



**MAKANA**  
MUNICIPALITY | EASTERN CAPE  
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## **SPECIAL COUNCIL MEETING**

**DATE : 30 MAY 2018**

**TIME : 09:00**

**VENUE : COUNCIL CHAMBER**

IN TERMS OF SECTION 20(1) OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 32 OF 2000, MEETINGS OF A MUNICIPAL COUNCIL AND THOSE OF IT'S COMMITTEES ARE OPEN TO THE PUBLIC, INCLUDING THE MEDIA, EXCEPT UNDER CERTAIN STATUTORY CIRCUMSTANCES

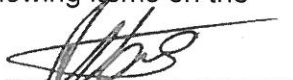
**PART ONE**



28 May 2018

To: All Councillors  
Makana Municipality  
GRAHAMSTOWN

**NOTICE IS HEREBY** given that a Special Council meeting will be held in the **COUNCIL CHAMBER** on **WEDNESDAY, 30 MAY 2018** at **09:00** to consider the following items on the Agenda:

  
CLARRY Y. VARA  
SPEAKER

**AGENDA – PART ONE**

- SC 1. OPENING STATEMENT - SPEAKER
- SC 2. STATEMENT BY THE EXECUTIVE MAYOR
- SC 3. APPLICATIONS FOR LEAVE OF ABSENCE (WRITTEN APOLOGIES)
- SC 4. OFFICIAL ANNOUNCEMENTS – ACTING MUNICIPAL MANAGER
- SC 5. DISCLOSURES OF INTEREST (BY COUNCILLORS)
- SC 6. REPORTS BY THE ACTING MUNICIPAL MANAGER (AS PER THE AGENDA)
- SC6.1 Proposed 2018/19 to 2020/21 Medium Term Revenue and Expenditure forecasts
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Report To: **COUNCIL**

File reference:

Collaborator/Item no: SC 6.1

Date: **30 MAY 2018**

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**SUBJECT: PROPOSED 2018/19 TO 2020/21 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS.**

**REPORT DATED 22 MAY 2018 FROM THE EXECUTIVE MAYOR TO THE SPECIAL COUNCIL MEETING**

**1. PURPOSE**

The purpose of this item is for the council to consider and adopt the 2018/19 to 2020/21 medium term revenue and expenditure forecasts.

**2. FOR DECISION BY**

Council

**3. EXECUTIVE SUMMARY**

The application of sound financial management principles for the compilation of municipal 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.

**4. DISCUSSION/CONTENTS**

Municipal business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. Sections 15 to 24 of the Local Government: Municipal Finance Management Act (MFMA), No 56 of 2003, read together with regulations 9 to 20 of the Local Government: Municipal Finance Management Act, 2003 Municipal Budget and Reporting Regulations (Regulations) govern the compilation and approval of municipal budgets. The MFMA determines –

***15. Appropriation of funds for expenditure***

*A municipality may, except where otherwise provided in this Act, incur expenditure only – In terms of an approved budget; and*

*(b) Within the limits of the amounts appropriated for the different votes in an approved budget.*

***16. Annual budgets***

*(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.*

*(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.*

*(3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.*

**5. RECOMMENDATION**

- a) THAT Council considers and adopts the proposed 2018/19 to 2020/21 Medium Term Revenue and Expenditure Forecasts.

**6. COMMENTS FROM THE EXECUTIVE MANAGEMENT**

Not requested.

**7. ANNEXURES**

- Annexure A – A1 Schedule Supporting Documents
- Annexure B – Tariff Structure
- Annexure C – Budget related Policies
- Annexure D – Circular 89 & 91
- Quality Certificate
- Service Standard

  
EXECUTIVE  
CLLR N. GAGA

DATE: 28/3/2018

ANNUAL BUDGET OF  
**MAKANA**  
**MUNICIPALITY**



2018/19 TO 2020/21  
MEDIUM TERM REVENUE AND EXPENDITURE  
FORECASTS

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## Abbreviations and Acronyms

CFO Chief Financial Officer	CPI Consumer Price Index
CRR Capital Replacement Reserve	DoRA Division of Revenue Act
DWA Department of Water Affairs	EEDG Energy Efficiency Demand Side
Management Grant	EPWP Expanded public works programme
integrated grant	FBS Free basic services
FMG Financial Management Grant	GAMAP Generally Accepted Municipal
Accounting Practice	
GFS Government Financial Statistics	GRAP General Recognised Accounting
Practice	
IDP Integrated Development Strategy	INEP Integrated National Electrification
Programme Grant	
ISDG Infrastructure Skills Development Grant	IT Information Technology
kℓ kilolitre	km kilometre
KPA Key Performance Area	KPI Key Performance Indicator
kWh kilowatt	ℓ litre
LED Local Economic Development	MBRR Municipal Budget Reporting
Regulations	
MFMA Municipal Financial Management Act	
Programme	
mSCOA Municipal Standard Chart of Accounts	MIG Municipal Infrastructure Grant
MPRA Municipal Properties Rates Act	
MSA Municipal Systems Act	MTREF Medium-term Revenue and
Expenditure Framework	
NERSA National Electricity Regulator South	
Africa	
PMS Performance Management System	PPE Property Plant and Equipment
SALGA South African Local Government	
Association	SDBIP Service Delivery Budget
Implementation Plan	
SMME Small Micro and Medium Enterprises	

## Part 1 - Annual Budget

### 1.1 Mayor's Report

#### RADICAL ECONOMIC TRANSFORMATION FOR INCLUSIVE GROWTH

### 1.2 Council Resolutions

On 30th of May 2018, the Council of Makana Municipality will meet in the Council Chambers to adopt the annual budget of the municipality for the financial year 2018/19. The Council will approve and adopt the following resolutions:

1. the Adopted Multi-year Medium Term Revenue and Expenditure Framework (MTREF) of the municipality for the financial year 2018/19 and indicative for the projected outer years 2019/20 and 2020/21 be approved as set out in the Budget Report and in the Budget tables A1 - A10 (Annexure A);
2. the Adopted 2018/19 Medium Term Revenue and Expenditure Framework aligned with the IDP's Developmental Objectives and Goals and the Municipal Regulation on Standard Chart of Accounts (mSCOA) (Government Gazette 37577 dated 22 April 2014) for Makana Municipality be approved as follows:

Description	Current Year 2017/18	18/19 Medium Term Revenue & Expenditure Framework		
R'000	Adjusted Budget	Budget Yr 2018/19	Budget Yr 2019/20	Budget Yr 2020/21
Total Revenue	432 216	435 991	459 407	486 138
Total Expenditure	432 216	432 937	452 627	477 143
Surplus/(Deficit)	-	3 054	6 780	8 995
Total Capital Expenditure	45 251	68 498	32 308	30 469

3. in terms of Section 2(3) of the Local Government: Municipal Property Rates Act the following property rates for the 2018/19 financial year is approved:



**MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21**

PROPERTY TYPE	CENT IN RAND (RANDAGE/TARIFF)
1. Businesses	0.016043
2. Government Properties (e.g Public Schools, Government Buildings, etc)	0.020627
3. Schools (Private & Public)	0.005403
4. Residential Properties	0.005403
5. Tertiary Institutions (e.g University)	0.010642
6. Domestic Farmers (bona fide farmers)	0.001352
7. Public Service Infrastructure (PSI)	0.001352
8. Industrial Properties	0.008022
9. Tourism/Game	0.001352
10. RDP Houses	0.001352
11. Sectional Titles	0.005403
12. B&B Properties	0.005893
13. Museum Properties	EXEMPT
14. Sporting Bodies	EXEMPT
15. Places of Worship	EXEMPT
16. Public Benefit Organisations (P.B.O.)(Including Private Schools)	0.001239

4. the Council notes that the Collection Rate is set at 91.5% for 2018/19 financial year and 90% for the outer years.

5. the Council notes that the tariffs are recommended to be increased as follows as per with effect from 1 July 2018: Details in **Annexure B**:

- Property rates - 9%
- Water - 9%
- Sanitation - 9%
- Refuse - 9%
- Electricity - 6.84%

6. To guide implementation of 2081/19 budget, the Council approves the policies as set out in **Annexure C**

### 1.3 Executive Summary

The application of sound financial management principles for the compilation of municipal 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.

Municipal business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

As Council is aware the municipality has been faced with financial challenges for a number of years, therefore the reductions of both the operating and capital budget was done in terms of mSCOA project submissions by the respective user departments.

Furthermore, a critical review was undertaken of expenditure on non-core and non-priority spending items in line with National Treasury's Cost containment measures outlined in MFMA circular number 82. Emphasis was placed on providing of funds for the repairs and maintenance expenditure line items.

The **main challenges** experienced during the compilation of the 2018/19 MTREF can be summarised as follows:

- The need to reprioritise projects and expenditure within the existing resource envelope.
- By far the greatest concern here lies with all the services financed by Property Rates. Most of the municipal services are funded by Property Rates Income and Equitable Share.
- The significance here that the delivery of basic services is very dependent on grants allocation and this weakness in the financial structure of the Municipal MTREF needs to be addressed;
- Preparation of a mSCOA project based budget without a budgeting tool within the financial system meant that the information had to be prepared manually which left room for possible errors to arise;
- Furthermore, this manual process is time consuming and utilises a lot of resources which puts unnecessary strain on the employees involved in preparing the budget document and budget tables; and
- The Municipal Budget and Reporting Tables for the 2018/19 MTREF must be prepared using version 6.2 which is aligned to the version 6.2 of the mSCOA classification framework. However, the audited results and the current years' (2017/18) information must be disclosed using the previous version of the tables.

The following budget principles, guidelines and assumptions directly informed the compilation of the 2018/19 MTREF:

- A budget allocation of R1 million has been set aside for the purpose of implementing Smart Metering system project;
- In terms of 2018/19 Division of revenue bill MSIG allocation amounting to R1, 7 million has been availed in a form of in-kind allocation. The municipality has entered into agreement with Cogta and identified revenue enhancement programme for the purpose of data cleansing and improving revenue collection;
- The basket of municipal services tariffs collectively has been kept at 9% except and electricity;



## MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- Repairs and Maintenance provisions is 5% which is below the parameters of 8% of Asset Cost and 13% of Operating Expenditure target; this is due to the follow:
  - ✓ Municipality is considering leasing municipal vehicles and this will reduce the cost of maintaining vehicles; R1 million has been availed for the purpose of kick starting the process.
  - ✓ Maintenance of municipal building is done internally;
  - ✓ Upgrading and maintenance of water and sewer assets are funded externally and the bulk of the work is performed by implementing agent.
  - ✓ The budget allocation of R22, 3 million mainly focuses on electricity, roads and other assets.

National Treasury's MFMA Circular No. 89 and 91 were used to guide the compilation of the 2018/19 MTREF.

National Treasury will normally, from a quality perspective, assess the budget against the following three criteria:

- ✓ Credibility;
- ✓ Relevance; and
- ✓ Sustainability

The 2018/19 MTREF has been compiled with the above in mind to ensure that key observations by National Treasury during their previous reviews of Multi- year Budgets have been taken care of.

It is important to note that Makana applied to NERSA for an average tariff increase, Council's application was based on the guideline received from NERSA in which they indicated that the expected Eskom Bulk Purchases would increase by 8 per cent, NERSA has indicated that electricity bulk purchase cost will be limited to 6, 84 per cent for the 2018/19 financial year.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2018/19 MTREF**

Description	Current Year 2017/18	18/19 Medium Term Revenue & Expenditure Framework		
R'000	Adjusted Budget	Budget Yr 2018/19	Budget Yr 2019/20	Budget Yr 2020/21
Total Revenue	432 216	435 991	459 407	486 138
Total Expenditure	432 216	432 937	452 627	477 143
Surplus/(Deficit)	-	3 054	6 780	8 995
Total Capital Expenditure	45 251	68 498	32 308	30 469

# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

Total operating revenue has grown by R3, 7 million for the 2018/19 financial year when compared to the 2017/18 Adjusted Budget. For the two outer years, operational revenue will increase by 5.4 and 5, 5 per cent respectively.

Total operating expenditure for the 2018/19 financial year has been appropriated at R434 million and translates into a budgeted surplus of R3 million. When compared to the 2017/18 Adjusted Budget, operational expenditure has grown by R721 thousand in the 2018/19 budget. The operating surplus for the two outer years remains constant at R6,7 million and then increases slightly to R7 million.

**Table 2 Proposed Capital Funding**

Vote Description  R thousand	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Funded by:</b>				
National Government	41 084	65 777	30 930	29 104
Provincial Government	567	1 522	–	–
District Municipality	–	–	–	–
Other transfers and grants	–	–	–	–
<b>Transfers recognised - capital</b>	<b>41 651</b>	<b>67 299</b>	<b>30 930</b>	<b>29 104</b>
<b>Internally generated funds</b>	<b>3 600</b>	<b>1 750</b>	<b>1 000</b>	<b>1 000</b>
<b>Total Capital Funding</b>	<b>45 251</b>	<b>69 049</b>	<b>31 930</b>	<b>30 104</b>

The capital programme for 2018/19 increases to R69 million in the 2018/19 when compared with 2017/18 adjusted budget and decreases to R31, 9 million in 2019/20.

The following projects for 2018/19 MTREF as indicated in the table below will be funded from external grants:

Project Name	Funding Source	Budget 18/19 R'000	Budget 19/20 R'000	Budget 20/21 R'000
Electrification	INEP - Municipal	8 000	6 400	3 200
Alicedale Sewerage upgrade	MIG	11 381	12 199	12 785
Waainek Bulk Water	MIG	11 395	12 199	12 785
Office Equipment	DSRAC	1 522		
Water - Upgrading	Water Infrastructure Grant	35 000		

## **1.4 Municipal Standard Chart of Accounts (mSCOA)**

### **Background**

As Council is aware that 2017/18 budget was prepared on the new Municipal Standard Chart of Accounts version 6.1. For 2018/19 National Treasury introduced version 6.2 and changes are stipulated in MFMA Circular 89 & 91

The change in reporting is resulting in some positive business reforms:

- Ensuring a more consistent reporting of financial transactions across all municipalities in South Africa; and
- Ensuring that municipalities can budget per objective or project based, not on items or products. The entire budget is now Project Based in terms of the mSCOA regulations.

There were many challenges experienced during 2017/18 budget implementation, however most of those challenges relate to the effect the new chart has on existing business processes.

### **Governance and Change Management:**

- Both the Executive and Senior Management are supporting the initiative which greatly assists the rolling out of the project.
- Reporting are submitted on a monthly basis both to Council and the National Treasury.

## **1.5 Operating Revenue Framework**

Makana Municipality requires sustainable revenue streams in order to improve the lives of its citizens. The municipality must continuously review revenue management processes to ensure that revenue is protected and the municipality has an ability to maximize the revenue generating potential of all revenue sources through adequate and effective controls and allow for investment opportunities that will accelerate economic growth.

In comparison with the previous year, there are more favourable trends for the coming year, where it is observed that commodity prices have stabilised, drought conditions have improved across the country.

The GDP is projected to increase from 1.5% in 2017/18 to 1.8% in 2018/19 with a moderate growth over the medium term with 1.8 per cent in 2018/19 and 2.1 per cent in 2019/20. There is a slight improvement in the economy. However, the economy is still constrained which compels projected revenue growth to be more consecutive which also impact on the collection level of the generated revenue.

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

- National Treasury's guidelines and macroeconomic policy;
- Continued economic development;
- Efficient revenue management, which aims to ensure an above 91.5 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by NERSA;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this had to be adjusted to cater for affordable tariffs;



# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA); and
- Increase ability to extend new services and recover costs where economically possible;
- The municipality's Indigent Policy and rendering of free basic services and subsidized services to both the destitute and poor consumers.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

**Table 4 Summary of revenue classified by main revenue source**

Description	Current Financial Year	2018/19 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21
R thousand				
Revenue By Source				
Property rates	64 080	67 345	70 982	74 815
Service charges - electricity revenue	118 542	122 721	129 316	136 271
Service charges - water revenue	49 587	70 493	74 255	78 228
Service charges - sanitation revenue	18 380	16 673	17 545	18 469
Service charges - refuse revenue	6 554	13 934	14 664	15 437
Service charges - other	-	-	-	-
Rental of facilities and equipment	1 425	1 425	1 502	1 584
Interest earned - external investments	500	800	843	890
Interest earned - outstanding debtors	12 065	7 418	7 818	8 248
Fines, penalties and forfeits	397	990	1 043	1 100
Licences and permits	4 009	2 550	2 688	2 836
Agency services	550	1 500	1 581	1 668
Transfers and subsidies	98 859	92 497	97 492	104 772
Other revenue	54 771	37 444	39 466	41 598
Gains on disposal of PPE	2 500	200	211	222
Total Revenue	432 216	435 991	459 407	486 138

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.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. The municipality will continue to significantly generate its own revenue and will only depend on the operational transfers to the equivalent of 27 per cent. Rates and service charges revenue comprise of 85 per cent of total operating revenue mix. In 2017/18 revenue from rates and service charges totalled R432 million and is projected to increase to R435 million in 2018/19 and steadily increase to R459 million in 2018/19 and R484 million in 2019/20.

Electricity service charges are the largest contributor towards municipal revenue in terms of turnover amounting to an average of 36 per cent over the MTREF. However, it needs to be noted that the actual revenue contributed by Electricity Service to municipal service delivery is the gross profit of Electricity Turnover less Bulk purchase cost this amounts to R85 million in the 2018/19 financial year. The tariffs were increased by 6.84 per cent for Electricity.

## MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

The second largest revenue source is Property rates at an increase of 9% per cent over the MTREF. The municipality is still busy with the new valuation roll which will be implemented in 2019.

The municipality is significantly dependent on electricity to cross subsidise Rates and General services. The trading service water has increased by R4 million in 2018/19 when compared with the 2017/18 adjusted budget. The Administration has looked at cutting costs in this service to make it self-sustaining.

An insignificant source of revenue is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. The item segment Revenue classification of mSCOA has done away with the "other revenue" as a category and therefore specific detail will be provided going forward due to the financial reform. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related. Yet the tariffs have in practice just been escalated by the inflation index as guided by the circular.

Operating grants and transfers totals R94 million in the 2018/19 financial year, steadily increases to R97 million in 2019/20 and to R104 million in 2020/21.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 5 Operating Transfers and Grant Receipts

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand			
<b>RECEIPTS:</b>			
Operating Transfers and Grants			
<b>National Government:</b>	<b>89 991 800.00</b>	<b>96 574 950.00</b>	<b>104 771 500.00</b>
Local Government Equitable Share	85 578 000.00	92 675 000.00	100 381 000.00
EPWP Incentive	1 000 000.00	-	-
Municipal Drought Relief			
Finance Management	2 215 000.00	2 680 000.00	3 112 000.00
MIG - PMU	1 198 800.00	1 219 950.00	1 278 500.00
<b>Provincial Government:</b>	<b>405 200.00</b>	<b>4 469 000.00</b>	<b>-</b>
Sport and Recreation	405 200.00	917 000.00	
<b>District Municipality:</b>	<b>2 100 000.00</b>	<b>-</b>	<b>-</b>
Fire Services	1 000 000.00	-	-
Health Subsidy	600 000.00	-	-
LED Subsidy	500 000.00	-	-
<b>Total Operating Transfers and Grants</b>	<b>92 497 000.00</b>	<b>101 043 950.00</b>	<b>104 771 500.00</b>

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

The municipality has strived to ensure that affordability takes preference over the just achieving the desired income from a tariff increases which would be counterproductive.

It must also be appreciated that the consumer price index (CPI) is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

#### **1.5.1 Property Rates**

The property rates are levied in accordance with the Municipal Property Rates Act, 2004 (Act No.6 of 2004), (MPRA) and the Local Government Municipal Finance Management Act.

Property rates are based on values indicated in the General Valuation Roll 2013 (GV) and Supplemental valuation 2016 (GV). Effective from July 2017 new general valuation will be conducted with an implementation date of July 2019.

This will ensure that every new property development, improvements to existing properties and changes to property usage and other such influences are correctly processed and filtered to the billing system. Property rates are levied per individual property depending on the property value compared with the valuation of all rateable properties in the municipal area. Rebates and concessions are granted to certain property categories based on usage or ownership as guided by the MPRA.

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

The resource scarcity on water due to drought that has hit the entire country is a challenge in the municipal revenue stream. It is therefore expected that due to changes in the consumption patterns downwards by consumers, revenue budgeted to be generated will also be downsized over the MTREF.

The municipality has made investigations to determine the root cause on the failure to recover the revenue and it was established that, as a result of diminishing infrastructure, water leaks and lack of consumer education, the municipality still need to invest more resources to turn around the current situation.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	KILOLITRES	STEPPED TARRIF (NORMAL PERIOD) 2017 /2018	STEPPED TARRIF (NORMAL PERIOD) 2018/2019	STEPPED TARRIF (CRITICAL PERIOD) 2017 2018	STEPPED TARRIF (CRITICAL PERIOD) 2018 / 2019
<b>RESIDENTIAL PROPERTIES</b>	0 - 10kl/pm	6.50	6.89	7.44	8.11
	11 - 20kl/pm	8.25	8.74	9.47	10.32
	21 - 30kl/pm	9.09	9.63	10.41	11.35
	31 - 40kl/pm	9.98	10.58	11.45	12.49
	41 - 50kl/pm	10.98	11.64	12.60	13.74
	>51kl/pm	12.09	12.81	13.87	15.11
<b>BUSINESS AND INDUSTRIAL PROPERTIES</b>	0 - 10kl/pm	6.50	7.08	8.85	9.64
	11 - 20kl/pm	8.68	9.46	11.81	12.88
	21 - 30kl/pm	9.54	10.40	13.00	14.17
	31 - 40kl/pm	10.48	11.43	14.30	15.58
	41 - 50kl/pm	11.54	12.58	15.72	17.14
	>51kl/pm	12.69	13.83	17.31	18.87

### 1.5.3 Sanitation and Impact of Tariff Increases

A tariff increase of 9 per cent for sanitation from 1 July 2018 is proposed. This is based on the input cost assumptions related to water.

Table 7 Proposed Sewer Tariffs

ANNUAL SEWER CONNECTION CHARGES		2017/2018	2018/2019
Domestic	First 2 units	R 1 432.59	R 1 561.53
	Each unit over 2	R 715.29	R 779.66
Sporting/Churches /Monument	per each unit	R 715.29	R 779.66
Flats	First 2 units	R 1 432.59	R 1 561.53
	Each unit over 2	R 1 432.59	R 1 561.53
Business Sub-Economic	per each unit	R 1 432.59	R 1 561.53
Housing	per each unit	R 715.29	R 779.66
Industrial Area	per point In respect of the first 25 units	R 1 617.79	R 1 763.39
	after which the costs are the same as the business tariff of	R 1 433.25	R 1 562.25

### 1.5.4 Waste Removal and Impact of Tariff Increases

Solid waste removal is operating marginally below break-even and is currently being subsidised by the Equitable Share Grant over the MTREF. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.



The waste removal is proposed to increase by 9 per cent effective from July 2018.

**Table 8 Proposed Refuse Tariffs**

		2017/2018	2018/2019
<b>Annual Refuse Removal Charges</b>	That the charge for the removals where this is charged separately for de-rated properties be fixed at (per annum per bag removed	R 1 128.40	R 1 229.95

## 1.6 Operating Expenditure Framework

The expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- Given that one of the primary drivers of this budget is to keep tariff increases with the inflationary envelope of 6 per cent, expenditure allocations in excess of the 2018/19 Adjustments budget are very limited;
- Repairs and Maintenance provisions are below the parameters of 8 per cent of Asset Cost and 13 per cent of Operating Expenditure. The weakness is due to the fact that there is no Municipal wide asset repairs and maintenance plan. Repairs and Maintenance is done in silo's hence it lacks in synergistic benefit of ensuring budget allocations are used efficiently and effectively;
- Related to the above weakness the capital programme carries the risk of not ensuring that the asset renewal strategy and backlog eradication is achieved in this budget;
- Funding of the budget over the medium-term is informed by Section 18 and 19 of the MFMA; and
- Strict adherence to the principle of "no project plan no budget". If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):



Table 9 Summary of operating expenditure by standard classification item

Description R thousand	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type			
Employee related costs	182 284 000.00	192 127 336.00	202 502 212.14
Remuneration of councillors	9 774 000.00	10 301 796.00	10 868 394.78
Debt impairment	20 000 000.00	21 080 000.00	22 239 400.00
Depreciation & asset impairment	11 500 000.00	12 121 000.00	12 775 534.00
Finance charges	7 500 000.00	7 905 000.00	8 339 772.00
Bulk purchases	83 065 000.00	87 550 510.00	92 278 237.54
Other materials	25 030 000.00	26 382 041.60	27 833 053.89
Contracted services	12 459 000.00	9 442 786.00	9 952 696.44
Transfers and subsidies	30 700 000.00	32 357 800.00	34 137 479.00
Other expenditure	50 624 573.00	51 334 620.54	54 081 123.82
Loss on disposal of PPE	-	-	-
Total Expenditure	432 936 973.00	452 626 569.54	477 142 885.90

The budgeted allocation for **employee related costs** for the 2018/19 financial year totals R 182 million, which equals 42 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.5 per cent for the 2018/19 financial year. An annual increase of 5.5 per cent has been included in the two outer years of the MTREF.

Employee related cost is above the acceptable norm of 40 per due to inclusion of councillor's remuneration and the cost drivers are the following items:

- Salaries R135 255 922
- Medical Aid Contribution R10 3992 407
- Pension Fund R20 623 000
- Overtime R3 582 290
- Medical Aid for Retired members R1 500 000
- Leave Pay R1 370 000
- Car Allowance R6 166 000

The structure of the organogram is dictated by the influences of the different Councils over the years and different managers, hence no collectively and best practice structured staff structure. The correct grading will rationalize this anomaly and ensure the trajectory of future posts created and filled is done properly.

Senior management has agreed in principle that no provision would be made in the 2018/19 and the subsequent two outer years for previously unfunded posts until such time the impact of the Job evaluation exercise and financial position of the institution has improved, only funded and revenue generating position that will be considered.

The cost associated with the **remuneration of councillors** is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). An increase of 7.5 per cent has been budgeted for the 2018/19 financial year due to 6 per cent employee cost increase plus 1,5 per cent for notch increase.

The provision of debt impairment was determined based on an annual collection rate of 91.5 per cent and the Debt Write-off Policy of the municipality. For the 2018/19 financial year this amount is R20 million. 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 Financial Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R11, 5 million for the 2018/19 financial and equates to 13 per cent of the total operating expenditure.

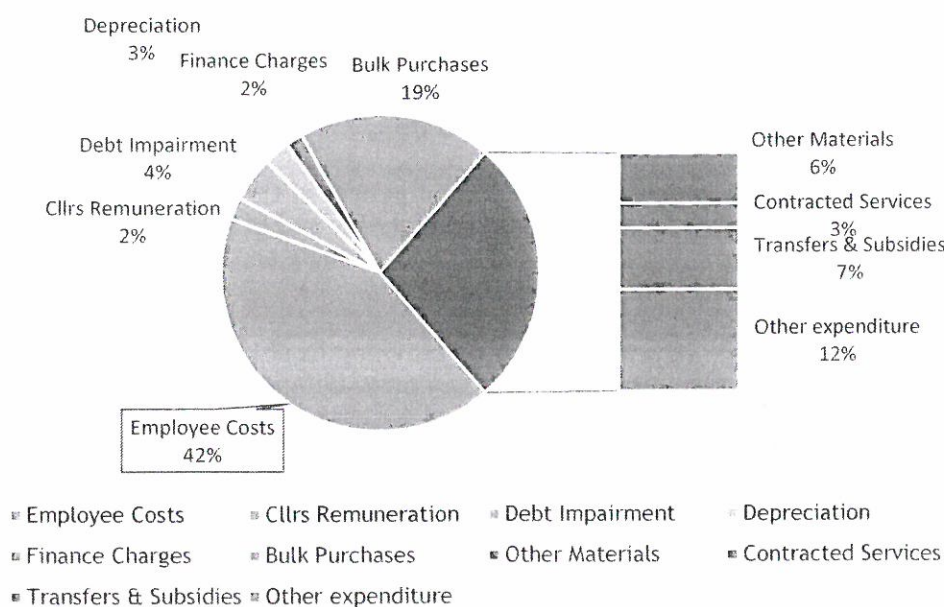
Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges on the budget make up R7, 5 million of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from DWS. The annual price increases have been factored into the budget appropriations. Of the R83 million total electricity comprises R75 million and water R8 million.

Other materials comprise the purchase, of materials for maintenance. The appropriation against this group of expenditure has grown, however further effort will be made in the outer years to increase this appropriation over and above the inflationary boundaries.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following chart gives a breakdown of the main expenditure categories for the 2018/19 financial year



## 1.7Capital expenditure

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

Table 10 2018/19 Medium-term capital budget per vote

Vote Description  R thousand	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital Expenditure - Functional</b>			
<i><b>Governance and administration</b></i>	750	1 000	1 000
Executive and council	-	-	-
Finance and administration	750	1 000	1 000
Internal audit	-	-	-
<i><b>Community and public safety</b></i>	2 522	-	-
Community and social services	1 000	-	-
Sport and recreation	1 522	-	-
Public safety	-	-	-
Housing	-	-	-
Health	-	-	-
<i><b>Economic and environmental services</b></i>	-	-	-
Planning and development	-	-	-
Road transport	-	-	-
Environmental protection	-	-	-
<i><b>Trading services</b></i>	65 777	30 930	29 104
Energy sources	8 000	6 400	3 200
Water management	46 396	12 500	13 200
Waste water management	11 381	12 030	12 704
Waste management	-	-	-
<i><b>Other</b></i>	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>69 049</b>	<b>31 930</b>	<b>30 104</b>
<b>Funded by:</b>			
National Government	65 777	30 930	29 104
Provincial Government	1 522	-	-
District Municipality	-	-	-
Other transfers and grants	-	-	-
<b>Transfers recognised - capital</b>	<b>67 299</b>	<b>30 930</b>	<b>29 104</b>
Public contributions & donations	-	-	-
Borrowing	-	-	-
Internally generated funds	1 750	1 000	1 000
<b>Total Capital Funding</b>	<b>69 049</b>	<b>31 930</b>	<b>30 104</b>



# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

## 1.8 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 2018/19 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the following page

**Table 11 MBRR Table A1 - Budget Summary**

EC104 Makana - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	46 153	53 827	—	64 080	64 080	64 080	—	67 345	70 982	74 815
Service charges	161 564	196 610	320 759	193 062	193 062	193 062	—	223 821	235 781	248 405
Investment revenue	10 822	12 494	—	500	500	500	—	800	843	890
Transfers recognised - operational	59 983	81 632	—	98 859	98 859	98 859	—	92 497	97 492	102 854
Other own revenue	19 165	7 245	119 294	75 716	75 716	75 716	—	51 527	54 309	57 257
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>297 687</b>	<b>351 809</b>	<b>440 053</b>	<b>432 216</b>	<b>432 216</b>	<b>432 216</b>	<b>—</b>	<b>435 991</b>	<b>459 407</b>	<b>484 220</b>
<b>Total Expenditure</b>										
Employee costs	129 819	129 930	126 773	167 803	167 803	167 803	—	182 284	192 127	202 502
Remuneration of councillors	8 337	9 458	9 723	10 436	10 436	10 436	—	9 774	10 302	10 868
Depreciation & asset impairment	36 729	33 589	31 502	35 177	35 177	35 177	—	11 500	12 121	12 776
Finance charges	—	—	19 000	6 600	6 600	6 600	—	7 500	7 905	8 340
Materials and bulk purchases	67 096	82 037	87 574	102 195	102 195	102 195	—	108 095	113 933	120 111
Transfers and grants	581	1 412	5 782	3 946	2 389	2 388	—	30 700	32 358	34 137
Other expenditure	67 374	86 962	132 874	148 591	107 617	107 617	—	83 084	83 881	88 432
<b>Total Expenditure</b>	<b>309 936</b>	<b>343 398</b>	<b>413 227</b>	<b>474 747</b>	<b>432 216</b>	<b>432 214</b>	<b>—</b>	<b>432 937</b>	<b>452 627</b>	<b>477 166</b>
<b>Surplus/(Deficit)</b>	<b>(12 249)</b>	<b>8 411</b>	<b>26 826</b>	<b>(42 530)</b>	<b>1</b>	<b>2</b>	<b>—</b>	<b>3 054</b>	<b>6 780</b>	<b>7 054</b>
Transfers and subsidies - capital (monetary allocations)	55 750	28 979	—	23 526	23 526	23 526	—	68 489	31 930	30 104
Contributions recognised - capital & contributed assets	—	—	—	214 877	—	—	—	31 693	53 385	25 687
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>43 501</b>	<b>37 390</b>	<b>26 826</b>	<b>195 873</b>	<b>23 527</b>	<b>23 528</b>	<b>—</b>	<b>103 236</b>	<b>92 095</b>	<b>62 845</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>43 501</b>	<b>37 390</b>	<b>26 826</b>	<b>195 873</b>	<b>23 527</b>	<b>23 528</b>	<b>—</b>	<b>103 236</b>	<b>92 095</b>	<b>62 845</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>53 585</b>	<b>40 733</b>	<b>62 942</b>	<b>237 903</b>	<b>36 499</b>	<b>36 499</b>	<b>—</b>	<b>68 498</b>	<b>31 930</b>	<b>30 104</b>
Transfers recognised - capital	29 643	21 852	57 936	229 803	32 899	32 899	—	66 748	30 930	29 104
Public contributions & donations	—	—	—	—	—	—	—	—	—	—
Borrowing	849	6 835	—	—	—	—	—	—	—	—
Internally generated funds	23 094	12 047	5 056	8 600	3 600	3 600	—	1 750	1 000	1 000
<b>Total sources of capital funds</b>	<b>53 585</b>	<b>40 733</b>	<b>62 992</b>	<b>238 403</b>	<b>36 499</b>	<b>36 499</b>	<b>—</b>	<b>68 498</b>	<b>31 930</b>	<b>30 104</b>
<b>Financial position</b>										
Total current assets	188 809	257 605	406 362	287 395	287 395	287 395	—	131 287	145 806	150 424
Total non current assets	1 037 290	1 072 632	700 456	905 588	905 588	905 588	—	876 200	906 525	937 609
Total current liabilities	135 312	236 979	111 932	177 637	177 637	177 637	—	130 597	145 445	136 734
Total non current liabilities	91 221	116 502	2 145	80 400	80 400	80 400	—	73 679	77 658	81 929
Community wealth/Equity	994 122	976 755	992 213	969 963	969 963	969 963	—	1 013 237	1 072 331	1 118 033
<b>Cash flows</b>										
Net cash from (used) operating	(8 908)	55 925	5 042	184 063	57 189	57 189	57 189	44 967	44 519	46 961
Net cash from (used) investing	(53 701)	(38 853)	(6 857)	(173 043)	(43 168)	(43 168)	(43 168)	(33 999)	(35 937)	(37 949)
Net cash from (used) financing	30 770	1 063	—	(5 500)	(4 000)	(4 000)	(4 000)	(7 500)	(7 928)	(8 371)
<b>Cash/cash equivalents at the year end</b>	<b>(22 006)</b>	<b>4 698</b>	<b>5 105</b>	<b>8 129</b>	<b>12 629</b>	<b>12 629</b>	<b>12 629</b>	<b>4 457</b>	<b>5 112</b>	<b>5 753</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(7 831)	18 320	20 451	17 858	17 858	17 858	—	4 987	5 257	5 546
Application of cash and investments	(63 255)	(327)	(101 457)	(163 896)	(158 247)	(158 247)	—	4 675	2 714	(3 906)
<b>Balance - surplus (shortfall)</b>	<b>55 424</b>	<b>18 647</b>	<b>121 908</b>	<b>181 855</b>	<b>176 106</b>	<b>176 106</b>	<b>—</b>	<b>312</b>	<b>2 543</b>	<b>9 452</b>
<b>Asset management</b>										
Asset register summary (WDV)	918 438	848 739	125 884	306 498	306 498	306 498	—	—	—	—
Depreciation	—	—	—	—	—	—	—	—	—	—
Renewal of Existing Assets	—	—	—	1 785	1 185	—	—	—	—	—
Repairs and Maintenance	12 777	10 136	23 657	—	—	—	—	—	—	—
<b>Free services</b>										
Cost of Free Basic Services provided	—	—	—	30 892	30 892	30 892	25 463	25 463	26 965	28 529
Revenue cost of free services provided	—	—	—	2 108	2 108	2 108	2 472	2 472	2 606	2 747
<b>Households below minimum service level</b>										
Water:	—	—	—	25	250	25	150	150	14	13
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	0	0	0	0	0	0	0

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

1. Table A1 is a budget summary and provides a concise overview of the City'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 emphasises 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 operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised 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 accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the municipality has been paying attention to managing this aspect of its finances, and consequently its obligations are cashbacked. This places the municipality in a very positive financial position. To strengthen this favourable position, Council has adopted an Investment, Working Capital and Capital Replacement Reserves Policy.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase however it needs to be noted that this table does not cater for the cross subsidisation value of the lower end tariffs in the tiered structure of basic service charges.

**Table 22 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**



# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

EC104 Makana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>Revenue - Functional</b>												
<b>Governance and administration</b>			105 155	148 057	110 328	159 641	144 141	144 140	127 085	133 948	141 315	
Executive and council			3 858	5 984	8 519	32 075	16 575	16 575	24 600	25 928	27 354	
Finance and administration			101 297	142 073	101 809	127 566	127 566	127 566	102 485	108 019	113 961	
Internal audit			—	—	—	—	—	—	—	—	—	
<b>Community and public safety</b>			8 308	30 120	3 886	24 452	24 452	24 452	9 103	9 595	10 122	
Community and social services			2 682	1 141	3 527	5 217	5 217	5 217	7 538	7 945	8 382	
Sport and recreation			3 784	28 979	127	6 398	6 398	6 398	445	469	495	
Public safety			48	—	—	9 228	9 228	9 228	510	538	567	
Housing			—	—	—	—	—	—	—	—	—	
Health			1 793	—	232	3 609	3 609	3 609	610	643	678	
<b>Economic and environmental services</b>			13 760	4 363	5 066	49 595	40 872	40 873	20 811	21 935	23 142	
Planning and development			2 455	641	2 554	27 430	25 071	25 071	12 615	13 296	14 027	
Road transport			10 284	3 320	2 512	22 141	15 777	15 777	8 167	8 608	9 081	
Environmental protection			1 022	402	—	24	24	24	30	32	33	
<b>Trading services</b>			226 212	196 508	320 758	427 749	259 234	259 234	347 489	366 253	386 397	
Energy sources			100 108	96 547	191 064	145 159	141 049	141 049	170 122	179 308	189 170	
Water management			61 021	66 695	73 101	85 883	61 478	61 478	125 088	131 842	139 094	
Waste water management			37 692	21 525	37 254	176 010	36 010	36 010	33 801	35 626	37 585	
Waste management			27 390	11 741	19 340	20 697	20 697	20 697	18 479	19 477	20 548	
<b>Other</b>			4	3	—	16	16	16	—	—	—	
<b>Total Revenue - Functional</b>			2	353 438	379 048	440 054	661 452	468 715	468 715	504 489	531 731	560 976
<b>Expenditure - Functional</b>												
<b>Governance and administration</b>				112 471	173 565	129 449	160 789	118 258	118 258	156 004	164 428	173 471
Executive and council				24 104	16 310	33 831	26 422	26 422	26 422	28 836	30 393	32 064
Finance and administration				88 367	157 255	95 618	132 768	90 237	90 237	125 078	131 832	139 083
Internal audit				—	—	—	1 599	1 599	1 599	2 090	2 202	2 324
<b>Community and public safety</b>				21 920	18 437	30 294	42 540	42 540	42 540	47 337	49 894	52 638
Community and social services				6 589	8 601	11 535	14 380	14 380	14 380	13 176	13 887	14 651
Sport and recreation				6 695	8 014	7 487	12 510	12 510	12 510	25 839	27 235	28 733
Public safety				6 343	—	11 271	12 450	12 450	12 450	5 526	5 824	6 144
Housing				45	—	—	—	—	—	32	34	35
Health				2 249	1 822	—	3 200	3 200	3 200	2 765	2 914	3 074
<b>Economic and environmental services</b>				27 329	32 742	45 196	36 676	36 676	36 676	49 298	51 961	54 818
Planning and development				7 675	6 520	13 214	14 547	14 547	14 547	16 835	17 744	18 720
Road transport				17 305	26 222	24 943	20 129	20 129	20 129	30 006	31 627	33 366
Environmental protection				2 349	—	7 039	2 000	2 000	2 000	2 458	2 590	2 733
<b>Trading services</b>				175 967	164 507	232 822	234 573	234 573	234 573	180 268	190 002	200 453
Energy sources				84 155	98 641	117 979	120 761	120 761	120 761	88 339	93 110	98 231
Water management				50 585	37 390	55 749	70 298	70 298	70 298	45 633	48 098	50 743
Waste water management				24 801	16 314	29 739	24 314	24 314	24 314	26 512	27 944	29 481
Waste management				16 426	12 163	29 354	19 200	19 200	19 200	19 783	20 851	21 998
<b>Other</b>			4	252	—	160	169	169	30	32	33	
<b>Total Expenditure - Functional</b>			3	337 939	389 251	437 921	474 747	432 216	432 216	432 937	456 316	481 413
<b>Surplus/(Deficit) for the year</b>				15 499	(10 203)	2 133	186 705	36 499	36 499	71 551	75 415	79 563

## 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 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 the Total Revenue on this table includes capital revenues (Transfers recognised - capital) and so does not balance to the operating revenue shown on Table A4.

# **MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21**

3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

**EC104 Makana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>	<b>1</b>									
Vote 1 - TECHNICAL SERVICES		-	35 407	38 567	188 437	55 922	55 922	37 486	39 511	41 684
Vote 2 - CORPORATE SERVICES		-	403	929	23 480	8 695	8 695	3 501	3 690	3 893
Vote 3 - FINANCIAL SERVICES		-	83 700	98 799	88 969	86 469	86 469	92 446	97 438	102 797
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	28 469	27 319	68 757	54 379	54 379	33 928	35 760	37 727
Vote 5 - EXECUTIVE MAYOR		-	4 209	5 069	23 658	23 658	23 658	10 100	14 120	14 897
Vote 6 - MUNICIPAL MANAGER		-	743	3 428	20 866	20 099	20 099	14 500	15 283	16 124
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	109	1 380	16 966	16 966	16 966	16 819	17 727	18 702
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		-	116 556	191 063	145 159	141 049	141 049	170 122	179 308	189 170
Vote 10 - WATER		-	76 715	73 101	85 159	61 478	61 478	125 088	128 367	135 427
Vote 11 - DOG TAX		-	-	1	-	-	-	500	527	556
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	-	<b>346 312</b>	<b>439 657</b>	<b>661 452</b>	<b>468 715</b>	<b>468 715</b>	<b>504 489</b>	<b>531 731</b>	<b>560 976</b>
<b>Expenditure by Vote to be appropriated</b>	<b>1</b>									
Vote 1 - TECHNICAL SERVICES		-	44 396	51 054	40 700	39 700	39 700	48 560	51 182	53 997
Vote 2 - CORPORATE SERVICES		-	25 738	38 016	28 637	28 637	28 637	26 503	27 934	29 471
Vote 3 - FINANCIAL SERVICES		-	60 708	50 605	98 800	76 055	76 055	102 643	108 185	114 136
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	58 543	87 102	68 465	70 129	71 900	77 018	81 177	85 642
Vote 5 - EXECUTIVE MAYOR		-	11 099	16 285	16 395	16 395	16 395	19 200	20 237	21 350
Vote 6 - MUNICIPAL MANAGER		-	4 158	5 806	13 516	13 116	13 516	9 635	10 155	10 714
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	4 866	16 433	18 345	18 345	18 345	15 374	16 204	17 095
Vote 8 - HOUSING		-	48	26	-	-	-	32	34	35
Vote 9 - ELECTRICITY		-	106 402	116 744	120 261	106 211	106 211	88 339	93 110	98 231
Vote 10 - WATER		-	48 304	55 849	69 628	63 628	63 628	45 633	48 098	50 743
Vote 11 - DOG TAX		-	-	-	-	-	-	-	-	-
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	-	<b>364 262</b>	<b>437 920</b>	<b>474 747</b>	<b>432 216</b>	<b>434 386</b>	<b>432 938</b>	<b>456 316</b>	<b>481 414</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	-	<b>(17 950)</b>	<b>1 736</b>	<b>186 705</b>	<b>36 499</b>	<b>34 329</b>	<b>71 552</b>	<b>75 414</b>	<b>79 562</b>

## **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 organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

**Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

EC104 Makana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source												
Property rates	2		46 153	53 827	–	64 080	64 080	64 080	–	67 345	70 982	74 815
Service charges - electricity revenue	2		95 766	96 547	191 064	118 542	118 542	118 542	–	122 721	129 316	136 271
Service charges - water revenue	2		39 594	66 695	73 101	49 587	49 587	49 587	–	70 493	74 255	78 228
Service charges - sanitation revenue	2		19 752	21 525	37 254	18 380	18 380	18 380	–	16 673	17 545	18 466
Service charges - refuse revenue	2		6 363	11 741	19 340	6 554	6 554	6 554	–	13 934	14 664	15 437
Service charges - other			90	102	–	–	–	–	–	–	–	–
Rental of facilities and equipment			801	1 023	–	1 425	1 425	1 425	–	1 425	1 502	1 584
Interest earned - external investments			10 822	12 494	–	500	500	500	–	800	843	890
Interest earned - outstanding debtors			385	–	–	12 065	12 065	12 065	–	7 418	7 818	8 248
Dividends received			–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits			656	55	–	397	397	397	–	990	1 043	1 100
Licences and permits			2 597	2 344	–	4 009	4 009	4 009	–	2 550	2 688	2 836
Agency services			877	850	–	550	550	550	–	1 500	1 581	1 668
Transfers and subsidies			59 983	81 632	–	98 859	98 859	98 859	–	92 497	97 492	102 854
Other revenue	2		13 850	2 939	119 294	54 771	54 771	54 771	–	37 444	39 466	41 598
Gains on disposal of PPE			–	33	–	2 500	2 500	2 500	–	200	211	222
Total Revenue (excluding capital transfers and contributions)			297 687	351 809	440 053	432 216	432 216	432 216	–	435 991	459 407	484 220
Expenditure By Type												
Employee related costs	2		129 819	129 930	126 773	167 803	167 803	167 803	–	182 284	192 127	202 502
Remuneration of councillors			8 337	9 458	9 723	10 436	10 436	10 436	–	9 774	10 302	10 868
Debt impairment	3		–	–	–	7 500	7 500	7 500	–	20 000	21 080	22 239
Depreciation & asset impairment	2		36 729	33 599	31 502	35 177	35 177	35 177	–	11 500	12 121	12 776
Finance charges			–	–	19 000	6 600	6 600	6 600	–	7 500	7 905	8 340
Bulk purchases	2		67 096	82 037	87 574	101 050	101 050	101 050	–	83 065	87 551	92 278
Other materials	8		–	–	–	1 145	1 145	1 145	–	25 030	26 382	27 833
Contracted services			6 917	4 491	8 734	13 655	13 655	13 655	–	12 459	9 443	9 953
Transfers and subsidies			581	1 412	5 782	3 946	2 389	2 388	–	30 700	32 358	34 137
Other expenditure	4, 5		60 457	82 472	124 140	127 435	86 461	86 461	–	50 625	53 358	56 240
Loss on disposal of PPE			–	–	–	–	–	–	–	–	–	–
Total Expenditure			309 936	343 398	413 227	474 747	432 216	432 214	–	432 937	452 627	477 166
Surplus/(Deficit)			(12 249)	8 411	26 826	(42 530)	1	2	–	3 054	6 780	7 054
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			55 750	28 979	–	23 526	23 526	23 526	–	68 489	31 930	30 104
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)			–	–	–	214 877	–	–	–	31 693	53 385	25 687
Surplus/(Deficit) after capital transfers & contributions			43 501	37 390	26 826	195 873	23 527	23 528	–	103 236	92 095	62 845
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			43 501	37 390	26 826	195 873	23 527	23 528	–	103 236	92 095	62 845
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			43 501	37 390	26 826	195 873	23 527	23 528	–	103 236	92 095	62 845
Share of surplus/ (deficit) of associate	7		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			43 501	37 390	26 826	195 873	23 527	23 528	–	103 236	92 095	62 845

Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source



# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

EC104 Makana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - TECHNICAL SERVICES		-	-	-	-	-	-	-	11 381	12 030	12 704
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	1 000	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	1 522	-	-
Vote 5 - EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-	-
Vote 6 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	750	100	1 000
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		-	-	-	-	-	-	-	8 000	6 400	3 200
Vote 10 - WATER		-	-	-	-	-	-	-	45 845	12 500	13 200
Vote 11 - DOG TAX		-	-	-	-	-	-	-	-	-	-
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	<b>68 498</b>	<b>31 030</b>	<b>30 104</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-	-
Vote 6 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 10 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 11 - DOG TAX		-	-	-	-	-	-	-	-	-	-
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	-	<b>68 498</b>	<b>31 030</b>	<b>30 104</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		5 302	2 461	1 150	750	750	750	-	750	1 000	1 000
Executive and council		673	327	-	-	-	-	-	-	-	-
Finance and administration		1 161	568	-	750	750	750	-	750	1 000	1 000
Internal audit		3 468	1 566	1 150	-	-	-	-	-	-	-
<b>Community and public safety</b>		18 609	3 673	1 300	3 942	3 942	3 942	-	2 522	-	-
Community and social services		3 100	67	996	3 942	3 942	3 942	-	1 000	-	-
Sport and recreation		14 138	3 393	304	-	-	-	-	1 522	-	-
Public safety		935	213	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		436	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		8 722	11 945	1 201	6 309	10 309	10 309	-	-	-	-
Planning and development		3 359	3 720	-	600	600	600	-	-	-	-
Road transport		4 917	8 224	1 201	5 709	9 709	9 709	-	-	-	-
Environmental protection		445	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		20 952	22 654	59 291	22 902	21 498	21 498	-	65 226	30 930	29 104
Energy sources		1 129	2 953	5 114	8 085	8 085	8 085	-	8 000	6 400	3 200
Water management		1 897	15 442	26 000	44 405	4 405	4 405	-	45 845	12 500	13 200
Waste water management		17 926	4 236	28 177	174 412	9 008	9 008	-	11 381	12 030	12 704
Waste management		-	24	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>53 585</b>	<b>40 733</b>	<b>62 942</b>	<b>237 903</b>	<b>36 499</b>	<b>36 499</b>	<b>-</b>	<b>68 498</b>	<b>31 930</b>	<b>30 104</b>
<b>Funded by:</b>											
National Government		29 643	21 784	56 940	80 474	32 332	32 332	-	65 226	30 930	29 104
Provincial Government		-	-	996	567	567	567	-	1 522	-	-
District Municipality		-	67	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	148 762	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>29 643</b>	<b>21 852</b>	<b>57 936</b>	<b>229 803</b>	<b>32 899</b>	<b>32 899</b>	<b>-</b>	<b>66 748</b>	<b>30 930</b>	<b>29 104</b>
Public contributions & donations	<b>5</b>	-	-	-	-	-	-	-	-	-	-
Borrowing	<b>6</b>	849	6 835	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		23 094	12 047	5 056	8 600	3 600	3 600	-	1 750	1 000	1 000
<b>Total Capital Funding</b>	<b>7</b>	<b>53 585</b>	<b>40 733</b>	<b>62 992</b>	<b>238 403</b>	<b>36 499</b>	<b>36 499</b>	<b>-</b>	<b>68 498</b>	<b>31 930</b>	<b>30 104</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.

# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

**Table 14 MBRR Table A6 - Budgeted Financial Position**

EC104 Makana - Table A6 Budgeted Financial Position

2017/18 Annual Report - Table A5 Budgeted Financial Position											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		5 450	6 040	6 921	5 179	5 179	5 179		1 500	1 581	1 668
Call investment deposits	1	2 024	12 139	6 344	12 679	12 679	12 679	-	3 487	3 675	3 877
Consumer debtors	1	129 572	174 750	353 302	225 176	225 176	225 176	-	95 000	107 559	110 074
Other debtors		38 490	49 106	30 124	35 760	35 760	35 760	-	25 600	26 982	28 466
Current portion of long-term receivables		150	28	-	-	-	-	-	-	-	-
Inventory	2	13 122	15 542	9 671	8 600	8 600	8 600	-	5 700	6 008	6 338
<b>Total current assets</b>		<b>188 809</b>	<b>257 605</b>	<b>406 362</b>	<b>287 395</b>	<b>287 395</b>	<b>287 395</b>	<b>-</b>	<b>131 287</b>	<b>145 806</b>	<b>150 424</b>
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		161	142	7 186	-	-	-	-	-	-	-
Investment property		201 302	190 234	-	184 500	184 500	184 500	-	188 500	198 679	209 606
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	805 947	852 542	661 804	709 088	709 088	709 088	-	685 000	705 000	725 000
Agricultural		28 931	-	-	-	-	-	-	-	-	-
Biological		-	29 008	-	-	-	-	-	-	-	-
Intangible		948	707	2 300	12 000	12 000	12 000	-	2 700	2 846	3 002
Other non-current assets		-	-	29 166	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>1 037 290</b>	<b>1 072 632</b>	<b>700 456</b>	<b>905 588</b>	<b>905 588</b>	<b>905 588</b>	<b>-</b>	<b>876 200</b>	<b>905 525</b>	<b>937 609</b>
<b>TOTAL ASSETS</b>		<b>1 226 099</b>	<b>1 330 236</b>	<b>1 106 818</b>	<b>1 192 983</b>	<b>1 192 983</b>	<b>1 192 983</b>	<b>-</b>	<b>1 007 487</b>	<b>1 052 331</b>	<b>1 088 033</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	15 467	-	-	-	-	-	-	-	-	-
Borrowing	4	4 010	4 128	2 500	3 500	3 500	3 500	-	2 750	3 232	3 520
Consumer deposits		2 298	2 321	2 451	3 000	3 000	3 000	-	3 500	3 689	3 892
Trade and other payables	4	103 825	227 802	102 863	141 137	141 137	141 137	-	116 847	130 619	120 982
Provisions		9 713	2 728	4 118	30 000	30 000	30 000	-	7 500	7 905	8 340
<b>Total current liabilities</b>		<b>135 312</b>	<b>236 979</b>	<b>111 932</b>	<b>177 637</b>	<b>177 637</b>	<b>177 637</b>	<b>-</b>	<b>130 597</b>	<b>145 445</b>	<b>136 734</b>
<b>Non current liabilities</b>											
Borrowing		50 117	50 940	-	69 500	69 500	69 500	-	59 179	62 375	65 805
Provisions		41 104	65 562	2 145	10 900	10 900	10 900	-	14 500	15 283	16 124
<b>Total non current liabilities</b>		<b>91 221</b>	<b>116 502</b>	<b>2 145</b>	<b>80 400</b>	<b>80 400</b>	<b>80 400</b>	<b>-</b>	<b>73 679</b>	<b>77 658</b>	<b>81 929</b>
<b>TOTAL LIABILITIES</b>		<b>226 533</b>	<b>353 481</b>	<b>114 077</b>	<b>258 037</b>	<b>258 037</b>	<b>258 037</b>	<b>-</b>	<b>204 276</b>	<b>223 102</b>	<b>218 663</b>
<b>NET ASSETS</b>	5	<b>999 566</b>	<b>976 755</b>	<b>992 741</b>	<b>934 946</b>	<b>934 946</b>	<b>934 946</b>	<b>-</b>	<b>803 211</b>	<b>829 228</b>	<b>869 370</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		988 694	971 308	986 785	969 963	969 963	969 963	-	1 013 237	1 072 331	1 118 033
Reserves	4	5 428	5 447	5 428	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>994 122</b>	<b>976 755</b>	<b>992 213</b>	<b>969 963</b>	<b>969 963</b>	<b>969 963</b>	<b>-</b>	<b>1 013 237</b>	<b>1 072 331</b>	<b>1 118 033</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 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
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

# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

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.

**Table 15 MBRR Table A7 - Budgeted Cash Flow Statement**

**EC104 Makana - Table A7 Budgeted Cash Flows**

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			46 153	53 827	40 518	57 240	57 240	57 240	57 240	67 500	70 200	74 131
Service charges			161 564	196 610	206 731	226 079	226 079	226 079	226 079	235 314	243 730	257 867
Other revenue			17 839	12 130	757	21 000	21 000	21 000	21 000	10 500	11 120	11 764
Government - operating		1	115 733	110 611	84 920	89 475	89 475	89 475	89 475	91 093	98 500	104 213
Government - capital		1	-	-	1 801	173 043	43 168	43 168	43 168	34 199	36 217	38 318
Interest			385	-	7 393	12 100	15 100	15 100	15 100	7 300	9 347	9 889
Dividends			-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees			(344 246)	(300 798)	(259 776)	(351 972)	(351 972)	(351 972)	(351 972)	(368 195)	(389 919)	(412 534)
Finance charges			(6 337)	(16 455)	(1 713)	(5 000)	(5 000)	(5 000)	(5 000)	(4 309)	(4 563)	(4 828)
Transfers and Grants		1	-	-	(75 589)	(37 901)	(37 901)	(37 901)	(37 901)	(28 435)	(30 113)	(31 859)
NET CASH FROM/(USED) OPERATING ACTIVITIES			(8 908)	55 925	5 042	184 063	57 189	57 189	57 189	44 967	44 519	46 961
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			(116)	1 860	-	-	-	-	-	200	212	224
Decrease (Increase) in non-current debtors			-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables			-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments			-	20	-	-	-	-	-	-	-	-
Payments												
Capital assets			(53 585)	(40 733)	(6 857)	(173 043)	(43 168)	(43 168)	(43 168)	(34 199)	(36 149)	(38 173)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(53 701)	(38 853)	(6 857)	(173 043)	(43 168)	(43 168)	(43 168)	(33 999)	(35 937)	(37 949)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			30 770	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing			-	1 063	-	(5 500)	(4 000)	(4 000)	(4 000)	(7 500)	(7 928)	(8 371)
NET CASH FROM/(USED) FINANCING ACTIVITIES			30 770	1 063	-	(5 500)	(4 000)	(4 000)	(4 000)	(7 500)	(7 928)	(8 371)
NET INCREASE/ (DECREASE) IN CASH HELD			(31 839)	18 135	(1 815)	5 520	10 020	10 020	10 020	3 468	655	641
Cash/cash equivalents at the year begin:		2	9 833	(13 437)	6 920	2 609	2 609	2 609	2 609	989	4 457	5 112
Cash/cash equivalents at the year end:		2	(22 006)	4 698	5 105	8 129	12 629	12 629	12 629	4 457	5 112	5 753

**Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**



# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

EC104 Makana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end		1	(22 006)	4 698	5 105	8 129	12 629	12 629	12 629	4 457	5 112	5 753
Other current investments > 90 days			14 014	13 480	8 160	9 729	5 229	5 229	(12 629)	530	144	(207)
Non current assets - Investments		1	161	142	7 186	-	-	-	-	-	-	-
<b>Cash and investments available:</b>			<b>(7 831)</b>	<b>18 320</b>	<b>20 451</b>	<b>17 858</b>	<b>17 858</b>	<b>17 858</b>	<b>-</b>	<b>4 987</b>	<b>5 257</b>	<b>5 546</b>
<b>Application of cash and investments</b>												
Unspent conditional transfers			-	-	14 863	-	-	-	-	-	-	-
Unspent borrowing			-	-	-	-	-	-	-	-	-	-
Statutory requirements		2				(64 764)	(64 764)	(64 764)		-	-	-
Other working capital requirements		3	(63 255)	(327)	(128 092)	(99 232)	(99 232)	(99 232)	-	(825)	(3 100)	(10 045)
Other provisions					4 852					5 500	5 814	6 139
Long term investments committed		4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5			6 920		5 749	5 749		-	-	-
<b>Total Application of cash and investments:</b>			<b>(63 255)</b>	<b>(327)</b>	<b>(101 457)</b>	<b>(163 996)</b>	<b>(158 247)</b>	<b>(158 247)</b>	<b>-</b>	<b>4 675</b>	<b>2 714</b>	<b>(3 906)</b>
<b>Surplus(shortfall)</b>			<b>55 424</b>	<b>18 647</b>	<b>121 908</b>	<b>181 855</b>	<b>176 106</b>	<b>176 106</b>	<b>-</b>	<b>312</b>	<b>2 543</b>	<b>9 452</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.

## 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. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 17 MBRR Table A10 - Basic Service Delivery Measurement

# MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21

EC104 Makana - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	37 500	37 500	37 500	40 000	450 000	50 000
Piped water inside yard (but not in dwelling)		-	-	-	650	650	650	700 000	73 000	75 000
Using public tap (at least min service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min service level)	4	-	-	-	-	-	-	-	-	-
<b>Minimum Service Level and Above sub-total</b>					38 150	38 150	38 150	740 000	523 000	125 000
Using public tap (< min service level)	3	-	-	-	25 000	250 000	25 000	150 000	14 000	13 000
Other water supply (< min service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<b>Below Minimum Service Level sub-total</b>					25 000	250 000	25 000	150 000	14 000	13 000
<b>Total number of households</b>	5	-	-	-	63 150	288 150	63 150	890 000	537 000	138 000
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	1 000	1 000	1 000	1 500	1 500	1 500
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min service level)		-	-	-	-	-	-	-	-	-
<b>Minimum Service Level and Above sub-total</b>					1 000	1 000	1 000	1 500	1 500	1 500
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<b>Below Minimum Service Level sub-total</b>					-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	1 000	1 000	1 000	1 500	1 500	1 500
<b>Energy:</b>										
Electricity (at least min service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min service level)		-	-	-	-	-	-	-	-	-
<b>Minimum Service Level and Above sub-total</b>					-	-	-	-	-	-
Electricity (< min service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<b>Below Minimum Service Level sub-total</b>					-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	25 000	25 000	25 000	26 000	26 500	27 000
<b>Minimum Service Level and Above sub-total</b>					25 000	25 000	25 000	26 000	26 500	27 000
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	2	2	2	2	2	2
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<b>Below Minimum Service Level sub-total</b>					2	2	2	2	2	2
<b>Total number of households</b>	5	-	-	-	25 002	25 002	25 002	26 002	26 502	27 002
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	8 445	8 445	8 445	8 750	9 266	9 804
Sanitation (free sanitation service to indigent households)		-	-	-	7 671	7 671	7 671	5 670	6 005	6 353
Electricity/other energy (50kwh per indigent household per month)		-	-	-	8 233	8 233	8 233	6 500	6 884	7 283
Refuse (removed once a week for indigent households)		-	-	-	6 543	6 543	6 543	4 543	4 811	5 090
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>					30 892	30 892	30 892	25 463	26 965	28 529
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	-	-	4 034	4 034	4 034	500	500	500
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	2 108	2 108	2 108	2 472	2 606	2 747
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	-	-	-	2 108	2 108	2 108	2 472	2 606	2 747

## Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The budget provides for a universal approach to the provision of free subsidised services to both indigent and poor households for the 2018/19 MTREF.

## **2 Part 2 - Supporting Documentation**

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

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the following Councillors and officials:

- Mayor
- Speaker
- Municipal Chief Whip
- Municipal Manager
- Chief Financial Officer - Chairperson
- Any other official on invitation

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipal IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### **2.1.1 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled at the Finance Portfolio Committee the required the budget time schedule in September 2017. The report was subsequently adopted by Council. Key dates applicable to the process were:

- Joint strategic planning session of the Financial Services Management team and the Budget Office. Aim:
  - to assess Council's 2016/17 Financial Statements and current year's (2017/18) revised results and capacity, to determine the impact on future strategies and budgets;
- **September 2017** - Issuing of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF) guideline addressing various budget assumptions, internal budget processes, policies and requirements in terms of the Municipal Budgeting and Reporting Regulations etc;
- **January 2018** - Submission of the Adjusted Capital and Operating Budget for the
- **24 January 2018** - Council considered the 2016/17 Mid-year Review and 2017/18 Adjusted Budget;
- **March 2018** - National Treasury's Mid-year Budget and Performance Assessment Visit;



- **31 March 2018** - Tabling in Council of the Draft 2018/19 IDP and 2018/19 MTREF for public consultation;
- **April 2018** - Public consultation;
- **18 May 2018** - National Treasury's 2018/19 Tabled MTREF Engagement and Municipal Benchmarking Exercise;
- **21 May 2018** - Closing date for written comments;
- **15 to 19 May 2018** - finalisation of the 2018/19 IDP and 2018/19 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **31 May 2018** - Tabling of the 2018/19 MTREF before Council for consideration and approval.

### **2.1.2 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2018/19 MTREF, financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt,
- Performance trends
- The approved 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 89 and 91 has been taken into consideration in the planning and prioritisation process.

### **2.1.3 Community Consultation**

The Executive Committee has approved a schedule of public meetings to be held at various locations to provide an opportunity for the public to comment on the budget.

The administrative planning process also took into consideration the ward approach that was used in the previous years' budget public participation. The advantage and benefit for the use of wards is that it creates a shared sense of belonging amongst the citizens as well as an understanding of the diverse issues and needs amongst the community of the Municipality.

The following table set out the meetings that were proposed and prepared by the Community Facilitation section for the 2018/19 budget public participation meetings:

**MAKANA MUNICIPALITY - FINAL BUDGET 2018/19 TO 2020/21**

DAY	WARD	AREA	VENUE	DATE	POLITICAL EMPLOYEES	ADMINISTRATIO N	TIME
	2	JOZA, A,B,C,D, PHUMLANI, THATHA,AND MNANDI, ELUXOLWENI	NOLUTHANDO HALL	18/04/201 8	EXECUTIVE MAYOR, SPEAKER MAYORAL COMMITTEE AND ALL COUNCILLORS	ACTING MM, ALL DIRECTORS, MANAGERS, EXECUTIVE MAYOR AND SPEAKER'S OFFICE, IDP	17H30
	3	MAYFIELD EXT 10,	TENT OPEN SPACE AT EXT 10	22/05/201 8	EXECUTIVE MAYOR, SPEAKER MAYORAL COMMITTEE AND ALL COUNCILLORS	ACTING MM, ALL DIRECTORS, MANAGERS, EXECUTIVE MAYOR AND SPEAKER'S OFFICE, IDP	17H00
	3	ZOLANI, PHAPHAMANI, PHOLA PARK , SUNCITY ,  HOOGGENOE G, VERGENOEG		22/05/201 8	EXECUTIVE MAYOR, SPEAKER MAYORAL COMMITTEE AND ALL COUNCILLORS	ACTING MM, ALL DIRECTORS, MANAGERS, EXECUTIVE MAYOR AND SPEAKER'S OFFICE, IDP	10H00
	13	BROUGHTON, HOPE FOUNTAIN AND SURROUNDIN G FARMS	BROUGHTON FARM SCHOOL	21/05/201 8	EXECUTIVE MAYOR, SPEAKER MAYORAL COMMITTEE AND ALL COUNCILLORS	ACTING MM, ALL DIRECTORS, MANAGERS, EXECUTIVE MAYOR AND SPEAKER'S OFFICE, IDP	17H30
	7&10	J-Z STREETS, TANTYI COTTAGES, LOMBO, LUKHWE, SOFISA STREETS	TANTYI HALL	23/04/201 8	EXECUTIVE MAYOR, SPEAKER MAYORAL COMMITTEE AND ALL COUNCILLORS	ACTING MM, ALL DIRECTORS, MANAGERS, EXECUTIVE MAYOR AND SPEAKER'S OFFICE, IDP	17H30
		14	ALICEDALE	24/04/201 8	EXECUTIVE MAYOR, SPEAKER MAYORAL COMMITTEE	ACTING MM, ALL DIRECTORS, MANAGERS, EXECUTIVE MAYOR AND	17H30



		14	ALICEDALE	24/04/2018	EXECUTIVE MAYOR, SPEAKER MAYORAL COMMITTEE AND ALL COUNCILLORS	ACTING MM, ALL DIRECTORS, MANAGERS, EXECUTIVE MAYOR AND SPEAKER'S OFFICE, IDP
	1	FORT BROWN AND SURROUNDING FARMS	FORT BROWN COMMUNITY HALL	25/04/2018	EXECUTIVE MAYOR, SPEAKER MAYORAL COMMITTEE AND ALL COUNCILLORS	ACTING MM, ALL DIRECTORS, MANAGERS, EXECUTIVE MAYOR AND SPEAKER'S OFFICE, IDP

The Tabled Budget was also published on the municipality's website, and detailed copies of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF) were made available for inspection at all municipal offices and libraries. All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions that were received during the community consultation process have been addressed, and where relevant, considered as part of the finalisation of the 2018/19 MTREF.

## 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.

The IDP drives the strategic development of the Municipality. The Municipality's budget is fully influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is tabled in its Annual report.

### **2.3 Overview of budget related-policies**

The budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

#### **2.3.1 Review of credit control and debt collection procedures/policies**

The Credit Control & Debt Collection Policy was last reviewed and approved by Council in July 2016. This will assist the municipality with recoverability of outstanding debtors. The 2018/19 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 91 per cent on current billings.

#### **2.3.2 Asset Management, Infrastructure Investment and Funding Policy**

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality's infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. Over the next three years, there is a decrease in investment on new assets in order to give effect to priority of renewing existing assets.

The policy has been amended and is therefore included for Council's approval.

#### **2.3.3 Budget t Policy**

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

#### **2.3.4 Tariff of Charges Policy**

The tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

#### **2.3.5 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council and amendment on the Supply Chain Management Policy was done in terms of Supply Chain Management Regulations clause 3(1) (b) and was adopted by Council on 13 July 2016 in terms and it also incorporates most of the requirements of the Preferential Procurement

Regulations. The policy has been amended and is therefore included as for Council's approval.

#### **2.3.6 Virement Policy**

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipal system of delegations.

The policy has been amended to include reference to mSCOA and is therefore included as for Council's approval.

### **2.4 Overview of budget assumptions**

#### **2.4.1 External factors**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters municipal finances.

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

There are five key factors that have been taken into consideration in the compilation of the 2018/19 MTREF:

- National Government macro-economic targets as per MFMA circular 89 and 91;
- The general inflationary outlook and the impact on Makana residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 41 per cent of total operating expenditure in the 2018/19 MTREF.

#### **2.4.3 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate 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 (91.5 per cent) of annual billings. Cash flow is also assumed to be 91 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

#### **2.4.5 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 debtors' collection rate, tariff/rate pricing, real growth rate of the Makana, household formation growth rate and the poor household change rate.

#### **2.4.6 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:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;

- Rural development and agriculture; and
- Fighting crime and corruption.

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. See relevant section in the Integrated Development Plan.

**2.4.7 Ability of the municipality to spend and deliver on the programmes**

The slow spend on the 2017/18 Adjusted Capital Budget was of serious concern to Administration, however procurement plan were prepared to expedite the implementation of the procurement process, spending in the 2017/18 financial year still remains a challenge.



# ANNEXURE A

ANNEXURE A - AI SCHEDULE & SUPPORTING TABLES


# Municipal annual budgets and MTREF & supporting tables

mSCOA Version 6.2

Accountability

Transparency

Information &  
service delivery



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - TECHNICAL SERVICES	Vote 1 TECHNICAL SERVICES	1.1 - TECHNICAL & INFRASTRUCTURE ADMIN
Vote 2 - CORPORATE SERVICES	1.1 TECHNICAL & INFRASTRUCTURE ADMIN	1.2 - DISTRIBUTION
Vote 3 - FINANCIAL SERVICES	1.2 DISTRIBUTION	1.3 - SANITATION PAIL REMOVALS
Vote 4 - COMMUNITY & SOCIAL SERVICES	1.3 SANITATION PAIL REMOVALS	1.4 - SEWERAGE ADMINISTRATION
Vote 5 - EXECUTIVE MAYOR	1.4 SEWERAGE ADMINISTRATION	1.5 - SEWERAGE DISPOSAL WORKS
Vote 6 - MUNICIPAL MANAGER	1.5 SEWERAGE DISPOSAL WORKS	1.6 - SEWERAGE RETICULATION
Vote 7 - LOCAL ECONOMIC DEVELOPMENT	1.6 SEWERAGE RETICULATION	1.7 - STORM WATER DRAINS AND RIVER BEDS
Vote 8 - HOUSING	1.7 STORM WATER DRAINS AND RIVER BEDS	1.8 - STREETS, FOOTPATHS AND GUTTERS
Vote 9 - ELECTRICITY	1.8 STREETS, FOOTPATHS AND GUTTERS	1.9 - TOWN PLANNING AND LAND USAGE
Vote 10 - WATER	1.9 TOWN PLANNING AND LAND USAGE	1.10 - PROPERTIES & ESTATES
Vote 11 - DOG TAX	1.10 PROPERTIES & ESTATES	
Vote 12 - PARKING METERS	Vote 2 CORPORATE SERVICES	
Vote 13 -	2.1 CORPORATE SERVICES ADMIN	2.1 - CORPORATE SERVICES ADMIN
Vote 14 -	2.2 CITY HALL AND OFFICES	2.2 - CITY HALL AND OFFICES
Vote 15 -	2.3 COMMUNITY HALLS	2.3 - COMMUNITY HALLS
	2.4 COUNCIL SUPPORT	2.4 - COUNCIL SUPPORT
	2.5 HUMAN RESOURCES	2.5 - HUMAN RESOURCES
	2.6 LEGAL SERVICES	2.6 - LEGAL SERVICES
	2.7 INFORMATION TECHNOLOGY	2.7 - INFORMATION TECHNOLOGY
	2.8 IDP	2.8 - IDP
	2.9 MEDIA & COMMUNICATION	2.9 - MEDIA & COMMUNICATION
	2.10	
	Vote 3 FINANCIAL SERVICES	
	3.1 FINANCIAL SERVICES ADMINISTRATION	3.1 - FINANCIAL SERVICES ADMINISTRATION
	3.2 RATES AND ANNUAL CHARGES	3.2 - RATES AND ANNUAL CHARGES
	Vote 4 COMMUNITY & SOCIAL SERVICES	
	4.1 COMMUNITY AND SOCIAL SERVICES ADMINISTRATION	4.1 - COMMUNITY AND SOCIAL SERVICES ADMINISTRATION
	4.2 DISASTER	4.2 - DISASTER
	4.3 DISTRIBUTION PARKS TRANSPORT	4.3 - DISTRIBUTION PARKS TRANSPORT
	4.4 TRAFFIC CONTROL	4.4 - TRAFFIC CONTROL
	4.5 SANITATION GENERAL CLEANSING	4.5 - SANITATION GENERAL CLEANSING
	4.6 DISTRIBUTION PARKS ADMIN	4.6 - DISTRIBUTION PARKS ADMIN
	4.7 ENVIRONMENTAL MANAGEMENT	4.7 - ENVIRONMENTAL MANAGEMENT
	4.8 FIRE	4.8 - FIRE
	4.9 LIBRARY	4.9 - LIBRARY
	4.10 SPORTS GROUND/PLAYGROUNDS	4.10 - SPORTS GROUND/PLAYGROUNDS
	Vote 5 EXECUTIVE MAYOR	
	5.1 EXECUTIVE MAYOR	5.1 - EXECUTIVE MAYOR
	5.2 SPEAKERS OFFICE	5.2 - SPEAKERS OFFICE
	Vote 6 MUNICIPAL MANAGER	
	6.1 EXECUTIVE SUPPORT	6.1 - EXECUTIVE SUPPORT
	6.2 IDP AND PERFORMANCE MANAGEMENT	6.2 - IDP AND PERFORMANCE MANAGEMENT
	6.3 MUNICIPAL MANAGER	6.3 - MUNICIPAL MANAGER
	6.4 MEDIA COMMUNICATION	6.4 - MEDIA COMMUNICATION
	6.5 SPECIAL PROGRAMMES UNIT	6.5 - SPECIAL PROGRAMMES UNIT
	6.6 INTERNAL AUDIT	6.6 - INTERNAL AUDIT
	Vote 7 LOCAL ECONOMIC DEVELOPMENT	
	7.1 LOCAL ECONOMIC DEVELOPMENT	7.1 - LOCAL ECONOMIC DEVELOPMENT
	7.2 TOWN PLANNING AND LAND USE	7.2 - TOWN PLANNING AND LAND USE
	7.3 PROPERTY AND ESTATE	7.3 - PROPERTY AND ESTATE
	Vote 8 HOUSING	
	8.1 LETTING SCHEME ECONOMIC	8.1 - LETTING SCHEME ECONOMIC
	8.2 LETTING SCHEMES/SELLING SCHEMES ECONOMIC	8.2 - LETTING SCHEMES/SELLING SCHEMES ECONOMIC
	8.3 GRAHAMSTOWN EAST SCHEMES	8.3 - GRAHAMSTOWN EAST SCHEMES
	8.4 LETTING SCHEMES SUB ECONOMIC	8.4 - LETTING SCHEMES SUB ECONOMIC
	8.5 NATIONAL HOUSING SCHEME ALICEDALE	8.5 - NATIONAL HOUSING SCHEME ALICEDALE
	8.6 CONVERSION SCHEME SUB ECONOMIC	8.6 - CONVERSION SCHEME SUB ECONOMIC
	Vote 9 ELECTRICITY	
	9.1 ELECTRICITY ADMINISTRATION	9.1 - ELECTRICITY ADMINISTRATION
	9.2 ELECTRICITY BULK PURCHASES	9.2 - ELECTRICITY BULK PURCHASES
	9.3 ELECTRICITY DISTRIBUTION	9.3 - ELECTRICITY DISTRIBUTION
	Vote 10 WATER	
	10.1 WATER ADMINISTRATION	10.1 - WATER ADMINISTRATION
	10.2 CONSERVATION AND PURIFICATION WAAINEK	10.2 - CONSERVATION AND PURIFICATION WAAINEK
	10.3 CONSERVATION AND PURIFICATION JAMES KLEYNHANS	10.3 - CONSERVATION AND PURIFICATION JAMES KLEYNHANS
	10.4 WATER RETICULATION	10.4 - WATER RETICULATION
	Vote 11 DOG TAX	
	11.1 DOG TAX	11.1 - DOG TAX
	Vote 12 PARKING METERS	
	12.1 PARKING METERS	12.1 - PARKING METERS

**EC104 Makana - Contact Information**
**A. GENERAL INFORMATION**

<b>Municipality</b>	EC104 Makana
<b>Grade</b>	3
<b>Province</b>	EC EASTERN CAPE
<b>Web Address</b>	<a href="http://www.makana.gov.za">www.makana.gov.za</a>
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1 Grade in terms of the Remuneration of Public Office Bearers Act.

**B. CONTACT INFORMATION**

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City / Town	Grahamstown
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**C. POLITICAL LEADERSHIP**

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**D. MANAGEMENT LEADERSHIP**

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EC104 Makana - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	46 153	53 827	–	64 080	64 080	64 080	–	67 345	70 982	74 815
Service charges	161 564	196 610	320 759	193 062	193 062	193 062	–	223 821	235 781	248 405
Investment revenue	10 822	12 494	–	500	500	500	–	800	843	890
Transfers recognised - operational	59 983	61 632	–	98 859	98 859	98 859	–	92 497	97 492	102 854
Other own revenue	19 165	7 245	119 294	75 716	75 716	75 716	–	51 527	54 309	57 257
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>297 687</b>	<b>351 809</b>	<b>440 053</b>	<b>432 216</b>	<b>432 216</b>	<b>432 216</b>	<b>–</b>	<b>435 991</b>	<b>459 407</b>	<b>484 220</b>
<b>Employee costs</b>	<b>129 819</b>	<b>129 930</b>	<b>126 773</b>	<b>167 803</b>	<b>167 803</b>	<b>167 803</b>	<b>–</b>	<b>182 284</b>	<b>192 127</b>	<b>202 502</b>
Remuneration of councillors	8 337	9 458	9 723	10 436	10 436	10 436	–	9 774	10 302	10 868
Depreciation & asset impairment	36 729	33 599	31 502	35 177	35 177	35 177	–	11 500	12 121	12 776
Finance charges	–	–	19 000	6 600	6 600	6 600	–	7 500	7 905	8 340
Materials and bulk purchases	67 096	82 037	87 574	102 195	102 195	102 195	–	108 095	113 933	120 111
Transfers and grants	581	1 412	5 782	3 946	2 389	2 388	–	30 700	32 358	34 137
Other expenditure	67 374	86 962	132 874	148 591	107 617	107 617	–	83 084	83 881	88 432
<b>Total Expenditure</b>	<b>309 936</b>	<b>343 398</b>	<b>413 227</b>	<b>474 747</b>	<b>432 216</b>	<b>432 214</b>	<b>–</b>	<b>432 937</b>	<b>452 627</b>	<b>477 166</b>
<b>Surplus/(Deficit)</b>	<b>(12 249)</b>	<b>8 411</b>	<b>26 826</b>	<b>(42 530)</b>	<b>1</b>	<b>2</b>	<b>–</b>	<b>3 054</b>	<b>6 780</b>	<b>7 054</b>
Transfers and subsidies - capital (monetary allocations)	55 750	28 979	–	23 526	23 526	23 526	–	68 489	31 930	30 104
Contributions recognised - capital & contributed assets	–	–	–	214 877	–	–	–	31 693	53 385	25 687
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>43 501</b>	<b>37 390</b>	<b>26 826</b>	<b>195 873</b>	<b>23 527</b>	<b>23 528</b>	<b>–</b>	<b>103 236</b>	<b>92 095</b>	<b>62 845</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>43 501</b>	<b>37 390</b>	<b>26 826</b>	<b>195 873</b>	<b>23 527</b>	<b>23 528</b>	<b>–</b>	<b>103 236</b>	<b>92 095</b>	<b>62 845</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>53 585</b>	<b>40 733</b>	<b>62 942</b>	<b>237 903</b>	<b>36 499</b>	<b>36 499</b>	<b>–</b>	<b>68 498</b>	<b>31 930</b>	<b>30 104</b>
Transfers recognised - capital	29 643	21 852	57 936	229 803	32 899	32 899	–	66 748	30 930	29 104
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	849	6 835	–	–	–	–	–	–	–	–
Internally generated funds	23 094	12 047	5 056	8 600	3 600	3 600	–	1 750	1 000	1 000
<b>Total sources of capital funds</b>	<b>53 585</b>	<b>40 733</b>	<b>62 992</b>	<b>238 403</b>	<b>36 499</b>	<b>36 499</b>	<b>–</b>	<b>68 498</b>	<b>31 930</b>	<b>30 104</b>
<b>Financial position</b>										
Total current assets	188 809	257 605	406 362	287 395	287 395	287 395	–	131 287	145 806	150 424
Total non current assets	1 037 290	1 072 632	700 456	905 588	905 588	905 588	–	876 200	906 525	937 609
Total current liabilities	135 312	236 979	111 932	177 637	177 637	177 637	–	130 597	145 445	136 734
Total non current liabilities	91 221	116 502	2 145	80 400	80 400	80 400	–	73 679	77 658	81 929
Community wealth/Equity	994 122	976 755	992 213	969 963	969 963	969 963	–	1 013 237	1 072 331	1 118 033
<b>Cash flows</b>										
Net cash from (used) operating	(8 908)	55 925	5 042	184 063	57 189	57 189	57 189	44 967	44 519	46 961
Net cash from (used) investing	(53 701)	(38 853)	(6 857)	(173 043)	(43 168)	(43 168)	(43 168)	(33 999)	(35 937)	(37 949)
Net cash from (used) financing	30 770	1 063	–	(5 500)	(4 000)	(4 000)	(4 000)	(7 500)	(7 928)	(8 371)
<b>Cash/cash equivalents at the year end</b>	<b>(22 006)</b>	<b>4 698</b>	<b>5 105</b>	<b>8 129</b>	<b>12 629</b>	<b>12 629</b>	<b>12 629</b>	<b>4 457</b>	<b>5 112</b>	<b>5 753</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(7 831)	18 320	20 451	17 858	17 858	17 858	–	4 987	5 257	5 546
Application of cash and investments	(63 255)	(327)	(101 457)	(163 996)	(158 247)	(158 247)	–	4 675	2 714	(3 906)
<b>Balance - surplus (shortfall)</b>	<b>55 424</b>	<b>18 647</b>	<b>121 908</b>	<b>181 855</b>	<b>176 106</b>	<b>176 106</b>	<b>–</b>	<b>312</b>	<b>2 543</b>	<b>9 452</b>
<b>Asset management</b>										
Asset register summary (WDV)	918 438	848 739	125 884	306 498	306 498	306 498	–	–	–	–
Depreciation	–	–	–	–	–	–	–	–	–	–
Renewal of Existing Assets	–	–	–	1 785	1 185	–	–	–	–	–
Repairs and Maintenance	12 777	10 136	23 657	–	–	–	–	–	–	–
<b>Free services</b>										
Cost of Free Basic Services provided	–	–	–	30 892	30 892	30 892	25 463	25 463	26 965	28 529
Revenue cost of free services provided	–	–	–	2 108	2 108	2 108	2 472	2 472	2 606	2 747
<b>Households below minimum service level</b>										
Water:	–	–	–	25	250	25	150	150	14	13
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	0	0	0	0	0	0	0

EC104 Makana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue - Functional</b>	<b>1</b>									
<b>Governance and administration</b>		105 155	148 057	110 328	159 641	144 141	144 140	127 085	133 948	141 315
Executive and council		3 858	5 984	8 519	32 075	16 575	16 575	24 600	25 928	27 354
Finance and administration		101 297	142 073	101 809	127 566	127 566	127 566	102 485	108 019	113 961
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		8 308	30 120	3 886	24 452	24 452	24 452	9 103	9 595	10 122
Community and social services		2 682	1 141	3 527	5 217	5 217	5 217	7 538	7 945	8 382
Sport and recreation		3 784	28 979	127	6 398	6 398	6 398	445	469	495
Public safety		48	-	-	9 228	9 228	9 228	510	538	567
Housing		-	-	-	-	-	-	-	-	-
Health		1 793	-	232	3 609	3 609	3 609	610	643	678
<b>Economic and environmental services</b>		13 760	4 363	5 066	49 595	40 872	40 873	20 811	21 935	23 142
Planning and development		2 455	641	2 554	27 430	25 071	25 071	12 615	13 296	14 027
Road transport		10 284	3 320	2 512	22 141	15 777	15 777	8 167	8 608	9 081
Environmental protection		1 022	402	-	24	24	24	30	32	33
<b>Trading services</b>		226 212	196 508	320 758	427 749	259 234	259 234	347 489	366 253	386 397
Energy sources		100 108	96 547	191 064	145 159	141 049	141 049	170 122	179 308	189 170
Water management		61 021	66 695	73 101	85 883	61 478	61 478	125 088	131 842	139 094
Waste water management		37 692	21 525	37 254	176 010	36 010	36 010	33 801	35 626	37 585
Waste management		27 390	11 741	19 340	20 697	20 697	20 697	18 479	19 477	20 548
<b>Other</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>15</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>353 438</b>	<b>379 048</b>	<b>440 054</b>	<b>661 452</b>	<b>468 715</b>	<b>468 715</b>	<b>504 489</b>	<b>531 731</b>	<b>560 976</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		112 471	173 565	129 449	160 789	118 258	118 258	156 004	164 428	173 471
Executive and council		24 104	16 310	33 831	26 422	26 422	26 422	28 836	30 393	32 064
Finance and administration		88 367	157 255	95 618	132 768	90 237	90 237	125 078	131 832	139 083
Internal audit		-	-	-	1 599	1 599	1 599	2 090	2 202	2 324
<b>Community and public safety</b>		21 920	18 437	30 294	42 540	42 540	42 540	47 337	49 894	52 638
Community and social services		6 589	8 601	11 535	14 380	14 380	14 380	13 176	13 887	14 651
Sport and recreation		6 695	8 014	7 487	12 510	12 510	12 510	25 839	27 235	28 733
Public safety		6 343	-	11 271	12 450	12 450	12 450	5 526	5 824	6 144
Housing		45	-	-	-	-	-	32	34	35
Health		2 249	1 822	-	3 200	3 200	3 200	2 765	2 914	3 074
<b>Economic and environmental services</b>		27 329	32 742	45 196	36 676	36 676	36 676	49 298	51 961	54 818
Planning and development		7 675	6 520	13 214	14 547	14 547	14 547	16 835	17 744	18 720
Road transport		17 305	26 222	24 943	20 129	20 129	20 129	30 006	31 627	33 366
Environmental protection		2 349	-	7 039	2 000	2 000	2 000	2 458	2 590	2 733
<b>Trading services</b>		175 967	164 507	232 822	234 573	234 573	234 573	180 268	190 002	200 453
Energy sources		84 155	98 641	117 979	120 761	120 761	120 761	88 339	93 110	98 231
Water management		50 585	37 390	55 749	70 298	70 298	70 298	45 633	48 098	50 743
Waste water management		24 801	16 314	29 739	24 314	24 314	24 314	26 512	27 944	29 481
Waste management		16 426	12 163	29 354	19 200	19 200	19 200	19 783	20 851	21 998
<b>Other</b>	<b>4</b>	<b>252</b>	<b>-</b>	<b>160</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>30</b>	<b>32</b>	<b>33</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>337 939</b>	<b>389 251</b>	<b>437 921</b>	<b>474 747</b>	<b>432 216</b>	<b>432 216</b>	<b>432 937</b>	<b>456 316</b>	<b>481 413</b>
<b>Surplus/(Deficit) for the year</b>		<b>15 499</b>	<b>(10 203)</b>	<b>2 133</b>	<b>186 705</b>	<b>36 499</b>	<b>36 499</b>	<b>71 551</b>	<b>75 415</b>	<b>79 563</b>

EC104 Makana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>		1									
Vote 1 - TECHNICAL SERVICES			—	35 407	38 567	188 437	55 922	55 922	37 486	39 511	41 684
Vote 2 - CORPORATE SERVICES			—	403	929	23 480	8 695	8 695	3 501	3 690	3 883
Vote 3 - FINANCIAL SERVICES			—	83 700	98 799	88 969	86 469	86 469	92 446	97 438	102 797
Vote 4 - COMMUNITY & SOCIAL SERVICES			—	28 469	27 319	68 757	54 379	54 379	33 928	35 760	37 727
Vote 5 - EXECUTIVE MAYOR			—	4 209	5 069	23 658	23 658	23 658	10 100	14 120	14 897
Vote 6 - MUNICIPAL MANAGER			—	743	3 428	20 866	20 099	20 099	14 500	15 283	16 124
Vote 7 - LOCAL ECONOMIC DEVELOPMENT			—	109	1 380	16 966	16 966	16 966	16 819	17 727	18 702
Vote 8 - HOUSING			—	—	—	—	—	—	—	—	—
Vote 9 - ELECTRICITY			—	116 556	191 063	145 159	141 049	141 049	170 122	179 308	189 170
Vote 10 - WATER			—	76 715	73 101	85 159	61 478	61 478	125 088	128 367	135 427
Vote 11 - DOG TAX			—	—	1	—	—	—	500	527	556
Vote 12 - PARKING METERS			—	—	—	—	—	—	—	—	—
Vote 13 -			—	—	—	—	—	—	—	—	—
Vote 14 -			—	—	—	—	—	—	—	—	—
Vote 15 -			—	—	—	—	—	—	—	—	—
<b>Total Revenue by Vote</b>		2	—	346 312	439 657	661 452	468 715	468 715	504 489	531 731	560 976
<b>Expenditure by Vote to be appropriated</b>		1									
Vote 1 - TECHNICAL SERVICES			—	44 396	51 054	40 700	39 700	39 700	48 560	51 182	53 997
Vote 2 - CORPORATE SERVICES			—	25 738	38 016	28 637	28 637	28 637	26 503	27 934	29 471
Vote 3 - FINANCIAL SERVICES			—	60 708	50 605	98 800	76 055	76 055	102 643	108 185	114 136
Vote 4 - COMMUNITY & SOCIAL SERVICES			—	58 543	87 102	68 465	70 129	71 900	77 018	81 177	85 642
Vote 5 - EXECUTIVE MAYOR			—	11 099	16 285	16 395	16 395	16 395	19 200	20 237	21 350
Vote 6 - MUNICIPAL MANAGER			—	4 158	5 806	13 516	13 116	13 516	9 635	10 155	10 714
Vote 7 - LOCAL ECONOMIC DEVELOPMENT			—	4 866	16 433	18 345	18 345	18 345	15 374	16 204	17 095
Vote 8 - HOUSING			—	48	26	—	—	—	32	34	35
Vote 9 - ELECTRICITY			—	106 402	116 744	120 261	106 211	106 211	88 339	93 110	98 231
Vote 10 - WATER			—	48 304	55 849	69 628	63 628	63 628	45 633	48 098	50 743
Vote 11 - DOG TAX			—	—	—	—	—	—	—	—	—
Vote 12 - PARKING METERS			—	—	—	—	—	—	—	—	—
Vote 13 -			—	—	—	—	—	—	—	—	—
Vote 14 -			—	—	—	—	—	—	—	—	—
Vote 15 -			—	—	—	—	—	—	—	—	—
<b>Total Expenditure by Vote</b>		2	—	364 262	437 920	474 747	432 216	434 386	432 938	456 316	481 414
<b>Surplus/(Deficit) for the year</b>		2	—	(17 950)	1 736	186 705	36 499	34 329	71 552	75 414	79 562

EC104 Makana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	46 153	53 827	–	64 080	64 080	64 080	–	67 345	70 982	74 815
Service charges - electricity revenue	2	95 766	96 547	191 064	118 542	118 542	118 542	–	122 721	129 316	136 271
Service charges - water revenue	2	39 594	66 695	73 101	49 587	49 587	49 587	–	70 493	74 255	78 228
Service charges - sanitation revenue	2	19 752	21 525	37 254	18 380	18 380	18 380	–	16 673	17 545	18 469
Service charges - refuse revenue	2	6 363	11 741	19 340	6 554	6 554	6 554	–	13 934	14 664	15 437
Service charges - other		90	102	–	–	–	–	–	–	–	–
Rental of facilities and equipment		801	1 023	–	1 425	1 425	1 425	–	1 425	1 502	1 584
Interest earned - external investments		10 822	12 494	–	500	500	500	–	800	843	890
Interest earned - outstanding debtors		385	–	–	12 065	12 065	12 065	–	7 418	7 818	8 248
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		656	55	–	397	397	397	–	990	1 043	1 100
Licences and permits		2 597	2 344	–	4 009	4 009	4 009	–	2 550	2 688	2 836
Agency services		877	850	–	550	550	550	–	1 500	1 581	1 668
Transfers and subsidies		59 983	81 632	–	98 859	98 859	98 859	–	92 497	97 492	102 854
Other revenue	2	13 850	2 939	119 294	54 771	54 771	54 771	–	37 444	39 466	41 598
Gains on disposal of PPE		–	33	–	2 500	2 500	2 500	–	200	211	222
Total Revenue (excluding capital transfers and contributions)		297 687	351 809	440 053	432 216	432 216	432 216	–	435 991	459 407	484 220
Expenditure By Type											
Employee related costs	2	129 819	129 930	126 773	167 803	167 803	167 803	–	182 284	192 127	202 502
Remuneration of councillors		8 337	9 458	9 723	10 436	10 436	10 436	–	9 774	10 302	10 868
Debt impairment	3	–	–	–	7 500	7 500	7 500	–	20 000	21 080	22 239
Depreciation & asset impairment	2	36 729	33 599	31 502	35 177	35 177	35 177	–	11 500	12 121	12 776
Finance charges		–	–	19 000	6 600	6 600	6 600	–	7 500	7 905	8 340
Bulk purchases	2	67 096	82 037	87 574	101 050	101 050	101 050	–	83 065	87 551	92 278
Other materials	8	–	–	–	1 145	1 145	1 145	–	25 030	26 382	27 833
Contracted services		6 917	4 491	8 734	13 655	13 655	13 655	–	12 459	9 443	9 953
Transfers and subsidies		581	1 412	5 782	3 946	2 389	2 388	–	30 700	32 358	34 137
Other expenditure	4, 5	60 457	82 472	124 140	127 435	86 461	86 461	–	50 625	53 358	56 240
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		309 936	343 398	413 227	474 747	432 216	432 214	–	432 937	452 627	477 166
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(12 249)	8 411	26 826	(42 530)	1	2	–	3 054	6 780	7 054
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		55 750	28 979	–	23 526	23 526	23 526	–	68 489	31 930	30 104
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		43 501	37 390	26 826	195 873	23 527	23 528	–	103 236	92 095	62 845
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		43 501	37 390	26 826	195 873	23 527	23 528	–	103 236	92 095	62 845
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		43 501	37 390	26 826	195 873	23 527	23 528	–	103 236	92 095	62 845
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		43 501	37 390	26 826	195 873	23 527	23 528	–	103 236	92 095	62 845



EC104 Makana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - TECHNICAL SERVICES		-	-	-	-	-	-	-	11 381	12 030	12 704
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	1 000	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	1 522	-	-
Vote 5 - EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-	-
Vote 6 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	750	100	1 000
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		-	-	-	-	-	-	-	8 000	6 400	3 200
Vote 10 - WATER		-	-	-	-	-	-	-	45 845	12 500	13 200
Vote 11 - DOG TAX		-	-	-	-	-	-	-	-	-	-
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	<b>68 498</b>	<b>31 030</b>	<b>30 104</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-	-
Vote 6 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 10 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 11 - DOG TAX		-	-	-	-	-	-	-	-	-	-
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	-	<b>68 498</b>	<b>31 030</b>	<b>30 104</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>5 302</b>	<b>2 461</b>	<b>1 150</b>	<b>750</b>	<b>750</b>	<b>750</b>	-	<b>750</b>	<b>1 000</b>	<b>1 000</b>
Executive and council		673	327	-	-	-	-	-	-	-	-
Finance and administration		1 161	568	-	750	750	750	-	750	1 000	1 000
Internal audit		3 468	1 566	1 150	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>18 609</b>	<b>3 673</b>	<b>1 300</b>	<b>3 942</b>	<b>3 942</b>	<b>3 942</b>	-	<b>2 522</b>	-	-
Community and social services		3 100	67	996	3 942	3 942	3 942	-	1 000	-	-
Sport and recreation		14 138	3 393	304	-	-	-	-	1 522	-	-
Public safety		935	213	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		436	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>8 722</b>	<b>11 945</b>	<b>1 201</b>	<b>6 309</b>	<b>10 309</b>	<b>10 309</b>	-	-	-	-
Planning and development		3 359	3 720	-	600	600	600	-	-	-	-
Road transport		4 917	8 224	1 201	5 709	9 709	9 709	-	-	-	-
Environmental protection		445	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>20 952</b>	<b>22 654</b>	<b>59 291</b>	<b>226 902</b>	<b>21 498</b>	<b>21 498</b>	-	<b>65 226</b>	<b>30 930</b>	<b>29 104</b>
Energy sources		1 129	2 953	5 114	8 085	8 085	8 085	-	8 000	6 400	3 200
Water management		1 897	15 442	26 000	44 405	4 405	4 405	-	45 845	12 500	13 200
Waste water management		17 926	4 236	28 177	174 412	9 008	9 008	-	11 381	12 030	12 704
Waste management		-	24	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>53 585</b>	<b>40 733</b>	<b>62 942</b>	<b>237 903</b>	<b>36 499</b>	<b>36 499</b>	-	<b>68 498</b>	<b>31 930</b>	<b>30 104</b>
<b>Funded by:</b>											
National Government		29 643	21 784	56 940	80 474	32 332	32 332	-	65 226	30 930	29 104
Provincial Government		-	-	996	567	567	567	-	1 522	-	-
District Municipality		-	67	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	148 752	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>29 643</b>	<b>21 852</b>	<b>57 936</b>	<b>229 803</b>	<b>32 899</b>	<b>32 899</b>	-	<b>66 748</b>	<b>30 930</b>	<b>29 104</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	<b>6</b>	<b>849</b>	<b>6 835</b>	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		<b>23 094</b>	<b>12 047</b>	<b>5 056</b>	<b>8 600</b>	<b>3 600</b>	<b>3 600</b>	-	<b>1 750</b>	<b>1 000</b>	<b>1 000</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>53 585</b>	<b>40 733</b>	<b>62 992</b>	<b>238 403</b>	<b>36 499</b>	<b>36 499</b>	-	<b>68 498</b>	<b>31 930</b>	<b>30 104</b>

EC104 Makana - Table A6 Budgeted Financial Position

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS												
Current assets												
Cash			5 450	6 040	6 921	5 179	5 179	5 179		1 500	1 581	1 668
Call investment deposits	1		2 024	12 139	6 344	12 679	12 679	12 679	–	3 487	3 675	3 877
Consumer debtors	1		129 572	174 750	353 302	225 176	225 176	225 176		95 000	107 559	110 074
Other debtors			38 490	49 106	30 124	35 760	35 760	35 760		25 600	26 982	28 466
Current portion of long-term receivables			150	28	–	–	–	–		–	–	–
Inventory	2		13 122	15 542	9 671	8 600	8 600	8 600		5 700	6 008	6 338
Total current assets			188 809	257 605	406 362	287 395	287 395	287 395	–	131 287	145 806	150 424
Non current assets												
Long-term receivables			–	–	–	–	–	–	–	–	–	–
Investments			161	142	7 186	–	–	–	–	–	–	–
Investment property			201 302	190 234	–	184 500	184 500	184 500	–	188 500	198 679	209 606
Investment in Associate			–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3		805 947	852 542	661 804	709 088	709 088	709 088	–	685 000	705 000	725 000
Agricultural			28 931	–	–	–	–	–	–	–	–	–
Biological			–	29 008	–	–	–	–	–	–	–	–
Intangible			948	707	2 300	12 000	12 000	12 000	–	2 700	2 846	3 002
Other non-current assets			–	–	29 166	–	–	–	–	–	–	–
Total non current assets			1 037 290	1 072 632	700 456	905 588	905 588	905 588	–	876 200	906 525	937 609
TOTAL ASSETS			1 226 099	1 330 236	1 106 818	1 192 983	1 192 983	1 192 983	–	1 007 487	1 052 331	1 088 033
LIABILITIES												
Current liabilities												
Bank overdraft	1		15 467	–	–	–	–	–	–	–	–	–
Borrowing	4		4 010	4 128	2 500	3 500	3 500	3 500	–	2 750	3 232	3 520
Consumer deposits			2 298	2 321	2 451	3 000	3 000	3 000	–	3 500	3 689	3 892
Trade and other payables	4		103 825	227 802	102 863	141 137	141 137	141 137	–	116 847	130 619	120 982
Provisions			9 713	2 728	4 118	30 000	30 000	30 000	–	7 500	7 905	8 340
Total current liabilities			135 312	236 979	111 932	177 637	177 637	177 637	–	130 597	145 445	136 734
Non current liabilities												
Borrowing			50 117	50 940	–	69 500	69 500	69 500	–	59 179	62 375	65 805
Provisions			41 104	65 562	2 145	10 900	10 900	10 900	–	14 500	15 283	16 124
Total non current liabilities			91 221	116 502	2 145	80 400	80 400	80 400	–	73 679	77 658	81 929
TOTAL LIABILITIES			226 533	353 481	114 077	258 037	258 037	258 037	–	204 276	223 102	218 663
NET ASSETS	5		999 566	976 755	992 741	934 946	934 946	934 946	–	803 211	829 228	869 370
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			988 694	971 308	986 785	969 963	969 963	969 963	–	1 013 237	1 072 331	1 118 033
Reserves	4		5 428	5 447	5 428	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5		994 122	976 755	992 213	969 963	969 963	969 963	–	1 013 237	1 072 331	1 118 033

EC104 Makana - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		46 153	53 827	40 518	57 240	57 240	57 240	57 240	67 500	70 200	74 131
Service charges		161 564	196 610	206 731	226 079	226 079	226 079	226 079	235 314	243 730	257 867
Other revenue		17 839	12 130	757	21 000	21 000	21 000	21 000	10 500	11 120	11 764
Government - operating	1	115 733	110 611	84 920	89 475	89 475	89 475	89 475	91 093	98 500	104 213
Government - capital	1	-	-	1 801	173 043	43 168	43 168	43 168	34 199	36 217	38 318
Interest		385	-	7 393	12 100	15 100	15 100	15 100	7 300	9 347	9 889
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(344 246)	(300 798)	(259 776)	(351 972)	(351 972)	(351 972)	(351 972)	(368 195)	(369 919)	(412 534)
Finance charges		(6 337)	(16 455)	(1 713)	(5 000)	(5 000)	(5 000)	(5 000)	(4 309)	(4 563)	(4 828)
Transfers and Grants	1	-	-	(75 589)	(37 901)	(37 901)	(37 901)	(37 901)	(28 435)	(30 113)	(31 859)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(8 908)	55 925	5 042	184 063	57 189	57 189	57 189	44 967	44 519	46 961
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(116)	1 860	-	-	-	-	-	200	212	224
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	20	-	-	-	-	-	-	-	-
Payments											
Capital assets		(53 585)	(40 733)	(6 857)	(173 043)	(43 168)	(43 168)	(43 168)	(34 199)	(36 149)	(38 173)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(53 701)	(38 853)	(6 857)	(173 043)	(43 168)	(43 168)	(43 168)	(33 999)	(35 937)	(37 949)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		30 770	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	1 063	-	(5 500)	(4 000)	(4 000)	(4 000)	(7 500)	(7 928)	(8 371)
NET CASH FROM/(USED) FINANCING ACTIVITIES		30 770	1 063	-	(5 500)	(4 000)	(4 000)	(4 000)	(7 500)	(7 928)	(8 371)
NET INCREASE/ (DECREASE) IN CASH HELD											
		(31 839)	18 135	(1 815)	5 520	10 020	10 020	10 020	3 468	655	641
Cash/cash equivalents at the year begin:	2	9 833	(13 437)	6 920	2 609	2 609	2 609	2 609	969	4 457	5 112
Cash/cash equivalents at the year end:	2	(22 006)	4 698	5 105	8 129	12 629	12 629	12 629	4 457	5 112	5 753

EC104 Makana - Table A8 Cash backed reserves/accumulated surplus reconciliation

ECU44 Makala - Table Aa Cash backed reserves/accumulated surplus reconfirmation												
Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash and investments available</b>												
Cash/equivalents at the year end		1	(22 006)	4 698	5 105	8 129	12 629	12 629	12 629	4 457	5 112	5 753
Other current investments > 90 days			14 014	13 480	8 160	9 729	5 229	5 229	(12 629)	530	144	(207)
Non current assets - Investments		1	161	142	7 186	-	-	-	-	-	-	-
<b>Cash and investments available:</b>			<b>(7 831)</b>	<b>18 320</b>	<b>20 451</b>	<b>17 858</b>	<b>17 858</b>	<b>17 858</b>	<b>-</b>	<b>4 987</b>	<b>5 257</b>	<b>5 546</b>
<b>Application of cash and investments</b>												
Unspent conditional transfers			-	-	14 863	-	-	-	-	-	-	-
Unspent borrowing			-	-	-	-	-	-	-	-	-	-
Statutory requirements		2	-	-	-	(64 764)	(64 764)	(64 764)	-	-	-	-
Other working capital requirements		3	(63 255)	(327)	(128 092)	(99 232)	(99 232)	(99 232)	-	(825)	(3 100)	(10 045)
Other provisions			-	-	4 852	-	-	-	-	5 500	5 814	6 139
Long term investments committed		4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5	-	-	6 920	-	5 749	5 749	-	-	-	-
<b>Total Application of cash and investments:</b>			<b>(63 255)</b>	<b>(327)</b>	<b>(101 457)</b>	<b>(163 996)</b>	<b>(158 247)</b>	<b>(158 247)</b>	<b>-</b>	<b>4 675</b>	<b>2 714</b>	<b>(3 906)</b>
<b>Surplus(shortfall)</b>			<b>55 424</b>	<b>18 647</b>	<b>121 908</b>	<b>181 855</b>	<b>176 106</b>	<b>176 106</b>	<b>-</b>	<b>312</b>	<b>2 543</b>	<b>9 452</b>

EC104 Makana - Table A10 Basic service delivery measurement

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>											
<b>Water:</b>											
Piped water inside dwelling		1	--	--	--	37 500	37 500	37 500	40 000	450 000	50 000
Piped water inside yard (but not in dwelling)			--	--	--	650	650	650	700 000	73 000	75 000
Using public tap (at least min.service level)		2	--	--	--	--	--	--	--	--	--
Other water supply (at least min.service level)		4	--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total			--	--	--	38 150	38 150	38 150	740 000	523 000	125 000
Using public tap (< min.service level)		3	--	--	--	25 000	250 000	25 000	150 000	14 000	13 000
Other water supply (< min.service level)		4	--	--	--	--	--	--	--	--	--
No water supply			--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total			--	--	--	25 000	250 000	25 000	150 000	14 000	13 000
Total number of households		5	--	--	--	63 150	288 150	63 150	890 000	537 000	138 000
<b>Sanitation/sewerage:</b>											
Flush toilet (connected to sewerage)			--	--	--	1 000	1 000	1 000	1 500	1 500	1 500
Flush toilet (with septic tank)			--	--	--	--	--	--	--	--	--
Chemical toilet			--	--	--	--	--	--	--	--	--
Pit toilet (ventilated)			--	--	--	--	--	--	--	--	--
Other toilet provisions (> min.service level)			--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total			--	--	--	1 000	1 000	1 000	1 500	1 500	1 500
Bucket toilet			--	--	--	--	--	--	--	--	--
Other toilet provisions (< min.service level)			--	--	--	--	--	--	--	--	--
No toilet provisions			--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total			--	--	--	--	--	--	--	--	--
Total number of households		5	--	--	--	1 000	1 000	1 000	1 500	1 500	1 500
<b>Energy:</b>											
Electricity (at least min.service level)			--	--	--	--	--	--	--	--	--
Electricity - prepaid (min.service level)			--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total			--	--	--	--	--	--	--	--	--
Electricity (< min.service level)			--	--	--	--	--	--	--	--	--
Electricity - prepaid (< min. service level)			--	--	--	--	--	--	--	--	--
Other energy sources			--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total			--	--	--	--	--	--	--	--	--
Total number of households		5	--	--	--	--	--	--	--	--	--
<b>Refuse:</b>											
Removed at least once a week			--	--	--	25 000	25 000	25 000	26 000	26 500	27 000
Minimum Service Level and Above sub-total			--	--	--	25 000	25 000	25 000	26 000	26 500	27 000
Removed less frequently than once a week			--	--	--	--	--	--	--	--	--
Using communal refuse dump			--	--	--	2	2	2	2	2	2
Using own refuse dump			--	--	--	--	--	--	--	--	--
Other rubbish disposal			--	--	--	--	--	--	--	--	--
No rubbish disposal			--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total			--	--	--	2	2	2	2	2	2
Total number of households		5	--	--	--	25 002	25 002	25 002	26 002	26 502	27 002
<b>Households receiving Free Basic Service</b>											
Water (6 kilolitre per household per month)		7	--	--	--	--	--	--	--	--	--
Sanitation (free minimum level service)			--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per household per month)			--	--	--	--	--	--	--	--	--
Refuse (removed at least once a week)			--	--	--	--	--	--	--	--	--
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>											
Water (6 kilolitre per indigent household per month)		8	--	--	--	8 445	8 445	8 445	8 750	9 266	9 804
Sanitation (free sanitation service to indigent households)			--	--	--	7 671	7 671	7 671	5 670	6 005	6 353
Electricity/other energy (50kwh per indigent household per month)			--	--	--	8 233	8 233	8 233	6 500	6 884	7 283
Refuse (removed once a week for indigent households)			--	--	--	6 543	6 543	6 543	4 543	4 811	5 090
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>											
Total cost of FBS provided			--	--	--	30 892	30 892	30 892	25 463	26 965	28 529
<b>Highest level of free service provided per household</b>											
Property rates (R value threshold)			--	--	--	4 034	4 034	4 034	500	500	500
Water (kilolitre per household per month)			--	--	--	--	--	--	--	--	--
Sanitation (kilolitre per household per month)			--	--	--	--	--	--	--	--	--
Sanitation (Rand per household per month)			--	--	--	--	--	--	--	--	--
Electricity (kwh per household per month)			--	--	--	--	--	--	--	--	--
Refuse (average litres per week)			--	--	--	--	--	--	--	--	--
<b>Revenue cost of subsidised services provided (R'000)</b>											
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		9	--	--	--	2 108	2 108	2 108	2 472	2 606	2 747
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA			--	--	--	--	--	--	--	--	--
Water (in excess of 6 kilolitre per indigent household per month)			--	--	--	--	--	--	--	--	--
Sanitation (in excess of free sanitation service to indigent households)			--	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household per month)			--	--	--	--	--	--	--	--	--
Refuse (in excess of one removal a week for indigent households)			--	--	--	--	--	--	--	--	--
Municipal Housing - rental rebates			--	--	--	--	--	--	--	--	--
Housing - top structure subsidies			--	--	--	--	--	--	--	--	--
Other		6	--	--	--	--	--	--	--	--	--
Total revenue cost of subsidised services provided			--	--	--	2 108	2 108	2 108	2 472	2 606	2 747

EC104 Makana - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

R thousand	Description	Ref	Vote 1 - TECHNICAL SERVICES	Vote 2 - CORPORATE SERVICES	Vote 3 - FINANCIAL SERVICES	Vote 4 - COMMUNITY & SOCIAL	Vote 5 - EXECUTIVE MAYOR	Vote 6 - MUNICIPAL MANAGER	Vote 7 - LOCAL ECONOMIC	Vote 8 - HOUSING	Vote 9 - ELECTRICIT Y	Vote 10 - WATER	Vote 11 - DOG TAX	Total
		1												
<b>Revenue By Source</b>														
	Property rates		-	-	64 470	-	-	-	-	-	-	-	-	64 470
	Service charges - electricity revenue		1 666	(45)	559	2 622	-	-	-	-	165 611	150	-	170 554
	Service charges - water revenue		-	-	-	-	-	-	-	-	-	64 593	-	64 593
	Service charges - sanitation revenue		14 171	-	-	-	-	-	-	-	-	-	-	14 171
	Service charges - refuse revenue		-	-	-	12 983	-	-	-	-	-	-	-	12 983
	Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-
	Rental of facilities and equipment		-	777	-	28	-	-	-	-	-	-	-	805
	Interest earned - external investments		-	-	800	-	-	-	-	-	-	-	-	800
	Interest earned - outstanding debtors		2 500	-	578	950	-	-	-	-	-	845	-	4 873
	Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
	Fines, penalties and forfeits		2	-	501	369	-	-	13	-	250	55	-	1 190
	Licences and permits		-	-	1	4 759	-	-	-	-	-	-	-	4 760
	Agency services		-	-	-	-	-	-	-	-	-	-	-	-
	Other revenue		532	708	6 638	123	-	-	1 760	-	1	500	-	10 262
	Transfers and subsidies		13 374	-	25 730	10 375	10 100	993	7 000	-	4 900	14 050	-	86 522
	Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>32 235</b>	<b>1 440</b>	<b>99 276</b>	<b>32 209</b>	<b>10 100</b>	<b>993</b>	<b>8 773</b>	<b>-</b>	<b>170 762</b>	<b>80 193</b>	<b>-</b>	<b>435 961</b>
<b>Expenditure By Type</b>														
	Employee related costs		53 958	21 488	16 124	46 708	4 811	5 397	5 543	-	1 752	20 807	-	178 587
	Remuneration of councillors		-	-	-	-	11 248	-	-	-	-	-	-	11 248
	Debt impairment		-	-	22 500	-	-	-	-	-	-	-	-	22 500
	Depreciation & asset impairment		3 500	-	2 500	-	-	-	1 500	-	2 500	2 000	-	12 000
	Finance charges		-	-	7 500	-	-	-	-	-	-	-	-	7 500
	Bulk purchases		-	-	-	-	-	-	-	-	86 150	8 000	-	94 150
	Other materials		675	129	245	1 262	2	12	18	-	300	870	-	3 514
	Contracted services		9 225	1 238	3 908	4 335	170	1 125	5	-	2 989	7 960	-	30 948
	Transfers and subsidies		-	-	-	-	-	-	50	-	-	-	-	50
	Other expenditure		9 187	6 738	22 477	9 731	3 059	-	4 966	32	7 110	11 143	-	74 443
	Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Expenditure</b>		<b>78 545</b>	<b>29 594</b>	<b>75 254</b>	<b>62 035</b>	<b>19 290</b>	<b>6 534</b>	<b>12 061</b>	<b>32</b>	<b>100 792</b>	<b>50 781</b>	<b>-</b>	<b>432 937</b>
	<b>Surplus/(Deficit)</b>		<b>(44 310)</b>	<b>(28 154)</b>	<b>24 022</b>	<b>(29 826)</b>	<b>(9 190)</b>	<b>(5 541)</b>	<b>(3 308)</b>	<b>(32)</b>	<b>69 970</b>	<b>29 412</b>	<b>-</b>	<b>3 044</b>
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	-	-	-	-
	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		11 361	-	-	-	-	-	-	-	8 000	45 845	-	65 226
	Transfers and subsidies - capital (in-kind - all)		-	-	1 700	-	-	-	-	-	2 483	27 500	-	31 683
	<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(32 929)</b>	<b>(28 154)</b>	<b>25 722</b>	<b>(29 826)</b>	<b>(9 190)</b>	<b>(5 541)</b>	<b>(3 308)</b>	<b>(32)</b>	<b>80 463</b>	<b>102 757</b>	<b>-</b>	<b>99 963</b>



EC104 Makana - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
<b>ASSETS</b>												
<b>Call investment deposits</b>												
Call deposits					6 344	5 179	5 179	5 179		3 487	3 675	3 877
Other current investments			2 024	12 139	—	7 500	7 500	7 500		—	—	—
<b>Total Call investment deposits</b>	2		<b>2 024</b>	<b>12 139</b>	<b>6 344</b>	<b>12 679</b>	<b>12 679</b>	<b>12 679</b>	—	<b>3 487</b>	<b>3 675</b>	<b>3 877</b>
<b>Consumer debtors</b>												
Consumer debtors			219 682	287 439	364 604	300 176	300 176	300 176		250 900	264 449	278 993
Less: Provision for debt impairment			(90 109)	(112 688)	(11 302)	(75 000)	(75 000)	(75 000)		(35 000)	(36 890)	(38 919)
<b>Total Consumer debtors</b>	2		<b>129 572</b>	<b>174 750</b>	<b>353 302</b>	<b>225 176</b>	<b>225 176</b>	<b>225 176</b>	—	<b>215 900</b>	<b>227 559</b>	<b>240 074</b>
<b>Debt impairment provision</b>												
Balance at the beginning of the year						—	—	—		—	—	—
Contributions to the provision					(17 137)	—	—	—		—	—	—
Bad debts written off					5 835	—	—	—		25 500	26 877	28 355
<b>Balance at end of year</b>			—	—	(11 302)	—	—	—	—	<b>25 500</b>	<b>26 877</b>	<b>28 355</b>
<b>Property, plant and equipment (PPE)</b>												
PPE at cost/valuation (excl. finance leases)			992 462	1 070 770	857 458	889 750	889 750	889 750		850 923	896 873	946 201
Leases recognised as PPE											—	—
Less: Accumulated depreciation	3		186 515	218 228	195 654	180 662	180 662	180 662		245 800	259 073	273 322
<b>Total Property, plant and equipment (PPE)</b>	2		<b>805 947</b>	<b>852 542</b>	<b>661 804</b>	<b>709 088</b>	<b>709 088</b>	<b>709 088</b>	—	<b>605 123</b>	<b>637 800</b>	<b>672 879</b>
<b>LIABILITIES</b>												
<b>Current liabilities - Borrowing</b>												
Short term loans (other than bank overdraft)										—	—	—
Current portion of long-term liabilities			4 010	4 128	2 500	3 500	3 500	3 500		75 000	79 950	83 398
<b>Total Current liabilities - Borrowing</b>			<b>4 010</b>	<b>4 128</b>	<b>2 500</b>	<b>3 500</b>	<b>3 500</b>	<b>3 500</b>	—	<b>75 000</b>	<b>79 950</b>	<b>83 398</b>
<b>Trade and other payables</b>												
Trade and other creditors			103 825	227 802	88 000	141 137	141 137	141 137		111 647	125 138	115 200
Unspent conditional transfers					14 863	—	—	—		—	—	—
VAT					—	—	—	—		5 200	5 481	5 782
<b>Total Trade and other payables</b>	2		<b>103 825</b>	<b>227 802</b>	<b>102 863</b>	<b>141 137</b>	<b>141 137</b>	<b>141 137</b>	—	<b>116 847</b>	<b>130 619</b>	<b>120 982</b>
<b>Non current liabilities - Borrowing</b>												
Borrowing	4		50 117	50 940	—	60 000	60 000	60 000		55 679	58 686	61 913
Finance leases (including PPP asset element)						9 500	9 500	9 500		3 500	3 689	3 892
<b>Total Non current liabilities - Borrowing</b>			<b>50 117</b>	<b>50 940</b>	<b>—</b>	<b>69 500</b>	<b>69 500</b>	<b>69 500</b>	—	<b>59 179</b>	<b>62 375</b>	<b>65 805</b>
<b>Provisions - non-current</b>												
Retirement benefits			41 104	65 562	2 145	5 200	5 200	5 200		5 500	5 797	6 116
List other major provision items						—	—	—		500	527	556
Refuse landfill site rehabilitation						5 700	5 700	5 700		8 500	8 959	9 452
Other						—	—	—		—	—	—
<b>Total Provisions - non-current</b>			<b>41 104</b>	<b>65 562</b>	<b>2 145</b>	<b>10 900</b>	<b>10 900</b>	<b>10 900</b>	—	<b>14 500</b>	<b>15 283</b>	<b>16 124</b>
<b>CHANGES IN NET ASSETS</b>												
<b>Accumulated Surplus/(Deficit)</b>												
Accumulated Surplus/(Deficit) - opening balance			1 076 100	945 139	945 139	850 520	850 520	850 520		986 785	1 040 071	1 097 275
GRAP adjustments						—	—	—		—	—	—
Restated balance			1 076 100	945 139	945 139	850 520	850 520	850 520	—	986 785	1 040 071	1 097 275
Surplus/(Deficit)			43 501	37 390	26 826	195 873	23 527	23 528	—	103 236	92 095	62 845
Appropriations to Reserves						—	—	—		—	—	—
Transfers from Reserves						—	—	—		—	—	—
Depreciation offsets			14 186	14 186	14 186	—	—	—		—	—	—
Other adjustments						—	—	—		—	—	—
<b>Accumulated Surplus/(Deficit)</b>	1		<b>1 133 787</b>	<b>996 715</b>	<b>986 151</b>	<b>1 046 393</b>	<b>874 047</b>	<b>874 048</b>	—	<b>1 090 021</b>	<b>1 132 167</b>	<b>1 160 120</b>
<b>Reserves</b>												
Housing Development Fund						—	—	—		—	—	—
Capital replacement						—	—	—		—	—	—
Self-insurance						—	—	—		—	—	—
Other reserves			5 428	5 447	5 428	—	—	—		—	—	—
Revaluation						—	—	—		—	—	—
<b>Total Reserves</b>	2		<b>5 428</b>	<b>5 447</b>	<b>5 428</b>	<b>—</b>	<b>—</b>	<b>—</b>	—	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2		<b>1 139 214</b>	<b>1 002 162</b>	<b>991 579</b>	<b>1 046 393</b>	<b>874 047</b>	<b>874 048</b>	—	<b>1 090 021</b>	<b>1 132 167</b>	<b>1 160 120</b>

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services									45 845	12 500	13 188
Water Infrastructure									11 381	12 030	12 704
Sewer Retention											

EC104 Makana Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(22 006)	4 698	5 105	8 129	12 629	12 629	12 629	4 457	5 112	5 753
Cash + investments at the yr end less applications - R'000	18(1)b	2	55 424	18 647	121 908	161 855	176 106	176 106	-	312	2 543	9 452
Cash year end monthly employee/supplier payments	18(1)b	3	(1.1)	0.2	0.2	0.3	0.4	0.4	(37.9)	0.1	0.2	0.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	57 687	51 576	41 012	195 873	23 527	23 528	-	103 236	92 095	62 845
Service charge rev % change - macro CPI-X target exclusive	18(1)a(2)	5	N.A	14.6%	22.1%	(35.8%)	(6.0%)	(6.0%)	(106.0%)	7.2%	(0.6%)	(0.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	99.4%	101.9%	56.4%	92.1%	92.1%	92.1%	0.0%	91.5%	90.1%	90.4%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	0.0%	0.0%	0.0%	2.9%	2.9%	2.9%	0.0%	6.9%	6.9%	6.9%
Capital payments % of capital expenditure	18(1)c,19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	49.9%	116.5%	126.8%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(103.3%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - inc/(decr)	18(1)a	11	N.A	33.1%	71.3%	(31.9%)	0.0%	0.0%	(100.0%)	(53.8%)	11.6%	3.0%
Long term receivables % change - inc/(decr)	18(1)a	12	N.A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.6%	1.2%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Supporting indicators</b>												
% inc total service charges (incl prop rates)	18(1)a			20.6%	28.1%	(19.8%)	0.0%	0.0%	(100.0%)	13.2%	5.4%	5.4%
% inc Property Tax	18(1)a			16.6%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	5.1%	5.4%	5.4%
% inc Service charges - electricity revenue	18(1)a			0.8%	97.9%	(38.0%)	0.0%	0.0%	(100.0%)	3.5%	5.4%	5.4%
% inc Service charges - water revenue	18(1)a			68.4%	9.6%	(32.2%)	0.0%	0.0%	(100.0%)	42.2%	5.3%	5.4%
% inc Service charges - sanitation revenue	18(1)a			9.0%	73.1%	(50.7%)	0.0%	0.0%	(100.0%)	(9.3%)	5.2%	5.3%
% inc Service charges - refuse revenue	18(1)a			84.5%	64.7%	(66.1%)	0.0%	0.0%	(100.0%)	112.6%	5.2%	5.3%
% inc in Service charges - other	18(1)a			13.2%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		207 717	250 437	320 759	257 142	257 142	257 142	-	291 167	306 763	323 220
Service charges			207 717	250 437	320 759	257 142	257 142	257 142	-	291 167	306 763	323 220
Property rates			46 153	53 827	-	64 080	64 080	64 080	-	67 345	70 982	74 815
Service charges - electricity revenue			95 766	96 547	191 064	118 542	118 542	118 542	-	122 721	129 316	136 271
Service charges - water revenue			39 594	66 695	73 101	49 587	49 587	49 587	-	70 493	74 255	78 228
Service charges - sanitation revenue			19 752	21 525	37 254	18 380	18 380	18 380	-	16 673	17 545	18 469
Service charges - refuse removal			6 363	11 741	19 340	6 554	6 554	6 554	-	13 934	14 664	15 437
Service charges - other			90	102	-	-	-	-	-	-	-	-
Rental of facilities and equipment			801	1 023	-	1 425	1 425	1 425	-	1 425	1 502	1 584
Capital expenditure excluding capital grant funding			(29 643)	(21 852)	(57 936)	(229 803)	(32 899)	(32 899)	-	1 750	100	1 000
Cash receipts from ratepayers	18(1)a		225 556	262 567	248 006	304 318	304 318	304 318	304 318	313 314	325 050	343 762
Ratepayer & Other revenue	18(1)a		226 882	257 650	440 053	330 358	330 358	330 358	-	342 494	360 861	380 254
Change in consumer debtors (current and non-current)			163 479	55 672	159 542	(122 490)	(122 490)	(122 490)	(383 426)	(140 336)	13 941	3 999
Operating and Capital Grant Revenue	18(1)a		115 733	110 611	-	122 385	122 385	122 385	-	160 986	129 422	132 958
Capital expenditure - total	20(1)(vi)		-	-	-	-	-	-	-	68 498	31 030	30 104
Capital expenditure - renewal	20(1)(vi)		-	-	-	1 785	1 185	-	-	-	-	-
<b>Supporting benchmarks</b>												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%

<b>DoRA operating</b>										85 578	92 675	100 381
Equitable Share										2 215	2 680	3 112
FMG										1 000	-	-
EPWP										4 232	4 469	-
DSRAC										93 025	99 824	103 493
<b>DoRA capital</b>										8 000	6 400	3 200
INEP										23 976	24 399	25 570
MIG										35 000	-	-
Water Service Infrastructure										66 976	30 789	28 778
<b>Trend</b>												
Change in consumer debtors (current and non-current)										163 479	55 672	159 542
										(383 426)	(140 336)	13 941
										3 999	-	-
										-	-	-
<b>Total Operating Revenue</b>										435 991	459 407	484 220
<b>Total Operating Expenditure</b>										432 937	452 627	477 166
<b>Operating Performance Surplus/(Deficit)</b>										3 054	6 780	7 054
<b>Cash and Cash Equivalents (30 June 2012)</b>										4 457	-	-
<b>Revenue</b>												
% Increase in Total Operating Revenue										0.9%	5.4%	5.4%
% Increase in Property Rates Revenue										0.0%	5.4%	5.4%
% Increase in Electricity Revenue										0.0%	5.4%	5.4%
% Increase in Property Rates & Services Charges										13.2%	5.4%	5.4%
<b>Expenditure</b>												
% Increase in Total Operating Expenditure										0.2%	4.5%	5.4%
% Increase in Employee Costs										8.6%	5.4%	5.4%
% Increase in Electricity Bulk Purchases										(21.0%)	5.4%	5.4%
Average Cost Per Budgeted Employee Position (Remuneration)										0	-	-
Average Cost Per Councilor (Remuneration)										0	-	-
R&M % of PPE										0.0%	0.0%	0.0%
Asset Renewal and R&M as a % of PPE										0.0%	0.0%	0.0%
Debt Impairment % of Total Billed Revenue										6.9%	6.9%	6.9%
<b>Capital Revenue</b>												
Internally Funded & Other (R'000)										1 750	1 000	1 000
Borrowing (R'000)										-	-	-
Grant Funding and Other (R'000)										66 748	30 830	29 104
Internally Generated funds % of Non Grant Funding										100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding										0.0%	0.0%	0.0%
Grant Funding % of Total Funding										97.4%	96.9%	96.7%
<b>Capital Expenditure</b>												
Total Capital Programme (R'000)										68 498	31 930	30 104
Asset Renewal										-	-	-
Asset Renewal % of Total Capital Expenditure										0.0%	0.0%	0.0%
<b>Cash</b>												
Cash Receipts % of Rate Payer & Other										91.5%	90.1%	90.4%
Cash Coverage Ratio										(0)	0	0
<b>Borrowing</b>												
Credit Rating (2009/10)										0	-	-
Capital Charges to Operating										3.5%	3.5%	3.5%
Borrowing Receipts % of Capital Expenditure										0.0%	0.0%	0.0%
<b>Reserves</b>												
Surplus/(Deficit)										312	2 543	9 452
<b>Free Services</b>												
Free Basic Services as a % of Equitable Share										29.8%	29.1%	28.4%
Free Services as a % of Operating Revenue (excl operational transfers)										0.7%	0.7%	0.7%
<b>High Level Outcome of Funding Compliance</b>												
Total Operating Revenue										435 991	459 407	484 220
Total Operating Expenditure										432 937	452 627	477 166
Surplus/(Deficit) Budgeted Operating Statement										3 054	6 780	7 054
Surplus/(Deficit) Considering Reserves and Cash Backing										312	2 543	9 452
MTREF Funded (1) / Unfunded (0)										1	1	1
MTREF Funded ✓ / Unfunded ✗										✓	✓	✓

EC104 Makana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	-	75 367	91 187	81 997	81 997	89 992	96 575	104 772
Local Government Equitable Share		-	-	75 367	88 042	78 042	78 042	85 578	92 675	100 381
EPWP Incentive		-	-	-	1 000	1 000	1 000	1 000	-	-
Municipal Drought Relief		-	-	-	-	810	810	-	-	-
Finance Management		-	-	2 145	2 145	2 145	2 145	2 215	2 680	3 112
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
MIG - PMU		-	-	-	-	-	-	1 199	1 220	1 279
<b>Provincial Government:</b>		-	-	-	4 232	4 232	4 232	405	917	-
Sport and Recreation		-	-	-	-	-	-	-	-	-
		-	-	-	4 232	4 232	4 232	405	917	-
MIG - PMU		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	2 401	2 600	2 600	2 600	1 600	-	-
Fire Services		-	-	-	1 000	1 000	1 000	1 000	-	-
Health Subsidy		-	-	2 401	1 600	1 600	1 600	600	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	500	-	-
LED Subsidy		-	-	-	-	-	-	500	-	-
<b>Total Operating Transfers and Grants</b>	5	-	-	77 768	98 019	88 829	88 829	92 497	97 492	104 772
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	-	8 840	25 201	6 300	-	65 777	29 579	27 491
Municipal Infrastructure Grant (MIG)		-	-	1 541	25 201	6 300	-	22 777	23 179	24 291
		-	-	-	-	-	-	-	-	-
		-	-	7 299	-	-	-	-	-	-
INEP & Water Infrastructure Grant		-	-	-	-	-	-	43 000	6 400	3 200
<b>Provincial Government:</b>		-	-	3 985	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	-	3 985	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Fire Services		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	803	803	-	-	-	-
LED Subsidy		-	-	-	803	803	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	-	-	12 825	26 004	7 103	-	65 777	29 579	27 491
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		-	-	90 593	124 023	95 932	88 829	158 274	127 071	132 263



**EC104 Makana - Supporting Table SA21 Transfers and grants made by the municipality**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	4 366	3 376	1 819	1 818	-	-	-	-
<b>Total Cash Transfers To Municipalities:</b>		-	-	4 366	3 376	1 819	1 818	-	-	-	-
<b>Makana Tourism</b>		-	-	-	-	-	-	-	905	954	1 006
		-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	905	954	1 006
<b>Cash Transfers to Groups of Individuals</b>											
<i>Indigent Subsidy</i>		581	1 394	500	100	100	100		28 435	29 970	31 619
<i>EPWP Stipend</i>		0	18	916	470	470	470		1 000	1 054	1 112
		-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Groups Of Individuals:</b>		581	1 412	1 416	570	570	570	-	29 435	31 024	32 731
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	581	1 412	5 782	3 946	2 389	2 388	-	30 340	31 978	33 737
<b>Groups of Individuals</b>											
<i>Internship Programme</i>	5	-	-	-	-	-	-	-	360	379	400
		-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	360	379	400
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	360	379	400
<b>TOTAL TRANSFERS AND GRANTS</b>	6	581	1 412	5 782	3 946	2 389	2 388	-	30 700	32 358	34 137

**EC104 Makana - Supporting Table SA22 Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Councillors (Political Office Bearers plus Other)</b>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		-	-	8 641	6 132	6 132	50 872	9 774	8 065	8 508
Pension and UIF Contributions		-	-	-	1 097	713	-	-	616	650
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	2 437	2 437	65 322	-	2 247	2 370
Cellphone Allowance		-	-	33	770	770	2 851	-	927	978
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	747	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		-	-	9 422	10 436	10 052	119 045	9 774	11 855	12 507
<b>% increase</b>	4	-	-	-	10.8%	(3.7%)	1 084.3%	(91.8%)	21.3%	5.5%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4	-	-	-	-	-	-	-	-	-
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		-	-	102 565	139 392	139 557	1 478 006	135 256	158 855	167 592
Pension and UIF Contributions		-	-	17 059	1 148	1 065	10 602	20 623	1 216	1 283
Medical Aid Contributions		-	-	7 055	10 541	9 579	112 841	10 392	10 954	11 556
Overtime		-	-	9 224	10 783	8 131	104 398	3 582	4 897	5 166
Performance Bonus		-	-	1 520	-	2 625	-	-	-	-
Motor Vehicle Allowance	3	-	-	3 651	2 627	2 607	10 140	6 166	3 341	3 524
Cellphone Allowance	3	-	-	214	-	-	-	1 154	2 635	2 780
Housing Allowances	3	-	-	1 737	1 844	1 689	9 438	1 440	1 518	1 601
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	457	-	-	-	1 370	1 444	1 523
Long service awards		-	-	-	-	-	-	800	1 265	1 334
Post-retirement benefit obligations	6	-	-	637	-	-	-	1 500	-	-

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand																	
<b>Revenue By Source</b>																	
Property rates:		5 372	5 372	5 372	5 372	5 372	5 372	5 372	5 372	5 372	5 372	5 372	8 248	67 345	70 982	74 815	
Service charges - electricity revenue		14 213	14 213	14 213	14 213	14 213	14 213	14 213	14 213	14 213	14 213	14 213	(33 620)	122 721	129 316	136 271	
Service charges - water revenue		5 383	5 383	5 383	5 383	5 383	5 383	5 383	5 383	5 383	5 383	5 383	11 282	70 403	72 255	78 228	
Service charges - sanitation revenue		1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	3 683	16 673	17 545	18 469	
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	13 934	13 934	14 664	15 437	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		67	67	67	67	67	67	67	67	67	67	67	687	1 425	1 502	1 584	
Interest earned - external investments		67	67	67	67	67	67	67	67	67	67	67	67	800	843	890	
Interest earned - outstanding debtors		406	406	406	406	406	406	406	406	406	406	406	2 951	7 418	7 818	8 248	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		99	99	99	99	99	99	99	99	99	99	99	(101)	990	1 043	1 100	
Licences and permits		397	397	397	397	397	397	397	397	397	397	397	(1 813)	2 550	2 688	2 836	
Agency services		-	-	-	-	-	-	-	-	-	-	-	1 500	1 500	1 581	1 668	
Transfers and subsidies		8 336	8 336	8 336	8 336	8 336	8 336	8 336	8 336	8 336	8 336	8 336	8 336	804	92 497	97 492	102 854
Other revenue		855	855	855	855	855	855	855	855	855	855	855	28 038	37 444	39 466	41 598	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	200	200	211	222	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>36 375</b>	<b>36 375</b>	<b>36 375</b>	<b>36 375</b>	<b>36 375</b>	<b>36 375</b>	<b>36 375</b>	<b>36 375</b>	<b>36 375</b>	<b>36 375</b>	<b>36 375</b>	<b>35 861</b>	<b>435 991</b>	<b>459 407</b>	<b>484 220</b>	
<b>Expenditure By Type</b>																	
Employee related costs:		14 716	14 716	14 716	14 716	14 716	14 716	14 716	14 716	14 716	14 716	14 716	20 412	182 284	192 127	202 502	
Remuneration of councillors		937	937	937	937	937	937	937	937	937	937	937	(536)	9 774	10 302	10 868	
Debt impairment		2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	(15 908)	20 000	21 080	22 239	
Depreciation & asset impairment		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	500	11 500	12 121	12 776	
Finance charges		625	625	625	625	625	625	625	625	625	625	625	625	7 500	7 905	8 340	
Bulk purchases		7 846	7 846	7 846	7 846	7 846	7 846	7 846	7 846	7 846	7 846	7 846	(3 239)	83 065	87 551	92 278	
Other materials		293	293	293	293	293	293	293	293	293	293	293	21 809	25 030	26 382	27 833	

[illegible]

EC104 Makana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>R thousand</b>																	
<b>Revenue - Functional</b>																	
<b>Governance and administration</b>		11 047	11 047	11 047	11 047	11 047	11 047	11 047	11 047	11 047	11 047	11 047	5 571	127 085	133 848	141 315	
Executive and council		1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	4 342	24 600	25 928	27 354	
Finance and administration		8 997	8 997	8 997	8 997	8 997	8 997	8 997	8 997	8 997	8 997	8 997	3 521	102 485	108 019	113 961	
Internal audit		208	208	208	208	208	208	208	208	208	208	208	(2 292)	-	-	-	
<b>Community and public safety</b>		890	890	890	890	890	890	890	890	890	890	890	1 519	9 103	9 595	10 122	
Community and social services		36	36	36	36	36	36	36	36	36	36	36	7 137	7 538	7 945	8 382	
Sport and recreation		560	560	560	560	560	560	560	560	560	560	560	(5 713)	445	469	495	
Public safety		43	43	43	43	43	43	43	43	43	43	43	43	510	538	567	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		51	51	51	51	51	51	51	51	51	51	51	52	610	643	678	
<b>Economic and environmental services</b>		1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	4 145	20 811	21 935	23 142	
Planning and development		1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 446	12 615	13 296	14 027	
Road transport		500	500	500	500	500	500	500	500	500	500	500	2 669	6 167	6 608	6 981	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	30	30	32	33	
<b>Trading services</b>		24 302	24 302	24 302	24 302	24 302	24 302	24 302	24 302	24 302	24 302	24 302	80 188	347 489	368 253	386 387	
Energy sources		14 148	14 148	14 148	14 148	14 148	14 148	14 148	14 148	14 148	14 148	14 148	14 485	170 122	179 308	189 170	
Water management		6 683	6 683	6 683	6 683	6 683	6 683	6 683	6 683	6 683	6 683	6 683	51 578	125 068	131 842	139 094	
Waste water management		1 868	1 868	1 868	1 868	1 868	1 868	1 868	1 868	1 868	1 868	1 868	13 249	33 801	35 626	37 585	
Waste management		1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	1 603	846	16 479	19 477	20 548	
Other		0	0	0	0	0	0	0	0	0	0	0	(1)	-	-	-	
<b>Total Revenue - Functional</b>		37 553	37 553	37 553	37 553	37 553	37 553	37 553	37 553	37 553	37 553	37 553	91 401	504 489	531 731	560 978	
<b>Expenditure - Functional</b>																	
<b>Governance and administration</b>		13 849	13 849	13 849	13 849	13 849	13 849	13 849	13 849	13 849	13 849	13 849	3 963	156 004	164 428	173 471	
Executive and council		2 492	2 492	2 492	2 492	2 492	2 492	2 492	2 492	2 492	2 492	2 492	1 426	28 836	30 393	32 064	
Finance and administration		11 183	11 183	11 183	11 183	11 183	11 183	11 183	11 183	11 183	11 183	11 183	2 067	125 078	131 832	139 083	
Internal audit		175	175	175	175	175	175	175	175	175	175	175	170	2 080	2 202	2 324	
<b>Community and public safety</b>		3 219	3 219	3 219	3 219	3 219	3 219	3 219	3 219	3 219	3 219	3 219	11 831	47 337	49 894	52 638	
Community and social services		1 153	1 153	1 153	1 153	1 153	1 153	1 153	1 153	1 153	1 153	1 153	489	13 176	13 887	14 651	
Sport and recreation		902	902	902	902	902	902	902	902	902	902	902	15 920	25 839	27 235	28 733	
Public safety		868	868	868	868	868	868	868	868	868	868	868	(4 021)	5 526	5 824	6 144	
Housing		3	3	3	3	3	3	3	3	3	3	3	3	32	34	35	
Health		293	293	293	293	293	293	293	293	293	293	293	(459)	2 765	2 914	3 074	
<b>Economic and environmental services</b>		4 892	4 892	4 892	4 892	4 892	4 892	4 892	4 892	4 892	4 892	4 892	(5 615)	45 288	51 961	54 818	
Planning and development		1 121	1 121	1 121	1 121	1 121	1 121	1 121	1 121	1 121	1 121	1 121	4 508	16 835	17 744	18 720	
Road transport		3 668	3 668	3 668	3 668	3 668	3 668	3 668	3 668	3 668	3 668	3 668	(12 540)	30 005	31 627	33 366	
Environmental protection		4	4	4	4	4	4	4	4	4	4	4	2 416	2 458	2 590	2 733	
<b>Trading services</b>		16 261	16 261	16 261	16 261	16 261	16 261	16 261	16 261	16 261	16 261	16 261	1 395	180 268	190 002	200 453	
Energy sources		8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285	(2 800)	88 339	93 110	98 231	
Water management		4 182	4 182	4 182	4 182	4 182	4 182	4 182	4 182	4 182	4 182	4 182	(368)	45 633	48 088	50 743	
Waste water management		2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	(2 696)	26 512	27 944	29 481	
Waste management		1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	7 260	19 783	20 851	21 998	
Other		30	30	30	30	30	30	30	30	30	30	30	30	(305)	30	32	33
<b>Total Expenditure - Functional</b>		38 352	38 352	38 352	38 352	38 352	38 352	38 352	38 352	38 352	38 352	38 352	11 070	432 937	456 316	481 413	
<b>Surplus/(Deficit) before assoc.</b>		(799)	(799)	(799)	(799)	(799)	(799)	(799)	(799)	(799)	(799)	(799)	80 331	71 551	75 415	79 563	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	1	(799)	(799)	(799)	(799)	(799)	(799)	(799)	(799)	(799)	(799)	(799)	80 331	71 551	75 415	79 563	
References:																	

Reference:

EC104 Makana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>																
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		-	-	-	-	-	-	-	-	-	-	-	750	750	1 000	1 000
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	750	750	1 000	1 000
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		127	127	127	127	127	127	127	127	127	127	127	1 127	2 622	-	-
Community and social services		127	127	127	127	127	127	127	127	127	127	127	(389)	1 000	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	1 522	1 522	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		27	27	27	27	27	27	27	27	27	27	27	(283)	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		27	27	27	27	27	27	27	27	27	27	27	(283)	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		2 896	2 896	2 896	2 896	2 896	2 896	2 896	2 896	2 896	2 896	2 896	35 570	65 226	30 930	29 104
Energy sources		667	667	667	667	667	667	667	667	667	667	667	8 600	6 400	3 200	3 200
Water management		1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	29 657	45 845	12 500	13 200
Waste water management		558	558	558	558	558	558	558	558	558	558	558	5 246	11 381	12 030	12 704
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	2 850	2 850	2 850	2 850	2 850	2 850	2 850	2 850	2 850	2 850	2 850	37 154	68 498	31 930	30 104
<b>Funded by:</b>																
National Government		-	-	-	-	-	-	-	-	-	-	-	65 226	65 226	30 930	29 104
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	1 522	1 522	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognized - capital		-	-	-	-	-	-	-	-	-	-	-	65 748	66 748	30 930	29 104
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-	1 750	1 750	1 000	1 000
<b>Total Capital Funding</b>		-	-	-	-	-	-	-	-	-	-	-	68 498	68 498	31 930	30 104

