

NALA LOCAL MUNICIPALITY



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

Final Budget 2017-18

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PART 1

1.2. RESOLUTIONS

1. Council hereby resolve that the Final annual budget of the municipality for the financial year 2017-18; and indicative budget for the two outer years 2018-19 and 2020-21 be approved as set-out in:
 - a) Table A1: Budgeted Summary
 - b) Table A2: Budget Financial Performance (revenue & expenditure by standard classification)
 - c) Table A3: Budget Financial Performance (revenue & expenditure by municipal vote)
 - d) Table A4: Budget Financial Performance (revenue & expenditure)
 - e) Table A5: Budgeted Capital Expenditure by vote, standard classification and funding
 - f) Table A6: Budget Financial Position
 - g) Table A7: Budget Cash Flow
 - h) Table A8: Cash backed reserves / accumulated surplus reconciliation
 - i) Table A9: Asset Management
 - j) Table A10: Basic Service Delivery Measurement

1.2. EXECUTIVE SUMMARY

The final budget is prepared in line with chapter four of Municipal Finance Management act, section 16 as outlined below.

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

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

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

Outlined below are the economic conditions considered:

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ECONOMIC INDICATORS

Indicator %	2014/15 %	2015/16 %	2016/17 %	2017/18 %
Consumer Inflation	6.2	6.3	6.6	5.7
GDP Growth	2.7	4.9	1.2	2
Prime Overdrafts	10.5	9.25	10.5	10.5
Electricity increase by Eskom	7.39	14.24	9.4	0.31
Increase in Bulk Water (Sedibeng Water)	8.8% / R8.14	8.3% / R8.824	5.91% / R9.32	8% / R10.07
Salaries & Wages	6.8	7.3	7	7.2

- (a) The need to develop tariffs that are cost reflective of providing such services, as a municipality we have now been able to develop cost reflective tariffs or cost of supplying the services. We have now confirmed cross subsidisation on service charges, which indicates serious inefficiencies in the manufacturing processes of the municipalities, naming but a few , lack of consequence management and lack of accountability, not to mention lack of skill;
- (b) Wage increases (including long service bonuses) for municipal staff that continue to exceed consumer inflation as well as the need to fill critical vacancies;
- (c) The need to meet the community expectations in terms of service delivery with the limited financial resources at hand.

1.5. ANNUAL BUDGET TABLES

Below are the annual tables as per the requirements of Municipal Budget and Reporting Regulations:

- a) Table A1: Budget summary
- b) Table A2: Budget: Financial Performance
- c) Table A3: Budget Financial Performance (revenue and expenditure by municipal vote)
- d) Table A4: Budget Financial Performance (revenue and expenditure)
- e) Table A5: Budgeted Capital Expenditure by vote, standard, classification and funding
- f) Table A6: Budget Financial Position
- g) Table A7: Budget Cash flow
- h) Table A8: Cash backed reserves/accumulated surplus reconciliation
- i) Table A9: Asset Management
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FS185 Nala - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	12,061	16,035	19,829	21,485	19,945	19,945	19,945	21,241	22,622	24,092
Service charges	129,446	137,665	137,520	213,545	188,213	188,213	188,213	169,211	177,809	187,836
Investment revenue	1,319	1,778	2,366	-	-	-	-	-	-	-
Transfers recognised - operational	136,825	132,143	123,517	118,583	110,970	110,970	110,970	103,469	113,292	120,268
Other own revenue	12,227	19,417	39,728	35,073	34,916	34,916	34,916	37,375	39,505	41,718
Total Revenue (excluding capital transfers and contributions)	291,878	307,037	322,959	388,686	354,044	354,044	354,044	331,296	353,228	373,914
Employee costs	111,712	117,831	124,547	134,677	130,536	130,536	130,536	140,196	149,589	159,462
Remuneration of councillors	6,977	7,086	7,577	7,844	7,993	7,993	7,993	7,770	8,291	8,838
Depreciation & asset impairment	48,732	53,066	51,215	27,760	57,703	57,703	57,703	61,396	64,896	68,530
Finance charges	21,193	28,617	27,262	16,000	24,052	24,052	24,052	25,591	27,050	28,565
Materials and bulk purchases	91,106	104,881	112,664	122,521	105,477	105,477	105,477	110,177	116,457	122,979
Transfers and grants	-	-	-	24,000	34,517	34,517	34,517	-	-	-
Other expenditure	49,290	94,199	104,965	55,619	76,924	76,924	76,924	84,798	85,531	89,483
Total Expenditure	329,009	405,679	428,232	388,421	437,202	437,202	437,202	429,928	451,813	477,856
Surplus/(Deficit)	(37,131)	(98,642)	(105,273)	265	(83,158)	(83,158)	(83,158)	(98,632)	(98,585)	(103,942)
Transfers and subsidies - capital (monetary allocated)	70,372	53,131	40,178	33,299	39,299	39,299	39,299	39,482	39,665	41,308
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	1,064	1,125	1,188
Surplus/(Deficit) after capital transfers & contributions	33,240	(45,511)	(65,095)	33,564	(43,859)	(43,859)	(43,859)	(58,086)	(57,795)	(61,446)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	33,240	(45,511)	(65,095)	33,564	(43,859)	(43,859)	(43,859)	(58,086)	(57,795)	(61,446)
Capital expenditure & funds sources										
Capital expenditure	60,881	50,678	37,220	34,300	40,300	40,300	40,300	40,546	40,790	42,496
Transfers recognised - capital	60,881	50,678	37,220	33,300	39,300	39,300	39,300	39,482	39,665	41,308
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	1,000	1,000	1,000	1,000	1,064	1,125	1,188
Total sources of capital funds	60,881	50,678	37,220	34,300	40,300	40,300	40,300	40,546	40,790	42,496
Financial position										
Total current assets	104,470	110,563	121,050	108,432	108,432	108,432	108,432	115,371	121,947	128,776
Total non current assets	1,851,056	1,844,587	1,822,941	1,862,518	1,832,575	1,832,575	1,832,575	1,873,061	1,913,730	1,956,042
Total current liabilities	190,257	246,199	324,122	277,034	277,034	277,034	277,034	322,067	340,426	359,490
Total non current liabilities	-	-	-	85,381	85,381	85,381	85,381	-	-	-
Community wealth/Equity	1,660,102	1,623,942	1,558,847	1,608,535	1,578,592	1,578,592	1,578,592	1,666,365	1,695,251	1,725,328
Cash flows										
Net cash from (used) operating	78,526	26,992	45,411	71,636	34,127	34,127	34,127	16,582	20,814	22,403
Net cash from (used) investing	(61,808)	(50,256)	(37,107)	(32,299)	(38,299)	(38,299)	(38,299)	41,280	41,531	43,258
Net cash from (used) financing	-	6,187	(12,000)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	31,955	14,876	11,180	54,214	10,705	10,705	10,705	68,567	130,912	196,573
Cash backing/surplus reconciliation										
Cash and investments available	31,955	14,877	11,180	1,070	1,070	1,070	1,070	1,138	1,203	1,270
Application of cash and investments	129,839	185,965	246,089	156,397	158,478	158,478	158,478	246,088	258,163	269,313
Balance - surplus (shortfall)	(97,884)	(171,089)	(234,909)	(155,327)	(157,408)	(157,408)	(157,408)	(244,950)	(256,960)	(268,043)
Asset management										
Asset register summary (WDV)	1,850,938	1,844,463	1,822,819	2,543,387	2,549,387	2,549,387	2,589,937	2,589,937	2,626,094	2,667,144
Depreciation	-	-	-	27,760	57,703	57,703	61,395	61,395	64,895	68,531
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	4,746	7,918	7,509	15,324	8,721	8,721	9,281	9,281	9,810	10,359
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	10,992	10,992	48,052	48,052	51,059	53,444
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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2017-18 Medium Term Expenditure and Revenue Frame Work

FS185 Nala - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
<i>Governance and administration</i>		232,674	218,025	207,251	207,313	204,268	204,268	154,947	168,931	179,225
Executive and council		-	-	-	-	-	-	138	146	154
Finance and administration		232,674	218,025	207,251	207,313	204,268	204,268	154,808	168,784	179,071
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		130	447	1,336	1,127	860	860	452	478	504
Community and social services		60	305	1,157	977	693	693	443	468	494
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		70	141	180	150	167	167	-	-	-
Housing		-	-	-	-	-	-	9	10	10
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	5,151	4,388	4,633
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	5,151	4,388	4,633
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		129,446	137,665	137,520	213,545	188,260	188,260	170,747	179,434	189,551
Energy sources		58,826	64,992	62,668	94,245	87,070	87,070	84,246	85,863	87,511
Water management		42,803	41,412	41,136	55,787	41,836	41,836	46,048	49,732	53,710
Waste water management		11,741	15,408	16,763	32,477	28,761	28,761	18,913	20,703	23,481
Waste management		16,076	15,853	16,953	31,036	30,593	30,593	21,539	23,136	24,850
<i>Other</i>	4	-	-	-	-	-	-	0	0	0
Total Revenue - Functional	2	362,250	356,137	346,107	421,985	393,388	393,388	331,297	353,230	373,913
Expenditure - Functional										
<i>Governance and administration</i>		242,650	308,717	315,425	272,659	332,945	332,945	148,626	154,582	163,950
Executive and council		6,977	7,086	7,577	7,844	7,993	7,993	35,788	34,895	37,103
Finance and administration		235,673	301,632	307,848	264,815	324,952	324,952	112,839	119,687	126,847
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	16,117	17,173	18,282
Community and social services		-	-	-	-	-	-	4,146	4,422	4,712
Sport and recreation		-	-	-	-	-	-	4,560	4,848	5,149
Public safety		-	-	-	-	-	-	3,444	3,674	3,915
Housing		-	-	-	-	-	-	3,934	4,197	4,474
Health		-	-	-	-	-	-	32	32	32
<i>Economic and environmental services</i>		-	-	-	-	-	-	46,837	49,665	52,616
Planning and development		-	-	-	-	-	-	4,190	4,469	4,762
Road transport		-	-	-	-	-	-	42,647	45,196	47,854
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		86,360	96,962	105,156	115,763	104,259	104,259	218,348	230,393	243,007
Energy sources		53,318	58,984	63,962	77,520	64,105	64,105	102,593	108,062	113,785
Water management		33,042	37,978	41,194	38,243	40,154	40,154	66,901	70,839	74,939
Waste water management		-	-	-	-	-	-	21,888	22,879	23,948
Waste management		-	-	-	-	-	-	26,965	28,614	30,335
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	329,010	405,679	420,581	388,422	437,204	437,204	429,928	451,813	477,855
Surplus/(Deficit) for the year		33,240	(49,542)	(74,474)	33,563	(43,816)	(43,816)	(98,631)	(98,583)	(103,942)

NALA LOCAL MUNICIPALITY
2017-18 Medium Term Expenditure and Revenue Frame Work

FS185 Nala - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	138	146	154
Vote 2 - Budget abd Treasury Office		159,674	164,894	167,073	174,014	164,969	164,969	154,374	168,326	178,586
Vote 3 - Corporate Services		51	-	-	-	-	-	434	459	485
Vote 4 - Community and Social Services		-	305	1,157	977	693	693	642	679	717
Vote 5 - Technical Services		129,753	137,665	137,520	213,545	188,260	188,260	175,708	183,620	193,972
Vote 6 - Planning and Development		70	141	180	150	167	167	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	289,548	303,006	305,929	388,686	354,089	354,089	331,297	353,230	373,913
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		6,977	7,086	7,577	7,844	7,993	7,993	35,788	34,895	37,103
Vote 2 - Budget abd Treasury Office		181,627	183,801	183,301	130,006	194,283	194,283	72,935	77,285	81,819
Vote 3 - Corporate Services		111,629	117,831	124,547	134,809	130,669	130,669	39,904	42,402	45,028
Vote 4 - Community and Social Services		-	-	-	-	-	-	21,366	22,747	24,196
Vote 5 - Technical Services		89,142	96,962	105,156	115,763	104,259	104,259	255,746	270,015	284,947
Vote 6 - Planning and Development		-	-	-	-	-	-	4,190	4,469	4,762
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	389,375	405,679	420,581	388,422	437,204	437,204	429,928	451,813	477,855
Surplus/(Deficit) for the year	2	(99,827)	(102,673)	(114,652)	264	(83,115)	(83,115)	(98,631)	(98,583)	(103,942)

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2017-18 Medium Term Expenditure and Revenue Frame Work

FS185 Nala - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	12,061	16,035	19,829	21,485	19,945	19,945	19,945	21,241	22,622	24,092
Service charges - electricity revenue	2	58,826	64,992	62,668	94,245	87,070	87,070	87,070	82,739	84,269	85,828
Service charges - water revenue	2	42,803	41,412	41,136	55,787	41,836	41,836	41,836	46,027	49,709	53,686
Service charges - sanitation revenue	2	11,741	15,408	16,763	32,477	28,714	28,714	28,714	18,905	20,694	23,472
Service charges - refuse revenue	2	16,076	15,853	16,953	31,036	30,593	30,593	30,593	21,540	23,136	24,850
Service charges - other		-									
Rental of facilities and equipment		60	305	1,157	977	693	693	693	738	780	824
Interest earned - external investments		1,319	1,778	2,366	-	-	-	-			
Interest earned - outstanding debtors		11	13,166	17,652	23,010	25,561	25,561	25,561	27,197	28,747	30,357
Dividends received		6	6	6	-						
Fines, penalties and forfeits		70	141	180	150	167	167	167	178	188	198
Licences and permits						0	0	0			
Agency services											
Transfers and subsidies		136,825	132,143	123,517	118,583	110,970	110,970	110,970	103,469	113,292	120,268
Other revenue	2	12,080	1,766	3,704	10,936	8,495	8,495	8,495	9,263	9,791	10,339
Gains on disposal of PPE			4,031	17,030							
Total Revenue (excluding capital transfers and contributions)		291,878	307,037	322,959	388,686	354,044	354,044	354,044	331,296	353,228	373,914
Expenditure By Type											
Employee related costs	2	111,712	117,831	124,547	134,677	130,536	130,536	130,536	140,196	149,589	159,462
Remuneration of councillors		6,977	7,086	7,577	7,844	7,993	7,993	7,993	7,770	8,291	8,838
Debt impairment	3	4,629	55,538	59,044	10,313	20,240	20,240	20,240	21,535	22,763	24,038
Depreciation & asset impairment	2	48,732	53,066	51,215	27,760	57,703	57,703	57,703	61,396	64,896	68,530
Finance charges		21,193	28,617	27,262	16,000	24,052	24,052	24,052	25,591	27,050	28,565
Bulk purchases	2	86,360	96,962	105,156	115,763	104,260	104,260	104,260	108,882	115,088	121,533
Other materials	8	4,746	7,918	7,509	6,758	1,217	1,217	1,217	1,295	1,369	1,445
Contracted services		17,526	16,957	14,010	11,500	10,119	10,119	10,119	10,766	11,380	12,017
Transfers and subsidies		-	-	-	24,000	34,517	34,517	34,517	-	-	-
Other expenditure	4, 5	27,135	21,705	24,260	33,806	46,566	46,566	46,566	52,496	51,388	53,428
Loss on disposal of PPE				7,650	-				-	-	-
Total Expenditure		329,009	405,679	428,232	388,421	437,202	437,202	437,202	429,928	451,813	477,856
Surplus/(Deficit)		(37,131)	(98,642)	(105,273)	265	(83,158)	(83,158)	(83,158)	(98,632)	(98,585)	(103,942)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		70,372	53,131	40,178	33,299	39,299	39,299	39,299	39,482	39,665	41,308
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)											
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	1,064	1,125	1,188
Surplus/(Deficit) after capital transfers & contributions		33,240	(45,511)	(65,095)	33,564	(43,859)	(43,859)	(43,859)	(58,086)	(57,795)	(61,446)
Taxation											
Surplus/(Deficit) after taxation		33,240	(45,511)	(65,095)	33,564	(43,859)	(43,859)	(43,859)	(58,086)	(57,795)	(61,446)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		33,240	(45,511)	(65,095)	33,564	(43,859)	(43,859)	(43,859)	(58,086)	(57,795)	(61,446)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		33,240	(45,511)	(65,095)	33,564	(43,859)	(43,859)	(43,859)	(58,086)	(57,795)	(61,446)

NALA LOCAL MUNICIPALITY
2017-18 Medium Term Expenditure and Revenue Frame Work

FS185 Nala - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	7,543	6,433	1,000	1,000	1,000	1,000	1,064	1,125	1,188
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		7,669	-	-	-	-	-	-	4,637	1,450	4,472
Vote 5 - Technical Services		53,212	43,135	30,788	31,507	37,507	37,507	37,507	34,845	38,215	36,836
Vote 6 - Planning and Development		-	-	-	1,793	1,793	1,793	1,793	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		60,881	50,678	37,220	34,300	40,300	40,300	40,300	40,546	40,790	42,496
Total Capital Expenditure - Vote		60,881	50,678	37,220	34,300	40,300	40,300	40,300	40,546	40,790	42,496
Capital Expenditure - Functional											
Governance and administration		-	7,543	6,433	1,000	1,000	1,000	1,000	1,064	1,125	1,188
Executive and council											
Finance and administration			7,543	6,433	1,000	1,000	1,000	1,000	1,064	1,125	1,188
Internal audit											
Community and public safety		7,669	-	-	-	-	-	-	-	-	-
Community and social services		854									
Sport and recreation		6,815									
Public safety											
Housing											
Health											
Economic and environmental services		39,037	43,135	18,577	16,815	16,815	16,815	16,815	34,482	31,665	33,308
Planning and development					1,793	1,793	1,793	1,793			
Road transport		39,037	43,135	18,577	15,022	15,022	15,022	15,022	34,482	31,665	33,308
Environmental protection											
Trading services		14,175	-	12,210	15,070	21,070	21,070	21,070	5,000	8,000	8,000
Energy sources				11,891	5,000	11,000	11,000	11,000	5,000	8,000	8,000
Water management		14,175			4,042	4,042	4,042	4,042			
Waste water management				319	6,028	6,028	6,028	6,028			
Waste management											
Other					1,415	1,415	1,415	1,415			
Total Capital Expenditure - Functional	3	60,881	50,678	37,220	34,300	40,300	40,300	40,300	40,546	40,790	42,496
Funded by:											
National Government		60,881	50,678	37,220	33,300	39,300	39,300	39,300	39,482	39,665	41,308
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	60,881	50,678	37,220	33,300	39,300	39,300	39,300	39,482	39,665	41,308
Public contributions & donations	5										
Borrowing	6										
Internally generated funds					1,000	1,000	1,000	1,000	1,064	1,125	1,188
Total Capital Funding	7	60,881	50,678	37,220	34,300	40,300	40,300	40,300	40,546	40,790	42,496

NALA LOCAL MUNICIPALITY
2017-18 Medium Term Expenditure and Revenue Frame Work

FS185 Nala - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash		2,191	14,877	11,180	1,070	1,070	1,070	1,070	1,138	1,203	1,270
Call investment deposits	1	29,764	-	-	-	-	-	-	-	-	-
Consumer debtors	1	58,177	69,645	72,830	102,397	102,397	102,397	102,397	108,950	115,160	121,609
Other debtors		6,288	24,469	34,773	2,761	2,761	2,761	2,761	2,938	3,105	3,279
Current portion of long-term receivables		6,251	-	-	-	-	-	-	-	-	-
Inventory	2	1,799	1,573	2,266	2,204	2,204	2,204	2,204	2,345	2,479	2,618
Total current assets		104,470	110,563	121,050	108,432	108,432	108,432	108,432	115,371	121,947	128,776
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	1,849,872	1,843,737	1,822,294	1,862,454	1,832,511	1,832,511	1,832,511	1,872,993	1,913,658	1,955,966
Agricultural											
Biological											
Intangible		1,066	726	526	64	64	64	64	68	72	76
Other non-current assets		118	124	121	-	-	-	-	-	-	-
Total non current assets		1,851,056	1,844,587	1,822,941	1,862,518	1,832,575	1,832,575	1,832,575	1,873,061	1,913,730	1,956,042
TOTAL ASSETS		1,955,526	1,955,150	1,943,991	1,970,950	1,941,007	1,941,007	1,941,007	1,988,432	2,035,677	2,084,818
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	11,240	10,481	22,481	22,481	22,481	22,481	-	-	-
Consumer deposits		1,565	2,337	3,675	1,956	1,956	1,956	1,956	2,081	2,200	2,323
Trade and other payables	4	177,770	231,729	308,985	252,597	252,597	252,597	252,597	319,986	338,226	357,167
Provisions		10,922	892	981	-	-	-	-	-	-	-
Total current liabilities		190,257	246,199	324,122	277,034	277,034	277,034	277,034	322,067	340,426	359,490
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		-	-	-	85,381	85,381	85,381	85,381	-	-	-
Total non current liabilities		-	-	-	85,381	85,381	85,381	85,381	-	-	-
TOTAL LIABILITIES		190,257	246,199	324,122	362,415	362,415	362,415	362,415	322,067	340,426	359,490
NET ASSETS	5	1,765,269	1,708,951	1,619,869	1,608,535	1,578,592	1,578,592	1,578,592	1,666,365	1,695,251	1,725,328
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,660,102	1,623,942	1,558,847	1,608,535	1,578,592	1,578,592	1,578,592	1,666,365	1,695,251	1,725,328
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	1,660,102	1,623,942	1,558,847	1,608,535	1,578,592	1,578,592	1,578,592	1,666,365	1,695,251	1,725,328

NALA LOCAL MUNICIPALITY
2017-18 Medium Term Expenditure and Revenue Frame Work

FS185 Nala - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		12,061	15,322	15,121	21,485	19,944	19,944	19,944	15,931	17,419	19,274
Service charges		102,238	66,894	90,116	213,545	188,260	188,260	188,260	126,908	136,912	150,269
Other revenue		-			12,063	9,354	9,354	9,354	7,633	8,101	8,887
Government - operating	1	136,472	178,294	161,424	118,583	110,970	110,970	110,970	103,469	113,292	120,268
Government - capital	1	61,896			33,299	39,299	39,299	39,299	39,482	39,665	41,308
Interest		1,319	1,778	2,366	23,010	25,561	25,561	25,561	20,398	22,135	24,286
Dividends		6	6	6					-	-	-
Payments											
Suppliers and employees		(221,069)	(206,685)	(196,360)	(310,349)	(300,692)	(300,692)	(300,692)	(278,045)	(295,882)	(319,037)
Finance charges		(14,397)	(28,617)	(27,262)	(16,000)	(24,052)	(24,052)	(24,052)	(19,194)	(20,828)	(22,852)
Transfers and Grants	1	-	-	-	(24,000)	(34,517)	(34,517)	(34,517)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		78,526	26,992	45,411	71,636	34,127	34,127	34,127	16,582	20,814	22,403
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE					1,000	1,000	1,000	1,000	798	866	950
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(61,808)	(50,256)	(37,107)	(33,299)	(39,299)	(39,299)	(39,299)	40,482	40,665	42,308
NET CASH FROM/(USED) INVESTING ACTIVITIES		(61,808)	(50,256)	(37,107)	(32,299)	(38,299)	(38,299)	(38,299)	41,280	41,531	43,258
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing			6,187						-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing				(12,000)					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	6,187	(12,000)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		16,718	(17,078)	(3,696)	39,337	(4,172)	(4,172)	(4,172)	57,862	62,345	65,661
Cash/cash equivalents at the year begin:	2	15,237	31,954	14,877	14,877	14,877	14,877	14,877	10,705	68,567	130,912
Cash/cash equivalents at the year end:	2	31,955	14,876	11,180	54,214	10,705	10,705	10,705	68,567	130,912	196,573

NALA LOCAL MUNICIPALITY
2017-18 Medium Term Expenditure and Revenue Frame Work

FS185 Nala - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	31,955	14,876	11,180	54,214	10,705	10,705	10,705	68,567	130,912	196,573
Other current investments > 90 days		-	0	-	(53,144)	(9,635)	(9,635)	(9,635)	(67,429)	(129,709)	(195,303)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		31,955	14,877	11,180	1,070	1,070	1,070	1,070	1,138	1,203	1,270
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	129,839	185,965	246,089	156,397	158,478	158,478	158,478	246,088	258,163	269,313
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		129,839	185,965	246,089	156,397	158,478	158,478	158,478	246,088	258,163	269,313
Surplus(shortfall)		(97,884)	(171,089)	(234,909)	(155,327)	(157,408)	(157,408)	(157,408)	(244,950)	(256,960)	(268,043)

NALA LOCAL MUNICIPALITY

2017-18 Medium Term Expenditure and Revenue Frame Work

FS-185 Nala - Table A9 Asset Management

R thousand	Description	Ref	Current Year 2016/17					2017/18 Medium Term Revenue & Expenditure Framework			
			Audited Outcome 2013/14	Audited Outcome 2014/15	Audited Outcome 2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE											
	Total New Assets	1	69,005	51,404	37,220	32,708	39,708	30,709	28,933	38,369	39,874
	Roads Infrastructure		47,101	43,135	10,577	15,022	15,022	15,022	478	25,311	20,721
	Storm water Infrastructure		-	-	-	-	-	-	-	-	
	Electrical Infrastructure		-	-	11,801	5,000	11,000	5,000	8,000	8,000	
	Water Supply Infrastructure		14,175	-	-	4,042	4,042	4,042	7,592	500	
	Sanitation Infrastructure		-	-	319	7,443	7,443	7,443	2,233	1,665	
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	
	Rail Infrastructure		-	-	-	-	-	-	-	-	
	Coastal Infrastructure		-	-	-	-	-	-	-	-	
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	
	Infrastructure		61,376	43,135	30,788	31,507	37,507	37,507	28,989	38,044	38,388
	Community Facilities		-	-	-	-	-	-	-	-	
	Sport and Recreation Facilities		8,815	-	-	201	201	201	-	-	
	Community Assets		6,875	-	-	201	201	201	1,200	2,300	
	Heritage Assets		-	-	-	-	-	-	-	-	
	Revenue Generating		-	-	-	-	-	-	-	-	
	Non-revenue Generating		-	-	-	-	-	-	-	-	
	Investment properties		-	-	-	-	-	-	-	-	
	Operational Buildings		854	0	4,983	-	-	-	-	-	
	Housing		-	-	-	-	-	-	-	-	
	Other Assets		854	0	4,983	-	-	-	-	-	
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	
	Services		-	-	-	-	-	-	-	-	
	Licences and Rights		-	728	205	-	-	-	-	-	
	Intangible Assets		-	728	205	-	-	-	-	-	
	Computer Equipment		-	-	305	-	-	-	-	-	
	Furniture and Office Equipment		-	-	-	1,000	1,000	1,000	1,064	1,125	
	Machinery and Equipment		-	674	1,143	-	-	-	-	-	
	Transport Assets		-	6,770	102	-	-	-	-	-	
	Libraries		-	-	-	-	-	-	-	-	
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	
	Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	
	Roads Infrastructure		-	-	-	-	-	-	-	-	
	Storm water Infrastructure		-	-	-	-	-	-	-	-	
	Electrical Infrastructure		-	-	-	-	-	-	-	-	
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	
	Rail Infrastructure		-	-	-	-	-	-	-	-	
	Coastal Infrastructure		-	-	-	-	-	-	-	-	
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	
	Infrastructure		-	-	-	-	-	-	-	-	
	Community Facilities		-	-	-	-	-	-	-	-	
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	
	Community Assets		-	-	-	-	-	-	-	-	
	Heritage Assets		-	-	-	-	-	-	-	-	
	Revenue Generating		-	-	-	-	-	-	-	-	
	Non-revenue Generating		-	-	-	-	-	-	-	-	
	Investment properties		-	-	-	-	-	-	-	-	
	Operational Buildings		-	-	-	-	-	-	-	-	
	Housing		-	-	-	-	-	-	-	-	
	Other Assets		-	-	-	-	-	-	-	-	
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	
	Services		-	-	-	-	-	-	-	-	
	Licences and Rights		-	-	-	-	-	-	-	-	
	Intangible Assets		-	-	-	-	-	-	-	-	
	Computer Equipment		-	-	-	-	-	-	-	-	
	Furniture and Office Equipment		-	-	-	-	-	-	-	-	
	Machinery and Equipment		-	-	-	-	-	-	-	-	
	Transport Assets		-	-	-	-	-	-	-	-	
	Libraries		-	-	-	-	-	-	-	-	
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	
	Total Upgrading of Existing Assets	6	-	-	-	1,592	1,592	1,592	12,513	2,421	2,622
	Roads Infrastructure		-	-	-	-	-	-	-	-	
	Storm water Infrastructure		-	-	-	-	-	-	-	-	
	Electrical Infrastructure		-	-	-	-	-	-	-	-	
	Water Supply Infrastructure		-	-	-	-	-	-	320	-	
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	
	Rail Infrastructure		-	-	-	-	-	-	-	-	
	Coastal Infrastructure		-	-	-	-	-	-	-	-	
	Information and Communication Infrastructure		-	-	-	-	-	-	7,076	2,171	
	Infrastructure		-	-	-	-	-	-	-	450	
	Community Facilities		-	-	-	-	-	-	-	-	
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	
	Community Assets		-	-	-	1,592	1,592	1,592	4,037	250	
	Heritage Assets		-	-	-	-	-	-	-	2,172	
	Revenue Generating		-	-	-	-	-	-	-	-	
	Non-revenue Generating		-	-	-	-	-	-	-	-	
	Investment properties		-	-	-	-	-	-	-	-	
	Operational Buildings		-	-	-	-	-	-	-	-	
	Housing		-	-	-	-	-	-	-	-	
	Other Assets		-	-	-	-	-	-	-	-	
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	
	Services		-	-	-	-	-	-	-	-	
	Licences and Rights		-	-	-	-	-	-	-	-	
	Intangible Assets		-	-	-	-	-	-	-	-	
	Computer Equipment		-	-	-	-	-	-	-	-	
	Furniture and Office Equipment		-	-	-	-	-	-	-	-	
	Machinery and Equipment		-	-	-	-	-	-	-	-	
	Transport Assets		-	-	-	-	-	-	-	-	
	Libraries		-	-	-	-	-	-	-	-	
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	
	Total Capital Expenditure	4	47,101	43,135	10,577	15,022	15,022	15,022	6,031	27,482	27,171
	Roads Infrastructure		-	-	-	-	-	-	-	-	
	Storm water Infrastructure		-	-	-	-	-	-	-	-	
	Electrical Infrastructure		-	-	11,801	5,000	11,000	5,000	8,000	8,000	
	Water Supply Infrastructure		14,175	-	-	4,042	4,042	4,042	7,592	500	
	Sanitation Infrastructure		-	-	319	7,443	7,443	7,443	14,222	2,233	
	Solid Waste Infrastructure		-	-	-	-	-	-	-	1,665	
	Rail Infrastructure		-	-	-	-	-	-	-	-	
	Coastal Infrastructure		-	-	-	-	-	-	-	-	
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	
	Infrastructure		61,376	43,135	30,788	31,507	37,507	37,507	34,045	38,378	
	Community Facilities		-	-	-	-	-	-	-	-	
	Sport and Recreation Facilities		8,815	-	-	1,793	1,793	1,793	4,037	250	
	Community Assets		6,875	-	-	1,793	1,793	1,793	4,037	1,450	
	Heritage Assets		-	-	-	-	-	-	-	4,472	
	Revenue Generating		-	-	-	-	-	-	-	-	
	Non-revenue Generating		-	-	-	-	-	-	-	-	
	Investment properties		-	-	-	-	-	-	-	-	
	Operational Buildings		854	0	4,983	-	-	-	-	-	
	Housing		-	-	-	-	-	-	-	-	
	Other Assets		854	0	4,983	-	-	-	-	-	
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	
	Services		-	-	-	-	-	-	-	-	
	Licences and Rights		-	728	205	-	-	-	-	-	
	Intangible Assets		-	728	205	-	-	-	-	-	
	Computer Equipment		-	-	305	-	-	-	-	-	
	Furniture and Office Equipment		-	-	-	1,000	1,000	1,000	1,064	1,125	
	Machinery and Equipment		-	6,770	102	-	-	-	-	-	
	Transport Assets		-	-	-	-	-	-	-	-	
	Libraries		-	-	-	-	-	-	-	-	
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	
	TOTAL CAPITAL REGISTER SUMMARY - PPE (WDV)	5	69,005	51,404	37,220	34,300	40,300	40,300	40,546	40,700	42,496
	ASSET REGISTER SUMMARY - PPE (WDV)	5	947,297	956,887	433,178	714,403	714,403	714,403	732,434	749,916	777,087
	Roads Infrastructure		-	-	-	-	-	-	-	-	
	Storm water Infrastructure		-	-	-	-	-	-	-	-	
	Electrical Infrastructure		14,175	-	182,408	245,651	251,651	251,651	250,651	264,051	
	Water Supply Infrastructure		-	-	84,931	134,630	134,630	142,131	142,631	142,631	
	Sanitation Infrastructure		-	-	250,841	451,449	451,449	451,449	457,508	469,508	
	Solid Waste Infrastructure		7,751	-	6,050	20,992	20,992	20,992	20,992	20,992	
	Rail Infrastructure		-	-	-	-	-	-	-	-	
	Coastal Infrastructure		-	-	-	-	-	-	-	-	
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	
	Infrastructure		565,323	458,887	342,244	1,567,034	1,573,034	1,573,034	1,607,879	1,648,094	
	Community Facilities		-	-	-	-	-	-	-	-	
	Sport and Recreation Facilities		8,815	-	-	-	-	-	-	-	
	Community Assets		6,875	-	-	-	-	-	4,637	1,200	
	Heritage Assets		-	-	-	-	-	-	-	2,300	
	Revenue Generating		-	-	-	-	-	-	-	-	
	Non-revenue Generating		-	-	-	-	-	-	-	-	
	Investment properties		-	-	-	-	-	-	-	-	
	Operational Buildings		854	0	4,983	-	-	-	-	-	
	Housing		-	-	-	-	-				

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FS185 Nala - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA						10,992	10,992			
Water (in excess of 6 kilolitres per indigent household per month)										
Sanitation (in excess of free sanitation service to indigent households)										
Electricity/other energy (in excess of 50 kwh per indigent household per month)										
Refuse (in excess of one removal a week for indigent households)										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6					10,992	10,992			

PART 2

2.1. BUDGET PROCESS

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

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) a time schedule that sets out the process to revise the IDP and prepare the annual budget. The Mayor tabled the required IDP process plan and budget time schedule in line with the applicable legislation. However, adherence to these plans was not achieved as the processes were not undertaken exactly at the dates that were indicated in the plans.

2.2. Alignment of the annual budget with the integrated development plan

The municipality has taken some steps in aligning the budget and the integrated development plan; annual budget and service delivery & budget implementation plan, as this was an audit query raised also an issue in line with mSCOA resolutions.

There has been efforts made to align the two documents as required by the regulations and considerable process has been made to that effect.

Management must pay special attention to aligning the above mentioned processes and ensuring genuine consultation of the stakeholders during the review of the IDP and annual budget compilation. Furthermore, the performance management framework must be fully functional and effective to ensure that a credible SDBIP is compiled which is fully linked to both the IDP and MTREF.

2.3. Measurable performance objectives

Performance Management is a system intended to manage and monitor service delivery progress against the predetermined strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed a performance management system (in the process of implementation) of which system is constantly refined as the integrated planning process unfolds. The measurable performance objectives will be included in the service delivery and budget implementation plan when it is submitted to the Mayor for approval.

2.4. Overview of the budget-related policies

The Municipal Budget and Reporting Regulations promulgated under the Municipal Finance Management Act, prescribe the budget-related policies that must be approved together with the budget. Although the municipality has complied in terms of compiling such policies and have them approved by Council, there

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has been major challenges (both internal and external) when it comes to implementation and adherence to such policies.

Council was workshopped on the budget related policies as most of our councillors are new, however this is necessary so that when the budget is finalised in May 2017 with its budget related policies all councillors are fully equipped and familiar with the policies of the municipality.

Only the policies that affect revenue assumptions will be discussed and the revenue implications thereof.

2.4.1 Tariff policies

The municipality's tariff policies provide a broad framework within which Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years. The challenge still remains of ensuring that all proposed tariffs reflect the cost of providing such services.

It is the policy of Nala municipality to implement a step tariff for the water and electricity service, To restrict the exorbitant use of resources. Our tariff policy sets out procedures in which the tariff should be charged.

This policy is reviewed for better implementation as it is being used every years.

Below is the indication of proposed tariff and how they will affect the consumer:

House Hold per Month	Rent				% Increase
	2014/15	2015/16	2016/17	2017/18	
Refuse Removal	118.5	125	135	145	7.4%
Sewerage Network	100	106	115	122.5	6.5%
	218.50	231.00	250.00	267.50	7.0%
Vat Incl	249.09	263.34	285	304.95	

2.4.2. Indigent support policy

The indigent support policy was reviewed and this policy prescribes the threshold for indigent consumers as well as the free basic service component. The indigent threshold of the municipality is R4 000, this income excluded grants received. The municipal indigent roll for the 2017/18 financial year is 9200.

The municipality has been experiencing problems where indigent consumers have been utilising services above the threshold thereby being unable to pay for the services, especially on water. The municipality is losing a lot of money and this affects the payment of those basic services consumed i.e. Water – Sediment Water account and other service charges – affected is salaries and wages, fuel and maintenance of equipment to deliver such service.

With policy consultations the point that excess of services consumed by the indigents must be paid by the indigent. To reduce this kind of wastage the policy has been improved by allowing the municipality to

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install water restrictors to indigent benefactors who cannot be able to maintain their accounts for a period of three months.

Attached below is an estimated cost of providing indigent services.

House Hold per Month	Indigent Cost and Benefit			2017/18	% Increase
	2014/15	2015/16	2016/17		
Propety rate Rebate	R 100,000	R 100,000	R 100,000	R 100,000	0.0%
6KL Water	8.5	9.25	9.3	10.07	8.3%
50KWH Electricity	1.08	0.79	0.84	0.8558	1.9%
Refuse Removal	118.5	125	135	145	7.4%
Sewerage Network	100	106	115	122.5	6.5%
Cost Excl VAT	R 228.08	R 241.04	R 260.14	R 278.43	
VAT Incl	260.0112	274.7856	296.5596	317.405412	
Number of Indigents (Estimate)	8,000	8,300	8,400	9,200	
Total Cost	24,961,075.20	27,368,645.76	29,893,207.68	35,041,557.48	

2.4.4. Property rates policy

Property rates policy was reviewed and implemented successfully, the following was a change in 2015/16 year.

EXCO Free State Resolution no. 102 of 2014 with regard to the above mentioned has reference.

1. Pursuant thereto please be advised that the Executive Council has adopted a Policy Directive whereby Churches, Creches, Old Age Homes and other Social Care facilities be exempted from rates and taxes. With due regard to the provisions of section 160(2)(c) of the Constitution of the Republic of South Africa, 1996 (Act. No. 108 of 1996), as amended, read with section 15(l)(a) of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004), it is advised that Council revisits its Municipal Property Rates Policy so that in the 2015/2016 .financial year Churches, Creches, Old Age Homes and other Social Care facilities may be exempted from rates and taxes.

2. It is further advised that the Municipal Property Rates Policy and By-law be amended to the extent that Churches, Creches, Old Age Homes and other Social Care facilities may apply to be exempted from rates and taxes and that Council may within its discretion consider such applications on the merits of each case.

All property rates shall be administered according to the property rates policy of the municipality and property rates act.

2.5. Overview of the budget assumptions

Budgets are prepared in an environment of uncertainty and assumptions need to be made about internal and external factors that could impact on the budget during the course of the financial year. In compiling the 2017-18 Annual Budget, the following pivotal issues and assumptions were taken into consideration and modelled into the budget planning process:

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- (a) Economic climate and poverty levels within the municipality will remain the same / constant for major part of the financial year given the limited economic activities within the vicinity;
- (b) That the revenue collection will increase / improve up to 75% collection rate for the 2017-18 financial year;
- (c) Cash flow projections will be strictly maintained to ensure the municipality's ability to meet its financial obligations; to actually reduce the following costs.
 - Accommodation and travelling.
 - Legal costs
 - Catering
 - Overtime
 - Printing and Stationery
 - Telephone cost
 - Etc
- (d) The budget is prepared in the assumption that no allocations as per the 2017 annual Division of Revenue Act will be withheld / offset / paid back to the NRF.
- (e) Operational costs will be maintained or reduced where ever possible or reduced as cost containment measures and where there is material decrease in revenue collection rate, expenditure will have to be reduced at the same proportion;
- (f) Filling of vacant posts will be prioritised taking into account the cash flow projections of the municipality.

2.6. Overview of the budget funding

The operating budget will be funded from operational grants as well as revenue to be collected from service charges and property rates. Government grants and subsidies make.

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FS185 Nala - Table A4 Budgeted Financial Performance (revenue and expenditure)					
Description	2015/16	Current Year 2016/17		2017/18 MTRF	
R thousand	Audited Outcome	Original Budget	Adjusted Budget	2017/18 Budget	Cash Budget
Revenue By Source					
Property rates	19,829,071.00	21,485,000.00	19,945,000.00	21,240,940.43	21,240,940.43
Service charges - electricity revenue	62,667,788.00	94,245,000.00	87,070,000.00	82,739,441.00	82,739,441.00
Service charges - water revenue	41,135,768.00	55,787,000.00	41,836,000.00	46,027,091.00	46,027,091.00
Service charges - sanitation revenue	16,763,206.00	32,477,000.00	28,714,000.00	18,904,777.00	18,904,777.00
Service charges - refuse revenue	16,952,837.00	31,036,000.00	30,593,000.00	21,539,580.00	21,539,580.00
Rental of facilities and equipment	1,156,697.00	977,000.00	693,000.00	737,790.00	737,790.00
Interest earned - external investments	2,365,855.00	-	-	-	-
Interest earned - outstanding debtors	17,651,563.00	23,010,000.00	25,561,000.00	27,196,585.00	27,196,585.00
Dividends received	6,262.00	-	-	-	-
Fines, penalties and forfeits	179,692.00	150,000.00	167,000.00	177,688.00	177,688.00
Licences and permits			100.00		
Agency services					
Transfers and subsidies	123,516,650.00	118,583,000.00	110,970,000.00	103,469,000.00	103,469,000.00
Other revenue	3,703,564.00	10,936,000.00	8,495,000.00	9,263,031.00	9,263,031.00
Gains on disposal of PPE	17,029,876.00				
Total Revenue (excluding capital transfe	322,958,829.00	388,686,000.00	354,044,100.00	331,295,923.43	331,295,923.43
Expenditure By Type					
Employee related costs	124,547,100.00	134,677,000.00	130,536,000.00	140,195,664.00	140,195,664.00
Remuneration of councillors	7,577,390.00	7,844,000.00	7,993,000.00	7,769,944.00	7,769,944.00
Debt impairment	59,044,037.00	10,313,000.00	20,240,000.00	21,535,360.00	-
Depreciation & asset impairment	51,215,315.00	27,760,000.00	57,703,000.00	61,395,992.00	-
Finance charges	27,262,271.00	16,000,000.00	24,052,000.00	25,591,442.00	-
Bulk purchases	105,155,701.00	115,763,000.00	104,260,000.00	108,882,093.00	108,882,093.00
Other materials	7,508,613.00	6,758,000.00	1,217,000.00	1,294,838.00	1,294,838.00
Contracted services	14,010,248.00	11,500,000.00	10,118,711.00	10,766,309.00	10,766,309.00
Transfers and subsidies	-	24,000,000.00	34,517,110.00	-	-
Other expenditure	24,260,451.00	33,806,000.00	46,565,647.00	52,496,320.00	52,496,320.00
Loss on disposal of PPE	7,650,408.00	-	-	-	-
Total Expenditure	428,231,534.00	388,421,000.00	437,202,468.00	429,927,962.00	321,405,168.00
Surplus/(Deficit)	(105,272,705.00)	265,000.00	(83,158,368.00)	(98,632,038.58)	9,890,755.43

Basis for revenue projections:

For the first time in the history of the municipality we were able to generate a cost reflective tariff. The factual findings and the general impact differs per service charge as in some services it is positive and others negative although the overall impact is positive, it stands to reason that other services would subsidize others.

This reflection will be monitored in the 2017/18 financial year and any immediate adjustments will be made on time.

Council tables this budget fully aware of the technical challenges in relation to the Muniicipal budget reporting regulations and the MFMA. That the budget must be fully funded.

It is however important to also note section 18 of MFMA stating “The budget may only be funded from realistically anticipated revenues to be collected; cash-backed accumulated funds from previous years’ surpluses not committed for other purposes; and borrowed funds, but only for the capital budget referred to in section 17 (2). projected revenue for the current year based on collection levels to date; and actual revenue collected in previous financial years.”

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Attached above is the summary showing the budget deficit of R98,6 million including noncash items and also a demonstration that our budget is actually on surplus of R9.8 million when we exclude non cash items.

The municipality is planning to intensify on credit control as we currently having a simplified revenue plan project from COGTA national. This with the plans to reduce our distribution losses and interest charge by our big creditors, the plan is that this deficit will be changed at least in a period of three years.

Property rates: There is generally a 6.5% increase on property rates for the 2017/18 financial year. It was also realised that the municipality's property rates for government build was below practised and this was corrected in consultation with public works department.

Electricity revenue: NERSA has approved 1.88% increase on bulk purchase in line with ESKOM tariff increase for municipality and a guideline increase of 1.88% for resell. As we try to reduce our distribution losses on electricity the municipality is picking up areas that were stealing electricity and hence the 3.1% increase in revenue, the electricity revenue projections are based upon NERSA tariff approvals.

Water revenue: The 18.2% increase is because of reduction in distribution losses and new connections anticipated in Matlharantlheng, none payment of services by the community continues to plague proper functions of the municipality. However of note is the current realisation of cost of supply on water. This real impact will be monitored and a corrective measure will be made in time.

Refuse and Sanitation: Are in line with anticipated developments of township establishment in Bothaville and Wesselsbron. However it is important to encourage payment of services.

Interest earned on Outstanding Debtors: Council decided not to increase interest charged on outstanding debtors from the current 9%.

Interest earned on Investment: It is important to note that these are not investment over a fixed term, this is interest earned on the funds received from the MIG and Equitable share allocation as they are being used as and when needed.

Basis for Expenditure projections:

Employee Related Cost: The employee cost of R140 015 000 has been steadily measured in the past taking into consideration overtime payments, employees cost related allowance that are experienced, this means the current cost is not only the basic cost of employee. The possible increase of about 7.3% is factored in, on the calculations reflected.

It is important to note that employee cost is about 30% of the budget, which is fair in comparison with the trends and norms in the sector.

The only problem in Nala Local Municipality the institution does not derive value for money on the amount that is spent on payroll services, As our staff continues to be inefficient and lacking the requisite skills to perform to expectation.

Remuneration of councillors: increase takes into consideration the review envisaged on public office bearer, however the municipality will be advised of the changes.

The increases in public office bearers salary increases happen later in the year, it is important that the municipality is not court off guard when the time for increases as it is also required by the upper limit notice that the salaries need to budgeted for.

Debt impairment and Depreciation: Are none cash items and are benchmarked to the financial statements.

Finance Charges: This interest on current creditors and not loans are long term portion of creditors as the municipality does not have.

The R16 Million is as a result of cash flow problems that the municipality is experiencing.

Bulk Purchase: Incorporates the new tariff hikes from Eskom and Sedibeng on this projection is included the cost of supply.

2.7 Expenditure on allocations and grant programmes

The funding for capital budget will be from Municipal Infrastructure Grant as well as internally generated funds to the extent possible. Municipal Infrastructure Grant will fund the list of projects below.

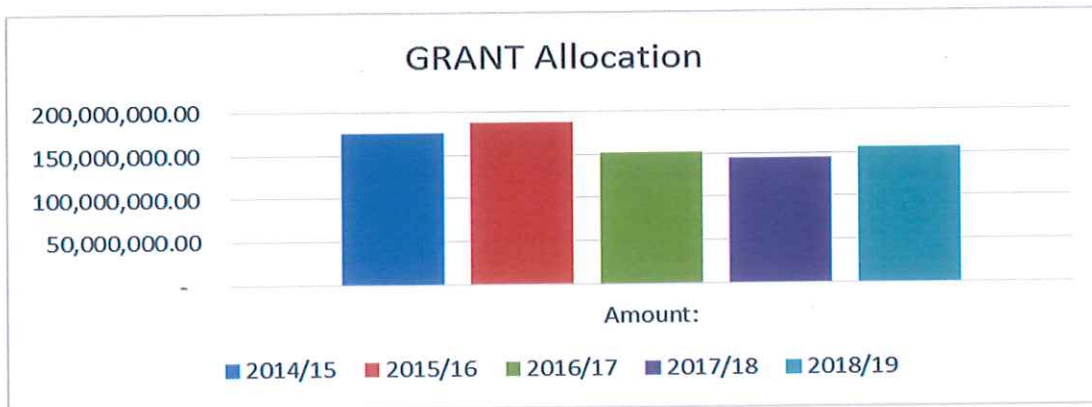
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MIG Reference Nr	Project Description	Planned MIG Expenditure for 2015/2016	Status	Planned date:
	PMU	1 437 650.00		
MIG/FS0868/R,ST/12/13	Monyakeng : Paved Roads Phase 4(a) (2.2km)	600 000.00	Retention	01/02/2012
MIG/FS0885/R,ST/12/13	Kgotsong : Paved Roads Phase 4(b) (2.5km)	5 828 748.80	Construction	01/02/2013
MIG/FS0886/R,ST/12/13	Monyakeng : Paved Roads Phase 4(b) (2.5km)	183 828.90	Retention	01/02/2013
MIG/FS1010/CL/13/15	Monyakeng/Wesselbron: Instalation of 7 High Mast lights.	550 000.00	Construction	01/02/2014
MIG/FS1011/CL/13/15	Kgotsong/Bothaville: Instalation of 7 High Mast lights.	240 000.00	Construction	01/02/2014
MIG/FS1012/CF/13/15	Monyakeng/Wessesbron: Upgrade of Sports Park	1 322 616.73	Construction	01/04/2014
MIG/FS1033/R,ST/14/16	Monyakeng: Construction of 2km paved road and storm water drainage - phase 4c (MIS219040)	6 484 978.13	Construction	01/10/2014
MIG/FS1051/CF/14/16	Kgotsong: Upgrading of sports park phase 2 (MIS:219042)	2 617 478.69	Construction	01/04/2014
	Kgotsong: Upgrade of outfall sewer and WWTW phase 1	4 807 957.57	Not Registered	01/08/2015
	Kgotsong: Construction of 1.5km paved internal access roads and storm water drainage	4 679 741.18	Not Registered	01/09/2015
	Monyakeng: Upgrade of Tennis Courts and related facilities		Not Registered	2015/16 Year
	Kgotsong : Fencing at the cemetery Phase 2		Not Registered	2015/16 Year
	Monyakeng: Intallation of new water meters: Domestic, Bulk and Zonal		Not Registered	2015/16 Year
	Kgotsong: Replacement of ageing domestic water meters		Not Registered	2016/17 Year
	Monyakeng: Installation of water network valves including chambers		Not Registered	2016/17 Year
	Kgotsong: New Recreational park		Not Registered	2016/17 Year
	Kgotsong: Construction (upgrade) of southern & northern entrance roads (1.0km)		Not Registered	2016/17 Year
	Monyakeng: Construction (upgrade) of southern & northern entrance roads (1.0km)		Not Registered	2016/17 Year
	Total	28 753 000.00		

There is however a noticeable decline on Municipal Infrastructure grant funding, as outlined below.

GRANT	2014/15		2015/16		2016/17		2017/18		2018/19	
Schedule 5, Part B										
FMG (Financ Management Grant)	1,800,000	1%	1,875,000	1%	2,010,000	1%	2,345,000	2%	2,600,000	2%
MSIG (Municipal Infr Grant)	930,000	1%	930,000	0%	1,300,000	1%	1,365,000	1%	1,434,000	1%
EPWP (ext Public Works Prog)	1,034,000	1%	1,000,000	1%	1,000,000	1%	1,000,000	1%	1,000,000	1%
MIG (Municipal Infra Grant)	43,248,000	25%	28,753,000	15%	28,299,000	19%	34,482,000	23%	31,665,000	20%
INEP (Integratred National Electr Programme)	2,000,000	1%	-	0%	5,000,000	3%	5,000,000	3%	8,000,000	5%
ES (Equitable Share)	126,199,000	72%	154,602,000	83%	103,715,000	68%	100,124,000	69%	110,692,000	71%
Special Support for Councillor Remuniration and Ward Committees					4,558,000	3%		0%		
EEDSM (Energy Efficiency and Demand Side Management)					6,000,000	4%				
	175,211,000		187,160,000		151,882,000		144,316,000		155,391,000	
Schedule 6 part B of the DORA - Designated special programmes										
RBI (Reg Bulk Infr Grant)		18,000,000		23,000,000		5,282,000		1,000,000		
INEP (ESKOM)		1,011,000		809,000		21,000		-		248,000
Total		19,011,000		23,809,000		5,303,000		1,000,000		248,000

2.8 Allocations and grants made by the municipality



2.9. Councillors allowances and employee benefits

There are critical vacant posts which have been identified to be filled during the current financial year and in 2017/18 financial year.

This review of the organogram will lead in the increase in employee related costs and benefits.

The municipality wants to fill critical vacant posts, such post must be prioritised. Expenditure thereon must be in the same proportion as the additional revenue.

2.10. Monthly targets of revenue, expenditure and cash flow

The municipality has over the years been in a position to bill all its budgeted revenue. However, the challenges have been on revenue collection due to a number of factors both internal and external.

Councillors are given the debtors book by wards to encourage the community to pay for services.

This meant that the municipality had to prioritise its spending as the spending is informed by availability of cash. Therefore, the spending on operational expenditure has been marginally less than anticipated due to cash flow constraints. Nevertheless, the municipality has not been able to meet its financial obligations as they become due, during the course of the 2016-17.

Although the municipality has been operating with a negative cash flow balance for over three financial years, the revenue base of the municipality has decreased drastically as raised in economic factors. This meant that the municipality had very little to contribute towards capital expenditure. To date, the municipality contributes less than 5% towards capital budget and depend heavily on grants and subsidies from both national and provincial government, for its operational budget.

2.11. Annual budgets and service delivery and budget implementation plan: internal departments

The departmental service delivery implementation plan are at a draft stages and will be completed after adoption of the annual budget in order to form the high level of the municipal service delivery and budget implementation plan to be approved by the mayor, 28 days after the annual budget has been approved.

2.12. Annual budgets and service delivery agreements: municipal entities and other external mechanisms

The municipality does not have an entity and there are no services that are provided by through external mechanism.

2.13. Contracts having future budgetary implications

The municipality does not intend to enter into contracts that have future budgetary implications. In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the BTO.

2.14. Capital expenditure details

The total capital expenditure budget as listed in the project list above.
The other balance on the MIG will be funding the PMU related costs. The other funding is from internal funds as indicated in Table A5.

2.15. Legislation compliance

Due to capacity constraints, the municipality has been experiencing challenges in terms of compliance to MFMA. However, there has been substantial improvement in terms of compliance. Reporting to National Treasury in electronic format was fully complied with on a monthly basis where there have been challenges of compliance; such challenges were reported to Provincial Treasury.

2.15.1. In year reporting

Section 71 reporting to the Mayor will be submitted in Schedule C of the MBRR and plans are in place to update the website and published financial performance on the municipality's website. It is the intention of the municipality (Councillors and Management) to move beyond compliance but rather focus on the quality of reports that are required in terms of various legislations.

2.15.2. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.
The challenge has been on recruiting, appointing and retaining competent personnel (especially with relevant accounting skills and municipal experience).

2.15.4. Service Delivery and Implementation Plan

The detailed SDBIP document is at a draft stage and will be finalised after approval of the 2017-18 Annual Budget in May 2017. Much still needs to be done from now till then to ensure direct aligned between the IDP, MTREF and SDBIP.

2.16. Other supporting documents

The documents mentioned below are attached as annexures to the annual budget:

- (a) Tariff list

2.17. Municipal Manager's quality certificate

The Municipal Manager's quality certificate as required by the Municipal Budget and Reporting Regulations is attached in the next page.

NALA LOCAL MUNICIPALITY
2017-18 Medium Term Expenditure and Revenue Frame Work

NALA LOCAL MUNICIPALITY



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OFFICE OF THE MUNICIPAL MANAGER

Municipal manager's quality certificate

I BC MOKOMEUA, Municipal manager of Nala Local Municipality, hereby certify that the Final budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name BC MOKOMEUA
Municipal manager of Nala Local Municipality* (FS185)

Signature 

Date 30/05/2017