

ANNUAL BUDGET OF MATJHABENG LOCAL MUNICIPALITY



2019/20 TO 202/22

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Table of Contents

Page no.

PART 1 – ANNUAL BUDGET

- 1.1 MAYOR’S REPORT
- 1.2 EXECUTIVE SUMMARY
- 1.3 OPERATING BUDGET FRAMEWORK
- 1.4 CAPITAL EXPENDITURE
- 1.5 ANNUAL BUDGET TABLES
- 1.6 TARIFFS
- 1.7 COUNCIL RESOLUTION

PART 2 – SUPPORTING DOCUMENTATION

- 2.1 OVERVIEW OF ANNUAL BUDGET PROCESS
- 2.2 OVERVIEW OF BUDGET ASSUMPTIONS
- 2.3 OVERVIEW OF BUDGET POLICIES
- 2.4 SUPPORTING ANNUAL BUDGET TABLES
- 2.5 QUALITY CERTIFICATE

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

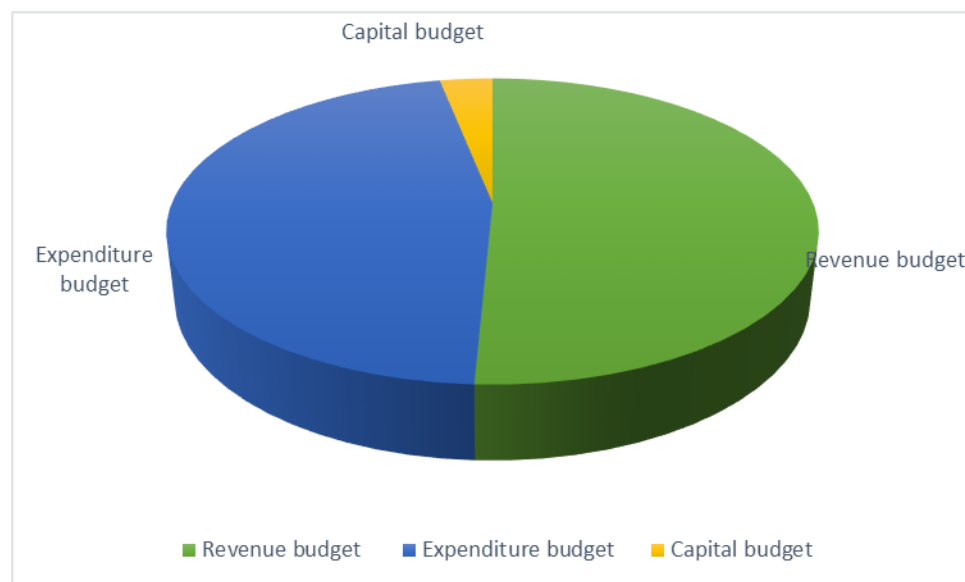
	Budget 2019/20	Budget 2020/21	Budget 2021/22
Total Revenue Budget	R 2 821 699 868	R 2 924 452 255	R 3 084 407 419
Total Expenditure Budget	R 3 216 848 138	R 3 056 648 519	R 3 208 207 539
Surplus /(Deficit)	(R395 148 270)	(R 132 196 264)	(R123 800 120)
Total Capital Budget	R 170 615 000	R 164 885 000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

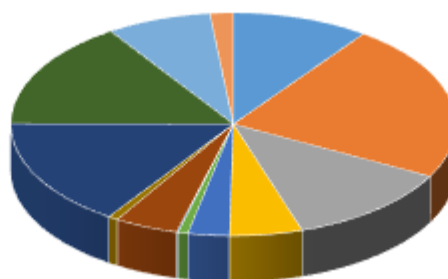
•Gains on disposal of PPE

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.

Revenue per source



- Property rates
- Service charges - water revenue
- Service charges - refuse revenue
- Interest earned - external investments
- Dividends received
- Licences and permits
- Other revenue
- Service charges - electricity revenue
- Service charges - sanitation revenue
- Rental of facilities and equipment
- Interest earned - outstanding debtors
- Fines, penalties and forfeits
- Transfers and subsidies
- Gains on disposal of PPE

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:

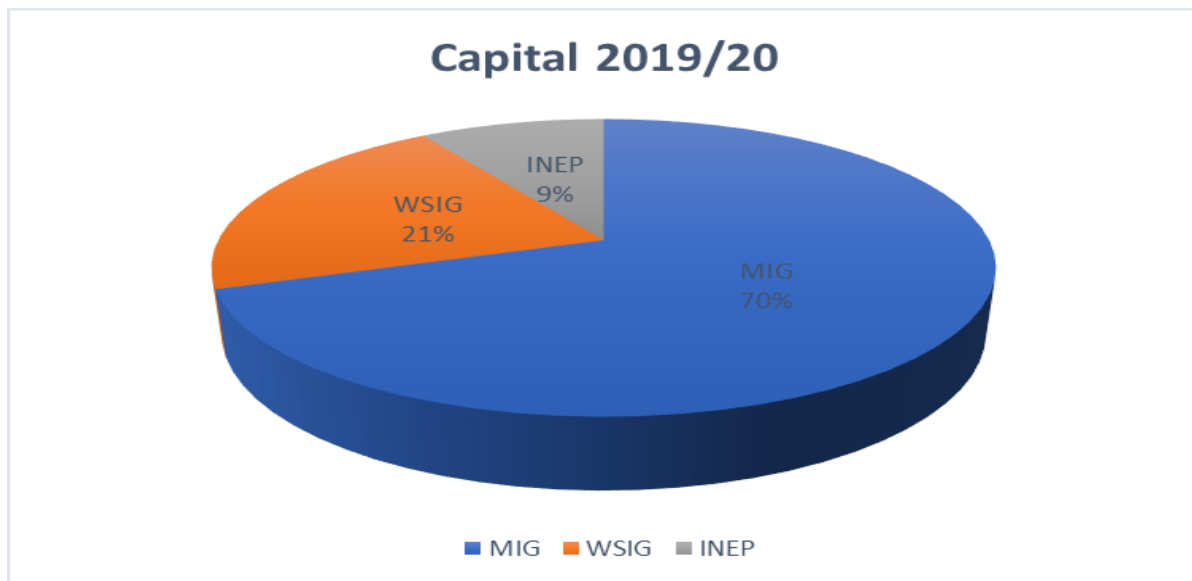
1. Catering for all meetings
2. Office groceries
3. Training of officials
4. Transportation
5. Overtime
6. Advertising fees – limited to notices and adverts
7. Internet usage – be limited to government websites
8. Printing cost – centralization of printing and limit colour printing
9. Matjhabeng News
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
Employee 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										
Governance and administration		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		-	-	-	-	-	-	-	-	-
Community and public safety		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		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	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		-	-	-	-	-	-	-	-	-
Trading services		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
Other	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										
Governance and administration		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	-	-	-
Community and public safety		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	-	-	-
Economic and environmental services		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		-	-	-	-	-	-	-	-	-
Trading services		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
Other	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)

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			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			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

0184 Main Category - Table A1 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		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												
R thousand	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
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

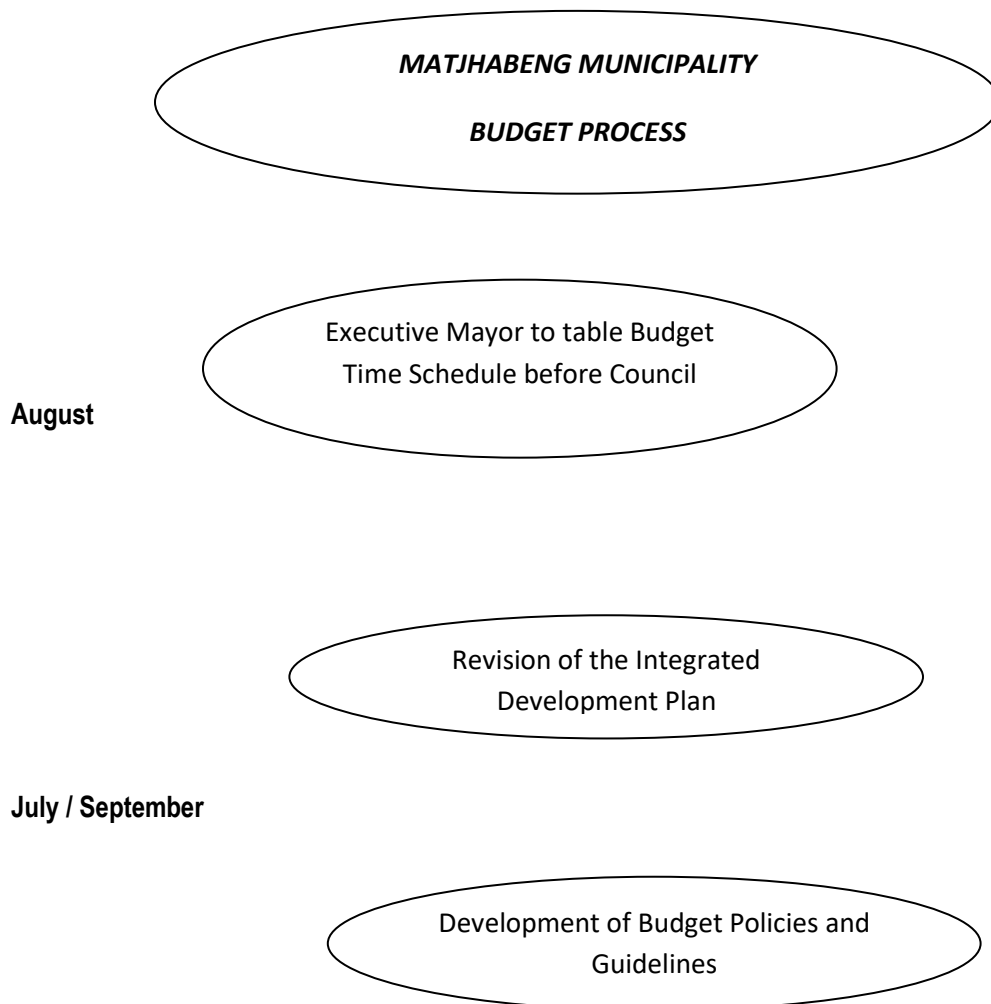
2.1 Overview of Budget Process

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:

