

ANNUAL BUDGET 2018/19

SETSOTO LOCAL MUNICIPALITY



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

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Abbreviations and Acronyms

| | |
|--------|--|
| AMR | Automated Meter Reading |
| ASGISA | Accelerated and Shared Growth Initiative |
| BPC | Budget Planning Committee |
| CBD | Central Business District |
| CFO | Chief Financial Officer |
| MM | Municipal Manager |
| CPI | Consumer Price Index |
| CRRF | Capital Replacement Reserve Fund |
| DBSA | Development Bank of South Africa |
| DoRA | Division of Revenue Act |
| DWA | Department of Water Affairs |
| EE | Employment Equity |
| EEDSM | Energy Efficiency Demand Side Management |
| EM | Executive Mayor |
| FBS | Free basic services |
| GAMAP | Generally Accepted Municipal Accounting Practice |
| GDP | Gross domestic product |
| GDS | Gauteng Growth and Development Strategy |
| GFS | Government Financial Statistics |
| GRAP | General Recognised Accounting Practice |
| HR | Human Resources |
| HSRC | Human Science Research Council |
| IDP | Integrated Development Strategy |
| IT | Information Technology |
| kℓ | kilolitre |
| km | kilometre |
| KPA | Key Performance Area |
| KPI | Key Performance Indicator |
| kWh | kilowatt |
| ℓ | litre |
| LED | Local Economic Development |
| MEC | Member of the Executive Committee |
| MFMA | Municipal Financial Management Act |
| MIG | Municipal Infrastructure Grant |
| MMC | Member of Mayoral Committee |
| MPRA | Municipal Properties Rates Act |

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| | |
|-------|---|
| MSA | Municipal Systems Act |
| mSCOA | Municipal Standard Chart of Accounts |
| MTEF | Medium-term Expenditure Framework |
| MTREF | Medium-term Revenue and Expenditure Framework |
| NERSA | National Electricity Regulator South Africa |
| NGO | Non-Governmental organisations |
| NKPIs | National Key Performance Indicators |
| OHS | Occupational Health and Safety |
| OP | Operational Plan |
| PBO | Public Benefit Organisations |
| PHC | Provincial Health Care |
| PMS | Performance Management System |
| PPE | Property Plant and Equipment |
| PPP | Public Private Partnership |
| PTIS | Public Transport Infrastructure System |
| RG | Restructuring Grant |
| RSC | Regional Services Council |
| SALGA | South African Local Government Association |
| SAPS | South African Police Service |
| SDBIP | Service Delivery Budget Implementation Plan |
| SMME | Small Micro and Medium Enterprises |

PART 1: Annual Budget

1.1 Mayor's Report

The Executive Mayors report will be handed out during the Budget meeting.

1.2 Executive Summary

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, accommodation, and catering. Also referring to the Cost containment measures adopted by Council.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 89 and 91 were used to guide the compilation of the 2018/19 MTREF. The mSCOA version 6.2 was also introduced with the circulars and thus the budget tables was compiled and reported in terms of the said circulars.

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

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

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- Wage increases for municipal staff that continue to exceed consumer inflation (Based on the ongoing negotiations between SALGA and Trade unions), as well as the need to fill critical vacancies.
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2017/18 MTREF process; and

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

- The 2017/18 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2018/19 annual budget;
- Intermediate service level standards were used to inform the measurable objectives.
- Tariff and property rate increases should be affordable, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of providing water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- 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;

1.3 Recommendation

It is recommended that council at its Meeting held on 29th March 2018, consider the tabled budget for the 2018/19 financial year with the following resolutions:

- 1.1. That budget of the municipality is made public immediately after being tabled;
 - 1.2. That local community are invited to submit their representations in connection with the budget;
 - 1.3. That the budget is submitted to both National and provincial Treasury to also make submissions;
 - 1.4. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are considered;
2. The Council of Setsoto Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) should also consider the following before approving their implementation;
 - 2.1. the tariffs for property rates – as set out in attached tariff list,
 - 2.2. the tariffs for electricity– as set out in attached tariff list,
 - 2.3. the tariffs for the supply of water – as set out in attached tariff list
 - 2.4. the tariffs for sanitation services – as set out in attached tariff list

- 2.5. the tariffs for solid waste services – as set out in attached tariff list
3. The Council of Setsoto Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the consultation with local community in terms of paragraph 2 above.

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

1.4 Summary of Operating Revenue and Expenditure

Total operating revenue has grown by **7.5 %** or **R31.467 million** for the 2018/19 financial year when compared to the 2017/18 Adjustment Budget. For the two outer years, operational revenue will increase by **5.4%** and **5.5%** respectively.

Total operating expenditure for the 2018/19 financial year has grown by **3.0%** or **R18.884 million** and the total amount appropriated is **R658.107 million** including depreciation of R239.167 million and which translates into a budgeted deficit of **R208.024 million**.

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| FS191 Setsoto - Table A1 Budget Summary | | | | | | |
|--|----------------------|------------------|-------------------|---|------------------------|------------------------|
| Description | Current Year 2017/18 | | | 2018/19 Medium Term Revenue & Expenditure Framework | | |
| | Original Budget | Adjusted Budget | Pre-audit outcome | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousands | | | | | | |
| Financial Performance | | | | | | |
| Property rates | 43,263 | 53,263 | 42,496 | 50,000 | 52,700 | 55,598 |
| Service charges | 167,716 | 173,716 | 123,945 | 185,729 | 195,758 | 206,525 |
| Investment revenue | 6,191 | 3,307 | 2,040 | 6,514 | 6,865 | 7,243 |
| Transfers recognised - operational | 159,210 | 159,210 | 120,480 | 177,144 | 186,710 | 196,979 |
| Other own revenue | 28,153 | 29,122 | 22,151 | 30,697 | 32,355 | 34,134 |
| Total Revenue (excluding capital transfers and contributions) | 404,531 | 418,617 | 311,112 | 450,084 | 474,388 | 500,479 |
| Employee costs | 182,908 | 182,908 | 115,532 | 207,481 | 218,685 | 230,713 |
| Remuneration of councillors | 11,062 | 12,562 | – | 11,000 | 11,594 | 12,232 |
| Depreciation & asset impairment | 223,490 | 223,490 | 112,416 | 239,167 | 252,082 | 265,947 |
| Finance charges | 2,054 | 4,835 | 2,693 | 2,600 | 2,740 | 2,891 |
| Materials and bulk purchases | 91,566 | 102,332 | 50,277 | 105,276 | 110,961 | 117,064 |
| Transfers and grants | 864 | 1,456 | 17,262 | 650 | 685 | 723 |
| Other expenditure | 108,490 | 111,640 | 27,252 | 91,932 | 96,897 | 102,226 |
| Total Expenditure | 620,433 | 639,223 | 325,431 | 658,107 | 693,645 | 731,795 |
| Surplus/(Deficit) | (215,901) | (220,606) | (14,320) | (208,024) | (219,257) | (231,316) |
| Transfers and subsidies - capital (monetary allocations) (National / P | 139,676 | 106,262 | 71,354 | 101,466 | 106,945 | 112,827 |
| Contributions recognised - capital & contributed assets | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | (76,225) | (114,343) | 57,034 | (106,558) | (112,312) | (118,489) |

1.5 Operating Revenue Framework

For Setsoto Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macro-economic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 80 per cent (80%) annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The implementation of the new valuation roll;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Council.

1.6 Summary of Operating Revenue by source

Table 2 – Summary of Operating Revenue by source

| FS191 Setsoto - Table A1 Budget Summary | | | | | | |
|--|----------------------|-----------------|-------------------|---|------------------------|------------------------|
| Description | Current Year 2017/18 | | | 2018/19 Medium Term Revenue & Expenditure Framework | | |
| | Original Budget | Adjusted Budget | Pre-audit outcome | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousands | | | | | | |
| Financial Performance | | | | | | |
| Property rates | 43,263 | 53,263 | 42,496 | 50,000 | 52,700 | 55,598 |
| Service charges | 167,716 | 173,716 | 123,945 | 185,729 | 195,758 | 206,525 |
| Investment revenue | 6,191 | 3,307 | 2,040 | 6,514 | 6,865 | 7,243 |
| Transfers recognised - operational | 159,210 | 159,210 | 120,480 | 177,144 | 186,710 | 196,979 |
| Other own revenue | 28,153 | 29,122 | 22,151 | 30,697 | 32,355 | 34,134 |
| Total Revenue (excluding capital transfers and contributions) | 404,531 | 418,617 | 311,112 | 450,084 | 474,388 | 500,479 |

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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. Rates and service charge revenues comprise **52%** of the total revenue mix. In the 2018/19 financial year, revenue from rates and services charges totalled **R235.729 million**. In the above table revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality have been taken into account for both property rates and service charges.

As from 01 July 2018, the new valuation roll will be implemented and the overall revenue from assessment rates has increased with an average of 10%. Conversely the increase will not be equally implemented based on the individual valuation and assessment. The tariff structure has been modified between different categories of properties in order to be aligned to the Municipal Property Rates Act (MPRA), MFMA circulars and other legislations governing the property rates tariffs.

Service charges on electricity have been increased with 6.84% in line with the proposed increase by the National Energy Regulation of South Africa (NERSA) while other service charges were increased with an average of 10%.

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1.7 Summary of operating expenditure by standard classification item

Table 8 Summary of operating expenditure by standard classification item

| Description | Current Year 2017/18 | | 2018/19 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------|----------------------|-----------------|---|------------------------|------------------------|
| | Original Budget | Adjusted Budget | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand | | | | | |
| Expenditure By Type | | | | | |
| Employee related costs | 182,908 | 182,908 | 207,481 | 218,685 | 230,713 |
| Remuneration of councillors | 11,062 | 12,562 | 11,000 | 11,594 | 12,232 |
| Debt impairment | 58,014 | 58,014 | 56,000 | 59,024 | 62,270 |
| Depreciation & asset impairment | 223,490 | 223,490 | 239,167 | 252,082 | 265,947 |
| Finance charges | 2,054 | 4,835 | 2,600 | 2,740 | 2,891 |
| Bulk purchases | 64,448 | 66,265 | 67,000 | 70,618 | 74,502 |
| Other materials | 27,117 | 36,067 | 38,276 | 40,343 | 42,562 |
| Contracted services | 18,842 | 21,098 | 286 | 302 | 318 |
| Transfers and subsidies | 864 | 1,456 | 650 | 685 | 723 |
| Other expenditure | 31,633 | 32,528 | 35,646 | 37,571 | 39,637 |
| Loss on disposal of PPE | – | – | – | – | – |
| Total Expenditure | 620,433 | 639,223 | 658,107 | 693,645 | 731,795 |

The budgeted allocation for employee related costs for the 2018/19 financial year totals R207.481 million (excluding Councillors remuneration) representing a notable increase of 13% when compared to the adjustment budget for the 2017/18 financial year. Filling of critical positions in terms of the approved organisational structure were considered as well as the annual increment based on the ongoing wage negotiations. An increase in the employee related costs is budgeted at an average of 8% and the inclusion of vacant critical positions accumulated an overall increase to 13%.

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

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Provision of debt impairment for the 2018/19 financial year amounts to **R56 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 Asset Management Policy as well as the GRAP standards. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years. The recurring audit finding from the Auditor General in terms of the depreciation was also taken into account when compiling the budget.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) that the municipality has with financial institutions namely DBSA, ABSA and Wesbank. However the municipality has no intention to acquire any new borrowings in the 2018-19 MTREF.

Bulk purchases are directly informed by the purchase of electricity from Eskom. An increase of 7.32 % has been approved by NERSA.

Other expenditure increased with 9.5% or R3.118 million, however the cost containment measures as outlined in the Circular 82 and adopted by the municipal Council still apply.

1.7.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality Indigent Policy. The target is to register 10 000 or more indigent households during the 2018/19 financial year, a process reviewed annually.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.8 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure for the 2018/19 Medium Term Revenue & Expenditure Framework;

| Grants | 2018/19 | 2019/20 | 2020/21 |
|--|--------------------|--------------------|--------------------|
| Municipal Infrastructure Grant | 57,782,000 | 47,203,000 | 49,750,000 |
| Water Service Infrastructure Grant | 20,000,000 | 25,000,000 | 26,375,000 |
| Regional Bulk Infrastructure Grant | 30,000,000 | 53,121,000 | 92,108,000 |
| Intergrated National Electrification Programme Grant | 682,000 | 3,814,000 | 3,200,000 |
| Total amount allocated for 2018/19 | 108,464,000 | 129,138,000 | 171,433,000 |

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FS191 Setsoto - Table A5 Budgeted Capital Expenditure by Function

| Vote Description | 2018/19 Medium Term Revenue & Expenditure Framework | | |
|---|---|---------------------------|---------------------------|
| | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand | | | |
| Capital Expenditure - Functional | | | |
| <i>Governance and administration</i> | 1,564 | 1,648 | 1,739 |
| Executive and council | 330 | 348 | 367 |
| Finance and administration | 1,179 | 1,243 | 1,312 |
| Internal audit | 54 | 57 | 61 |
| <i>Community and public safety</i> | 11,990 | 12,637 | 13,333 |
| Community and social services | – | – | – |
| Sport and recreation | 11,715 | 12,348 | 13,027 |
| Public safety | – | – | – |
| Housing | 275 | 290 | 306 |
| Health | – | – | – |
| <i>Economic and environmental services</i> | 499 | 526 | 555 |
| Planning and development | 94 | 100 | 105 |
| Road transport | 405 | 427 | 450 |
| Environmental protection | – | – | – |
| <i>Trading services</i> | 115,667 | 121,913 | 128,618 |
| Energy sources | 6,630 | 6,988 | 7,372 |
| Water management | 108,162 | 114,003 | 120,273 |
| Waste water management | 400 | 422 | 445 |
| Waste management | 475 | 501 | 528 |
| <i>Other</i> | – | – | – |
| Total Capital Expenditure - Functional | 129,720 | 136,725 | 144,245 |

However the implementation plans for the capital grants are not yet finalised with the transferring officer (COGTA) in order to ensure that they comply with all the conditions attached to the grant. The RBIG is mainly used for the supply of bulk water while the INEG is earmarked for the electrification of 40 houses in the Naledi village and WSIG is for the upgrading of sewer pipeline.

1.9 Legislation compliance status

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

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed three interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit and Risk Committees
An Audit and Risk Committees have been established and are fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2018/19MTREF in May 2018 directly aligned and informed by the 2018/19 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality internal centre and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

1.10 Funding credibility on cash flow

The following table illustrate that based on the collection rate of service charges the budget are cash funded.

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Table 10 – Summary of Operating Revenue and Expenditure cash flow

| FS191 Setsoto - Table A7 Budgeted Cash Flows | | | |
|---|---|---------------------------|---------------------------|
| Description | 2018/19 Medium Term Revenue & Expenditure Framework | | |
| | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Property rates | 40,000 | 42,160 | 44,479 |
| Service charges | 148,583 | 156,607 | 165,220 |
| Other revenue | 2,129 | 2,805 | 2,959 |
| Government - operating | 177,826 | 186,710 | 196,979 |
| Government - capital | 107,782 | 125,324 | 168,233 |
| Interest | 28,393 | 24,573 | 10,573 |
| Dividends | 35 | 37 | 39 |
| Payments | | | |
| Suppliers and employees | (359,690) | (379,113) | (399,964) |
| Finance charges | (2,600) | (2,740) | (2,891) |
| Transfers and Grants | (650) | (685) | (723) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 141,809 | 155,677 | 184,904 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Receipts | | | |
| Proceeds on disposal of PPE | – | – | – |
| Decrease (Increase) in non-current debtors | – | – | – |
| Decrease (increase) other non-current receivables | – | – | – |
| Decrease (increase) in non-current investments | – | – | – |
| Payments | | | |
| Capital assets | (129,720) | (136,725) | (168,233) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (129,720) | (136,725) | (168,233) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts | | | |
| Short term loans | – | – | – |
| Borrowing long term/refinancing | – | – | – |
| Increase (decrease) in consumer deposits | – | – | – |
| Payments | | | |
| Repayment of borrowing | (3,000) | (3,520) | (4,200) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (3,000) | (3,520) | (4,200) |
| NET INCREASE/ (DECREASE) IN CASH HELD | 9,089 | 15,432 | 12,471 |
| Cash/cash equivalents at the year begin: | (45,000) | (35,911) | (20,480) |
| Cash/cash equivalents at the year end: | (35,911) | (20,480) | (8,009) |

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| FS191 Setsoto - Supporting Table SA30 Budgeted monthly cash flow | | | | | | | | | | | | | | | | |
|--|---------------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---|---------------------|------------------------|------------------------|
| MONTHLY CASH FLOWS | Budget Year 2018/19 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
| | R thousand | 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 |
| Cash Receipts By Source | | | | | | | | | | | | | 1 | | | |
| Property rates | 3,600 | 2,600 | 3,600 | 3,600 | 1,800 | 3,600 | 3,600 | 3,600 | 3,600 | 2,900 | 3,600 | 3,900 | 40,000 | 42,160 | 44,479 | |
| Service charges - electricity revenue | 4,200 | 2,800 | 6,309 | 4,263 | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 3,800 | 3,600 | 4,049 | 60,566 | 63,836 | 67,347 | |
| Service charges - water revenue | 3,200 | 2,400 | 2,950 | 2,800 | 2,400 | 2,250 | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 5,084 | 44,002 | 46,378 | 48,928 | |
| Service charges - sanitation revenue | 2,085 | 2,085 | 1,800 | 1,085 | 1,085 | 2,100 | 1,800 | 1,085 | 2,200 | 1,085 | 1,985 | 1,621 | 20,016 | 21,097 | 22,257 | |
| Service charges - refuse revenue | 1,010 | 1,400 | 1,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 1,800 | 2,500 | 1,800 | 1,490 | 24,000 | 25,296 | 26,687 | |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Rental of facilities and equipment | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 697 | 735 | 775 | |
| Interest earned - external investments | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 22 | 5,993 | 6,865 | 4,346 | |
| Interest earned - outstanding debtors | 1,800 | 2,333 | 1,600 | 2,333 | 2,333 | 1,400 | 2,333 | 2,333 | 1,200 | 2,333 | 1,350 | 1,050 | 22,401 | 17,708 | 6,227 | |
| Dividends received | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 35 | 37 | 39 | |
| Fines, penalties and forfeits | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | 632 | 667 | |
| Licences and permits | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 35 | 37 | 39 | |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Transfer receipts - operational | 88,913 | - | - | - | 53,348 | - | - | - | 35,565 | - | - | - | 177,826 | 186,710 | 196,979 | |
| Other revenue | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 797 | 1,401 | 1,478 | |
| Cash Receipts by Source | 105,531 | 14,342 | 18,482 | 17,305 | 70,498 | 18,882 | 21,849 | 21,134 | 55,981 | 17,925 | 17,642 | 17,397 | 396,967 | 412,891 | 420,249 | |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | |
| Transfer receipts - capital | 53,891 | - | - | - | 32,335 | - | - | - | 21,556 | - | - | - | 107,782 | 125,324 | 168,233 | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Proceeds on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Short term loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Decrease (Increase) in non-current debtors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Cash Receipts by Source | 159,422 | 14,342 | 18,482 | 17,305 | 102,833 | 18,882 | 21,849 | 21,134 | 77,537 | 17,925 | 17,642 | 17,397 | 504,749 | 538,215 | 588,482 | |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 7,207 | 207,481 | 218,685 | 230,713 | |
| Remuneration of councillors | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 11,000 | 11,594 | 12,232 | |
| Finance charges | 108 | 108 | 320 | 108 | 108 | 540 | 108 | 108 | 320 | 108 | 108 | 556 | 2,600 | 2,740 | 2,891 | |
| Bulk purchases - Electricity | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 67,000 | 70,618 | 74,502 | |
| Bulk purchases - Water & Sewer | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other materials | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 38,276 | 40,343 | 42,562 | |
| Contracted services | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 286 | 302 | 318 | |
| Transfers and grants - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | 685 | 723 | |
| Transfers and grants - other | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 650 | - | - | |
| Other expenditure | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 33,511 | 35,646 | 37,571 | 39,637 | |
| Cash Payments by Type | 28,277 | 28,277 | 28,489 | 28,277 | 28,277 | 28,709 | 28,277 | 28,277 | 28,489 | 28,277 | 28,277 | 51,042 | 362,940 | 382,538 | 403,578 | |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 129,720 | 136,725 | 168,233 | |
| Repayment of borrowing | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 | 3,520 | 4,200 | |
| Other Cash Flows/Payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Cash Payments by Type | 39,337 | 39,337 | 39,549 | 39,337 | 39,337 | 39,769 | 39,337 | 39,337 | 39,549 | 39,337 | 39,337 | 62,102 | 495,660 | 522,784 | 576,011 | |
| NET INCREASE/(DECREASE) IN CASH HELD | 120,086 | (24,995) | (21,066) | (22,032) | 63,496 | (20,886) | (17,488) | (18,203) | 37,989 | (21,412) | (21,695) | (44,705) | 9,089 | 15,432 | 12,471 | |
| Cash/cash equivalents at the month/year begin: | (45,000) | 75,086 | 50,091 | 29,024 | 6,992 | 70,488 | 49,602 | 32,114 | 13,912 | 51,900 | 30,489 | 8,794 | (45,000) | (35,911) | (20,480) | |
| Cash/cash equivalents at the month/year end: | 75,086 | 50,091 | 29,024 | 6,992 | 70,488 | 49,602 | 32,114 | 13,912 | 51,900 | 30,489 | 8,794 | (25,011) | (25,011) | (20,480) | (8,009) | |

1.11 Municipal manager’s quality certificate

I, S T R Ramakarane, Municipal Manager of Setsoto Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name S T R RAMAKARANE _____

Municipal manager of Setsoto Municipality (FS191)

Signature _____

Date _____

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 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 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled the budget key timelines before Council meeting outlining the key activities to be undertaken with strict timeliness.

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

FS191 Setsoto - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

| Functional Classification Description | 2015/16 | | 2016/17 | | Current Year 2017/18 | | 2018/19 Medium Term Revenue & Expenditure Framework | | |
|--|------------|------------------|------------------|-----------------|----------------------|---------------------|---|------------------------|--|
| | R thousand | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 | |
| Revenue - Functional | | | | | | | | | |
| Governance and administration | | 117,426 | 86,572 | 124,256 | 127,372 | 137,412 | 144,832 | 152,798 | |
| Executive and council | | 34,729 | 17,418 | 45,575 | 45,575 | 49,136 | 51,790 | 54,638 | |
| Finance and administration | | 82,697 | 69,155 | 78,681 | 81,798 | 88,276 | 93,043 | 98,160 | |
| Internal audit | | – | – | – | – | – | – | – | |
| Community and public safety | | 3,677 | 6,705 | 1,278 | 1,247 | 1,153 | 1,215 | 1,282 | |
| Community and social services | | 548 | 579 | 705 | 705 | 500 | 527 | 556 | |
| Sport and recreation | | 50 | 37 | 58 | 27 | 48 | 50 | 53 | |
| Public safety | | 2,229 | 5,382 | – | – | – | – | – | |
| Housing | | 850 | 707 | 515 | 515 | 605 | 638 | 673 | |
| Health | | – | – | – | – | – | – | – | |
| Economic and environmental services | | 51,864 | 18,585 | 31,995 | 29,581 | 41,116 | 43,336 | 45,720 | |
| Planning and development | | 20,391 | 39 | 2,445 | 2,431 | 11,535 | 12,158 | 12,827 | |
| Road transport | | 31,473 | 18,546 | 29,550 | 27,150 | 29,581 | 31,179 | 32,893 | |
| Environmental protection | | – | – | – | – | – | – | – | |
| Trading services | | 325,187 | 394,211 | 386,679 | 366,679 | 371,869 | 391,950 | 413,507 | |
| Energy sources | | 101,163 | 91,259 | 90,786 | 92,786 | 96,954 | 102,189 | 107,810 | |
| Water management | | 140,306 | 222,349 | 200,091 | 169,091 | 170,199 | 179,390 | 189,256 | |
| Waste water management | | 37,329 | 34,819 | 49,798 | 49,798 | 54,153 | 57,077 | 60,216 | |
| Waste management | | 46,389 | 45,784 | 46,004 | 55,004 | 50,563 | 53,293 | 56,224 | |
| Other | | – | – | – | – | – | – | – | |
| Total Revenue - Functional | | 498,155 | 506,074 | 544,208 | 524,879 | 551,550 | 581,333 | 613,307 | |
| Expenditure - Functional | | | | | | | | | |
| Governance and administration | | 113,138 | 135,780 | 108,818 | 115,497 | 130,146 | 137,174 | 144,719 | |
| Executive and council | | 38,543 | 52,033 | 28,642 | 31,715 | 33,926 | 35,758 | 37,725 | |
| Finance and administration | | 70,745 | 80,037 | 76,322 | 79,663 | 85,950 | 90,591 | 95,574 | |
| Internal audit | | 3,849 | 3,710 | 3,853 | 4,119 | 10,270 | 10,825 | 11,420 | |
| Community and public safety | | 44,407 | 40,843 | 36,692 | 35,326 | 37,297 | 39,311 | 41,473 | |
| Community and social services | | 4,957 | 4,941 | 6,298 | 6,123 | 7,253 | 7,644 | 8,065 | |
| Sport and recreation | | 16,939 | 17,501 | 10,621 | 10,456 | 11,023 | 11,618 | 12,257 | |
| Public safety | | 9,573 | 9,686 | 4,118 | 3,996 | 984 | 1,037 | 1,094 | |
| Housing | | 12,420 | 8,026 | 15,101 | 14,198 | 17,452 | 18,394 | 19,406 | |
| Health | | 518 | 689 | 553 | 553 | 586 | 618 | 652 | |
| Economic and environmental services | | 229,966 | 214,890 | 262,413 | 264,267 | 286,716 | 302,199 | 318,820 | |
| Planning and development | | 6,774 | 6,687 | 10,523 | 10,006 | 10,051 | 10,594 | 11,177 | |
| Road transport | | 223,191 | 208,203 | 251,890 | 254,261 | 276,665 | 291,605 | 307,643 | |
| Environmental protection | | – | – | – | – | – | – | – | |
| Trading services | | 236,180 | 237,360 | 212,511 | 224,133 | 203,948 | 214,961 | 226,784 | |
| Energy sources | | 56,333 | 81,195 | 86,618 | 85,476 | 92,393 | 97,383 | 102,739 | |
| Water management | | 97,775 | 73,342 | 50,452 | 60,482 | 54,605 | 57,554 | 60,719 | |
| Waste water management | | 37,797 | 38,543 | 37,783 | 38,828 | 19,700 | 20,764 | 21,906 | |
| Waste management | | 44,275 | 44,280 | 37,657 | 39,346 | 37,249 | 39,261 | 41,420 | |
| Other | | – | – | – | – | – | – | – | |
| Total Expenditure - Functional | | 623,691 | 628,872 | 620,433 | 639,223 | 658,107 | 693,645 | 731,795 | |
| Surplus/(Deficit) for the year | | (125,536) | (122,799) | (76,225) | (114,343) | (106,558) | (112,312) | (118,489) | |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

| FS191 Setsoto - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote) | | | | | | | |
|--|-----------------|-----------------|----------------------|------------------|---|------------------------|------------------------|
| Vote Description | 2015/16 | 2016/17 | Current Year 2017/18 | | 2018/19 Medium Term Revenue & Expenditure Framework | | |
| | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand | | | | | | | |
| Revenue by Vote | | | | | | | |
| Vote 1 - Executive and council | 17,928 | 1,493 | 38,631 | 38,631 | 44,853 | 47,276 | 49,876 |
| Vote 2 - Municipal Manager | – | – | 6,944 | 6,944 | 4,283 | 4,514 | 4,762 |
| Vote 3 - Treasury | 23,432 | 27,665 | 72,802 | 78,802 | 82,231 | 86,671 | 91,438 |
| Vote 4 - Corporate Services | 1,417 | 1,221 | 1,474 | 1,474 | 1,607 | 1,693 | 1,786 |
| Vote 5 - Development Planning and Social Security | – | – | 5,199 | 2,285 | 5,021 | 5,292 | 5,583 |
| Vote 6 - Development Planning and Social Security | 46,388 | 45,784 | 46,413 | 55,413 | 51,210 | 53,975 | 56,944 |
| Vote 7 - Engineering Services | 31,473 | 18,546 | 369,816 | 338,416 | 350,240 | 369,153 | 389,457 |
| Vote 8 - Engineering Services | – | – | 2,929 | 2,915 | 12,105 | 12,759 | 13,460 |
| Total Revenue by Vote | 120,639 | 94,711 | 544,208 | 524,879 | 551,550 | 581,333 | 613,307 |
| Expenditure by Vote to be appropriated | | | | | | | |
| Vote 1 - Executive and council | 30,798 | 44,739 | 22,589 | 25,809 | 21,660 | 22,829 | 24,085 |
| Vote 2 - Municipal Manager | – | – | 16,404 | 15,754 | 28,373 | 29,905 | 31,550 |
| Vote 3 - Treasury | 21,731 | 21,141 | 37,908 | 39,838 | 39,478 | 41,610 | 43,899 |
| Vote 4 - Corporate Services | 11,669 | 11,369 | 25,577 | 28,622 | 32,578 | 34,337 | 36,226 |
| Vote 5 - Development Planning and Social Security | 2,766 | 2,533 | 25,987 | 25,578 | 26,780 | 28,226 | 29,779 |
| Vote 6 - Development Planning and Social Security | 43,622 | 43,685 | 59,316 | 60,912 | 57,545 | 60,653 | 63,989 |
| Vote 7 - Engineering Services | 22,664 | 11,840 | 409,757 | 422,031 | 424,637 | 447,567 | 472,184 |
| Vote 8 - Engineering Services | – | – | 22,894 | 20,679 | 27,056 | 28,517 | 30,085 |
| Total Expenditure by Vote | 133,251 | 135,307 | 620,433 | 639,223 | 658,107 | 693,645 | 731,795 |
| Surplus/(Deficit) for the year | (12,612) | (40,596) | (76,225) | (114,343) | (106,558) | (112,312) | (118,489) |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

FS191 Setsoto - Table A4 Budgeted Financial Performance (revenue and expenditure)

| 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 | Pre-audit outcome | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| Revenue By Source | | | | | | | | | |
| Property rates | 32,147 | 41,090 | 44,239 | 43,263 | 53,263 | 42,496 | 50,000 | 52,700 | 55,598 |
| Service charges - electricity revenue | 64,532 | 63,626 | 62,935 | 66,147 | 68,147 | 44,214 | 75,707 | 79,795 | 84,184 |
| Service charges - water revenue | 32,983 | 40,326 | 49,379 | 50,813 | 50,813 | 40,395 | 55,002 | 57,972 | 61,161 |
| Service charges - sanitation revenue | 18,110 | 21,382 | 25,374 | 23,391 | 18,391 | 15,144 | 25,020 | 26,371 | 27,821 |
| Service charges - refuse revenue | 21,679 | 21,296 | 25,367 | 27,365 | 36,365 | 24,193 | 30,000 | 31,620 | 33,359 |
| Service charges - other | 131 | 187 | 252 | - | - | - | - | - | - |
| Rental of facilities and equipment | 1,298 | 1,564 | 1,534 | 749 | 740 | 831 | 697 | 735 | 775 |
| Interest earned - external investments | 22,451 | 19,134 | 21,498 | 6,191 | 3,307 | 2,040 | 6,514 | 6,865 | 7,243 |
| Interest earned - outstanding debtors | - | - | - | 25,630 | 26,630 | 19,200 | 28,001 | 29,513 | 31,136 |
| Dividends received | 32 | 36 | 40 | 40 | 40 | 102 | 35 | 37 | 39 |
| Fines, penalties and forfeits | 1,927 | 2,164 | 2,463 | 364 | 364 | 143 | 600 | 632 | 667 |
| Licences and permits | 14 | 100 | 39 | 31 | 31 | 132 | 35 | 37 | 39 |
| Agency services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 189,936 | 194,443 | 170,002 | 159,210 | 159,210 | 120,480 | 177,144 | 186,710 | 196,979 |
| Other revenue | 9,744 | 2,617 | 5,928 | 1,338 | 1,316 | 1,742 | 1,329 | 1,401 | 1,478 |
| Gains on disposal of PPE | (88) | (3,374) | (6,497) | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 394,895 | 404,593 | 402,553 | 404,531 | 418,617 | 311,112 | 450,084 | 474,388 | 500,479 |
| Expenditure By Type | | | | | | | | | |
| Employee related costs | 154,017 | 169,776 | 187,599 | 182,908 | 182,908 | 115,532 | 207,481 | 218,685 | 230,713 |
| Remuneration of councillors | 9,884 | 10,355 | 9,896 | 11,062 | 12,562 | - | 11,000 | 11,594 | 12,232 |
| Debt impairment | 25,097 | 84,546 | 69,861 | 58,014 | 58,014 | - | 56,000 | 59,024 | 62,270 |
| Depreciation & asset impairment | 229,021 | 217,951 | 212,220 | 223,490 | 223,490 | 112,416 | 239,167 | 252,082 | 265,947 |
| Finance charges | 919 | 947 | 2,289 | 2,054 | 4,835 | 2,693 | 2,600 | 2,740 | 2,891 |
| Bulk purchases | 53,594 | 53,293 | 72,798 | 64,448 | 66,265 | 41,167 | 67,000 | 70,618 | 74,502 |
| Other materials | - | - | - | 27,117 | 36,067 | 9,110 | 38,276 | 40,343 | 42,562 |
| Contracted services | 28,235 | 17,224 | 22,731 | 18,842 | 21,098 | 12,405 | 286 | 302 | 318 |
| Transfers and subsidies | 2,607 | 2,501 | 5,618 | 864 | 1,456 | 17,262 | 650 | 685 | 723 |
| Other expenditure | 56,883 | 68,187 | 47,607 | 31,633 | 32,528 | 14,892 | 35,646 | 37,571 | 39,637 |
| Loss on disposal of PPE | - | - | 258 | - | - | (45) | - | - | - |
| Total Expenditure | 560,259 | 624,780 | 630,878 | 620,433 | 639,223 | 325,431 | 658,107 | 693,645 | 731,795 |
| Surplus/(Deficit) | (165,364) | (220,188) | (228,325) | (215,901) | (220,606) | (14,320) | (208,024) | (219,257) | (231,316) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 59,660 | 73,293 | 103,396 | 139,676 | 106,262 | 71,354 | 101,466 | 106,945 | 112,827 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises) | | | | | | | | | |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

| FS191 Setsoto - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | | |
|---|----------------------|-----------------|---|---------------------|---------------------|
| Description | Current Year 2016/17 | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
| | Original Budget | Adjusted Budget | Budget Year 2017/18 | Budget Year 2018/19 | Budget Year 2019/20 |
| R thousand | | | | | |
| Revenue By Source | | | | | |
| Property rates | 42,250 | 33,111 | 43,263 | 45,815 | 48,473 |
| Service charges - electricity revenue | 84,736 | 66,711 | 68,414 | 72,451 | 76,653 |
| Service charges - water revenue | 59,654 | 46,774 | 51,652 | 54,700 | 57,872 |
| Service charges - sanitation revenue | 21,214 | 20,888 | 23,391 | 24,771 | 26,207 |
| Service charges - refuse revenue | 27,908 | 25,717 | 27,365 | 28,980 | 30,660 |
| Rental of facilities and equipment | 802 | 706 | 749 | 793 | 839 |
| Interest earned - external investments | 2,200 | 1,755 | 1,860 | 1,970 | 2,084 |
| Interest earned - outstanding debtors | 28,568 | 24,180 | 25,630 | 27,143 | 28,717 |
| Dividends received | 40 | 40 | 40 | 42 | 45 |
| Fines, penalties and forfeits | 114 | 344 | 364 | 386 | 408 |
| Licences and permits | 44 | 29 | 31 | 33 | 35 |
| Transfers and subsidies | 162,308 | 162,308 | 163,645 | 177,826 | 190,164 |
| Other revenue | 5,692 | 20,325 | 5,669 | 6,003 | 6,351 |
| Total Revenue (excluding capital transfers and contributions) | 435,530 | 402,888 | 412,074 | 440,912 | 468,509 |
| Expenditure By Type | | | | | |
| Employee related costs | 174,767 | 173,256 | 182,908 | 193,699 | 204,934 |
| Remuneration of councillors | 7,927 | 8,354 | 11,062 | 11,714 | 12,394 |
| Debt impairment | 26,000 | 57,089 | 58,014 | 61,437 | 65,001 |
| Depreciation & asset impairment | 33,262 | 12,288 | 12,490 | 13,227 | 13,994 |
| Finance charges | 13,177 | 11,499 | 8,511 | 9,014 | 9,536 |
| Bulk purchases | 74,000 | 73,179 | 64,448 | 68,251 | 72,209 |
| Contracted services | 31,114 | 15,895 | 18,392 | 19,477 | 20,607 |
| Transfers and subsidies | 1,064 | 399 | 894 | 1,000 | 1,058 |
| Other expenditure | 74,059 | 43,304 | 52,716 | 55,826 | 59,064 |
| Loss on disposal of PPE | | | | | |
| Total Expenditure | 435,369 | 395,262 | 409,436 | 433,646 | 458,797 |
| Surplus/(Deficit) | 161 | 7,626 | 2,638 | 7,266 | 9,712 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | 135,241 | 111,796 | 110,419 |
| Surplus/(Deficit) after capital transfers & contributions | 161 | 7,626 | 137,879 | 119,062 | 120,131 |
| Surplus/(Deficit) after taxation | 161 | 7,626 | 137,879 | 119,062 | 120,131 |
| Attributable to minorities | | - | | | |
| Surplus/(Deficit) attributable to municipality | 161 | 7,626 | 137,879 | 119,062 | 120,131 |
| Surplus/(Deficit) for the year | 161 | 7,626 | 137,879 | 119,062 | 120,131 |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

| FS191 Setsoto - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding | | | | | | | | |
|--|-----------------|-----------------|----------------------|-----------------|-------------------|---|------------------------|------------------------|
| Vote Description | 2015/16 | 2016/17 | Current Year 2017/18 | | | 2018/19 Medium Term Revenue & Expenditure Framework | | |
| | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Pre-audit outcome | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand | | | | | | | | |
| Single-year expenditure to be appropriated | | | | | | | | |
| Vote 1 - Executive and council | – | 28 | 83 | 83 | 114 | 213 | 225 | 237 |
| Vote 2 - Municipal Manager | – | – | 1,218 | 1,218 | 1,907 | 226 | 238 | 251 |
| Vote 3 - Treasury | 687 | 24 | 464 | 464 | 4,792 | 240 | 253 | 267 |
| Vote 4 - Corporate Services | 16 | – | 755 | 755 | 72 | 689 | 727 | 767 |
| Vote 5 - Development Planning and Social Security | 1 | – | 3,115 | 3,115 | 2,850 | 11,715 | 12,348 | 13,027 |
| Vote 6 - Development Planning and Social Security | 271 | 2,183 | 14,250 | 14,250 | (34,734) | 490 | 516 | 545 |
| Vote 7 - Engineering Services | 93,417 | 18,772 | 112,971 | 112,971 | 626,196 | 115,582 | 121,823 | 128,524 |
| Vote 8 - Engineering Services | – | – | 900 | 900 | 552 | 565 | 596 | 628 |
| Capital single-year expenditure sub-total | 94,392 | 21,008 | 133,755 | 133,755 | 601,749 | 129,720 | 136,725 | 144,245 |
| Total Capital Expenditure - Vote | 94,392 | 21,008 | 133,755 | 133,755 | 601,749 | 129,720 | 136,725 | 144,245 |
| Total Capital Expenditure - Functional | 186,155 | 34,472 | 45,740 | 45,740 | 57,597 | 129,720 | 136,725 | 144,245 |
| Funded by: | | | | | | | | |
| National Government | 94,392 | 21,008 | 133,755 | 133,755 | – | 104,893 | 125,324 | 168,233 |
| Provincial Government | – | – | – | – | – | – | – | – |
| District Municipality | – | – | – | – | – | – | – | – |
| Other transfers and grants | – | – | – | – | – | – | – | – |
| Transfers recognised - capital | 94,392 | 21,008 | 133,755 | 133,755 | – | 104,893 | 125,324 | 168,233 |
| Public contributions & donations | – | – | – | – | – | – | – | – |
| Borrowing | – | – | – | – | – | – | – | – |
| Internally generated funds | – | – | – | – | – | 24,827 | 11,401 | (23,988) |
| Total Capital Funding | 94,392 | 21,008 | 133,755 | 133,755 | – | 129,720 | 136,725 | 144,245 |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

| FS191 Setsoto - Table A6 Budgeted Financial Position | | | | | | | | |
|--|------------------|------------------|------------------|----------------------|------------------|---|------------------------|------------------------|
| 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 | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand | | | | | | | | |
| ASSETS | | | | | | | | |
| Current assets | | | | | | | | |
| Cash | 3,702 | 3,656 | 2,081 | 13,593 | 13,593 | 832 | - | - |
| Call investment deposits | - | - | - | - | - | - | - | - |
| Consumer debtors | 95,674 | 103,901 | 195,619 | - | - | 321,878 | 452,323 | 474,644 |
| Other debtors | 71,894 | 47,167 | 9,828 | - | - | 12,777 | 13,416 | 14,087 |
| Current portion of long-term receivables | - | - | - | - | - | - | 0 | - |
| Inventory | 1,811 | 1,887 | 2,420 | - | - | - | - | - |
| Total current assets | 173,080 | 156,610 | 209,949 | 13,593 | 13,593 | 335,487 | 465,739 | 488,730 |
| Non current assets | | | | | | | | |
| Long-term receivables | - | - | - | - | - | - | - | - |
| Investments | 3,105 | 3,100 | 3,212 | - | - | - | - | - |
| Investment property | 71,176 | 74,574 | 68,648 | - | - | - | - | - |
| Investment in Associate | - | - | - | - | - | - | - | - |
| Property, plant and equipment | 3,333,722 | 3,210,956 | 3,114,843 | 3,426,554 | 3,419,554 | 3,116,120 | 3,036,725 | 3,214,687 |
| Agricultural | - | - | - | - | - | - | - | - |
| Biological | - | - | - | - | - | - | - | - |
| Intangible | 3,477 | 3,147 | 2,592 | - | - | - | - | - |
| Other non-current assets | 15,386 | 15,386 | 15,386 | - | - | 15,386 | 15,386 | 15,386 |
| Total non current assets | 3,426,866 | 3,307,163 | 3,204,682 | 3,426,554 | 3,419,554 | 3,131,506 | 3,052,111 | 3,230,073 |
| TOTAL ASSETS | 3,599,947 | 3,463,773 | 3,414,630 | 3,440,146 | 3,433,146 | 3,466,993 | 3,517,850 | 3,718,803 |
| LIABILITIES | | | | | | | | |
| Current liabilities | | | | | | | | |
| Bank overdraft | - | - | - | 8,524 | 32,080 | - | - | - |
| Borrowing | 541 | 618 | 2,251 | - | - | 3,000 | 3,200 | 3,400 |
| Consumer deposits | 2,429 | 2,521 | 2,513 | - | - | 3,000 | 2,950 | 3,200 |
| Trade and other payables | 53,730 | 73,631 | 122,186 | - | - | 109,945 | 63,208 | 48,150 |
| Provisions | 1,207 | 1,278 | 1,446 | - | - | 1,500 | 1,550 | 1,600 |
| Total current liabilities | 57,907 | 78,048 | 128,396 | 8,524 | 32,080 | 117,445 | 70,908 | 56,350 |
| Non current liabilities | | | | | | | | |
| Borrowing | 6,284 | 5,667 | 11,303 | 6,000 | 7,800 | 10,500 | 9,900 | 9,100 |
| Provisions | 60,975 | 66,345 | 81,683 | - | - | 65,050 | 66,000 | 72,050 |
| Total non current liabilities | 67,259 | 72,012 | 92,986 | 6,000 | 7,800 | 75,550 | 75,900 | 81,150 |
| TOTAL LIABILITIES | 125,166 | 150,060 | 221,382 | 14,524 | 39,880 | 192,995 | 146,808 | 137,500 |
| NET ASSETS | 3,474,780 | 3,313,713 | 3,193,249 | 3,425,623 | 3,393,267 | 3,273,998 | 3,371,042 | 3,581,303 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | |
| Accumulated Surplus/(Deficit) | 3,474,780 | 3,313,713 | 3,193,249 | 3,425,623 | 3,393,267 | 3,273,998 | 3,371,042 | 3,581,303 |
| Reserves | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 3,474,780 | 3,313,713 | 3,193,249 | 3,425,623 | 3,393,267 | 3,273,998 | 3,371,042 | 3,581,303 |

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| FS191 Setsoto - Table A7 Budgeted Cash Flows | | | |
|---|---|---------------------------|---------------------------|
| Description | 2018/19 Medium Term Revenue & Expenditure Framework | | |
| | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Property rates | 40,000 | 42,160 | 44,479 |
| Service charges | 148,583 | 156,607 | 165,220 |
| Other revenue | 2,129 | 2,805 | 2,959 |
| Government - operating | 177,826 | 186,710 | 196,979 |
| Government - capital | 107,782 | 125,324 | 168,233 |
| Interest | 28,393 | 24,573 | 10,573 |
| Dividends | 35 | 37 | 39 |
| Payments | | | |
| Suppliers and employees | (359,690) | (379,113) | (399,964) |
| Finance charges | (2,600) | (2,740) | (2,891) |
| Transfers and Grants | (650) | (685) | (723) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 141,809 | 155,677 | 184,904 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Receipts | | | |
| Proceeds on disposal of PPE | – | – | – |
| Decrease (Increase) in non-current debtors | – | – | – |
| Decrease (increase) other non-current receivables | – | – | – |
| Decrease (increase) in non-current investments | – | – | – |
| Payments | | | |
| Capital assets | (129,720) | (136,725) | (168,233) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (129,720) | (136,725) | (168,233) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts | | | |
| Short term loans | – | – | – |
| Borrowing long term/refinancing | – | – | – |
| Increase (decrease) in consumer deposits | – | – | – |
| Payments | | | |
| Repayment of borrowing | (3,000) | (3,520) | (4,200) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (3,000) | (3,520) | (4,200) |
| NET INCREASE/ (DECREASE) IN CASH HELD | 9,089 | 15,432 | 12,471 |
| Cash/cash equivalents at the year begin: | (45,000) | (35,911) | (20,480) |
| Cash/cash equivalents at the year end: | (35,911) | (20,480) | (8,009) |

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FS191 Setsoto - 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 | | |
|---|-----|------------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | 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 and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 147,654 | 46,063 | 82,270 | 13,510 | (24,609) | (92,506) | (360,323) | (35,911) | (20,480) | (8,009) |
| Other current investments > 90 days | | (143,952) | (42,407) | (80,189) | (8,440) | 6,122 | 92,506 | 460,981 | 36,744 | 20,480 | 8,009 |
| Non current assets - Investments | 1 | 3,105 | 3,100 | 3,212 | - | - | - | 5,262 | - | - | - |
| Cash and investments available: | | 6,807 | 6,756 | 5,293 | 5,069 | (18,487) | - | 105,921 | 832 | - | - |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 807 | 952 | 11,067 | - | - | - | 11,067 | 11,067 | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | | | | | | | | | | |
| Other working capital requirements | 3 | (114,644) | (79,249) | (94,329) | - | - | - | (501,876) | (140,704) | (271,150) | (302,714) |
| Other provisions | | | | | | | | | | | |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | | |
| Total Application of cash and investments: | | (113,837) | (78,297) | (83,262) | - | - | - | (490,810) | (129,638) | (271,150) | (302,714) |
| Surplus(shortfall) | | 120,645 | 85,052 | 88,555 | 5,069 | (18,487) | - | 596,730 | 130,470 | 271,150 | 302,714 |

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FS191 Setsoto - 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 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | 3,655 | 3,655 | 3,655 | 3,655 | 3,655 | 3,655 | 3,655 | 3,655 | 3,655 |
| Piped water inside yard (but not in dwelling) | | 9,138 | 9,138 | 9,138 | 9,138 | 9,138 | 9,138 | 9,138 | 9,138 | 9,138 |
| Using public tap (at least min.service level) | 2 | 7,724 | 8,224 | 8,224 | 8,224 | 8,224 | 8,224 | 8,224 | 8,224 | 8,224 |
| Other water supply (at least min.service level) | 4 | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | 20,517 | 21,017 | 21,017 | 21,017 | 21,017 | 21,017 | 21,017 | 21,017 | 21,017 |
| Using public tap (< min.service level) | 3 | 4,567 | 4,567 | 4,567 | 4,567 | 4,567 | 4,567 | 4,567 | 4,567 | 4,567 |
| Other water supply (< min.service level) | 4 | 500 | - | - | - | - | - | - | - | - |
| No water supply | | 916 | 916 | 916 | 916 | 916 | 916 | 916 | 916 | 916 |
| <i>Below Minimum Service Level sub-total</i> | | 5,983 | 5,483 | 5,483 | 5,483 | 5,483 | 5,483 | 5,483 | 5,483 | 5,483 |
| Total number of households | 5 | 26,500 | 26,500 | 26,500 | 26,500 | 26,500 | 26,500 | 26,500 | 26,500 | 26,500 |
| Sanitation/sewerage: | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | 9,210 | 9,710 | 9,710 | 9,710 | 9,710 | 9,710 | 9,710 | 9,710 | 9,710 |
| Flush toilet (with septic tank) | | - | - | - | - | - | - | - | - | - |
| Chemical toilet | | - | - | - | - | - | - | - | - | - |
| Pit toilet (ventilated) | | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (> min.service level) | | 1,316 | 1,316 | 1,316 | 1,316 | 1,316 | 1,316 | 1,316 | 1,316 | 1,316 |
| <i>Minimum Service Level and Above sub-total</i> | | 10,526 | 11,026 | 11,026 | 11,026 | 11,026 | 11,026 | 11,026 | 11,026 | 11,026 |
| Bucket toilet | | 10,526 | 10,526 | 10,526 | 10,526 | 10,526 | 10,526 | 10,526 | 10,526 | 10,526 |
| Other toilet provisions (< min.service level) | | 500 | - | - | - | - | - | - | - | - |
| No toilet provisions | | 3,948 | 3,948 | 3,948 | 3,948 | 3,948 | 3,948 | 3,948 | 3,948 | 3,948 |
| <i>Below Minimum Service Level sub-total</i> | | 14,974 | 14,474 | 14,474 | 14,474 | 14,474 | 14,474 | 14,474 | 14,474 | 14,474 |
| Total number of households | 5 | 25,500 | 25,500 | 25,500 | 25,500 | 25,500 | 25,500 | 25,500 | 25,500 | 25,500 |
| Energy: | | | | | | | | | | |
| Electricity (at least min.service level) | | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 |
| Electricity - prepaid (min.service level) | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| <i>Minimum Service Level and Above sub-total</i> | | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 |
| Electricity (< min.service level) | | - | - | - | - | - | - | - | - | - |
| Electricity - prepaid (< min. service level) | | - | - | - | - | - | - | - | - | - |
| Other energy sources | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 | 24,300 |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 |
| <i>Minimum Service Level and Above sub-total</i> | | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 |
| Removed less frequently than once a week | | - | - | - | - | - | - | - | - | - |
| Using communal refuse dump | | - | - | - | - | - | - | - | - | - |
| Using own refuse dump | | - | - | - | - | - | - | - | - | - |
| Other rubbish disposal | | - | - | - | - | - | - | - | - | - |
| No rubbish disposal | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 |

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| FS191 Setsoto - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance' | | | | | | | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|---|------------------------|------------------------|
| 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 | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand | | | | | | | | |
| EXPENDITURE ITEMS: | | | | | | | | |
| Employee related costs | | | | | | | | |
| Basic Salaries and Wages | 92,953 | 100,058 | 105,430 | 134,427 | 134,427 | 156,293 | 164,733 | 173,793 |
| Pension and UIF Contributions | 17,662 | 19,142 | 19,645 | 6,051 | 6,051 | 8,282 | 8,730 | 9,210 |
| Medical Aid Contributions | 13,807 | 15,788 | 12,408 | 11,444 | 11,444 | 14,652 | 15,443 | 16,293 |
| Overtime | 7,743 | 9,898 | 8,670 | 9,511 | 9,511 | 2,638 | 2,780 | 2,933 |
| Performance Bonus | 6,245 | 7,402 | 8,431 | 8,402 | 8,402 | 9,409 | 9,917 | 10,462 |
| Motor Vehicle Allowance | 10,163 | 11,627 | 11,789 | 9,012 | 9,012 | 9,822 | 10,352 | 10,922 |
| Cellphone Allowance | 557 | 560 | 546 | 153 | 153 | 175 | 185 | 195 |
| Housing Allowances | 369 | 459 | 1,580 | 598 | 598 | 411 | 433 | 457 |
| Other benefits and allowances | - | - | - | - | - | - | - | - |
| Payments in lieu of leave | 2,597 | 2,559 | 2,592 | 3,270 | 3,270 | 4,062 | 4,282 | 4,517 |
| Long service awards | 1,920 | 2,283 | 647 | 38 | 38 | 1,737 | 1,831 | 1,931 |
| Post-retirement benefit obligations | - | - | 15,862 | - | - | - | - | - |
| sub-total | 154,017 | 169,776 | 187,599 | 182,908 | 182,908 | 207,481 | 218,685 | 230,713 |
| <u>Less: Employees costs capitalised to PPE</u> | | | | | | | | |
| Total Employee related costs | 154,017 | 169,776 | 187,599 | 182,908 | 182,908 | 207,481 | 218,685 | 230,713 |

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| FS191 Setsoto - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.) | | | | | | | | | | |
|--|-----|--------------------------------|----------------------------|-------------------|-----------------------------|---|---|-------------------------------|-------------------------------|------------------|
| Description | Ref | Vote 1 - Executive and council | Vote 2 - Municipal Manager | Vote 3 - Treasury | Vote 4 - Corporate Services | Vote 5 - Development Planning and Social Security | Vote 6 - Development Planning and Social Security | Vote 7 - Engineering Services | Vote 8 - Engineering Services | Total |
| R thousand | 1 | | | | | | | | | |
| Revenue By Source | | | | | | | | | | |
| Property rates | | - | - | 50,000 | - | - | - | - | - | 50,000 |
| Service charges - electricity revenue | | - | - | - | - | - | - | 75,707 | - | 75,707 |
| Service charges - water revenue | | - | - | - | - | - | - | 55,002 | - | 55,002 |
| Service charges - sanitation revenue | | - | - | - | - | - | - | 25,020 | - | 25,020 |
| Service charges - refuse revenue | | - | - | - | - | - | 30,000 | - | - | 30,000 |
| Service charges - other | | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | - | - | - | - | 697 | - | - | - | 697 |
| Interest earned - external investments | | - | - | 6,514 | - | - | - | - | - | 6,514 |
| Interest earned - outstanding debtors | | - | - | 28,001 | - | - | - | - | - | 28,001 |
| Dividends received | | - | - | 35 | - | - | - | - | - | 35 |
| Fines, penalties and forfeits | | - | - | - | - | 600 | - | - | - | 600 |
| Licences and permits | | - | - | - | - | 35 | - | - | - | 35 |
| Agency services | | - | - | - | - | - | - | - | - | - |
| Other revenue | | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | | 44,383 | 4,283 | 1,700 | 1,500 | - | 20,563 | 106,045 | - | 178,474 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 44,383 | 4,283 | 86,249 | 1,500 | 1,332 | 50,563 | 261,774 | - | 450,084 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 4,925 | 18,707 | 26,288 | 21,443 | 18,056 | 35,411 | 68,098 | 14,552 | 207,481 |
| Remuneration of councillors | | 11,000 | - | - | - | - | - | - | - | 11,000 |
| Debt impairment | | - | - | - | - | - | 14,000 | 39,000 | 3,000 | 56,000 |
| Depreciation & asset impairment | | - | - | 2,352 | - | 2,642 | 5,526 | 228,647 | - | 239,167 |
| Finance charges | | - | - | 2,600 | - | - | - | - | - | 2,600 |
| Bulk purchases | | - | - | - | - | - | - | 67,000 | - | 67,000 |
| Other materials | | - | 5,050 | 4,500 | 6,321 | - | 1,151 | 21,254 | - | 38,276 |
| Contracted services | | - | - | - | - | - | - | 286 | - | 286 |
| Transfers and subsidies | | 650 | - | - | - | - | - | - | - | 650 |
| Other expenditure | | 5,084 | 4,616 | 3,739 | 4,814 | 6,082 | 1,457 | 352 | 9,503 | 35,646 |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 21,660 | 28,373 | 39,478 | 32,578 | 26,780 | 57,545 | 424,637 | 27,056 | 658,107 |
| Surplus/(Deficit) | | 22,723 | (24,090) | 46,771 | (31,078) | (25,448) | (6,982) | (162,863) | (27,056) | (208,023) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | - | - | - | - | - | - | 101,466 | - | 101,466 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind - all) | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 22,723 | (24,090) | 46,771 | (31,078) | (25,448) | (6,982) | (61,397) | (27,056) | (106,557) |

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| FS191 Setsoto - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position' | | | | | | | | |
|--|------------------|------------------|------------------|----------------------|------------------|---|------------------------|------------------------|
| 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 | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand | | | | | | | | |
| ASSETS | | | | | | | | |
| Consumer debtors | | | | | | | | |
| Consumer debtors | 95,674 | 143,184 | 360,739 | - | - | 486,997 | 511,347 | 536,914 |
| Less: Provision for debt impairment | - | (39,284) | (165,119) | - | - | (165,119) | (59,024) | (62,270) |
| Total Consumer debtors | 95,674 | 103,901 | 195,619 | - | - | 321,878 | 452,323 | 474,644 |
| Debt impairment provision | | | | | | | | |
| Balance at the beginning of the year | - | - | - | - | - | - | - | - |
| Contributions to the provision | (127,786) | (148,407) | (165,119) | - | - | (56,000) | (59,024) | (62,270) |
| Bad debts written off | - | - | - | - | - | - | - | - |
| Balance at end of year | (127,786) | (148,407) | (165,119) | - | - | (56,000) | (59,024) | (62,270) |
| Property, plant and equipment (PPE) | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | 3,595,543 | 3,426,884 | 3,114,843 | 5,278,147 | 5,275,147 | 3,112,958 | 3,036,449 | 3,214,395 |
| Leases recognised as PPE | - | - | - | 9,975 | 9,975 | 3,162 | 276 | 291 |
| Less: Accumulated depreciation | 261,822 | 215,928 | - | 1,861,568 | 1,865,568 | - | - | - |
| Total Property, plant and equipment (PPE) | 3,333,722 | 3,210,956 | 3,114,843 | 3,426,554 | 3,419,554 | 3,116,120 | 3,036,725 | 3,214,687 |
| LIABILITIES | | | | | | | | |
| Current liabilities - Borrowing | | | | | | | | |
| Short term loans (other than bank overdraft) | - | - | - | - | - | - | - | - |
| Current portion of long-term liabilities | 541 | 618 | 2,251 | - | - | 3,000 | 3,200 | 3,400 |
| Total Current liabilities - Borrowing | 541 | 618 | 2,251 | - | - | 3,000 | 3,200 | 3,400 |
| Trade and other payables | | | | | | | | |
| Trade and other creditors | 52,923 | 71,819 | 111,119 | - | - | 98,879 | 63,208 | 48,150 |
| Unspent conditional transfers | 807 | 952 | 11,067 | - | - | 11,067 | - | - |
| VAT | - | 860 | - | - | - | - | - | - |
| Total Trade and other payables | 53,730 | 73,631 | 122,186 | - | - | 109,945 | 63,208 | 48,150 |
| Non current liabilities - Borrowing | | | | | | | | |
| Borrowing | 6,284 | 5,667 | 11,303 | 6,000 | 7,800 | 10,500 | 9,900 | 9,100 |
| Finance leases (including PPP asset element) | - | - | - | - | - | - | - | - |
| Total Non current liabilities - Borrowing | 6,284 | 5,667 | 11,303 | 6,000 | 7,800 | 10,500 | 9,900 | 9,100 |
| Provisions - non-current | | | | | | | | |
| Retirement benefits | 43,613 | 47,225 | 63,087 | - | - | 65,050 | 66,000 | 72,050 |
| <i>List other major provision items</i> | - | - | - | - | - | - | - | - |
| Refuse landfill site rehabilitation | 9,196 | 9,870 | 10,496 | - | - | - | - | - |
| Other | 8,166 | 9,250 | 8,100 | - | - | - | - | - |
| Total Provisions - non-current | 60,975 | 66,345 | 81,683 | - | - | 65,050 | 66,000 | 72,050 |
| CHANGES IN NET ASSETS | | | | | | | | |
| Accumulated Surplus/(Deficit) | | | | | | | | |
| Accumulated Surplus/(Deficit) - opening balance | 3,503,016 | 3,474,780 | 3,313,713 | - | - | - | - | - |
| Restated balance | 3,503,016 | 3,474,780 | 3,313,713 | - | - | - | - | - |
| Surplus/(Deficit) | (104,704) | (126,712) | (124,839) | (76,225) | (114,343) | (106,558) | (112,312) | (118,489) |
| Appropriations to Reserves | 76,387 | (34,355) | 1,599 | - | - | - | - | - |
| Accumulated Surplus/(Deficit) | 3,474,700 | 3,313,713 | 3,190,474 | (76,225) | (114,343) | (106,558) | (112,312) | (118,489) |
| TOTAL COMMUNITY WEALTH/EQUITY | 3,474,700 | 3,313,713 | 3,190,474 | (76,225) | (114,343) | (106,558) | (112,312) | (118,489) |

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| FS191 Setsoto - Supporting Table SA9 Social, economic and demographic statistics and assumptions | | | | | | | | | | | |
|---|----------------------|-------------|-------------|-------------|---------|---------------|---------------|--------------------------------------|---|---------------|---------------|
| Description of economic indicator | Basis of calculation | 2001 Census | 2007 Survey | 2011 Census | 2014/15 | 2015/16 | 2016/17 | Current Year 2017/18 Original Budget | 2018/19 Medium Term Revenue & Expenditure Framework | | |
| | | | | | Outcome | Outcome | Outcome | | Outcome | Outcome | Outcome |
| Demographics | | | | | | | | | | | |
| Population | | 123 | | | 113 | 113 | 113 | 113 | 113 | 113 | 113 |
| Females aged 5 - 14 | | 28 | 28 | | 28 | 28 | 28 | 28 | 28 | 28 | 28 |
| Males aged 5 - 14 | | 12 | 12 | | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Females aged 15 - 34 | | 59 | 59 | | 59 | 59 | 59 | 59 | 59 | 59 | 59 |
| Males aged 15 - 34 | | 25 | 25 | | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Unemployment | | | | | | | | | | | |
| Monthly household income (no. of households) | | | | | | | | | | | |
| No income | STATSSA | 4,159 | 4,159 | 4,159 | 4,159 | 4,159 | 4,159 | 4,159 | 4,159 | 4,159 | 4,159 |
| R1 - R1 600 | STATSSA | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 |
| R1 601 - R3 200 | STATSSA | 3,807 | 3,807 | 3,807 | 3,807 | 3,807 | 3,807 | 3,807 | 3,807 | 3,807 | 3,807 |
| R3 201 - R6 400 | STATSSA | | | | | | | | | | |
| R6 401 - R12 800 | STATSSA | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 |
| R12 801 - R25 600 | STATSSA | 7,479 | 7,479 | 7,479 | 7,479 | 7,479 | 7,479 | 7,479 | 7,479 | 7,479 | 7,479 |
| R25 601 - R51 200 | STATSSA | 3,301 | 3,301 | 3,301 | 3,301 | 3,301 | 3,301 | 3,301 | 3,301 | 3,301 | 3,301 |
| R52 201 - R102 400 | STATSSA | 1,954 | 1,954 | 1,954 | 1,954 | 1,954 | 1,954 | 1,954 | 1,954 | 1,954 | 1,954 |
| R102 401 - R204 800 | STATSSA | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 |
| R204 801 - R409 600 | STATSSA | | | | | | | | | | |
| R409 601 - R819 200 | STATSSA | | | | | | | | | | |
| > R819 200 | STATSSA | 573 | 573 | 573 | 573 | 573 | 573 | 573 | 573 | 573 | 573 |
| Household/demographics (000) | | | | | | | | | | | |
| Number of people in municipal area | | | | | | 112,599 | 112,599 | 112,599 | 112,599 | 112,599 | 112,599 |
| Number of poor people in municipal area | | | | | | 24,040 | 24,040 | 24,040 | 24,040 | 24,040 | 24,040 |
| Number of households in municipal area | | | | | | 33,687 | 33,687 | 33,687 | 33,687 | 33,687 | 33,687 |
| Number of poor households in municipal area | | | | | | 24,040 | 24,040 | 24,040 | 24,040 | 24,040 | 24,040 |
| Definition of poor household (R per month) | | | | | | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 |
| Housing statistics | | | | | | | | | | | |
| Formal | | | | | | 19,704 | 19,704 | 19,704 | 19,704 | 19,704 | 19,704 |
| Informal | | | | | | 13,983 | 13,983 | 13,983 | 13,983 | 13,983 | 13,983 |
| Total number of households | | | | | | 33,687 | 33,687 | 33,687 | 33,687 | 33,687 | 33,687 |

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FS191 Setsoto 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 |
| Funding measures | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | 1 | 147,654 | 46,063 | 82,270 | 13,510 | (24,609) | (92,506) | (360,323) | (35,911) | (20,480) | (8,009) |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | 120,645 | 85,052 | 88,555 | 5,069 | (18,487) | - | 596,730 | 130,470 | 271,150 | 302,714 |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | 6.0 | 1.5 | 2.5 | 0.4 | (0.8) | 81.9 | (21.8) | (1.2) | (0.6) | (0.2) |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | (104,704) | (126,712) | (124,839) | (76,225) | (114,343) | - | 57,034 | (106,558) | (112,312) | (118,489) |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | N.A. | 4.8% | 4.5% | (4.3%) | 1.6% | (106.0%) | (6.0%) | (2.1%) | (0.6%) | (0.5%) |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 100.0% | 100.0% | 100.0% | 89.3% | 89.6% | 0.0% | 89.8% | 71.6% | 71.8% | 71.8% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | 14.8% | 45.0% | 33.7% | 27.5% | 25.6% | 0.0% | 0.0% | 23.8% | 23.8% | 23.8% |
| Capital payments % of capital expenditure | 18(1)c;19 | 8 | 0.0% | 104.4% | 182.4% | 100.0% | 100.0% | 0.0% | 98.2% | 100.0% | 100.0% | 116.6% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 9 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 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 - incr(decr) | 18(1)a | 11 | N.A. | (9.8%) | 36.0% | (100.0%) | 0.0% | 0.0% | 0.0% | 0.0% | 39.2% | 4.9% |
| Long term receivables % change - incr(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 | 0.0% | 0.0% | 0.0% | 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% |

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| FS191 Setsoto 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 |
| Supporting indicators | | | | | | | | | | | | |
| % incr <i>total service charges (incl prop rates)</i> | 18(1)a | | | 10.8% | 10.5% | 1.7% | 7.6% | (100.0%) | 0.0% | 3.9% | 5.4% | 5.5% |
| % incr Property Tax | 18(1)a | | | 27.8% | 7.7% | (2.2%) | 23.1% | (100.0%) | 0.0% | (6.1%) | 5.4% | 5.5% |
| % incr Service charges - electricity revenue | 18(1)a | | | (1.4%) | (1.1%) | 5.1% | 3.0% | (100.0%) | 0.0% | 11.1% | 5.4% | 5.5% |
| % incr Service charges - water revenue | 18(1)a | | | 22.3% | 22.4% | 2.9% | 0.0% | (100.0%) | 0.0% | 8.2% | 5.4% | 5.5% |
| % incr Service charges - sanitation revenue | 18(1)a | | | 18.1% | 18.7% | (7.8%) | (21.4%) | (100.0%) | 0.0% | 36.0% | 5.4% | 5.5% |
| % incr Service charges - refuse revenue | 18(1)a | | | (1.8%) | 19.1% | 7.9% | 32.9% | (100.0%) | 0.0% | (17.5%) | 5.4% | 5.5% |
| % incr in Service charges - other | 18(1)a | | | 42.8% | 35.1% | (100.0%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total billable revenue | 18(1)a | | 169,581 | 187,908 | 207,546 | 210,978 | 226,978 | – | 166,441 | 235,729 | 248,458 | 262,124 |
| Service charges | | | 169,581 | 187,908 | 207,546 | 210,978 | 226,978 | – | 166,441 | 235,729 | 248,458 | 262,124 |
| Property rates | | | 32,147 | 41,090 | 44,239 | 43,263 | 53,263 | – | 42,496 | 50,000 | 52,700 | 55,598 |
| Service charges - electricity revenue | | | 64,532 | 63,626 | 62,935 | 66,147 | 68,147 | – | 44,214 | 75,707 | 79,795 | 84,184 |
| Service charges - water revenue | | | 32,983 | 40,326 | 49,379 | 50,813 | 50,813 | – | 40,395 | 55,002 | 57,972 | 61,161 |
| Service charges - sanitation revenue | | | 18,110 | 21,382 | 25,374 | 23,391 | 18,391 | – | 15,144 | 25,020 | 26,371 | 27,821 |
| Service charges - refuse removal | | | 21,679 | 21,296 | 25,367 | 27,365 | 36,365 | – | 24,193 | 30,000 | 31,620 | 33,359 |
| Service charges - other | | | 131 | 187 | 252 | – | – | – | – | – | – | – |
| Rental of facilities and equipment | | | 1,298 | 1,564 | 1,534 | 749 | 740 | – | 831 | 697 | 735 | 775 |
| Capital expenditure excluding capital grant funding | | | – | – | – | – | – | – | 601,749 | 24,827 | 11,401 | (23,988) |
| Cash receipts from ratepayers | 18(1)a | | 182,563 | 194,353 | 217,510 | 213,461 | 229,430 | – | 169,289 | 190,713 | 201,572 | 212,658 |
| Ratepayer & Other revenue | 18(1)a | | 182,563 | 194,353 | 217,510 | 239,091 | 256,060 | – | 188,490 | 266,391 | 280,776 | 296,219 |
| Change in consumer debtors (current and non-current) | | | (72,863) | (16,500) | 54,380 | (205,448) | (205,448) | (205,448) | 463,443 | 334,655 | 131,084 | 22,992 |
| Operating and Capital Grant Revenue | 18(1)a | | 249,596 | 267,736 | 273,399 | 298,886 | 265,472 | – | 191,834 | 278,610 | 293,655 | 309,806 |
| Capital expenditure - total | 20(1)(vi) | | – | 94,392 | 21,008 | 133,755 | 133,755 | – | 601,749 | 129,720 | 136,725 | 144,245 |
| Capital expenditure - renewal | 20(1)(vi) | | – | – | – | – | – | – | – | – | – | – |
| Supporting benchmarks | | | | | | | | | | | | |
| 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% |

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| FS191 Setsoto Supporting Table SA10 Funding measurement | | | | | | | | | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| 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 |
| Total Operating Revenue | 394,895 | 404,593 | 402,553 | 404,531 | 418,617 | – | 311,112 | 450,084 | 474,388 | 500,479 |
| Total Operating Expenditure | 560,259 | 624,780 | 630,878 | 620,433 | 639,223 | – | 325,431 | 658,107 | 693,645 | 731,795 |
| Operating Performance Surplus/(Deficit) | (165,364) | (220,188) | (228,325) | (215,901) | (220,606) | – | (14,320) | (208,024) | (219,257) | (231,316) |
| Cash and Cash Equivalents (30 June 2012) | | | | | | | | (35,911) | | |
| Revenue | | | | | | | | | | |
| % Increase in Total Operating Revenue | | 2.5% | (0.5%) | 0.5% | 3.5% | (100.0%) | 0.0% | 7.5% | 5.4% | 5.5% |
| % Increase in Property Rates Revenue | | 27.8% | 7.7% | (2.2%) | 23.1% | (100.0%) | 0.0% | (6.1%) | 5.4% | 5.5% |
| % Increase in Electricity Revenue | | (1.4%) | (1.1%) | 5.1% | 3.0% | (100.0%) | 0.0% | 11.1% | 5.4% | 5.5% |
| % Increase in Property Rates & Services Charges | | 10.8% | 10.5% | 1.7% | 7.6% | (100.0%) | 0.0% | 3.9% | 5.4% | 5.5% |
| Expenditure | | | | | | | | | | |
| % Increase in Total Operating Expenditure | | 11.5% | 1.0% | (1.7%) | 3.0% | (100.0%) | 0.0% | 3.0% | 5.4% | 5.5% |
| % Increase in Employee Costs | | 10.2% | 10.5% | (2.5%) | 0.0% | (100.0%) | 0.0% | 13.4% | 5.4% | 5.5% |
| % Increase in Electricity Bulk Purchases | | (0.6%) | 36.6% | (11.5%) | 2.8% | (100.0%) | 0.0% | 1.1% | 5.4% | 5.5% |
| Average Cost Per Budgeted Employee Position (Remuneration) | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| Average Cost Per Councillor (Remuneration) | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| R&M % of PPE | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Asset Renewal and R&M as a % of PPE | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Debt Impairment % of Total Billable Revenue | 14.8% | 45.0% | 33.7% | 27.5% | 25.6% | 0.0% | 0.0% | 23.8% | 23.8% | 23.8% |
| Capital Revenue | | | | | | | | | | |
| Internally Funded & Other (R'000) | – | – | – | – | – | – | – | 24,827 | 11,401 | (23,988) |
| Borrowing (R'000) | – | – | – | – | – | – | – | – | – | – |
| Grant Funding and Other (R'000) | – | 94,392 | 21,008 | 133,755 | 133,755 | – | – | 104,893 | 125,324 | 168,233 |
| Internally Generated funds % of Non Grant Funding | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Borrowing % of Non Grant Funding | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grant Funding % of Total Funding | 0.0% | 100.0% | 100.0% | 100.0% | 100.0% | 0.0% | 0.0% | 80.9% | 91.7% | 116.6% |
| Capital Expenditure | | | | | | | | | | |
| Total Capital Programme (R'000) | – | 186,155 | 34,472 | 45,740 | 45,740 | – | 57,597 | 129,720 | 136,725 | 144,245 |
| Asset Renewal | – | – | – | – | – | – | – | – | – | – |
| Asset Renewal % of Total Capital Expenditure | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Cash | | | | | | | | | | |
| Cash Receipts % of Rate Payer & Other | 100.0% | 100.0% | 100.0% | 89.3% | 89.6% | 0.0% | 89.8% | 71.6% | 71.8% | 71.8% |
| Cash Coverage Ratio | 0 | 0 | 0 | 0 | (0) | 0 | (0) | (0) | (0) | (0) |
| Borrowing | | | | | | | | | | |
| Credit Rating (2009/10) | | | | | | | | 0 | | |
| Capital Charges to Operating | 0.3% | 0.3% | 0.4% | 0.3% | 0.8% | 0.0% | 0.8% | 0.9% | 0.9% | 1.0% |
| Borrowing Receipts % of Capital Expenditure | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% |
| Reserves | | | | | | | | | | |
| Surplus/(Deficit) | 120,645 | 85,052 | 88,555 | 5,069 | (18,487) | – | 596,730 | 130,470 | 271,150 | 302,714 |
| Free Services | | | | | | | | | | |
| Free Basic Services as a % of Equitable Share | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Free Services as a % of Operating Revenue (excl operational transfers) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| High Level Outcome of Funding Compliance | | | | | | | | | | |
| Total Operating Revenue | 394,895 | 404,593 | 402,553 | 404,531 | 418,617 | – | 311,112 | 450,084 | 474,388 | 500,479 |
| Total Operating Expenditure | 560,259 | 624,780 | 630,878 | 620,433 | 639,223 | – | 325,431 | 658,107 | 693,645 | 731,795 |
| Surplus/(Deficit) Budgeted Operating Statement | (165,364) | (220,188) | (228,325) | (215,901) | (220,606) | – | (14,320) | (208,024) | (219,257) | (231,316) |
| Surplus/(Deficit) Considering Reserves and Cash Backing | 120,645 | 85,052 | 88,555 | 5,069 | (18,487) | – | 596,730 | 130,470 | 271,150 | 302,714 |
| MTREF Funded (1) / Unfunded (0) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| MTREF Funded ✓ / Unfunded * | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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| FS191 Setsoto - Supporting Table SA11 Property rates 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 | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| Valuation: | | | | | | | | |
| Date of valuation: | | | | | | | | |
| Financial year valuation used | 2014-07-01 | 2014-07-01 | 2014-07-01 | 2014-07-01 | | 2018-07-01 | | |
| Municipal by-laws s6 in place? (Y/N) | Yes | Yes | Yes | Yes | | Yes | | |
| Municipal/assistant valuer appointed? (Y/N) | No | No | No | No | | No | | |
| Municipal partnership s38 used? (Y/N) | No | No | No | No | No | No | No | No |
| No. of assistant valuers (FTE) | – | – | – | – | – | – | – | – |
| No. of data collectors (FTE) | – | – | – | – | – | – | – | – |
| No. of internal valuers (FTE) | – | – | – | – | – | – | – | – |
| No. of external valuers (FTE) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| No. of additional valuers (FTE) | – | – | – | – | – | – | – | – |
| Valuation appeal board established? (Y/N) | | | | | | | | |
| Implementation time of new valuation roll (mths) | 12 | 12 | 12 | 12 | | 12 | | |
| No. of properties | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Valuation reductions: | | | | | | | | |
| Valuation reductions-public infrastructure (Rm) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Valuation reductions-nature reserves/park (Rm) | – | – | – | – | – | – | – | – |
| Valuation reductions-mineral rights (Rm) | – | – | – | – | – | – | – | – |
| Valuation reductions-R15,000 threshold (Rm) | 388 | 388 | 388 | 388 | 388 | 388 | 388 | 388 |
| Valuation reductions-public worship (Rm) | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 |
| Valuation reductions-other (Rm) | | | | | | | | |
| Total valuation reductions: | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| Total value used for rating (Rm) | 5,515 | 5,515 | 5,515 | 5,515 | 5,515 | 5,515 | 5,515 | 5,515 |
| Total land value (Rm) | – | – | – | – | – | – | – | – |
| Total value of improvements (Rm) | – | – | – | – | – | – | – | – |
| Total market value (Rm) | 5,515 | 5,515 | 5,515 | 5,515 | 5,515 | 5,515 | 5,515 | 5,515 |
| Rating: | | | | | | | | |
| Residential rate used to determine rate for other categories? (Y/N) | Yes | Yes | Yes | Yes | | Yes | | |
| Differential rates used? (Y/N) | Yes | Yes | Yes | Yes | | Yes | | |
| Limit on annual rate increase (s20)? (Y/N) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Special rating area used? (Y/N) | No | No | No | No | | No | | |
| Phasing-in properties s21 (number) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rates policy accompanying budget? (Y/N) | Yes | Yes | Yes | Yes | | Yes | | |
| Fixed amount minimum value (R'000) | – | – | – | – | | – | | |
| Non-residential prescribed ratio s19? (%) | | | | | | | | |
| Rate revenue: | | | | | | | | |
| Rate revenue budget (R '000) | 46,050 | 33,346 | 36,680 | 46,050 | 33,346 | | | |
| Rate revenue expected to collect (R'000) | 40,524 | 26,677 | 29,344 | 40,524 | 26,677 | | | |
| Expected cash collection rate (%) | 88.0% | 80.0% | 80.0% | 88.0% | 80.0% | | | |
| Special rating areas (R'000) | | | | | | | | |

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| FS191 Setsoto - Supporting Table SA12a Property rates by category (current year) | | | | | | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|---------------------|---------------------------|--------------|------------------|--------------------------|----------------|-------------------|------------------------|---------------|
| Description | Resi. | Indust. | Bus. & Comm. | Farm props. | State-owned | Muni props. | Public service infra. | Private owned towns | Formal & Informal Settle. | Comm. Land | State trust land | Section 8(2)(n) (note 1) | Protect. Areas | National Monum/ts | Public benefit organs. | Mining Props. |
| Current Year 2017/18 | | | | | | | | | | | | | | | | |
| Valuation: | | | | | | | | | | | | | | | | |
| No. of properties | 16,745 | 144 | 693 | 2,525 | 196 | 13,588 | 99 | - | - | - | - | - | - | - | 105 | - |
| No. of sectional title property values | 23 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Years since last valuation (select) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Frequency of valuation (select) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Method of valuation used (select) | Market | Market | Market | Market | Market | Market | Market | Market | Market | Market | Market | Market | Market | Market | Market | Market |
| Base of valuation (select) | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. | Land & impr. |
| Phasing-in properties s21 (number) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Combination of rating types used? (Y/N) | No | No | No | No | No | No | No | No | No | No | No | No | No | No | No | No |
| Flat rate used? (Y/N) | No | No | No | No | No | No | No | No | No | No | No | No | No | No | No | No |
| Is balance rated by uniform rate/variable rate? | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform | Uniform |
| Valuation reductions: | | | | | | | | | | | | | | | | |
| Valuation reductions-public infrastructure (Rm) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-nature reserves/park (Rm) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-mineral rights (Rm) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-R15,000 threshold (Rm) | 251 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-public worship (Rm) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Valuation reductions-other (Rm) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total valuation reductions: | | | | | | | | | | | | | | | | |
| Total value used for rating (Rm) | 2,258 | 203 | 417 | 3,964 | 466 | 939 | 4 | - | - | - | - | - | - | - | 79 | - |
| Total land value (Rm) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total value of improvements (Rm) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total market value (Rm) | 2,258 | 203 | 417 | 3,964 | 466 | 939 | 4 | - | - | - | - | - | - | - | 79 | - |
| Rating: | | | | | | | | | | | | | | | | |
| Average rate | 0.008888 | 0.020000 | 0.020000 | 0.002500 | 0.039557 | - | 0.005000 | - | - | - | - | - | - | - | - | - |
| Rate revenue budget (R'000) | 20,073 | 4,050 | 8,348 | 9,910 | 18,420 | - | 21 | - | - | - | - | - | - | - | - | - |
| Rate revenue expected to collect (R'000) | 16,059 | 3,240 | 6,678 | 7,928 | 18,420 | - | 16 | - | - | - | - | - | - | - | - | - |
| Expected cash collection rate (%) | 80.0% | 80.0% | 80.0% | 80.0% | 100.0% | 0.0% | 80.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Special rating areas (R'000) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

| FS191 Setsoto - Supporting Table SA18 Transfers and grant receipts | | | | | | | | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| 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 | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| RECEIPTS: | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | |
| National Government: | 170,547 | 171,451 | 168,308 | 167,245 | 167,245 | 167,245 | 177,826 | 196,340 | 210,584 |
| Local Government Equitable Share | 165,381 | 166,309 | 158,775 | 157,656 | 157,656 | 157,656 | 173,927 | 190,361 | 205,219 |
| Finance Management | 1,600 | 1,600 | 1,625 | 1,700 | 1,700 | 1,700 | 1,700 | 2,165 | 2,165 |
| EPWP Incentive | 2,632 | 2,042 | 1,908 | 1,889 | 1,889 | 1,889 | 1,517 | – | – |
| Integrated National Electrification Programme | | 1,500 | 6,000 | 6,000 | 6,000 | 6,000 | 682 | 3,814 | 3,200 |
| Municipal Systems Improvement | 934 | | | | | | | | |
| Other transfers/grants [insert description] | | | | | | | | | |
| Provincial Government: | – | – | – | – | – | – | – | – | – |
| Total Operating Transfers and Grants | 170,547 | 171,451 | 168,308 | 167,245 | 167,245 | 167,245 | 177,826 | 196,340 | 210,584 |
| Capital Transfers and Grants | | | | | | | | | |
| National Government: | 59,660 | 45,953 | 49,091 | 82,997 | 77,997 | 77,997 | 107,782 | 125,324 | 168,233 |
| Municipal Infrastructure Grant (MIG) | 59,660 | 45,953 | 49,091 | 47,997 | 47,997 | 47,997 | 57,782 | 47,203 | 49,750 |
| Regional Bulk Infrastructure | | | | 20,000 | 15,000 | 15,000 | 30,000 | 53,121 | 92,108 |
| Water Service Infrastructure Grant | | | | 15,000 | 15,000 | 15,000 | 20,000 | 25,000 | 26,375 |
| Provincial Government: | – | – | – | – | – | – | – | – | – |
| Total Capital Transfers and Grants | 59,660 | 45,953 | 49,091 | 82,997 | 77,997 | 77,997 | 107,782 | 125,324 | 168,233 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 230,207 | 217,404 | 217,399 | 250,242 | 245,242 | 245,242 | 285,608 | 321,664 | 378,817 |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

| FS191 Setsoto - Supporting Table SA19 Expenditure on transfers and grant programme | | | | | | | | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| 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 | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| EXPENDITURE: | | | | | | | | | |
| <u>Operating expenditure of Transfers and Grants</u> | | | | | | | | | |
| National Government: | 170,547 | 171,451 | 168,308 | 167,245 | 167,245 | 167,245 | 177,826 | 196,340 | 210,584 |
| Local Government Equitable Share | 165,381 | 166,309 | 158,775 | 157,656 | 157,656 | 157,656 | 173,927 | 190,361 | 205,219 |
| Finance Management | 1,600 | 1,600 | 1,625 | 1,700 | 1,700 | 1,700 | 1,700 | 2,165 | 2,165 |
| EPWP Incentive | 2,632 | 2,042 | 1,908 | 1,889 | 1,889 | 1,889 | 1,517 | - | - |
| Integrated National Electrification Programme | - | 1,500 | 6,000 | 6,000 | 6,000 | 6,000 | 682 | 3,814 | 3,200 |
| Municipal Systems Improvement | 934 | - | - | - | - | - | - | - | - |
| Other transfers/grants [insert description] | | | | | | | | | |
| Total operating expenditure of Transfers and Grants: | 170,547 | 171,451 | 168,308 | 167,245 | 167,245 | 167,245 | 177,826 | 196,340 | 210,584 |
| <u>Capital expenditure of Transfers and Grants</u> | | | | | | | | | |
| National Government: | 59,660 | 45,953 | 49,091 | 82,997 | 77,997 | 77,997 | 107,782 | 125,324 | 168,233 |
| Municipal Infrastructure Grant (MIG) | 59,660 | 45,953 | 49,091 | 47,997 | 47,997 | 47,997 | 57,782 | 47,203 | 49,750 |
| Regional Bulk Infrastructure | - | - | - | 20,000 | 15,000 | 15,000 | 30,000 | 53,121 | 92,108 |
| Water Service Infrastructure Grant | | | | 15,000 | 15,000 | 15,000 | 20,000 | 25,000 | 26,375 |
| Provincial Government: | - | - | - | - | - | - | - | - | - |
| Total capital expenditure of Transfers and Grants | 59,660 | 45,953 | 49,091 | 82,997 | 77,997 | 77,997 | 107,782 | 125,324 | 168,233 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | 230,207 | 217,404 | 217,399 | 250,242 | 245,242 | 245,242 | 285,608 | 321,664 | 378,817 |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

FS191 Setsoto - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration | 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 |
| R thousand | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | |
| Basic Salaries and Wages | 6,790 | 7,128 | 7,606 | 7,190 | 8,690 | 8,690 | 10,286 | 11,108 | 11,997 |
| Pension and UIF Contributions | – | – | – | 332 | 332 | 332 | – | – | – |
| Medical Aid Contributions | – | – | – | 442 | 442 | 442 | – | – | – |
| Motor Vehicle Allowance | 2,213 | 2,219 | 2,375 | 1,106 | 1,106 | 1,106 | – | – | – |
| Cellphone Allowance | 888 | 856 | 949 | 664 | 664 | 664 | 1,582 | 1,709 | 1,846 |
| Housing Allowances | – | – | – | 553 | 553 | 553 | – | – | – |
| Other benefits and allowances | – | 152 | 211 | 774 | 774 | 774 | 53 | 57 | 61 |
| Sub Total - Councillors | 9,891 | 10,355 | 11,141 | 11,062 | 12,562 | 12,562 | 11,920 | 12,874 | 13,904 |
| % increase | | 4.7% | 7.6% | (0.7%) | 13.6% | – | (5.1%) | 8.0% | 8.0% |
| Senior Managers of the Municipality | | | | | | | | | |
| Basic Salaries and Wages | – | 5,353 | 5,873 | 6,070 | 6,070 | 6,070 | 5,546 | 5,845 | 6,167 |
| Pension and UIF Contributions | – | – | – | 10 | 10 | 10 | 9 | 10 | 11 |
| Medical Aid Contributions | – | – | – | – | – | – | – | – | – |
| Overtime | – | – | – | – | – | – | – | – | – |
| Performance Bonus | – | – | – | 244 | 244 | 244 | 462 | 487 | 514 |
| Motor Vehicle Allowance | – | 334 | 516 | 505 | 505 | 505 | – | – | – |
| Cellphone Allowance | – | – | 23 | – | – | – | – | – | – |
| Housing Allowances | – | 148 | 160 | 100 | 100 | 100 | – | – | – |
| Other benefits and allowances | – | – | 482 | 459 | 459 | 459 | 623 | 657 | 693 |
| Payments in lieu of leave | – | – | – | – | – | – | – | – | – |
| Long service awards | – | – | – | – | – | – | – | – | – |
| Post-retirement benefit obligations | – | – | – | – | – | – | – | – | – |
| Sub Total - Senior Managers of Municipality | – | 5,835 | 7,053 | 7,387 | 7,387 | 7,387 | 6,640 | 6,999 | 7,384 |
| % increase | | – | 20.9% | 4.7% | – | – | (10.1%) | 5.4% | 5.5% |
| Other Municipal Staff | | | | | | | | | |
| Basic Salaries and Wages | 93,482 | 122,585 | 116,568 | 109,620 | 129,857 | 129,857 | 121,285 | 127,834 | 134,865 |
| Pension and UIF Contributions | 17,662 | 1,034 | 16,687 | 20,161 | 6,042 | 6,042 | 24,228 | 25,537 | 26,941 |
| Medical Aid Contributions | 12,646 | 10,981 | 8,850 | 11,444 | 11,444 | 11,444 | 14,652 | 15,443 | 16,293 |
| Overtime | 7,743 | 8,367 | 4,955 | 8,665 | 9,511 | 9,511 | 2,638 | 2,780 | 2,933 |
| Performance Bonus | 6,245 | – | – | 8,159 | 8,159 | 8,159 | 9,409 | 9,917 | 10,462 |
| Motor Vehicle Allowance | 10,163 | 9,631 | 8,050 | 10,759 | 8,507 | 8,507 | 13,884 | 14,634 | 15,439 |
| Cellphone Allowance | 28 | 560 | 272 | 579 | 153 | 153 | 636 | 671 | 707 |
| Housing Allowances | 369 | 311 | 356 | 498 | 498 | 498 | 411 | 433 | 457 |
| Other benefits and allowances | 1,161 | – | 9,180 | 5,498 | – | – | 13,009 | 13,712 | 14,466 |
| Payments in lieu of leave | 2,597 | 995 | – | 99 | 3,270 | 3,270 | – | – | – |
| Long service awards | 1,920 | – | – | 38 | 38 | 38 | 1,737 | 1,831 | 1,931 |
| Post-retirement benefit obligations | – | – | – | – | – | – | – | – | – |
| Sub Total - Other Municipal Staff | 154,017 | 154,464 | 164,918 | 175,521 | 177,480 | 177,480 | 201,889 | 212,791 | 224,494 |
| % increase | | 0.3% | 6.8% | 6.4% | 1.1% | – | 13.8% | 5.4% | 5.5% |
| Total Parent Municipality | 163,908 | 170,654 | 183,112 | 193,969 | 197,428 | 197,428 | 220,449 | 232,664 | 245,782 |
| | | 4.1% | 7.3% | 5.9% | 1.8% | – | 11.7% | 5.5% | 5.6% |
| Total Municipal Entities | – | – | – | – | – | – | – | – | – |
| TOTAL SALARY, ALLOWANCES & BENEFITS | 163,908 | 170,654 | 183,112 | 193,969 | 197,428 | 197,428 | 220,449 | 232,664 | 245,782 |
| % increase | | 4.1% | 7.3% | 5.9% | 1.8% | – | 11.7% | 5.5% | 5.6% |
| TOTAL MANAGERS AND STAFF | 154,017 | 160,299 | 171,972 | 182,908 | 184,867 | 184,867 | 208,529 | 219,790 | 231,878 |

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FS191 Setsoto - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

| Disclosure of Salaries, Allowances & Benefits 1. | Salary | Contributions | Allowances | Performance Bonuses | In-kind benefits | Total Package |
|--|-------------------|----------------|------------------|---------------------|------------------|-------------------|
| Rand per annum | | 1. | | | | 2. |
| Councillors | | | | | | |
| Speaker | 633,362 | 6,356 | 47,952 | | | 687,669 |
| Chief Whip | 297,885 | 3,264 | 47,952 | | | 349,100 |
| Executive Mayor | 803,561 | 8,073 | 47,952 | | | 859,586 |
| Deputy Executive Mayor | | | | | | – |
| Executive Committee | 2,954,170 | 29,524 | 239,760 | | | 3,223,454 |
| Total for all other councillors | 5,596,533 | 5,346 | 1,198,800 | | | 6,800,679 |
| Total Councillors | 10,285,511 | 52,562 | 1,582,416 | | | 11,920,489 |
| Senior Managers of the Municipality | | | | | | |
| Municipal Manager (MM) | 1,356,548 | 20,015 | 54,261 | 113,046 | | 1,543,870 |
| Chief Finance Officer | 1,108,867 | 20,015 | 44,355 | 92,406 | | 1,265,642 |
| Director Corporate Services | 1,108,867 | 20,015 | 44,355 | 92,406 | | 1,265,642 |
| Director Engineering Services | 1,108,867 | 20,015 | 44,355 | 92,406 | | 1,265,642 |
| Director Public Safety and Social Security | 862,453 | 20,015 | 344,981 | 71,871 | | 1,299,320 |
| | | | | | | – |
| | | | | | | – |
| Total Senior Managers of the Municipality | 5,545,602 | 100,075 | 532,307 | 462,134 | | 6,640,117 |
| | | | | | | |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 15,831,113 | 152,637 | 2,114,723 | 462,134 | | 18,560,606 |

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| FS191 Setsoto - Supporting Table SA25 Budgeted monthly revenue and expenditure | | | | | | | | | | | | | | | |
|---|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---|------------------------|------------------------|
| Description | 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 |
| Revenue By Source | | | | | | | | | | | | | | | |
| Property rates | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 50,000 | 52,700 | 55,598 |
| Service charges - electricity revenue | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 75,707 | 79,795 | 84,184 |
| Service charges - water revenue | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 55,002 | 57,972 | 61,161 |
| Service charges - sanitation revenue | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 25,020 | 26,371 | 27,821 |
| Service charges - refuse revenue | - | - | - | - | - | - | - | - | - | - | - | 30,000 | 30,000 | 31,620 | 33,359 |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 697 | 735 | 775 |
| Interest earned - external investments | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 6,514 | 6,865 | 7,243 |
| Interest earned - outstanding debtors | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 28,001 | 29,513 | 31,136 |
| Dividends received | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 35 | 37 | 39 |
| Fines, penalties and forfeits | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | 632 | 667 |
| Licences and permits | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 35 | 37 | 39 |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 14,762 | 14,762 | 14,762 | 14,762 | 14,762 | 14,762 | 14,762 | 14,762 | 14,762 | 14,762 | 14,762 | 14,762 | 177,144 | 186,710 | 196,979 |
| Other revenue | 111 | 111 | 111 | 111 | 111 | 111 | 111 | 111 | 111 | 111 | 111 | 111 | 1,329 | 1,401 | 1,478 |
| Gains on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 35,007 | 35,007 | 35,007 | 35,007 | 35,007 | 35,007 | 35,007 | 35,007 | 35,007 | 35,007 | 35,007 | 65,007 | 450,084 | 474,388 | 500,479 |
| Expenditure By Type | | | | | | | | | | | | | | | |
| Employee related costs | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 7,207 | 207,481 | 218,685 | 230,713 |
| Remuneration of councillors | - | - | - | - | - | - | - | - | - | - | - | 11,000 | 11,000 | 11,594 | 12,232 |
| Debt impairment | 4,667 | 4,667 | 4,667 | 4,667 | 4,667 | 4,667 | 4,667 | 4,667 | 4,667 | 4,667 | 4,667 | 4,667 | 56,000 | 59,024 | 62,270 |
| Depreciation & asset impairment | 19,931 | 19,931 | 19,931 | 19,931 | 19,931 | 19,931 | 19,931 | 19,931 | 19,931 | 19,931 | 19,931 | 19,931 | 239,167 | 252,082 | 265,947 |
| Finance charges | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 2,600 | 2,740 | 2,891 |
| Bulk purchases | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 67,000 | 70,618 | 74,502 |
| Other materials | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 38,276 | 40,343 | 42,562 |
| Contracted services | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 286 | 302 | 318 |
| Transfers and subsidies | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 650 | 685 | 723 |
| Other expenditure | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 | 2,970 | 35,646 | 37,571 | 39,637 |
| Loss on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 658,107 | 693,645 | 731,795 |
| Surplus/(Deficit) | (19,835) | (19,835) | (19,835) | (19,835) | (19,835) | (19,835) | (19,835) | (19,835) | (19,835) | (19,835) | (19,835) | 10,165 | (208,024) | (219,257) | (231,316) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 8,456 | 8,456 | 8,456 | 8,456 | 8,456 | 8,456 | 8,456 | 8,456 | 8,456 | 8,456 | 8,456 | 8,456 | 101,466 | 106,945 | 112,827 |
| Surplus/(Deficit) after capital transfers & contributions | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | 18,620 | (106,558) | (112,312) | (118,489) |
| Surplus/(Deficit) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | (11,380) | 18,620 | (106,558) | (112,312) | (118,489) |

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| FS191 Setsoto - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote) | | | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|---|------------------|--|
| Description | Budget Year 2018/19 | | | | | | | | | | | | Budget Year | | | |
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | 2018/19 | +1 2019/20 | +2 2020/21 | |
| Revenue by Vote | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | 3,738 | 3,738 | 3,738 | 3,738 | 3,738 | 3,738 | 3,738 | 3,738 | 3,738 | 3,738 | 3,738 | 3,738 | 44,853 | 47,276 | 49,876 | |
| Vote 2 - Municipal Manager | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 4,283 | 4,514 | 4,762 | |
| Vote 3 - Treasury | 6,853 | 6,853 | 6,853 | 6,853 | 6,853 | 6,853 | 6,853 | 6,853 | 6,853 | 6,853 | 6,853 | 6,853 | 82,231 | 86,671 | 91,438 | |
| Vote 4 - Corporate Services | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 1,607 | 1,693 | 1,786 | |
| Vote 5 - Development Planning and Social Security | 418 | 418 | 418 | 418 | 418 | 418 | 418 | 418 | 418 | 418 | 418 | 418 | 5,021 | 5,292 | 5,583 | |
| Vote 6 - Development Planning and Social Security | 4,267 | 4,267 | 4,267 | 4,267 | 4,267 | 4,267 | 4,267 | 4,267 | 4,267 | 4,267 | 4,267 | 4,267 | 51,210 | 53,975 | 56,944 | |
| Vote 7 - Engineering Services | 29,187 | 29,187 | 29,187 | 29,187 | 29,187 | 29,187 | 29,187 | 29,187 | 29,187 | 29,187 | 29,187 | 29,187 | 350,240 | 369,153 | 389,457 | |
| Vote 8 - Engineering Services | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 12,105 | 12,759 | 13,460 | |
| Total Revenue by Vote | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 551,550 | 581,333 | 613,307 | |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | 1,805 | 1,805 | 1,805 | 1,805 | 1,805 | 1,805 | 1,805 | 1,805 | 1,805 | 1,805 | 1,805 | 1,805 | 21,660 | 22,829 | 24,085 | |
| Vote 2 - Municipal Manager | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 28,373 | 29,905 | 31,550 | |
| Vote 3 - Treasury | 3,290 | 3,290 | 3,290 | 3,290 | 3,290 | 3,290 | 3,290 | 3,290 | 3,290 | 3,290 | 3,290 | 3,290 | 39,478 | 41,610 | 43,899 | |
| Vote 4 - Corporate Services | 2,715 | 2,715 | 2,715 | 2,715 | 2,715 | 2,715 | 2,715 | 2,715 | 2,715 | 2,715 | 2,715 | 2,715 | 32,578 | 34,337 | 36,226 | |
| Vote 5 - Development Planning and Social Security | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 26,780 | 28,226 | 29,779 | |
| Vote 6 - Development Planning and Social Security | 4,795 | 4,795 | 4,795 | 4,795 | 4,795 | 4,795 | 4,795 | 4,795 | 4,795 | 4,795 | 4,795 | 4,795 | 57,545 | 60,653 | 63,989 | |
| Vote 7 - Engineering Services | 35,386 | 35,386 | 35,386 | 35,386 | 35,386 | 35,386 | 35,386 | 35,386 | 35,386 | 35,386 | 35,386 | 35,386 | 424,637 | 447,567 | 472,184 | |
| Vote 8 - Engineering Services | 2,255 | 2,255 | 2,255 | 2,255 | 2,255 | 2,255 | 2,255 | 2,255 | 2,255 | 2,255 | 2,255 | 2,255 | 27,056 | 28,517 | 30,085 | |
| Total Expenditure by Vote | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 658,107 | 693,645 | 731,795 | |
| Surplus/(Deficit) before assoc. | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (106,558) | (112,312) | (118,489) | |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

| FS191 Setsoto - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification) | | | | | | | | | | | | | Medium term | Revenue and | Expenditure |
|--|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Description | Budget Year 2018/19 | | | | | | | | | | | | Budget Year | Forecast | Budget Year |
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | 2018/19 | +1 2019/20 | +2 2020/21 |
| Revenue - Functional | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 137,412 | 144,832 | 152,798 |
| Executive and council | 4,095 | 4,095 | 4,095 | 4,095 | 4,095 | 4,095 | 4,095 | 4,095 | 4,095 | 4,095 | 4,095 | 4,095 | 49,136 | 51,790 | 54,638 |
| Finance and administration | 7,356 | 7,356 | 7,356 | 7,356 | 7,356 | 7,356 | 7,356 | 7,356 | 7,356 | 7,356 | 7,356 | 7,356 | 88,276 | 93,043 | 98,160 |
| Internal audit | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| <i>Community and public safety</i> | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 1,153 | 1,215 | 1,282 |
| Community and social services | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 500 | 527 | 556 |
| Sport and recreation | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 | 50 | 53 |
| Public safety | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Housing | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 605 | 638 | 673 |
| Health | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| <i>Economic and environmental services</i> | 3,426 | 3,426 | 3,426 | 3,426 | 3,426 | 3,426 | 3,426 | 3,426 | 3,426 | 3,426 | 3,426 | 3,426 | 41,116 | 43,336 | 45,720 |
| Planning and development | 961 | 961 | 961 | 961 | 961 | 961 | 961 | 961 | 961 | 961 | 961 | 961 | 11,535 | 12,158 | 12,827 |
| Road transport | 2,465 | 2,465 | 2,465 | 2,465 | 2,465 | 2,465 | 2,465 | 2,465 | 2,465 | 2,465 | 2,465 | 2,465 | 29,581 | 31,179 | 32,893 |
| Environmental protection | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| <i>Trading services</i> | 30,989 | 30,989 | 30,989 | 30,989 | 30,989 | 30,989 | 30,989 | 30,989 | 30,989 | 30,989 | 30,989 | 30,989 | 371,869 | 391,950 | 413,507 |
| Energy sources | 8,079 | 8,079 | 8,079 | 8,079 | 8,079 | 8,079 | 8,079 | 8,079 | 8,079 | 8,079 | 8,079 | 8,079 | 96,954 | 102,189 | 107,810 |
| Water management | 14,183 | 14,183 | 14,183 | 14,183 | 14,183 | 14,183 | 14,183 | 14,183 | 14,183 | 14,183 | 14,183 | 14,183 | 170,199 | 179,390 | 189,256 |
| Waste water management | 4,513 | 4,513 | 4,513 | 4,513 | 4,513 | 4,513 | 4,513 | 4,513 | 4,513 | 4,513 | 4,513 | 4,513 | 54,153 | 57,077 | 60,216 |
| Waste management | 4,214 | 4,214 | 4,214 | 4,214 | 4,214 | 4,214 | 4,214 | 4,214 | 4,214 | 4,214 | 4,214 | 4,214 | 50,563 | 53,293 | 56,224 |
| <i>Other</i> | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Total Revenue - Functional | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 45,962 | 551,550 | 581,333 | 613,307 |
| | | 59,140 | 59,140 | 59,140 | 59,140 | 59,140 | 59,140 | 59,140 | 59,140 | 59,140 | 59,140 | 59,140 | | | |
| Expenditure - Functional | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | 10,846 | 10,846 | 10,846 | 10,846 | 10,846 | 10,846 | 10,846 | 10,846 | 10,846 | 10,846 | 10,846 | 10,846 | 130,146 | 137,174 | 144,719 |
| Executive and council | 2,827 | 2,827 | 2,827 | 2,827 | 2,827 | 2,827 | 2,827 | 2,827 | 2,827 | 2,827 | 2,827 | 2,827 | 33,926 | 35,758 | 37,725 |
| Finance and administration | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 85,950 | 90,591 | 95,574 |
| Internal audit | 856 | 856 | 856 | 856 | 856 | 856 | 856 | 856 | 856 | 856 | 856 | 856 | 10,270 | 10,825 | 11,420 |
| <i>Community and public safety</i> | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 37,297 | 39,311 | 41,473 |
| Community and social services | 604 | 604 | 604 | 604 | 604 | 604 | 604 | 604 | 604 | 604 | 604 | 604 | 7,253 | 7,644 | 8,065 |
| Sport and recreation | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 11,023 | 11,618 | 12,257 |
| Public safety | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 984 | 1,037 | 1,094 |
| Housing | 1,454 | 1,454 | 1,454 | 1,454 | 1,454 | 1,454 | 1,454 | 1,454 | 1,454 | 1,454 | 1,454 | 1,454 | 17,452 | 18,394 | 19,406 |
| Health | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 586 | 618 | 652 |
| <i>Economic and environmental services</i> | 23,893 | 23,893 | 23,893 | 23,893 | 23,893 | 23,893 | 23,893 | 23,893 | 23,893 | 23,893 | 23,893 | 23,893 | 286,716 | 302,199 | 318,820 |
| Planning and development | 838 | 838 | 838 | 838 | 838 | 838 | 838 | 838 | 838 | 838 | 838 | 838 | 10,051 | 10,594 | 11,177 |
| Road transport | 23,055 | 23,055 | 23,055 | 23,055 | 23,055 | 23,055 | 23,055 | 23,055 | 23,055 | 23,055 | 23,055 | 23,055 | 276,665 | 291,605 | 307,643 |
| Environmental protection | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| <i>Trading services</i> | 16,996 | 16,996 | 16,996 | 16,996 | 16,996 | 16,996 | 16,996 | 16,996 | 16,996 | 16,996 | 16,996 | 16,996 | 203,948 | 214,961 | 226,784 |
| Energy sources | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 92,393 | 97,383 | 102,739 |
| Water management | 4,550 | 4,550 | 4,550 | 4,550 | 4,550 | 4,550 | 4,550 | 4,550 | 4,550 | 4,550 | 4,550 | 4,550 | 54,600 | 57,554 | 60,719 |
| Waste water management | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 | 19,700 | 20,764 | 21,906 |
| Waste management | 3,104 | 3,104 | 3,104 | 3,104 | 3,104 | 3,104 | 3,104 | 3,104 | 3,104 | 3,104 | 3,104 | 3,104 | 37,249 | 39,261 | 41,420 |
| <i>Other</i> | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Total Expenditure - Functional | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 54,842 | 658,107 | 693,645 | 731,795 |
| | | | | | | | | | | | | | | | |
| Surplus/(Deficit) before assoc. | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (8,880) | (106,558) | (112,312) | (118,489) |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

FS191 Setsoto - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

| 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 |
| Single-year expenditure to be appropriated | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | | 60 | - | 30 | - | - | 15 | - | - | 60 | - | - | 48 | 213 | 225 | 237 |
| Vote 2 - Municipal Manager | | 60 | - | - | 15 | - | - | 20 | - | - | 50 | - | 81 | 226 | 238 | 251 |
| Vote 3 - Treasury | | 150 | - | - | - | - | - | 60 | - | - | - | - | 30 | 240 | 253 | 267 |
| Vote 4 - Corporate Services | | - | 200 | - | - | - | 200 | - | - | - | - | - | 289 | 689 | 727 | 767 |
| Vote 5 - Development Planning and Social Security | | 400 | 1,500 | 541 | 600 | 900 | - | 1,550 | 1,554 | - | 1,850 | 1,100 | 1,721 | 11,715 | 12,348 | 13,027 |
| Vote 6 - Development Planning and Social Security | | - | - | 150 | - | 30 | - | 25 | - | 146 | - | - | 139 | 490 | 516 | 545 |
| Vote 7 - Engineering Services | | 8,290 | 6,682 | 7,715 | 9,311 | 5,417 | 10,561 | 9,010 | 10,415 | 17,161 | 10,701 | 9,436 | 10,883 | 115,582 | 121,823 | 128,524 |
| Vote 8 - Engineering Services | | 50 | - | 178 | - | - | 30 | - | - | 200 | - | - | 107 | 565 | 596 | 628 |
| Vote 9 - Default | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - Default | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - Default | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - Default | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - Default | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - Default | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - Default | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | 2 | 9,010 | 8,382 | 8,614 | 9,926 | 6,347 | 10,806 | 10,665 | 11,968 | 17,567 | 12,601 | 10,536 | 13,298 | 129,720 | 136,725 | 144,245 |
| Total Capital Expenditure | 2 | 9,010 | 8,382 | 8,614 | 9,926 | 6,347 | 10,806 | 10,665 | 11,968 | 17,567 | 12,601 | 10,536 | 13,298 | 129,720 | 136,725 | 144,245 |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

| FS191 Setsoto - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification) | | | | | | | | | | | | | | | |
|--|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---|------------------------|------------------------|
| Description | 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 |
| Capital Expenditure - Functional | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | 224 | 224 | 224 | 224 | 224 | 224 | 224 | 224 | 224 | 224 | 224 | (901) | 1,564 | 1,648 | 1,739 |
| Executive and council | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 330 | 348 | 367 |
| Finance and administration | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | (983) | 1,179 | 1,243 | 1,312 |
| Internal audit | - | - | - | - | - | - | - | - | - | - | - | 54 | 54 | 57 | 61 |
| <i>Community and public safety</i> | 1,022 | 1,022 | 1,022 | 1,022 | 1,022 | 1,022 | 1,022 | 1,022 | 1,022 | 1,022 | 1,022 | 747 | 11,990 | 12,637 | 13,333 |
| Community and social services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sport and recreation | 976 | 976 | 976 | 976 | 976 | 976 | 976 | 976 | 976 | 976 | 976 | 976 | 11,715 | 12,348 | 13,027 |
| Public safety | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Housing | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 275 | 290 | 306 |
| Health | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | (252) | - | - | - |
| <i>Economic and environmental services</i> | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 499 | 526 | 555 |
| Planning and development | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 94 | 100 | 105 |
| Road transport | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 405 | 427 | 450 |
| Environmental protection | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | 9,639 | 9,639 | 9,639 | 9,639 | 9,639 | 9,639 | 9,639 | 9,639 | 9,639 | 9,639 | 9,639 | 9,639 | 115,667 | 121,913 | 128,618 |
| Energy sources | 553 | 553 | 553 | 553 | 553 | 553 | 553 | 553 | 553 | 553 | 553 | 553 | 6,630 | 6,988 | 7,372 |
| Water management | 9,014 | 9,014 | 9,014 | 9,014 | 9,014 | 9,014 | 9,014 | 9,014 | 9,014 | 9,014 | 9,014 | 9,014 | 108,162 | 114,003 | 120,273 |
| Waste water management | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 400 | 422 | 445 |
| Waste management | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 475 | 501 | 528 |
| <i>Other</i> | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 10,927 | 10,927 | 10,927 | 10,927 | 10,927 | 10,927 | 10,927 | 10,927 | 10,927 | 10,927 | 10,927 | 9,527 | 129,720 | 136,725 | 144,245 |

Setsoto Local Municipality – Annual Budget & MTREF 2018/19

| FS191 Setsoto - Supporting Table SA30 Budgeted monthly cash flow | | | | | | | | | | | | | | | | |
|--|---------------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---|---------------------|------------------------|------------------------|
| MONTHLY CASH FLOWS | Budget Year 2018/19 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
| | R thousand | 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 |
| Cash Receipts By Source | | | | | | | | | | | | | 1 | | | |
| Property rates | 3,600 | 2,600 | 3,600 | 3,600 | 1,800 | 3,600 | 3,600 | 3,600 | 3,600 | 2,900 | 3,600 | 3,900 | 40,000 | 42,160 | 44,479 | |
| Service charges - electricity revenue | 4,200 | 2,800 | 6,309 | 4,263 | 6,309 | 6,309 | 6,309 | 6,309 | 6,309 | 3,800 | 3,600 | 4,049 | 60,566 | 63,836 | 67,347 | |
| Service charges - water revenue | 3,200 | 2,400 | 2,950 | 2,800 | 2,400 | 2,250 | 4,584 | 4,584 | 4,584 | 4,584 | 4,584 | 5,084 | 44,002 | 46,378 | 48,928 | |
| Service charges - sanitation revenue | 2,085 | 2,085 | 1,800 | 1,085 | 1,085 | 2,100 | 1,800 | 1,085 | 2,200 | 1,085 | 1,985 | 1,621 | 20,016 | 21,097 | 22,257 | |
| Service charges - refuse revenue | 1,010 | 1,400 | 1,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 1,800 | 2,500 | 1,800 | 1,490 | 24,000 | 25,296 | 26,687 | |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Rental of facilities and equipment | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 697 | 735 | 775 | |
| Interest earned - external investments | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 22 | 5,993 | 6,865 | 4,346 | |
| Interest earned - outstanding debtors | 1,800 | 2,333 | 1,600 | 2,333 | 2,333 | 1,400 | 2,333 | 2,333 | 1,200 | 2,333 | 1,350 | 1,050 | 22,401 | 17,708 | 6,227 | |
| Dividends received | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 35 | 37 | 39 | |
| Fines, penalties and forfeits | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | 632 | 667 | |
| Licences and permits | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 35 | 37 | 39 | |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Transfer receipts - operational | 88,913 | - | - | - | 53,348 | - | - | - | 35,565 | - | - | - | 177,826 | 186,710 | 196,979 | |
| Other revenue | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 797 | 1,401 | 1,478 | |
| Cash Receipts by Source | 105,531 | 14,342 | 18,482 | 17,305 | 70,498 | 18,882 | 21,849 | 21,134 | 55,981 | 17,925 | 17,642 | 17,397 | 396,967 | 412,891 | 420,249 | |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | |
| Transfer receipts - capital | 53,891 | - | - | - | 32,335 | - | - | - | 21,556 | - | - | - | 107,782 | 125,324 | 168,233 | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Proceeds on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Short term loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Decrease (Increase) in non-current debtors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Cash Receipts by Source | 159,422 | 14,342 | 18,482 | 17,305 | 102,833 | 18,882 | 21,849 | 21,134 | 77,537 | 17,925 | 17,642 | 17,397 | 504,749 | 538,215 | 588,482 | |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 18,207 | 7,207 | 207,481 | 218,685 | 230,713 | |
| Remuneration of councillors | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 11,000 | 11,594 | 12,232 | |
| Finance charges | 108 | 108 | 320 | 108 | 108 | 540 | 108 | 108 | 320 | 108 | 108 | 556 | 2,600 | 2,740 | 2,891 | |
| Bulk purchases - Electricity | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 5,583 | 67,000 | 70,618 | 74,502 | |
| Bulk purchases - Water & Sewer | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other materials | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 3,190 | 38,276 | 40,343 | 42,562 | |
| Contracted services | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 286 | 302 | 318 | |
| Transfers and grants - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | 685 | 723 | |
| Transfers and grants - other | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 650 | - | - | |
| Other expenditure | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 33,511 | 35,646 | 37,571 | 39,637 | |
| Cash Payments by Type | 28,277 | 28,277 | 28,489 | 28,277 | 28,277 | 28,709 | 28,277 | 28,277 | 28,489 | 28,277 | 28,277 | 51,042 | 362,940 | 382,538 | 403,578 | |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 10,810 | 129,720 | 136,725 | 168,233 | |
| Repayment of borrowing | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 | 3,520 | 4,200 | |
| Other Cash Flows/Payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Cash Payments by Type | 39,337 | 39,337 | 39,549 | 39,337 | 39,337 | 39,769 | 39,337 | 39,337 | 39,549 | 39,337 | 39,337 | 62,102 | 495,660 | 522,784 | 576,011 | |
| NET INCREASE/(DECREASE) IN CASH HELD | 120,086 | (24,995) | (21,066) | (22,032) | 63,496 | (20,886) | (17,488) | (18,203) | 37,989 | (21,412) | (21,695) | (44,705) | 9,089 | 15,432 | 12,471 | |
| Cash/cash equivalents at the month/year begin: | (45,000) | 75,086 | 50,091 | 29,024 | 6,992 | 70,488 | 49,602 | 32,114 | 13,912 | 51,900 | 30,489 | 8,794 | (45,000) | (35,911) | (20,480) | |
| Cash/cash equivalents at the month/year end: | 75,086 | 50,091 | 29,024 | 6,992 | 70,488 | 49,602 | 32,114 | 13,912 | 51,900 | 30,489 | 8,794 | (35,911) | (35,911) | (20,480) | (8,009) | |

2.3 Overview of budget related-policies

The municipal budget related policies will be reviewed as part of community consultation

2.4 List of Tariffs

The municipal budget was compiled using the attached Tariff list.