

# **CEDERBERG MUNICIPALITY**

## **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2017/2018 TO 2019/2020**



**ANNUAL BUDGET OF**  
**CEDERBERG**  
**MUNICIPALITY**

**2017/18 TO 2019/20**  
**MEDIUM TERM REVENUE AND**  
**EXPENDITURE FORECASTS**

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## Glossary

**Adjustments budget** – Prescribed in Section 28 of the MFMA. The formal manner in which a municipality can revise its budget during the year.

**Budget** – The financial plan of the Municipality.

**Budget-related Policy** – Policy of a municipality affecting the budget or affected by the budget, such as the tariff policy, rates policy and credit control and debt collection policy.

**Capital expenditure** – Expenditure on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Cash flow statement** – A statement showing when actual cash is to be received and spent by the Municipality. Cash payments do not always correspond with budgeted expenditure frameworks. For example, when an invoice is received by the Municipality, it is regarded as expenditure in the month; even if it is not paid within the same period.

**DORA – Distribution of Revenue Act.** Annual legislation containing the total allocations by national government to provincial and local governments.

**Equitable share** – A general allocation paid to municipalities. It is mainly aimed at rendering assistance with free basic services.

**Fruitless and wasteful expenditure** – Expenditure done in vain and that could have been avoided if reasonable care was exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system making a type by type comparison between municipalities.

**Grants** – Money received from Provincial or National Government and other municipalities.

**GRAP** – Generally Recognised Accounting Policy. The new standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality.

**KPI's** – Key Performance Indicators. Measurement of service outputs and/or outputs.

**MFMA** – The Municipal Financial Management Act – No. 53 of 2003. The main legislation applicable to municipal financial management.

**MTREF** – Medium term Revenue and Expenditure Framework. A Medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budgetary allocations. Also includes details of the financial position of the preceding and current year.

**Nett Assets** – Nett assets are the residual interest in the assets of the entity after all its liabilities have been deducted. This means that the net assets of the municipality equal the "net welfare" of the municipality, after all assets had been sold/recovered and all liabilities had been paid. Transactions that do not fall under the description of Revenue or Expenditure, such as increase in the value of Property, Plant and Equipment, where no in- or outflow of resources occurs, are recorded under Nett Assets.

**Operational expenditure** – Expenditure on the day-to-day expenses of the Municipality, such as salaries and wages.

**Property rates** – Local authority rates based on the assessed value of a property. In order to calculate the rates payable, the assessed value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan consisting of quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted expenditure must contribute to the achievement of the strategic objectives.

**Unauthorized expenditure** – In general, expenditure without, or in excess of an approved budget.

**Vote** – One of the main segments of a budget

# **Part 1 – Annual Budget**

## **1.1 Vision, Mission & Values**

### **Our Vision**

“Cederberg Municipality, your future of good governance, service excellence, opportunities and a better life.”

### **Our Mission**

Our vision will be achieved by doing the following:

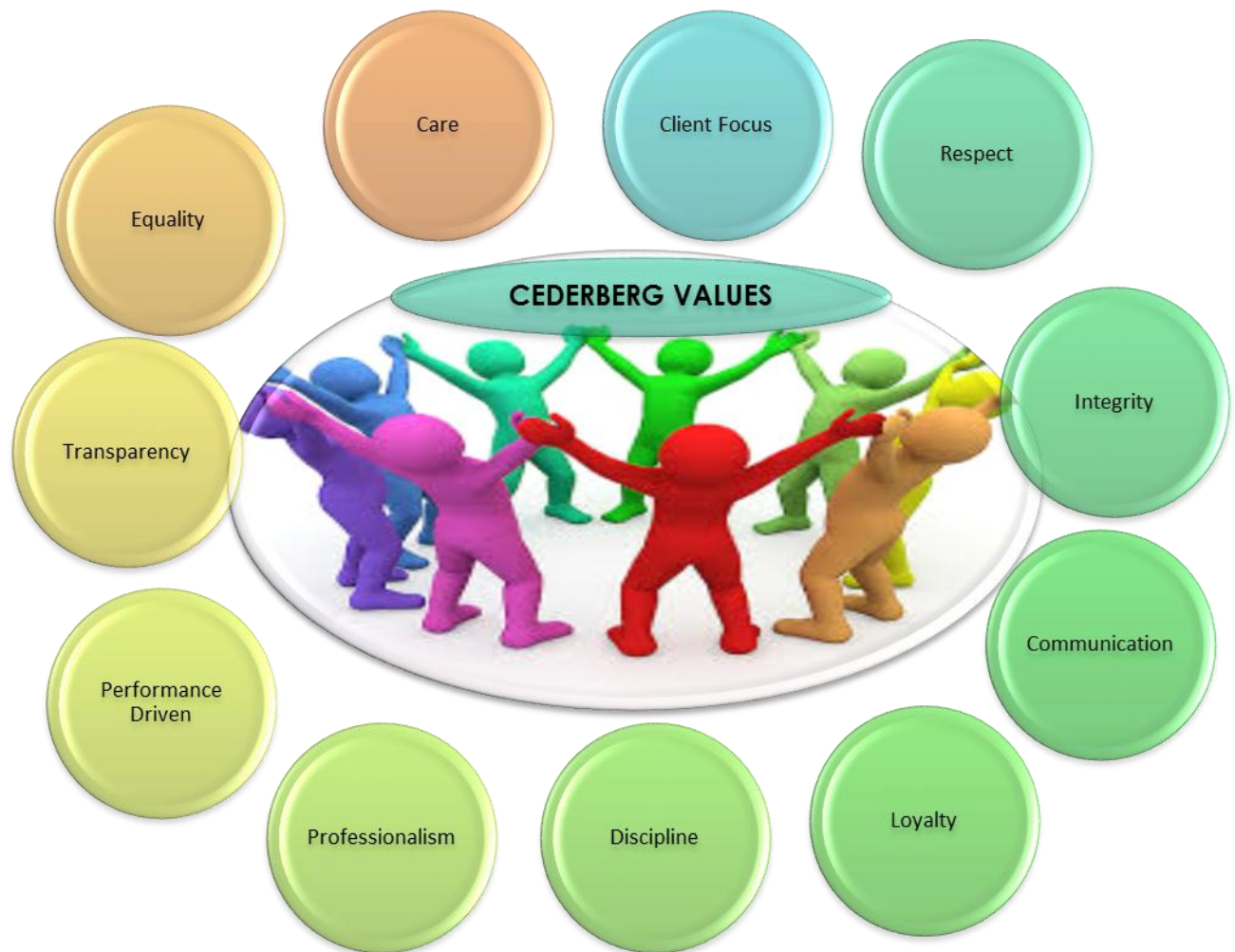
- Developing and executing policies and projects, which are responsive and provide meaningful redress;
- Unlocking opportunities with economic growth and development for community prosperity;
- Ensuring sustainable, efficient and effective service delivery in an environmental sustainable manner;
- Making communities safer;
- Ensuring good governance, financial viability and sustainability;
- Promoting quality services in a cost effective manner through partnerships, information, knowledge management and connectivity;
- Advancing capacity building programs for both our staff and the community.

### **Our Values:**

For the 4<sup>th</sup> generation IDP (5year vision 2017-2022), Council revisited its values to be incorporated into the IDP and ensure effective operation of its daily working environment. The values are as follows:

- Client Focus
- Respect
- Integrity
- Communication
- Loyalty
- Discipline
- Professionalism
- Performance Driven
- Transparency
- Equality
- Care

**Cederberg Values:**



## 1.2 Mayor's Report

In terms of section 16 (2) of the Municipal Financial Management Act (Act 56 of 2003), it is my duty and privilege to table the 2017/2018 to 2019/2020 Medium Term Revenue and Expenditure Framework (MTREF) to Council.

As this budget constitutes the proposed financial plan for the next 3 years, it naturally impacts on the community as a whole and it is thus extremely important to consult the community to create awareness and to gain support for joint ownership and responsibility in managing the municipality's financial affairs.

The 2017 Budget Review emphasized that, while the global economic growth outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardize South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform.

GDP growth rate for South Africa is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The positive trajectory marks a shift from several years of declining growth however; this is still not high enough to markedly reduce unemployment, poverty and inequality.

The national unemployment rate was 26.5 per cent in the fourth quarter of 2016. In aggregate mining and manufacturing employment declined by 80 306 jobs in 2016 while the services sector created 119 189 jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap.

Cederberg Municipality is in no way immune to the harsh economic realities. Cederberg Municipality, like so many other municipalities in South Africa, is faced with various challenges when balancing quality basic services to the financial and administrative capabilities of the municipalities. These challenges include, but are not limited to the following:

- Ageing Infrastructure as one of the biggest threats to sustainable service delivery;
- Population growth putting strain on the municipal infrastructure to keep track of service delivery demands;
- Housing backlogs;
- Poverty in the municipal area and the ability to pay for basic services; and
- Depletion of Cash Reserves

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the Cederberg region.

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We



need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

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

### **1.3 Legislative Background:**

Section 24 of the Municipal Finance Management Act states:

#### **“Approval of annual budgets”**

24. (1) The municipal council must at least 30 days before the start of the of the budget year consider approval of the annual budget.

- (2) An annual budget –
  - (a) must be approved before the start of the budget year;
  - (b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and
  - (c) must be approved together with the adoption of resolutions as may be necessary –
    - (i) Imposing any municipal tax for the budget;
    - (ii) Setting any municipal tariffs for the budget year;
    - (iii) Approving measureable performance objectives for revenue from each source and for each vote in the budget;
    - (iv) Approving any changes to the municipality's integrated development plan; and
    - (v) Approving any changes to the municipality's budget-related policies.
- (3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant Provincial Treasury.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

## **1.4 Council Resolutions**

### **RECOMMENDATION:**

#### **That in respect of the:**

#### **TABLING OF 2017 / 2018 ANNUAL BUDGET**

As discussed by Council at the Council meeting held on 30 May 2016:

1. Council approves the annual budget tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX B.
2. Council approves the annual budget supporting tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX C.
3. Council approves the Quality Certificate signed by the Accounting Officer, as set out in APPENDIX D.
4. Council approves the revised budget related policies, as set out in APPENDIX E.
5. Council approves the property rates and charges on properties, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX F.

## 1.5 Executive Summary

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

The 2017/18 MTREF was compiled based on the following principles and criteria:

### **Credibility:**

- Planned activities must be consistent with the IDP and vice versa.
- Financial viability of the municipality should not be jeopardized.
- The capacity to spend the budget should be ensured.

### **Sustainability:**

- Financial sustainability / overall financial health of the municipality.
- The revenue and expenditure budgeted should be realistic.

### **Responsiveness:**

The budget should:

- be responsive to the needs of the community, received during the IDP Roadshow/ Survey.
- be aligned with the IDP & LED Strategies to give effect to provincial and national priorities.
- be responsive to economic growth objectives and the socio-economic needs of the community.

## **Strategic Framework, Pillars and Objectives of the Municipality**

The Constitution mandated local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilize integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve long term development goals. A municipal IDP provides a 5 year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

During the budget process the municipality revised its vision, mission, strategic objectives as well as the values.

## Strategic Objectives:

In the pursuit of its vision and mission, the Council has reviewed its Strategic Objectives during a strategic breakaway session held 24 – 25 January 2017.

The strategic objectives are as follows:

Strategic Objectives	
<b>SO 1</b>	Improve and sustain basic service delivery and infrastructure development
<b>SO 2</b>	Implement strategies to ensure financial viability and economical sustainability
<b>SO 3</b>	Good governance, community development and public participation
<b>SO 4</b>	Aggressive facilitation, expansion and nurturing of sustainable economic growth and eradication on poverty
<b>SO 5</b>	Enable a resilient, sustainable, qualitative and inclusive living environment and human settlements. Example would be Housing development and upgrade of informal settlements
<b>SO 6</b>	To facilitate social cohesion as well as safe and healthy communities.

## Revenue per Strategic Objective

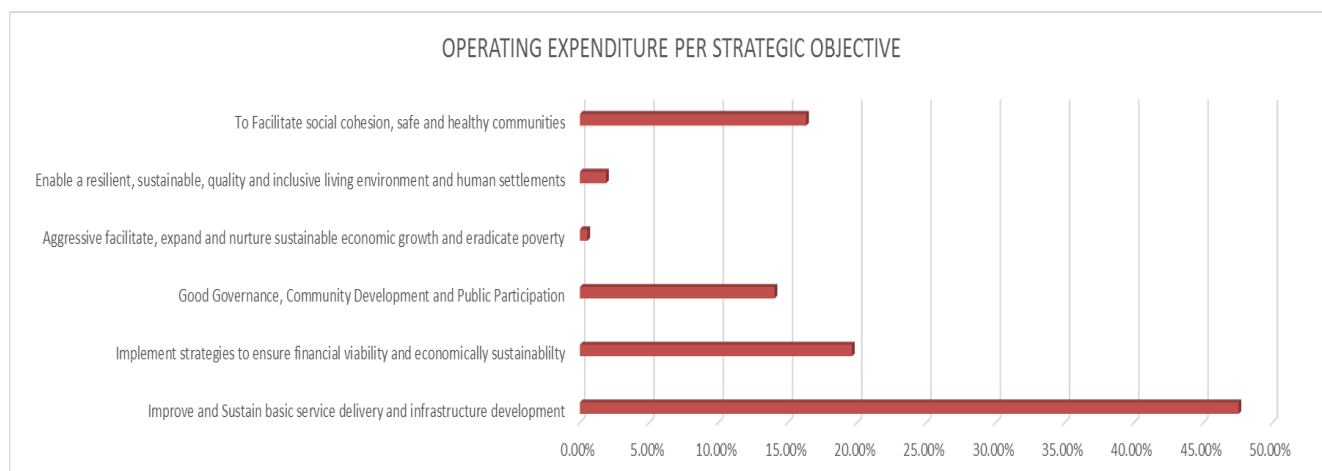
### Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>				
Improve and Sustain basic service delivery and infrastructure development	Provision and maintenance of municipal Services	208 500	200 665	220 100
Implement strategies to ensure financial viability and economically sustainability	Financial Viability and Sustainability	46 349	49 290	52 399
Good Governance, Community Development and Public Participation	Provision of Democratic and accountable governance	10 347	9 464	11 279
Aggressive facilitate, expand and nurture sustainable economic growth and eradicate poverty	Promotion of tourism, agriculture and economic development	–	–	–
Enable a resilient, sustainable, quality and inclusive living environment and human settlements	Provide quality housing and ensure human dignity of our people	22 529	4 168	3 357
To Facilitate social cohesion, safe and healthy communities	Promote health and safety environment	46 719	49 446	52 276
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>334 444</b>	<b>313 033</b>	<b>339 411</b>

## Operating Expenditure per Strategic Objective

### Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>				
Improve and Sustain basic service delivery and infrastructure development	Provision and maintenance of municipal Services	130 409	138 418	146 608
Implement strategies to ensure financial viability and economically sustainability	Financial Viability and Sustainability	53 882	56 744	59 794
Good Governance, Community Development and Public Participation	Provision of Democratic and accountable governance	38 530	39 160	42 474
Aggressive facilitate, expand and nurture sustainable economic growth and eradicate poverty	Promotion of tourism, agriculture and economic development	1 459	1 546	1 638
Enable a resilient, sustainable, quality and inclusive living environment and human settlements	Provide quality housing and ensure human dignity of our people	5 181	5 491	5 820
To Facilitate social cohesion, safe and healthy communities	Promote health and safety environment	44 806	47 314	49 713
<b>Total Expenditure</b>		<b>273 513</b>	<b>289 497</b>	<b>305 620</b>



## Capital Expenditure per Strategic Objective

### Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>				
Improve and Sustain basic service delivery and infrastructure development	Provision and maintenance of municipal Services	48 484	28 930	34 998
Implement strategies to ensure financial viability and economically sustainability	Financial Viability and Sustainability	2 463	1 160	1 130
Good Governance, Community Development and Public Participation	Provision of Democratic and accountable governance	1 603	1 801	1 559
Aggressive facilitate, expand and nurture sustainable economic growth and eradicate poverty	Promotion of tourism, agriculture and economic development	–	–	–
Enable a resilient, sustainable, quality and inclusive living environment and human settlements	Provide quality housing and ensure human dignity of our people	17 140	877	–
To Facilitate social cohesion, safe and healthy communities	Promote health and safety environment	945	806	865
<b>Total Capital Expenditure</b>		<b>70 635</b>	<b>33 574</b>	<b>38 552</b>

Cederberg Municipality is very proud of their achievements reached in recent years. We have moved from an adverse opinion, which was subsequently replaced with a qualified opinion, to unqualified opinions from 2012/13 to 2015/16 financial years. The 2015/16 Audit report also complimented Cederberg for having no material adjustments to the Annual Financial Statements.

This MTREF will also mark the beginning of a new era in the Municipal Budgeting and Accounting environment through the introduction of the mSCOA (Municipal Standard Chart of Accounts) at municipalities throughout South Africa on 1 July 2017. The mSCOA project, led by National Treasury, is aimed at standardising the way we transact and report on financial and other related information to the community and other stakeholders. Though the implementation of the new regulation might challenge Cederberg in many ways, we are definitely viewing this project as an opportunity to improve the data quality of the municipality.

In view of the aforementioned, it should also be noted that the implementation of mSCOA has a significant effect on how we classify transactions when compared to previous financial year. To compensate for this classification discrepancies, it proposed in MFMA Circular 86 that the budgeted tables only includes financial information relating to the 2018 MTREF with historic information being submitted on a separate schedule. In line with this proposal, it should be noted that this report focus mainly on the MTREF period with the historic information only included as an addendum to the report.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

In line with the proposed vote structure, the following revenue and expenditure is appropriated to each vote:

**WC012 Cederberg - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)**

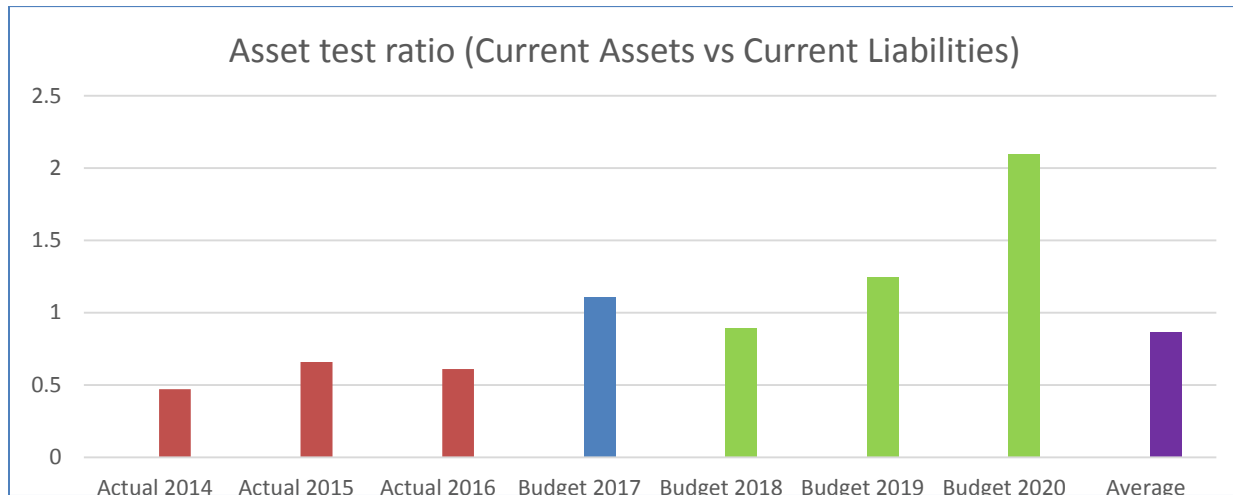
Description	Ref	Medium Term Revenue and Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>				
<b><u>Revenue by Vote</u></b>				
Vote 1 - Executive and Council		7 427	8 180	8 820
Vote 2 - Office of Municipal Manager		–	–	–
Vote 3 - Financial Services		46 349	49 290	52 399
Vote 4 - Community Development Services		68 393	50 792	53 643
Vote 5 - Corporate and Strategic Services		781	933	1 087
Vote 6 - Engineering and Planning Services		211 494	203 838	223 462
<b>Total Revenue by Vote</b>		<b>334 444</b>	<b>313 033</b>	<b>339 411</b>
<b><u>Expenditure by Vote to be appropriated</u></b>				
Vote 1 - Executive and Council		8 238	8 725	9 237
Vote 2 - Office of Municipal Manager		2 950	3 126	3 311
Vote 3 - Financial Services		53 882	56 744	59 794
Vote 4 - Community Development Services		56 184	57 593	61 487
Vote 5 - Corporate and Strategic Services		17 135	18 272	19 467
Vote 6 - Engineering and Planning Services		135 878	144 213	152 751
<b>Total Expenditure by Vote</b>		<b>274 267</b>	<b>288 673</b>	<b>306 048</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>60 177</b>	<b>24 360</b>	<b>33 363</b>
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>60 177</b>	<b>24 360</b>	<b>33 363</b>

**Financial Viability**

Cederberg Municipality have recently implemented their long term financial plan. This plan should be utilized to guide all budget related decisions of the municipality. The following ratios and benchmarks were identified which is considered significant to the long term sustainability of the municipality:

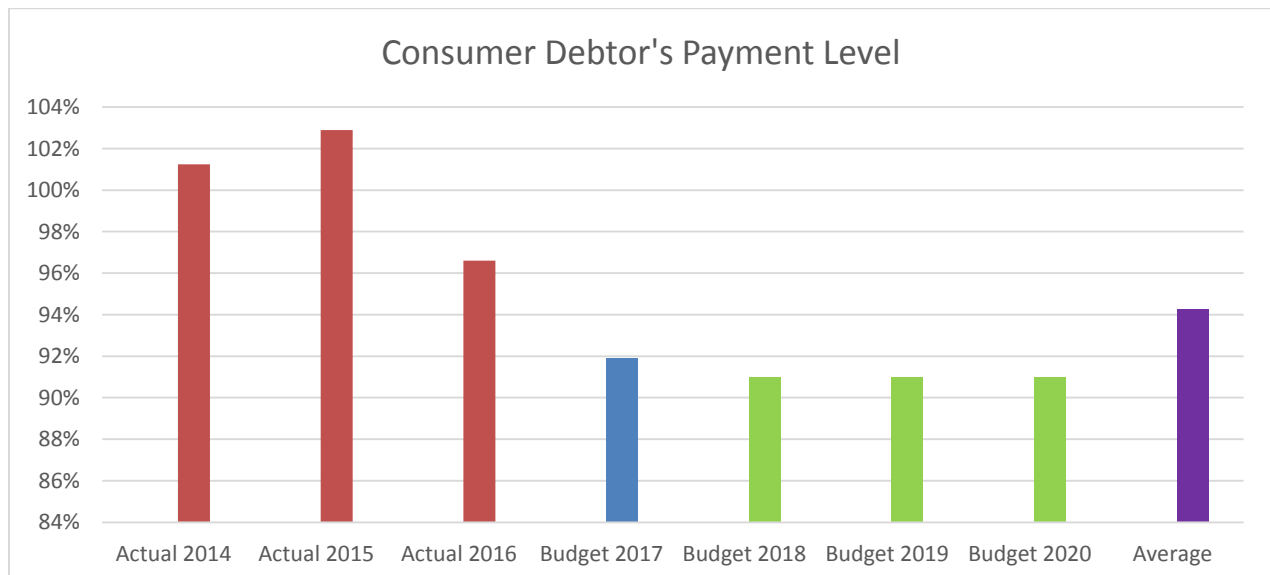
### Asset Test Ratio

The asset test ratio provides with an indication of the municipality's ability to settle commitments if and when they become due. It is calculated as follows ratio between current assets (including inventory) and current liabilities: A ratio of 2:1 is considered to be appropriate. This ratio is significant below the acceptable level of 2:1 during 2014, 2015 & 2016 but it is expected that the level of 2:1 will be reached over the MTREF.



### Payment Level

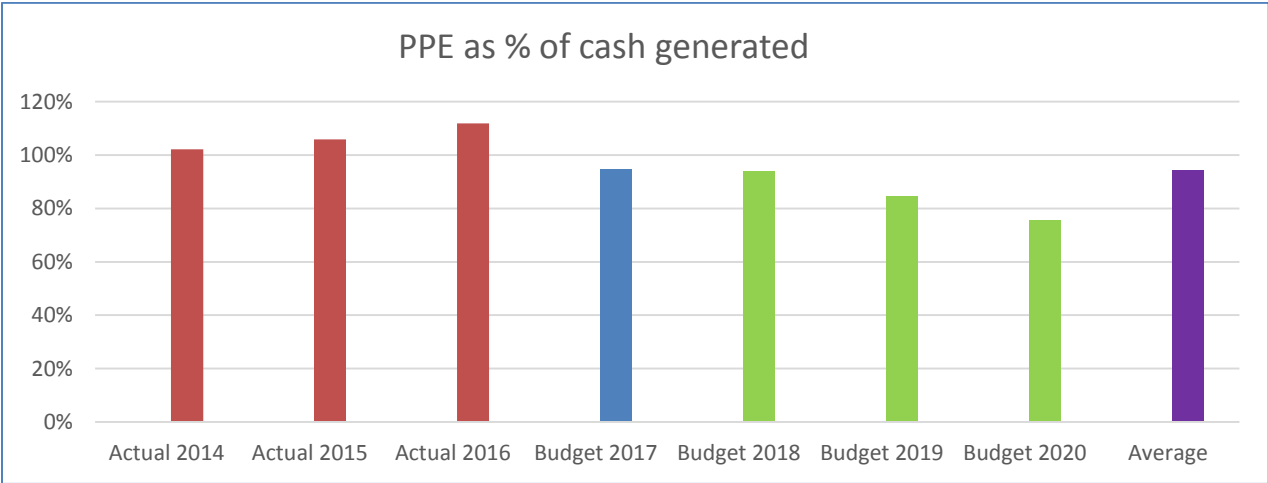
During 2014 – 2015 (partially 2016) there was an aggressive collection of arrear debt. It started stabilising from 2016 to current. The actual collection rate for current debt is calculated at 91%.





**Purchase of PPE as % of Cash Generated**

This indicator measures the ability of the municipality to finance the capital program from cash generated in the same financial period. Any indicator above 100% is indicative of a shortfall in cash which increases the need to utilise accumulated cash resources from prior years. In recent years, the municipality’s capital program is above 100% but over the MTREF it is projected that the percentage will be well below 100%.

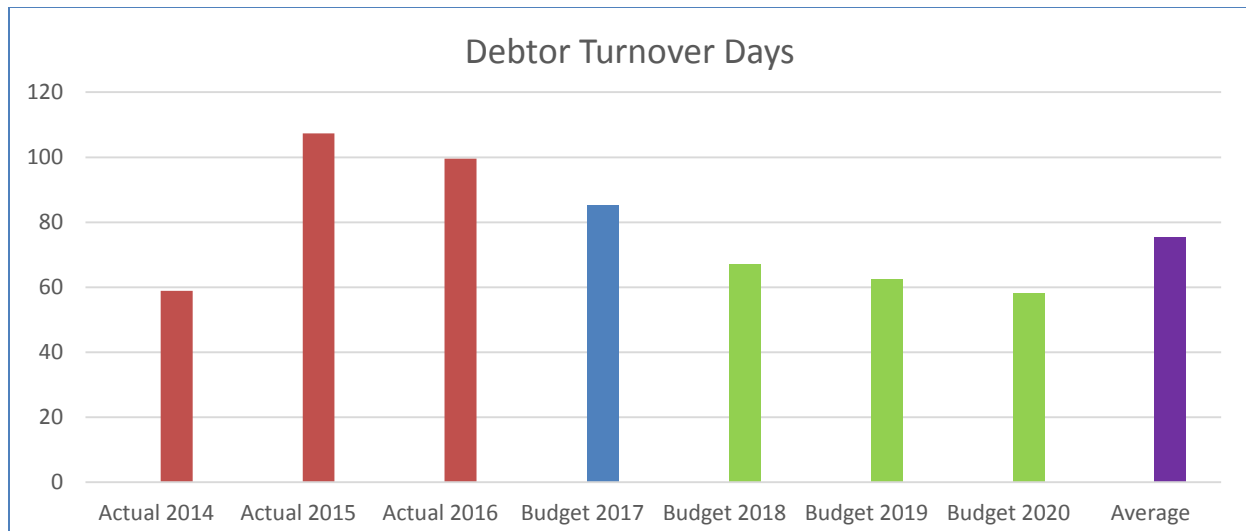


**Debtor Turnover Days**

In short, the indicator provides an indication of how many days it takes to convert billed revenue into cash. Thus, it is a good indicator of how credit control and debt collection measures are being implemented at the municipality. It also provides an indication of the municipality’s write off policy.

For the years 2014 – 2016, long outstanding debt was collected, explaining why the debtor’s days were so high during those years. For the MTREF, the municipality will strive to keep the debtor’s days below 60 days.

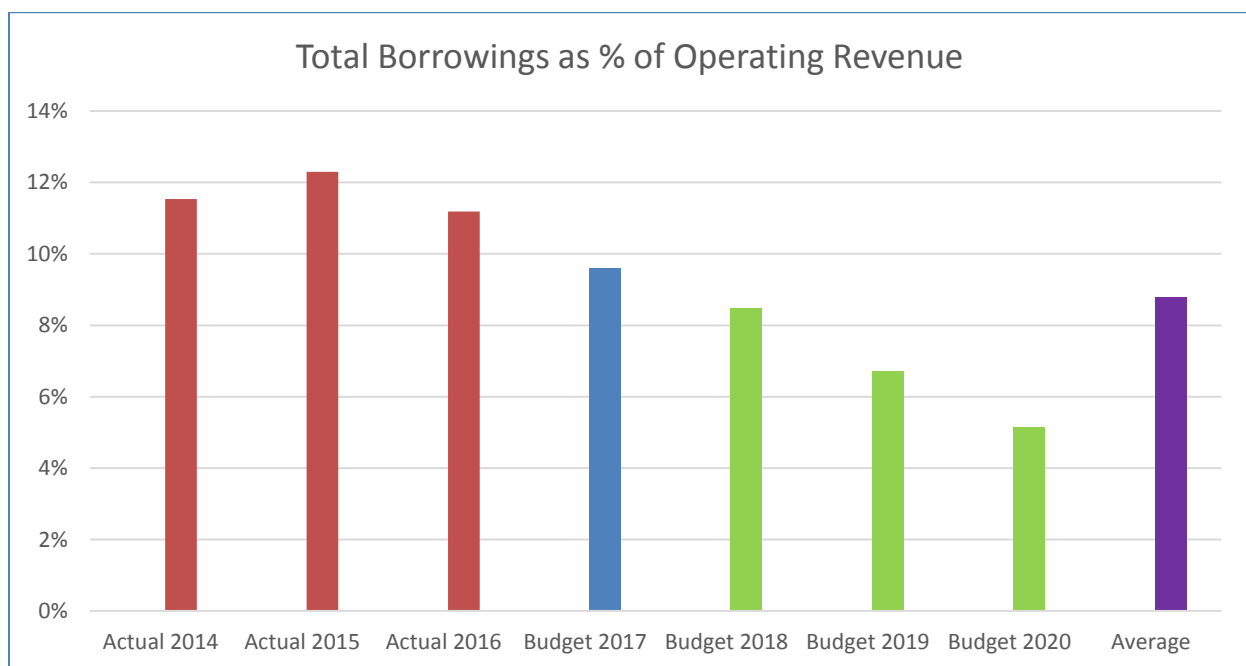
Taking into account the bad state of the economy, the consumers are not very willing to settle their accounts. The Cederberg area is also a very poor area which means that consumers struggle to get by which in turn has an effect on the collection rate. Over the MTREF period high standards will be maintained to collect debt, the Debt collection policy will be applied more stringently which will decrease the debtor’s days.



### Long Term Debt as % of Revenue

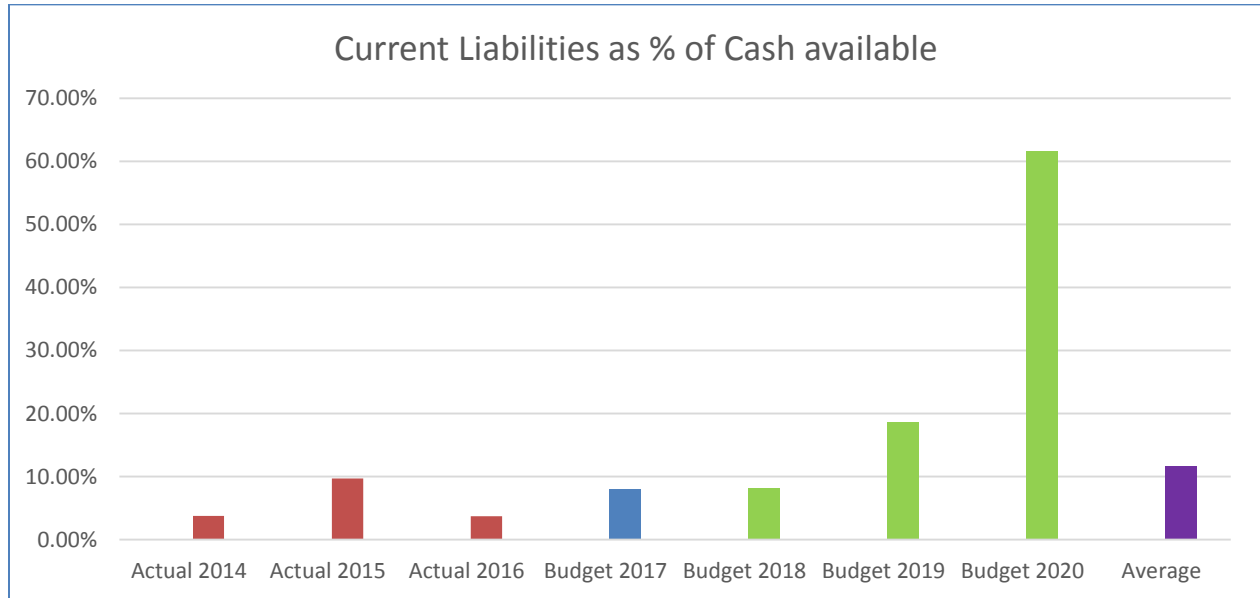
External borrowing is an important part of the funding model of the municipality. Not only does it instantly provide the municipality with relatively inexpensive capital to fast-track service delivery and infrastructure backlogs, but it also ensures that the user of the infrastructure pay for the use over the lifetime of the asset. The current capital program provides for a significant portion of the program to be financed through external financing.

The norm for long term debt as percentage of revenue is 45%. The municipality is currently below 10% (Budget 2017). Thus, we do have the capacity to take on additional long term debt. However, the ability of the municipality to repay the long term debt has to be considered.



### Short Term Debt as % of Cash

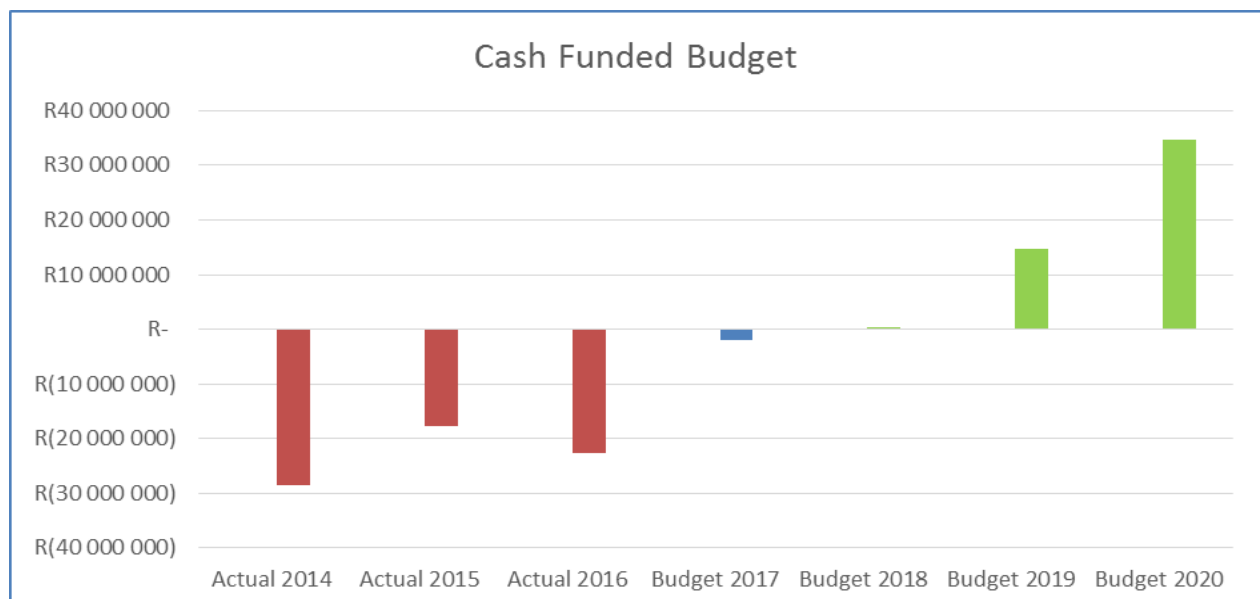
This indicator provides a measure of the municipality's ability to settle short term liabilities when they become due and payable. The trend below is an indication that the municipality is currently facing challenges but it is expected to improve over the MTREF.



### Cash Funded Budget over the MTREF

A cash funded budget is arguably the most important indicator for a credible budget that is aligned to the funding requirement in MFMA Section 18.

As illustrated in the table below, the municipality has submitted a cash funded budget over the MTREF.



## 1.6 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

- (1) "An annual budget may only be funded from –
  - (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
  - (b) Cash-backed accumulated funds from previous financial years' surpluses not committed for other purposes; and
  - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2) Revenue projections in the budget must be realistic, taking into account –
  - (a) projected revenue for the current year based on collection levels to date; and
  - (b) actual revenue collected in previous years."

### Summary of revenue classified by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>			
<b><u>Revenue By Source</u></b>				
Property rates	2	40 871	43 322	45 921
Service charges - electricity revenue	2	80 640	85 479	90 607
Service charges - water revenue	2	27 693	29 354	31 115
Service charges - sanitation revenue	2	9 200	9 752	10 336
Service charges - refuse revenue	2	8 299	9 425	10 712
Service charges - other		–	–	–
Rental of facilities and equipment		471	499	530
Interest earned - external investments		391	415	440
Interest earned - outstanding debtors		3 082	3 266	3 462
Dividends received		–	–	–
Fines, penalties and forfeits		35 482	37 611	39 868
Licences and permits		–	–	–
Agency services		2 996	3 175	3 365
Transfers and subsidies		58 056	56 437	62 410
Other revenue	2	7 769	8 233	8 724
Gains on disposal of PPE		–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>274 951</b>	<b>286 968</b>	<b>307 490</b>

## Summary of revenue classified by municipal vote

The table below displays revenue by municipal vote, it excludes capital transfers.

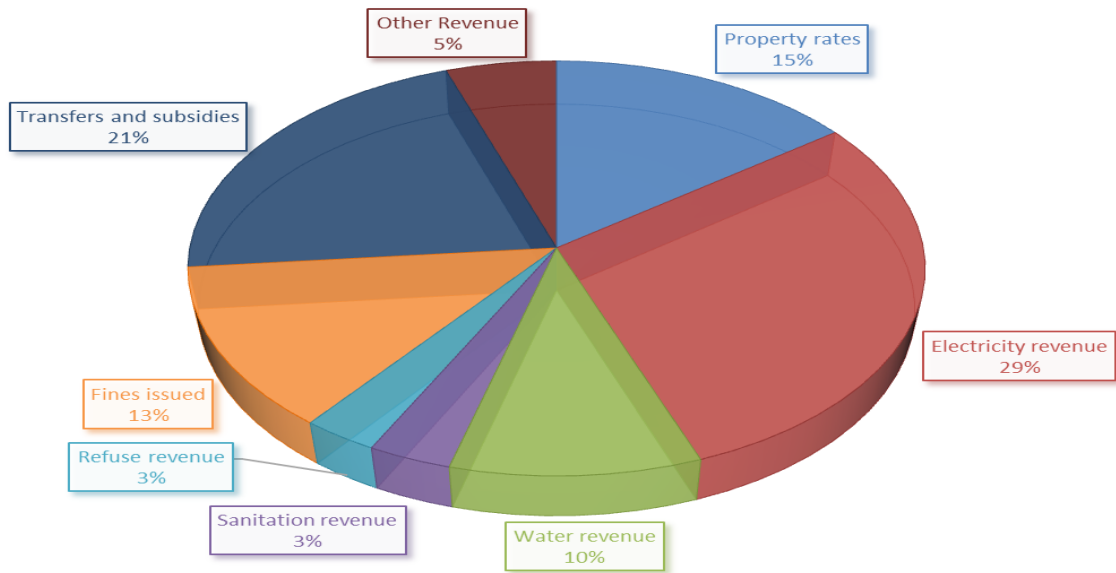
Vote Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>Revenue by Vote</b>			
Vote 1 - Executive and Council	7 427	8 180	8 820
Vote 2 - Office of Municipal Manager	–	–	–
Vote 3 - Financial Services	46 349	49 290	52 399
Vote 4 - Community Development Services	68 393	50 792	53 643
Vote 5 - Corporate and Strategic Services	781	933	1 087
Vote 6 - Engineering and Planning Services	211 494	203 838	223 462
<b>Total Revenue by Vote</b>	<b>334 444</b>	<b>313 033</b>	<b>339 411</b>

## Percentage growth in revenue base by main revenue source

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>Revenue By Source</b>			
Property rates	40 871	43 322	45 921
Service charges - electricity revenue	80 640	85 479	90 607
Service charges - water revenue	27 693	29 354	31 115
Service charges - sanitation revenue	9 200	9 752	10 336
Service charges - refuse revenue	8 299	9 425	10 712
Service charges - other	–	–	–
Rental of facilities and equipment	471	499	530
Interest earned - external investments	391	415	440
Interest earned - outstanding debtors	3 082	3 266	3 462
Dividends received	–	–	–
Fines, penalties and forfeits	35 482	37 611	39 868
Licences and permits	–	–	–
Agency services	2 996	3 175	3 365
Transfers and subsidies	58 056	56 437	62 410
Other revenue	7 769	8 233	8 724
Gains on disposal of PPE	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>274 951</b>	<b>286 968</b>	<b>307 490</b>

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise between 60 and 62 percent of the total revenue mix.

## REVENUE BY SOURCE



## Operating Transfers and Grant Receipts

**WC012 Cederberg - Supporting Table SA18 Transfers and grant receipts**

Description R thousand	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>RECEIPTS:</b>			
<b><u>Operating Transfers and Grants</u></b>			
<b>National Government:</b>	<b>49 120</b>	<b>51 271</b>	<b>57 112</b>
Local Government Equitable Share	40 873	45 113	48 716
Finance Management	1 550	1 805	2 065
EPWP Incentive	1 782	—	—
Municipal Systems Improvement	—	—	1 000
Municipal Infrastructure Grant (PMU)	778	827	863
Municipal Infrastructure Grant (VAT)	1 851	1 930	2 013
Regional Bulk Infrastructure (VAT)	567	—	—
Water Services Infrastructure Grant (VAT)	1 228	1 228	1 474
Integrated National Electrification Grant (VAT)	491	368	982
<b>Provincial Government:</b>	<b>8 936</b>	<b>5 166</b>	<b>5 298</b>
PGWC Financial Management Capacity Building Grant	240	360	480
Transport Infrastructure Grant	61	—	—
Library Services: MRFG	4 178	4 396	4 651
Thusong Service Centre (Sustainability Operational Support)	109	120	—
Community Development Grant	167	167	167
Human Settlement Development Grant (VAT)	2 400	123	—
Provincial: Acceleration of housing deliveries (VAT)	1 781	—	—
<b>Total Operating Transfers and Grants</b>	<b>58 056</b>	<b>56 437</b>	<b>62 410</b>
<b><u>Capital Transfers and Grants</u></b>			
<b>National Government:</b>	<b>29 589</b>	<b>25 188</b>	<b>31 921</b>
Municipal Infrastructure Grant (MIG)	13 238	13 784	14 377
Regional Bulk Infrastructure	4 045	—	—
EPWP Incentive	25	—	—
Water Services Infrastructure Grant	8 772	8 772	10 526
Integrated National Electrification Grant (INEG)	3 509	2 632	7 018
<b>Provincial Government:</b>	<b>29 904</b>	<b>877</b>	<b>—</b>
Human Settlement Development Grant (Beneficiaries)	17 140	877	—
Provincial contribution - Acceleration of housing deliveries	12 719	—	—
Library Services MRF Capital	45	—	—
<b>Total Capital Transfers and Grants</b>	<b>59 493</b>	<b>26 065</b>	<b>31 921</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>117 549</b>	<b>82 502</b>	<b>94 331</b>

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.4 per cent, which is the current inflation rate.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment.

**Full details regarding the tariffs are included in section 2.13 “other supporting documents” to this document.**

#### **1.6.1 Property Rates**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

An increase of 6.4 per cent in the Property Rates tariff is proposed for 2017/18. This increase does not take in to account the general increase in valuations.

#### **1.6.2 Sale of Water and Impact of Tariff Increases**

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure cost reflective tariffs are achieved.

An increase of 6.4 per cent in the Water tariff is proposed for 2017/18.

#### **1.6.3 Sale of Electricity and Impact of Tariff Increases**

NERSA has announced the revised bulk electricity pricing structure. A 2.2 per cent (nominal) increase (which is significantly lower than the original 8% Multi Year Price Determination as a result of higher increases approved in preceding years) in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2017.

An average 1.88 per cent increase is proposed in electricity tariffs. This increase is required to curb the downward trend experienced as a result of large bulk tariff increases experienced in recent years.

#### **1.6.4 Sanitation and Impact of Tariff Increases**

An average tariff increase of 6.4 per cent for sanitation from 1 July 2017 is proposed. This increase was required to ensure that the tariff charged is more cost reflective.

#### **1.6.5 Refuse Removal and Impact of Tariff Increases**

An average tariff increase of 11.84 per cent for sanitation from 1 July 2017 is proposed. This increase was required to ensure that the tariff charged is more cost reflective. This increase is above the 6.4 per cent inflation rate. This increase is required due to the fact that the service is currently being operated at a loss, while there are also significant rehabilitation provisions included in the Statement of Financial Performance that are currently unfunded.



## 1.6.6 Overall impact of tariff increases on households

Information on the impact on households can be illustrated below

**WC012 Cederberg - Supporting Table SA14 Household bills**

Description	Ref	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework			
		Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Rand/cent</b>						
<b><u>Monthly Account for Household - 'Middle Income Range'</u></b>	1					
<b>Rates and services charges:</b>						
Property rates		833.68	6.4%	887.36	944.50	1 005.33
Electricity: Basic levy		251.48	1.9%	255.71	260.51	265.41
Electricity: Consumption		1 496.25	1.9%	1 524.12	1 552.77	1 581.96
Water: Basic levy		95.00	6.4%	101.00	107.56	114.48
Water: Consumption		344.00	6.4%	366.00	389.00	415.00
Sanitation		141.86	6.4%	151.00	160.90	171.36
Refuse removal		84.40	15.0%	97.06	111.62	128.36
Other		—	—	—	—	—
<b>sub-total</b>		<b>3 246.67</b>	—	<b>3 382.25</b>	<b>3 526.86</b>	<b>3 681.90</b>
VAT on Services		338.00	—	349.00	361.00	375.00
<b>Total large household bill:</b>		<b>3 584.67</b>	—	<b>3 731.25</b>	<b>3 887.86</b>	<b>4 056.90</b>
<b>% increase/-decrease</b>		—		<b>4.1%</b>	<b>4.2%</b>	<b>4.3%</b>
<b><u>Monthly Account for Household - 'Affordable Range'</u></b>	2					
<b>Rates and services charges:</b>						
Property rates		200.77	6.4%	213.69	226.51	240.10
Electricity: Basic levy		130.00	1.9%	132.44	133.76	136.28
Electricity: Consumption		625.15	1.9%	648.87	661.07	673.50
Water: Basic levy		95.00	6.4%	101.00	107.56	114.48
Water: Consumption		407.33	6.4%	433.21	461.10	490.80
Sanitation		141.86	6.4%	150.99	160.90	171.36
Refuse removal		84.40	15.0%	97.06	111.62	128.36
Other		—	—	—	—	—
<b>sub-total</b>		<b>1 684.51</b>	—	<b>1 777.26</b>	<b>1 862.52</b>	<b>1 954.88</b>
VAT on Services		207.62	—	227.50	229.00	240.00
<b>Total small household bill:</b>		<b>1 892.13</b>	—	<b>2 004.76</b>	<b>2 091.52</b>	<b>2 194.88</b>
<b>% increase/-decrease</b>		—		<b>6.0%</b>	<b>4.3%</b>	<b>4.9%</b>
<b><u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u></b>	3					
<b>Rates and services charges:</b>						
Property rates		130.00	6.4%	138.00	146.88	156.35
Electricity: Basic levy		—	—	—	—	—
Electricity: Consumption		250.00	1.9%	254.75	259.48	264.35
Water: Basic levy		95.00	6.4%	101.00	107.56	114.48
Water: Consumption		125.66	6.4%	133.75	142.36	151.53
Sanitation	subsidised	—	—	subsidised	subsidised	subsidised
Refuse removal	subsidised	—	—	subsidised	subsidised	subsidised
Other		—	—	—	—	—
<b>sub-total</b>		<b>600.66</b>	—	<b>627.50</b>	<b>656.28</b>	<b>686.71</b>
VAT on Services		75.00	—	70.95	74.00	76.72
<b>Total small household bill:</b>		<b>675.66</b>	—	<b>698.45</b>	<b>730.28</b>	<b>763.43</b>
<b>% increase/-decrease</b>		—		<b>3.4%</b>	<b>4.6%</b>	<b>4.5%</b>

## 1.7 Operating Expenditure Framework

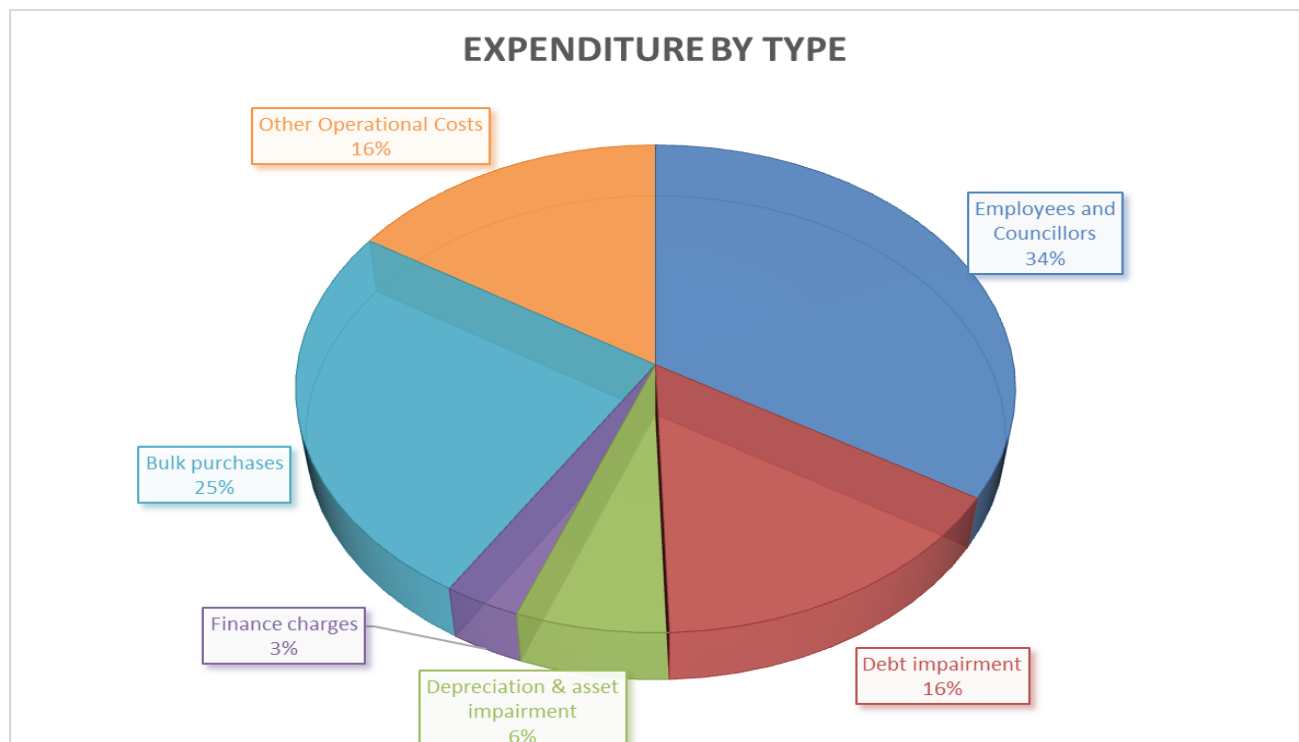
Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential and non-priority activities.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

**Table 1 Summary of operating expenditure by standard classification item**

**WC012 Cederberg - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description R thousand	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Expenditure By Type</b>			
Employee related costs	87 718	91 192	96 660
Remuneration of councillors	4 928	5 224	5 538
Debt impairment	42 939	45 516	48 247
Depreciation & asset impairment	17 253	18 287	19 380
Finance charges	8 544	8 542	8 571
Bulk purchases	69 235	73 389	77 793
Other materials	7 595	8 090	8 448
Contracted services	15 501	16 569	18 147
Transfers and grants	870	1 028	1 188
Other expenditure	19 683	20 836	22 075
<b>Total Expenditure</b>	<b>274 267</b>	<b>288 673</b>	<b>306 048</b>



The budgeted allocation for employee related costs for the 2017/18 financial year totals R87.718 million, which equals 31.98 per cent of the total operating expenditure. This percentage is set to remain very constant over the two outer years of the MTREF at 31.59 per cent and 31.58 per cent. However, before the municipality reaches any conclusions with regards to levels of employee related costs of the municipality, the municipality should assess the impact of any items that could distort these figures. The municipality should for example exclude any material conditional grant expenditure that can fluctuate significantly year-on year.

The increase in Employee Related Costs takes into account the multi-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

Furthermore, the Employee Related Costs also incorporates a notch increase in terms of TASK.

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

The provision of debt impairment was determined based on an annual collection rate of 91% per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption.

Bulk purchases are largely informed by the purchase of electricity from Eskom, which amounted to 2.5%. Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption.

Contracted services consist of the following and are linked to the delivery of primary services. The classification of Contracted Services was largely influenced by the mSCOA chart of accounts.

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Contracted services</u></b>			
<i>Accounting and Auditing</i>	1 476	1 708	1 944
<i>Audit Committee</i>	30	32	34
<i>Building Contractors</i>	—	—	—
<i>Burial Services</i>	5	5	5
<i>Catering Services</i>	212	224	236
<i>Collection</i>	250	265	281
<i>Commissions and Committees</i>	100	106	112
<i>Ecological</i>	65	69	73
<i>Employee Wellness</i>	150	159	169
<i>Engineering Services (Civil)</i>	400	424	450
<i>Engineering Services (Electrical)</i>	—	—	—
<i>Human Resources</i>	250	265	281
<i>Inspection Fees</i>	63	67	71
<i>Laboratory Services</i>	343	364	386
<i>Legal Advice and Litigation</i>	500	530	562
<i>Maintenance of Buildings and Facilities</i>	1 969	1 974	1 661
<i>Maintenance of Equipment</i>	5 130	5 544	5 884
<i>Maintenance of Unspecified Assets</i>	30	32	34
<i>Management of Informal Settlements</i>	15	16	17
<i>Occupational Health and Safety</i>	100	106	112
<i>Organisational</i>	150	159	1 045
<i>Project Management</i>	403	427	453
<i>Research and Advisory</i>	330	350	371
<i>Safeguard And Security</i>	1 820	1 929	2 044
<i>Security Services</i>	320	339	359
<i>Sewerage Services</i>	250	265	281
<i>Stage and Sound Crew</i>	125	133	141
<i>Traffic Fines Management</i>	1 000	1 060	1 124
<i>Translators, Scribes and Editors</i>	15	16	17
<i>Valuer and Assessors</i>	—	—	—
<b>Total</b>	<b>15 501</b>	<b>16 569</b>	<b>18 147</b>

Other expenditure comprises of various line items relating to the daily operations of the municipality (including repairs and maintenance as well as operating grant expenditure). These items should be reviewed by the municipality to ensure that all non-priority expenditure is eliminated.

### 1.7.1 Repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

The municipality has made great strides to achieve both these benchmarks. A large contributing factor to reaching the required levels of repairs and maintenance can be attributed to the costing system of the municipality where employee related and other costs directly related to repairs and maintenance projects now accurately being allocated to this line item as follows:

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>Repairs and Maintenance by Expenditure Item</b>			
Employee related costs	12 275	13 011	13 789
Other materials	4 270	4 569	4 721
Contracted Services	7 592	8 041	8 100
Other Expenditure	2 744	2 879	3 046
<b>Total Repairs and Maintenance Expenditure</b>	<b>26 880</b>	<b>28 500</b>	<b>29 656</b>

Table 1

## WC012 Cederberg - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>			
<b><u>Repairs and maintenance expenditure by Asset Class/Sub-class</u></b>				
<b><u>Infrastructure</u></b>		<b>16 387</b>	<b>17 381</b>	<b>18 427</b>
Roads Infrastructure		5 768	6 117	6 485
<i>Roads</i>		5 768	6 117	6 485
Storm water Infrastructure		1 399	1 490	1 584
<i>Storm water Conveyance</i>		1 399	1 490	1 584
Electrical Infrastructure		1 290	1 367	1 448
<i>LV Networks</i>		1 290	1 367	1 448
Water Supply Infrastructure		2 375	2 518	2 668
<i>Water Treatment Works</i>		1 575	1 670	1 770
<i>Distribution</i>		800	848	898
Sanitation Infrastructure		4 605	4 882	5 175
<i>Reticulation</i>		3 955	4 193	4 445
<i>Waste Water Treatment Works</i>		650	689	730
Solid Waste Infrastructure		950	1 007	1 067
<i>Landfill Sites</i>		950	1 007	1 067
Rail Infrastructure		—	—	—
Coastal Infrastructure		—	—	—
<b><u>Community Assets</u></b>		<b>7 167</b>	<b>7 562</b>	<b>7 566</b>
Community Facilities		6 089	6 419	6 355
<i>Halls</i>		1 051	1 117	1 073
<i>Libraries</i>		7	7	7
<i>Cemeteries/Crematoria</i>		200	300	200
<i>Public Open Space</i>		4 830	4 995	5 075
Sport and Recreation Facilities		1 078	1 143	1 211
<i>Outdoor Facilities</i>		1 078	1 143	1 211
<b><u>Heritage assets</u></b>		<b>—</b>	<b>—</b>	<b>—</b>
<b><u>Investment properties</u></b>		<b>—</b>	<b>—</b>	<b>—</b>
Revenue Generating		—	—	—
Non-revenue Generating		—	—	—
<b><u>Other assets</u></b>		<b>860</b>	<b>853</b>	<b>799</b>
Operational Buildings		860	853	799
<i>Municipal Offices</i>		860	853	799
Housing		—	—	—
<b><u>Biological or Cultivated Assets</u></b>		<b>—</b>	<b>—</b>	<b>—</b>
Biological or Cultivated Assets		—	—	—
<b><u>Intangible Assets</u></b>		<b>—</b>	<b>—</b>	<b>—</b>
Licences and Rights		—	—	—
<b><u>Computer Equipment</u></b>		<b>135</b>	<b>144</b>	<b>153</b>
Computer Equipment		135	144	153
<b><u>Furniture and Office Equipment</u></b>		<b>—</b>	<b>—</b>	<b>—</b>
Furniture and Office Equipment		—	—	—
<b><u>Machinery and Equipment</u></b>		<b>560</b>	<b>586</b>	<b>621</b>
Machinery and Equipment		560	586	621
<b><u>Transport Assets</u></b>		<b>1 771</b>	<b>1 974</b>	<b>2 090</b>
Transport Assets		1 771	1 974	2 090
<b><u>Libraries</u></b>		<b>—</b>	<b>—</b>	<b>—</b>
Libraries		—	—	—
<b><u>Zoo's, Marine and Non-biological Animals</u></b>		<b>—</b>	<b>—</b>	<b>—</b>
Zoo's, Marine and Non-biological Animals		—	—	—
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>26 880</b>	<b>28 500</b>	<b>29 656</b>

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

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue

## 1.8 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 2 2017/18 Medium-term capital budget per vote**

Vote Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Capital expenditure - Vote</u></b>			
<b><u>Multi-year expenditure to be appropriated</u></b>			
Vote 1 - Executive and Council	—	—	—
Vote 2 - Office of Municipal Manager	—	—	—
Vote 3 - Financial Services	—	—	—
Vote 4 - Community Development Services	17 140	877	—
Vote 5 - Corporate and Strategic Services	—	—	—
Vote 6 - Engineering and Planning Services	40 450	25 188	31 921
<b>Capital multi-year expenditure sub-total</b>	<b>57 590</b>	<b>26 065</b>	<b>31 921</b>
<b><u>Single-year expenditure to be appropriated</u></b>			
Vote 1 - Executive and Council	430	420	190
Vote 2 - Office of Municipal Manager	—	—	—
Vote 3 - Financial Services	2 463	1 160	1 130
Vote 4 - Community Development Services	1 086	913	980
Vote 5 - Corporate and Strategic Services	1 033	1 274	1 253
Vote 6 - Engineering and Planning Services	8 034	3 743	3 078
<b>Capital single-year expenditure sub-total</b>	<b>13 045</b>	<b>7 510</b>	<b>6 632</b>
<b>Total Capital Expenditure - Vote</b>	<b>70 635</b>	<b>33 574</b>	<b>38 552</b>

The following table provides more information on the breakdown of the capital budget.

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>CAPITAL EXPENDITURE</b>			
<b><u>Total New Assets</u></b>	<b>27 864</b>	<b>6 949</b>	<b>10 439</b>
<i>Roads Infrastructure</i>	40	40	–
<i>Storm water Infrastructure</i>	–	–	–
<i>Electrical Infrastructure</i>	5 238	2 632	7 018
<i>Water Supply Infrastructure</i>	750	644	692
<i>Sanitation Infrastructure</i>	17 540	877	–
<i>Solid Waste Infrastructure</i>	–	–	–
<i>Rail Infrastructure</i>	–	–	–
<i>Coastal Infrastructure</i>	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–
<b>Infrastructure</b>	<b>23 568</b>	<b>4 193</b>	<b>7 710</b>
Community Facilities	–	–	–
Sport and Recreation Facilities	–	–	–
<b>Community Assets</b>	–	–	–
<b>Heritage Assets</b>	–	–	–
Revenue Generating	–	–	–
Non-revenue Generating	16	–	–
<b>Investment properties</b>	<b>16</b>	–	–
Operational Buildings	–	–	–
Housing	–	–	–
<b>Other Assets</b>	–	–	–
<b>Biological or Cultivated Assets</b>	–	–	–
Servitudes	–	–	–
Licences and Rights	–	–	–
<b>Intangible Assets</b>	–	–	–
<b>Computer Equipment</b>	<b>2 681</b>	<b>1 200</b>	<b>1 100</b>
<b>Furniture and Office Equipment</b>	<b>580</b>	<b>783</b>	<b>799</b>
<b>Machinery and Equipment</b>	<b>1 020</b>	<b>773</b>	<b>831</b>
<b>Transport Assets</b>	–	–	–
<b>Libraries</b>	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>	–	–	–

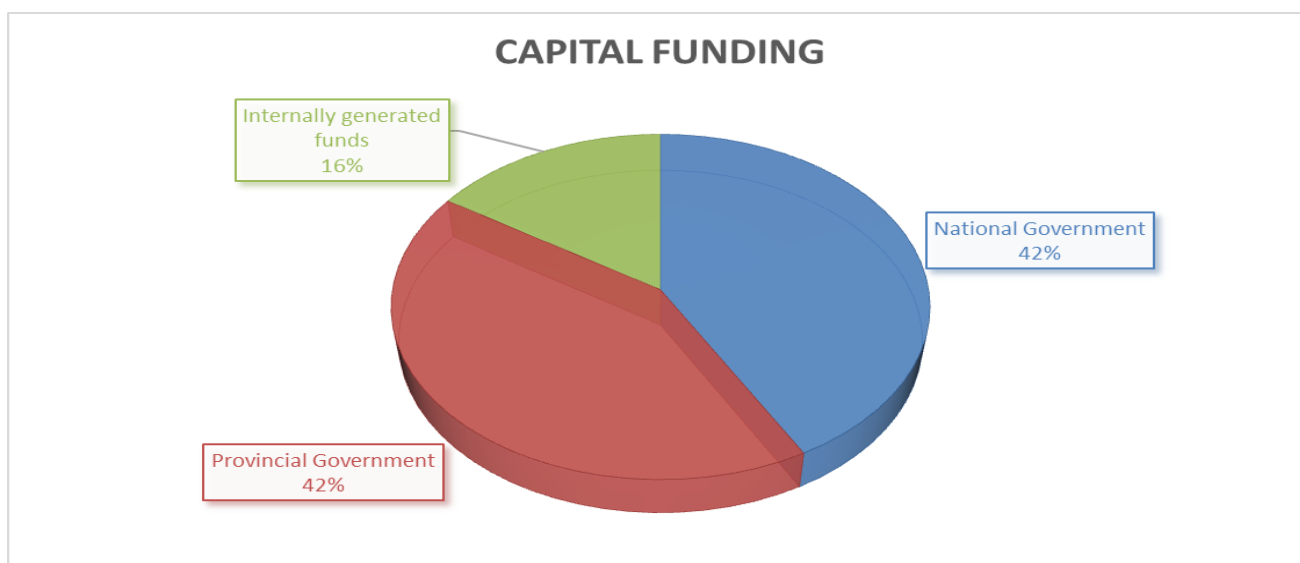


<b><u>Total Renewal of Existing Assets</u></b>	<b>3 440</b>	<b>1 266</b>	<b>1 095</b>
<i>Roads Infrastructure</i>	—	—	—
<i>Storm water Infrastructure</i>	—	—	—
<i>Electrical Infrastructure</i>	410	40	40
<i>Water Supply Infrastructure</i>	—	—	—
<i>Sanitation Infrastructure</i>	—	—	—
<i>Solid Waste Infrastructure</i>	—	—	—
<i>Rail Infrastructure</i>	—	—	—
<i>Coastal Infrastructure</i>	—	—	—
<i>Information and Communication Infrastructure</i>	—	—	—
<b>Infrastructure</b>	<b>410</b>	<b>40</b>	<b>40</b>
Community Facilities	830	635	421
Sport and Recreation Facilities	700	591	634
<b>Community Assets</b>	<b>1 530</b>	<b>1 226</b>	<b>1 055</b>
<b>Heritage Assets</b>	—	—	—
Revenue Generating	—	—	—
Non-revenue Generating	—	—	—
<b>Investment properties</b>	—	—	—
Operational Buildings	—	—	—
Housing	—	—	—
<b>Other Assets</b>	—	—	—
<b>Biological or Cultivated Assets</b>	—	—	—
Servitudes	—	—	—
Licences and Rights	—	—	—
<b>Intangible Assets</b>	—	—	—
<b>Computer Equipment</b>	—	—	—
<b>Furniture and Office Equipment</b>	—	—	—
<b>Machinery and Equipment</b>	—	—	—
<b>Transport Assets</b>	<b>1 500</b>	—	—
<b>Libraries</b>	—	—	—
<b>Zoo's, Marine and Non-biological Animals</b>	—	—	—

<b>Total Capital Expenditure</b>			
<i>Roads Infrastructure</i>	8 058	2 203	1 051
<i>Storm water Infrastructure</i>	—	—	—
<i>Electrical Infrastructure</i>	6 448	3 531	7 980
<i>Water Supply Infrastructure</i>	13 568	9 416	11 218
<i>Sanitation Infrastructure</i>	34 645	13 799	13 826
<i>Solid Waste Infrastructure</i>	—	—	—
<i>Rail Infrastructure</i>	—	—	—
<i>Coastal Infrastructure</i>	—	—	—
<i>Information and Communication Infrastructure</i>	—	—	—
<b>Infrastructure</b>	<b>62 719</b>	<b>28 948</b>	<b>34 075</b>
Community Facilities	830	635	421
Sport and Recreation Facilities	790	591	634
<b>Community Assets</b>	<b>1 620</b>	<b>1 226</b>	<b>1 055</b>
<b>Heritage Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
Revenue Generating	—	—	—
Non-revenue Generating	16	—	—
<b>Investment properties</b>	<b>16</b>	<b>—</b>	<b>—</b>
Operational Buildings	500	644	692
Housing	—	—	—
<b>Other Assets</b>	<b>500</b>	<b>644</b>	<b>692</b>
<b>Biological or Cultivated Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
Servitudes	—	—	—
Licences and Rights	—	—	—
<b>Intangible Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Computer Equipment</b>	<b>2 681</b>	<b>1 200</b>	<b>1 100</b>
<b>Furniture and Office Equipment</b>	<b>580</b>	<b>783</b>	<b>799</b>
<b>Machinery and Equipment</b>	<b>1 020</b>	<b>773</b>	<b>831</b>
<b>Transport Assets</b>	<b>1 500</b>	<b>—</b>	<b>—</b>
<b>Libraries</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>70 635</b>	<b>33 574</b>	<b>38 552</b>

<b>Total Upgrading of Existing Assets</b>	<b>39 330</b>	<b>25 360</b>	<b>27 018</b>
<i>Roads Infrastructure</i>	8 018	2 163	1 051
<i>Storm water Infrastructure</i>	–	–	–
<i>Electrical Infrastructure</i>	800	859	923
<i>Water Supply Infrastructure</i>	12 818	8 772	10 526
<i>Sanitation Infrastructure</i>	17 105	12 922	13 826
<i>Solid Waste Infrastructure</i>	–	–	–
<i>Rail Infrastructure</i>	–	–	–
<i>Coastal Infrastructure</i>	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–
<b>Infrastructure</b>	<b>38 741</b>	<b>24 715</b>	<b>26 326</b>
Community Facilities	–	–	–
Sport and Recreation Facilities	90	–	–
<b>Community Assets</b>	<b>90</b>	<b>–</b>	<b>–</b>
<b>Heritage Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>
Revenue Generating	–	–	–
Non-revenue Generating	–	–	–
<b>Investment properties</b>	<b>–</b>	<b>–</b>	<b>–</b>
Operational Buildings	500	644	692
Housing	–	–	–
<b>Other Assets</b>	<b>500</b>	<b>644</b>	<b>692</b>
<b>Biological or Cultivated Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>
Servitudes	–	–	–
Licences and Rights	–	–	–
<b>Intangible Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Furniture and Office Equipment</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Machinery and Equipment</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Transport Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Libraries</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>–</b>	<b>–</b>	<b>–</b>

Description R thousand	2017/18 Medium Term Revenue & Expenditure Framework			
	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b><u>Total Upgrading of Existing Assets</u></b>	<b>12 839</b>	<b>14 815</b>	<b>13 749</b>	<b>13 145</b>
<i>Roads Infrastructure</i>	6 585	10 546	9 915	11 702
<i>Storm water Infrastructure</i>	700	–	–	–
<i>Electrical Infrastructure</i>	1 829	1 311	1 358	–
<i>Water Supply Infrastructure</i>	469	100	–	–
<i>Solid Waste Infrastructure</i>	–	350	–	–
<b>Infrastructure</b>	<b>9 583</b>	<b>12 307</b>	<b>11 273</b>	<b>11 702</b>
Community Facilities	1 772	715	1 030	1 000
Sport and Recreation Facilities	750	550	870	340
<b>Community Assets</b>	<b>2 522</b>	<b>1 265</b>	<b>1 900</b>	<b>1 340</b>
Operational Buildings	–	45	–	–
<b>Other Assets</b>	<b>–</b>	<b>45</b>	<b>–</b>	<b>–</b>
Licences and Rights	140	26	–	–
<b>Intangible Assets</b>	<b>140</b>	<b>26</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>	<b>274</b>	<b>957</b>	<b>521</b>	<b>103</b>
<b>Furniture and Office Equipment</b>	<b>92</b>	<b>60</b>	<b>55</b>	<b>–</b>
<b>Machinery and Equipment</b>	<b>228</b>	<b>155</b>	<b>–</b>	<b>–</b>
<b><u>Total Capital Expenditure</u></b>				
<i>Roads Infrastructure</i>	7 535	11 646	10 015	11 702
<i>Storm water Infrastructure</i>	700	200	200	–
<i>Electrical Infrastructure</i>	3 541	4 861	3 743	7 000
<i>Water Supply Infrastructure</i>	3 761	110	–	–
<i>Sanitation Infrastructure</i>	1 580	877	–	–
<i>Solid Waste Infrastructure</i>	–	350	–	–
<b>Infrastructure</b>	<b>17 116</b>	<b>18 044</b>	<b>13 958</b>	<b>18 702</b>
Community Facilities	3 226	1 140	2 150	1 000
Sport and Recreation Facilities	750	600	2 324	340
<b>Community Assets</b>	<b>3 976</b>	<b>1 740</b>	<b>4 474</b>	<b>1 340</b>
Operational Buildings	550	235	–	–
<b>Other Assets</b>	<b>550</b>	<b>235</b>	<b>–</b>	<b>–</b>
Licences and Rights	147	34	–	–
<b>Intangible Assets</b>	<b>147</b>	<b>34</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>	<b>1 499</b>	<b>1 303</b>	<b>1 011</b>	<b>378</b>
<b>Furniture and Office Equipment</b>	<b>744</b>	<b>413</b>	<b>274</b>	<b>145</b>
<b>Machinery and Equipment</b>	<b>1 221</b>	<b>2 511</b>	<b>395</b>	<b>357</b>
<b>Transport Assets</b>	<b>200</b>	<b>470</b>	<b>1 555</b>	<b>–</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>25 452</b>	<b>24 751</b>	<b>21 666</b>	<b>20 921</b>



## 1.9 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF to be approved by the Council.

**Table A1 - Budget Summary**

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>			
<b>Financial Performance</b>			
Property rates	40 871	43 322	45 921
Service charges	125 833	134 010	142 770
Investment revenue	391	415	440
Transfers recognised - operational	58 056	56 437	62 410
Other own revenue	49 800	52 784	55 949
	274 951	286 968	307 490
<b>Total Revenue (excluding capital transfers and contributions)</b>			
Employee costs	87 718	91 192	96 660
Remuneration of councillors	4 928	5 224	5 538
Depreciation & asset impairment	17 253	18 287	19 380
Finance charges	8 544	8 542	8 571
Materials and bulk purchases	76 830	81 479	86 241
Transfers and grants	870	1 028	1 188
Other expenditure	78 124	82 921	88 469
<b>Total Expenditure</b>	274 267	288 673	306 048
<b>Surplus/(Deficit)</b>	684	(1 705)	1 443
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	59 494	26 065	31 921
Contributions recognised - capital & contributed assets	—	—	—
	60 177	24 360	33 363
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			

Share of surplus/ (deficit) of associate	–	–	–
<b>Surplus/(Deficit) for the year</b>	60 177	24 360	33 363
<b><u>Capital expenditure &amp; funds sources</u></b>			
<b>Capital expenditure</b>	70 635	33 574	38 552
Transfers recognised - capital	59 494	26 065	31 921
Public contributions & donations	–	–	–
Borrowing	–	–	–
Internally generated funds	11 141	7 510	6 632
<b>Total sources of capital funds</b>	70 635	33 574	38 552
<b><u>Financial position</u></b>			
Total current assets	41 630	44 433	53 713
Total non current assets	665 766	681 053	700 224
Total current liabilities	46 534	35 633	25 655
Total non current liabilities	113 782	118 413	123 479
Community wealth/Equity	547 080	571 440	604 803
<b><u>Cash flows</u></b>			
Net cash from (used) operating	75 198	39 640	50 981
Net cash from (used) investing	(70 635)	(33 574)	(38 552)
Net cash from (used) financing	(3 260)	(3 231)	(3 274)
<b>Cash/cash equivalents at the year end</b>	3 808	6 642	15 797
<b><u>Cash backing/surplus reconciliation</u></b>			
Cash and investments available	3 808	6 642	15 797
Application of cash and investments	3 524	(8 144)	(18 946)
<b>Balance - surplus (shortfall)</b>	284	14 786	34 743
<b><u>Asset management</u></b>			
Asset register summary (WDV)	665 766	681 053	700 224
Depreciation	17 253	18 287	19 380
Renewal of Existing Assets	3 440	1 266	1 095
Repairs and Maintenance	26 880	28 500	29 656
<b><u>Free services</u></b>			
Cost of Free Basic Services provided	5 054	5 358	5 680
Revenue cost of free services provided	133 325	134 672	136 099
<b><u>Households below minimum service level</u></b>			
Water:	–	–	–
Sanitation/sewerage:	–	–	–
Energy:	6	6	6
Refuse:	–	–	–

## **Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The accumulated surplus is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognized is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.

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

Functional Classification Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Revenue - Functional</u></b>			
<b><i>Governance and administration</i></b>	<b>56 696</b>	<b>58 754</b>	<b>63 678</b>
Executive and council	7 427	8 180	8 820
Finance and administration	49 269	50 574	54 858
Internal audit	—	—	—
<b><i>Community and public safety</i></b>	<b>27 812</b>	<b>9 692</b>	<b>9 077</b>
Community and social services	4 523	4 719	4 866
Sport and recreation	3 749	3 973	4 211
Public safety	—	—	—
Housing	19 540	1 000	—
Health	—	—	—
<b><i>Economic and environmental services</i></b>	<b>76 477</b>	<b>60 463</b>	<b>63 808</b>
Planning and development	38 030	19 709	20 609
Road transport	38 447	40 754	43 199
Environmental protection	—	—	—
<b><i>Trading services</i></b>	<b>173 459</b>	<b>184 124</b>	<b>202 848</b>
Energy sources	91 776	96 354	107 110
Water management	48 461	51 239	55 950
Waste water management	17 753	19 192	20 530
Waste management	15 469	17 339	19 258
<b><i>Other</i></b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Revenue - Functional</b>	<b>334 444</b>	<b>313 033</b>	<b>339 411</b>
<b><u>Expenditure - Functional</u></b>			
<b><i>Governance and administration</i></b>	<b>92 283</b>	<b>95 767</b>	<b>102 124</b>
Executive and council	10 373	10 988	11 634
Finance and administration	81 225	84 053	89 721
Internal audit	685	726	769
<b><i>Community and public safety</i></b>	<b>17 653</b>	<b>18 619</b>	<b>19 178</b>
Community and social services	6 228	6 534	6 495
Sport and recreation	9 266	9 796	10 257
Public safety	—	—	—
Housing	2 159	2 289	2 426
Health	—	—	—
<b><i>Economic and environmental services</i></b>	<b>49 797</b>	<b>52 869</b>	<b>56 039</b>
Planning and development	5 896	6 246	6 620
Road transport	43 900	46 623	49 419
Environmental protection	—	—	—
<b><i>Trading services</i></b>	<b>114 535</b>	<b>121 418</b>	<b>128 707</b>
Energy sources	78 238	82 935	87 911
Water management	17 038	18 060	19 144
Waste water management	9 616	10 202	10 817
Waste management	9 643	10 221	10 835
<b><i>Other</i></b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Expenditure - Functional</b>	<b>274 267</b>	<b>288 673</b>	<b>306 048</b>
<b>Surplus/(Deficit) for the year</b>	<b>60 177</b>	<b>24 360</b>	<b>33 363</b>



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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 16 mSCOA functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.
4. The table includes capital grant revenue, but excludes internal charges between various departments such as electricity, water, sanitation and refuse. These items, although correctly included/excluded, should also be taken into account before coming to any conclusion with regards to the cost reflectiveness of tariffs and fees raised by the municipality.

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

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

WC012 Cederberg - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	7 427	8 180	8 820
Vote 2 - Office of Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	46 349	49 290	52 399
Vote 4 - Community Development Services		-	-	-	-	-	-	68 393	50 792	53 643
Vote 5 - Corporate and Strategic Services		-	-	-	-	-	-	781	933	1 087
Vote 6 - Engineering and Planning Services		-	-	-	-	-	-	211 494	203 838	223 462
<b>Total Revenue by Vote</b>	2	-	-	-	-	-	-	<b>334 444</b>	<b>313 033</b>	<b>339 411</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	8 238	8 725	9 237
Vote 2 - Office of Municipal Manager		-	-	-	-	-	-	2 950	3 126	3 311
Vote 3 - Financial Services		-	-	-	-	-	-	53 882	56 744	59 794
Vote 4 - Community Development Services		-	-	-	-	-	-	56 184	57 593	61 487
Vote 5 - Corporate and Strategic Services		-	-	-	-	-	-	17 135	18 272	19 467
Vote 6 - Engineering and Planning Services		-	-	-	-	-	-	135 878	144 213	152 751
<b>Total Expenditure by Vote</b>	2	-	-	-	-	-	-	<b>274 267</b>	<b>288 673</b>	<b>306 048</b>
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	-	-	-	<b>60 177</b>	<b>24 360</b>	<b>33 363</b>

## M BRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

**WC012 Cederberg - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1			
<b>Revenue By Source</b>				
Property rates	2	40 871	43 322	45 921
Service charges - electricity revenue	2	80 640	85 479	90 607
Service charges - water revenue	2	27 693	29 354	31 115
Service charges - sanitation revenue	2	9 200	9 752	10 336
Service charges - refuse revenue	2	8 299	9 425	10 712
Service charges - other		—	—	—
Rental of facilities and equipment		471	499	530
Interest earned - external investments		391	415	440
Interest earned - outstanding debtors		3 082	3 266	3 462
Dividends received		—	—	—
Fines, penalties and forfeits		35 482	37 611	39 868
Licences and permits		—	—	—
Agency services		2 996	3 175	3 365
Transfers and subsidies		58 056	56 437	62 410
Other revenue	2	7 769	8 233	8 724
Gains on disposal of PPE		—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>274 951</b>	<b>286 968</b>	<b>307 490</b>
<b>Expenditure By Type</b>				
Employee related costs	2	87 718	91 192	96 660
Remuneration of councillors		4 928	5 224	5 538
Debt impairment	3	42 939	45 516	48 247
Depreciation & asset impairment	2	17 253	18 287	19 380
Finance charges		8 544	8 542	8 571
Bulk purchases	2	69 235	73 389	77 793
Other materials	8	7 595	8 090	8 448
Contracted services		15 501	16 569	18 147
Transfers and grants		870	1 028	1 188
Other expenditure	4, 5	19 683	20 836	22 075
Loss on disposal of PPE		—	—	—
<b>Total Expenditure</b>		<b>274 267</b>	<b>288 673</b>	<b>306 048</b>
<b>Surplus/(Deficit)</b>		<b>684</b>	<b>(1 705)</b>	<b>1 443</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		59 494	26 065	31 921
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	—	—	—
Transfers and subsidies - capital (in-kind - all)		—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>60 177</b>	<b>24 360</b>	<b>33 363</b>
Taxation		—	—	—
<b>Surplus/(Deficit) after taxation</b>		<b>60 177</b>	<b>24 360</b>	<b>33 363</b>
Attributable to minorities		—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>60 177</b>	<b>24 360</b>	<b>33 363</b>
Share of surplus/ (deficit) of associate	7	—	—	—
<b>Surplus/(Deficit) for the year</b>		<b>60 177</b>	<b>24 360</b>	<b>33 363</b>

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

1. Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality as well as the mSCOA reporting framework.

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

**WC012 Cederberg - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding source**

Vote Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Capital expenditure - Vote</u></b>			
<b><u>Multi-year expenditure to be appropriated</u></b>			
Vote 1 - Executive and Council	–	–	–
Vote 2 - Office of Municipal Manager	–	–	–
Vote 3 - Financial Services	–	–	–
Vote 4 - Community Development Services	17 140	877	–
Vote 5 - Corporate and Strategic Services	–	–	–
Vote 6 - Engineering and Planning Services	40 450	25 188	31 921
<b>Capital multi-year expenditure sub-total</b>	<b>57 590</b>	<b>26 065</b>	<b>31 921</b>
<b><u>Single-year expenditure to be appropriated</u></b>			
Vote 1 - Executive and Council	430	420	190
Vote 2 - Office of Municipal Manager	–	–	–
Vote 3 - Financial Services	2 463	1 160	1 130
Vote 4 - Community Development Services	1 086	913	980
Vote 5 - Corporate and Strategic Services	1 033	1 274	1 253
Vote 6 - Engineering and Planning Services	8 034	3 743	3 078
<b>Capital single-year expenditure sub-total</b>	<b>13 045</b>	<b>7 510</b>	<b>6 632</b>
<b>Total Capital Expenditure - Vote</b>	<b>70 635</b>	<b>33 574</b>	<b>38 552</b>

<b>Vote Description</b>	<b>2017/18 Medium Term Revenue &amp; Expenditure Framework</b>		
<b>R thousand</b>	<b>Budget Year 2017/18</b>	<b>Budget Year +1 2018/19</b>	<b>Budget Year +2 2019/20</b>
<b><u>Capital Expenditure - Functional</u></b>			
<b><i>Governance and administration</i></b>	<b>4 066</b>	<b>2 961</b>	<b>2 689</b>
Executive and council	430	420	190
Finance and administration	3 636	2 541	2 499
Internal audit	–	–	–
<b><i>Community and public safety</i></b>	<b>18 385</b>	<b>1 790</b>	<b>980</b>
Community and social services	245	215	231
Sport and recreation	1 000	698	750
Public safety	–	–	–
Housing	17 140	877	–
Health	–	–	–
<b><i>Economic and environmental services</i></b>	<b>31 123</b>	<b>15 210</b>	<b>14 969</b>
Planning and development	30 003	13 784	14 377
Road transport	1 120	1 426	592
Environmental protection	–	–	–
<b><i>Trading services</i></b>	<b>17 061</b>	<b>13 613</b>	<b>19 914</b>
Energy sources	5 219	3 746	8 211
Water management	9 522	9 416	11 218
Waste water management	700	322	346
Waste management	1 620	129	138
<b><i>Other</i></b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure - Functional</b>	<b>70 635</b>	<b>33 574</b>	<b>38 552</b>
<b><u>Funded by:</u></b>			
National Government	29 590	25 188	31 921
Provincial Government	29 904	877	–
District Municipality	–	–	–
Other transfers and grants	–	–	–
<b>Transfers recognised - capital</b>	<b>59 494</b>	<b>26 065</b>	<b>31 921</b>
<b>Public contributions &amp; donations</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowing</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Internally generated funds</b>	<b>11 141</b>	<b>7 510</b>	<b>6 632</b>
<b>Total Capital Funding</b>	<b>70 635</b>	<b>33 574</b>	<b>38 552</b>

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from National, Provincial and Other grants and transfers, borrowing and internally generated funds from current and prior year surpluses.

**MBRR Table A6 - Budgeted Financial Position**

Description		2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>Pre-audit outcome</b>			
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	2 505	1 808	4 642	13 797
Call investment deposits	—	2 000	2 000	2 000
Consumer debtors	31 534	31 187	30 876	30 611
Other debtors	3 924	4 117	4 323	4 557
Current portion of long-term receivables	—	—	—	—
Inventory	2 447	2 517	2 592	2 748
<b>Total current assets</b>	<b>40 410</b>	<b>41 630</b>	<b>44 433</b>	<b>53 713</b>
<b>Non current assets</b>				
Long-term receivables	—	—	—	—
Investments	—	—	—	—
Investment property	74 996	74 956	74 901	74 845
Investment in Associate	—	—	—	—
Property, plant and equipment	537 288	590 734	606 101	625 353
Agricultural	—	—	—	—
Biological	—	—	—	—
Intangible	100	75	51	26
Other non-current assets	—	—	—	—
<b>Total non current assets</b>	<b>612 384</b>	<b>665 766</b>	<b>681 053</b>	<b>700 224</b>
<b>TOTAL ASSETS</b>	<b>652 793</b>	<b>707 396</b>	<b>725 486</b>	<b>753 937</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	—	—	—	—
Borrowing	3 300	3 344	3 393	3 393
Consumer deposits	1 762	1 868	1 980	2 099
Trade and other payables	44 521	34 266	22 794	12 262
Provisions	6 673	7 057	7 465	7 901
<b>Total current liabilities</b>	<b>56 256</b>	<b>46 534</b>	<b>35 633</b>	<b>25 655</b>
<b>Non current liabilities</b>				
Borrowing	21 874	18 464	15 071	11 678
Provisions	87 760	95 317	103 342	111 801
<b>Total non current liabilities</b>	<b>109 634</b>	<b>113 782</b>	<b>118 413</b>	<b>123 479</b>
<b>TOTAL LIABILITIES</b>	<b>165 890</b>	<b>160 316</b>	<b>154 046</b>	<b>149 134</b>
<b>NET ASSETS</b>	<b>486 903</b>	<b>547 080</b>	<b>571 440</b>	<b>604 803</b>
<b>COMMUNITY WEALTH/EQUITY</b>				
Accumulated Surplus/(Deficit)	486 903	547 080	571 440	604 803
Reserves	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>486 903</b>	<b>547 080</b>	<b>571 440</b>	<b>604 803</b>

## **Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

## MBRR Table A7 - Budgeted Cash Flow Statement

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property rates	37 192	39 423	41 788
Service charges	114 508	121 949	129 921
Other revenue	19 213	20 362	21 564
Government - operating	58 056	56 437	62 410
Government - capital	59 494	26 065	31 921
Interest	3 195	3 387	3 590
Dividends	—	—	—
<b>Payments</b>			
Suppliers and employees	(212 791)	(224 517)	(236 924)
Finance charges	(2 799)	(2 439)	(2 101)
Transfers and Grants	(870)	(1 028)	(1 188)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>75 198</b>	<b>39 640</b>	<b>50 981</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of PPE	—	—	—
Decrease (Increase) in non-current debtors	—	—	—
Decrease (increase) other non-current receivables	—	—	—
Decrease (increase) in non-current investments	—	—	—
<b>Payments</b>			
Capital assets	(70 635)	(33 574)	(38 552)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(70 635)</b>	<b>(33 574)</b>	<b>(38 552)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Short term loans	—	—	—
Borrowing long term/refinancing	—	—	—
Increase (decrease) in consumer deposits	106	112	119
<b>Payments</b>			
Repayment of borrowing	(3 366)	(3 344)	(3 393)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 260)</b>	<b>(3 231)</b>	<b>(3 274)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 303</b>	<b>2 834</b>	<b>9 155</b>
Cash/cash equivalents at the year begin:	<b>2 505</b>	<b>3 808</b>	<b>6 642</b>
Cash/cash equivalents at the year end:	<b>3 808</b>	<b>6 642</b>	<b>15 797</b>

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

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.



**MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description		2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>Pre-audit outcome</b>			
<b><u>Cash and investments available</u></b>				
Cash/cash equivalents at the year end	–	3 808	6 642	15 797
Other current investments > 90 days	2 505	(0)	0	0
Non current assets - Investments	–	–	–	–
<b>Cash and investments available:</b>	<b>2 505</b>	<b>3 808</b>	<b>6 642</b>	<b>15 797</b>
<b><u>Application of cash and investments</u></b>				
Unspent conditional transfers	–	–	–	–
Unspent borrowing		–	–	–
Statutory requirements		–	–	–
Other working capital requirements	41 902	3 524	(8 144)	(18 946)
Other provisions		–	–	–
Long term investments committed	–	–	–	–
Reserves to be backed by cash/investments		–	–	–
<b>Total Application of cash and investments:</b>	<b>41 902</b>	<b>3 524</b>	<b>(8 144)</b>	<b>(18 946)</b>
<b>Surplus(shortfall)</b>	<b>(39 397)</b>	<b>284</b>	<b>14 786</b>	<b>34 743</b>

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework is to ensure the budget is funded and aligned to section 18 of the MFMA.

MBRR Table A9 - Asset Management

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>CAPITAL EXPENDITURE</b>			
<b><u>Total New Assets</u></b>	<b>27 864</b>	<b>6 949</b>	<b>10 439</b>
<i>Roads Infrastructure</i>	40	40	—
<i>Storm water Infrastructure</i>	—	—	—
<i>Electrical Infrastructure</i>	5 238	2 632	7 018
<i>Water Supply Infrastructure</i>	750	644	692
<i>Sanitation Infrastructure</i>	17 540	877	—
<i>Solid Waste Infrastructure</i>	—	—	—
<i>Rail Infrastructure</i>	—	—	—
<i>Coastal Infrastructure</i>	—	—	—
<i>Information and Communication Infrastructure</i>	—	—	—
<b>Infrastructure</b>	<b>23 568</b>	<b>4 193</b>	<b>7 710</b>
Community Facilities	—	—	—
Sport and Recreation Facilities	—	—	—
<b>Community Assets</b>	—	—	—
<b>Heritage Assets</b>	—	—	—
Revenue Generating	—	—	—
Non-revenue Generating	16	—	—
<b>Investment properties</b>	<b>16</b>	—	—
Operational Buildings	—	—	—
Housing	—	—	—
<b>Other Assets</b>	—	—	—
<b>Biological or Cultivated Assets</b>	—	—	—
Servitudes	—	—	—
Licences and Rights	—	—	—
<b>Intangible Assets</b>	—	—	—
<b>Computer Equipment</b>	<b>2 681</b>	<b>1 200</b>	<b>1 100</b>
<b>Furniture and Office Equipment</b>	<b>580</b>	<b>783</b>	<b>799</b>
<b>Machinery and Equipment</b>	<b>1 020</b>	<b>773</b>	<b>831</b>
<b>Transport Assets</b>	—	—	—
<b>Libraries</b>	—	—	—
<b>Zoo's, Marine and Non-biological Animals</b>	—	—	—

<b><u>Total Renewal of Existing Assets</u></b>	<b>3 440</b>	<b>1 266</b>	<b>1 095</b>
<i>Roads Infrastructure</i>	—	—	—
<i>Storm water Infrastructure</i>	—	—	—
<i>Electrical Infrastructure</i>	410	40	40
<i>Water Supply Infrastructure</i>	—	—	—
<i>Sanitation Infrastructure</i>	—	—	—
<i>Solid Waste Infrastructure</i>	—	—	—
<i>Rail Infrastructure</i>	—	—	—
<i>Coastal Infrastructure</i>	—	—	—
<i>Information and Communication Infrastructure</i>	—	—	—
<b>Infrastructure</b>	<b>410</b>	<b>40</b>	<b>40</b>
Community Facilities	830	635	421
Sport and Recreation Facilities	700	591	634
<b>Community Assets</b>	<b>1 530</b>	<b>1 226</b>	<b>1 055</b>
<b>Heritage Assets</b>	—	—	—
Revenue Generating	—	—	—
Non-revenue Generating	—	—	—
<b>Investment properties</b>	—	—	—
Operational Buildings	—	—	—
Housing	—	—	—
<b>Other Assets</b>	—	—	—
<b>Biological or Cultivated Assets</b>	—	—	—
Servitudes	—	—	—
Licences and Rights	—	—	—
<b>Intangible Assets</b>	—	—	—
<b>Computer Equipment</b>	—	—	—
<b>Furniture and Office Equipment</b>	—	—	—
<b>Machinery and Equipment</b>	—	—	—
<b>Transport Assets</b>	<b>1 500</b>	—	—
<b>Libraries</b>	—	—	—
<b>Zoo's, Marine and Non-biological Animals</b>	—	—	—

<b><u>Total Upgrading of Existing Assets</u></b>	6	<b>39 330</b>	<b>25 360</b>	<b>27 018</b>
<i>Roads Infrastructure</i>		8 018	2 163	1 051
<i>Storm water Infrastructure</i>		—	—	—
<i>Electrical Infrastructure</i>		800	859	923
<i>Water Supply Infrastructure</i>		12 818	8 772	10 526
<i>Sanitation Infrastructure</i>		17 105	12 922	13 826
<i>Solid Waste Infrastructure</i>		—	—	—
<i>Rail Infrastructure</i>		—	—	—
<i>Coastal Infrastructure</i>		—	—	—
<i>Information and Communication Infrastructure</i>		—	—	—
<b>Infrastructure</b>		<b>38 741</b>	<b>24 715</b>	<b>26 326</b>
Community Facilities		—	—	—
Sport and Recreation Facilities		90	—	—
<b>Community Assets</b>		<b>90</b>	<b>—</b>	<b>—</b>
<b>Heritage Assets</b>		<b>—</b>	<b>—</b>	<b>—</b>
Revenue Generating		—	—	—
Non-revenue Generating		—	—	—
<b>Investment properties</b>		<b>—</b>	<b>—</b>	<b>—</b>
Operational Buildings		500	644	692
Housing		—	—	—
<b>Other Assets</b>		<b>500</b>	<b>644</b>	<b>692</b>
<b>Biological or Cultivated Assets</b>		<b>—</b>	<b>—</b>	<b>—</b>
Servitudes		—	—	—
Licences and Rights		—	—	—
<b>Intangible Assets</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>Computer Equipment</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>Furniture and Office Equipment</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>Machinery and Equipment</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>Transport Assets</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>Libraries</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>—</b>	<b>—</b>	<b>—</b>

<b><u>Total Capital Expenditure</u></b>			
<i>Roads Infrastructure</i>	8 058	2 203	1 051
<i>Storm water Infrastructure</i>	–	–	–
<i>Electrical Infrastructure</i>	6 448	3 531	7 980
<i>Water Supply Infrastructure</i>	13 568	9 416	11 218
<i>Sanitation Infrastructure</i>	34 645	13 799	13 826
<i>Solid Waste Infrastructure</i>	–	–	–
<i>Rail Infrastructure</i>	–	–	–
<i>Coastal Infrastructure</i>	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–
<b>Infrastructure</b>	<b>62 719</b>	<b>28 948</b>	<b>34 075</b>
Community Facilities	830	635	421
Sport and Recreation Facilities	790	591	634
<b>Community Assets</b>	<b>1 620</b>	<b>1 226</b>	<b>1 055</b>
<b>Heritage Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>
Revenue Generating	–	–	–
Non-revenue Generating	16	–	–
<b>Investment properties</b>	<b>16</b>	<b>–</b>	<b>–</b>
Operational Buildings	500	644	692
Housing	–	–	–
<b>Other Assets</b>	<b>500</b>	<b>644</b>	<b>692</b>
<b>Biological or Cultivated Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>
Servitudes	–	–	–
Licences and Rights	–	–	–
<b>Intangible Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>	<b>2 681</b>	<b>1 200</b>	<b>1 100</b>
<b>Furniture and Office Equipment</b>	<b>580</b>	<b>783</b>	<b>799</b>
<b>Machinery and Equipment</b>	<b>1 020</b>	<b>773</b>	<b>831</b>
<b>Transport Assets</b>	<b>1 500</b>	<b>–</b>	<b>–</b>
<b>Libraries</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>70 635</b>	<b>33 574</b>	<b>38 552</b>

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>				
<i>Roads Infrastructure</i>	76 179	80 377	78 489	75 203
<i>Storm water Infrastructure</i>	–	–	–	–
<i>Electrical Infrastructure</i>	65 432	68 626	68 707	73 030
<i>Water Supply Infrastructure</i>	133 217	143 433	149 295	156 747
<i>Sanitation Infrastructure</i>	127 264	160 112	172 005	183 812
<i>Solid Waste Infrastructure</i>	23 439	21 333	19 100	16 733
<i>Rail Infrastructure</i>	–	–	–	–
<i>Coastal Infrastructure</i>	–	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–	–
<b>Infrastructure</b>	<b>425 532</b>	<b>473 881</b>	<b>487 596</b>	<b>505 525</b>
Community Facilities	12 214	12 953	13 491	13 811
Sport and Recreation Facilities	46 646	46 999	47 125	47 268
<b>Community Assets</b>	<b>58 860</b>	<b>59 952</b>	<b>60 616</b>	<b>61 078</b>
<b>Heritage Assets</b>	–	–	–	–
Revenue Generating	–	–	–	–
Non-revenue Generating	74 946	74 906	74 847	74 784
<b>Investment properties</b>	<b>74 946</b>	<b>74 906</b>	<b>74 847</b>	<b>74 784</b>
Operational Buildings	30 242	30 602	31 097	31 631
Housing	–	–	–	–
<b>Other Assets</b>	<b>30 242</b>	<b>30 602</b>	<b>31 097</b>	<b>31 631</b>
<b>Biological or Cultivated Assets</b>	–	–	–	–
Servitudes	–	–	–	–
Licences and Rights	87	63	38	14
<b>Intangible Assets</b>	<b>87</b>	<b>63</b>	<b>38</b>	<b>14</b>
<b>Computer Equipment</b>	<b>1 517</b>	<b>3 988</b>	<b>4 966</b>	<b>5 831</b>
<b>Furniture and Office Equipment</b>	<b>2 832</b>	<b>2 794</b>	<b>2 920</b>	<b>3 024</b>
<b>Machinery and Equipment</b>	<b>4 689</b>	<b>5 206</b>	<b>5 446</b>	<b>5 711</b>
<b>Transport Assets</b>	<b>13 678</b>	<b>14 376</b>	<b>13 526</b>	<b>12 625</b>
<b>Libraries</b>	–	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>	–	–	–	–
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>612 384</b>	<b>665 766</b>	<b>681 053</b>	<b>700 224</b>

<b>EXPENDITURE OTHER ITEMS</b>			
<b>Depreciation</b>	17 253	18 287	19 380
<b>Repairs and Maintenance by Asset Class</b>	<b>26 880</b>	<b>28 500</b>	<b>29 656</b>
<i>Roads Infrastructure</i>	5 768	6 117	6 485
<i>Storm water Infrastructure</i>	1 399	1 490	1 584
<i>Electrical Infrastructure</i>	1 290	1 367	1 448
<i>Water Supply Infrastructure</i>	2 375	2 518	2 668
<i>Sanitation Infrastructure</i>	4 605	4 882	5 175
<i>Solid Waste Infrastructure</i>	950	1 007	1 067
<i>Rail Infrastructure</i>	–	–	–
<i>Coastal Infrastructure</i>	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–
<b>Infrastructure</b>	<b>16 387</b>	<b>17 381</b>	<b>18 427</b>
Community Facilities	6 089	6 419	6 355
Sport and Recreation Facilities	1 078	1 143	1 211
<b>Community Assets</b>	<b>7 167</b>	<b>7 562</b>	<b>7 566</b>
<b>Heritage Assets</b>	–	–	–
Revenue Generating	–	–	–
Non-revenue Generating	–	–	–
<b>Investment properties</b>	–	–	–
Operational Buildings	860	853	799
Housing	–	–	–
<b>Other Assets</b>	<b>860</b>	<b>853</b>	<b>799</b>
<b>Biological or Cultivated Assets</b>	–	–	–
Servitudes	–	–	–
Licences and Rights	–	–	–
<b>Intangible Assets</b>	–	–	–
<b>Computer Equipment</b>	<b>135</b>	<b>144</b>	<b>153</b>
<b>Furniture and Office Equipment</b>	–	–	–
<b>Machinery and Equipment</b>	<b>560</b>	<b>586</b>	<b>621</b>
<b>Transport Assets</b>	<b>1 771</b>	<b>1 974</b>	<b>2 090</b>
<b>Libraries</b>	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>	–	–	–
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>44 133</b>	<b>46 788</b>	<b>49 036</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>	60.6%	79.3%	72.9%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>	247.9%	145.6%	145.1%
<b>R&amp;M as a % of PPE</b>	4.6%	4.7%	4.7%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>	10.0%	8.0%	8.0%

### Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.

**MBRR Table A10 - Basic Service Delivery Measurement**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		4 126	4 150	4 200	4 300	4 345	4 644	4 964	4 970	4 980
Piped water inside yard (but not in dwelling)		70	74	74	79	79	79	80	82	84
Using public tap (at least min.service level)	2	1 200	1 226	1 295	1 382	1 382	1 382	1 469	1 616	1 700
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		5 396	5 450	5 569	5 761	5 806	6 105	6 513	6 668	6 764
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	<b>5 396</b>	<b>5 450</b>	<b>5 569</b>	<b>5 761</b>	<b>5 806</b>	<b>6 105</b>	<b>6 513</b>	<b>6 668</b>	<b>6 764</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		4 196	4 224	4 274	4 379	4 424	4 723	5 043	5 049	5 060
Flush toilet (with septic tank)		391	354	354	378	378	378	378	378	378
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		4 587	4 578	4 628	4 757	4 802	5 101	5 421	5 427	5 438
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	<b>4 587</b>	<b>4 578</b>	<b>4 628</b>	<b>4 757</b>	<b>4 802</b>	<b>5 101</b>	<b>5 421</b>	<b>5 427</b>	<b>5 438</b>
<b>Energy:</b>										
Electricity (at least min.service level)		1 330	1 348	1 348	1 350	1 360	1 360	1 380	1 380	1 380
Electricity - prepaid (min.service level)		5 050	5 200	5 200	5 500	5 900	5 958	6 200	6 219	6 225
<i>Minimum Service Level and Above sub-total</i>		6 380	6 548	6 548	6 850	7 260	7 318	7 580	7 599	7 605
Electricity (< min.service level)		–	–	–	–	–	–	1 200	1 250	1 300
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	4 800	4 850	4 900
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	6 000	6 100	6 200
<b>Total number of households</b>	5	<b>6 380</b>	<b>6 548</b>	<b>6 548</b>	<b>6 850</b>	<b>7 260</b>	<b>7 318</b>	<b>13 580</b>	<b>13 699</b>	<b>13 805</b>



## **2.1 Overview of the annual budget process**

### **POLITICAL OVERSIGHT OF THE BUDGET PROCESS**

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans. The mayoral committee is one of the key elements in accomplishing the linkage between the IDP and the Budget of a municipality.

### **SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS**

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP and budget-related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP. These key dates are available on the website of the municipality

### **PURPOSE OF THE BUDGET AND IDP PROCESS PLAN**

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its Integrated Development Plan for the five year cycle (2017/2018-2021/2022) and the budget for the 2017/2018 financial year and the two outer years.

The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget. It fulfils the role of an operational framework for the IDP and Budget process outlining the manner in which this process was undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

#### **1.1.1 IDP and Service Delivery and Budget Implementation Plan**

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

### **Community Consultation**

A full consultation process was carried out between the 24<sup>th</sup> April and 16<sup>th</sup> May 2017. During the consultation process members of the community was afforded with the opportunity to provide inputs and comments on the draft budget that was presented to them. The comments and inputs were reviewed and where viable the proposed changes were incorporated into the final budget to be approved by Council at least 30 days before the start of the next financial year.

## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The 2017/18 MTREF has therefore been directly informed by the IDP process and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year	Budget Year	Budget Year
		2017/18	+1 2018/19	+2 2019/20
R thousand				
Improve and Sustain basic service delivery and infrastructure development	Provision and maintenance of municipal Services	208 500	200 665	220 100
Implement strategies to ensure financial viability and economically sustainability	Financial Viability and Sustainability	46 349	49 290	52 399
Good Governance, Community Development and Public Participation	Provision of Democratic and accountable governance	10 347	9 464	11 279
Aggressive facilitate, expand and nurture sustainable economic growth and eradicate poverty	Promotion of tourism, agriculture and economic development	–	–	–
Enable a resilient, sustainable, quality and inclusive living environment and human settlements	Provide quality housing and ensure human dignity of our people	22 529	4 168	3 357
To Facilitate social cohesion, safe and healthy communities	Promote health and safety environment	46 719	49 446	52 276
Total Revenue (excluding capital transfers and contributions)		334 444	313 033	339 411

**Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>				
Improve and Sustain basic service delivery and infrastructure development	Provision and maintenance of municipal Services	130 409	138 418	146 608
Implement strategies to ensure financial viability and economically sustainability	Financial Viability and Sustainability	53 882	56 744	59 794
Good Governance, Community Development and Public Participation	Provision of Democratic and accountable governance	38 530	39 160	42 474
Aggressive facilitate, expand and nurture sustainable economic growth and eradicate poverty	Promotion of tourism, agriculture and economic development	1 459	1 546	1 638
Enable a resilient, sustainable, quality and inclusive living environment and human settlements	Provide quality housing and ensure human dignity of our people	5 181	5 491	5 820
To Facilitate social cohesion, safe and healthy communities	Promote health and safety environment	44 806	47 314	49 713
<b>Total Expenditure</b>		<b>274 267</b>	<b>288 673</b>	<b>306 048</b>

**Reconciliation of IDP strategic objectives and budget (capital expenditure)**

Strategic Objective	Goal	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>				
Improve and Sustain basic service delivery and infrastructure development	Provision and maintenance of municipal Services	48 484	28 930	34 998
Implement strategies to ensure financial viability and economically sustainability	Financial Viability and Sustainability	2 463	1 160	1 130
Good Governance, Community Development and Public Participation	Provision of Democratic and accountable governance	1 603	1 801	1 559
Aggressive facilitate, expand and nurture sustainable economic growth and eradicate poverty	Promotion of tourism, agriculture and economic development	–	–	–
Enable a resilient, sustainable, quality and inclusive living environment and human settlements	Provide quality housing and ensure human dignity of our people	17 140	877	–
To Facilitate social cohesion, safe and healthy communities	Promote health and safety environment	945	806	865
<b>Total Capital Expenditure</b>		<b>70 635</b>	<b>33 574</b>	<b>38 552</b>

**Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/18 MTREF.

WC012 Cederberg - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>ENGINEERING &amp; PLANNING SERVICES</b>				
<b>Improve and Sustain basic service delivery and infrastructure development</b>				
<b>Water distribution and treatment</b>	Project percentage			
Access to all residents		6.2%	6.3%	6.3%
<b>Sewerage and Waste Management</b>	Project percentage			
To ensure a high quality and environmentally sound sewerage system		3.5%	3.5%	3.5%
<b>Solid waste Disposal (landfill sites)</b>	Project percentage			
Access to Refuse removal		3.5%	3.5%	3.5%
<b>Electricity Distribution</b>	Project percentage			
Provision of Electricity connections		28.5%	28.7%	28.7%
<b>Roads &amp; Stormwater Management</b>	Project percentage			
To Develop and maintain the urban road network in all towns		16.0%	16.2%	16.1%
<b>Environmental Protection</b>	Project percentage			
Ensure clean and healthy environment		2.1%	2.2%	2.2%
<b>COMMUNITY AND SOCIAL SERVICES</b>				
<b>Quality livings environment and human settlements</b>				
<b>Housing &amp; Informal Settlements</b>	Project percentage			
Improve livings condition through human housing		0.8%	0.8%	0.8%
<b>Sport &amp; Recreation</b>	Project percentage			
Effective Sport Facilities		3.4%	3.4%	3.4%
<b>LED and tourism</b>	Project percentage			
Access to economic development		2.3%	2.3%	2.1%
<b>CORPORATE &amp; STRATEGIC SERVICES</b>				
<b>Promote health and safety environment</b>				
<b>Health and safety of people</b>	Project percentage			
Ensure health and safety environment		0.0%	0.0%	0.0%
<b>FINANCIAL SERVICES</b>				
<b>Financial Viability and Sustainability</b>				
<b>Financial sustainably</b>	Project percentage			
Implement strategies to ensure that the municipality is financial viable.		29.6%	29.1%	29.3%
<b>General Council</b>				
<b>Governance &amp; Administration</b>	Project percentage			
Provision of Democratic and accountable governance		4.0%	4.1%	4.1%
		100.0%	100.0%	100.0%

**WC012 Cederberg - Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b><u>Borrowing Management</u></b>				
Credit Rating				
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Ex penditure	4.3%	4.1%	3.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.5%	5.2%	4.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>				
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>				
Current Ratio	Current assets/current liabilities	0.9	1.2	2.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	1.2	2.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.2	0.6
<b><u>Revenue Management</u></b>				
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	91.0%	91.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		91.0%	91.0%	91.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.8%	12.3%	11.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	58.0%	58.0%	57.0%
<b><u>Creditors Management</u></b>				
Creditors System Efficiency	% of Creditors Paid Within Terms (within'MFMA' s 65(e))	100.0%	100.0%	100.0%
Creditors to Cash and Investments		824.4%	295.9%	55.9%
<b><u>Other Indicators</u></b>				
Electricity Distribution Losses (2)	Total Volume Losses (kW)	8781950	8891950	8901980
	Total Cost of Losses (Rand '000)	7 640	7 840	7 900
	% Volume (units purchased and generated less units sold)/units purchased and generated	13%	13%	13%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	522 531	509 000	502 000
	Total Cost of Losses (Rand '000)	3370324	3168104	2978018
	% Volume (units purchased and generated less units sold)/units purchased and generated	14%	13%	11%
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.9%	31.8%	31.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.7%	33.6%	33.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.8%	9.9%	9.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.4%	9.3%	9.1%
<b><u>IDP regulation financial viability indicators</u></b>				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	32.2	33.0	35.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	21.1%	19.8%	18.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	0.3	0.7

## **Performance indicators and benchmarks**

### *Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position.

### *Safety of Capital*

*The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

### *Liquidity*

*Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2.

*The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

### *Revenue Management*

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Payment levels and credit control is considered to be favorable.

### *Creditors Management*

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice or statement. This has had a favorable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

### *Other Indicators*

Employee costs are one of the main cost drivers in any municipality. Any increase in this balance should be carefully considered.

Repairs and maintenance as percentage of operating revenue is showing an increasing trend over the MTREF. This is mainly due to the allocation of Employee Related Costs to Repairs and Maintenance when the Employee Related cost is related to a repairs and maintenance project.

## 2.3 Overview of budget related-policies

The budget related policies have been reviewed and will be tabled in conjunction with the Final budget, 30 days before the start of the new financial year.

## 2.4 Overview of budget assumptions

### External factors

The recovery rate of service debtors and rates are currently 91 per cent. The recovery rate of fines, which is also considered a significant revenue source, is approximately 15.8%.

### General inflation outlook and its impact on the municipal activities

The inflation outlook for South Africa is indicated below and has been taken into consideration in the compilation of the 2017/18 MTREF.

**Table 1: Macroeconomic performance and projections, 2015 - 2019**

Fiscal year	2016/17	2017/18	2018/19	2019/20
	Estimate	Forecast		
Consumer Price Inflation (CPI)	6.4%	6.4%	5.7%	5.6%
Real GDP growth	0.5%	1.3%	2.0%	2.2%

*Source: 2017 Budget Review.*

### Credit rating outlook

The credit outlook of South Africa remained under pressure, given the fact that the credit rating is currently being reviewed by major credit agencies. South Africa's credit rating has recently been downgraded to "junk status" by two of the rating agencies.

### Interest rates for borrowing and investment of funds

Interest rates are currently in an upward cycle and more interest rate increases can be expected within the near future to curb the inflation risk. The inflation rate is currently above the target range of the South African Reserve Bank (3 % – 6 %) at 6.4%. Given the downgrade to junk status, it might be more expensive to carry the cost of debt.

### Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage of annual billings. Cash flow is assumed to be 91 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

## **Growth or decline in tax base of the municipality**

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

## **Salary increases**

The South African Local Government Bargaining Council recently entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

3. 2015/16 Financial Year – 7 per cent
4. 2016/17 Financial Year – 6 per cent (Average CPI (Feb 2015 – Jan 2016) + 1 per cent)
5. 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

## **Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Too few people work;
- The quality of school education for black people is poor;
- Infrastructure is poorly located, inadequate and under-maintained;
- Spatial divides hobble inclusive development;
- The economy is unsustainably resource intensive;
- The public health system cannot meet demand or sustain quality;
- Public services are uneven and often of poor quality;
- Corruption levels are high; and
- South Africa remains a divided society.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.



## 2.5 Overview of budget funding

### Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>			
<b><u>Financial Performance</u></b>			
Property rates	40 871	43 322	45 921
Service charges	125 833	134 010	142 770
Investment revenue	391	415	440
Transfers recognised - operational	58 056	56 437	62 410
Other own revenue	49 800	52 784	55 949
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>274 951</b>	<b>286 968</b>	<b>307 490</b>

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation, solid waste removal, property rates, operating grants and other minor charges (such as building plan fees, licenses and permits etc.).

Investment revenue contributes marginally to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

### Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

1. Clear separation of receipts and payments within each cash flow category;
2. Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
3. Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

## MBRR Table A7 - Budget cash flow statement

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property rates	37 192	39 423	41 788
Service charges	114 508	121 949	129 921
Other revenue	19 213	20 362	21 564
Government- operating	58 056	56 437	62 410
Government- capital	59 494	26 065	31 921
Interest	3 195	3 387	3 590
Dividends	–	–	–
<b>Payments</b>			
Suppliers and employees	(212 791)	(224 517)	(236 924)
Finance charges	(2 799)	(2 439)	(2 101)
Transfers and Grants	(870)	(1 028)	(1 188)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>75 198</b>	<b>39 640</b>	<b>50 981</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of PPE	–	–	–
Decrease (Increase) in non-current debtors	–	–	–
Decrease (increase) other non-current receivables	–	–	–
Decrease (increase) in non-current investments	–	–	–
<b>Payments</b>			
Capital assets	(70 635)	(33 574)	(38 552)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(70 635)</b>	<b>(33 574)</b>	<b>(38 552)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Short term loans	–	–	–
Borrowing long term/refinancing	–	–	–
Increase (decrease) in consumer deposits	106	112	119
<b>Payments</b>			
Repayment of borrowing	(3 366)	(3 344)	(3 393)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 260)</b>	<b>(3 231)</b>	<b>(3 274)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 303</b>	<b>2 834</b>	<b>9 155</b>
Cash/cash equivalents at the year begin:	2 505	3 808	6 642
Cash/cash equivalents at the year end:	3 808	6 642	15 797

## Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

1. What are the predicted cash and investments that are available at the end of the budget year?

2. How are those funds used?
3. What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

#### **MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Cash and investments available</u></b>			
Cash/cash equivalents at the year end	3 808	6 642	15 797
<b>Cash and investments available:</b>	<b>3 808</b>	<b>6 642</b>	<b>15 797</b>
<b><u>Application of cash and investments</u></b>			
Other working capital requirements	3 524	(8 144)	(18 946)
<b>Total Application of cash and investments:</b>	<b>3 524</b>	<b>(8 144)</b>	<b>(18 946)</b>
<b>Surplus(shortfall)</b>	<b>284</b>	<b>14 786</b>	<b>34 743</b>

The municipality will be cash funded for the entire MTREF. However, it is very important for the municipality to increase cash levels in order to allow for a contribution to the capital replacement reserve. The surplus indicated above for 2017/2018 is also supported by a positive working capital balance. This positive working capital balance is the result of the municipality's commitment to settle outstanding creditor balances on a timely basis. Creditor balances are thus always very low when compared to the current assets which include receivables.

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges.

#### **Funding compliance measurement**

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the

municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

### MBRR SA10 – Funding compliance measurement

Description	MFMA section	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funding measures</b>				
Cash/cash equivalents at the year end - R'000	18(1)b	3 808	6 642	15 797
Cash + investments at the yr end less applications - R'000	18(1)b	284	14 786	34 743
Cash year end/monthly employee/supplier payments	18(1)b	0.2	0.3	0.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	60 177	24 360	33 363
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	(6.0%)	0.4%	0.4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	78.9%	79.0%	79.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	25.8%	25.7%	25.6%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	0.0%	(0.3%)	(0.1%)
Long term receivables % change - incr(decr)	18(1)a	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	4.6%	4.7%	4.7%
Asset renewal % of capital budget	20(1)(vi)	4.9%	3.8%	2.8%

#### *Cash/cash equivalent position*

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

#### *Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

#### *Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

#### *Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 91 per cent performance target, the cash flow statement has been conservatively determined when compared to actual results in 2015/2016. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

#### *Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

#### *Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

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

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

#### *Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. .

#### *Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.6 Expenditure on grants and reconciliations of unspent funds

### MBRR SA18 and 19 – Receipts and Expenditure on transfers and grant programmes

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>RECEIPTS:</b>			
<b><u>Operating Transfers and Grants</u></b>			
<b>National Government:</b>	<b>49 120</b>	<b>51 271</b>	<b>57 112</b>
Local Government Equitable Share	40 873	45 113	48 716
Finance Management	1 550	1 805	2 065
EPWP Incentive	1 782	–	–
Municipal Systems Improvement	–	–	1 000
Municipal Infrastructure Grant (PMU)	778	827	863
Municipal Infrastructure Grant (VAT)	1 851	1 930	2 013
Regional Bulk Infrastructure (VAT)	567	–	–
Water Services Infrastructure Grant (VAT)	1 228	1 228	1 474
Integrated National Electrification Grant (VAT)	491	368	982
<b>Provincial Government:</b>	<b>8 936</b>	<b>5 166</b>	<b>5 298</b>
PGWC Financial Management Capacity Building Grant	240	360	480
Transport Infrastructure Grant	61	–	–
Library Services: MRFG	4 178	4 396	4 651
Thusong Service Centre (Sustainability Operational Support)	109	120	–
Community Development Grant	167	167	167
Human Settlement Development Grant (VAT)	2 400	123	–
Provincial: Acceleration of housing deliveries (VAT)	1 781	–	–
<b>Total Operating Transfers and Grants</b>	<b>58 056</b>	<b>56 437</b>	<b>62 410</b>
<b><u>Capital Transfers and Grants</u></b>			
<b>National Government:</b>	<b>29 589</b>	<b>25 188</b>	<b>31 921</b>
Municipal Infrastructure Grant (MIG)	13 238	13 784	14 377
Regional Bulk Infrastructure	4 045	–	–
EPWP Incentive	25	–	–
Water Services Infrastructure Grant	8 772	8 772	10 526
Integrated National Electrification Grant (INEG)	3 509	2 632	7 018
<b>Provincial Government:</b>	<b>29 904</b>	<b>877</b>	<b>–</b>
Human Settlement Development Grant (Beneficiaries)	17 140	877	–
Provincial contribution - Acceleration of housing deliveries	12 719	–	–
Library Services MRF Capital	45	–	–
<b>Total Capital Transfers and Grants</b>	<b>59 493</b>	<b>26 065</b>	<b>31 921</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>117 549</b>	<b>82 502</b>	<b>94 331</b>

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>EXPENDITURE:</b>			
<b><u>Operating expenditure of Transfers and Grants</u></b>			
<b>National Government:</b>	<b>49 120</b>	<b>51 271</b>	<b>57 112</b>
Local Government Equitable Share	40 873	45 113	48 716
Finance Management	1 550	1 805	2 065
EPWP Incentive	1 782	–	–
Municipal Systems Improvement	–	–	1 000
Municipal Infrastructure Grant (PMU)	778	827	863
Municipal Infrastructure Grant (VAT)	1 851	1 930	2 013
Regional Bulk Infrastructure (VAT)	567	–	–
Water Services Infrastructure Grant (VAT)	1 228	1 228	1 474
Integrated National Electrification Grant (VAT)	491	368	982
<b>Provincial Government:</b>	<b>8 936</b>	<b>5 166</b>	<b>5 298</b>
PGWC Financial Management Capacity Building Grant	240	360	480
Transport Infrastructure Grant	61	–	–
Library Services: MRFG	4 178	4 396	4 651
Thusong Service Centre (Sustainability Operational Support)	109	120	–
Community Development Grant	167	167	167
Human Settlement Development Grant (VAT)	2 400	123	–
Provincial: Acceleration of housing deliveries (VAT)	1 781	–	–
<b>Total operating expenditure of Transfers and Grants:</b>	<b>58 056</b>	<b>56 437</b>	<b>62 410</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>			
<b>National Government:</b>	<b>29 589</b>	<b>25 188</b>	<b>31 921</b>
Municipal Infrastructure Grant (MIG)	13 238	13 784	14 377
Regional Bulk Infrastructure	4 045	–	–
EPWP Incentive	25	–	–
Water Services Infrastructure Grant	8 772	8 772	10 526
Integrated National Electrification Grant (INEG)	3 509	2 632	7 018
<b>Provincial Government:</b>	<b>29 904</b>	<b>877</b>	<b>–</b>
Human Settlement Development Grant (Beneficiaries)	17 140	877	–
Provincial contribution - Acceleration of housing deliveries	12 719	–	–
Library Services MRF Capital	45	–	–
<b>Total capital expenditure of Transfers and Grants</b>	<b>59 493</b>	<b>26 065</b>	<b>31 921</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>117 549</b>	<b>82 502</b>	<b>94 331</b>



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

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Operating transfers and grants:</u></b>			
<b>National Government:</b>			
Balance unspent at beginning of the year	—	—	—
Current year receipts	49 120	51 271	57 112
<b>Conditions met - transferred to revenue</b>	<b>49 120</b>	<b>51 271</b>	<b>57 112</b>
Conditions still to be met - transferred to liabilities	—	—	—
<b>Provincial Government:</b>			
Balance unspent at beginning of the year	—	—	—
Current year receipts	8 936	5 166	5 298
<b>Conditions met - transferred to revenue</b>	<b>8 936</b>	<b>5 166</b>	<b>5 298</b>
Conditions still to be met - transferred to liabilities	—	—	—
<b>District Municipality:</b>			
Balance unspent at beginning of the year	—	—	—
Current year receipts	—	—	—
<b>Conditions met - transferred to revenue</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities	—	—	—
<b>Other grant providers:</b>			
Balance unspent at beginning of the year	—	—	—
Current year receipts	—	—	—
<b>Conditions met - transferred to revenue</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities	—	—	—
<b>Total operating transfers and grants revenue</b>	<b>58 056</b>	<b>56 437</b>	<b>62 410</b>
<b>Total operating transfers and grants - CTBM</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b><u>Capital transfers and grants:</u></b>			
<b>National Government:</b>			
Balance unspent at beginning of the year	—	—	—
Current year receipts	29 589	25 188	31 921
<b>Conditions met - transferred to revenue</b>	<b>29 589</b>	<b>25 188</b>	<b>31 921</b>
Conditions still to be met - transferred to liabilities	—	—	—
<b>Provincial Government:</b>			
Balance unspent at beginning of the year	—	—	—
Current year receipts	29 904	877	—
<b>Conditions met - transferred to revenue</b>	<b>29 904</b>	<b>877</b>	<b>—</b>
Conditions still to be met - transferred to liabilities	—	—	—
<b>District Municipality:</b>			
Balance unspent at beginning of the year	—	—	—
Current year receipts	—	—	—
<b>Conditions met - transferred to revenue</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities	—	—	—
<b>Other grant providers:</b>			
Balance unspent at beginning of the year	—	—	—
Current year receipts	—	—	—
<b>Conditions met - transferred to revenue</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities	—	—	—
<b>Total capital transfers and grants revenue</b>	<b>59 493</b>	<b>26 065</b>	<b>31 921</b>
<b>Total capital transfers and grants - CTBM</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>117 549</b>	<b>82 502</b>	<b>94 331</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>—</b>	<b>—</b>	<b>—</b>

## 2.7 Allocations and Grants made by the municipality

The following contributions are projected over the MTREF:

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand			
<b>Cash Transfers to Organisations</b>			
<i>Sport Councils</i>	80	85	90
<i>Tourism</i>	300	318	337
<b>Total Cash Transfers To Organisations</b>	<b>380</b>	<b>403</b>	<b>427</b>
<b>Cash Transfers to Groups of Individuals</b>			
<i>Bursaries for non-employees</i>	250	265	281
<i>Municipal External Bursary Programme</i>	240	360	480
<b>Total Cash Transfers To Groups Of Individuals:</b>	<b>490</b>	<b>625</b>	<b>761</b>
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>870</b>	<b>1 028</b>	<b>1 188</b>

## 2.8 Councilor and employee benefits

### MBRR SA22 - Summary of councilor and staff benefits

Summary of Employee and Councillor remuneration	2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>			
Basic Salaries and Wages	3 820	4 049	4 292
Pension and UIF Contributions	536	568	602
Medical Aid Contributions	58	61	65
Motor Vehicle Allowance	245	260	275
Cellphone Allowance	269	286	304
Housing Allowances	–	–	–
Other benefits and allowances	–	–	–
<b>Sub Total - Councillors</b>	<b>4 928</b>	<b>5 224</b>	<b>5 538</b>
<b>% increase</b>	<b>–</b>	<b>6.0%</b>	<b>6.0%</b>
<b><u>Senior Managers of the Municipality</u></b>			
Basic Salaries and Wages	3 987	4 227	4 482
Pension and UIF Contributions	250	265	281
Medical Aid Contributions	38	40	42
Overtime	–	–	–
Performance Bonus	–	–	–
Motor Vehicle Allowance	809	859	910
Cellphone Allowance	62	65	69
Housing Allowances	233	247	262
Other benefits and allowances	0	–	–
Payments in lieu of leave	–	–	–
Long service awards	–	–	–
Post-retirement benefit obligations	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 380</b>	<b>5 703</b>	<b>6 046</b>
<b>% increase</b>	<b>–</b>	<b>6.0%</b>	<b>6.0%</b>
<b><u>Other Municipal Staff</u></b>			
Basic Salaries and Wages	56 763	58 380	61 887
Pension and UIF Contributions	9 019	9 564	10 135
Medical Aid Contributions	4 019	4 261	4 514
Overtime	1 538	1 629	1 726
Performance Bonus	–	–	–
Motor Vehicle Allowance	3 786	4 011	4 250
Cellphone Allowance	368	387	410
Housing Allowances	713	755	804
Other benefits and allowances	2 952	3 130	3 314
Payments in lieu of leave	600	636	674
Long service awards	381	404	428
Post-retirement benefit obligations	2 200	2 332	2 472
<b>Sub Total - Other Municipal Staff</b>	<b>82 339</b>	<b>85 489</b>	<b>90 614</b>
<b>% increase</b>	<b>–</b>	<b>3.8%</b>	<b>6.0%</b>
<b>Total Parent Municipality</b>	<b>92 646</b>	<b>96 416</b>	<b>102 198</b>
	–	4.1%	6.0%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>92 646</b>	<b>96 416</b>	<b>102 198</b>
<b>% increase</b>	<b>–</b>	<b>4.1%</b>	<b>6.0%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>87 718</b>	<b>91 192</b>	<b>96 660</b>

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

Disclosure of Salaries, Allowances & Benefits .	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum						
<b><u>Councillors</u></b>						
Speaker	530 702	39 856	24 487			595 045
Chief Whip	–	–	–			–
Executive Mayor	474 377	91 707	185 587			751 671
Deputy Executive Mayor	481 197	93 025	24 487			598 709
Executive Committee	821 966	176 866	132 746			1 131 578
Total for all other councillors	1 511 546	192 586	146 923			1 851 055
<b>Total Councillors</b>	<b>3 819 788</b>	<b>594 039</b>	<b>514 231</b>			<b>4 928 058</b>
<b><u>Senior Managers of the Municipality</u></b>						
Municipal Manager (MM)	865 734	1 917	513 138	–		1 380 789
Chief Finance Officer	597 835	147 423	372 851	–		1 118 110
Director Engineering Services	760 550	138 816	218 744	–		1 118 110
Director Corporate Services	881 280	–	–	–		881 280
Director Community Development Services	881 280	–	–	–		881 280
						–
<b>Total Senior Managers of the Municipality</b>	<b>3 986 680</b>	<b>288 156</b>	<b>1 104 733</b>	<b>–</b>		<b>5 379 569</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>7 806 468</b>	<b>882 195</b>	<b>1 618 964</b>	<b>–</b>		<b>10 307 627</b>

## MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers		Budget Year 2017/18		
Number		Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>				
Councillors (Political Office Bearers plus Other Councillors)		11	6	5
Board Members of municipal entities		–	–	–
<b>Municipal employees</b>				
Municipal Manager and Senior Managers		5	–	5
Other Managers		16	16	–
Professionals		28	21	7
<i>Finance</i>		12	6	6
<i>Spatial/town planning</i>		5	4	1
<i>Information Technology</i>		1	1	–
<i>Roads</i>		–	–	–
<i>Electricity</i>		–	–	–
<i>Water</i>		–	–	–
<i>Sanitation</i>		–	–	–
<i>Refuse</i>		–	–	–
<i>Other</i>		10	10	–
Technicians		40	38	2
<i>Finance</i>		–	–	–
<i>Spatial/town planning</i>		–	–	–
<i>Information Technology</i>		–	–	–
<i>Roads</i>		3	3	–
<i>Electricity</i>		6	6	–
<i>Water</i>		15	15	–
<i>Sanitation</i>		1	1	–
<i>Refuse</i>		3	3	–
<i>Other</i>		12	10	2
Clerks (Clerical and administrative)		78	65	13
Service and sales workers		13	13	–
Skilled agricultural and fishery workers		–	–	–
Craft and related trades		–	–	–
Plant and Machine Operators		17	17	–
Elementary Occupations		143	143	–
<b>TOTAL PERSONNEL NUMBERS</b>		<b>351</b>	<b>319</b>	<b>32</b>

## 2.9 Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>															
Property rates	8 268	2 964	2 964	2 964	2 964	2 964	2 964	2 964	2 964	2 964	2 964	2 964	40 871	43 322	45 921
Service charges - electricity revenue	6 909	8 918	6 716	6 561	6 025	6 291	7 646	7 027	6 567	5 675	6 519	5 786	80 640	85 479	90 607
Service charges - water revenue	1 736	2 702	1 758	2 329	2 417	2 500	3 193	2 924	2 713	1 970	1 982	1 469	27 693	29 354	31 115
Service charges - sanitation revenue	1 149	1 020	539	609	736	789	835	752	642	646	687	796	9 200	9 752	10 336
Service charges - refuse revenue	718	830	661	658	698	699	693	699	658	656	659	672	8 299	9 425	10 712
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	14	41	83	57	28	38	37	61	49	16	14	33	471	499	530
Interest earned - external investments	4	17	30	58	60	47	68	43	12	22	23	7	391	415	440
Interest earned - outstanding debtors	233	251	202	209	180	193	130	143	371	391	184	594	3 082	3 266	3 462
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 310	2 449	4 614	3 371	5 337	2 670	4 627	4 051	1 643	1 758	1 819	1 835	35 482	37 611	39 868
Licences and permits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services	217	241	227	206	243	210	229	212	394	369	239	209	2 996	3 175	3 365
Transfers and subsidies	3 877	4 092	4 366	4 514	5 452	4 703	5 501	5 102	5 616	5 149	4 963	4 720	58 056	56 437	62 410
Other revenue	303	–	2 429	–	378	149	264	214	288	438	2 864	441	7 769	8 233	8 724
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>24 739</b>	<b>23 525</b>	<b>24 589</b>	<b>21 537</b>	<b>24 518</b>	<b>21 253</b>	<b>26 188</b>	<b>24 192</b>	<b>21 915</b>	<b>20 054</b>	<b>22 916</b>	<b>19 525</b>	<b>274 951</b>	<b>286 968</b>	<b>307 490</b>
<b>Expenditure By Type</b>															
Employee related costs	6 748	6 748	6 748	6 748	13 495	6 748	6 748	6 748	6 748	6 748	6 748	6 748	87 718	91 192	96 660
Remuneration of councillors	411	411	411	411	411	411	411	411	411	411	411	411	4 928	5 224	5 538
Debt impairment	3 578	3 578	3 578	3 578	3 578	3 578	3 578	3 578	3 578	3 578	3 578	3 578	42 939	45 516	48 247
Depreciation & asset impairment	1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	17 253	18 287	19 380
Finance charges	712	712	712	712	712	712	712	712	712	712	712	712	8 544	8 542	8 571
Bulk purchases	5 932	7 657	5 766	5 633	5 173	5 401	6 565	6 033	5 638	4 872	5 597	4 968	69 235	73 389	77 793
Other materials	608	608	608	608	608	608	646	646	646	646	646	722	7 595	8 090	8 448
Contracted services	1 240	1 240	1 240	1 240	1 240	1 240	1 318	1 318	1 318	1 318	1 318	1 473	15 501	16 569	18 147
Transfers and grants	70	70	70	70	70	70	74	74	74	74	74	83	870	1 028	1 188
Other expenditure	1 575	1 575	1 575	1 575	1 575	1 575	1 673	1 673	1 673	1 673	1 673	1 870	19 683	20 836	22 075
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>22 310</b>	<b>24 035</b>	<b>22 145</b>	<b>22 012</b>	<b>28 299</b>	<b>21 779</b>	<b>23 161</b>	<b>22 630</b>	<b>22 234</b>	<b>21 469</b>	<b>22 193</b>	<b>22 001</b>	<b>274 267</b>	<b>288 673</b>	<b>306 048</b>
<b>Surplus/(Deficit)</b>	<b>2 429</b>	<b>(510)</b>	<b>2 444</b>	<b>(475)</b>	<b>(3 781)</b>	<b>(527)</b>	<b>3 027</b>	<b>1 562</b>	<b>(319)</b>	<b>(1 415)</b>	<b>723</b>	<b>(2 476)</b>	<b>684</b>	<b>(1 705)</b>	<b>1 443</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	706	3 935	5 989	2 087	6 674	8 048	7 798	7 737	8 053	8 467	59 494	26 065	31 921
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2 429</b>	<b>(510)</b>	<b>3 151</b>	<b>3 461</b>	<b>2 208</b>	<b>1 560</b>	<b>9 700</b>	<b>9 610</b>	<b>7 479</b>	<b>6 322</b>	<b>8 775</b>	<b>5 991</b>	<b>60 177</b>	<b>24 360</b>	<b>33 363</b>
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	<b>2 429</b>	<b>(510)</b>	<b>3 151</b>	<b>3 461</b>	<b>2 208</b>	<b>1 560</b>	<b>9 700</b>	<b>9 610</b>	<b>7 479</b>	<b>6 322</b>	<b>8 775</b>	<b>5 991</b>	<b>60 177</b>	<b>24 360</b>	<b>33 363</b>

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

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue by Vote</b>															
Vote 1 - Executive and Council	605	608	609	608	641	631	629	614	615	617	621	629	7 427	8 180	8 820
Vote 2 - Office of Municipal Manager	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services	8 570	3 279	3 384	3 484	3 636	3 617	3 287	3 209	3 411	3 449	3 385	3 638	46 349	49 290	52 399
Vote 4 - Community Development Services	2 008	3 253	6 944	4 638	9 879	4 542	9 196	9 152	3 023	3 279	7 068	5 411	68 393	50 792	53 643
Vote 5 - Corporate and Strategic Services	20	7	158	10	27	16	262	24	26	29	171	32	781	933	1 087
Vote 6 - Engineering and Planning Services	13 536	16 378	14 200	16 731	16 323	14 534	19 487	19 241	22 639	20 417	19 724	18 283	211 494	203 838	223 462
<b>Total Revenue by Vote</b>	<b>24 739</b>	<b>23 525</b>	<b>25 295</b>	<b>25 472</b>	<b>30 507</b>	<b>23 339</b>	<b>32 861</b>	<b>32 240</b>	<b>29 713</b>	<b>27 791</b>	<b>30 969</b>	<b>27 992</b>	<b>334 444</b>	<b>313 033</b>	<b>339 411</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Executive and Council	673	673	673	673	733	673	686	686	686	686	686	711	8 238	8 725	9 237
Vote 2 - Office of Municipal Manager	229	229	229	229	404	229	232	232	232	232	232	239	2 950	3 126	3 311
Vote 3 - Financial Services	4 350	4 350	4 350	4 350	5 614	4 350	4 402	4 402	4 402	4 402	4 402	4 506	53 882	56 744	59 794
Vote 4 - Community Development Services	4 517	4 517	4 517	4 517	6 239	4 517	4 549	4 549	4 549	4 549	4 549	4 614	56 184	57 593	61 487
Vote 5 - Corporate and Strategic Services	1 345	1 345	1 345	1 345	1 980	1 345	1 390	1 390	1 390	1 390	1 390	1 479	17 135	18 272	19 467
Vote 6 - Engineering and Planning Services	11 195	12 920	11 030	10 897	13 329	10 665	11 902	11 370	10 975	10 209	10 934	10 452	135 878	144 213	152 751
<b>Total Expenditure by Vote</b>	<b>22 310</b>	<b>24 035</b>	<b>22 145</b>	<b>22 012</b>	<b>28 299</b>	<b>21 779</b>	<b>23 161</b>	<b>22 630</b>	<b>22 234</b>	<b>21 469</b>	<b>22 193</b>	<b>22 001</b>	<b>274 267</b>	<b>288 673</b>	<b>306 048</b>
<b>Surplus/(Deficit)</b>	<b>2 429</b>	<b>(510)</b>	<b>3 151</b>	<b>3 461</b>	<b>2 208</b>	<b>1 560</b>	<b>9 700</b>	<b>9 610</b>	<b>7 479</b>	<b>6 322</b>	<b>8 775</b>	<b>5 991</b>	<b>60 177</b>	<b>24 360</b>	<b>33 363</b>

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

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>															
<b>Revenue - Functional</b>															
<i>Governance and administration</i>	9 207	3 999	4 336	4 240	4 435	4 383	4 480	4 233	4 490	4 345	4 227	4 320	56 696	58 754	63 678
Executive and council	605	608	609	608	641	631	629	614	615	617	621	629	7 427	8 180	8 820
Finance and administration	8 602	3 391	3 727	3 632	3 794	3 752	3 851	3 620	3 875	3 728	3 606	3 691	49 269	50 574	54 858
Internal audit	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>	471	460	1 923	927	4 174	1 546	4 042	4 506	548	904	4 964	3 347	27 812	9 692	9 077
Community and social services	325	460	352	357	571	334	335	343	409	372	335	332	4 523	4 719	4 866
Sport and recreation	146	0	1 172	0	183	72	128	103	139	211	1 381	213	3 749	3 973	4 211
Public safety	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing	—	—	399	570	3 420	1 140	3 580	4 060	—	321	3 248	2 803	19 540	1 000	—
Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	1 749	2 794	6 284	5 379	6 290	4 314	9 058	8 653	11 094	5 293	7 338	8 231	76 477	60 463	63 808
Planning and development	223	106	1 446	1 805	715	1 437	4 206	4 394	9 059	3 168	5 282	6 189	38 030	19 709	20 609
Road transport	1 526	2 688	4 838	3 574	5 575	2 877	4 852	4 259	2 036	2 126	2 056	2 042	38 447	40 754	43 199
Environmental protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>	13 313	16 272	12 752	14 926	15 608	13 096	15 282	14 847	13 581	17 249	14 440	12 095	173 459	184 124	202 848
Energy sources	7 503	9 512	7 587	9 121	6 621	6 901	8 353	7 622	7 361	7 700	7 113	6 380	91 776	96 354	107 110
Water management	2 633	3 599	2 655	3 227	6 243	3 398	4 090	4 464	3 610	6 937	4 669	2 936	48 461	51 239	55 950
Waste water management	1 862	1 733	1 252	1 322	1 449	1 502	1 548	1 465	1 355	1 358	1 400	1 508	17 753	19 192	20 530
Waste management	1 315	1 428	1 259	1 255	1 295	1 296	1 290	1 296	1 255	1 254	1 257	1 270	15 469	17 339	19 258
<i>Other</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	<b>24 739</b>	<b>23 525</b>	<b>25 295</b>	<b>25 472</b>	<b>30 507</b>	<b>23 339</b>	<b>32 861</b>	<b>32 240</b>	<b>29 713</b>	<b>27 791</b>	<b>30 969</b>	<b>27 992</b>	<b>334 444</b>	<b>313 033</b>	<b>339 411</b>
<b>Expenditure - Functional</b>															
<i>Governance and administration</i>	7 377	7 377	7 377	7 377	10 171	7 377	7 497	7 497	7 497	7 497	7 497	7 737	92 283	95 767	102 124
Executive and council	839	839	839	839	1 027	839	854	854	854	854	854	884	10 373	10 988	11 634
Finance and administration	6 486	6 486	6 486	6 486	9 044	6 486	6 590	6 590	6 590	6 590	6 590	6 800	81 225	84 053	89 721
Internal audit	53	53	53	53	100	53	53	53	53	53	53	54	685	726	769
<i>Community and public safety</i>	1 370	1 370	1 370	1 370	2 434	1 370	1 389	1 389	1 389	1 389	1 389	1 427	17 653	18 619	19 178
Community and social services	484	484	484	484	851	484	491	491	491	491	491	505	6 228	6 534	6 495
Sport and recreation	719	719	719	719	1 274	719	729	729	729	729	729	750	9 266	9 796	10 257
Public safety	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing	167	167	167	167	309	167	169	169	169	169	169	172	2 159	2 289	2 426
Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	4 046	4 046	4 046	4 046	5 091	4 046	4 071	4 071	4 071	4 071	4 071	4 122	49 797	52 869	56 039
Planning and development	457	457	457	457	830	457	462	462	462	462	462	472	5 896	6 246	6 620
Road transport	3 589	3 589	3 589	3 589	4 261	3 589	3 609	3 609	3 609	3 609	3 609	3 649	43 900	46 623	49 419
Environmental protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>	9 517	11 242	9 352	9 219	10 604	8 986	10 204	9 672	9 277	8 511	9 236	8 715	114 535	121 418	128 707
Energy sources	6 642	8 342	6 479	6 348	6 268	6 119	7 276	6 752	6 362	5 607	6 322	5 721	78 238	82 935	87 911
Water management	1 351	1 376	1 349	1 347	2 052	1 344	1 378	1 370	1 364	1 353	1 364	1 389	17 038	18 060	19 144
Waste water management	762	762	762	762	1 093	762	780	780	780	780	780	815	9 616	10 202	10 817
Waste management	761	761	761	761	1 190	761	771	771	771	771	771	791	9 643	10 221	10 835
<i>Other</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure - Functional</b>	<b>22 310</b>	<b>24 035</b>	<b>22 145</b>	<b>22 012</b>	<b>28 299</b>	<b>21 779</b>	<b>23 161</b>	<b>22 630</b>	<b>22 234</b>	<b>21 469</b>	<b>22 193</b>	<b>22 001</b>	<b>274 267</b>	<b>288 673</b>	<b>306 048</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>2 429</b>	<b>(510)</b>	<b>3 151</b>	<b>3 461</b>	<b>2 208</b>	<b>1 560</b>	<b>9 700</b>	<b>9 610</b>	<b>7 479</b>	<b>6 322</b>	<b>8 775</b>	<b>5 991</b>	<b>60 177</b>	<b>24 360</b>	<b>33 363</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	<b>2 429</b>	<b>(510)</b>	<b>3 151</b>	<b>3 461</b>	<b>2 208</b>	<b>1 560</b>	<b>9 700</b>	<b>9 610</b>	<b>7 479</b>	<b>6 322</b>	<b>8 775</b>	<b>5 991</b>	<b>60 177</b>	<b>24 360</b>	<b>33 363</b>



## MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>															
<b>Multi-year expenditure to be appropriated</b>															
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Development Services	-	-	350	500	3 000	1 000	3 140	3 561	-	150	2 849	2 590	17 140	877	-
Vote 5 - Corporate and Strategic Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering and Planning Services	-	-	548	3 422	2 963	1 087	3 390	4 487	7 783	6 015	4 879	5 877	40 450	25 188	31 921
<b>Capital multi-year expenditure sub-total</b>	-	-	898	3 922	5 963	2 087	6 530	8 048	7 783	6 165	7 728	8 467	57 590	26 065	31 921
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - Executive and Council	-	-	-	50	45	35	200	34	16	-	50	-	430	420	190
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services	-	763	138	500	-	1 025	20	-	-	-	-	17	2 463	1 160	1 130
Vote 4 - Community Development Services	-	140	-	191	71	-	245	140	15	130	69	85	1 086	913	980
Vote 5 - Corporate and Strategic Services	-	-	100	-	-	-	312	350	156	115	-	-	1 033	1 274	1 253
Vote 6 - Engineering and Planning Services	-	579	1 784	268	1 249	454	366	1 044	1 497	182	121	490	8 034	3 743	3 078
<b>Capital single-year expenditure sub-total</b>	-	1 481	2 022	1 009	1 365	1 514	1 143	1 568	1 685	427	240	591	13 045	7 510	6 632
<b>Total Capital Expenditure</b>	-	1 481	2 920	4 931	7 328	3 601	7 674	9 616	9 467	6 592	7 968	9 058	70 635	33 574	38 552

## MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>															
<b>Capital Expenditure - Functional</b>															
<i>Governance and administration</i>	–	763	238	550	61	1 060	557	384	172	115	116	52	4 066	2 961	2 689
Executive and council	–	–	–	50	45	35	200	34	16	–	50	–	430	420	190
Finance and administration	–	763	238	500	16	1 025	357	350	156	115	66	52	3 636	2 541	2 499
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>	–	140	350	691	3 087	1 000	3 473	3 701	115	280	2 852	2 696	18 385	1 790	980
Community and social services	–	–	–	60	27	–	70	–	15	70	3	–	245	215	231
Sport and recreation	–	140	–	131	60	–	263	140	100	60	–	106	1 000	698	750
Public safety	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing	–	–	350	500	3 000	1 000	3 140	3 561	–	150	2 849	2 590	17 140	877	–
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	–	489	548	1 470	643	1 087	3 278	4 853	8 823	1 115	3 390	5 428	31 123	15 210	14 969
Planning and development	–	90	548	1 470	393	1 087	3 278	4 653	8 783	1 015	3 310	5 378	30 003	13 784	14 377
Road transport	–	400	–	–	250	–	–	200	40	100	80	50	1 120	1 426	592
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	–	90	1 784	2 220	3 537	454	365	677	357	5 083	1 611	883	17 061	13 613	19 914
Energy sources	–	–	210	1 965	809	312	152	107	150	1 513	–	–	5 219	3 746	8 211
Water management	–	90	–	121	2 628	56	197	569	57	3 569	1 571	665	9 522	9 416	11 218
Waste water management	–	–	37	134	100	36	17	2	150	–	40	185	700	322	346
Waste management	–	–	1 537	–	–	50	–	–	–	–	–	33	1 620	129	138
<i>Other</i>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Functional</b>	–	1 481	2 920	4 931	7 328	3 601	7 674	9 616	9 467	6 592	7 968	9 058	70 635	33 574	38 552
<b>Funded by:</b>															
National Government	–	90	548	2 875	2 963	118	3 415	5 216	2 797	6 015	3 023	2 530	29 590	25 188	31 921
Provincial Government	–	–	350	1 060	3 027	1 969	3 140	3 561	6 002	150	4 709	5 937	29 904	877	–
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	–	90	898	3 935	5 989	2 087	6 555	8 777	8 798	6 165	7 732	8 467	59 494	26 065	31 921
<b>Public contributions &amp; donations</b>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Borrowing</b>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Internally generated funds</b>	–	1 392	2 022	995	1 338	1 514	1 118	839	669	427	236	591	11 141	7 510	6 632
<b>Total Capital Funding</b>	–	1 481	2 920	4 931	7 328	3 601	7 674	9 616	9 467	6 592	7 968	9 058	70 635	33 574	38 552

## MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	1 758	3 869	5 060	2 889	4 192	2 544	3 288	2 894	2 484	2 574	3 149	2 490	37 192	39 423	41 788
Service charges - electricity revenue	5 539	7 325	6 698	6 668	5 884	5 441	6 833	6 289	5 426	5 369	6 032	5 879	73 383	77 786	82 452
Service charges - water revenue	1 501	1 948	1 949	1 784	1 952	1 952	2 570	2 769	2 342	2 150	2 602	1 682	25 200	26 712	28 315
Service charges - sanitation revenue	476	790	733	656	680	566	1 062	737	759	597	728	589	8 372	8 874	9 406
Service charges - refuse revenue	434	731	653	628	616	507	710	681	668	599	736	589	7 553	8 577	9 748
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	19	47	114	8	34	41	41	88	33	17	17	13	471	499	530
Interest earned - external investments	4	19	33	65	66	52	76	5	14	24	25	8	391	415	440
Interest earned - outstanding debtors	208	249	217	248	200	202	238	236	246	222	271	265	2 804	2 972	3 150
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	314	591	1 113	809	1 284	641	1 126	979	399	42	430	441	8 171	8 660	9 180
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	239	265	250	227	268	231	253	234	275	262	263	230	2 996	3 175	3 365
Transfer receipts - operational	14 463	2 733	2 797	-	2 060	11 570	2 551	1 419	7 992	12 315	157	-	58 056	56 437	62 410
Other revenue	269	367	2 153	324	335	132	234	190	255	388	2 538	390	7 576	8 028	8 489
<b>Cash Receipts by Source</b>	<b>25 224</b>	<b>18 934</b>	<b>21 771</b>	<b>14 305</b>	<b>17 572</b>	<b>23 879</b>	<b>18 983</b>	<b>16 521</b>	<b>20 892</b>	<b>24 558</b>	<b>16 949</b>	<b>12 577</b>	<b>232 164</b>	<b>241 558</b>	<b>259 274</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	9 681	14 129	-	7 762	-	11 809	-	2 265	13 051	796	-	-	59 494	26 065	31 921
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	9	9	9	9	9	9	9	9	9	9	9	9	106	112	119
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>34 914</b>	<b>33 072</b>	<b>21 780</b>	<b>22 076</b>	<b>17 581</b>	<b>35 697</b>	<b>18 991</b>	<b>18 794</b>	<b>33 952</b>	<b>25 363</b>	<b>16 958</b>	<b>12 586</b>	<b>291 764</b>	<b>267 735</b>	<b>291 313</b>
<b>Cash Payments by Type</b>															
Employee related costs	6 884	6 771	6 846	6 725	10 582	7 534	8 413	7 135	6 227	6 587	6 410	5 929	86 044	89 415	94 773
Remuneration of councillors	379	339	393	393	472	415	393	379	554	399	417	417	4 928	5 224	5 538
Finance charges	-	-	1 064	126	98	196	46	3	1 159	55	27	25	2 799	2 439	2 101
Bulk purchases - Electricity	7 917	8 179	7 945	5 634	5 857	5 827	5 961	6 025	5 796	5 849	5 153	4 454	74 596	79 458	83 162
Bulk purchases - Water & Sewer	72	76	73	83	97	107	116	120	116	86	76	72	1 093	1 164	1 219
Other materials	1 674	489	552	654	432	480	571	358	156	801	1 435	65	7 666	8 165	8 604
Contracted services	3 700	1 080	1 219	1 446	955	1 060	1 263	792	344	1 770	3 171	145	16 946	18 202	19 684
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	190	55	63	74	49	54	65	41	18	91	163	7	870	1 028	1 188
Other expenditure	4 699	1 372	1 548	1 836	1 213	1 346	1 604	1 006	437	2 248	4 027	184	21 518	22 890	23 944
<b>Cash Payments by Type</b>	<b>25 515</b>	<b>18 361</b>	<b>19 702</b>	<b>16 971</b>	<b>19 756</b>	<b>17 020</b>	<b>18 432</b>	<b>15 874</b>	<b>14 632</b>	<b>18 040</b>	<b>20 860</b>	<b>11 298</b>	<b>216 460</b>	<b>227 983</b>	<b>240 213</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	-	1 481	2 920	4 931	7 328	3 601	7 674	9 616	9 467	6 592	7 968	9 058	70 635	33 574	38 552
Repayment of borrowing	72	72	594	293	72	693	72	72	621	305	72	425	3 366	3 344	3 393
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>25 588</b>	<b>19 915</b>	<b>23 216</b>	<b>22 195</b>	<b>27 156</b>	<b>21 314</b>	<b>26 178</b>	<b>25 562</b>	<b>24 720</b>	<b>24 936</b>	<b>28 901</b>	<b>20 781</b>	<b>290 461</b>	<b>264 901</b>	<b>282 155</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>9 326</b>	<b>13 157</b>	<b>(1 436)</b>	<b>(118)</b>	<b>(9 575)</b>	<b>14 383</b>	<b>(7 187)</b>	<b>(6 768)</b>	<b>9 232</b>	<b>426</b>	<b>(11 942)</b>	<b>(8 195)</b>	<b>1 303</b>	<b>2 834</b>	<b>9 155</b>
Cash/cash equivalents at the month/year begin:	2 505	11 831	24 988	23 552	23 433	13 858	28 242	21 055	14 287	23 519	23 945	12 003	2 505	3 808	6 642
Cash/cash equivalents at the month/year end:	11 831	24 988	23 552	23 433	13 858	28 242	21 055	14 287	23 519	23 945	12 003	3 808	3 808	6 642	15 797

## **2.10 Annual budgets and service delivery and budget implementation plans – internal departments**

Refer to the SDBIP

## **2.11 Annual budgets and service delivery agreement – municipal entities and other external mechanisms**

Non applicable as the municipality does not have any entities or external mechanisms

## **2.12 Contracts having future budgetary implications**

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## **2.13 Capital expenditure details**

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, then the upgrading of assets, then the repair and maintenance of assets and finally the depreciation per asset class.

**MBRR SA34a - Capital expenditure on new assets by asset class**

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>			
<b>Infrastructure</b>	<b>23 568</b>	<b>4 193</b>	<b>7 710</b>
Roads Infrastructure	40	40	—
Roads	40	40	—
Road Structures	—	—	—
Road Furniture	—	—	—
Capital Spares	—	—	—
Storm water Infrastructure	—	—	—
Drainage Collection	—	—	—
Storm water Conveyance	—	—	—
Attenuation	—	—	—
Electrical Infrastructure	5 238	2 632	7 018
Power Plants	—	—	—
HV Substations	—	—	—
HV Switching Station	—	—	—
HV Transmission Conductors	—	—	—
MV Substations	—	—	—
MV Switching Stations	3 509	2 632	7 018
MV Networks	—	—	—
LV Networks	1 729	—	—
Capital Spares	—	—	—
Water Supply Infrastructure	750	644	692
Dams and Weirs	—	—	—
Boreholes	—	—	—
Reservoirs	—	—	—
Pump Stations	—	—	—
Water Treatment Works	—	—	—
Bulk Mains	—	—	—
Distribution	750	644	692
Distribution Points	—	—	—
PRV Stations	—	—	—
Capital Spares	—	—	—
Sanitation Infrastructure	17 540	877	—
Pump Station	—	—	—
Reticulation	17 540	877	—
Waste Water Treatment Works	—	—	—
Outfall Sewers	—	—	—
Toilet Facilities	—	—	—
Capital Spares	—	—	—
<b>Investment properties</b>	<b>16</b>	<b>—</b>	<b>—</b>
Revenue Generating	—	—	—
Improved Property	—	—	—
Unimproved Property	—	—	—
Non-revenue Generating	16	—	—
Improved Property	—	—	—
Unimproved Property	16	—	—
<b>Computer Equipment</b>	<b>2 681</b>	<b>1 200</b>	<b>1 100</b>
Computer Equipment	2 681	1 200	1 100
<b>Furniture and Office Equipment</b>	<b>580</b>	<b>783</b>	<b>799</b>
Furniture and Office Equipment	580	783	799
<b>Machinery and Equipment</b>	<b>1 020</b>	<b>773</b>	<b>831</b>
Machinery and Equipment	1 020	773	831
<b>Transport Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
Transport Assets	—	—	—
<b>Libraries</b>	<b>—</b>	<b>—</b>	<b>—</b>
Libraries	—	—	—
<b>Zoo's, Marine and Non-biological Animals</b>	<b>—</b>	<b>—</b>	<b>—</b>
Zoo's, Marine and Non-biological Animals	—	—	—
<b>Total Capital Expenditure on new assets</b>	<b>27 864</b>	<b>6 949</b>	<b>10 439</b>

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

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>			
<b>Infrastructure</b>	<b>410</b>	<b>40</b>	<b>40</b>
Roads Infrastructure	-	-	-
<i>Roads</i>	-	-	-
<i>Road Structures</i>	-	-	-
<i>Road Furniture</i>	-	-	-
<i>Capital Spares</i>	-	-	-
Storm water Infrastructure	-	-	-
<i>Drainage Collection</i>	-	-	-
<i>Storm water Conveyance</i>	-	-	-
<i>Attenuation</i>	-	-	-
Electrical Infrastructure	410	40	40
<i>Power Plants</i>	-	-	-
<i>HV Substations</i>	-	-	-
<i>HV Switching Station</i>	-	-	-
<i>HV Transmission Conductors</i>	-	-	-
<i>MV Substations</i>	-	-	-
<i>MV Switching Stations</i>	-	-	-
<i>MV Networks</i>	-	-	-
<i>LV Networks</i>	410	40	40
<i>Capital Spares</i>	-	-	-
<b>Community Assets</b>	<b>1 530</b>	<b>1 226</b>	<b>1 055</b>
Community Facilities	830	635	421
<i>Halls</i>	200	215	231
<i>Cemeteries/Crematoria</i>	200	-	-
<i>Public Open Space</i>	430	420	190
<i>Nature Reserves</i>	-	-	-
Sport and Recreation Facilities	700	591	634
<i>Indoor Facilities</i>	-	-	-
<i>Outdoor Facilities</i>	700	591	634
<i>Capital Spares</i>	-	-	-
<b>Transport Assets</b>	<b>1 500</b>	<b>-</b>	<b>-</b>
Transport Assets	1 500	-	-
<b>Libraries</b>	<b>-</b>	<b>-</b>	<b>-</b>
Libraries	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	<b>-</b>	<b>-</b>	<b>-</b>
Zoo's, Marine and Non-biological Animals	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>3 440</b>	<b>1 266</b>	<b>1 095</b>
<b>Renewal of Existing Assets as % of total capex</b>	<b>4.9%</b>	<b>3.8%</b>	<b>2.8%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>19.9%</b>	<b>6.9%</b>	<b>5.7%</b>

**MBRR SA34e - Capital expenditure on the upgrading of existing assets by asset class**

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>			
<b>Infrastructure</b>	<b>38 741</b>	<b>24 715</b>	<b>26 326</b>
Roads Infrastructure	8 018	2 163	1 051
Roads	8 018	2 163	1 051
Road Structures	—	—	—
Road Furniture	—	—	—
Capital Spares	—	—	—
Storm water Infrastructure	—	—	—
Drainage Collection	—	—	—
Storm water Conveyance	—	—	—
Attenuation	—	—	—
Electrical Infrastructure	800	859	923
Power Plants	—	—	—
HV Substations	—	—	—
HV Switching Station	—	—	—
HV Transmission Conductors	—	—	—
MV Substations	—	—	—
MV Switching Stations	—	—	—
MV Networks	—	—	—
LV Networks	800	859	923
Capital Spares	—	—	—
Water Supply Infrastructure	12 818	8 772	10 526
Dams and Weirs	—	—	—
Boreholes	—	—	—
Reservoirs	—	—	—
Pump Stations	—	—	—
Water Treatment Works	12 818	8 772	10 526
Bulk Mains	—	—	—
Distribution	—	—	—
Distribution Points	—	—	—
PRV Stations	—	—	—
Capital Spares	—	—	—
Sanitation Infrastructure	17 105	12 922	13 826
Pump Station	—	—	—
Reticulation	—	—	—
Waste Water Treatment Works	17 105	12 922	13 826
Outfall Sewers	—	—	—
Toilet Facilities	—	—	—
Capital Spares	—	—	—
<b>Community Assets</b>	<b>90</b>	<b>—</b>	<b>—</b>
Community Facilities	—	—	—
Sport and Recreation Facilities	90	—	—
Indoor Facilities	—	—	—
Outdoor Facilities	90	—	—
Capital Spares	—	—	—
<b>Other assets</b>	<b>500</b>	<b>644</b>	<b>692</b>
Operational Buildings	500	644	692
Municipal Offices	500	644	692
Pay/Enquiry Points	—	—	—
Building Plan Offices	—	—	—
Workshops	—	—	—
Yards	—	—	—
Stores	—	—	—
Laboratories	—	—	—
Training Centres	—	—	—
Manufacturing Plant	—	—	—
Depots	—	—	—
Capital Spares	—	—	—
<b>Zoo's, Marine and Non-biological Animals</b>	<b>—</b>	<b>—</b>	<b>—</b>
Zoo's, Marine and Non-biological Animals	—	—	—
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>39 330</b>	<b>25 360</b>	<b>27 018</b>
<b>Upgrading of Existing Assets as % of total capex</b>	<b>55.7%</b>	<b>75.5%</b>	<b>70.1%</b>
<b>Upgrading of Existing Assets as % of deprecn"</b>	<b>228.0%</b>	<b>138.7%</b>	<b>139.4%</b>

## MBRR SA34c - Repairs and maintenance expenditure by asset class



Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Repairs and maintenance expenditure by Asset Class/Sub-class</u></b>			
<b><u>Infrastructure</u></b>	<b>16 387</b>	<b>17 381</b>	<b>18 427</b>
Roads Infrastructure	5 768	6 117	6 485
Roads	5 768	6 117	6 485
Road Structures	—	—	—
Road Furniture	—	—	—
Capital Spares	—	—	—
Storm water Infrastructure	1 399	1 490	1 584
Drainage Collection	—	—	—
Storm water Conveyance	1 399	1 490	1 584
Attenuation	—	—	—
Electrical Infrastructure	1 290	1 367	1 448
Power Plants	—	—	—
HV Substations	—	—	—
HV Switching Station	—	—	—
HV Transmission Conductors	—	—	—
MV Substations	—	—	—
MV Switching Stations	—	—	—
MV Networks	—	—	—
LV Networks	1 290	1 367	1 448
Capital Spares	—	—	—
Water Supply Infrastructure	2 375	2 518	2 668
Water Treatment Works	1 575	1 670	1 770
Bulk Mains	—	—	—
Distribution	800	848	898
Distribution Points	—	—	—
PRV Stations	—	—	—
Capital Spares	—	—	—
Sanitation Infrastructure	4 605	4 882	5 175
Pump Station	—	—	—
Reticulation	3 955	4 193	4 445
Waste Water Treatment Works	650	689	730
Outfall Sewers	—	—	—
Toilet Facilities	—	—	—
Capital Spares	—	—	—
Solid Waste Infrastructure	950	1 007	1 067
Landfill Sites	950	1 007	1 067
<b><u>Community Assets</u></b>	<b>7 167</b>	<b>7 562</b>	<b>7 566</b>
Community Facilities	6 089	6 419	6 355
Halls	1 051	1 117	1 073
Libraries	7	7	7
Cemeteries/Crematoria	200	300	200
Police	—	—	—
Parks	—	—	—
Public Open Space	4 830	4 995	5 075
Sport and Recreation Facilities	1 078	1 143	1 211
Indoor Facilities	—	—	—
Outdoor Facilities	1 078	1 143	1 211
Capital Spares	—	—	—
<b><u>Other assets</u></b>	<b>860</b>	<b>853</b>	<b>799</b>
Operational Buildings	860	853	799
Municipal Offices	860	853	799
<b><u>Computer Equipment</u></b>	<b>135</b>	<b>144</b>	<b>153</b>
Computer Equipment	135	144	153
<b><u>Machinery and Equipment</u></b>	<b>560</b>	<b>586</b>	<b>621</b>
Machinery and Equipment	560	586	621
<b><u>Transport Assets</u></b>	<b>1 771</b>	<b>1 974</b>	<b>2 090</b>
Transport Assets	1 771	1 974	2 090
<b>Total Repairs and Maintenance Expenditure</b>	<b>26 880</b>	<b>28 500</b>	<b>29 656</b>
<b><u>R&amp;M as a % of PPE</u></b>	<b>5.0%</b>	<b>4.8%</b>	<b>4.9%</b>
<b><u>R&amp;M as % Operating Expenditure</u></b>	<b>0.0%</b>	<b>10.4%</b>	<b>10.3%</b>

## MBRR SA34d - Depreciation by asset class

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Depreciation by Asset Class/Sub-class</u></b>			
<b><u>Infrastructure</u></b>	<b>14 370</b>	<b>15 233</b>	<b>16 146</b>
Roads Infrastructure	3 859	4 091	4 336
<i>Roads</i>	3 859	4 091	4 336
<i>Road Structures</i>	—	—	—
<i>Road Furniture</i>	—	—	—
<i>Capital Spares</i>	—	—	—
Electrical Infrastructure	3 255	3 450	3 657
<i>LV Networks</i>	3 255	3 450	3 657
<i>Capital Spares</i>	—	—	—
Water Supply Infrastructure	3 352	3 554	3 767
<i>Distribution</i>	3 352	3 554	3 767
Sanitation Infrastructure	1 797	1 905	2 019
<i>Pump Station</i>	—	—	—
<i>Reticulation</i>	1 797	1 905	2 019
Solid Waste Infrastructure	2 106	2 233	2 367
<i>Landfill Sites</i>	2 106	2 233	2 367
<b><u>Community Assets</u></b>	<b>528</b>	<b>561</b>	<b>593</b>
Community Facilities	91	97	101
<i>Halls</i>	7	7	7
<i>Museums</i>	6	6	6
<i>Libraries</i>	69	74	78
<i>Cemeteries/Crematoria</i>	6	7	7
<i>Public Open Space</i>	3	3	3
Sport and Recreation Facilities	437	464	492
<i>Indoor Facilities</i>	—	—	—
<i>Outdoor Facilities</i>	437	464	492
<i>Capital Spares</i>	—	—	—
<b><u>Investment properties</u></b>	<b>56</b>	<b>59</b>	<b>63</b>
Revenue Generating	56	59	63
<i>Improved Property</i>	56	59	63
<b><u>Other assets</u></b>	<b>140</b>	<b>149</b>	<b>158</b>
Operational Buildings	140	149	158
<i>Municipal Offices</i>	140	149	158
<b><u>Intangible Assets</u></b>	<b>24</b>	<b>24</b>	<b>24</b>
Servitudes	—	—	—
Licences and Rights	24	24	24
<i>Computer Software and Applications</i>	24	24	24
<b><u>Computer Equipment</u></b>	<b>210</b>	<b>222</b>	<b>235</b>
Computer Equipment	210	222	235
<b><u>Furniture and Office Equipment</u></b>	<b>619</b>	<b>656</b>	<b>695</b>
Furniture and Office Equipment	619	656	695
<b><u>Machinery and Equipment</u></b>	<b>503</b>	<b>533</b>	<b>565</b>
Machinery and Equipment	503	533	565
<b><u>Transport Assets</u></b>	<b>802</b>	<b>850</b>	<b>901</b>
Transport Assets	802	850	901
<b>Total Depreciation</b>	<b>17 253</b>	<b>18 287</b>	<b>19 380</b>

## MBRR SA35 - Future financial implications of the capital budget

Vote Description	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
<b>Capital expenditure</b>							
Vote 1 - Executive and Council	430	420	190	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-	-
Vote 3 - Financial Services	2 463	1 160	1 130	-	-	-	-
Vote 4 - Community Development Services	18 226	1 790	980	-	-	-	-
Vote 5 - Corporate and Strategic Services	1 033	1 274	1 253	-	-	-	-
Vote 6 - Engineering and Planning Services	48 484	28 930	34 998	-	-	-	-
<b>Total Capital Expenditure</b>	<b>70 635</b>	<b>33 574</b>	<b>38 552</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Ref	Program/Project description	IDP Goal code 2	Asset Class	Asset Sub-Class	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
						Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4			\$	\$					
<b>Parent municipality:</b>										
<i>List all capital projects grouped by Municipal Vote</i>										
Vote 1 - Executive and Council		UPGRADE ENTRANCE & BEAUTIFICATION OF CLANWILLIAM	C	Community Facilities	Public Open Space	200	150	—	3	Renewal
Vote 1 - Executive and Council		UPGRADE ENTRANCE & BEAUTIFICATION OF ELANDSBAAI	C	Community Facilities	Public Open Space	—	100	—	5	Renewal
Vote 1 - Executive and Council		UPGRADE ENTRANCE & BEAUTIFICATION OF CITRUSDAL	C	Community Facilities	Public Open Space	—	—	120	2	Renewal
Vote 1 - Executive and Council		UPGRADE ENTRANCE & BEAUTIFICATION OF LEIPOLDTVILLE	C	Community Facilities	Public Open Space	80	—	—	5	Renewal
Vote 1 - Executive and Council		UPGRADE ENTRANCE & BEAUTIFICATION OF GRAAFWATER	C	Community Facilities	Public Open Space	100	—	—	4	Renewal
Vote 1 - Executive and Council		UPGRADE ENTRANCE & BEAUTIFICATION OF LAMBERTSBAAI	C	Community Facilities	Public Open Space	—	170	—	5	Renewal
Vote 1 - Executive and Council		UPGRADE ENTRANCE & BEAUTIFICATION OF ALGERIA	C	Community Facilities	Public Open Space	50	—	—	6	Renewal
Vote 1 - Executive and Council		CDW EQUIPMENT	C	Furniture and Office Equipment	Furniture and Office Equipment	—	—	—	AI	New
Vote 3 - Financial Services		MSOOL SERVER	B	Computer Equipment	Computer Equipment	—	—	—	AI	New
Vote 3 - Financial Services		MSOOL HARDWARE	B	Computer Equipment	Computer Equipment	2 263	1 000	1 000	AI	New
Vote 3 - Financial Services		OFFICE FURNITURE/EQUIPMENT	B	Furniture and Office Equipment	Furniture and Office Equipment	100	80	80	AI	New
Vote 3 - Financial Services		OFFICE FURNITURE/EQUIPMENT	B	Furniture and Office Equipment	Furniture and Office Equipment	—	—	—	AI	New
Vote 3 - Financial Services		FILING CABINETS	B	Furniture and Office Equipment	Furniture and Office Equipment	100	80	80	AI	New
Vote 3 - Financial Services		VETTING SYSTEM	B	Licences and Rights	Computer Software and Applications	—	—	—	AI	New
Vote 4 - Community Development Services		OFFICE FURNITURE/EQUIPMENT	C	Furniture and Office Equipment	Furniture and Office Equipment	100	107	115	AI	New
Vote 4 - Community Development Services		CRDP: EMERGING FARMERS PROJECTS	C	Non-revenue Generating	Unimproved Property	—	—	—	AI	New
Vote 4 - Community Development Services		EPWP EQUIPMENT	C	Computer Equipment	Computer Equipment	25	—	—	AI	New
Vote 4 - Community Development Services		PURCHASE OF FARM: FALSBESHEUWEL	C	Non-revenue Generating	Unimproved Property	10	—	—	4	New
Vote 4 - Community Development Services		MUNICIPAL COMMUNITY FACILITIES	C	Community Facilities	Halls	200	215	231	AI	Renewal
Vote 4 - Community Development Services		MUNICIPAL LIBRARY COAL	F	Community Facilities	Halls	—	—	—	5	New
Vote 4 - Community Development Services		ELANDSBAAI-NEW MUNICIPAL BUILDING/MULTI-PURPOSE HALL	F	Community Facilities	Halls	—	—	—	5	New
Vote 4 - Community Development Services		MRFG - EQUIPMENT	F	Computer Equipment	Computer Equipment	45	—	—	AI	New
Vote 4 - Community Development Services		HOUSING CONSUMER EDUCATION: EQUIPMENT	E	Computer Equipment	Computer Equipment	—	—	—	AI	New
Vote 4 - Community Development Services		HUMAN SETTLEMENT DEVELOPMENT GRANT (LSAY)	E	Sanitation Infrastructure	Reticalation	17 140	877	—	5	New
Vote 4 - Community Development Services		ENTRANCE UPGRADE & BEAUTIFICATION-REBORTS Clanwilliam	F	Sport and Recreation Facilities	Outdoor Facilities	150	161	173	3	Renewal
Vote 4 - Community Development Services		UPGRADE & BEAUTIFICATION: CARAVAN PARK LSAY	F	Sport and Recreation Facilities	Outdoor Facilities	50	54	55	5	Renewal
Vote 4 - Community Development Services		UPGRADE & BEAUTIFICATION: CARAVAN PARK LSAY	F	Sport and Recreation Facilities	Outdoor Facilities	150	161	173	5	Renewal
Vote 4 - Community Development Services		UPGRADE: SPORTS FACILITIES	F	Sport and Recreation Facilities	Outdoor Facilities	—	—	—	AI	Upgrade
Vote 4 - Community Development Services		UPGRADE SPORT FIELDS	F	Sport and Recreation Facilities	Outdoor Facilities	350	215	231	AI	Renewal
Vote 5 - Corporate and Strategic Services		OFFICE FURNITURE	C	Furniture and Office Equipment	Furniture and Office Equipment	200	430	481	AI	New
Vote 5 - Corporate and Strategic Services		BUILDING UPGRADE	C	Operational Buildings	Municipal Offices	500	644	622	AI	Upgrade
Vote 5 - Corporate and Strategic Services		IT EQUIPMENT & SOFTWARE	C	Computer Equipment	Computer Equipment	333	200	100	AI	New
Vote 5 - Engineering and Planning Services		GENERAL VEHICLES & SPECIALISED/ENGINEERING	C	Transport Assets	Transport Assets	—	—	—	AI	New
Vote 5 - Engineering and Planning Services		PMU/COMPUTER EQUIPMENT	C	Computer Equipment	Computer Equipment	15	—	—	AI	New
Vote 5 - Engineering and Planning Services		MIQ: UPGRADE ROADS AND STORMWATER COAL	A	Roads Infrastructure	Roads	7 018	803	551	2	Upgrade
Vote 5 - Engineering and Planning Services		MIQ: UPGRADE OF WASTE WATER TREATMENT WORKS PHQ LSAY	A	Sanitation Infrastructure	Waste Water Treatment Works	4 380	12 922	13 520	5	Upgrade
Vote 5 - Engineering and Planning Services		MIQ: HIGH MAST LIGHTING	A	Electrical Infrastructure	LV Networks	1 720	—	—	3	New
Vote 5 - Engineering and Planning Services		MIQ: UPGRADE SPORT FIELDS: GRAAFWATER & CLANWILLIAM	A	Sport and Recreation Facilities	Outdoor Facilities	—	—	—	3	Upgrade
Vote 5 - Engineering and Planning Services		UPGRADE SPORT FIELDS: LSAY	A	Sport and Recreation Facilities	Outdoor Facilities	90	—	—	5	Upgrade
Vote 5 - Engineering and Planning Services		RSIQ: WATER TREATMENT WORKS - CLANW	A	Water Supply Infrastructure	Water Treatment Works	3 500	—	—	3	Upgrade
Vote 5 - Engineering and Planning Services		RSIQ: WASTE WATER TREATMENT WORKS: CITRUSDAL	A	Sanitation Infrastructure	Waste Water Treatment Works	—	—	—	2	Upgrade
Vote 5 - Engineering and Planning Services		RSIQ-CLANWILLIAM REGIONAL WATER SUPPLY AND DESALINATION	A	Water Supply Infrastructure	Water Treatment Works	538	—	—	3	Upgrade
Vote 5 - Engineering and Planning Services		CITRUSDAL WTW	A	Sanitation Infrastructure	Waste Water Treatment Works	12 710	—	—	2	Upgrade
Vote 5 - Engineering and Planning Services		UPGRADE OF SPEEDHUMPS: CITRUSDAL	A	Roads Infrastructure	Roads	40	40	—	2	New
Vote 5 - Engineering and Planning Services		ROADS: EQUIPMENT	A	Furniture and Office Equipment	Furniture and Office Equipment	80	80	92	AI	New
Vote 5 - Engineering and Planning Services		UPGRADE ROADS CEDERSBERG	A	Roads Infrastructure	Roads	800	1 100	350	AI	Upgrade
Vote 5 - Engineering and Planning Services		UPGRADE ROADS CLANWILLIAM	A	Roads Infrastructure	Roads	400	200	150	3	Upgrade
Vote 5 - Engineering and Planning Services		BEVERAGE EQUIPMENT	A	Machinery and Equipment	Machinery and Equipment	300	322	345	AI	New
Vote 5 - Engineering and Planning Services		INFRA SANITATION SERVICES CLANW	A	Sanitation Infrastructure	Reticalation	—	—	—	3	New
Vote 5 - Engineering and Planning Services		INFRA SANITATION SERVICES GRAAFWATER (NIGHTSHELTERS & CRECHE)	A	Sanitation Infrastructure	Reticalation	150	—	—	4	New
Vote 5 - Engineering and Planning Services		INFRA SANITATION SERVICES GRAAFWATER (FLASH TOILETS)	A	Sanitation Infrastructure	Reticalation	250	—	—	4	New
Vote 5 - Engineering and Planning Services		UPGRADING GRAAFWATER WATER SCHEME	A	Water Supply Infrastructure	Water Treatment Works	5 772	5 772	10 525	4	Upgrade
Vote 5 - Engineering and Planning Services		BOROGATE ALGERIA	A	Water Supply Infrastructure	Boreholes	—	—	—	6	New
Vote 5 - Engineering and Planning Services		INFRA WATER SERVICES LSAY	A	Water Supply Infrastructure	Distribution	—	—	—	5	New
Vote 5 - Engineering and Planning Services		INFRA WATER SERVICES CLANW	A	Water Supply Infrastructure	Distribution	—	—	—	3	New
Vote 5 - Engineering and Planning Services		INFRA WATER SERVICES GRAAFWATER	A	Water Supply Infrastructure	Distribution	150	—	—	4	New
Vote 5 - Engineering and Planning Services		EQUIPMENT & METER REPLACEMENT	A	Water Supply Infrastructure	Distribution	600	644	622	AI	New
Vote 5 - Engineering and Planning Services		SPECIALIST REFUSE TRUCK	A	Transport Assets	Transport Assets	1 500	—	—	3	Renewal
Vote 5 - Engineering and Planning Services		REFUSE EQUIPMENT	A	Machinery and Equipment	Machinery and Equipment	120	129	138	AI	New
Vote 5 - Engineering and Planning Services		PARKS & GARDEN: EQUIPMENT	A	Machinery and Equipment	Machinery and Equipment	100	107	115	AI	New
Vote 5 - Engineering and Planning Services		UPGRADE ABLUTION FACILITIES: CEMETRIES LAMBERTSBAAI	A	Community Facilities	Cemeteries/Crematoria	200	—	—	AI	Renewal
Vote 5 - Engineering and Planning Services		ELECTRICAL ENGINEERING: EQUIPMENT	A	Machinery and Equipment	Machinery and Equipment	500	215	231	AI	New
Vote 5 - Engineering and Planning Services		ELECTRICAL ENGINEERING: VEHICLES	A	Transport Assets	Transport Assets	—	—	—	AI	New
Vote 5 - Engineering and Planning Services		REPLACEMENT OF STREETLIGHTS CLANW MAIN ROAD	A	Electrical Infrastructure	LV Networks	—	—	—	3	Renewal
Vote 5 - Engineering and Planning Services		ELECTRICITY: UPGRADE NETWORK	A	Electrical Infrastructure	LV Networks	800	850	923	AI	Upgrade
Vote 5 - Engineering and Planning Services		REPLACEMENT OF STREETLIGHTS CEDERSBERG	A	Electrical Infrastructure	LV Networks	400	40	40	AI	Renewal
Vote 5 - Engineering and Planning Services		STREETLIGHTS GRAAFWATER	A	Electrical Infrastructure	LV Networks	10	—	—	AI	Renewal
Vote 5 - Engineering and Planning Services		INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME	A	Electrical Infrastructure	MV Switching Stations	3 500	2 032	7 018	AI	New
Vote 5 - Engineering and Planning Services		TOWN PLANNING: VEHICLES	B	Transport Assets	Transport Assets	—	—	—	AI	New
Parent Capital expenditure	1					70 835	53 674	58 662		
Total Capital expenditure						70 835	53 674	58 662		

## 2.14 Legislation compliance status

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

1. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft and is to be finalised after approval of the 2017/18 MTREF at least 30 days before the start of the next financial year directly aligned and informed by the 2017/18 MTREF.
2. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
3. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed 5 interns undergoing training in various divisions of the Financial Services Department. Currently a further 2 vacancies are in process of being filled. This process is expected to be finalised at the end of July 2017.
4. Budget and Treasury Office  
The Budget and Treasury Office has been established. The unit needs to be further capacitated in order to fulfill its legislative objective and to be fully effective to deliver in terms of its mandate accordingly.
5. Audit Committee  
An Audit Committee has been established and is fully functional.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
No MFMA training is currently underway. Skills Competency training is currently in progress at the municipality with only a few individuals in the final stages of the programme.
8. Policies  
Budget related policies will be reviewed and updated if so required for final submission with the approval of the 2017/18 MTREF & outer two years.

## 2.15 Other supporting documents

All other supporting schedules not specifically addressed in this document are included below.

### MBRR SA1 - Supporting detail to 'Budgeted Financial Performance'

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>REVENUE ITEMS:</b>			
<b><u>Property rates</u></b>			
Total Property Rates	63 308	67 106	71 132
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	22 437	23 784	25 211
<b>Net Property Rates</b>	<b>40 871</b>	<b>43 322</b>	<b>45 921</b>
<b><u>Service charges - electricity revenue</u></b>			
Total Service charges - electricity revenue	80 827	85 677	90 817
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>			
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	187	198	210
<b>Net Service charges - electricity revenue</b>	<b>80 640</b>	<b>85 479</b>	<b>90 607</b>
<b><u>Service charges - water revenue</u></b>			
Total Service charges - water revenue	28 568	30 281	32 098
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>			
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	875	927	983
<b>Net Service charges - water revenue</b>	<b>27 693</b>	<b>29 354</b>	<b>31 115</b>
<b><u>Service charges - sanitation revenue</u></b>			
Total Service charges - sanitation revenue	12 764	13 530	14 341
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>			
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	3 564	3 778	4 005
<b>Net Service charges - sanitation revenue</b>	<b>9 200</b>	<b>9 752</b>	<b>10 336</b>
<b><u>Service charges - refuse revenue</u></b>			
Total refuse removal revenue	8 728	9 880	11 194
Total landfill revenue	—	—	—
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>			
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	429	455	482
<b>Net Service charges - refuse revenue</b>	<b>8 299</b>	<b>9 425</b>	<b>10 712</b>

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Other Revenue by source</u></b>			
<i>Administrative Handling Fees</i>	5	6	6
<i>Advertisements</i>	—	—	—
<i>Application Fees for Land Usage</i>	57	61	64
<i>Beach and River Sand</i>	5	5	5
<i>Books</i>	3	3	3
<i>Building Plan Approval</i>	666	706	748
<i>Camping Fees</i>	3 307	3 505	3 715
<i>Cemetery and Burial</i>	114	120	127
<i>Clearance Certificates</i>	44	46	49
<i>Collection Charges</i>	48	51	54
<i>Commission</i>	—	—	—
<i>Consumables</i>	18	19	20
<i>Development Charges</i>	2 200	2 332	2 472
<i>Entrance Fees</i>	423	448	475
<i>Insurance Refund</i>	—	—	—
<i>Photocopies and Faxes</i>	23	24	25
<i>Request for Information</i>	249	264	280
<i>SETA</i>	305	323	342
<i>Staff Recoveries</i>	130	138	146
<i>Sub-division and Consolidation Fees</i>	62	66	70
<i>Tender documents</i>	88	93	99
<i>Valuation Services</i>	22	23	24
<b>Total 'Other' Revenue</b>	<b>7 769</b>	<b>8 233</b>	<b>8 724</b>
<b>EXPENDITURE ITEMS:</b>			
<b><u>Employee related costs</u></b>			
<i>Basic Salaries and Wages</i>	60 749	62 607	66 369
<i>Pension and UIF Contributions</i>	9 270	9 829	10 416
<i>Medical Aid Contributions</i>	4 057	4 301	4 556
<i>Overtime</i>	1 538	1 629	1 726
<i>Performance Bonus</i>	—	—	—
<i>Motor Vehicle Allowance</i>	4 595	4 870	5 160
<i>Cellphone Allowance</i>	430	452	479
<i>Housing Allowances</i>	946	1 002	1 066
<i>Other benefits and allowances</i>	2 952	3 130	3 314
<i>Payments in lieu of leave</i>	600	636	674
<i>Long service awards</i>	381	404	428
<i>Post-retirement benefit obligations</i>	2 200	2 332	2 472
<b>sub-total</b>	<b>87 718</b>	<b>91 192</b>	<b>96 660</b>
<b><u>Less: Employees costs capitalised to PPE</u></b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Employee related costs</b>	<b>87 718</b>	<b>91 192</b>	<b>96 660</b>

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b><u>Depreciation &amp; asset impairment</u></b>			
Depreciation of Property, Plant & Equipment	17 253	18 287	19 380
Lease amortisation	–	–	–
Capital asset impairment	–	–	–
Depreciation resulting from revaluation of PPE	–	–	–
<b>Total Depreciation &amp; asset impairment</b>	<b>17 253</b>	<b>18 287</b>	<b>19 380</b>
<b><u>Bulk purchases</u></b>			
Electricity Bulk Purchases	68 235	72 329	76 669
Water Bulk Purchases	1 000	1 060	1 124
<b>Total bulk purchases</b>	<b>69 235</b>	<b>73 389</b>	<b>77 793</b>
<b><u>Transfers and grants</u></b>			
Cash transfers and grants	870	1 028	1 188
Non-cash transfers and grants	–	–	–
<b>Total transfers and grants</b>	<b>870</b>	<b>1 028</b>	<b>1 188</b>
<b><u>Contracted services</u></b>			
Accounting and Auditing	1 476	1 708	1 944
Audit Committee	30	32	34
Building Contractors	–	–	–
Burial Services	5	5	5
Catering Services	212	224	236
Collection	250	265	281
Commissions and Committees	100	106	112
Ecological	65	69	73
Employee Wellness	150	159	169
Engineering Services (Civil)	400	424	450
Engineering Services (Electrical)	–	–	–
Human Resources	250	265	281
Inspection Fees	63	67	71
Laboratory Services	343	364	386
Legal Advice and Litigation	500	530	562
Maintenance of Buildings and Facilities	1 969	1 974	1 661
Maintenance of Equipment	5 130	5 544	5 884
Maintenance of Unspecified Assets	30	32	34
Management of Informal Settlements	15	16	17
Occupational Health and Safety	100	106	112
Organisational	150	159	1 045
Project Management	403	427	453
Research and Advisory	330	350	371
Safeguard And Security	1 820	1 929	2 044
Security Services	320	339	359
Sewerage Services	250	265	281
Stage and Sound Crew	125	133	141
Traffic Fines Management	1 000	1 060	1 124
Translators, Scribes and Editors	15	16	17
Valuer and Assessors	–	–	–
<b>sub-total</b>	<b>15 501</b>	<b>16 569</b>	<b>18 147</b>
<b>Allocations to organs of state:</b>			
Electricity	–	–	–
Water	–	–	–
Sanitation	–	–	–
Other	–	–	–
<b>Total contracted services</b>	<b>15 501</b>	<b>16 569</b>	<b>18 147</b>



Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>Other Expenditure By Type</b>			
Collection costs	—	—	—
Contributions to 'other' provisions	—	—	—
Consultant fees	—	—	—
Audit fees	—	—	—
General expenses	—	—	—
Advertising, Publicity and Marketing	307	326	346
Assets less than the Capitalisation Threshold	1 640	1 710	1 810
Audit Fees (external)	2 500	2 650	2 809
Bank Charges	954	1 011	1 072
Commision - Prepaid Electricity	1 250	1 325	1 405
Computer Service	1 674	1 774	1 881
Courier and Delivery Services	70	74	78
Deeds	45	48	51
Drivers Licences and Permits	150	159	169
Entertainment	136	144	152
Full Time Union Representative	50	53	56
Hire Charges	1 248	1 323	1 401
Insurance Underwriting (Broker's Fee)	20	21	22
Insurance Underwriting (Excess Payments)	80	85	90
Insurance Underwriting (Premiums)	900	954	1 011
Licences	144	153	162
Licences (Radio and Television)	3	3	3
Operating Leases	350	371	393
Postage/Stamps/Frinking Machines	1	1	1
Printing, Publications and Books	979	1 038	1 101
Professional Bodies, Membership and Subscription	1 139	1 208	1 281
Registration Fees	595	632	671
Remuneration of Ward Committees	382	404	428
Resettlement Cost	50	53	56
Signage	10	11	12
Skills Development Fund Levy	608	643	680
SMS Bulk Message Service	15	16	17
Software Licences	20	21	22
Telemetric Systems	150	159	168
Telephone, Fax, Telegraph and Telex	1 256	1 331	1 411
Travel Agency and Visa's	—	—	—
Travel and Subsistence	1 151	1 219	1 286
Uniform and Protective Clothing	1 092	1 159	1 228
Vehicle Tracking	258	274	290
Workmen's Compensation Fund	456	483	512
<b>Total 'Other' Expenditure</b>	<b>19 683</b>	<b>20 836</b>	<b>22 075</b>
<b>Repairs and Maintenance by Expenditure Item</b>			
Employee related costs	12 275	13 011	13 789
Other materials	4 270	4 569	4 721
Contracted Services	7 592	8 041	8 100
Other Expenditure	2 744	2 879	3 046
<b>Total Repairs and Maintenance Expenditure</b>	<b>26 880</b>	<b>28 500</b>	<b>29 656</b>

## MBRR SA2 - Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Office of Municipal Manager	Vote 3 - Financial Services	Vote 4 - Community Development Services	Vote 5 - Corporate and Strategic Services	Vote 6 - Engineering and Planning Services	Total
R thousand	1	R'000	R'000	R'000	R'000	R'000	R'000	
<b>Revenue By Source</b>								
Property rates		–	–	40 871	–	–	–	40 871
Service charges - electricity revenue		–	–	–	–	–	80 640	80 640
Service charges - water revenue		–	–	–	–	–	27 693	27 693
Service charges - sanitation revenue		–	–	–	–	–	9 200	9 200
Service charges - refuse revenue		–	–	–	–	–	8 299	8 299
Service charges - other		–	–	–	–	–	–	–
Rental of facilities and equipment		–	–	–	387	84	–	471
Interest earned - external investments		–	–	391	–	–	–	391
Interest earned - outstanding debtors		–	–	3 082	–	–	–	3 082
Dividends received		–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	2	35 467	–	13	35 482
Licences and permits		–	–	–	–	–	–	–
Agency services		–	–	–	2 996	–	–	2 996
Other revenue		–	–	454	3 864	458	2 994	7 769
Transfers and subsidies		7 427	–	1 550	8 469	240	40 370	58 056
Gains on disposal of PPE		–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>7 427</b>	<b>–</b>	<b>46 349</b>	<b>51 183</b>	<b>781</b>	<b>169 210</b>	<b>274 951</b>
<b>Expenditure By Type</b>								
Employee related costs		778	2 278	16 435	22 383	8 251	37 594	87 718
Remuneration of councillors		4 928	–	–	–	–	–	4 928
Debt impairment		–	–	15 627	27 312	–	–	42 939
Depreciation & asset impairment		–	–	2 883	–	–	14 370	17 253
Finance charges		–	–	8 544	–	–	–	8 544
Bulk purchases		–	–	–	–	–	69 235	69 235
Other materials		160	35	158	1 604	345	5 294	7 595
Contracted services		275	195	2 009	2 851	3 475	6 696	15 501
Transfers and grants		–	–	–	380	490	–	870
Other expenditure		2 097	442	8 227	1 654	4 574	2 690	19 683
Loss on disposal of PPE		–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>8 238</b>	<b>2 950</b>	<b>53 882</b>	<b>56 184</b>	<b>17 135</b>	<b>135 878</b>	<b>274 267</b>
<b>Surplus/(Deficit)</b>		<b>(811)</b>	<b>(2 950)</b>	<b>(7 533)</b>	<b>(5 001)</b>	<b>(16 354)</b>	<b>33 332</b>	<b>684</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	–	–	17 210	–	42 284	59 494
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(811)</b>	<b>(2 950)</b>	<b>(7 533)</b>	<b>12 209</b>	<b>(16 354)</b>	<b>75 616</b>	<b>60 177</b>

## MBRR SA3 - Supporting detail to 'Budgeted Financial Position'

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>ASSETS</b>			
<b><u>Call investment deposits</u></b>			
Call deposits	2 000	2 000	2 000
Other current investments	—	—	—
<b>Total Call investment deposits</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>
<b><u>Consumer debtors</u></b>			
Consumer debtors	99 204	115 458	132 751
<u>Less: Provision for debt impairment</u>	(68 017)	(84 582)	(102 141)
<b>Total Consumer debtors</b>	<b>31 187</b>	<b>30 876</b>	<b>30 611</b>
<b><u>Debt impairment provision</u></b>			
Balance at the beginning of the year	(52 389)	(68 017)	(84 582)
Contributions to the provision	(15 627)	(16 565)	(17 559)
Bad debts written off	—	—	—
<b>Balance at end of year</b>	<b>(68 017)</b>	<b>(84 582)</b>	<b>(102 141)</b>
<b><u>Property, plant and equipment (PPE)</u></b>			
PPE at cost/valuation (excl. finance leases)	875 075	908 649	947 202
Leases recognised as PPE	5 000	5 000	5 000
<u>Less: Accumulated depreciation</u>	289 341	307 548	326 849
<b>Total Property, plant and equipment (PPE)</b>	<b>590 734</b>	<b>606 101</b>	<b>625 353</b>
<b>LIABILITIES</b>			
<b><u>Current liabilities - Borrowing</u></b>			
Short term loans (other than bank overdraft)	—	—	—
Current portion of long-term liabilities	3 344	3 393	3 393
<b>Total Current liabilities - Borrowing</b>	<b>3 344</b>	<b>3 393</b>	<b>3 393</b>
<b><u>Trade and other payables</u></b>			
Trade and other creditors	31 394	19 654	8 838
Unspent conditional transfers	—	—	—
VAT	2 872	3 140	3 424
<b>Total Trade and other payables</b>	<b>34 266</b>	<b>22 794</b>	<b>12 262</b>
<b><u>Non current liabilities - Borrowing</u></b>			
Borrowing	18 464	15 071	11 678
Finance leases (including PPP asset element)	—	—	—
<b>Total Non current liabilities - Borrowing</b>	<b>18 464</b>	<b>15 071</b>	<b>11 678</b>
<b><u>Provisions - non-current</u></b>			
Retirement benefits	32 756	37 081	41 665
<i>List other major provision items</i>			
Refuse landfill site rehabilitation	58 826	62 331	65 998
Long Service Awards	3 735	3 931	4 138
<b>Total Provisions - non-current</b>	<b>95 317</b>	<b>103 342</b>	<b>111 801</b>
<b>CHANGES IN NET ASSETS</b>			
<b><u>Accumulated Surplus/(Deficit)</u></b>			
Accumulated Surplus/(Deficit) - opening balance	486 903	547 080	571 440
GRAP adjustments	—	—	—
Restated balance	486 903	547 080	571 440
Surplus/(Deficit)	60 177	24 360	33 363
Appropriations to Reserves	—	—	—
Transfers from Reserves	—	—	—
Depreciation offsets	—	—	—
Other adjustments	—	—	—
<b>Accumulated Surplus/(Deficit)</b>	<b>547 080</b>	<b>571 440</b>	<b>604 803</b>
<b><u>Reserves</u></b>			
Housing Development Fund	—	—	—
Capital replacement	—	—	—
Self-insurance	—	—	—
Other reserves	—	—	—
Revaluation	—	—	—
<b>Total Reserves</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>547 080</b>	<b>571 440</b>	<b>604 803</b>

## MBRR SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome
<b>Demographics</b>					
Population		Stats SA	52 949	53 100	53 850
Females aged 5 - 14		Stats SA	5 610	5 650	5 700
Males aged 5 - 14		Stats SA	4 500	4 800	500
Females aged 15 - 34		Stats SA	15 688	6 668	6 668
Males aged 15 - 34		Stats SA	17 312	6 810	6 810
Unemployment		Stats SA	4 372	4 050	4 050
<b>Monthly household income (no. of households)</b>	1, 12				
No income		Stats SA			
R1 - R1 600		Stats SA			
R1 601 - R3 200		Stats SA	2 150	2 160	2 200
R3 201 - R6 400		Stats SA	505	510	520
R6 401 - R12 800		Stats SA	863	880	900
R12 801 - R25 600		Stats SA	4 812	4 900	4 915
R25 601 - R51 200		Stats SA	6 877	6 900	6 910
R52 201 - R102 400		Stats SA	5 689	5 690	5 690
R102 401 - R204 800		Stats SA	2 860	2 862	2 865
R204 801 - R409 600		Stats SA	1 727	1 728	1 730
R409 601 - R819 200		Stats SA	204	205	206
> R819 200		Stats SA	70	71	72
<b>Poverty profiles (no. of households)</b>					
< R2 060 per household per month	13	Stats SA	2150.00	2160.00	2200.00
Insert description	2				
<b>Household/demographics (000)</b>					
Number of people in municipal area		CDW	52 949	53 100	53 850
Number of poor people in municipal area		CDW	5 225	5 300	5 600
Number of households in municipal area		CDW	8	8	8
Number of poor households in municipal area		CDW	2	2	2
Definition of poor household (R per month)		Stats SA	2 150	2 160	2 200
<b>Housing statistics</b>	3				
Formal			9 730	9 750	9 799
Informal			1 300	1 400	1 500
<b>Total number of households</b>			11 030	11 150	11 299
Dwellings provided by municipality	4		-	-	-
Dwellings provided by province/s			-	-	-
Dwellings provided by private sector	5		-	-	-
<b>Total new housing dwellings</b>			-	-	-
<b>Economic</b>	6				
Inflation/inflation outlook (CPIX)			6.4%	5.8%	5.8%
Interest rate - borrowing			9.0%	9.0%	9.0%
Interest rate - investment			2.0%	2.0%	2.0%
Remuneration increases			7.4%	6.1%	6.2%
Consumption growth (electricity)			1.9%	15.0%	15.0%
Consumption growth (water)			6.4%	5.0%	5.0%
<b>Collection rates</b>	7				
Property tax/service charges			91.0%	91.0%	91.0%
Rental of facilities & equipment			95.0%	95.0%	95.0%
Interest - external investments			100.0%	100.0%	100.0%
Interest - debtors			5.0%	5.0%	5.0%
Revenue from agency services			100.0%	100.0%	100.0%

## Property rates summary

<b>PROPERTY RATES</b>	<b>2016/17</b>	<b>2017/18</b>	<b>% Change</b>
<b>Residential</b>	0.011	0.012	<b>6.40%</b>
<b>Farm Properties</b>			
Agricultural (80% REBATE TARIFF)	0.002	0.002	<b>6.40%</b>
Agricultural (75% REBATE TARIFF)	0.003	0.003	<b>6.40%</b>
Business & Commercial (No Rebate)	0.011	0.012	<b>6.40%</b>
Residential (No Rebate)	0.011	0.012	<b>6.40%</b>
<b>Small Holdings</b>			
Agricultural	0.002	0.002	<b>6.40%</b>
Business & Commercial (No Rebate)	0.011	0.012	<b>6.40%</b>
Residential (No Rebate)	0.011	0.012	<b>6.40%</b>
<b>Commercial/Business</b>	0.014	0.015	<b>6.40%</b>
<b>Government</b>			
Educational; Hospitals; Schools	0.014	0.015	<b>6.40%</b>
Police	0.014	0.015	<b>6.40%</b>

## Service Tariffs by category – explanatory

<b>WATER</b>	<b>2016/17</b>	<b>2017/18</b>	<b>% Change</b>
<b>AVAILABILITY CHARGE ON EMPTY STANDS (ANNUAL)</b>	618.20	657.77	<b>6.40%</b>
<b>DOMESTIC USERS, RESIDENTIAL</b>			
<b>Basic Charge</b>	100.70	107.14	<b>6.40%</b>
<b>Per kilolitre, per month</b>			
0 - 25 kilolitre	6.87	7.31	<b>6.40%</b>
26 - 50 kilolitre	8.43	8.97	<b>6.40%</b>
51 - 75 kilolitre	9.80	10.43	<b>6.40%</b>
75+ kilolitre	17.02	18.11	<b>6.40%</b>
<b>Drought Season Tariffs (as allowed by Council)</b>			
0 - 25 kilolitre	8.24	8.77	<b>6.40%</b>
26 - 50 kilolitre	10.12	10.77	<b>6.40%</b>
51 - 75 kilolitre	11.76	12.51	<b>6.40%</b>
75+ kilolitre	20.42	21.73	<b>6.40%</b>
<b>BUSINESS</b>			
<b>Basic Charge</b>	157.50	167.58	<b>6.40%</b>
<b>Per Kilolitre, per month</b>	12.13	12.90	<b>6.40%</b>
<b>Drought Season Tariffs (as allowed by Council)</b>	14.55	15.48	<b>6.40%</b>
<b>OLD AGE HOMES, CHURCHES</b>			
<b>Per Kilolitre (Per Month)</b>			
0 - 25 kilolitre	5.68	6.04	<b>6.40%</b>
26 - 50 kilolitre	7.10	7.55	<b>6.40%</b>
51 - 75 kilolitre	10.03	10.67	<b>6.40%</b>
75+ kilolitre	15.04	16.00	<b>6.40%</b>
<b>SCHOOLS, HOSPITALS, SPORT CLUBS</b>			
<b>Per kilolitre, per month</b>			
0 - 25 kilolitre	5.68	6.04	<b>6.40%</b>
26 - 50 kilolitre	7.10	7.55	<b>6.40%</b>
51 - 75 kilolitre	10.03	10.67	<b>6.40%</b>
75+ kilolitre	15.04	16.00	<b>6.40%</b>

REFUSE	2016/17	2017/18	% Change
<b>HOUSEHOLDS</b>			
<b>Basic Charge (Indigent clients excluded) (Infrastructure levy Households)</b>	16.97	18.05	<b>6.40%</b>
<b>Households: once per week</b>	71.24	81.93	<b>15.00%</b>
<b>BUSINESSES</b>			
<b>Basic Charge (Businesses) (Infrastructure levy Business)</b>	133.38	141.91	<b>6.40%</b>
<b>Removal:</b> once per week	79.38	91.29	<b>15.00%</b>
2 times per week	157.50	167.58	<b>6.40%</b>
3 times per week	240.07	255.44	<b>6.40%</b>
4 times per week	325.58	346.42	<b>6.40%</b>
More than 4 times per week	414.06	440.56	<b>6.40%</b>
<b>SPECIAL RATES</b>			
Schools	158.54	168.68	<b>6.40%</b>
School residences	237.18	252.36	<b>6.40%</b>
Church and halls	79.91	85.02	<b>6.40%</b>
Nursery schools	79.91	85.02	<b>6.40%</b>
Hospital	237.18	252.36	<b>6.40%</b>
Old age homes	469.29	499.33	<b>6.40%</b>

SEWERAGE	2016/17	2017/18	% Change
<b>AVAILABILITY FEES (YEARLY)</b>	1 052.96	1 120.35	<b>6.40%</b>
<b>BASIC CHARGE (MONTHLY)</b>	26.50	28.20	<b>6.40%</b>
<b>FLUSH TOILETS</b>			
<b>Households (Standard Levy)</b>	132.62	141.10	<b>6.40%</b>
<b>Businesses</b>			
1-3 Toilets	132.62	141.10	<b>6.40%</b>
More than 3 Toilets (per additional toilet)	44.21	47.04	<b>6.40%</b>
<b>Hotels and Flats (per toilet)</b>	88.42	94.08	<b>6.40%</b>
<b>Schools and Hostels (per toilet)</b>	42.55	45.28	<b>6.40%</b>
<b>Old age homes (per toilet)</b>	42.55	45.28	<b>6.40%</b>
<b>Special Rates (monthly)</b>			
All churches and halls	328.42	349.44	<b>6.40%</b>
SAPS	1 354.91	1 441.62	<b>6.40%</b>
Hospital	1 150.13	1 223.74	<b>6.40%</b>
Wine Cellars	1 059.97	1 127.81	<b>6.40%</b>
<b>SUCTION TANKS PER LOAD</b>			
<b>Within working hours</b>			
Single Load	90.80	96.61	<b>6.40%</b>
Double Load	172.59	183.63	<b>6.40%</b>
Outside Municipal area	492.17	523.67	<b>6.40%</b>
Rate per km outside municipal area	20.60	8.20	<b>6.40%</b>
<b>After hours, weekends and public holidays</b>			
Single Load	492.17	523.67	<b>6.40%</b>
Double Load	649.60	691.18	<b>6.40%</b>
Outside Municipal area	649.60	691.18	<b>6.40%</b>
Rate per km outside municipal area	7.74	8.23	<b>6.40%</b>

<b>ELECTRICITY</b>	<b>2016/17</b>	<b>2017/18</b>	<b>% Change</b>
<b>AVAILABILITY FEES ON EMPTY PLOTS (LEVY PER ANNUM)</b>	2 140.20	2 180.44	<b>1.88%</b>
<b>DOMESTIC USERS</b>			
<b>Conventional meters</b>			
Basic (Single phase) - (R/month)	270.70	275.79	<b>1.88%</b>
Basic (Three phase) - (R/month)	405.32	412.94	<b>1.88%</b>
Electricity (R/kWu)	1.42	1.45	<b>1.88%</b>
<b>Prepaid meters Indigent 20 Amp</b>			
Electricity Indigent (R/kWu) 51 - 100 kWu/month.	1.04	1.05	<b>1.88%</b>
<b>Prepaid meters: 20 Amp single phase</b>			
Electricity (R/kWu) 1-500 kWu/month.	1.69	1.72	<b>1.88%</b>
Electricity (R/kWu) 500 - 2000 kWu/month.	1.69	1.72	<b>1.88%</b>
Electricity (R/kWu) 2000 + kWu/month.	1.69	1.72	<b>1.88%</b>
<b>Prepaid meters: Single phase &gt; 20 amp; 3 phase all levels</b>			
Basic	43.06	43.87	<b>1.88%</b>
Capacity Charge	3.23	3.29	<b>1.88%</b>
Electricity (R/kWu) 1-500 kWu/month.	1.47	1.50	<b>1.88%</b>
<b>BUSINESS USERS</b>			
<b>Conventional meters</b>			
Basic (R/month) single phase	485.37	494.49	<b>1.88%</b>
Basic (R/month) three phase	515.61	525.30	<b>1.88%</b>
Electricity (R/kWu)	1.56	1.59	<b>1.88%</b>
<b>LOW VOLTAGE FARMERS</b>			
<b>Basic per month</b>	533.38	546.55	<b>1.88%</b>
<b>Electricity (R/kWu)</b>	1.60	1.66	<b>1.88%</b>
<b>Prepaid meters 20 Amp, single phase</b>			
Electricity (R/kWu)	1.86	1.89	<b>1.88%</b>
<b>Prepaid meters &gt; 20 Amp &amp; Three phase</b>			
Electricity (R/kWu) 1-500 kWu/month.	1.57	1.60	<b>1.88%</b>
Electricity (R/kWu) 500 - 2000 kWu/month.	1.57	1.60	<b>1.88%</b>
Capacity Charge	3.23	3.29	<b>1.88%</b>
<b>INSTITUTIONS - MONTHLY BASIC AND USAGE CHARGE</b>			
<b>GROUP 1</b>			
State support schools and residences	780.50	795.17	<b>1.88%</b>
Private Schools and residences	780.50	795.17	<b>1.88%</b>
Old Age Homes	780.50	795.17	<b>1.88%</b>
State support nursery schools	780.50	795.17	<b>1.88%</b>
Private nursery schools	780.50	795.17	<b>1.88%</b>
Registered Churches	780.50	795.17	<b>1.88%</b>
Energy (R/kWu)	1.25	1.27	<b>1.88%</b>
<b>GROUP 2</b>			
Private Sport clubs, fields and buildings	229.28	233.59	<b>1.88%</b>
Golf clubs	229.28	233.59	<b>1.88%</b>
Public Sportgrounds and buildings (Under local government)	229.28	233.59	<b>1.88%</b>
Electricity (R/kWu)	1.25	1.27	<b>1.88%</b>



## MBRR SA15 - Investment particulars by type

Investment type	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>			
<b>Parent municipality</b>			
Securities - National Government	—	—	—
Listed Corporate Bonds	—	—	—
Deposits - Bank	2 000	2 000	2 000
Deposits - Public Investment Commissioners	—	—	—
Deposits - Corporation for Public Deposits	—	—	—
Bankers Acceptance Certificates	—	—	—
Negotiable Certificates of Deposit - Banks	—	—	—
Guaranteed Endowment Policies (sinking)	—	—	—
Repurchase Agreements - Banks	—	—	—
Municipal Bonds	—	—	—
<b>Municipality sub-total</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>
<b>Consolidated total:</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>

## MBRR SA16 - Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
<b>Parent municipality</b>													
Call Account - ABSA Bank LTD	1	Call Account	Yes	Fixed	4.50%	0	0	n/a	—	—	—	2 000	2 000
													—
													—
													—
<b>TOTAL INVESTMENTS AND INTEREST</b>									—		—	2 000	2 000

## MBRR SA17 – Borrowing

Borrowing - Categorised by type	Ref	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>				
<b>Parent municipality</b>				
Annuity and Bullet Loans		17 610	15 158	12 754
Long-Term Loans (non-annuity)		—	—	—
Local registered stock		—	—	—
Instalment Credit		—	—	—
Financial Leases		4 197	3 307	2 317
PPP liabilities		—	—	—
Finance Granted By Cap Equipment Supplier		—	—	—
Marketable Bonds		—	—	—
Non-Marketable Bonds		—	—	—
Bankers Acceptances		—	—	—
Financial derivatives		—	—	—
Other Securities		—	—	—
<b>Municipality sub-total</b>	<b>1</b>	<b>21 808</b>	<b>18 464</b>	<b>15 071</b>
<b>Total Borrowing</b>	<b>1</b>	<b>21 808</b>	<b>18 464</b>	<b>15 071</b>

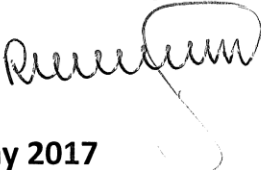
## 2.16 Manager's quality certificate

### Municipal Manager Quality Certificate

I **LOUIS VOLSCHENK**, Acting municipal manager of CEDERBERG MUNICIPALITY, Hereby Certify that the Annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality,

Print Name: **LOUIS VOLSCHENK**

Acting Municipal Manager of **CEDERBERG MUNICIPALITY**

Signature: 

Date: **30 May 2017**

