the annual budget.

The Matjhabeng Municipality's Annual Budget includes an Operational Budget that provides for the annual expenditure and revenue estimates for 2019/20 MTREF, as well as a Capital Budget that provides for the on-going investment in infrastructure necessary to provide services to the community.

The consolidated Revenue Budget for the 2019/20 financial year is R 2 821 699 868, inclusive of operating and capital transfers and R 2 651 084 868 excluding capital transfers and contributions. The Expenditure Budget for the 2019/20 MTREF is R 3 216 848 138.

The Operational budget is divided into revenue and expenditure sections. The sources of revenue comprise of property rates, electricity, water, sanitation; refuse removal, grants and subsidies, interest and investment income and other revenue. The total consolidated revenue is R 2 821 699 868 inclusive of both operating and capital grants. The expenditure by type includes items such as employee related costs, bulk services, contracted services, debt impairment, depreciation and asset impairment, transfers and grants, other materials and general expenditure. The total expenditure is R 3 216 848 138 and the capital budget is R 170 615 000.

The water tariff is increasing with 5.6% as a result of the unit price of water and the present difficult economic situation. The bulk service provider, Sedibeng Water is increasing its tariffs with 8% for the 2019/20 financial year. The overall electricity tariff is increasing with 5.6% and Eskom, the bulk electricity supplier is increasing with 9.41%. The refuse tariff is increasing with 5.6%, this increase will assist with the repair and maintenance of the municipality's infrastructure. The sewerage tariff is increasing with 5.6%.

The Annual Budget for the 2019/20 MTREF is based on the following assumptions:

Budget Assumptions: -

- CPIX of approximately 5.6% (Source: Reserve Bank and National Treasury)
- Increase in Sedibeng Water tariffs by 8%
- Eskom Tariff increase of 9.41%. (The Nersa approved tariff for municipalities is still outstanding).
- Salary increases of approximately 7.1% (Collective Agreement: CPIX + 1.5%)
- National Treasury MFMA Budget Circular No. 93 (Guideline from NT)
-

The average pay rate of 60% has been informed by the following factors: -

- Historic collection trends.

The Capital Budget for the 2019/20 financial year is R 170 615 000 and is entirely funded by grants. The sources of funds for the capital budget are as follow:

| | |
|---|---------------|
| Municipal Infrastructure Grant | R 119 070 000 |
| Water Services Infrastructure Grant | R 36 000 000 |
| Integrated National Electrification Programme | R 15 545 000 |

1.2 Executive Summary

The Matjhabeng Local Municipality Annual Budget for the 2019/20 financial year is compiled in accordance with the prescripts of the Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations and National Treasury's MFMA Circulars.

A review of the service delivery priorities was performed as part of this year's planning and budget process, hence the development of the Annual Budget for the 2019/20 financial year is informed by the key service delivery priorities. The key performance areas of the municipality are:

KPA 1: Good governance
KPA 2: Basic Service Delivery
KPA 3: Inclusive economic development and job creation
KPA 4: Institutional Transformation
KPA 5: Financial sustainability and viability

The municipal strategic objectives have been set to deliver the above stated key performance areas:

- Ensuring access to basic services for all residence;
- Developing and sustaining spatial, natural and built environments;
- Providing integrated and sustainable human settlements;
- Addressing the challenges of poverty, unemployment and social inequality;
- Fostering a safe, secure and healthy environment for employees and communities;
- Developing a prosperous and diverse economy;
- Accelerating service delivery through the acquisition and retention of competent and efficient human capital;
- Ensuring sound financial management and viability.

A review of expenditure was also undertaken so to eliminate spending on non-core activities and the implementation of MFMA Circular 82. Furthermore, the municipality entered into payment arrangements with bulk service providers, Eskom and Sedibeng Water.

The main challenges experienced during the compilation of the 2019/20 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Sedibeng Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;

- The facilities of the municipality is not properly maintained due to the low revenue collected on the rental of these facilities this can largely be attributed to the tariffs not being cost reflective.
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Producing a funded budget.
- Affordability of capital projects from own funding.
- Availability of affordable capital/borrowing.

The operational grant allocation for the 2019/20 financial year is R 508 333 000. The Equitable Share allocation is R 504 417 000, Finance Management Grant is R 2 680 000 and the Expanded Public Works allocation is R 1 236 000.

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

Table 1

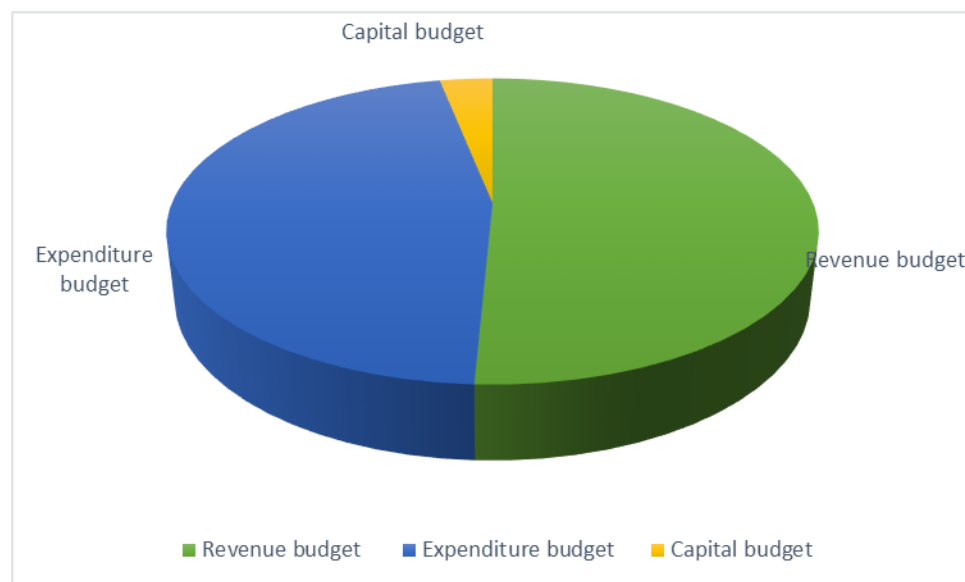
| | Budget 2019/20 | Budget 2020/21 | Budget 2021/22 |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| Total Revenue Budget | R 2 821 699 868 | R 2 924 452 255 | R 3 084 407 419 |
| Total Expenditure Budget | R 3 216 848 138 | R 3 056 648 519 | R 3 208 207 539 |
| Surplus /(Deficit) | (R395 148 270) | (R 132 196 264) | (R123 800 120) |
| Total Capital Budget | R 170 615 000 | R 164 885 000 | R 164 111 000 |

The total revenue is inclusive of all the revenue due to the municipality which includes operating and capital grants.

Total operating expenditure for the 2019/20 financial year has been appropriated at R 3 216 848 138 and translates into a budgeted deficit of R 395 148 270 and subsequently a deficit for reserves and cash banking which translates into an unfunded budget.

The importance of tabling funded budgets is highlighted in previous circulars however there are cases that may warrant a plan as this is not achievable over one year. As a result, the municipality must, together with their 2019/20 MTREF budget, table a plan in council to show they will move from an unfunded position to a funded position.

The total capital budget for the MTREF is R 170 615 000 for the 19/20 financial year, R 164 885 000 for the 20/21 financial year and R 164 111 000 for the 21/22 financial year.

Budget 2019/20**1.3 Operating Budget Framework**

The proposed operating revenue framework is R 2 651 84 868 and the consolidated revenue is approximately R 2 821 699 868. The operating expenditure framework is totaling at R 3 216 848 138. Revenue is increasing by 7% and expenditure by 4%.

| | Budget 2018/19 | Budget 2019/20 | % increase | Estimated 2019/20 | Estimated 2020/21 |
|-------------------------------------|----------------|----------------|------------|-------------------|-------------------|
| Revenue | 2 490 373 087 | 2 651 084 868 | 6,45% | 2 759 567 255 | 2 920 296 419 |
| Expenditure | 2 415 436 181 | 3 216 848 138 | 33,18% | 3 056 648 519 | 3 208 207 539 |
| Capital transfers and contributions | 163 406 000 | 170 615 000 | 4,41% | 164 885 000 | 164 111 000 |

1.3.1 Operating Revenue Framework

For the municipality to achieve the set targets in terms of service delivery it needs to generate sufficient revenue. The financial state of affairs of the municipality necessitates difficult decisions to be made in terms of tariff increases, cost containment measures and balancing expenditure against planned realistic revenues. Efficient and effective revenue management is thus crucial.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth and continued economic development;
- Efficient revenue management, which aims to ensure a 70% annual collection rate for property rates and an average of 60% per cent for other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;

- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of Matjhabeng Local Municipality.
-

Revenue Raising Strategy – Funding of Budget Plan

- Implementation of the Revenue Enhancement Strategy by increasing the revenue base of the municipality.
- Rejuvenate disconnection project (Operation Patala) with a revenue protection unit in place to monitor reconnections and disconnections.
- Installation of new meters in unmetered areas and replacement of faulty meters.
- Implementation and installation of Automated meter reading (AMR) meters.
- Review budget related policies
- Implementation of the Supplementary Valuation Roll
- Review the tariffs for services rendered to ensure that tariffs are cost reflective.
- The following table is a summary of the 2018/19 MTREF Budgeted Revenue classified by main revenue source (Budgeted Financial Performance)

Table 2

FS184 Matjhabeng - 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 |
| R thousand | 1 | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 262 455 047 | 279 795 592 | 298 925 235 | 294 052 535 | 294 052 535 | 294 052 535 | 294 052 535 | 310 519 477 | 327 287 529 | 344 961 055 |
| Service charges - electricity revenue | 2 | 414 497 712 | 470 762 229 | 531 532 070 | 673 476 058 | 673 476 058 | 673 476 058 | 673 476 058 | 711 190 717 | 749 595 016 | 790 073 147 |
| Service charges - water revenue | 2 | 322 440 413 | 322 295 037 | 296 439 704 | 338 851 659 | 338 851 659 | 338 851 659 | 361 259 499 | 381 490 031 | 402 090 493 | 423 803 379 |
| Service charges - sanitation revenue | 2 | 128 256 386 | 139 194 731 | 139 823 909 | 144 374 326 | 143 758 110 | 143 108 003 | 155 578 246 | 164 290 628 | 173 162 322 | 182 513 087 |
| Service charges - refuse revenue | 2 | 78 928 071 | 90 677 261 | 95 040 835 | 85 237 379 | 85 061 781 | 84 876 525 | 88 430 075 | 93 382 159 | 98 424 796 | 103 739 735 |
| Rental of facilities and equipment | | 9 117 277 | 12 969 471 | 13 963 483 | 21 060 000 | 21 060 000 | 21 060 000 | 21 060 000 | 22 239 360 | 23 440 285 | 24 706 061 |
| Interest earned - external investments | | 3 230 005 | 2 207 220 | 1 516 387 | 3 639 279 | 3 639 279 | 3 639 279 | 3 639 279 | 3 843 079 | 4 050 605 | 4 269 337 |
| Interest earned - outstanding debtors | | 123 872 104 | 152 128 771 | 177 971 191 | 135 683 948 | 135 683 948 | 135 683 948 | 135 683 948 | 143 282 249 | 151 019 491 | 159 174 543 |
| Dividends received | | 17 251 | 14 033 | 17 952 | 20 304 | 20 304 | 20 304 | 20 304 | 21 441 | 22 599 | 23 819 |
| Fines, penalties and forfeits | | 11 207 303 | 6 967 099 | 10 525 221 | 21 060 000 | 21 135 482 | 21 135 482 | 21 135 482 | 22 319 069 | 23 524 299 | 24 794 611 |
| Licences and permits | | 67 371 | 79 752 | 0 | 75 482 | 0 | 75 482 | 75 482 | 79 709 | | |
| Agency services | | 0 | 0 | 0 | | | | | | | |
| Transfers and subsidies | | 410 415 987 | 391 991 800 | 399 296 616 | 461 252 000 | 461 252 000 | 461 252 000 | 461 252 000 | 508 333 000 | 546 842 000 | 588 624 000 |
| Other revenue | 2 | 79 157 099 | 31 592 612 | 31 640 179 | 224 710 179 | 224 710 179 | 224 710 179 | 224 710 179 | 237 293 949 | 250 107 822 | 263 613 645 |
| Gains on disposal of PPE | | | | | 50 000 000 | 50 000 000 | 50 000 000 | 50 000 000 | 52 800 000 | 10 000 000 | 10 000 000 |
| Total Revenue (excluding capital transfers and contributions) | | 1 843 662 026 | 1 900 675 608 | 1 996 692 782 | 2 453 493 149 | 2 452 701 335 | 2 451 941 453 | 2 490 373 087 | 2 651 084 868 | 2 759 567 255 | 2 920 296 419 |

Table 2 (Table A4 Budgeted Financial Performance – revenue) reflects the operating revenue which excludes the capital transfers and contributions which is in line with the Municipal Budget and Reporting Regulations.

The main sources of revenue are property rates, service charges and transfers recognized as operational.

Property Rates

Property Rates increases to R310 519 477 in the 2019/20 financial year and represents 11% of the revenue budget. The property rates tariffs will increase with 5.6% in the 2019/20 financial year, this increase is guided by MFMA Circular 93 and is in line with the CPIX. The collection rate on property rates is set at 60%.

Service charges

The service charges for the 2019/20 budget is R1 350 353 535, 49% of the revenue is from service charges. Service charges consist of revenue derived from electricity, water, sanitation and refuse. Electricity revenue increases with an overall average of 5.6% which is in line with the CPIX, cognizances should be taken of the fact that the NERSA guideline has not been issued yet. The budgeted amount for electricity is R711 190 717. Water revenue increases to R 381 490 031 in the 2019/20 financial year, this increase results in an average increase of 5.6%. Sanitation and Refuse service charges increase with 5.6%, this increase is in line with the CPIX as prescribed in MFMA Circular 93. The budgeted amount for Sanitation services is R 164 290 628 and R 93 382 159 for Refuse.

Operational Transfers and Grant receipts

Transfers recognized as operational receipts is the second largest revenue source totaling which is 18% of the revenue and amount to R508 333 000 for the 2019/20 financial year as per the draft Division of Revenue (DoRA) Bill 2019. The Equitable share allocation is a grant which supplement the municipality's own revenue for the provision of the necessary basic level of services to each poor household within their jurisdiction.

Other Revenue Sources

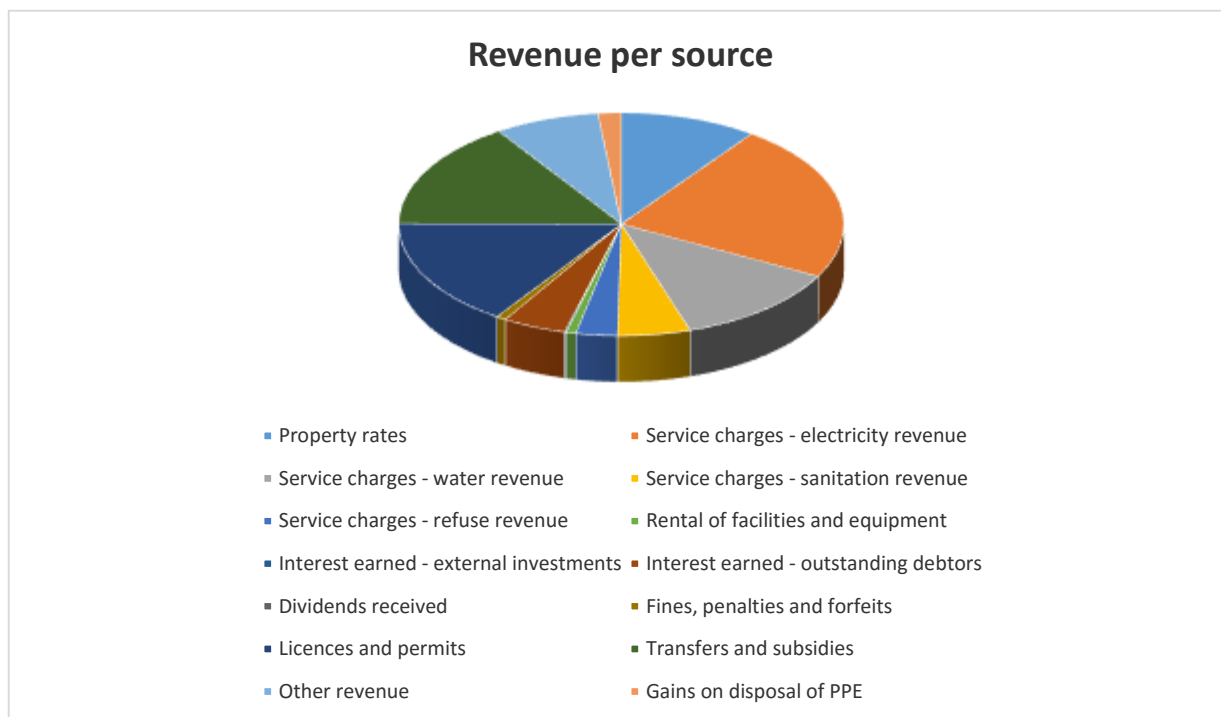
Other revenue sources consist of rental of facilities and equipment, interest earned, fines, gains on disposal of assets and other revenue.

•Gains on disposal of PPE

The municipality intends to dispose of assets during the 2019/20 financial year and has already started with the process. The projected revenue from the disposal of assets is R52 800 000. This projected revenue will be utilized as a source of funding for capital projects.

•Other Revenue

The budgeted amount for other revenue is R237 293 949.



1.3.2 Operating Expenditure Framework

Table 3

| 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 | 1 | | | | | | | | | | |
| Expenditure By Type | - | | | | | | | | | | |
| Employee related costs | 2 | 611 810 850 | 654 633 722 | 691 252 705 | 739 105 674 | 739 105 575 | 739 105 575 | 739 105 575 | 791 582 177 | 834 327 615 | 879 381 306 |
| Remuneration of councillors | | 27 190 642 | 28 791 000 | 31 681 458 | 24 358 507 | 24 358 507 | 24 358 507 | 24 358 507 | 26 087 961 | 27 496 711 | 28 981 533 |
| Debt impairment | 3 | 642 251 730 | 492 051 500 | 524 615 299 | 142 020 000 | 142 020 000 | 142 020 000 | 142 020 000 | 553 993 756 | 250 000 000 | 250 000 000 |
| Depreciation & asset impairment | 2 | 207 909 516 | 210 957 232 | 213 627 779 | 136 000 000 | 136 000 000 | 136 000 000 | 136 000 000 | 216 298 126 | 227 978 225 | 240 289 049 |
| Finance charges | | 119 574 046 | 225 560 705 | 202 260 531 | 133 864 802 | 133 864 802 | 133 864 802 | 133 864 802 | 141 361 231 | 148 994 737 | 157 040 453 |
| Bulk purchases | 2 | 854 953 164 | 893 422 074 | 954 324 222 | 921 204 731 | 737 494 803 | 737 494 803 | 737 494 803 | 1 001 136 570 | 1 055 197 945 | 1 112 178 634 |
| Other materials | 8 | 39 768 465 | 71 864 414 | 71 982 030 | 122 507 530 | 126 120 811 | 126 120 811 | 126 120 811 | 133 183 576 | 140 375 489 | 147 955 766 |
| Contracted services | | 110 460 829 | 169 724 997 | 177 015 056 | 104 067 657 | 228 331 804 | 228 331 804 | 228 331 804 | 211 988 881 | 223 436 281 | 235 501 840 |
| Transfers and subsidies | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 000 000 | 2 108 000 | 2 221 832 |
| Other expenditure | 4, 5 | 158 082 254 | 208 030 715 | 178 540 897 | 92 307 379 | 148 139 879 | 148 139 879 | 148 139 879 | 139 215 860 | 146 733 516 | 154 657 126 |
| Loss on disposal of PPE | | | | 13 911 267 | | | | | | | |
| Total Expenditure | | 2 772 001 496 | 2 955 036 359 | 3 059 211 244 | 2 415 436 280 | 2 415 436 181 | 2 415 436 181 | 2 415 436 181 | 3 216 848 138 | 3 056 648 519 | 3 208 207 539 |

Expenditure**Employee Related Cost & Councillor Remuneration**

The salary figure is 25%, R791 582 177 of the total expenditure. However not all vacancies have been filled. This has an adverse impact on service delivery. Councillor Remuneration represents 8%, R26 087 961 of the total expenditure budget. Provision is made for a 7,1% increase in salaries as informed by the Collective Agreement.

Bulk Service

Supply of bulk services making up 31%, R1 001 136 570 of total expenditure budget. The total budget for electricity and water is R483 845 215 and R517 291 355. Eskom is increasing it electricity with 9.41% and Sedibeng is increasing with 8%.

Other Materials

Other Materials which relates to inventory used for repaired and maintenance is R133 183 576, this is 4% of the total expenditure budget.

Contracted Services

Contracted services consist out of outsourced services, consultants and professions; and contractors. The line item for contractors represents the repair and maintenance. The total budget for contracted services is R 211 988 881 which is 7% of total expenditure budget.

Other Expenditure

Other General Expenditure relate to operational costs and are therefore inevitable. This makes up 4.3%, R 139 215 860 of total expenditure.

Depreciation and Debt Impairment

The total amount budgeted for debt impairment and depreciation amounts to R711 291 882 which is 24% of the total expenditure budget. These items represent non-cash items however they have formed the biggest portion of the unauthorized expenditure in prior financial year. To ensure a decrease in the unauthorized expenditure it is imperative that we have a realistic budget for the non-cash items.

The Municipality therefore has a great challenge of providing basic services to its population with limited resources.

Cost Containment Measures

The President announced the cost-containment measures in the State of the Nation address and it was re-emphasised by the Minister of Finance during the Budget Speech. It must further be noted that MFMA Circular 58, 66, 70, 72, 74 and 75 on cost containment measures are still applicable with regard to curbing of non-priority spending. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved as per the financial recovery plan.

The municipality has already embarked on the process of the implementation of cost containment measures. On 24 April 2015, Council resolved that a Financial Recovery Plan should be developed and that Cost Containment Measures should form part of the plan. On 20 May 2015 the Financial Recovery Plan containing the cost containment measures was tabled in Council and reviewed during the 2017/18 financial year. The cost containment measures involved the following cutting of cost and or elimination of cost on the following items:

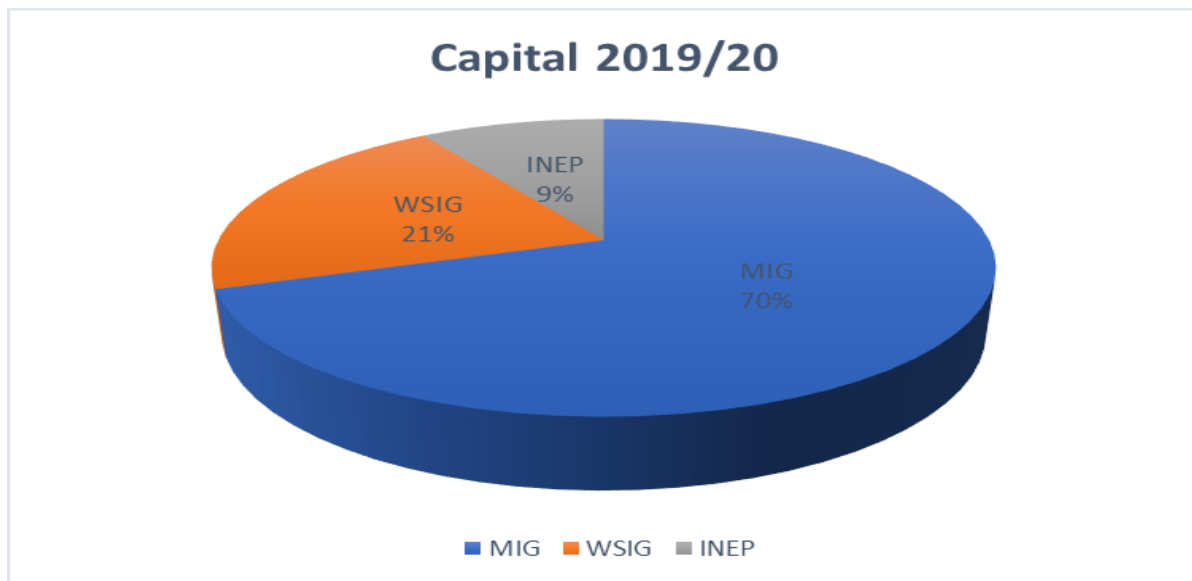
1. Catering for all meetings
2. Office groceries
3. Training of officials
4. Transportation
5. Overtime
6. Advertising fees – limited to notices and adverts
7. Internet usage – be limited to government websites
8. Printing cost – centralization of printing and limit colour printing
9. Matjhabeng News
10. No new appointments
11. Procurement of furniture
12. Telephone usage (both landlines and cell phones)

The above austerity measures have been reviewed by analysing cost driving votes, this measure will ensure that all non-priority spending are eliminated.

1.4 Capital Expenditure

The Capital Budget for the 2019/20 financial year is R 170 615 000 and is entirely funded by grants. The sources of funds for the capital budget are as follow:

| | |
|---|---------------|
| Municipal Infrastructure Grant | R 119 070 000 |
| Water Services Infrastructure Grant | R 36 000 000 |
| Integrated National Electrification Programme | R 15 545 000 |



| Vote 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 | 1 | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - COUNCIL GENERAL | | 7 927 | 68 521 | 3 074 | - | - | - | - | - | - | - |
| Vote 2 - OFFICE OF THE EXECUTIVE MAYOR | | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - OFFICE OF THE SPEAKER | | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - POLITICAL APPOINTMENTS | | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - OFFICE OF THE MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - CORPORATE SERVICES | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - FINANCE | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - HUMAN RESOURCES | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - COMMUNITY SERVICES | | 16 061 | (96) | 35 084 | 42 418 | 42 418 | 42 418 | 42 418 | 16 826 | 17 735 | 18 692 |
| Vote 10 - PUBLIC SAFETY AND TRANSPORT | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - ECONOMIC DEVELOPMENT | | 6 050 | 4 922 | 681 | 2 235 | 2 235 | 2 235 | 2 235 | - | - | - |
| Vote 12 - ENGINEERING SERVICES | | 65 959 | 54 411 | 62 720 | 18 988 | 18 988 | 18 988 | 18 988 | 21 142 | 22 283 | 23 487 |
| Vote 13 - WATER/ SEWERAGE | | 35 220 | 28 044 | 63 037 | 86 852 | 86 852 | 86 852 | 86 852 | 114 190 | 120 356 | 126 856 |
| Vote 14 - ELECTRICITY | | 2 827 | 1 649 | 2 370 | 12 912 | 12 912 | 12 912 | 12 912 | 18 457 | 19 454 | 20 504 |
| Vote 15 - HOUSING | | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | 134 044 | 157 451 | 166 966 | 163 406 | 163 406 | 163 406 | 163 406 | 170 615 | 179 828 | 189 539 |

The above table gives an indication of the capital expenditure per vote. The bulk of the capital budget is related to service delivery vote, which is community service, water, sewerage and electricity.

1.5 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulation.

FS184 Matjhabeng - 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 |
| R thousands | | | | | | | | | | |
| Financial Performance | | | | | | | | | | |
| Property rates | 262 455 | 279 796 | 298 925 | 294 053 | 294 053 | 294 053 | 294 053 | 310 519 | 327 288 | 344 961 |
| Service charges | 944 123 | 1 022 929 | 1 062 837 | 1 241 939 | 1 241 148 | 1 240 312 | 1 278 744 | 1 350 354 | 1 423 273 | 1 500 129 |
| Investment revenue | 3 230 | 2 207 | 1 516 | 3 639 | 3 639 | 3 639 | 3 639 | 3 843 | 4 051 | 4 269 |
| Transfers recognised - operational | 410 416 | 391 992 | 399 297 | 461 252 | 461 252 | 461 252 | 461 252 | 508 333 | 546 842 | 588 624 |
| Other own revenue | 223 438 | 203 752 | 234 118 | 452 610 | 452 610 | 452 685 | 452 685 | 478 036 | 458 114 | 482 313 |
| Total Revenue (excluding capital transfers and contributions) | 1 843 662 | 1 900 676 | 1 996 693 | 2 453 493 | 2 452 701 | 2 451 941 | 2 490 373 | 2 651 085 | 2 759 567 | 2 920 296 |
| Employment costs | 611 811 | 654 634 | 691 253 | 739 106 | 739 106 | 739 106 | 739 106 | 791 582 | 834 328 | 879 381 |
| Remuneration of councillors | 27 191 | 28 791 | 31 681 | 24 359 | 24 359 | 24 359 | 24 359 | 26 088 | 27 497 | 28 982 |
| Depreciation & asset impairment | 207 910 | 210 957 | 213 628 | 136 000 | 136 000 | 136 000 | 136 000 | 216 298 | 227 978 | 240 289 |
| Finance charges | 119 574 | 225 561 | 202 261 | 133 865 | 133 865 | 133 865 | 133 865 | 141 361 | 148 995 | 157 040 |
| Materials and bulk purchases | 894 722 | 965 286 | 1 026 306 | 1 043 712 | 863 616 | 863 616 | 863 616 | 1 134 320 | 1 195 573 | 1 260 134 |
| Transfers and grants | — | — | — | — | — | — | — | 2 000 | 2 108 | 2 222 |
| Other expenditure | 910 795 | 869 807 | 894 083 | 338 395 | 518 492 | 518 492 | 518 492 | 905 198 | 620 170 | 640 159 |
| Total Expenditure | 2 772 001 | 2 955 036 | 3 059 211 | 2 415 436 | 2 415 436 | 2 415 436 | 2 415 436 | 3 216 848 | 3 056 649 | 3 208 208 |
| Surplus/(Deficit) | (928 339) | (1 054 361) | (1 062 518) | 38 057 | 37 265 | 36 505 | 74 937 | (565 763) | (297 081) | (287 911) |
| Transfers and subsidies - capital (monetary allocation) | 117 247 | 113 363 | 141 911 | 163 406 | 163 406 | 163 406 | 163 406 | 170 615 | 164 885 | 164 111 |
| Contributions recognised - capital & contributed assets | — | 209 300 | 162 | — | — | — | — | — | — | — |
| Surplus/(Deficit) after capital transfers & contributions | (811 093) | (731 698) | (920 446) | 201 463 | 200 671 | 199 911 | 238 343 | (395 148) | (132 196) | (123 800) |
| Share of surplus/ (deficit) of associate | — | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) for the year | (811 093) | (731 698) | (920 446) | 201 463 | 200 671 | 199 911 | 238 343 | (395 148) | (132 196) | (123 800) |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 134 044 | 157 451 | 166 966 | 163 406 | 163 406 | 163 406 | 163 406 | 170 615 | 164 885 | 164 111 |
| Transfers recognised - capital | 117 247 | 113 363 | 141 911 | 163 406 | 163 406 | 163 406 | — | 170 615 | 164 885 | 164 111 |
| Borrowing | — | — | — | — | — | — | — | — | — | — |
| Internally generated funds | 16 797 | 44 088 | 25 055 | — | — | — | — | — | — | — |
| Total sources of capital funds | 134 044 | 157 451 | 166 966 | 163 406 | 163 406 | 163 406 | — | 170 615 | 164 885 | 164 111 |
| Financial position | | | | | | | | | | |
| Total current assets | 951 208 | 1 191 446 | 1 352 427 | 4 861 776 | 4 861 776 | 4 861 776 | 4 861 776 | 3 332 435 | 3 512 387 | 3 702 056 |
| Total non current assets | 5 264 957 | 5 419 649 | 5 364 918 | 4 525 081 | 4 525 081 | 4 517 977 | 4 517 977 | 4 770 984 | 5 028 617 | 5 300 162 |
| Total current liabilities | 2 866 822 | 3 837 078 | 4 760 315 | 3 000 000 | 3 000 000 | 3 000 000 | 3 000 000 | 4 000 000 | 2 000 000 | 2 108 000 |
| Total non current liabilities | 444 259 | 487 705 | 484 527 | 320 000 | 320 000 | 320 000 | 320 000 | 337 920 | 356 168 | 375 401 |
| Community wealth/Equity | 2 912 188 | 2 293 416 | 1 472 471 | 6 066 857 | 6 066 857 | 6 066 857 | 6 066 857 | 3 765 499 | 6 184 836 | 6 518 817 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 96 076 | 156 200 | 183 477 | 116 290 | 116 290 | 116 290 | 116 290 | 79 058 | 1 617 | 96 932 |
| Net cash from (used) investing | (74 278) | (157 548) | (164 289) | (113 406) | (113 406) | (113 406) | (113 406) | 52 800 | 10 000 | (55 000) |
| Net cash from (used) financing | (12 849) | (11 164) | (12 536) | — | — | — | — | 10 000 | 10 000 | 10 000 |
| Cash/cash equivalents at the year end | 8 917 | (3 594) | 3 058 | (1 992) | (1 992) | (1 992) | (1 992) | 139 867 | 161 483 | 213 415 |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | 9 248 | (3 262) | 3 391 | 416 776 | 416 776 | 416 776 | 416 776 | 440 115 | 463 882 | 488 931 |
| Application of cash and investments | 2 223 718 | 2 976 831 | 3 864 163 | 351 205 | 350 122 | 349 083 | 400 655 | 2 561 867 | 226 032 | (35 117) |
| Balance - surplus (shortfall) | (2 214 470) | (2 980 093) | (3 860 773) | 65 571 | 66 654 | 67 693 | 16 121 | (2 121 752) | 237 850 | 524 048 |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 5 267 159 | 5 426 116 | 5 364 338 | 5 409 343 | 5 409 343 | 5 409 343 | 5 409 343 | 5 680 720 | 5 924 121 | 6 180 665 |
| Depreciation | 207 910 | 210 957 | 213 628 | 136 000 | 136 000 | 136 000 | 136 000 | 216 298 | 227 978 | 240 289 |
| Renewal and Upgrading of Existing Assets | — | — | — | 154 376 | 154 376 | 154 376 | 154 376 | — | — | — |
| Repairs and Maintenance | 39 768 | 71 864 | 71 982 | — | — | — | — | 252 384 | 266 012 | 280 377 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | 45 666 | 33 032 | 34 952 | 36 804 | 37 596 | 38 432 | 40 584 | 40 584 | 42 775 | 45 085 |
| Revenue cost of free services provided | — | — | — | 36 805 | 36 805 | 36 805 | 38 866 | 38 866 | 40 965 | 43 177 |
| Households below minimum service level | | | | | | | | | | |
| Water: | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sanitation/sewage: | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Energy: | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Refuse: | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |

FS184 Matjhabeng - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

| Functional Classification Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | 1 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 996 394 | 951 544 | 1 051 278 | 1 264 073 | 1 264 073 | 1 264 073 | 1 354 306 | 1 377 819 | 1 454 256 |
| Executive and council | | 654 765 | 505 355 | 541 207 | 674 658 | 674 658 | 674 658 | 731 748 | 721 697 | 762 735 |
| Finance and administration | | 341 629 | 446 189 | 510 071 | 589 415 | 589 415 | 589 415 | 622 558 | 656 122 | 691 521 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 20 392 | 237 007 | 24 650 | 71 248 | 71 248 | 71 248 | 75 185 | 79 245 | 83 524 |
| Community and social services | | - | - | - | 11 000 | 11 000 | 11 000 | 11 616 | 12 243 | 12 904 |
| Sport and recreation | | - | 2 387 | - | 11 136 | 11 136 | 11 136 | 11 760 | 12 395 | 13 064 |
| Public safety | | 11 275 | 7 047 | 10 525 | 25 343 | 25 343 | 25 343 | 26 709 | 28 152 | 29 672 |
| Housing | | 9 117 | 227 573 | 14 125 | 23 769 | 23 769 | 23 769 | 25 100 | 26 455 | 27 884 |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | - | - | - | 2 248 | 2 248 | 2 248 | 2 371 | 2 499 | 2 634 |
| Planning and development | | - | - | - | 2 248 | 2 248 | 2 248 | 2 371 | 2 499 | 2 634 |
| Road transport | | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 944 123 | 1 067 820 | 1 097 789 | 1 315 330 | 1 315 330 | 1 315 330 | 1 388 989 | 1 463 994 | 1 543 050 |
| Energy sources | | 414 498 | 470 762 | 531 532 | 697 394 | 697 394 | 697 394 | 736 448 | 776 216 | 818 131 |
| Water management | | 322 440 | 354 154 | 317 720 | 367 928 | 367 928 | 367 928 | 388 532 | 409 513 | 431 626 |
| Waste water management | | 128 256 | 149 195 | 150 464 | 161 578 | 161 578 | 161 578 | 170 627 | 179 841 | 189 552 |
| Waste management | | 78 928 | 93 709 | 98 073 | 88 430 | 88 430 | 88 430 | 93 382 | 98 425 | 103 740 |
| <i>Other</i> | 4 | - | - | - | 804 | 804 | 804 | 850 | 895 | 944 |
| Total Revenue - Functional | 2 | 1 960 909 | 2 256 371 | 2 173 717 | 2 653 704 | 2 653 704 | 2 653 704 | 2 821 700 | 2 924 452 | 3 084 407 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 1 071 451 | 682 417 | 767 366 | 621 975 | 754 199 | 754 199 | 868 306 | 912 195 | 947 954 |
| Executive and council | | 822 030 | 349 380 | 346 401 | 94 000 | 172 880 | 172 880 | 242 899 | 256 016 | 260 124 |
| Finance and administration | | 249 421 | 333 038 | 420 965 | 517 795 | 567 688 | 567 688 | 625 407 | 656 179 | 687 830 |
| Internal audit | | - | - | - | 10 181 | 13 631 | 13 631 | - | - | - |
| <i>Community and public safety</i> | | 544 163 | 511 258 | 550 292 | 320 207 | 315 719 | 315 719 | 506 273 | 423 308 | 446 167 |
| Community and social services | | 242 613 | 215 325 | 391 466 | 130 976 | 136 690 | 136 690 | 264 900 | 168 901 | 178 022 |
| Sport and recreation | | 90 024 | 98 456 | - | 63 463 | 61 061 | 61 061 | 61 418 | 64 734 | 68 230 |
| Public safety | | 187 538 | 173 326 | 143 406 | 98 254 | 90 454 | 90 454 | 177 654 | 187 248 | 197 359 |
| Housing | | 23 987 | 24 150 | 15 420 | 16 256 | 16 256 | 16 256 | 2 301 | 2 425 | 2 556 |
| Health | | - | - | - | 11 258 | 11 258 | 11 258 | - | - | - |
| <i>Economic and environmental services</i> | | 73 202 | 86 197 | 201 669 | 69 289 | 75 520 | 75 520 | 98 513 | 103 833 | 109 440 |
| Planning and development | | 13 874 | 14 042 | 20 365 | 36 463 | 36 007 | 36 007 | 56 788 | 59 855 | 63 087 |
| Road transport | | 59 328 | 72 155 | 181 304 | 32 825 | 39 512 | 39 512 | 41 725 | 43 978 | 46 353 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 1 083 185 | 1 675 163 | 1 539 885 | 1 391 393 | 1 257 396 | 1 257 396 | 1 743 485 | 1 617 027 | 1 704 346 |
| Energy sources | | 448 963 | 853 390 | 506 217 | 576 007 | 578 258 | 578 258 | 808 162 | 741 499 | 781 540 |
| Water management | | 512 813 | 690 678 | 806 502 | 607 394 | 468 734 | 468 734 | 679 648 | 606 046 | 638 772 |
| Waste water management | | 47 837 | 60 080 | 108 558 | 118 652 | 118 165 | 118 165 | 124 782 | 131 521 | 138 623 |
| Waste management | | 73 572 | 71 016 | 118 609 | 89 339 | 92 239 | 92 239 | 130 893 | 137 961 | 145 411 |
| <i>Other</i> | 4 | - | - | - | 8 637 | 8 667 | 8 667 | 271 | 286 | 301 |
| Total Expenditure - Functional | 3 | 2 772 001 | 2 955 036 | 3 059 211 | 2 411 500 | 2 411 500 | 2 411 500 | 3 216 848 | 3 056 649 | 3 208 208 |
| Surplus/(Deficit) for the year | | (811 093) | (698 666) | (885 494) | 242 204 | 242 204 | 242 204 | (395 148) | (132 196) | (123 800) |

FS184 Matjhabeng - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|---|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - COUNCIL GENERAL | | 527 663 | 505 355 | 541 207 | 674 658 | 674 658 | 674 658 | 731 748 | 721 697 | 762 735 |
| Vote 2 - OFFICE OF THE EXECUTIVE MAYOR | | - | - | - | - | - | - | - | - | - |
| Vote 3 - OFFICE OF THE SPEAKER | | - | - | - | - | - | - | - | - | - |
| Vote 4 - POLITICAL APPOINTMENTS | | - | - | - | - | - | - | - | - | - |
| Vote 5 - OFFICE OF THE MUNICIPAL MANAGER | | 127 102 | - | - | - | - | - | - | - | - |
| Vote 6 - CORPORATE SERVICES | | - | - | - | - | - | - | - | - | - |
| Vote 7 - FINANCE | | 341 629 | 446 189 | 510 071 | 589 415 | 589 415 | 589 415 | 622 558 | 656 122 | 691 521 |
| Vote 8 - HUMAN RESOURCES | | - | - | - | - | - | - | - | - | - |
| Vote 9 - COMMUNITY SERVICES | | 78 928 | 96 096 | 98 073 | 110 567 | 110 567 | 110 567 | 116 758 | 123 063 | 129 709 |
| Vote 10 - PUBLIC SAFETY AND TRANSPORT | | 11 275 | 7 047 | 10 525 | 25 343 | 25 343 | 25 343 | 26 709 | 28 152 | 29 672 |
| Vote 11 - ECONOMIC DEVELOPMENT | | - | - | - | 804 | 804 | 804 | 850 | 895 | 944 |
| Vote 12 - ENGINEERING SERVICES | | - | - | - | 2 248 | 2 248 | 2 248 | 2 371 | 2 499 | 2 634 |
| Vote 13 - WATER/ SEWERAGE | | 450 697 | 503 349 | 468 184 | 529 506 | 529 506 | 529 506 | 559 159 | 589 353 | 621 178 |
| Vote 14 - ELECTRICITY | | 414 498 | 470 762 | 531 532 | 697 394 | 697 394 | 697 394 | 736 448 | 776 216 | 818 131 |
| Vote 15 - HOUSING | | 9 117 | 227 573 | 14 125 | 23 769 | 23 769 | 23 769 | 25 100 | 26 455 | 27 884 |
| Total Revenue by Vote | 2 | 1 960 909 | 2 256 371 | 2 173 717 | 2 653 704 | 2 653 704 | 2 653 704 | 2 821 700 | 2 924 452 | 3 084 407 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote 1 - COUNCIL GENERAL | | 729 548 | 253 167 | 198 271 | 25 824 | 72 873 | 72 873 | 76 954 | 81 110 | 85 489 |
| Vote 2 - OFFICE OF THE EXECUTIVE MAYOR | | - | - | - | 17 893 | 25 871 | 25 871 | 27 320 | 28 796 | 20 633 |
| Vote 3 - OFFICE OF THE SPEAKER | | - | - | - | 4 551 | 8 051 | 8 051 | 8 502 | 8 962 | 9 445 |
| Vote 4 - POLITICAL APPOINTMENTS | | - | - | - | 6 140 | 26 140 | 26 140 | 27 604 | 29 094 | 30 666 |
| Vote 5 - OFFICE OF THE MUNICIPAL MANAGER | | 92 482 | 96 212 | 148 130 | 78 691 | 97 082 | 97 082 | 102 519 | 108 055 | 113 890 |
| Vote 6 - CORPORATE SERVICES | | 45 456 | 60 187 | 48 293 | 45 256 | 42 144 | 42 144 | 46 251 | 48 749 | 51 381 |
| Vote 7 - FINANCE | | 182 387 | 195 886 | 350 484 | 360 891 | 379 544 | 379 544 | 559 723 | 586 948 | 614 860 |
| Vote 8 - HUMAN RESOURCES | | 21 578 | 76 965 | 22 187 | 15 676 | 18 402 | 18 402 | 19 433 | 20 482 | 21 588 |
| Vote 9 - COMMUNITY SERVICES | | 406 209 | 384 798 | 510 075 | 249 528 | 258 092 | 258 092 | 457 210 | 371 596 | 391 662 |
| Vote 10 - PUBLIC SAFETY AND TRANSPORT | | 187 538 | 173 326 | 143 406 | 162 633 | 168 233 | 168 233 | 177 654 | 187 248 | 197 359 |
| Vote 11 - ECONOMIC DEVELOPMENT | | 13 874 | 14 042 | 20 365 | 19 464 | 20 964 | 20 964 | 22 138 | 23 333 | 24 593 |
| Vote 12 - ENGINEERING SERVICES | | 59 328 | 72 155 | 181 304 | 116 569 | 122 813 | 122 813 | 129 691 | 136 694 | 144 075 |
| Vote 13 - WATER/ SEWERAGE | | 560 650 | 750 758 | 915 059 | 674 928 | 536 668 | 536 668 | 751 386 | 681 658 | 718 467 |
| Vote 14 - ELECTRICITY | | 448 963 | 853 390 | 506 217 | 588 298 | 590 433 | 590 433 | 808 162 | 741 499 | 781 540 |
| Vote 15 - HOUSING | | 23 987 | 24 150 | 15 420 | 17 935 | 2 179 | 2 179 | 2 301 | 2 425 | 2 556 |
| Total Expenditure by Vote | 2 | 2 772 001 | 2 955 036 | 3 059 211 | 2 384 277 | 2 369 491 | 2 369 491 | 3 216 848 | 3 056 649 | 3 208 208 |
| Surplus/(Deficit) for the year | 2 | (811 093) | (698 666) | (885 494) | 269 427 | 284 213 | 284 213 | (395 148) | (132 196) | (123 800) |

FS184 Matjhabeng - 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 | | |
|---|------|-----|------------------|--------------------|--------------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | | 1 | 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 | | 262 455 | 279 796 | 298 925 | 294 053 | 294 053 | 294 053 | 294 053 | 310 519 | 327 288 | 344 961 |
| Service charges - electricity revenue | 2 | | 414 498 | 470 762 | 531 532 | 673 476 | 673 476 | 673 476 | 673 476 | 711 191 | 749 595 | 790 073 |
| Service charges - water revenue | 2 | | 322 440 | 322 295 | 296 440 | 338 852 | 338 852 | 338 852 | 361 259 | 381 490 | 402 090 | 423 803 |
| Service charges - sanitation revenue | 2 | | 128 256 | 139 195 | 139 824 | 144 374 | 143 758 | 143 108 | 155 578 | 164 291 | 173 162 | 182 513 |
| Service charges - refuse revenue | 2 | | 78 928 | 90 677 | 95 041 | 85 237 | 85 062 | 84 877 | 88 430 | 93 382 | 98 425 | 103 740 |
| Rental of facilities and equipment | | | 9 117 | 12 969 | 13 963 | 21 060 | 21 060 | 21 060 | 21 060 | 22 239 | 23 440 | 24 706 |
| Interest earned - external investments | | | 3 230 | 2 207 | 1 516 | 3 639 | 3 639 | 3 639 | 3 639 | 3 843 | 4 051 | 4 269 |
| Interest earned - outstanding debtors | | | 123 872 | 152 129 | 177 971 | 135 684 | 135 684 | 135 684 | 135 684 | 143 282 | 151 019 | 159 175 |
| Dividends received | | | 17 | 14 | 18 | 20 | 20 | 20 | 20 | 21 | 23 | 24 |
| Fines, penalties and forfeits | | | 11 207 | 6 967 | 10 525 | 21 060 | 21 135 | 21 135 | 21 135 | 22 319 | 23 524 | 24 795 |
| Licences and permits | | | 67 | 80 | – | 75 | – | 75 | 75 | 80 | | |
| Agency services | | | – | – | – | | | | | | | |
| Transfers and subsidies | | | 410 416 | 391 992 | 399 297 | 461 252 | 461 252 | 461 252 | 461 252 | 508 333 | 546 842 | 588 624 |
| Other revenue | 2 | | 79 157 | 31 593 | 31 640 | 224 710 | 224 710 | 224 710 | 224 710 | 237 294 | 250 108 | 263 614 |
| Gains on disposal of PPE | | | | | | 50 000 | 50 000 | 50 000 | 50 000 | 52 800 | 10 000 | 10 000 |
| Total Revenue (excluding capital transfers and contributions) | | | 1 843 662 | 1 900 676 | 1 996 693 | 2 453 493 | 2 452 701 | 2 451 941 | 2 490 373 | 2 651 085 | 2 759 567 | 2 920 296 |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | 2 | | 611 811 | 654 634 | 691 253 | 739 106 | 739 106 | 739 106 | 739 106 | 791 582 | 834 328 | 879 381 |
| Remuneration of councillors | | | 27 191 | 28 791 | 31 681 | 24 359 | 24 359 | 24 359 | 24 359 | 26 088 | 27 497 | 28 982 |
| Debt impairment | 3 | | 642 252 | 492 052 | 524 615 | 142 020 | 142 020 | 142 020 | 142 020 | 553 994 | 250 000 | 250 000 |
| Depreciation & asset impairment | 2 | | 207 910 | 210 957 | 213 628 | 136 000 | 136 000 | 136 000 | 136 000 | 216 298 | 227 978 | 240 289 |
| Finance charges | | | 119 574 | 225 561 | 202 261 | 133 865 | 133 865 | 133 865 | 133 865 | 141 361 | 148 995 | 157 040 |
| Bulk purchases | 2 | | 854 953 | 893 422 | 954 324 | 921 205 | 737 495 | 737 495 | 737 495 | 1 001 137 | 1 055 198 | 1 112 179 |
| Other materials | 8 | | 39 768 | 71 864 | 71 982 | 122 508 | 126 121 | 126 121 | 126 121 | 133 184 | 140 375 | 147 956 |
| Contracted services | | | 110 461 | 169 725 | 177 015 | 104 068 | 228 332 | 228 332 | 228 332 | 211 989 | 223 436 | 235 502 |
| Transfers and subsidies | | | – | – | – | – | – | – | – | 2 000 | 2 108 | 2 222 |
| Other expenditure | 4, 5 | | 158 082 | 208 031 | 178 541 | 92 307 | 148 140 | 148 140 | 148 140 | 139 216 | 146 734 | 154 657 |
| Loss on disposal of PPE | | | | | 13 911 | | | | | | | |
| Total Expenditure | | | 2 772 001 | 2 955 036 | 3 059 211 | 2 415 436 | 2 415 436 | 2 415 436 | 2 415 436 | 3 216 848 | 3 056 649 | 3 208 208 |
| Surplus/(Deficit) | | | (928 339) | (1 054 361) | (1 062 518) | 38 057 | 37 265 | 36 505 | 74 937 | (565 763) | (297 081) | (287 911) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | 117 247 | 113 363 | 141 911 | 163 406 | 163 406 | 163 406 | 163 406 | 170 615 | 164 885 | 164 111 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Transfers and subsidies - capital (in-kind - all) | 6 | | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | | | (811 093) | (731 698) | (920 446) | 201 463 | 200 671 | 199 911 | 238 343 | (395 148) | (132 196) | (123 800) |
| Taxation | | | | | | | | | | | | |
| Surplus/(Deficit) after taxation | | | (811 093) | (731 698) | (920 446) | 201 463 | 200 671 | 199 911 | 238 343 | (395 148) | (132 196) | (123 800) |
| Attributable to minorities | | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | | (811 093) | (731 698) | (920 446) | 201 463 | 200 671 | 199 911 | 238 343 | (395 148) | (132 196) | (123 800) |
| Share of surplus/ (deficit) of associate | 7 | | | | | | | | | | | |
| Surplus/(Deficit) for the year | | | (811 093) | (731 698) | (920 446) | 201 463 | 200 671 | 199 911 | 238 343 | (395 148) | (132 196) | (123 800) |

| Vote 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 | 1 | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - COUNCIL GENERAL | | 7 927 | 68 521 | 3 074 | - | - | - | - | - | - | - |
| Vote 2 - OFFICE OF THE EXECUTIVE MAYOR | | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - OFFICE OF THE SPEAKER | | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - POLITICAL APPOINTMENTS | | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - OFFICE OF THE MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - CORPORATE SERVICES | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - FINANCE | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - HUMAN RESOURCES | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - COMMUNITY SERVICES | | 16 061 | (96) | 35 084 | 42 418 | 42 418 | 42 418 | 42 418 | 16 826 | 17 735 | 18 692 |
| Vote 10 - PUBLIC SAFETY AND TRANSPORT | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - ECONOMIC DEVELOPMENT | | 6 050 | 4 922 | 681 | 2 235 | 2 235 | 2 235 | 2 235 | - | - | - |
| Vote 12 - ENGINEERING SERVICES | | 65 959 | 54 411 | 62 720 | 18 988 | 18 988 | 18 988 | 18 988 | 21 142 | 22 283 | 23 487 |
| Vote 13 - WATER/ SEWERAGE | | 35 220 | 28 044 | 63 037 | 86 852 | 86 852 | 86 852 | 86 852 | 114 190 | 120 356 | 126 856 |
| Vote 14 - ELECTRICITY | | 2 827 | 1 649 | 2 370 | 12 912 | 12 912 | 12 912 | 12 912 | 18 457 | 19 454 | 20 504 |
| Vote 15 - HOUSING | | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | 134 044 | 157 451 | 166 966 | 163 406 | 163 406 | 163 406 | 163 406 | 170 615 | 179 828 | 189 539 |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - COUNCIL GENERAL | | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - OFFICE OF THE EXECUTIVE MAYOR | | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - OFFICE OF THE SPEAKER | | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - POLITICAL APPOINTMENTS | | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - OFFICE OF THE MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - CORPORATE SERVICES | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - FINANCE | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - HUMAN RESOURCES | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - COMMUNITY SERVICES | | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - PUBLIC SAFETY AND TRANSPORT | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - ECONOMIC DEVELOPMENT | | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - ENGINEERING SERVICES | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - WATER/ SEWERAGE | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - ELECTRICITY | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - HOUSING | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Vote | | 134 044 | 157 451 | 166 966 | 163 406 | 163 406 | 163 406 | 163 406 | 170 615 | 179 828 | 189 539 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | 7 927 | 68 521 | 3 074 | 7 338 | 7 338 | 7 338 | 7 338 | 5 954 | 6 275 | 6 614 |
| Executive and council | | 7 927 | 68 521 | 3 074 | - | - | - | - | - | - | - |
| Finance and administration | | - | - | - | 7 338 | 7 338 | 7 338 | 7 338 | 5 954 | 6 275 | 6 614 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 16 061 | - | 24 461 | 78 280 | 59 733 | 59 733 | 59 733 | 10 655 | 11 231 | 11 837 |
| Community and social services | | 5 240 | - | 3 153 | 13 797 | 13 797 | 13 797 | 13 797 | 1 666 | 1 756 | 1 851 |
| Sport and recreation | | 10 821 | - | 21 308 | 64 483 | 45 936 | 45 936 | 45 936 | 8 989 | 9 474 | 9 986 |
| Public safety | | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 72 009 | 59 333 | 63 401 | 21 669 | 23 999 | 23 999 | 23 999 | 15 188 | 16 008 | 16 873 |
| Planning and development | | 6 050 | 4 922 | 681 | - | - | - | - | - | - | - |
| Road transport | | 65 959 | 54 411 | 62 720 | 21 669 | 23 999 | 23 999 | 23 999 | 15 188 | 16 008 | 16 873 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 38 047 | 29 597 | 76 029 | 56 119 | 72 336 | 72 336 | 72 336 | 138 818 | 131 371 | 128 787 |
| Energy sources | | 2 827 | 1 649 | 2 370 | 2 912 | 3 160 | 3 160 | 3 160 | 18 457 | 19 454 | 20 504 |
| Water management | | 9 775 | 1 401 | 1 101 | 7 341 | 7 420 | 7 420 | 7 420 | 37 958 | 25 064 | 16 740 |
| Waste water management | | 25 446 | 26 643 | 61 936 | 42 667 | 57 597 | 57 597 | 57 597 | 76 233 | 80 349 | 84 688 |
| Waste management | | - | (96) | 10 623 | 3 199 | 4 159 | 4 159 | 4 159 | 6 171 | 6 504 | 6 855 |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 134 044 | 157 451 | 166 966 | 163 406 | 163 406 | 163 406 | 163 406 | 170 615 | 164 885 | 164 111 |
| Funded by: | | | | | | | | | | | |
| National Government | | 117 247 | 113 363 | 141 911 | 163 406 | 163 406 | 163 406 | - | 170 615 | 164 885 | 164 111 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 117 247 | 113 363 | 141 911 | 163 406 | 163 406 | 163 406 | - | 170 615 | 164 885 | 164 111 |
| Borrowing | 6 | | | | | | | | | | |
| Internally generated funds | | 16 797 | 44 088 | 25 055 | - | - | - | - | - | - | - |
| Total Capital Funding | 7 | 134 044 | 157 451 | 166 966 | 163 406 | 163 406 | 163 406 | - | 170 615 | 164 885 | 164 111 |

FS184 Matjhabeng - Table A6 Budgeted Financial Position

| Description | | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | | | 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 |
| ASSETS | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | |
| Cash | | | 883 | 9 | 3 042 | 20 000 | 20 000 | 20 000 | 20 000 | 21 120 | 22 260 | 23 463 |
| Call investment deposits | 1 | | 10 637 | 2 759 | 16 | 396 776 | 396 776 | 396 776 | 396 776 | 418 995 | 441 621 | 465 469 |
| Consumer debtors | 1 | | 720 950 | 751 957 | 845 218 | 3 600 000 | 3 600 000 | 3 600 000 | 3 600 000 | 2 000 000 | 2 108 000 | 2 221 832 |
| Other debtors | | | 209 683 | 429 993 | 494 170 | 480 000 | 480 000 | 480 000 | 480 000 | 506 880 | 534 252 | 563 101 |
| Current portion of long-term receivables | | | | | | | | | | | | |
| Inventory | 2 | | 9 055 | 6 727 | 9 981 | 365 000 | 365 000 | 365 000 | 365 000 | 385 440 | 406 254 | 428 191 |
| Total current assets | | | 951 208 | 1 191 446 | 1 352 427 | 4 861 776 | 4 861 776 | 4 861 776 | 4 861 776 | 3 332 435 | 3 512 387 | 3 702 056 |
| Non current assets | | | | | | | | | | | | |
| Long-term receivables | | | 4 571 | 304 | 247 | | | | | | | |
| Investments | | | 331 | 333 | 333 | | | | | | | |
| Investment property | | | 732 286 | 943 569 | 942 631 | | | | | | | |
| Investment in Associate | | | | | | | | | | | | |
| Property, plant and equipment | 3 | | 4 527 768 | 4 475 442 | 4 414 603 | 4 517 977 | 4 517 977 | 4 517 977 | 4 517 977 | 4 770 984 | 5 028 617 | 5 300 162 |
| Biological | | | | | | | | | | | | |
| Intangible | | | | | | | | | | | | |
| Other non-current assets | | | 7 104 | 7 104 | 7 104 | | | | | | | |
| Total non current assets | | | 5 264 957 | 5 419 649 | 5 364 918 | 4 525 081 | 4 525 081 | 4 517 977 | 4 517 977 | 4 770 984 | 5 028 617 | 5 300 162 |
| TOTAL ASSETS | | | 6 216 165 | 6 611 095 | 6 717 345 | 9 386 857 | 9 386 857 | 9 379 753 | 9 379 753 | 8 103 419 | 8 541 004 | 9 002 218 |
| LIABILITIES | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | |
| Bank overdraft | 1 | | 2 603 | 6 363 | - | | | | | | | |
| Borrowing | 4 | | - | - | - | - | - | - | - | - | - | - |
| Consumer deposits | | | 36 251 | 38 321 | 39 132 | | | | | | | |
| Trade and other payables | 4 | | 2 816 805 | 3 779 859 | 4 707 802 | 3 000 000 | 3 000 000 | 3 000 000 | 3 000 000 | 4 000 000 | 2 000 000 | 2 108 000 |
| Provisions | | | 11 164 | 12 536 | 13 381 | | | | | | | |
| Total current liabilities | | | 2 866 822 | 3 837 078 | 4 760 315 | 3 000 000 | 3 000 000 | 3 000 000 | 3 000 000 | 4 000 000 | 2 000 000 | 2 108 000 |
| Non current liabilities | | | | | | | | | | | | |
| Borrowing | | | - | - | - | - | - | - | - | - | - | - |
| Provisions | | | 444 259 | 487 705 | 484 527 | 320 000 | 320 000 | 320 000 | 320 000 | 337 920 | 356 168 | 375 401 |
| Total non current liabilities | | | 444 259 | 487 705 | 484 527 | 320 000 | 320 000 | 320 000 | 320 000 | 337 920 | 356 168 | 375 401 |
| TOTAL LIABILITIES | | | 3 311 081 | 4 324 783 | 5 244 842 | 3 320 000 | 3 320 000 | 3 320 000 | 3 320 000 | 4 337 920 | 2 356 168 | 2 483 401 |
| NET ASSETS | 5 | | 2 905 084 | 2 286 312 | 1 472 503 | 6 066 857 | 6 066 857 | 6 059 753 | 6 059 753 | 3 765 499 | 6 184 836 | 6 518 817 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | | 2 912 188 | 2 293 416 | 1 472 471 | 6 066 857 | 6 066 857 | 6 066 857 | 6 066 857 | 3 765 499 | 6 184 836 | 6 518 817 |
| Reserves | 4 | | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 5 | | 2 912 188 | 2 293 416 | 1 472 471 | 6 066 857 | 6 066 857 | 6 066 857 | 6 066 857 | 3 765 499 | 6 184 836 | 6 518 817 |

FS184 Matjhabeng - Table A7 Budgeted Cash Flows

| 2018/19 Medium Term Revenue & Expenditure Framework | | | | | | | | | | | | |
|---|--|-----|-----------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
| R thousand | | | 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 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Property rates | | | 262 455 | 279 796 | 298 925 | 264 647 | 264 647 | 264 647 | 264 647 | 217 364 | 294 559 | 310 465 |
| Service charges | | | 591 364 | 689 298 | 657 941 | 833 734 | 833 734 | 833 734 | 833 734 | 810 212 | 1 138 618 | 1 239 607 |
| Other revenue | | | 53 057 | 54 148 | 48 133 | 160 174 | 160 174 | 160 174 | 160 174 | 169 159 | 237 658 | 250 491 |
| Government - operating | | 1 | 405 396 | 390 988 | 422 602 | 461 252 | 461 252 | 461 252 | 461 252 | 508 333 | 546 842 | 588 624 |
| Government - capital | | 1 | 117 247 | 113 363 | 141 911 | 163 406 | 163 406 | 163 406 | 163 406 | - | - | - |
| Interest | | | 3 230 | 2 207 | 1 516 | 139 323 | 139 323 | 139 323 | 139 323 | 89 812 | 88 240 | 83 415 |
| Dividends | | | 17 | 14 | 18 | 20 | 20 | 20 | 20 | 21 | 18 | 19 |
| Payments | | | | | | | | | | | | |
| Suppliers and employees | | | (1 336 575) | (1 373 353) | (1 387 255) | (1 775 079) | (1 775 079) | (1 775 079) | (1 775 079) | (1 629 827) | (2 027 956) | (2 282 109) |
| Finance charges | | | (115) | (260) | (314) | (131 188) | (131 188) | (131 188) | (131 188) | (84 817) | (80 000) | (75 000) |
| Transfers and Grants | | 1 | | | | | | | | (1 200) | (1 265) | (1 333) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | | 96 076 | 156 200 | 183 477 | 116 290 | 116 290 | 116 290 | 116 290 | 79 058 | 196 715 | 114 180 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Proceeds on disposal of PPE | | | 16 | - | 2 515 | 50 000 | 50 000 | 50 000 | 50 000 | 105 600 | 20 000 | 15 000 |
| Decrease (Increase) in non-current debtors | | | | | | | | | | - | - | - |
| Decrease (increase) other non-current receivables | | | | | | | | | | - | - | - |
| Decrease (increase) in non-current investments | | | 18 862 | | | | | | | - | - | - |
| Payments | | | | | | | | | | | | |
| Capital assets | | | (93 156) | (157 548) | (166 804) | (163 406) | (163 406) | (163 406) | (163 406) | (170 615) | (164 885) | (224 111) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | | (74 278) | (157 548) | (164 289) | (113 406) | (113 406) | (113 406) | (113 406) | (65 015) | (144 885) | (209 111) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Short term loans | | | | | | | | | | 10 000 | 10 000 | 10 000 |
| Borrowing long term/refinancing | | | | | | | | | | - | - | - |
| Increase (decrease) in consumer deposits | | | (12 849) | (11 164) | (12 536) | | | | | - | - | - |
| Payments | | | | | | | | | | | | |
| Repayment of borrowing | | | | | | | | | | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | | (12 849) | (11 164) | (12 536) | - | - | - | - | 10 000 | 10 000 | 10 000 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | | 8 950 | (12 511) | 6 652 | 2 884 | 2 884 | 2 884 | 2 884 | 24 043 | 61 830 | (84 931) |
| Cash/cash equivalents at the year begin: | | 2 | (33) | 8 917 | (3 594) | (4 875) | (4 875) | (4 875) | (4 875) | (1 992) | 22 052 | 83 881 |
| Cash/cash equivalents at the year end: | | 2 | 8 917 | (3 594) | 3 058 | (1 992) | (1 992) | (1 992) | (1 992) | 22 052 | 83 881 | (1 050) |

FS184 Matjhabeng - Table A8 Cash backed reserves/accumulated surplus reconciliation

| R 104 Multi-Tabling - Table A10 Cash backed reserves/accumulated surplus recontribution | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| 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 and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 8 917 | (3 594) | 3 058 | (1 992) | (1 992) | (1 992) | (1 992) | 22 052 | 83 881 | (1 050) |
| Other current investments > 90 days | | 0 | (0) | - | 418 768 | 418 768 | 418 768 | 418 768 | 418 064 | 380 000 | 489 981 |
| Non current assets - Investments | 1 | 331 | 333 | 333 | - | - | - | - | - | - | - |
| Cash and investments available: | | 9 248 | (3 262) | 3 391 | 416 776 | 416 776 | 416 776 | 416 776 | 440 115 | 463 882 | 488 931 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 1 004 | - | 23 305 | - | - | - | - | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | | | | | | | | | | |
| Other working capital requirements | 3 | 2 222 713 | 2 976 831 | 3 840 858 | 351 205 | 350 122 | 349 083 | 400 655 | 2 561 867 | (7 942) | (55 845) |
| Other provisions | | | | | | | | | | | |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | | |
| Total Application of cash and investments: | | 2 223 718 | 2 976 831 | 3 864 163 | 351 205 | 350 122 | 349 083 | 400 655 | 2 561 867 | (7 942) | (55 845) |
| Surplus(shortfall) | | (2 214 470) | (2 980 093) | (3 860 773) | 65 571 | 66 654 | 67 693 | 16 121 | (2 121 752) | 471 824 | 544 776 |

FS184 Matjhabeng - Table A10 Basic service delivery measurement

| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---------|------------|------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | 79 726 | 79 726 | 79 726 | 79 726 | 79 726 | 79 726 | 79 726 | 79 726 | 79 726 |
| Piped water inside yard (but not in dwelling) | | 40 406 | 40 406 | 40 406 | 40 406 | 40 406 | 40 406 | 40 406 | 40 406 | 40 406 |
| Using public tap (at least min.service level) | 2 | 9 190 | 9 190 | 9 190 | 9 190 | 9 190 | 9 190 | 9 190 | 9 190 | 9 190 |
| Other water supply (at least min.service level) | 4 | 1 642 | 1 642 | 1 642 | 1 642 | 1 642 | 1 642 | 1 642 | 1 642 | 1 642 |
| <i>Minimum Service Level and Above sub-total</i> | | 130 964 | 130 964 | 130 964 | 130 964 | 130 964 | 130 964 | 130 964 | 130 964 | 130 964 |
| Using public tap (< min.service level) | 3 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 |
| Other water supply (< min.service level) | 4 | 1 004 | 1 004 | 1 004 | 1 004 | 1 004 | 1 004 | 1 004 | 1 004 | 1 004 |
| No water supply | | — | — | — | — | — | — | — | — | — |
| <i>Below Minimum Service Level sub-total</i> | | 1 107 | 1 107 | 1 107 | 1 107 | 1 107 | 1 107 | 1 107 | 1 107 | 1 107 |
| Total number of households | 5 | 132 071 | 132 071 | 132 071 | 132 071 | 132 071 | 132 071 | 132 071 | 132 071 | 132 071 |
| Sanitation/sewerage: | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | 103 172 | 103 172 | 103 172 | 103 172 | 103 172 | 103 172 | 103 172 | 103 172 | 103 172 |
| Flush toilet (with septic tank) | | 178 | 178 | 178 | 178 | 178 | 178 | 178 | 178 | 178 |
| Chemical toilet | | — | — | — | — | — | — | — | — | — |
| Pit toilet (ventilated) | | 244 | 244 | 244 | 244 | 244 | 244 | 244 | 244 | 244 |
| Other toilet provisions (> min.service level) | | 8 922 | 8 922 | 8 922 | 8 922 | 8 922 | 8 922 | 8 922 | 8 922 | 8 922 |
| <i>Minimum Service Level and Above sub-total</i> | | 112 516 | 112 516 | 112 516 | 112 516 | 112 516 | 112 516 | 112 516 | 112 516 | 112 516 |
| Bucket toilet | | 14 600 | 14 600 | 14 600 | 14 600 | 14 600 | 14 600 | 14 600 | 14 600 | 14 600 |
| Other toilet provisions (< min.service level) | | — | — | — | — | — | — | — | — | — |
| No toilet provisions | | 2 792 | 2 792 | 2 792 | 2 792 | 2 792 | 2 792 | 2 792 | 2 792 | 2 792 |
| <i>Below Minimum Service Level sub-total</i> | | 17 392 | 17 392 | 17 392 | 17 392 | 17 392 | 17 392 | 17 392 | 17 392 | 17 392 |
| Total number of households | 5 | 129 908 | 129 908 | 129 908 | 129 908 | 129 908 | 129 908 | 129 908 | 129 908 | 129 908 |
| Energy: | | | | | | | | | | |
| Electricity (at least min.service level) | | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 |
| Electricity - prepaid (min.service level) | | — | — | — | — | — | — | — | — | — |
| <i>Minimum Service Level and Above sub-total</i> | | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 | 101 399 |
| Electricity (< min.service level) | | — | — | — | — | — | — | — | — | — |
| Electricity - prepaid (< min. service level) | | — | — | — | — | — | — | — | — | — |
| Other energy sources | | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 |
| <i>Below Minimum Service Level sub-total</i> | | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 | 30 053 |
| Total number of households | 5 | 131 452 | 131 452 | 131 452 | 131 452 | 131 452 | 131 452 | 131 452 | 131 452 | 131 452 |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 |
| <i>Minimum Service Level and Above sub-total</i> | | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 | 117 284 |
| Removed less frequently than once a week | | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 |
| Using communal refuse dump | | 1 528 | 1 528 | 1 528 | 1 528 | 1 528 | 1 528 | 1 528 | 1 528 | 1 528 |
| Using own refuse dump | | 10 313 | 10 313 | 10 313 | 10 313 | 10 313 | 10 313 | 10 313 | 10 313 | 10 313 |
| Other rubbish disposal | | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| No rubbish disposal | | 2 204 | 2 204 | 2 204 | 2 204 | 2 204 | 2 204 | 2 204 | 2 204 | 2 204 |
| <i>Below Minimum Service Level sub-total</i> | | 14 338 | 14 338 | 14 338 | 14 338 | 14 338 | 14 338 | 14 338 | 14 338 | 14 338 |
| Total number of households | 5 | 131 622 | 131 622 | 131 622 | 131 622 | 131 622 | 131 622 | 131 622 | 131 622 | 131 622 |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | — | 19 663 646 | 19 663 646 | 19 664 | 19 664 | 19 664 | 20 765 | 21 928 | 23 156 |
| Sanitation (free minimum level service) | | — | 11 800 153 | 11 800 153 | 19 664 | 20 000 | 20 000 | 21 120 | 22 260 | 23 463 |
| Electricity/other energy (50kwh per household per month) | | — | — | — | — | — | — | — | — | — |
| Refuse (removed at least once a week) | | — | 3 032 000 | 2 850 000 | 19 664 | 20 000 | 20 000 | 21 120 | 22 260 | 23 463 |
| Cost of Free Basic Services provided - Formal Settlements (R'000) | 8 | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | — | 20 000 | 21 280 | 22 408 | 22 408 | 22 408 | 23 663 | 24 940 | 26 287 |
| Sanitation (free sanitation service to indigent households) | | — | 10 000 | 10 640 | 11 204 | 11 820 | 12 470 | 13 169 | 13 880 | 14 629 |
| Electricity/other energy (50kwh per indigent household per month) | | 45 666 | — | — | — | — | — | — | — | — |
| Refuse (removed once a week for indigent households) | | — | 3 032 | 3 032 | 3 193 | 3 368 | 3 554 | 3 753 | 3 955 | 4 169 |
| Cost of Free Basic Services provided - Informal Formal Settlements (R'000) | | | | | | | | | | |
| Total cost of FBS provided | | 45 666 | 33 032 | 34 952 | 36 804 | 37 596 | 38 432 | 40 584 | 42 775 | 45 085 |
| Highest level of free service provided per household | | | | | | | | | | |
| Property rates (R value threshold) | | 75 000 | 75 000 | 75 000 | 75 000 | 75 000 | 75 000 | 75 000 | 75 000 | 75 000 |
| Water (kilolitres per household per month) | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (kilolitres per household per month) | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (Rand per household per month) | | — | — | — | — | — | — | — | — | — |
| Electricity (kwh per household per month) | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Refuse (average litres per week) | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Revenue cost of subsidised services provided (R'000) | 9 | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | — | — | — | 36 805 | 36 805 | 36 805 | 38 866 | 40 965 | 43 177 |
| Property rates - exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA | | — | — | — | — | — | — | — | — | — |
| Water (in excess of 6 kilolitres per indigent household per month) | | — | — | — | — | — | — | — | — | — |
| Sanitation (in excess of free sanitation service to indigent households) | | — | — | — | — | — | — | — | — | — |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | — | — | — | — | — | — | — | — | — |
| Refuse (in excess of one removal a week for indigent households) | | — | — | — | — | — | — | — | — | — |
| Municipal Housing - rental rebates | | — | — | — | — | — | — | — | — | — |
| Housing - top structure subsidies | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Total revenue cost of subsidised services provided | 6 | — | — | — | 36 805 | 36 805 | 36 805 | 38 866 | 40 965 | 43 177 |

1.6 Proposed Tariff Increases

Tariff setting is a pivotal and strategic part of the compilation of the budget. During the revision of the tariffs the local economic conditions, input costs, the macro-economic forecasts as prescribed by MFMA circulars and the affordability of services were taken into account to ensure financial sustainability. The municipality also participated in a tariff setting workshop which was presented by the National and Provincial Treasury.

The table below provides information on the proposed tariff increases for the service charges. The average tariff increase for rates will be 5.6%. The estimated tariff increase for water will be 5.6% and electricity will be increased with an overall average 5.6%. The tariff increases for sewerage and refuse will be at 5.6% which is in line with the CPIX.

| <i>Tariff increases – Revenue 2019/20</i> | |
|--|---------------------------------|
| Revenue category | Average tariff increases |
| Rates | 5.6% |
| Water | 5.6% |
| Electricity | 5.6% |
| Sewerage | 5.6% |
| Refuse | 5.6% |

The general tariffs will be increased with 5.6%.

The municipality commenced with the implementation of the winter and summer tariffs for electricity in the 2014/15 financial year. A comprehensive tariff study was performed on the electricity tariff to ensure full cost recovery. The proposed overall average tariff increase for electricity will be at 5.6%. The municipality will continue implementing the winter, summer tariff as well as Inclining Block Tariffs (IBT) during the 2019/20 financial year as well as the outer years.

The municipality however still experience challenges in performing a fully cost reflective study on other tariffs. Therefore in considering the drafting of the budget in the 2019/20 financial year our tariffs must be cost reflective notwithstanding the CPIX and regulations by National Treasury. This is in consideration of improving revenue collection of these facilities as well as the quality of services to be provided by the municipality. To this extent all departments of the municipality will be required to evaluate their tariffs so that they are cost reflective and market related. The cost reflective tariffs will be phased in.

1.7 Council Resolution

The Annual Budget 19/20 MTREF was tabled in Council on 26 March 2019.

PART 2 – SUPPORTING DOCUMENTATION

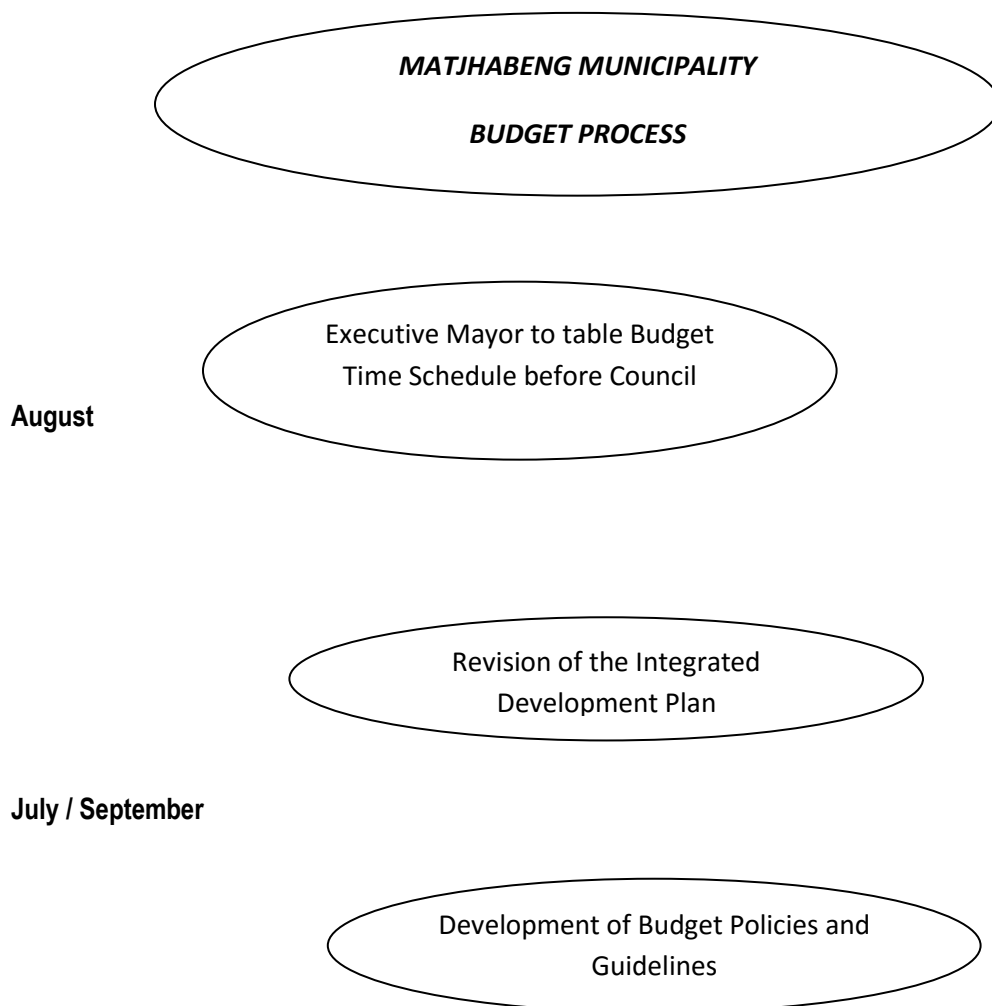
2.1 Overview of Budget Process

Section 21 (1) (b) of the Municipal Finance Management Act states that a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining the key deadlines for the preparation, tabling and approval of the annual budget.

Each and every municipality must prepare a draft budget by 30 March of each year.

The final authority to approve the budget and to set tariffs for a financial year rest with the council, and the budget must be approved by 30 May of each financial year, so as to give effect to all relevant legislation.

Below the Budget and IDP time line.



October

November

Preparation and adoption of
Operational Plans

November / December

Preparation and submission of the
departmental budgets

December

Preparation of the draft capital –
and operating budget

January

Revision of the budget by the Budget
Committee

Revision of the budget by the section
80 Committee

February

Revision of the draft budget by the
Mayoral Committee

March

April

Community Consultation

May

Budget Approval

July

Budget Implementation

MATJHABENG LOCAL MUNICIPALITY
TIME SCHEDULE OF KEY DEADLINES – BUDGET 2019/2020

| Month | Mayor and Council | Administration - Municipality |
|------------------|---|---|
| July | <p>Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53</p> <p>Planning includes review of the previous years budget process and completion of the Budget Evaluation Checklist</p> | <p>Accounting officers and senior officials of municipality begin planning for next three-year budget MFMA s 68, 77</p> <p>Accounting officers and senior officials of municipality review options and contracts for service delivery MSA s 76-81</p> |
| August | <p>Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year. MFMA s 21,22, 23; MSA s 34, Ch 4 as amended</p> <p>Mayor establishes committees and consultation forums for the budget process</p> | |
| September | <p>Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans</p> | <p>Budget offices of municipality determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives</p> <p>Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)</p> |
| October | | <p>Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials MFMA s 35, 36, 42; MTBPS</p> |
| November | | <p>Accounting officer reviews and drafts initial changes to IDP MSA s 34</p> |
| December | <p>Council finalises tariff (rates and service charges) policies for next financial year MSA s 74, 75</p> | <p>Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous years performance as per audited financial statements</p> |

| Month | Mayor and Council | Administration - Municipality |
|-----------------|--|---|
| January | | Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) MFMA s 36 |
| February | | Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report. Mid-year budget and performance assessment conducted by PT & NT. |
| March | Mayor tables municipality budget, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year MFMA s 16, 22, 23, 87; MSA s 34 | Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed MFMA s 22 & 37; MSA Ch 4 as amended Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March MFMA s 42 |
| April | Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc MFMA s 21 | Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year |
| May | Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year. MFMA s 23, 24; MSA Ch 4 as amended | Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature. Budget and Benchmark Assessment (PT & NT). |
| June | Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year MFMA s 16, 24, 26, 53 Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance | Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. MFMA s 69; MSA s 57 Accounting officers of municipality publishes adopted budget and plans MFMA s 75, 87 |

| Month | Mayor and Council | Administration - Municipality |
|---|--|-------------------------------|
| | <p>objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval.</p> <p>MFMA s 53; MSA s 38-45, 57(2)</p> <p>Council must finalise a system of delegations. MFMA s 59, 79, 82; MSA s 59-65</p> | |
| <p>Abbreviations: IDP - Integrated Development Plan; MFMA - Local Government: Municipal Finance Management Act, No. 56 of 2003; MSA - Local Government: Municipal Systems Act, No. 32 of 2000, as amended; MTBPS - National Treasury annual publication, Medium Term Budget and Policy Statement; NT - National Treasury; PT - Provincial Treasuries; SDBIP - Service Delivery and Budget Implementation Plan</p> | | |

Quality Certificate

I,, Municipal Manager of,

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

Print name:

Municipal Manager of (FS184)

Signature:

Date:

Print name:

Chief Financial Officer of (FS184)

Signature:

Date:

